

Minutes of the Board of Water/Sewer Commission
Wednesday, February 22, 2023 at 3:30 pm
16C Perry Way, Newburyport, MA 01950

Present Commissioners: Roger Jones, William Creelman, Daniel Simon, Owen Smith

Staff:

Acting Deputy Director, Jennifer Sullivan

Business Manager, Julie Spurr Knight

1. Appointments/Customer Inquires

- Jacquelyn O'Connor, 10 63rd Street, Newburyport appeared to request an abatement for a water leak that happened in February 2022. She had just purchased the house which was abandoned for several years. She stated she did not get a bill until October of 2023. The water leak happened sometime between February 14th, the day she closed and February 20th when Mass Save came out and informed her of the water in her basement. She missed the deadline because she was out of town and was waiting for documentation from the plumber. Ms. Knight said she took a look at her account before the meeting and stated a past employee made an error in processing the final bill and the services on the account were rendered inactive. After an audit the error was discovered and the services were turned on in August, 2022. She received a bill in October, 2022. Ms. Knight said she doesn't feel the 30 days should apply to this customer. Commissioner Smith asked if an amount had been determined. Ms. Knight said she included in the Commissioner's packet an example of an abatement calculation per policy which had been voted on by past Commissions. That is how we arrive at the abatement calculation. Basically, 50% of the water usage is abated on the average. We plug in the high usage on the top line and then the past consumption follows. Commissioner Smith asked the customer if an insurance claim was put in for any of this. She replied no.

Commissioner Simon made a motion to abate a portion of this water bill according to the calculation.

Commissioner Creelman seconded.

Vote: Creelman yes, Jones yes, Simon yes, Smith, yes

- Linda Cardoza, 4 N Street, Newburyport. Ms. Knight wanted to state that the Cardoza's are back here because we applied the policy, we applied the calculations and there has been some debate back and forth that we did not carry out the Commission's motion. Everybody was talking at once during the motion so that is the reason for the Robert's Rules of Order. The Cardoza's are back so we can clear it up. The example in your packet is the Cardoza's calculation. Commissioner Jones said it looked good to him. He is surprised that they are back. Mrs. Cardoza said when they left the agreement was you took the bill usage and divided it by 12. You are still billing me for almost 50,000 gallons. The bill was originally for 121,000 so I got the credit of \$1,435 and some change but I am still paying for almost 60,000 gallons. Commissioner Jones said that a significant amount was taken off. Almost half of the bill. Mrs. Cardoza said you were billing me for 121,000 gallons and you know that is incorrect. Commissioner Jones said we have no way to know that. Ms. Knight said the meter was correct. We had it tested and it came back 91% and we were missing 9%. Ms. Knight said you turned the water on in April and you came back in June which is a little more than a month and a half. If you have a running toilet in your house that is 2,000 gallons of water in a month. Commissioner Jones said we have no idea where the water was leaking but we follow the policy and we have to determine it went through the sewer. Mrs. Cardoza asked where did the water come from in order to go through the sewerage? We tested everything, we

got a plumber and he found no leaks. I don't understand that is my issue. Mr. Cardoza said we agreed the meter was not working and we were going to move forward. That's what the notes said. Commissioner Jones said we don't have any evidence other than the meter was working properly, functioning. Ms. Knight said we have a conclusive meter test, 91%, it was actually in favor of the customer. Mr. Cardoza agreed and said it would have been more, 80,000 gallons. Commissioner Jones said it was actually reading low. Mrs. Cardoza said she did get a revised bill and it did not make any sense. After much discussion by Mrs. Cardoza on trying to understand her bills Commissioner Jones interrupted the conversation to say to Mrs. Cardoza this is a discussion for the office and not for this meeting. The abatement seems more than reasonable to me. You got more than half of that bill reduced. We can't do any more because we have no evidence that would lead us to any other conclusion. Somehow that water was used. Where it went I have no idea.

- 5 Newhall Lane, corrected calculations. Ms. Bush, the Office Manager said they are not present. When the calculations were originally done they were incorrect. On your form you will see that I redid the calculations and their final sewer bill should have been \$64.97 based on the corrected calculations. They were originally denied because the calculations did not warrant an abatement. Commissioner Smith asked if this is the abatement we had a few months ago and we did the calculations. Ms. Bush said no, that was a different one. Commissioner Creelman asked if they were accepting of this. Ms. Bush said they came into the office after they received the letter and I explained the situation and that it would need to be brought before the Commission again for approval.

