



TOWN OF EDGARTOWN

WASTE WATER DEPARTMENT
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TOWN OF EDGARTOWN BOARD OF WASTE WATER COMMISSIONERS

MINUTES OF THE REGULAR MEETING OF MAY 30, 2013

WASTE WATER COMMISSIONERS PRESENT:

Mr. James K. Carter, Chairman
Mr. Timothy K. Connelly, Commissioner
Mr. Glen S. Searle, Commissioner

EWWD STAFF PRESENT:

Mr. David Thompson, Chief Operator
Mrs. Pia Webster, Administrative Assistant

OTHER(S) PRESENT:

None

MEETING CALLED TO ORDER:

The Board of Waste Water Commissioners of the Town of Edgartown held their Regular Meeting at 2:00 p.m. on Thursday, May 30, 2013, in the conference room at the Edgartown Waste Water Treatment Facility, located at 330 West Tisbury Road, Edgartown, Mass. At 2:00 p.m., Chairman James K. Carter called the meeting to order.

OLD BUSINESS:

UPDATE: ROOF REPLACEMENT QUOTE PROCESS.

Chief Operator David Thompson reported that three Island contractors – Leo McHugh of Leo McHugh Builders; Doug Best of D. Best Construction; and Mike Lynch of Associate Roofing, Inc. – had contacted him with regard to the roof replacement project. In

addition, an off-Island firm had expressed interest. These are quotes, not bids, Mr. Thompson stressed.

Chairman Carter wanted to know if the Department was obliged to take the lowest quote. They were, answered the Chief Operator, unless they had "a serious gripe" with the lowest-priced proposal.

**DISCUSSION/POSSIBLE VOTE: INTERDEPARTMENTAL SEPTAGE
ACCEPTAGE ARRANGEMENT.**

Next, the Board members considered a draft by Chief Operator Thompson of a policy governing the acceptance of septage from other Town of Edgartown Departments. *[For earlier discussions of this matter, see page 4 of the Minutes of the Special Meeting of March 25, 2013 and page 3 of the Regular Meeting of April 25, 2013.]*

Referring to an earlier draft of the policy, Chairman Carter expressed puzzlement regarding the mention of billing with regard to this type of haul. Administrative Assistant Pia Webster directed his attention to the last two sentences of the final paragraph, noting that all reference to invoicing had been removed. What the paragraph's content now emphasized was the storage of all data about the septage that was accepted, for instance, the volume, the type, and so forth. However, since the cost per gallon was zero, there would be no invoices, she said. Chief Operator Thompson pointed out that what the PortALogic system would do was create a detailed paper trail.

Chairman Carter wanted to know how the Department would "get support of this," in view of Judge Sullivan's decision and the requirements it laid out. He suggested attaching a dollar amount per gallon to the interdepartmental account and then later asking the Town Accountant to do the actual waiver of the fees. Commissioner Timothy K. Connelly disagreed. We ought to handle it in-house, he said.

Mrs. Webster argued that the Department should be on solid legal ground so long as (a) access to the Personal Identification Number (PIN) of the account was restricted; (b) sufficient notice was given by the Town Department in question; (c) all loads of this type were logged into the PortALogic system; and (d) the policy had been reviewed by the Town Accountant and the Town Auditor.

Regarding the last item, continued the Admin Assistant, she had e-mailed both officials more than a week earlier. The Town Accountant would be away until June 10, and Town Auditor Christian Rogers had just returned from a vacation two days earlier. Mrs. Webster suggested that she e-mail Sarah Wood, the Senior Auditor who personally worked on the Waste Water Department's books. They might get an answer sooner that way.

Chief Operator Thompson pointed out that the Department also needed clearance to waive the Emergency Call-out Fee, if a Town Department should happen to call during non-business hours. The Admin Assistant emphasized that the interdepartmental

discharge account would be an account unto itself, entirely separate from the Waste Water Department's account.

Chairman Carter stated that so long as the Accountant and the Auditor approved the policy, it was acceptable to him. So the Board would wait until that had happened.

CORRESPONDENCE FROM PAUL DONOVAN AND MICHAEL HAND.

