

Meeting of Stoneham Water and Sewer Review Board  
April 22, 2015  
Stoneham Town Hall, Hearing Room  
5:00 P.M.

TOWN CLERK  
REGISTRARS

2015 JUN -5 A 8:39

Members in attendance: John Bracciotti, Scott LeBeau, Richard Mangerian, Patricia Walsh  
Members absent: Stephen Quattrocchi  
Advisor: Robert Grover

The purpose of this meeting was to reorganize the board/ welcome new members; LeBeau and Walsh.

First order of business was to elect a chairman. Bracciotti nominated Scott Lebeau. This motion was seconded by Walsh. All present voted unanimously to accept the motion. Scott LeBeau was named chairman.

It was decided by all that the role of secretary would be on a rotating basis in alphabetical order.

Second on the agenda was discussion of the water rate. Grover presented data which revealed that revenue would not be adequate to cover the cost of water for the Town of Stoneham because of the phasing out of the Atlantic Gelatin. This would result in an increase of the water rate for the town. At a minimum, \$1 per 100 cubic feet could be the increase to cover the shortfall.

This board will meet seven days prior to town meeting, as legally required. This is when all available information regarding water and sewer rates will be presented to the T.A. It is unlikely that a firm figure regarding the rates will be ready at this time. However, it may be noted that the T.A. favors the \$1 per 100 cubic feet increase in the water rate. It is possible that the sewer rate will remain at its current level.

The chair made a motion to adjourn. All seconded the motion. The meeting was adjourned at 7:25 P.M.

Respectfully,

John Bracciotti, Acting Secretary

## WATER/SEWER RATE

100 cubic feet = 748 gallons

The present water rate is \$5.00 per hundred cubic feet.

The present sewer rate is \$9.80 per hundred cubic feet.

Breakdown:	<u>Water:</u>	<u>Sewer:</u>	<u>Total:</u>
M.W.R.A	\$3.28	\$7.07	\$10.35
PERSONNEL	\$0.52	\$1.00	\$1.52
SPECIAL ARTICLE	\$0.38	\$0.63	\$1.01
INDIRECT COSTS	\$0.28	\$0.56	\$0.84
DEBT SERVICE	\$0.26	\$0.15	\$0.41
OPERATING	\$0.19	\$0.18	\$0.37
HEALTH INSURANCE (ACTIVE)	\$0.07	\$0.19	\$0.26
HEALTH INSURANCE (RETIRED)	\$0.01	\$0.02	\$0.03
SAFE DRINKING WATER	\$0.01	-----	\$0.01
<b>TOTAL</b>	<b>\$5.00</b>	<b>\$9.80</b>	<b>\$14.80</b>

## SEWER ENTERPRISE FY16 ESTIMATED REVENUES

FULL-TIME SALARIES		\$615,278
PART-TIME SALARIES		\$23,688
OVERTIME		\$26,911
TOTAL PERSONNEL		\$665,877
TOTAL OPERATING		\$116,400
MWRA ASSESSMENTS		\$4,474,659
<b>TOTAL BUDGET</b>		<b>\$5,256,936</b>
HEALTH INSURANCE--Active		\$123,973
HEALTH INSURANCE--Retired		\$19,668
DEBT SERVICE		\$112,750
SPECIAL ARTICLE		\$200,000
INDIRECT COST:		
	FORMULA: $(\$665,877)/(\$11,719,603)=5.68\%$	
(1) PENSION	= $(\$5,135,261-\$806,690)*5.68\%$	\$245,863
(2) WORKERS' COMP.	<b>Rates Per FY13 Workers' comp. audit</b>	\$23,945
(3) FICA/MEDICARE	= $(\$425,000*34%)*5.68\%$	\$8,208
(4) LIFE INSURANCE	= $(\$45,000*34%)*5.68\%$	\$869
(5) PROPERTY & LIABILITY INS.	FORMULA: $((\$5,461,944/\$73,448,657)*\$565,000)$	\$42,016
	FORMULAS: $(\$5,482,277+\$123,973+\$19,668+\$112,750)/\$69,746,126=8.23\%$	
(6) ACCOUNTING	= $\$174,669*8.23\%$	\$14,375
(7) ANNUAL AUDIT/OPEB STUDY	= $\$36,500*8.23\%$	\$3,004
(8) TREASURER	= $\$267,778*8.23\%$	\$22,038
(9) POSTAGE	= $\$55,000*8.23\%$	\$4,527
(10) MIS/DATA PROCESSING	= $\$231,628*8.23\%$	\$19,063
TOTAL INDIRECT COSTS		\$383,907
<b>TOTAL AMOUNT TO BE RAISED FOR FY2016</b>		<b>\$6,097,234</b>

