

Notes on the Worksession of the Water & Sewer Board

Held on January 12, 1999

At the Water Department Office

Grace Gouveia Building This meeting was tape recorded.

The following minutes are available on-line as a service and are not the official record due to changes in formatting for the Internet. The minutes may have attachments that are not included here in this format. The official, complete paper copy can be viewed during regular office hours, Monday - Friday: 8 a.m. to 5 p.m. in the Office of the Town Clerk, 260 Commercial St. Provincetown, MA 02657.

In Attendance:

Sandra Turner

Custodio J. Silva, Jr.

David Perry

David Guertin, DPW Director

Giovanni Cicero

Larry Murphy, Chair

Keith Bergman

Jim Cook

Not in attendance:

Joel Ouellet (unexcused)

Notes taken by Sandra Turner

Worksession on Budget and Rate Review:

Larry Murphy opened the worksession at 1:08 p.m.. Questions on proposed budget?

Custodio: Beach Point line separation- How hard are we willing to fight for this?

Larry: Board's priority. It will run up Route 6 to Mayflower Ave.

Jim: It is in the FY2003 Capital Budget.

David Guertin: David explains the results of the Capital Improvements Program meeting with Keith.

Custodio: Have we satisfied the Fin/Comm 5 year plan?

In order to prevent problems, we need the Enterprise Fund bottom line.

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Jim: We must assume nothing is in there.

Larry: Projected revenue?

David Guertin: Goal for balanced budget (revenues).

Jim: Explains the revenue projection for the 5 year plan.

Larry: There should always be money in the Enterprise Fund

No more questions on the budget.

David Guertin explains costs of in-house help i.e. DPW – isolation of those costs

More accurate of accounting of time in-house.

David Perry: Rent?

Larry: This building (offices)

Jim: Are others in this building paying rent?

Larry: Will look into this?

Custodio: MPL upkeep of wells- shouldn't this be the tourism fund?

Jim: Still money left in original article for chemicals.

David Guertin: Tourism fund – Well at MPL 1.7 million gallons; 160,000 of potable water (on meter)  
Glaring indication of a good system.

Custodio: Board of Selectmen (Jane Antolini pushed the idea, water department originated it) flushing wells.

Keith Bergman arrived @ 1:20 p.m.

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David Guertin: Water Department personnel just failed the tests for Treatment Station Operator. Money is in budget. Both will take the test again.

Keith: Transferred out this year for South Hollow Wells.

David Guertin: Asks Keith about Enterprise Fund.

Keith: Enterprise Fund Free Cash - \$34,000. Books not closed (due to death of Jon Richardson) still FY 98 not closed. Keith agreed to do form of Article in STM which will appropriate Free Cash from Water Enterprise Fund free cash to Article for Water Capital Projects uses (1 x per year). For advanced planning you could estimate revenue of rates are set for 5 year plan. Closing last year's book is priority.

David Guertin: Asked Keith about rent. \$7175.

Keith: Note after surplus deficit put in. We may want to change the way we present the Water Department Budget. Move to a system the Town of Provincetown cuts a check to the Water Enterprise Fund for Town Use (\$54,000). The \$51,700 revenue should show on the books. Especially because we are being scrutinized by Truro. We need to move books to show this – Need more refinements to Water Enterprise Budget . Budget & Debt Service gives us total to adjust rates – in order to avoid rate increases, CIP needs to be changed to Debt Service payments to be able to phase in 13% rate increase instead of all at once.

John Cicero: Free Cash?

Keith: Water Enterprise Fund Free Cash. Reserve Fund assume not spent that would end up in Water Enterprise Fund.

Larry: Do not build up Enterprise Fund.

Keith: yes build it up for major projects.

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Jim: Ideal situation would be for ½ million to 1 million.

Keith: Adopt policy x % equal to one year operating budget in Reserve Fund. Budget needs to be translated into proposed rates.

David Perry: Introduce last year's rate instead of each year.

Keith: No. We need to show for funding CIP.

David Perry: Raise rates all at once instead of over a period of time.

Keith: Yes, you can.

