

# WATER AND SEWER COMMITTEE MEETING MINUTES

TUESDAY, FEBRUARY 27, 2018

In attendance: John Scenna (Chair) – Director of Public Works, Art Flavin – Treasurer, Elena Proakis Ellis – City Engineer, Scott Forbes – BOA Representative, Patrick Dello Russo – CFO/Auditor, Ken Truesdale and Mary Werler – Citizen Committee Members, Donna Cardillo – Enterprise Fund Manager, Lisa Patterson – Water and Sewer Administrator, Amy Heidebrecht - Clerk, Gerry Mroz.

The meeting was opened at 3:00 PM.

## 1. PAST MEETING MINUTES

John Scenna presented draft meeting minutes from Tuesday, January 30th which had been emailed to the Committee members in advance to the meeting.

Art Flavin made a motion to accept the set of minutes. Scott Forbes seconded. All approved the set of minutes.

## 2. PUBLIC PARTICIPATION

Patrick Dello Russo made a motion to open public participation and Scott Forbes seconded. All approved.

Gerry Mroz from 62 Mt. Vernon Street asks the Committee to help educate the public on I/I. He says he is hoping we can invest more in I/I instead of the MVMMS auditorium. He also asks if we can put out the agenda a week in advance so the public can have more notice.

Art Flavin makes a motion to close public participation. Donna Cardillo seconds. All were in favor.

## 3. OPERATIONS UPDATE

John Scenna reports that the MWRA is repairing their transmission system on Ravine Road. Today they reconfigured the system, which can cause some rusty water so we put out notifications. We are feeding Stoneham some water as part of this. MWRA's reconfiguration shut off how they feed Stoneham, so now we have to feed Stoneham after we receive water from the MWRA. John further explains that he is on an email chain with Elena Proakis Ellis and part of that includes how the MWRA is going to account for that water. In this case, water is coming into Melrose and we are supplying Stoneham water through an unmetered mutual aid connection. He says we are watching it and will make sure we get the credit we need when the rates are set, and MWRA is aware of the necessary adjustment.

John also provides an update on the 58 lead replacements we will be performing per the DEP mandate. We will start preparing for that soon and will try to tie in those replacements with our road program or other work areas. Mary Werler asks for further details about the lead replacement. John Scenna explains that there are two components to a water service. The first is from the connection at the main to the curb stop. The curb stop is somewhere in the sidewalk, we like to put them on the property line now. The portion on City property is owned and maintained by the City. The portion on the private

property is owned and maintained by the homeowner. Elena Proakis Ellis goes into further details about our requirements. She says that the 58 lead service replacements is an estimate based on 7% of our total lead service lines remaining in Melrose. We are creating a database to get a more accurate number. The lead replacements are only required in the year following when we exceeded our action levels for lead. This happened two years ago, then in 2017 we were not under that mandate. We still replaced some lead services in 2017 where we were paving the streets or replacing the water main. Elena continues that we exceeded again in September of 2017, so we have to replace the 7% this year. We will have another round of testing in March 2018 and another one in September 2018. If we pass both of those, we will not have to do another 7% of lead services and we can go back to just doing the replacements when we are doing other work. Elena says that the ultimate goal is to have all of the lead out of the street and strongly encourage replacement for anyone with lead on their private property. Mary Werler asks what percentage of Melrose still has lead services. Elena answers that our estimate is a little under 600 services out of approximately 8000.

John Scenna reports that the Warwick Road water main project will pick back up this week. There will be four to six more weeks of work to complete water services and gate valves.

Elena Proakis Ellis reports that Rapid Flow has still been working through the winter because they can work in 25 degree weather or above. They have completed almost all of the 33,000 linear feet of sewer pipe lining. Their contract was for roughly 1.1 million dollars and they have completed over \$700,000 of that work through January. We will not know how much infiltration this project has removed until we see the post-lining inspection work, but we expect it will be substantial. Ken Truesdale asks if the process is iterative. Elena responds that it is iterative as we move through the five sub-areas, but we are not at the end of the work needed in the first five areas. She explains that the lining is what we are able to do as a trenchless technology, without excavating. We have a list of other defects that require excavation that we will be bidding this spring. We also have manholes that we can have cement liners sprayed in if we decide that is the next thing that is most cost effective. She continues to explain that infiltration coming into the mains we can handle with the liners, but the infiltration coming into the laterals is owned by the homeowners all the way to the main. We have not touched them and those have the potential to contribute to infiltration, so that is something we can consider in the long term. The last piece is public education on inflow, on illegal sump pump connections, foundation drains and roof drains. Elena adds that most people do not know that they should not take the discharge hose from the sump pump and put it in their basement slop sink.