## WATER ENTERPRISE FY16 ESTIMATED REVENUES

FULL-TIME SALARIES		\$497,418
PART-TIME SALARIES		\$23,688
OVERTIME		\$50,452
TOTAL PERSONNEL		\$571,558
TOTAL OPERATING		\$208,650
DEP SAFE DRINKING WATER ACT		\$10,000
MWRA ASSESSMENTS		\$3,381,301
<b>TOTAL BUDGET</b>		<b>\$4,171,509</b>
HEALTH INSURANCE--Active		\$94,805
HEALTH INSURANCE--Retired		\$19,518
DEBT SERVICE		\$273,636
SPECIAL ARTICLE	<i>I.P.</i>	\$200,000
INDIRECT COST:	FORMULA: $(\$571,558)/(\$11,719,603)=4.88\%$	
(1) PENSION	$=(\$5,135,261-\$806,690)*4.88\%$	\$211,234
(2) WORKERS' COMP.	Rates Per FY13 Workers' comp. audit	\$10,657
(3) FICA/MEDICARE	$=(\$425,000*34%)*4.88\%$	\$7,052
(4) LIFE INSURANCE	$=(\$45,000*34%)*4.88\%$	\$747
(5) PROPERTY & LIABILITY INS.	FORMULA: $(\$5,426,373/\$73,448,657)*\$565,000$	\$41,742
(6) ACCOUNTING	$=\$174,669*6.94\%$	\$12,122
(7) ANNUAL AUDIT/OPEB STUDY	$=\$36,500*6.94\%$	\$2,533
(8) TREASURER	$=\$267,778*6.94\%$	\$18,584
(9) POSTAGE	$=\$55,000*6.94\%$	\$3,817
(10) MIS/DATA PROCESSING	$=\$231,628*6.94\%$	\$16,075
TOTAL INDIRECT COSTS		\$324,563
<b>TOTAL AMOUNT TO BE RAISED FOR FY2016</b>		<b>\$5,084,031</b>