Commissioner Smith made a motion to accept the corrected calculation. Commissioner Simon seconded.
Vote: Creelman yes, Jones yes, Simon yes, Smith, yes

2. Approval of Minutes

Commissioner Simon made a motion to approve the minutes from the last meeting. Commissioner Creelman seconded.
Vote: Creelman yes, Jones yes, Simon yes, Smith, abstained

3. Business Managers Report

- Ms. Knight apologized for the late submission of documents. We just went through a system migration and I was not able to run any numbers until today. Ms. Knight showed a slide showing consumption up 15% from last year and you will see that as a reflection in our revenue. The sheet from Watersmart that I gave you gives a great breakdown of our accounts.
- Ms. Knight showed a slide showing the water/sewer budget as of February 22, 2023. Water is 69% expended. Total revenue is \$4.5 million including the \$100,000 reserve. We are in the positive amount of \$350,000. The only line we are seeing a negative impact is line item other charges and expenses. Chemicals have gone up over 100%. Sewer is 69% expended. Total revenue is \$5.8 million and there is a \$3 million reserve and we are in the positive \$700,000. Again, chemicals are driving up the supply line. Even though it is 75% we are not going to make it to the end of the year with chemicals. We are purchasing through a consortium and are getting the best possible rate that we can. Finance is aware of it.
- Ms. Knight shared a slide of water revenue and expense. You can see that our revenue is up due to that 15% increase due to the 9% increase in the rate. Commissioner Simon asked why water was up. Ms. Knight said there are a lot of new developments on line. Boston Way alone has 90 units.

- Ms. Knight shared a slide of sewer revenue and expenses. That rate of increase, 15% is reflected here in the sharp increase because the sewer rate is much higher than the water rate. Our expenses are a little bit higher expended than last year but probably due to inflation. We are trying to stay budgetary wise within 2.5%. Commissioner Simon asked Ms. Knight if she feels good about not going over budget. She replied we are right around 76% collected which is great. I've been running those aging reports and cold calling customers that don't pay. We are about 86% collected in last year's liens.

Commissioner Simon made a motion to approve the Business Manager's report. Commissioner Creelman seconded.

Vote: Creelman yes, Jones yes, Simon yes, Smith, yes

4. New Business

- Ms. Knight said she put a request in for a transfer for the Commission to possibly approve. It is for \$140,000 for the chemical supply line for sewer and \$87,000 for the water and that will get us to the end of the year. Commissioner Jones said we would need to approve that change at some point. Ms. Knight said she respectfully recommends that you approve it today so I can get it up to Finance. It will come from retained earnings. Commissioner Smith asked to go back to the statement of activity. With regard to chemicals we do have that \$100,000 built into the budget. Is that one area we can use to avoid dipping into retained earnings right now since we do have a contingency built in already. Ms. Knight said that \$100,000 was included in making up enough revenue to fully fund the budget. So, no. Ms. Knight said they are broken up into categories, and according to the Department of Revenue, we can't take from one category and give to another. We can at the end of the year. If we drive a category so far over we can subsidize with another because we are an enterprise fund. Commissioner Smith asked is there a projected overrun target that we have right now for June 30th. Do you think some of these charges might settle out because we had a heavy purchase early and have we predicted what our perceived final number will be? Ms. Knight said that \$87,000 for water and the \$140,000 for sewer takes into consideration that sewer has some money left in the account and water is in the negative \$10,000 in that chemical line. The whole budget could subsidize that but you are restricting operations. Commissioner Smith said he is asking if there is a recommended number that we approve today in covering that line item that is 95% expended for other charges and expenses. Ms. Knight did an analysis on both \$140,000 for sewer and \$87,000 for water. Commissioner Smith said when you say \$87,000 you mean \$87,000 over the \$109,044 in the revised budget. Ms. Knight said no, that supply line is a category. That has office supplies in there, maintenance supplies for the plant. This is specifically the chemical line. Commissioner Jones said if we do a motion it would be for the chemical line \$87,000 for water and \$140,000 for sewer. Ms. Knight said yes. Commissioner Simon asked what is the downside from taking from retained earnings. Ms. Knight said it takes away our flexibility for next year. Ms. Knight said if you approve this transfer and it gets voted down at City Council I will have to fund it through other categories. Ms. Knight said she has a call into Finance to see if they want us to fund it from retained earnings or should I seek out other categories to fund it.
- Discussion turned to scheduling a budget workshop, posted as a public meeting. It was decided March 2, 2023 at 3:30.
- Commissioner Smith brought up a letter that he forwarded to the Commissioners and Mr. Cusick regarding PFAS. He believes it will be a topic sent to City Council. Commissioner Jones said the water that we are using are well within those numbers because we are not using Bartlett Pond. Ms. Knight said the budget lines for testing PFAS have increased for the upcoming budget. Commissioner Jones said the other was THMs. We have had two areas in the City usually in August down in Plum Island and at the

rotary. We are well aware of it and try to control it as best we can with flushing. Ms. Knight said Mr. Cusick has taken several measures with increasing budget lines, sludge removal and dredging.

