

A meeting of the Town of Barnstable's Hyannis Water Board was held on September 29, 2009 at 3:45 PM in the Growth Management Conference Room, 367 Main Street, Hyannis, MA.

In attendance were Deb Krau, Skip Simpson, Tom Holmes, Rebecca Baxter and Peter Cross.

Staff present were Mark A. Milne, Finance Director, Hans Keijser, Supervisor, Water Supply Division and Dale Saad, Ph.D., Senior Projects Manager

Also present were staff from United Water: Ken Maltese and from Municipal Financial Services: Lisa Zotomer and David Hyder.

Public present: none

A quorum being present, Chair Krau called the meeting to order at 3:53 PM.

The Agenda was approved.

The Minutes for the September 8, 2009 meeting were approved as written.

Coliform report – Maltese said sample testings have showed no additional hits and said the matter should be resolved soon. Maltese provided the Board with a written report outlining steps taken and being taken to resolve the violation. Keijser received only two calls from the public. Krau said that there should a public relations campaign in the form of a bill stuffer to remind seasonal customers to open their taps when they return. Maltese said that chlorine will be increased as a safety precaution in the summer.

Keijser said the Mary Dunn well is offline while paint blistering is repaired and cleaned, this should take 2 to 4 weeks.

The Accounts Receivable change over is very close to completion. Rob Johnson of United said the Pennichuck report is in sync with United. Milne said he has been in contact with United to work it all out. Payovers are being made on a daily basis, ~~but~~ some accounting reporting issues remain. Once the accounts are reconciled from the first of the fiscal year, it will fall in place.

Liens. Keijser recommended continuing collections rather than going to lien process. Amounts that are overdue are not large and many of the properties are known to be in financial trouble. Liens can only be filed for accounts billed after April 19th. He feels that \$50 is a reasonable threshold for shut off notices. Simpson asked can we continue what we are doing. Cross likes shut offs.

A Motion was made and seconded to leave the collections process as it is for this year with a \$50 threshold for shut offs.

VOTE: Unanimous in favor

The Agenda items for review of the Rules and Regulations and the Silent Spring study were deferred to later in the meeting

Lisa Zotomer and David Hyder from Municipal Financial Services presented Progress Meeting #2 of the cost of service study.

Hyder said the focus for this meeting is on rate fees, reducing the usage blocks to capture 90% of usage in first two of three blocks. With regard to revenue requirements – do we want to change the phase-in of planned replacement funding? The objective is to fully fund depreciation in the rates with funding at 40% by FY 2018.

The Board reviewed five options for raising the revenue necessary to pay for all operations and the capital plan. All options raise sufficient revenue to fund operations. Option 1 bases billing primarily on usage with a fixed service charge. Options 2-5 produce more revenue from fixed sources, depending less on usage. Option 5 throws more of the costs to commercial accounts. It is a transfer of where we now get our money to hit more commercial accts.

Baxter prefers option 4, Simpson and Cross agree.

For discussion purposes the Board threw out options one and five- bBecause option one does not delineate a fire protection charge and option 5 transfers too much of the revenue generation to the commercial accounts.

Option 2 is the method the Hyannis Fire Commissioners recommended, divide the amount required for fire protection by the number of accounts. This would equalize all accounts to the same fee and represents an 18% increase for the smallest customer and has less effect on the commercial accounts. Cross said there has to be some basis on liability and exposure, he likes the square footage of usable space as a basis alternative. Baxter and Holmes agree with Cross. Simpson said this option adversely affects small users, but it doesn't nail anyone hard. The Board eliminated #2.

Options 3 and 4 both use square footage of improved building space as a determinant for fire protection. Option 3 bases customer service fee rates on the account, option ~~by~~4 on the meter size. Keijser said we have been trying to downsize meter sizes where they are not necessary.

Only 61 accounts have a meter larger than 2", out of 7,100 accounts.

~~For 91% of the customers there is no difference between options 3 and 4.~~

Are we in agreement to use square footage as the determinant? Cross would like to see the effect this would have on the large commercial users by each option, as compared to the current rates.

It was agreed that the consultants would run out each scenario over the years to get a better picture of the impact of each option for all customers. They would also run fee projections for FY 2012 and 2013 so that we could see the full effect of the loss of revenue from the fire department.

Cross said that the non-profit agencies must be made aware that they are now going to pay for the fire protection that they have been exempt from in the past.

The Board was asked to review the Silent Spring detail in their package. The Cambridge Water Department has worked with them. The question was asked - What if you don't like what the results are? We also need to be concerned about how information goes out to the public. Keijser said the Barnstable County Water Association has been discussing this issue for the past year. Baxter feels there is a responsibility to participate in the study.

A Motion was made and seconded to participate in the Silent Spring study.

VOTE: Unanimous in favor

Due to the lateness in the hour, the Board deferred the remainder of the Agenda to the next meeting.

The meeting was adjourned at 6:20 PM.

Respectfully submitted,

Denise Geoffrion