

**Minutes of the Board of Water/Sewer Commission**  
**Thursday, March 2, 2023 at 3:30 pm**  
**16C Perry Way, Newburyport, MA 01950**

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

**Staff:**

Chief of Staff, Andrew Levine

Business Manager, Julie Spurr Knight

**1. New Business**

- Mr. Levine presented a memo to the Commissioners which had been presented to City Council on Monday night. It goes over justification for why they eventually took a vote on delaying the collection of all building permit fees for a project at 166 Route 1, for Minco Development. They decided to change their ordinances to allow for the delaying of the fees because the developer had seen some delays in their supply chain. They have a number of projects that they are currently working on in Newburyport. This is in the 40R district and this is their phase 3 project. A year ago, they were granted permission for the project with the planning board and the way that the project normally works is they have a year to get their building permit in order to make progress on what the State's 40B restrictions ask for making good progress towards more affordable housing for the City. We are currently in what's called the State's safe harbor status for 40B. We are not susceptible to unfriendly 40B projects and we are making progress towards creating more affordable housing. We are just below 10%. Because of these projects our 40R district that have 25% of affordable housing we are making this progress towards our goals. If the developer does not pull this building permit by the end of this week, we will be out of that safe harbor status. The developer doesn't have anything to lose by not pulling the building permit at this time, but the City does by losing its status. That is why the City Council voted to authorize the granting of this building permit without the full fee being paid. The developer will be receiving that fee. It is a deferment not a waiver of the fee. The fee will be coming in, just not this fiscal year. The restriction is they need to pay that fee before the first inspection occurs or before June 1, 2024 whichever one comes first. There is little risk for the City because the Building Commissioner could not issue the occupancy permit once the building is built or sign off on an inspection. There is low risk so that is why the City Council was happy to move forward in that direction. We are asking for a similar thing from this body for inflow and infiltration. I drafted some language and sent it to Julie with less formal language and you can adjust as you like. It's an approximate amount right now through the estimate of \$47,000 that would not be coming into the coffers this year. It would be next fiscal year instead. We believe that you should still have enough funding to be able to make up for that loss this year but of course you are the ones that have to make that decision.
- Commission Smith asked when would we collect the connection charges. Ms. Knight said the II fees are collected up front.
- Commissioner Simon asked Julie if this money is built into the budge. She replied she would have to look at the revenue and see where we are at. Ms. Knight ran some revenue numbers to see where the budget was at. We are 69% sewer for the year and we are 78.2% collected so we are actually ahead of the scheduled revenue. Privilege fees we are 74% collected. Ms. Knight said 40B is important that the City meet that 10%. It is a goal of the City and I do recommend it.

*Commissioner Simon made a motion to accept the temporary deferment of the building fees as specified below. Commissioner Creelman seconded.*

WHEREAS, MINCO's project to be located at 166 Route 1, the so-called Haley's 40R development, has already been approved by the Newburyport Planning Board and no other zoning approvals are needed for this project, and;

WHEREAS, MINCO will begin construction of the Haley's 40R development later than anticipated because of market fluctuations, supply chain issues, and ongoing work on their other project in Newburyport;

WHEREAS, MINCO has requested a deferment of payment of fees required for the building permit and Inflow and Infiltration fees for the Haley's 40R development,

WHEREAS the City Council of the City of Newburyport voted to defer the fees for the building permit on February 27<sup>th</sup>, 2023;

WHEREAS, the City is confident in MINCO's intent to continue with the project and its ability to pay the building permit fee closer to the time of construction;

and WHEREAS, deferment of the payment of fees for Inflow and Infiltration for the Haley's 40R development will further the creation of affordable housing in the public interest;

NOW THEREFORE: The Board of Water and Sewer Commissioners of the City of Newburyport, based upon the statements above-made, hereby finds that there is good cause for the deferment of fees for Inflow and Infiltration (sewer) and (water) connections for the project located at 166 Route 1, Newburyport, MA. This deferment is non-transferrable and is issued only to the developer currently applying for the building permit. Fees will be assessed based on the fee schedule in effect at the time of payment. This deferment allows the City to issue a building permit before the complete payment of the required Inflow and Infiltration and water connection fees described above. Said fees shall be collected prior to any inspection pursuant to 780 CMR, and no occupancy permit shall be issued until such required fee is paid. Water will not be turned on to said property until water connection fees and inflow and infiltration fees are paid in full.

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

## **2. Budget Discussions**

- The Commission discussed the budget with Ms. Knight.

Respectfully Submitted By: Karen Bush