

Town of Ayer

Rate Review Committee Meeting Minutes from February 6, 2024

Attendance: Jannice Livingston (Chair); Dan Van Schalkwyk (DPW Director); Robert Pontbriand (Town Manager); Barbara Tierney (Finance Manager); Kimberly Abraham (Water and Sewer Superintendent); Bob France (Representing Fin Com); Kurt Fraczkowski (Representing Fin Com)

Absent: Andy Loven

Also in attendance: Sara Withee (Resident); Geoff Tillotson (Resident)

Call to Order:

The February 6, 2024 Rate Review meeting was called to order at 4pm by J. Livingston in the First Floor Meeting Room of the Ayer Town Hall with a Zoom remote participation option for the public.

J. Livingston read the following statement into the record:

This meeting of the Ayer Rate Review Committee will be held in-person at the location provided on this notice. Members of the public are welcome to attend this in-person meeting. Please note that while an option for remote attendance and/or participation via Zoom is being provided as a courtesy to the public, the meeting/hearing will not be suspended or terminated if technological problems interrupt the virtual broadcast, unless otherwise required by law. Members of the public with particular interest in a specific item on this agenda should make plans for in-person vs. virtual attendance accordingly. This meeting will be live on Zoom. The public may access the proceedings by joining Zoom (**Meeting ID# 828 8571 8742**) or by calling (**929-205-6099**). For additional information about remote participation, please contact Carly Antonellis, Assistant Town Manager at atm@ayer.ma.us or 978-772-8220 ext. 100 prior to the meeting.

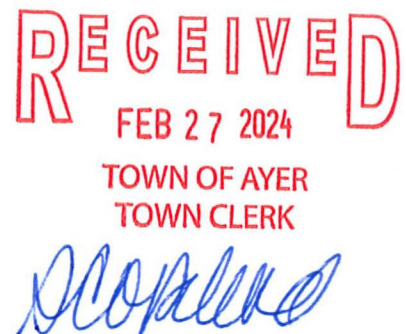
Review and Approval of the January 23, 2024 Meeting Minutes:

The Committee reviewed the DRAFT January 23, 2024 meeting minutes.

Motion: A motion was made by K. Abraham and seconded by D. Van Schalkwyk to approve the meeting minutes as presented. **Motion passed 7-0.**

R. Pontbriand welcomed B. France from the Finance Committee as the new Fin Com Representative to the Committee.

K. Fraczkowski stated that he had met with and debriefed B. France.



Review/Discussion/Potential Vote on Recommendations of the Proposed FY 2025 Water and Sewer Rates:

R. Pontbriand provided an overview of the potential recommendations for the proposed FY 2025 water and sewer rates based on the Town's Rate Model. At the January 23, 2024 meeting, the Committee asked to look at three potential rate scenarios as follows for FY 2025:

<u>Water (FY 2025 Rate Increase)</u>	<u>Sewer (FY 2025 Rate Increase)</u>
0%	5%
1%	5%
2%	5%

R. Pontbriand advised that the FY 2024 recommendation based on the Rate Model was a 2% increase for water and a 5% increase for sewer.

B. Tierney advised that the current retained earnings balances in the water enterprise and sewer enterprise are as follows:

Water Enterprise Retained Earnings: \$4.69 million
Sewer Enterprise Retained Earnings: \$2.5 million

B. Tierney advised that if the water rates were raised by 2% that would increase the water retained earnings to an estimated \$5.5 million for FY 2025 and if the sewer rates were raised by 5% that would increase the sewer retained earnings to an estimated \$3.5 million for FY 2025 per the rate model.

J. Livingston stated that increasing the water rates by 2% does not have a significant impact on the average bill.

K. Abraham advised that the significant known water projects in the future are the further development of the new water well source for FY 2026.

D. Van Schalkwyk stated that years 6 through 10 on the Rate Model and in terms of future potential water capital needs are not as clear. Additionally, there could also be another potential recession. For those reasons increase the water rates by 2% rather than no increase would make good sense.