*\$ 4,884,031*

# Massachusetts Water Resources Authority

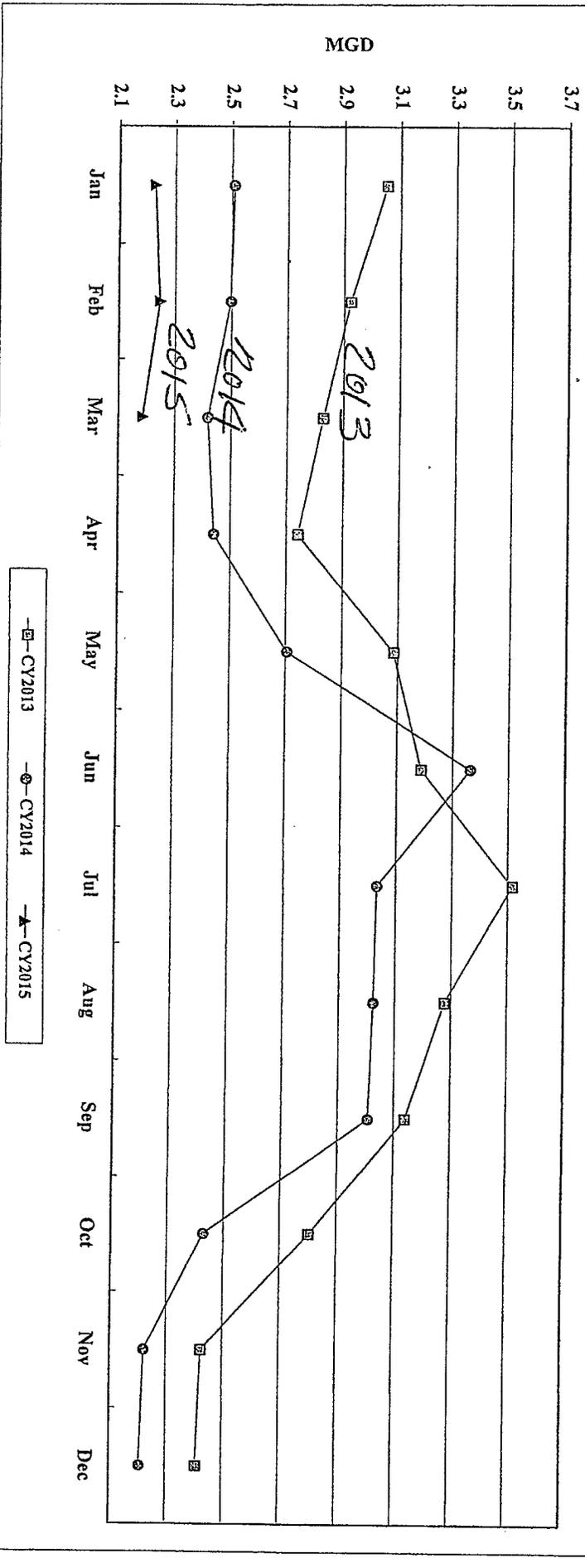
Water Supplied: Town of Stoneham

Share of Metro System Water Use		
Year to Date (YTD)	Annual	
2015	2014	2014
<b>1.33%</b>	<b>1.53%</b>	<b>1.49%</b>

YTD CHANGES (CY15 vs. CY14)		
Water Supplied	Stoneham System Share	
Metro System	Stoneham	Share
		<b>2.8%</b>
		<b>#####</b>
		<b>#####</b>

MGD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Average	Annual Average
CY2013	3,054	2,924	2,830	2,742	3,087	3,189	3,517	3,278	3,140	2,803	2,425	2,408	2,936	2,951
CY2014	2,509	2,498	2,419	2,443	2,706	3,365	3,034	3,025	3,009	2,430	2,223	2,208	2,475	2,656
CY2015	2,228	2,248	2,187	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	2,220	2,220
MG	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total	Annual Total
CY2013	94,662	81,885	87,719	82,267	96,687	95,676	109,027	101,616	94,201	86,901	72,747	74,654	264,266	1,077,041
CY2014	77,790	69,941	75,000	73,275	83,889	100,943	94,053	93,772	90,274	75,326	66,683	68,453	222,731	969,398
CY2015	69,094	62,938	67,796	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	199,828	199,828

Stoneham Water Consumption



## SEWER FY 15

NEED TO RAISE	\$	6,180,000.00
4 QUARTERLY BILLS	\$	5,655,000.00
9 MONTHLY BILLS	\$	155,000.00
3 MONTHLY BILLS	\$	80,000.00
	\$	5,890,000.00

POTENTIAL SHORTFALL	\$	290,000.00
SURPLUS RETAINED EARNINGS 7-1-14	\$	1,237,600.00 <i>20%</i>
SURPLUS RETAINED EARNINGS 7-1-15	\$	947,600.00 <i>15.5%</i>

## SEWER FY 16

NEED TO RAISE	\$	6,097,234.00
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Construction Article reduced from  
\$400,000 to \$200,000

AT \$9.80 H.C.F (same rate)	\$	5,892,000.00
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SHORTFALL	\$	205,000.00
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ANTICIPATED SURPLUS REVENUE 7-1-16	\$	742,000.00
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Potential Hook Up Fees

Fallon Rd. 290 Units @ \$500.00	\$	145,000.00
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### FINANCE BOARD GUIDELINES

SURPLUS REVENUE            10-15%

10% of 6,100,000 = \$610,000

15% of 6,100,000 = \$915,000

1 CENT OF SEWER RATE = \$6000+/-

## WATER FY 15

NEED TO RAISE	\$	5,322,000.00
4 QUARTERLY BILLS	\$	3,479,000.00
9-MONTHLY BILLS	\$	889,000.00
		4,368,000.00
3 MONTHLY BILLS	\$	240,000.00
(Assumes \$50,000 per month -- kraft foods)		
NO GUARANTEE	\$	4,608,000.00
POTENTIAL SHORTFALL	\$	714,000.00
EXISTING SURPLUS REVENUE 7-1-14	\$	1,004,653.00 <i>18.9%</i>
SURPLUS REVENUE 7-1-15	\$	290,650.00 <i>6%</i>

