

NORTH SAGAMORE WATER DISTRICT
MEETING MINUTES AUGUST 16, 2023

The North Sagamore Water District Board of Water Commissioners held their monthly meeting on Wednesday, August 16, 2023 at 4:15 pm at the North Sagamore Water District office, 14 Squanto Road, Sagamore Beach, MA.

Chairperson Mark Bergeron called the meeting to order at 4:15 pm. Those in attendance at the start of the meeting were Commissioner Mark Bergeron, Commissioner Mark Melchionda, Superintendent Matt Sawicki, Treasurer Maureen Fruci, and ResilientCE engineer, Kristen Berger. Commissioner Mealy joined the meeting at 4:25 pm.

APPOINTMENT WITH ENGINEER KRISTEN BERGER TO DISCUSS THE RATE STUDY

Commissioner Bergeron said Ms. Berger and Superintendent Sawicki did a great job putting together the information for the rate study. Ms. Berger explained that they looked at the current rate structure considering ongoing and future expenditures so the District won't end up in a deficit. The rate analysis is being performed using industry standards looking ahead 5 years. Ms. Berger said looking ahead longer than that is less reliable.

Ms. Berger reviewed the District's current water revenues including consumption and base charges, fees for turn ons/offers, new service and connection fees, backflows and fire service, taxes from the towns of Bourne and Sandwich etc. Ms. Berger said the majority of revenue is from taxes and water consumption charges but even with increased taxes it is not enough to cover expenditures. Rates will have to be raised. She added, water rates have not been increased since 2014. The current rates with a base charge of \$60.00 per year and 3 tiers for water usage meets DEP standards for increased cost for increased water use. Ms. Berger said the District can choose how to raise the rates, as long as each tier is higher than the one before.

Superintendent Sawicki said with the tax rate recap each year the towns ask for an estimate of water receipts for the upcoming fiscal year. He said the District needs to ask for more money at the recap. He said the goal is to bring the District to a 50/50 split with taxes and water rates. He said the tax rate shouldn't change, but water rates will slowly rise to meet the tax rate.

Ms. Berger reviewed the District's capital improvement projects that include the Phillips/Norris Road water main projects, maintenance type projects such as the Church Lane well rehabilitation, new well permitting and design, beach well rehabilitation, Black Pond replacement well in FY27, and finally the design of phase 2 of the Phillips Road water main replacement in FY29. She said raising the rates now will lessen the blow of the capital projects. She explained that by FY29 the District will have an additional \$582,000 in revenue. She recommended raising the rates slowly over 5 years so it will be less of a shock to customers. She also suggested, it is something the Board can revisit each year.

Ms. Berger said the goals for the District would be to meet the water revenue forecast of an additional \$582,000 in FY29 with rate increases spread out over 5 years. She said they have come up with 3 separate options:

Option 1 – target approximately 25% of annual revenue from the base charge and each tier. This option meets the projected revenue needs.

Option 2 – generates more revenue from the higher tiers. This option is subject to greater fluctuations since less water is used in wet years, therefore less reliable for meeting revenue goals. This option meets the minimum goal based on an average year.

Option 3 - generates revenue from the lower tiers, there is more stability, but may not be best to get revenue from lower users, base charge would increase the most. This option meets the targeted additional revenue needed to avoid deficits.

There was a discussion about how the different options will affect each billing cycle. Ms. Berger asked the Board to look at the different charts and graphs she provided. Ms. Berger said she was surprised how many people don't use that much water. Superintendent Sawicki said he doesn't think adding an additional tier will help. He suggested adjusting the tiers may be a better option. There was a discussion regarding some of the many options, adjusting one tier or another to try to capture the most usage.

Ms. Berger asked if quarterly billing could be an option. The Superintendent said it would be very time consuming. It takes approximately 4 weeks for each billing cycle between preparing the lists in the computer, readings, processing the bills and stuffing envelopes. She said maybe in another 10 years technology will improve and maybe make it easier to bill. Commissioner Melchionda said he doesn't think adding another tier is necessary.

Ms. Berger showed a comparison on page 32 which shows how smaller users would be impacted. She suggested a \$100 increase would be a big deal to those customers. Whereas, tier 3 customers really aren't affected differently on any of these scenarios. Commissioner Melchionda said he thinks option 1 is the best. Commissioner Bergeron agreed saying it seems to be the fairest. The Superintendent said he thinks it would be a good idea to make adjustments and come back with the results at the next meeting. He asked if the Board would consider choosing 1 or 2 of these options in order to cut down on the comparisons. Commissioner Bergeron said yes and suggested the tier be lowered in option 1.

Superintendent Sawicki mentioned that since the bids came in lower than expected for the Phillips/Norris Road projects perhaps they can adjust the numbers for the rates. Ms. Berger said it is good to walk through these scenarios to see how customers are impacted. Commissioner Melchionda said option 1 seems to be the fairest and offers more stability. Ms. Berger agreed saying the District wants to make sure they have enough revenue. She said if the numbers shift too much to one tier, customers may cut back and conserve. The Superintendent said he thinks it would be a good idea to put some rate study information on the District's website in the fall.

