

Cohasset Advisory Committee
Thursday, April 1, 2021
Virtual Meeting Zoom Video
7:00 pm

Pursuant to MGL c 30A Section 20(b), following Governor Baker's declaration of state of emergency in the Commonwealth arising from COVID-19 Pandemic, the Committee will meet virtually utilizing technology. **All votes will be taken by a Roll Call Vote.**

This meeting was recorded

Documents Received: Water Budget Presentation Snapshot and Water FY 22 Budget.

Meeting was called to order at 7:04 pm

Advisory Committee Members in attendance: Jean Healey Dippold, Lee Jenkins, Helene Lieb, Mary McGoldrick, Rob Hillman, Fran Collins, Meg Wheeler.

Guests: Chris Senior, Bill McGowan, Don Piatt, Leonora Jenkins, Jason Frederico, Stephen Girardi.

Sewer Rate Increase (Article 4) & the Sewer Budget

Bill McGowan of the Sewer Commission presented.

Proposing a 10% increase. The Sewer Department has not adjusted rates since 2017. Looking to go from \$9.51/HCF to \$10.46. This is because:

- Changed to Woodard & Curran – that resulted in a cost increase.
- Electricity rates have increased by 7%
- Costing us more to operate, such as costs of material.
- They did a rate study and our base is \$43, and usage is \$9.51; By way of comparison: Hull is \$45 base fee and \$15.05 usage fee and Scituate is \$65.40 and \$5.24.
- We are taking in more volume.
- To balance the budget, they need a 10% increase.

Questions about:

- Where does sludge go: Rhode Island
- Are the snakes are running more efficiently: yes.
- Are there cost efficiencies where the sewer and water operator the same: not necessarily due to separate contracts.
- Capital needs: they feel good at Stata system or membranes, they need sludge thickener and other items, and are putting together a five-year capital plan.

Woodard and Curran came in they did a capital assessment a few years ago– they haven't finished it yet. Bill M. will share it, and then we'll circulate it.

- Is the uptick in costs are due to pandemic: probably not much given fixed expenses.
- Is there buffer to account for increase costs: maybe they'll do a 1.5 cost escalation.
- Will the increase of 10% help with the capital plan: no, we'll need to discuss membranes and other costs.
- Is there opportunity for solar panels: no, no roof space: all roof space is for the blowers.

Discuss occurred relating to regionalization, including pros and concerns, and considerations:

- Concerns about people getting priced out of Cohasset due to the utilities.
- Ongoing conversations with Scituate and Hull about regionalization: Scituate doesn't have capacity but lower rates. Hull has capacity but high rates.
- Regionalization was not working on the Cape due to financing challenges but we are opening the discussion.
- Once you have more sewer you can development.
- Our Board has been talking to Hull for the last six years. Regionalization of sewer plant – you have one plant – but you're at the control of that Town.
- Woodard and Curran runs Hull. Wouldn't Hull's rate go down if they have more effluent. Cohasset argues we already have a line and don't need a capital recovery fee. But sending them that, it would cost us a lot of money.
- If you have a central plant, you have economies of scale. You have people from all of the towns on the Board.

Discussion on if we saw a rate increase for 10%:

- Is there anything in the Capital Budget Plan to add to the Plant's efficiency? Got a grant for LED lighting, trying to reduce humidity in the plant.
- Any outreach with AEC? Apart from LED lighting, no.
- Considering green technology? We should be considering it. If we moved plant to a field of green, EPA is asking to spray on a field to replace ground water.
- Do we have a sense in what this will cost the average household? No – Advisory committee members recommended the Sewer Commission understand and provide that information.
- Sewer rate increase is based on where we are set right now, and not sewer capacity increases, including if the capacity goes above 80%.

Advisory Committee noted that we are unable to vote on the Sewer rate increase article unless we see the language. We can expect text on Article 4 soon, prepare to vote next week, along with the zoning articles and Town Hall. We will also receive a range or average of the cost increase.

Don Piatt gave a brief presentation of the budget and referred to the above discussion relating to Article 4.

Water Rate Increase (Article 3) and the Water Budget

Water Commission called to order. Leonora Jenkins of the Water Commission presented along with Jason Federico, Town Engineer assigned to Water.

She first noted that the Water Commission decreased their rate 10% in 2013 & has not increased it since. This is the 3rd 10% Sewer increase in 8 years and if you have a 10% sewer raise and a household uses 2,000 cubic feet, you would have a \$19 increase per quarter for Sewer.