#### **4. UPDATE ON IMPLEMENTATION OF MONTHLY BILLING PROGRAM**

Donna Cardillo says that we just sent out section E inserts and we received 96 responses, which is roughly 6%. We have sent out monthly billing inserts to four out of six sections. We currently have 385 accounts enrolled in monthly billing which is approximately 6.6% total. She says that we have had a couple residents who signed up for monthly billing and have asked if they can go back to quarterly. She says that we are not allowing them to go back because there is a lot of work involved with switching them over and it makes it very difficult to pull up their history. She is encouraging them to stay on it for at least a year. She says that she hopes the Committee will have a decision in a year as to whether we are switching over to only monthly or keeping it as both quarterly and monthly. Art Flavin states that this Committee is not in charge of that policy, that it is the DPW's decision to make. He adds that the Committee is in charge of the rate and the rate only.

## **5. MWRA ADVISORY BOARD INFORMATION**

Elena Proakis Ellis provides an update from the Advisory Board's operations sub-committee meeting. We have three wastewater flow meters coming into Melrose from Wakefield and Stoneham, and two meters as the waste water leaves the City. Our flow is calculated by taking the amount leaving the City, then subtracting out what is coming into the City from those other communities and that difference is our flow. Elena explains further that those meters are being replaced. She also says there are some small areas from a topography perspective that have to tie directly into Melrose from other communities without being metered. They do a calculation based on the area, the number of homes and how much waste water they would typically contribute. They subtract it off of ours and they add it onto Stoneham's, for example. The MWRA is going to be looking at those areas to see if they should be metering them separately. Technically if there was a major sewer break in those small areas, we would be paying for their infiltration. MWRA is in the design phase right now and the work will start in some time in 2019. Elena continues that from a rate assessment perspective, they are going to freeze everybody's usage when they start the project. They are going to make assumptions from prior data for that time until they are done.

Elena also says that they are preparing for the next phase of the I/I loan program. In fiscal year 2019 she hopes that they will have more money available to us. She reports that by the end of this open cut project we will have spent all of the money that we have, which is just over 2 million. Art Flavin asks if we will be doing anything before June 30<sup>th</sup>. Elena says no.

## **6. PRELIMINARY FY19 MWRA RATES**

John Scenna explains that we like to take a look at our history for the last five to ten years before setting the new rates to see what that rate does to the average bill. Patrick Dello Russo has a history from 2013 for Mary Werler since she asked about that at the last meeting. John Scenna says that we will make copies and send the out to the Committee before the next meeting so that we all have a background to study. Donna Cardillo says that during the drought we brought in a lot more money so that kept us afloat for a while. She reports that our consumption is 9% lower than last year and she thinks that this year will be a little tight. Art Flavin says that the lien environment will change with the \$10,000 cap. He says that there will probably be fewer people that will lien their water and sewer bills. John Scenna says that we have the preliminary rate package from the MWRA (see attached). The top grouping of people are those who are 100% fully served for water and sewer assessments for Melrose from MWRA in FY19. We are looking at a 2.2% increase in water and a 2.9% increase in sewer. The average of all the communities is going up 4.2% in water and 3.9% in sewer. Elena Proakis Ellis says that the rate increase in general is 3.9% across the board when averaging both water and sewer. John Scenna points out that we are below the average on both. Art Flavin asks about the impact of the drought. Elena says that should not impact us because that was the summer of 2016 and we are past that now. She further explains that it would have impacted the FY18 rate not the FY19. Ken Truesdale asks why Chelsea ended up with a 13.7% increase and Melrose is 2.2% increase. Elena says it is metered use from the last calendar year; it is a percent share. Donna Cardillo says that with Chelsea it could be that they have numerous leaks, or they are not conserving or they could have increased development. Elena says that the sewer rate is more complicated because MWRA uses a three year average based on multiple factors and parameters.