David Perry: Then we don't have to ask for rate increases each year.

Jim: In order to think ahead we have to do rates (stabilize).

Keith: Phase in rates vs. all at once.

John Cicero: Where budget reserve fund?

Keith: Shows John the reserve fund.

Keith: Enterprise Fund free cash does not show on budget. Water \$216,000 borrowing debt service observe \$230,000 water tank repairs.

On Rate: Charging facilities-revenues will be more than 13% needs to find \$729,000 plus \$51,000 need to calculate until rate – Town use is not currently in rate structure. Until increase would not be 13% important when presenting rate increases. Two presentations need to be done.

David Perry: Last page (rate increases) 5 dollar increase maximum 7.82 Board likes this one not even a penny per gallon increase.

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Custodio: First please Town Manager and Board of Selectmen and Finance Committee, can't always pass on to rate users Jim Cook has given us – such as our guys doing work – charge out that time – maybe increase yes but also other ideas.

Seniors – innovative ideas such as low flush toilets – literature – faucets.

Jim: Different Rate Structures – on top of \$5.00 increase, the other rate increases if for higher users to pass on to customers.

Larry: Another step increase?

Jim: We would have to change our entire billing system if we go to a 5<sup>th</sup> step in the rates.

David Guertin & Jim: advocating rate increase burden on higher users – political note- rebate 1.6 gal toilets – to accommodate down the road – do realistically to put us in \$750 - \$780 Revenue

Keith: Minimum not changed – increase on high end going backwards.

John Cicero: This Board is to be run as a business and we are not political.

Keith: Maybe John is correct about the \$5.00 increase on the minimum.

We haven't done (establish rate 2000) if consumption goes up revenue goes up. Project increase of consumption with increase of rates. # of gallons per year x rate structure.

John: Wants to leave before he has to go to work.

Larry: Wants 1 all increase.

Custodio: Wants to know what the increase would be on higher user.

Keith: Remaining 3 tiers greatest consumption levels should be the highest increase so the highest end user pays for the increased use.

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So the highest end user pays for the increased use.

Custodio: Agreement last

Keith: Fees charging for services – need to pay full share for work done by the Town such as:  
Provincetown – Truro split not charging for work done.

John: Pier water users we don't see this revenue.

Keith: Send bill to them each year and not license until bill paid.

John Cicero leaves at 2:20 p.m.

Reviewing Rate Increase Scenarios:

Custodio: When rates to be discussed?

Keith: Tuesday is the meeting – by Friday with synopsis of scenarios – to look over before Budget meeting.

Custodio: Question? How much?

Keith: Do a summary table to show selectmen. Take sample properties Show what bill was and what it will be with this rate.

David Guertin: Directing staff to produce the summary.



Custodio: Has to use other ways for Revenue to decrease water rates.

Keith: Unusual circumstances this year. We won't be so scrutinized in the future. Truro – we are going to do bill the things we are suppose to do. Rates will go up.

Larry: Town-wide survey to check every meter for unaccountedfor water.

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Recommendation Summary Sheet to Board of Selectmen by Friday, noon.

Keith: Have staff generate proposal of rate increases to adopt a formal Rate Structure next Tuesday to formally present your recommendation to the Board of Selectmen.

David Perry: Different size meter charges.

Jim: Request for meter – should go up to reflect real costs.

David Guertin: The amount of meters are small and will not reflect a lot of revenue.

Larry: User Fees in place now. For next meeting we should discuss Turn-ons and

Turn offs.

Keith: Are they standard fees from other Water Departments?

Custodio: Fully supports looking into user fees

Keith: Policy statement – amend regulations to reflect one trip per year.

Larry: Are we in agreement on the rate structure ? Need to decide by Friday.

Custodio: I'm in favor of newest breakdown and user fee structure.

Ask our Town Board of Health to see if a well could be put somewhere on Costa property not necessarily the parcel where the Creamery is.

Larry: Board members review Boards (Truro) recommendations. They will be looking for a recommendation from us on regulations.

Custodio: Move to adjourn.

Larry seconded. Vote in favor of adjournment. 2:45 p.m.

