

Town of Provincetown
Joint Meeting of the
WATER & SEWER BOARD AND THE BOARD OF SELECTMEN

Wednesday, February 18, 2009
Grace Gouveia Building, 26 Alden Street, Provincetown

Water & Sewer Board Members Present: Jonathan Sinaiko (chair), Mark Collins, Kathleen Meads, Sacha Richter, Moe Van Dereck

Board of Selectmen Members Present: Michele Couture (chair); Elaine Anderson, Mary Jo Avellar, David Bedard, Austin Knight.

Other attendees: Mark Abrahams; DPW Staff David Guertin and Dana Faris; members of the public and the press.

Call to Order

Mr. Sinaiko called the Water & Sewer Board to order at 4:05 p.m. Ms. Couture called the Board of Selectmen to order.

Public Hearing to Change Length and Starting Dates of Billing Periods

Mr. Sinaiko read the notice and opened the hearing to comments from the public. Dr. Rick Murray spoke in favor of the change to two six-month billing periods. There were no letters either in favor or opposed to the change. Mr. Sinaiko then moved, seconded by Mr. Van Dereck, that the present off-peak billing period be extended to April 15, 2009 and that thereafter there be a peak billing period running from April 16 to October 15 and an off-peak billing period running from October 16 to April 15. The motion carried by a vote of 5-0.

Mr. Knight then moved that the Board of Selectmen vote, pursuant to MGL, c. 40, §22F, to approve the recommendation of the Water & Sewer Board. Ms. Avellar seconded the motion, which carried by a vote of 5-0.

Discussion of Proposed Changes to Water Rate Structure

Mr. Guertin explained that the Board of Selectmen had authorized staff and the Water & Sewer board to review the structure of water rates and, in particular, the concept of a basic service fee that would cover the cost of administering accounts and which would foster conservation. Ms. Couture then asked Mr. Abrahams to present the results of the water rate study.. Mr. Abrahams explained that he had studied current usage patterns according to class of customer and that his analysis had been informed by the objectives that the Water & Sewer Board had articulated; namely, that any changes should (1) minimize the impact on the smaller user, (2) not increase the burden on the largest users, (3) eliminate the minimum bill, (4) institute a service fee to recover service costs, and (5) foster conservation. He then presented six options for modifying the water rate structure and an analysis showing how selected commercial and residential accounts would be affected by the various options.

Although it is understood that the retained earnings of the water enterprise fund are not available for use during the current fiscal year owing to the timing of long-term borrowing, it was asked whether those monies could be used in the future to stabilize the water rate. Mr. Guertin stated that the water department will be facing development costs of approximately \$3 million at such time as negotiations regarding North Union Field are concluded and that, to the extent that those costs cannot be offset from retained earnings, the department will have to borrow the needed capital.

[Mr. Richter left the meeting at this point.]

Following a lengthy discussion of the various options, Mr. Sinaiko moved, seconded by Mr. Van Dereck, that the Water & Sewer Board hold a public hearing on March 12 to consider adopting the following rate structure, which had been presented as Option 2:

Basic Service Fee per Account:

Meter Size	Fee Per Billing Period
5/8"	\$ 66.00
3/4"	\$ 72.60
1"	\$ 92.40
1½"	\$ 118.80
2"	\$ 191.40
3"	\$ 726.00

Peak Period - April 15, 2009 through October 15, 2009:

0 to 15,000 gallons	\$5.00 for each 1,000 gallons
16,000 to 40,000 gallons	\$7.50 per additional 1,000 gallons
41,000 to 100,000 gallons	\$12.00 per additional 1,000 gallons
Over 100,000 gallons	\$16.00 per additional 1,000 gallons

Off-Peak Period - October 16, 2009 through April 14, 2010:

0 to 15,000 gallons	\$3.00 for each 1,000 gallons
16,000 to 40,000 gallons	\$5.00 per additional 1,000 gallons
41,000 to 100,000 gallons	\$7.00 per additional 1,000 gallons
Over 100,000 gallons	\$9.00 per additional 1,000 gallons

The motion carried by a vote of 4-0.

Mr. Guertin then presented a schedule of miscellaneous water-related fees, stating that the fees charged did not represent the true cost to provide the service. Mr. Sinaiko moved, seconded by Mr. Collins, that the Water & Sewer Board hold a public hearing on March 12 to consider revising the schedule of miscellaneous charges. The motion carried by a vote of three in favor and one opposed. Ms. Meads, who voted against the motion, explained that her dissent was not based on opposition to the fee increases per se, but rather by concern that an increase in water turn-on and turn-off fees might result in plumbers and caretakers attempting to turn water off and on without contacting the Water Department, despite existing regulations prohibiting same, and might result in damage to Water Department infrastructure and increased leaking at curb stops, thereby increasing the amount of unaccounted for water.

Mr. Faris stated that a number of water districts throughout the state had adopted various programs geared to cushioning the effect of any water rate increase on elderly low-income ratepayers. It was proposed that the water enterprise fund adopt a program that would provide a 50% discount from water user charges for those ratepayers who meet the qualifications for the Clause 41C tax exemption as administered by the Board of Assessors. Mr. Sinaiko then moved, seconded by Mr. Van Dereck, that the Water & Sewer Board hold a public hearing on March 12 to consider such an elderly low-income water-rate exemption. The motion carried by a vote of 4-0.

Adjournment

Mr. Sinaiko moved, seconded by Mr. Van Dereck, to adjourn the meeting. The vote carried by a vote of 4-0 and the meeting was adjourned at 6:15.

Respectfully submitted,

Sacha Richter, Clerk