## **7. OUTLINE OF FY19 RATE PROCESS**

John Scenna explains that there are many pieces of information that help determine the equation for the new rates. He says that salary and wages contribute to it and that there will be a new collective bargaining extension in the next ten days. He continues that direct expenses, material costs like equipment, contractual costs, costs of postage and other operational expenses are all factors. We will be working with Art Flavin on our debt model to determine what is on the books today and what will happen if we want to propose new projects. John says that we will work with Patrick Dello Russo to consider indirect costs such as benefit packages, pensions, health insurance, Medicare, etc. Another piece of the indirect expenses are for services provided by the accounting, auditing and treasurer's departments. These are all vetted by the Department of Revenue. John says that discount programs, liens and municipal water use will impact the rate, too. Last year we did not allocate any funding for reserves; for the prior three or four years we built reserves into the rate. Our goal for the next meeting is to have a new rate presented. Then budget goes to the Board of Alderman the first Monday of May. Lisa Patterson says that keeping the rates the same last year gave the residents a chance to understand their consumption. She says that it is easier now that there are two tiers instead of three tiers. Patrick says that we have to give time for the model to work and we need that consistency. This has been the second year on the two tier system. Elena says that there was not an increase in water and only a slight increase in sewer through the MWRA last year and that was a big factor as to why we did not have to raise the rates. This year we have increases that we have to account for somehow. Elena continues to explain that when we had a consultant two years ago, we established a goal of having our base fees be approximately 10% of our operating budget, with the knowledge that the fixed costs of running our system are a large percentage of our costs. The MWRA portion is a variable cost based on usage. The fixed costs of running our pump stations and staffing our department stay the same regardless of whether we use one gallon of water or a million gallons of water. We thought 10% for those base fees was an appropriate amount to target for the water and sewer enterprise funds. Elena adds that our fixed costs exceed 10%. She continues that we have gotten water base fees to 10%, but sewer was abysmally low when we started this process with our consultants. Our solution was to raise sewer by 2% each year to get us to the 10% slowly. Assuming we continue in FY19, sewer base fees will be at 6% of the water operating budget and water will remain at 10%. For example, she says that Woburn used to not have any meters. They would divide the total budget by the total number of properties served and everyone had a fixed fee and they could use as much as they wanted. Every community is different, but we decided with the advice from our consultant that 10% was a good place to be.

## **8. UPCOMING SCHEDULE OF MEETINGS AND TOPICS**

John Scenna reminds the Committee that we will most likely have a few meetings in the month of April and one of them will be a night meeting at 7:00 PM. He says that Amy Heidebrecht will send an updated calendar to the Committee.

Patrick Dello Russo moves to close the meeting. Art Flavin seconds. All were in favor.

The meeting was adjourned at 3:49 PM.