As to the Cohasset Water Rate Study & Budget, Jason Federico presented:

- Capital Recovery Fee: this will be converted to a base service charge and all charges go to the same pool of money.
- Capital improvements are for reliability and safety of water.
- There is a 10 Year Capital Improvement plan and capital expenditures are going up.
- As to a five-year projection, the debt is going down, but operating cost are increasing
- We need to increase rates by 2.5% each year, and a third tier was added to equitably distribute costs by HCF. The projected revenue is \$226K.
- The effects on the average customer quarterly bill is an \$11 increase.
- The entire capital plan is driven by capital GAC (for the removal of THM and PFAS). Goal is to eliminate those agents. Cost of the GAC system is \$3 million project, plus \$300K in maintenance.

Questions/discussion about:

- The Third Tier and how apartments & commercial fit in – the Third Tier won't be applied to commercial and apartment buildings with one meter, so they will be in the original two Tiers, not in the Third Tier. At the last Rate Study, it was determined that multi units with one meter should pay 1 Full Recovery Charge with the additional units each paying half. That would have all users paying into the system an equal amount for water usage.
- In 2013 they decreased rate and have not increased them.
- Linden Ponds getting a rate increase: yes, they get rate increase as a part of the contract as their contract is based on MWRA rates & increases.
- Rationale behind Tier 3: people in this Tier use a lot of water, particularly for irrigation, and will have high increases. The goal is to mitigate the irrigation demand and keep water usage at 65 gals/day person max per the state guidelines. Question about why we care about surface water, if we have plenty. There is a penalty cost imposed by the State for going over the recommended usage.
- If you have an apartment building with one meter and four units, they will be in the first two tiers. If you put a meter in every apartment unit, they would be charged per the unit as a regular home. During the last Rate Study it was

determined that with the inclusion in Tier 2 multi units with one meter pay about the same for water and a 1/2 Recovery Charge as they would if each unit received their own individual Recovery Charge.

- As a result of changes in Tier 3, they pushed out \$50,000 due to commercial and apartment buildings and, to make up for that lost projected revenue, they increased the municipal (Town) accounts from Tier 1 to Tier 2. They indicated that the Tier 2 Rate for the town was eliminated over 8 yrs ago and it can be restored to help eliminate the last-minute loss from eliminating the commercial & apartment accounts from the current Rate Study. They increased the municipal costs because the rate payers are concerned because the entire Town uses the buildings and water customers would like the entire town to pay equitably for water use in Town buildings.
- The capital recovery fee will be changing to be known as a base rate.
- The biggest driving force is contamination – PFAS and THMs – and estimates are \$3 million investment to mitigate the pollution. Ellms Meadow is offline due to a PFAS reading over 20. But we don't want the water to be contaminated. Stephen Girardi noted that once the GAC system goes in for PFAS, there's an annual maintenance fee of \$300,000. Want to provide the residents with good quality water and that maintenance is important.
- Ellms Meadow testing done – original testing done at PFAS– originally at 70, now at 20. The state max # for the general public is 70 but it is 20 for pregnant women and nursing mothers. Did some sampling at the summer – had one hit above 20. No idea of the source.
- Is there any effort to find the source? Well water is cheaper than surface water, so are we getting Elms Meadow online. We received a grant to pilot a possible treatment program, but finding the source may be more expensive than treating it. The treatment may also be more expensive than reopening the site. It was noted that the bond for revitalizing the wellfield will not be paid until 2025.
- The Water Commissioners have been trying to stop the neighborhood from dumping there for 10 years but cooperation has not been forthcoming from the neighbors and town. The Water Dept just got a request from Mass Department of Agricultural Resources to test for Glyphosate. That chemical is an active ingredient in herbicides such as Round Up.
- Question about whether they are testing water at the dump. Answer appears to be no.
- Don Piatt stated that moving the Town from Tier 1 to Tier 2, means an additional \$70,000 charged to the Town, with the majority (\$60,000) hitting the school. This proposal just was voted on Tuesday, not accounted for in the Town or School budget.
- Stephen Girardi stated that once the GAC system goes in for PFAS, there's an annual maintenance fee of \$300,000. Want to provide the residents with good quality water and that maintenance is important.
- School Budget – is the School aware of this, Patrick Sullivan likely has not had this estimate yet.
- Discussion about whether it is too late in the budgeting cycle to move the Town into Tier 2.