- The Commissioners discussed their commission expiration dates and that they would look into it as Commissioner Smith indicated his appointment was up in March as he took over another commissioner's seat. Commissioner Jones said they really need to look at a Vice Chairman also. Ms. Knight asked the members if they could look at the Water & Sewer Commission website and let her know if there are any changes or assignments to certain titles. Commissioner Smith said their rules also require an annual organization where the chair and the vice chair are chosen. If we do choose to hold that it should be put on the Agenda.
- Review of current abatements. **St. Paul's Church**, leaking toilet. Ms. Bush explained to the Commissioners that the current policy does not cover leaking toilets and this customer received an abatement in February 2022. Ms. Knight said she registered the City with a State program called HAF and they do pick up a portion of water and sewer bills that are significantly delinquent. Commissioner Smith said his concern is the use of public funds for charity is illegal and unconstitutional in the State of Massachusetts. I know it's a harsh thing to say but reading their description it sounds like it was asking for a charitable donation. Commissioner Simon said that is what he thought so if there is a place for them to go they should. They don't come to this office for it. Commissioner Creelman said they need to be responsible for maintaining their plumbing. **48 Northern Blvd.** The dispute is he doesn't want to pay. He came into the office and he felt the charges weren't warranted. There was an emergency charge over the weekend so that was \$400 and that is the cost to cover the two technicians, truck costs, gas and other costs associated with that call. There was a freeze plate that needed to be replaced. The bottom line is he let his pipes freeze. Commissioner Smith asked if this is consistent with the charges that City Council approved. Ms. Bush said yes. Commissioner Smith said this is just the administrative review of the abatements, correct? Ms. Knight said yes. The abatement comes into the office, Karen reviews it and applies the policy whether to abate or deny then presents it to Commissioner Jones. Commissioner Creelman asked if there is any validity to there being only one technician present. Ms. Bush said she did not know. There were over close to 75-80 calls that weekend. They may have had to split up if that was the case that only one showed up. Commissioner Creelman asked about the parts charge of \$75 and the customer said it only cost \$15. Ms. Bush said our parts cost what they cost. The Commissioner's agreed it should be denied. Commissioner Smith is wondering why we are doing this review. Ms. Bush said the reason she believes that we were doing it this way was if there are customers that come back to appeal you would never have seen their abatement until they are before you. Commissioner Simon said he thinks the process is we review these the first time they come in and the only time we vote on it or make a motion is when they come to this meeting to appeal it.

5. Old Business

- Commissioner Jones did not put on the Agenda but requested Ms. Sullivan to email the water levels for the reservoirs.
- **Indian Hill Pipe Line Design** – Tom Cusick is reviewing sites for the new lift station. Currently weighing out the pros and cons. Commissioner Simon asked if the plan is to connect the pipeline to the lower reservoir or to the Water Treatment Plan. Where is the end point? Commissioner Smith recalls the discussion from a year ago that it was going to tie into the intake at the lower. Commissioner Jones agreed. Commissioner Smith said ideally it was designed to sectionalize the three reservoirs and it would be a direct line into the main feed to the plant, tied into the pump station there. That way you could direct draw from any source. Commissioner Jones said the logic was if the lower got contaminated you could still use the water up above.

- **Lower Artichoke Dam** – Still in the design phase per the Engineering Department. Commissioner Simon asked if they hired a contractor for the project. Just the engineer which is Tighe & Bond. Commissioner Creelman asked when the design will be complete. Ms. Sullivan said she would ask.
- **Amesbury Connector Project** – Still in MIA negotiations. Commissioner Jones wondered who they could speak with to get the project moving. Ms. Knight said the Mayor's office is involved in this project. They want us to use ARPA funds. Commissioner Smith said the \$250,000 ARPA use is still in the budget and finance committee and has been sitting there for at least 9 months. Ms. Knight said it is the Ad Hoc committee oversees ARPA funds. Commissioner Smith said he thinks it was recommended by them and that is what is being considered now by budget and finance. The City Council docket number for it is order 336 and the date is March 28, 2022 so it's now almost a year and that's when City Council sent it to committee. Commissioner Simon said we need to find out the mechanism to move it along. Ms. Sullivan said she would look into it. Commissioner Smith said they meet the same day of their budget meeting.

6. Confirm Next Meeting: March 22, 2023 at 3:30 pm

7. Warrant and Contract Signing

- Commissioner Creelman asked why are we are voting on the warrants when they have already been paid. He feels this is an administrative issue. He's not sure it is a Commission issue. Commissioner Jones said it our responsibility because it is an enterprise fund. Ms. Bush said once they are signed she sends them up to the Auditor and that's when they know those bills have been looked at and approved. Commissioner Smith said it is an internal control thing and we can ask questions about a bill. It's an oversight process so it will pass muster with an Auditor. Commissioner Smith wanted to know if the utility bills were assigned to the correct enterprise fund. Ms. Knight said they are billed by location. He asked about the Business Office building and Ms. Knight said those utility bills are split 3 ways. Commissioner Jones asked about the TW Excavating bill for sewer. Ms. Knight said it was for a sewer backup. Commissioner Simon asked why we are paying West Newbury. Ms. Knight said it is for land taxes. Commissioner Smith asked what is Slack. Ms. Knight said it is chemical.

Commissioner Smith made a motion to approve water and sewer bills dated January 20 through February 17.

Commissioner Creelman seconded.

Vote: Creelman yes, Jones yes, Simon yes, Smith, yes

8. Adjournment

- Adjourned 5:06 pm.

Respectfully Submitted By: Karen Bush