J. Livingston stated that by having a 2% increase in the water rates we are being proactive and planning for the unknown.

K. Fraczkowski asked for a brief update on the PFAS situation.

D. Van Schalkwyk advised that the Town's PFAS Treatment at Grove Pond has affected the output of water from Grove Pond. The solution to this issue is a clear well which is under development and for which the Army is supposed to pay for.

J. Livingston stated that she likes Scenario #3 with a 2% increase for water and 5% increase for sewer as it keeps the Town ahead and prepared for the unforeseen, yet it is a negligible increase.

The Committee concurred with J. Livingston with respect to Scenario #3.

Pauline Conley (Resident) pointed out that there is still a \$20.00 increase for Scenario #3. She also asked about the commercial rates and stated that a business owner in Town recently asked her why can't the SIU's or Commercial/industrial users pay a higher rate. The Committee should give this some thought.

K. Abraham stated that though they pay from Tier 3 of the rate structure the rate is the same as residential users. This proposal would require a rate study and further analysis.

Pauline Conley (Resident) stated that the Town has the data and that it should calculate for a fourth scenario to see if it benefits residents.

B. France asked for clarification on the three Tiers of the rates.

K. Abraham advised that there are three Tiers based on volume of usage for water. They all have the same rate, but you pay to use more water. The majority of residential accounts are at Tier 1.

R. Pontbriand stated that this idea should be made part of a future study or future goal of this Committee for the year ahead. It could be presented as such at the Public Hearing, stating that in the year ahead this Committee will study the issue of a rate scenario in which SIU's, or industrial/commercial users pay at a higher rate than residential users.

The Committee agreed to further study this idea in the year ahead and to report such as part of the Committee's presentation at the Public Hearing on March 19.

Discussion on Scheduling the FY 2025 Water and Sewer Rate Public Hearing and Presentation:

J. Livingston advised that the original March 5 meeting of the Select Board will be rescheduled to March 6 due to the Presidential Primary on March 5 with voting at Town Hall. She recommended that the Committee consider scheduling the Public Hearing for the rate recommendations as part of the Select Board Meeting on March 19, 2024.

The Committee concurred with the date of March 19, 2024.

As a result of their deliberations, the Committee reached consensus to recommend Scenario #3 of a 2% increase for water rates and a 5% increase for sewer rates to the Select Board for their consideration.

Motion: A motion was made by B. France and seconded by B. Tierney to recommend to the Select Board a 2% increase for water rates and a 5% increase for sewer rates for FY 2025 to take effect on July 1, 2024 subject to a public hearing and approval by the Select Board. **Motion passed unanimously (7-0).**

Motion: A motion was made by J. Livingston and seconded by B. Tierney to schedule the Public Hearing for the FY 2025 Water and Sewer Rates for Tuesday, March 19, 2024 at 6:05pm as part of the Select Board Meeting. **Motion passed unanimously (7-0).**

Update on the Transfer Station Operational and Financial Study:

D. Van Schalkwyk advised that the Ayer Police Department performed the traffic counts for the Transfer Station. He has talked with the Consultant who has visited three similar communities that have transfer stations as part of their analysis. The Consultant is going to meet with Irene Congdon and the Consultant will be talking with Casella who has the Town's hauling contract. The rate model is being developed and we should be in a position for a substantive update by the end of March.

J. Livingston reiterated that the study and this Committee should revisit the idea of offering permits to other Towns at a premium rate.

Scheduling of Next Meeting:

The Committee scheduled the next meeting for February 27, 2024 at 4pm in the First Floor Meeting Room of Town Hall with a hybrid option for remote participation by the public. The main agenda item will be to review the Presentation for the Public Hearing.

Adjournment:

Motion: A motion was made by B. Tierney and seconded by K. Abraham to adjourn the meeting at 4:40pm. **Motion passed 7-0.**

The meeting was adjourned at 4:40pm.

Minutes recorded and submitted by Robert Pontbriand, Town Manager.

Minutes reviewed and approved by the Rate Review Committee on February 27, 2024

Signed: _____



Robert A. Pontbriand, Town Manager