The Commissioners considered a letter from attorney Paul K. Donovan dated May 6, 2013 and written in response to one from the Board dated April 25. The April letter in turn responded to one from attorney Donovan dated March 5. Mr. Donovan represented a group of residents on Road to the Plains who wished to extend the sewer line. *[For background on this matter, see pages 2-3 of the Minutes of the Special Meeting of March 25, 2013 and pages 5-6 of the Minutes of the Regular Meeting of April 25, 2013.]*

Chief Operator Thompson cautioned that he had been warned by the Town Administrator not to respond to Mr. Donovan without first consulting with Town Counsel. He added, "I suggest this goes to Town Counsel." A discussion ensued.

Mr. Thompson again stressed that the Town Administrator had said specifically that they were not to respond in writing. Furthermore, this was just another example of a group of people proposing a convoluted financial arrangement. It was not the first time, and it would not be the last.

The Chief Operator reminded those present that the Town had miles of underutilized forced main. If the Department continued to build long extensions that no one was obliged to tie into, there would be no benefit to the health of the system or its finances.

A discussion followed, during which the Chief Operator laid out what the spokesperson for a group that wanted to tie in should have to include in his or her proposal. For instance, the members of the group had to be financially committed. They would need an engineered design, a DEP permit, and so forth. Waste Water Department staff should not have to do the work for them, and the Town should not have to borrow money to start the project, as Mr. Donovan was proposing.

Chairman Carter wondered if the Board even had to respond to the second Donovan letter. Ought they ask the Town Administrator about it? Commissioner Connelly thought that the Waste Water Department should develop a policy regarding main extension, the way the Water Department had.

The May 8, 2013 letter from Michael W. Hand, owner of 300 Edgartown-Vineyard Haven Road, contained a request to extend the forced main system along the Vineyard Haven Road near Pennywise Path. This would enable him to subdivide his 2.1 acres into two or three lots and tie them into the sewer system.

"It's at design capacity," said Chief Operator Thompson, who had consulted with engineer Richard J. Barbini. The Upper Main Street forced main was not engineered to tie in any more capacity. Mr. Hand would have to lay his own line all the way down to

Chase Road and tie in there if he wanted to hook in, added Mr. Thompson. But it shouldn't have been up to you to have figured that out, said the Chairman.

Chairman Carter recommended that staff draft a short letter to Mr. Hand explaining the situation to him. "A three-liner," suggested the Chief Operator.

NEW BUSINESS:

DISCUSSION: FY14 SEPTAGE RATES.

Chairman Carter recalled how back in 2011 when they had set the septage rate at 28 cents a gallon, the Commissioners had "raised ourselves out of the market." Commissioner Connelly related that he had done research, and in 2012 he had favored reducing the septage rate even further, to 22 cents a gallons, instead of the 24 cents that had been settled on. However, noted the Chairman, last winter they had been reprimanded by a member of the Financial Advisory Committee for lowering the septage rate. A discussion ensued.

Admin Assistant Webster presented a chart of proposed FY14 septage rates. She pointed out how at the finish of FY13 she expected the level of New Septage Billed Revenue to reach around \$265,300.00, short of the \$300,000.00 target set by the Town Accountant. The Department *would* make that target because they had also collected \$50,634.69 in past-due balances.

However, cautioned Mrs. Webster, in FY14 there would be no past-due balances to collect. So the entire \$300,000.00 target had to come from New Septage Billed Revenue. The chart showed four ways to manipulate rates to raise that amount based upon the estimated total volumes for FY13.

Mrs. Webster recounted speaking to a number of wastewater staff off-Island, and she described her conclusion that septage pricing was based in large part on the purpose for which the funds so raised were intended. For instance, on the Island of Nantucket, the superintendent was interested only in covering his immediate expenses. So his prices were very low. Recently, though, his Selectmen had decided to help pay for the department's debt service with the proceeds of the septage handling operation. The prices would "skyrocket," he had said.

But the point was, said the Admin Assistant, the Edgartown Waste Water Department charged far more per gallon of septage received than it actually cost the Department. That was because the Board of Selectmen wished to use these proceeds to help pay off the Department's debt service. That might have been what the Financial Advisory Committee member was being sensitive to when he made his comment last winter.

The suggestion was made to invite the Financial Advisory Committee to the next Waste Water Commissioners Meeting. Commissioner Searle thought it would be better to ask to be on the FinCom's agenda at *their* next meeting. Admin Assistant Webster offered to get in touch with the Assistant to the FinCom to set that up.