MWRA Fully Served Water and Sewer Customers	Final FY18 Water Assessment	Proposed FY19 Water Assessment	Percent Change from FY18	Final FY18 Sewer Assessment	Proposed FY19 Sewer Assessment	Percent Change from FY18	Final FY18 Combined Assessment	Proposed FY19 Combined Assessment	Dollar Change from FY18	Percent Change from FY18
ARLINGTON	\$5,218,727	\$5,245,583	0.5%	\$8,338,483	\$8,728,350	4.7%	\$13,557,210	\$13,973,933	\$416,723	3.1%
BELMONT	2,906,748	2,866,066	-1.4%	4,923,065	5,138,442	4.4%	7,829,813	8,004,508	174,695	2.2%
BOSTON (BWSC)	85,905,357	91,610,450	6.6%	135,974,820	142,675,448	4.9%	221,880,177	234,285,898	12,405,721	5.6%
BROOKLINE	6,806,844	7,089,044	4.1%	12,978,537	13,005,380	0.2%	19,785,381	20,094,424	309,043	1.6%
CHELSEA	4,277,382	4,865,379	13.7%	7,717,861	8,370,429	8.5%	11,995,243	13,235,808	1,240,565	10.3%
EVERETT	5,182,465	5,505,694	6.2%	8,378,885	8,952,283	6.8%	13,561,350	14,457,977	896,627	6.6%
FRAMINGHAM	8,003,044	8,264,904	3.3%	13,063,056	13,547,744	3.7%	21,066,100	21,812,648	746,548	3.5%
LExINGTON	7,246,531	7,179,738	-0.9%	7,402,979	7,634,368	3.1%	14,649,510	14,814,106	164,596	1.1%
MALDEN	6,762,968	7,170,696	6.0%	13,307,655	13,620,845	2.4%	20,070,623	20,791,541	720,918	3.6%
MEDFORD	6,383,291	6,509,227	2.0%	12,118,702	12,459,270	2.8%	18,501,993	18,968,497	466,504	2.5%
MELROSE	2,854,570	2,918,148	2.2%	6,387,893	6,574,047	2.9%	9,242,463	9,492,195	249,732	2.7%
MILTON	3,495,641	3,488,203	-0.2%	5,450,348	5,606,338	2.9%	8,945,989	9,094,541	148,552	1.7%
NEWTON	12,891,560	12,167,888	-5.6%	21,760,724	22,520,341	3.5%	34,652,284	34,688,229	35,945	0.1%
NORWOOD	3,703,392	4,093,988	10.5%	7,436,847	7,684,327	3.3%	11,140,239	11,778,315	638,076	5.7%
QUINCY	12,199,555	12,085,467	-0.9%	20,574,282	20,873,432	1.5%	32,773,837	32,958,899	185,062	0.6%
READING	2,211,234	2,313,593	4.6%	4,939,434	5,135,729	4.0%	7,150,668	7,449,322	298,654	4.2%
REVERE	4,896,715	5,222,979	6.7%	10,775,969	10,850,970	0.7%	15,672,684	16,073,949	401,265	2.6%
SOMERVILLE	7,928,695	8,113,769	2.3%	16,508,256	17,235,538	4.4%	24,436,951	25,349,307	912,356	3.7%
STONEHAM	3,027,480	3,144,316	3.9%	4,600,334	4,658,067	1.3%	7,627,814	7,802,383	174,569	2.3%
WALTHAM	9,038,537	9,378,830	3.8%	13,521,664	13,911,209	2.9%	22,560,201	23,290,039	729,838	3.2%
WATERTOWN	3,388,389	3,723,198	9.9%	6,103,914	6,415,582	5.1%	9,492,303	10,138,780	646,477	6.8%
WINTHROP	1,615,822	1,711,170	5.9%	3,395,228	3,596,041	5.9%	5,011,050	5,307,211	296,161	5.9%
<b>TOTAL</b>	<b>\$205,944,947</b>	<b>\$214,668,330</b>	<b>4.2%</b>	<b>\$345,658,936</b>	<b>\$359,194,180</b>	<b>3.9%</b>	<b>\$551,603,883</b>	<b>\$573,862,510</b>	<b>\$22,258,627</b>	<b>4.0%</b>
MWRA Sewer and Partial Water Customers	Final FY18 Water Assessment	Proposed FY19 Water Assessment	Percent Change from FY18	Final FY18 Sewer Assessment	Proposed FY19 Sewer Assessment	Percent Change from FY18	Final FY18 Combined Assessment	Proposed FY19 Combined Assessment	Dollar Change from FY18	Percent Change from FY18
CANTON	\$2,538,303	\$1,887,795	-25.6%	\$4,210,854	\$4,433,841	5.3%	\$6,749,157	\$6,321,636	(\$427,521)	-6.3%
NEEDHAM	1,109,794	862,262	-22.3%	5,889,796	6,227,150	5.7%	6,999,590	7,089,412	89,822	1.3%
STOUGHTON	253,810	162,602	-35.9%	5,031,822	5,098,423	1.3%	5,285,632	5,261,025	(24,607)	-0.5%
WAKEFIELD	2,169,915	2,149,037	-1.0%	6,075,836	6,340,929	4.4%	8,245,751	8,489,966	244,215	3.0%
WELLESLEY	1,742,278	1,496,483	-14.1%	5,601,602	5,797,189	3.5%	7,343,880	7,293,672	(50,208)	-0.7%
WILMINGTON	776,226	506,797	-34.7%	2,804,912	2,935,835	4.7%	3,581,138	3,442,632	(138,506)	-3.9%
WINCHESTER	2,121,826	1,854,033	-12.6%	4,144,555	4,359,186	5.2%	6,266,381	6,213,219	(53,162)	-0.8%