- What is the revenue v. burn rate, is that held against future capital? With retained earnings, we're at \$1.3 million or 26% of budget. Maybe use \$500,000 for upcoming project. They have strong retained earnings, budget surplus, so it is hard to swallow charging the Town 70,000 more.
- Water Commission says they moved the Town going back to paying Tier 2 again because they were looking for a way to compensate for this last-minute loss from apartment and commercial use in a Tier 3 that was a part of the projected monies needed for capital projects.
- Commercial usage was affected in all 4 quarters, what they need, but are not excessively using. The idea of the Third Tier is to affect excessive usage, and the commercial users were not viewed as excessive users.
- Can you move the \$70K from the municipal budget, which is late at this time.
- Questions as to whether the retained earnings line able to take the hit for the municipal budget; who should be paying for the water being paid by the school; and whether this is the wrong time in the budget cycle to make this change? There were surpluses in previous year and they project a net positive this year. Don P. expects there will be a few hundred surplus this year.
- Suggestion to keep the Town in the Tier 1 rate for another year, then proceed with the rate study and transfer the \$50k in there. LJ noted that we do have capital projects. We will have a tight budget if we don't have wellfield online and a lot of work out there. Not sure where we can cut. There are also a lot of variables, such as climate, new development, and new other factors, to account for.
- If the Water Commission has a 900K surplus, minus any encumbrances, the remainder are retained earnings. Then we can use retained earnings for anything, it's like free cash, one-time costs, capital costs etc. Note: Water Commission projects retained earnings in its rate study when projecting rates.
- Motion by Stephen Girardi to put municipal buildings in Tier 1, then move forward with the rate study. Amended motion by Lee J. – put municipal buildings in Tier 2 next year and move forward with the rate study this year. Stephen G. said no: revisit means voted a later date, rather than automatically triggering the Town going to Tier 2 next year. Discussion about revisiting versus automatically triggering ensued. Certain Advisory Board members suggested the former was preferable to get the rate study passed.
- Stephen Girardi's original motion is on the table: Lee Jenkins and Stephen Girardi voted aye.

The Water Commission now has to adjust the budget at the next meeting by \$50,000 to make up for the lost revenue from the loss of apartments and commercial buildings. Water study and article to be discussed at the next Advisory meeting.

A motion was made by Lee Jenkins to adjourn the Water Commission meeting at 9:15 p.m., seconded by Steve Girardi. Vote was unanimous.

Discussion of recurring meetings and articles:

- Unpaid bill just emerged from the Tidal gate.

- Supplemental appropriations because of a change in debt still needed to paid from prior Town Hall design.
- Don would ask for an amendment from the supplemental appropriations, some debt is not being paid as aggressively as we thought it was.
- Tennis court study is now a field study. New request is for \$40K to assess the creation of courts and fields and allow us to site as many three new fields. Can we make it work with drainage, etc. It will encompass all available town lands, including possible land that is not fields. C. Senior will send an updated warrant.
- Safe Harbor withdrew their request.
- Green light to put the Affordable Housing Trust article.
- The Town Hall Committee will come back to us next week. The Committee has been working with the Capital Budget Committee, considering narrowing the footprint, and discussing financing. They will vote on it and come back to us with a decision.
- Bus storage facility – trying to find a place. Maybe a green facility. This may come back on the warrant.
- Joint Meeting with the Select Board, CPC, and Capital Budget:
 - Capital Budget has reviewed all proposals (which are 1.5 years of proposals) and they will be recommending \$3 million worth of proposals.
 - CPC’s proposal is almost done, will try to get it to us tomorrow, and are recommending it on Monday. Split vote on the Second Congregational Church. Request to circulate applicable materials into the Microsoft Teams, including the legal memo from Paul DiRensis.
- For next Tuesday’s Joint Meeting, Chris S. to help us post an agenda with the separate zoom link for the Capital Budget and CPC. Starts at **7:30pm** (not 7:45)
- For next Thursday, zoning articles – they go first; Town Hall goes second.

Minutes

March 25th Minutes

Motion to approve by Lee Jenkins. Second by Helene Lieb. Rob Hillman, Jean Healey Dippold, Lee Jenkins, Fran Collins, Mary McGoldrick all voted aye. Meg Wheeler abstained.

Adjournment

Motion to adjourn by Lee Jenkins, Second by Fran Collins. Fran Collins, Jean Healey Dippold, Lee Jenkins, Meg Wheeler, Helene Lieb, Mary McGoldrick, and Rob Hillman voted aye.

Adjourned at 9:38 p.m.

/s/ Jean M. Healey Dippold