



Town of Canton  
 Water & Sewer Rate and Policy Committee  
 801 Washington Street  
 Canton, MA 02021

Minutes Voted on: 6/3/21  
 Vote: 7-0-0

**Meeting Minutes**  
**Wednesday, May 5, 2021**

**Committee Members Present:** Gerald Carmichael, Patricia Cawley, Dan Cole, Dave Emhardt, Randy Scollins, Walter Spiegel, Chris Sykes and Mike Trotta.

**Committee Members Absent:**

**Guests Present:** Ellen Jones, Recording Secretary

**Opening:** Mr. Scollins called the Zoom virtual meeting to order at 2:00 p.m. The purpose of the meeting was to review the latest draft report from Raftelis (a subconsultant of Kleinfelder Engineers) and to discuss and vote the FY22 Water and Sewer Rate Recommendations.

**New Business**

**Review of Draft Memo/Report by Raftelis**

**Revenue Requirements** - Mr. Scollins confirmed that not all members of the Committee had a chance to review the Raftelis memo prior to the meeting as it was received just before the meeting.

Mr. Scollins explained that Raftelis was asked to review a five-year forecast of annual water and sewer rate increases to fully fund revenue requirements. The report included cumulative capital expenditures of \$15,790,000 for water and \$5,250,000 for sewer for FY22 to FY26.

The Capital Improvement Plan assumed it would be financed in FY22 with \$72,000 cash and \$8,070,000 in revenue-backed debt. For years FY23 through FY26, the goal is to have the Town use a greater percentage of cash funding to lessen the water utility's future debt burden. The model assumes a 50/50 split between PAYGO (pay as you go with cash) and debt from FY 23 and future years. FY21 ending cash balances are projected to be \$1.0 million for water and \$3.0 million for sewer.

**Rate Increase Options** – Raftelis provided a rate increase option as follows for FY22:

	FY 2022	FY 2023	FY 2024	FY2024	FY2026
Water	6.0%	6.0%	3.0%	3.0%	3.0%
Sewer	4.0%	4.0%	4.0%	4.0%	0.0

Mr. Scollins presented information regarding Cashflow and Fund Balance for both water and sewer based on various rates increases. As discussed, lowering water rate increases decreased the likelihood of meeting the cash flow and fund balance to fund all of the water capital projects. The Committee was comfortable with a 6% increase for water to continue to build to the targeted 180 days of operating expense in fund balance.

At Mr. Cole's suggestion regarding Cashflow and Fund Balance for sewer, Mr. Scollins adjusted the rate increases modeling other scenarios, including 0% for FY22, and 2% for all 5 years, and 0% for FY26. After reviewing the results on targeted fund balance the consensus was that 2% increases for all years was the most reasonable option to build and maintain the targeted 180 days of operating expense in fund balance.

Mr. Scollins proposed the following rates increases:

	FY 2022	FY 2023	FY 2024	FY2024	FY2026
Water	6.0%	6.0%	3.0%	3.0%	3.0%
Sewer	2.0%	2.0%	2.0%	2.0%	2.0

**A motion made by Mr. Emhardt that the Water and Sewer Rate Policy Committee recommend to the Select Board a 6% rate increase to both the water rate and water base rate and a 2% rate increase to both the sewer rate and sewer base rate for FY22 starting July , 2021 was seconded by Mr. Cole.**

**Roll Call Vote:**

Mr. Cole	Aye	Mr. Spiegel	Aye
Mr. Emhardt	Aye	Mr. Carmichael	Aye
Mr. Trotta	Aye	Ms. Cawley	Aye
Mr. Sykes	Aye	Mr. Scollins	Aye

The motion passed 8-0-0.

**Discussion about Harbar Manufacturing – Sewer Charges**

Mr. Trotta stated that he had been contacted by Town Administrator Charlie Aspinwall for the Committee to consider a request from Harbar for a different approach on how the company is billed for sewer charges. Harbar is a taco/tortilla manufacturing company located on Turnpike Street with two manufacturing plants. They have a large commercial bakery that has 76% of their water that is used in the process of their baking. This water does not utilize the sewer system and goes directly into the baking process. Harbar had approached the Town seven months ago and requested that a meter be installed in the building that would be beyond the point of entrance into the building. They have recently sought a \$10,000 reduction per quarter in their sewer charges. They would like a meter installed that would deduct the sewer charges from the reading. Mr. Trotta further explained that MWRA has not done this and they do not promote it. Some cities and Towns accommodate this. Massachusetts Municipal Water Associations believes it would be opening "pandora's box" to offer this. The Committee has been asked by Mr. Aspinwall to consider this request and to make a recommendation to the Select Board.

Mr. Sykes has visited the Harbar site and stated that a separate meter could be installed. Harbar's equipment is all state of the art and computerized. Ms. Cawley cautioned that this could involve reading the separate sewer meter and writing a deduction code into the MUNIS program. She also stated that the Town would be giving a break to this rate payer and not to others and that the burden to collect the revenue could be placed on other rate payers.

Mr. Trotta stated that the Harbar company had made a special PowerPoint presentation to the Select Board with their request. Formally, the Select Board has not asked the Water & Sewer Rate Policy Committee to make a recommendation. The Committee did not take a formal vote on this request. Mr. Scollins was asked to ask the Select Board to formally refer this matter to the Water Sewer Rate Policy Committee for a recommendation.

Mr. Carmichael and Mr. Spiegel left the meeting at 3:14 p.m. Mr. Emhardt left the meeting at 3:16 p.m.

**A motion made by Mr. Trotta to adjourn the meeting at approximately 3:18 p.m. was seconded by Mr. Cole.**

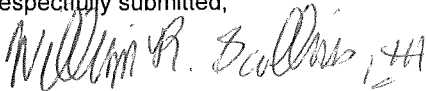
**Roll Call Vote:**

Mr. Trotta	Aye	Ms. Cawley	Aye
Mr. Cole	Aye	Mr. Scollins	Aye
Mr. Sykes	Aye		

The motion to adjourn passed 5-0-0.

Minutes reviewed by: Randy Scollins

Respectfully submitted,



Randy Scollins, Chair  
Water & Sewer Rate and Policy Committee

Town of Canton  
Water & Sewer Rate and Policy Committee  
Meeting Documents  
May 5, 2021

**Please note: Some meeting documents may be found on the Town's website under the Posted Minutes section (Laser Fiche).**

Agenda for May 5, 2021.

Memorandum from Raffelis to Mr. Randy Scollins dated May 5, 2021 regarding 2021 Water and Sewer Rates Study Memo Draft (3 pages).