The discussion continued, and Chairman Carter recommended leaving the septage rate right where it was at 24 cents a gallon. The end of the current fiscal year had seen a rise in the rate of hauler activity when compared with the end of FY12. Was it not possible that the target could be met while keeping the rates where they were? Could a rise in rates not chase a hauler like Troy Maciel back to off-Island facilities?

The consensus of the Board appeared to be to leave the septage rates as they were. Admin Assistant Webster acknowledged the recent increase in hauler revenue but stated that as a fiscal conservative she was reluctant to enter the new fiscal year with rates that would not raise \$300,000.00 based on hauler volumes they could realistically expect. So she registered her objection for the record.

It was agreed that the Board consider this further and wait to see what the Financial Advisory Committee had to say.

DISCUSSION: FY14 SEWER RATES.

Admin Assistant Webster went over a proposed set of FY14 sewer rates based on Federal inflation figures for the past 24 months (4.51 percent), since the last rate hike had been in 2011. The rates, which had been rounded, were as follows: OTDs, from \$65.00 to \$68.00; BOD Flat Charge, from \$1,375 to \$1,425; and BOD Seat Charge (greater than 25 chairs), from \$13.75 to \$14.25. A chart showing the revenues generated under each set of rates was considered by the Board members.

	FY13 Rates (Actual)		Proposed FY14 Rates	
OTDs	14,310 x \$65	\$ 930,150.00	14,310 x \$68	\$ 973,080.00
BOD Flat Charge	56 x \$1,375	\$ 77,000.00	56 x \$1,425	\$ 79,800.00
BOD Seat Charge	2,457 x \$13.75	\$ <u>33,783.75</u>	2,457 x \$14.25	\$ <u>35,012.25</u>
		\$ <u>1,040,933.75</u>		\$ <u>1,087,982.25</u>

Mrs. Webster pointed out that it had been at least six years since there had been any change in the BOD Flat Charge or the BOD Seat Charge.

The Commissioners had in their packets copies of the Tighe & Bond 2012 Massachusetts Sewer Rate Survey, the results of which had shown that “[t]he 2012 average [sewer cost] is \$690 per household.” According to Chief Operator David Thompson, the average Edgartown customer had nine OTDs and paid \$585 yearly.

Commissioner Connelly suggested raising the rate by \$5.00 a drain. Chairman Carter was interested as well in raising the OTD rate by more than the rate of inflation. The question was posed regarding how high the OTD rate would have to be so the average expenditure per Edgartown customer each year would match the State’s.

Admin Assistant Webster objected to using this criterion as a basis for setting the rate. *[A rate of \$76.67 per OTD would bring Edgartown in line with the State average.]* For one thing, she said, their customers were coming out of a deep five-year recession. For

another, in FY14 many of their customers would be facing the added expense of obtaining an easement.

Responding to a query from Commissioner Searle, Chief Operator Thompson explained that attorney Karen Burke had advised Department staff to have customers with E-One pumps obtain easements so that operators could have legal access to the E-One pumps.

Returning to the subject of the OTD rate, Chairman Carter stated that he was "trying to get our just reward for our sewer system." But we ought to do this in *increments*, argued Admin Assistant Webster, adding that the Board could then raise the rate again in one year's time.

The conversation turned to the BOD Flat Rate and the BOD Seat Rate. The Chief Operator, who had worked in the restaurant business, thought that the rate increase was reasonable and not onerous. An additional 50 cents a seat was not going to put anyone out of business, it was agreed. The discussion wound down.

Commissioner Connelly made a motion to set the following annual sewer rates for Fiscal Year 2014: to raise the OTD rate from \$65 to \$68 per drain; the BOD Flat Charge from \$1,375 to \$1,425; and the BOD Seat Charge for seats over 25 from \$13.75 per set to \$14.25. Commission provided a second, and the motion carried unanimously by voice vote.

DISCUSSION/VOTE: FY14 APPLICATION/PERMIT FEES.

The Commissioners discussed the cost of the residential tie-in application fee, which currently stood at \$50.00. Commissioner Connelly wondered if perhaps there ought to be both an application charge and a tie-in charge. The Chief Operator, though, thought that a tie-in charge would be difficult to collect, since the inspection was ordered over the phone and the tie-in occurred on-site.

When Commissioner Connelly suggested sending the customer a bill, Admin Assistant Webster explained that the Department did not send out bills for such things as fees, only for sewer bills.