There was a brief discussion regarding raising fees for other charges such as connection and service installations, backflows etc. Commissioner Bergeron said maybe there could be an increase across the board due to inflation. Ms. Berger said she can get a vendor price for backflows to see how it compares to the District price. Commissioner Melchionda asked if perhaps there could be higher rates for commercial accounts. The Superintendent said many of them use very little water and he is not sure it would be worthwhile.

Engineer Kristen Berger left the meeting at 5:30 pm.

DISCUSSION & POSSIBLE VOTE ON APPROVAL OF SPECIAL DISTRICT MEETING MINUTES DATED 7/12/23

Commissioner Melchionda made a motion to approve the meeting minutes dated 7/12/23 as written. Commissioner Mealy seconded the motion. The motion was accepted.

DISCUSSION & POSSIBLE VOTE ON DISTRICT EMERGENCY NOTIFICATION PROCEDURE

Superintendent Sawicki provided the Board with DEP's Tier 1 notice law for emergency notification procedures. He explained that when a positive test result is received first DEP is notified, a repeat sample is

taken, results are received and then public notification is given. Commissioner Melchionda asked if the well would be isolated right away. The Superintendent said yes.

Commissioner Melchionda said he is concerned about the confusion surrounding the 3 different water districts in the town of Bourne. Commissioner Mealy suggested the District put a map on the website so people can see how the Districts are divided. The Superintendent said that is a good idea.

The Superintendent said he thinks it would be a good idea for the District to have its own notification system. He suggested having a pre-written notification ready to go and a map of the District on the website which shows the 3 water districts so people can see which one is NSW. He said graphics are good for people to see. Commissioner Melchionda asked about protocol for employees. The Superintendent said they only do samples when he is here. Bacteria samples are done on Mondays. Additionally, samples are not done if somebody is on vacation. Commissioner Bergeron asked if this would be something District residents would have to opt into. Superintendent Sawicki said it is. He said the District could do a specific mailing to residents just for this purpose. Commissioner Mealy asked how the system would be maintained. The Superintendent said it is a cloud based system. Residents would sign up to receive notifications via text, email or phone call. The Board agreed that after the confusion that ensued with the recent boil water order in Bourne Water District this could alleviate the confusion and chaos in a situation like that.

Commissioner Melchionda said the District could also use the system for other notifications such as when water needs to be shut off for a repair or other information needs to be given to District residents. The Superintendent said that even if 25% of District residents sign up, word of mouth will also help get the information out. Commissioner Melchionda said when residents come to the office staff could ask if they are signed up for the notification system. A link could also be put on the District's website. Commissioner Bergeron said a notice could be included with the water bills in January as well. Superintendent Sawicki said he will draft something for the next meeting.

DISCUSSION & POSSIBLE VOTE ON BID OPENING FOR WATER MAIN IMPROVEMENT PROJECT

Superintendent Sawicki provided the bid opening results to the Board. He said the contingency was added, 25% additional for engineering, police details etc. He suggested the District borrow \$2 million which is still \$750,000 lower than what was first estimated. Commissioner Melchionda asked if hydrants could be replaced. The Superintendent said yes there are 35 hydrants that need to be replaced. He said they are not on the plan to replace them now, however, it would be something positive that residents would see in the District. He said they will wait until the end of the project. He also suggested fixing the tops of the drains that are crumbling. He asked the Board if they are comfortable with that number. The Board agreed with adding the extras and said it is a good number. He said they can accept the bid and vote on the bond at the next meeting.

SUPERINTENDENT'S REPORT

Superintendent Sawicki provided the Board with the pumping numbers. He said lead and copper samples will be done this month. He also told the Board according to the August ground water level there is no concern about droughts at this time.

The Superintendent told the Board he received an application for a special permit for site plan approval from Sheridan Home Builders for 371 Old Plymouth Road. He said it is another flex building with garage space. It is currently being reviewed by the town of Bourne Planning Board. He told the Board he sent a letter to the Planning Board addressing his concerns. Commissioner Mealy asked if there is verbiage for a special permit.

The Superintendent said yes and it is open for comments until 9/14/23. Commissioner Melchionda asked how much water they will be using. The Superintendent said 400 gallons per day. He also added this is only part of what the owner is planning to build on the property. The Superintendent said he told the owner he will need to let the District know about any future plans for the property before anything is approved.

The Superintendent will be away on vacation from 8/25-8/30/23. He will be having one eye surgery on 10/18/23 and the other on 12/14/23. He will be taking a couple of days off for each surgery.

TREASURER'S REPORT

Treasurer Fruci informed the Board the water bills were issued in mid-July to 1,893 accounts with a total commitment of \$171,650.36.

The FY20, FY21 and FY22 audits were emailed to the Board. The Board asked if there are bound copies of the audits like the District received in the past. Treasurer Fruci said they only provided electronic copies but she will check with the auditor.

OLD BUSINESS

None

COMMISSIONERS COMMENTS/SELECT NEXT MONTHLY MEETING DATE

The next meeting is scheduled for September 14, 2023 at 4:15 pm.

ADJOURN

Commissioner Melchionda made a motion to adjourn the meeting at 6:14 pm. Commissioner Mealy seconded the motion. The motion was accepted.

Respectfully submitted,

Maureen Fruci
District Clerk