WOBURN	3,636,173	3,200,207	-12.0%	9,449,446	9,545,236	1.0%	13,085,619	12,745,443	(340,176)	-2.6%
<b>TOTAL</b>	<b>\$14,348,325</b>	<b>\$12,119,216</b>	<b>-15.5%</b>	<b>\$43,208,823</b>	<b>\$44,737,789</b>	<b>3.5%</b>	<b>\$57,557,148</b>	<b>\$56,857,005</b>	<b>(\$700,143)</b>	<b>-1.2%</b>
MWRA Sewer-only Customers	Final FY18 Water Assessment	Proposed FY19 Water Assessment	Percent Change from FY18	Final FY18 Sewer Assessment	Proposed FY19 Sewer Assessment	Percent Change from FY18	Final FY18 Combined Assessment	Proposed FY19 Combined Assessment	Dollar Change from FY18	Percent Change from FY18
ASHLAND				\$2,592,423	\$2,719,113	4.9%	\$2,592,423	\$2,719,113	\$126,690	4.9%
BEDFORD				3,546,882	3,682,249	3.8%	3,546,882	3,682,249	135,367	3.8%
BRAINTREE				9,599,185	9,831,348	2.4%	9,599,185	9,831,348	232,163	2.4%
BURLINGTON				5,286,375	5,576,769	5.5%	5,286,375	5,576,769	290,394	5.5%
CAMBRIDGE				24,713,139	25,708,249	4.0%	24,713,139	25,708,249	995,110	4.0%
DEDHAM				5,482,446	5,643,546	2.9%	5,482,446	5,643,546	161,100	2.9%
HINGHAM SEWER DISTRICT				1,846,255	1,916,597	3.8%	1,846,255	1,916,597	70,342	3.8%
HOLBROOK				1,804,666	1,841,814	2.1%	1,804,666	1,841,814	37,148	2.1%
NATICK				5,924,062	6,029,364	1.8%	5,924,062	6,029,364	105,302	1.8%
RANDOLPH				6,339,800	6,589,654	3.9%	6,339,800	6,589,654	249,854	3.9%
WALPOLE				3,821,880	4,025,025	5.3%	3,821,880	4,025,025	203,145	5.3%
WESTWOOD				2,777,442	3,014,020	8.5%	2,777,442	3,014,020	236,578	8.5%
WEYMOUTH				12,036,129	12,685,486	5.4%	12,036,129	12,685,486	649,357	5.4%
<b>TOTAL</b>				<b>\$85,770,684</b>	<b>\$89,263,234</b>	<b>4.1%</b>	<b>\$85,770,684</b>	<b>\$89,263,234</b>	<b>\$3,492,550</b>	<b>4.1%</b>
MWRA Water-only Customers	Final FY18 Water Assessment	Proposed FY19 Water Assessment	Percent Change from FY18	Final FY18 Sewer Assessment	Proposed FY19 Sewer Assessment	Percent Change from FY18	Final FY18 Combined Assessment	Proposed FY19 Combined Assessment	Dollar Change from FY18	Percent Change from FY18
LYNNFIELD WATER DISTRICT	\$748,610	\$766,820	2.4%				\$748,610	\$766,820	\$18,210	2.4%
MARBLEHEAD	2,469,760	2,549,972	3.2%				2,469,760	2,549,972	80,212	3.2%
NAHANT	537,696	499,917	-7.0%				537,696	499,917	(37,779)	-7.0%
SAUGUS	3,953,935	4,046,125	2.3%				3,953,935	4,046,125	92,190	2.3%
SOUTHBOROUGH	997,207	872,861	-12.5%				997,207	872,861	(124,346)	-12.5%
SWAMPSCOTT	1,892,557	2,036,458	7.6%				1,892,557	2,036,458	143,901	7.6%
WESTON	2,818,905	2,511,257	-10.9%				2,818,905	2,511,257	(307,648)	-10.9%
<b>TOTAL</b>	<b>\$13,418,670</b>	<b>\$13,283,410</b>	<b>-1.0%</b>				<b>\$13,418,670</b>	<b>\$13,283,410</b>	<b>(\$135,260)</b>	<b>-1.0%</b>
MWRA Partial Water-only Customers	Final FY18 Water Assessment	Proposed FY19 Water Assessment	Percent Change from FY18	Final FY18 Sewer Assessment	Proposed FY19 Sewer Assessment	Percent Change from FY18	Final FY18 Combined Assessment	Proposed FY19 Combined Assessment	Dollar Change from FY18	Percent Change from FY18
DEDHAM-WESTWOOD WATER DISTRICT	\$295,794	\$155,323	-47.5%				\$295,794	\$155,323	(\$140,471)	-47.5%
LYNN (LWSC)	326,368	322,354	-1.2%				326,368	322,354	(4,014)	-1.2%
MARLBOROUGH	4,902,062	5,863,194	19.6%				4,902,062	5,863,194	961,132	19.6%
NORTHBOROUGH	1,240,294	1,280,283	3.2%				1,240,294	1,280,283	39,989	3.2%
PEABODY	1,939,097	4,192,983	116.2%				1,939,097	4,192,983	2,253,886	116.2%
<b>TOTAL</b>	<b>\$8,703,615</b>	<b>\$11,814,137</b>	<b>35.7%</b>				<b>\$8,703,615</b>	<b>\$11,814,137</b>	<b>\$3,110,522</b>	<b>35.7%</b>
<b>SYSTEMS TOTAL</b>	<b>\$242,415,557</b>	<b>\$251,885,093</b>	<b>3.9%</b>	<b>\$474,638,443</b>	<b>\$493,195,203</b>	<b>3.9%</b>	<b>\$717,054,000</b>	<b>\$745,080,296</b>	<b>\$28,026,296</b>	<b>3.9%</b>