As for the application fee, Commissioner Searle noted that the City of Methuen charged \$1,000 for their tie-in fee. Mrs. Webster said that her research had shown the rates in the State to be all over the place. However, some of the higher rates included procedures that Edgartown customers paid private contractors to do.

Following more discussion, Commissioner Connelly made a motion to raise the Residential Permit Application Fee from \$50 to \$100, beginning July 1, 2013. Commissioner Searle provided a second, and the motion carried unanimously by voice vote. The Board decided to leave the cost of the Commercial Permit Application Fee at \$250.

The Commissioners asked staff to draft a policy with a fee structure for staff "house calls" that would be discussed in their June Regular Meeting. Admin Assistant Webster suggested they base it to some degree on the system the Water Department had in place.

OTHER BUSINESS:

SET POLICY ON REPORTING TO CHAIRMAN ON LARGE PURCHASES.

With the hour growing late, this agenda item was postponed until a later meeting.

DISCUSSION: POSSIBLE SOLUTIONS FOR PUBLIC SAFETY ISSUES ON FACILITY CAMPUS.

The Chairman postponed this discussion until a later meeting.

CHIEF OPERATOR'S APRIL REPORT; APRIL 2013 FINANCIAL REPORTS.

The Chief Operator's April 2013 Report was not at hand. Admin Assistant Webster delivered highlights of currently available financial reports. She pointed to a report titled "Available Overtime Funds as of May 30, 2013," wherein was laid out the evidence that with two and a half payroll periods left in the fiscal year, \$13,048.99 remained available for overtime, or an average of \$5,219.60 per pay period. The average amount spent each pay period on overtime in FY13, she said, has been \$1,612.74.

Moving on to Septage Revenue, Mrs. Webster showed the Commissioners the Revenue by Customer and Revenue by Waste Type for an exceptionally busy day, Tuesday, May 28, when total volume reached 21,952 gallons and new revenue was \$4,889.58. She commended Operator Michael Perry, who had handled most of the traffic himself.

Next, the Admin Assistant went over a report titled "Septage Figures as of May 29, 2013," which showed that total Septage Revenue, including collected past-due balances, had reached \$288,039.13 as of that date. In addition, New FY13 Septage Revenue as of that date - \$237,404.44 - was at a level 76.4 percent of the New FY12 Septage Revenue one year earlier - \$310,742.75.

As for Cash Receipts overall, said Admin Assistant Webster, with sewer billing payments now coming in, Total Sewer Septage Income as of May 30 was \$1,110,069.79. Of that total, just under \$760,000 had come from FY13 sewer payments.

APPROVAL OF MINUTES.

Turning to the **Minutes of the Special Meeting of March 25, 2013**, Commissioner Searle made a motion to approve those minutes as written. Chairman Carter provided a second. There being no comments or revisions, the motions carried unanimously by voice vote.

Commissioner Searle motioned to approve the **Minutes of the Regular Meeting of April 25, 2013** as written, seconded by Chairman Carter. There being no discussion, the motion carried unanimously by voice vote.

Next came a consideration of the **Minutes of the Special Meeting of May 7, 2013**. Commissioner Searle offered a motion to approve those minutes as written, and Chairman Carter provided a second. There were no remarks or amendments, and the motion carried unanimously by voice vote.

Lastly, the Board took up the **Minutes of the Special Meeting of May 16, 2013**. Commissioner Searle moved to approve those minutes as written, and Chairman Carter seconded. With no discussion forthcoming, the motion carried unanimously by voice vote.

ADJOURNMENT

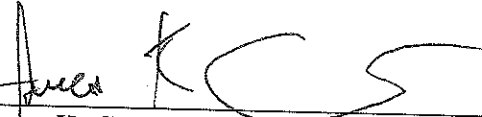
There being no further business, Chairman Carter asked for a motion to adjourn. Commissioner Searle offered a motion to adjourn, seconded by Commissioner Connelly. The motion carried unanimously by voice vote, and Chairman Carter adjourned the meeting at 3:25 p.m.


Respectfully submitted,

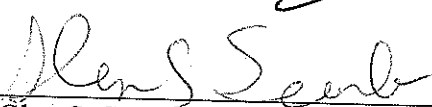
Pia Webster
Administrative Assistant

APPROVED:

BOARD OF WASTE WATER COMMISSIONERS
TOWN OF EDGARTOWN


James K. Carter, Chairman


Timothy K. Connelly, Commissioner


Glen S. Searle, Commissioner