## WATER FY 16

NEED TO RAISE	\$	4,884,031.00
(NO CONSTRUCTION ARTICLE)		
4 QUARTERLY BILLS	\$	3,480,000.00
MONTHLY NO KRAFT FOODS	\$	200,000.00
POTENTIAL REVENUE	\$	145,000.00
HOOK UP FEES: 290 UNITS @ \$500.00		
RETAINED EARNINGS 7-1-15	\$	300,000.00
		4,125,000.00
SHORTFALL	\$	759,000.00

Assume Kraft Foods stays in business for 6 months (Dec 31, 2015) and uses \$50,000 per month	\$	300,000.00
SHORTFALL	\$	459,000.00

1CENT ON WATER RATE RAISES \$7000+/-

\$459,000 / \$7000 = 66 CENTS

Melrose		Water - \$ / HCF		Sewer - \$ / HCF	
		Residential	Commercial	Residential	Commercial
Base Rates:	0-20	\$ 5.65		\$ 9.72	
	20-100	\$ 7.55	\$ 7.20	\$ 11.82	\$ 11.33
	> 100	\$ 8.41		\$ 12.45	
Notes:	Commercial customers charged flat rate for water & sewer services. 2nd Meter allowed - discontinued on sale of property 2016 Rates not set				
Discounts:	Quarterly				
Senior / Low Income	Water	10%			
	Sewer	10%			
Additional Fees:	Quarterly		Yearly Total		
Residential Water Base Fee	\$	15.00		\$	60.00
Residential Sewer Base Fee	\$	5.00		\$	20.00

Reading		Water - \$ / HCF		Sewer - \$ / HCF	
		Residential	Commercial	Residential	Commercial
Base Rates:		\$ 8.83	\$ 8.83	\$ 9.76	\$ 9.76
Notes:	MWRA yearly survey lists no discounts 2016 Rates set on March 25, 2015; Eliminate 10% discount to lower rates Discount applied to all payments received within 30 days. >90% Received 2nd METER NOT ALLOWED ON ANY BUILDINGS				
Discounts:	All Residents Water 0% Sewer 0% Town shifted to late payment policy				
Additional Fees:	Quarterly		Yearly Total		
Storm Water Fee	\$	10.00		\$	40.00

Stoneham		Water - \$ / HCF		Sewer - \$ / HCF	
		Residential	Commercial	Residential	Commercial
Base Rates:		\$ 5.00	\$ 5.00	\$ 9.80	\$ 9.80
Notes:	2,323 Existing 2nd Meters; No additional allowed after September 2012				
Discounts:	Quarterly				
Senior / Low Income	Water	\$ 12.50			
	Sewer	\$ 37.50			
Additional Fees:	None				

Wakefield		Water - \$ / HCF		Sewer - \$ / HCF	
		Residential	Commercial	Residential	Commercial
Base Rates:		\$ 5.65	\$ 5.65	\$ 10.45	\$ 10.45
Notes:	Discount of 10% applies to all payments received within 30 days. Rates above do not reflect 10% discount; 95% of customers receive discount 2016 Rates not set until July 1, 2015 by Board of Selectmen 2nd METER NOT ALLOWED				
Discounts:	Quarterly				
All Residents	Water	10%			
	Sewer	10%			
Additional Fees:	Quarterly		Yearly Total		
Existing 2nd Meters Water	\$	18.00		\$	72.00

**FY 15 WATER AND SEWER RATES**

STONEHAM WATER/SEWER RATES PER 100 CU. FT.

<u>YEAR</u>	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
1983	0.85	0.78	1.63
1984	0.85	0.78	1.63
1985	0.85	0.89	1.74
1986	0.90	1.15	2.05
1987	0.90	1.15	2.05
1988	1.17	1.64	2.81
1989	1.17	2.14	3.31
1990	1.17	2.35	3.52
1991	1.50	2.94	4.44
1992	1.52	3.40	4.92
1993	1.52	4.40	5.92
1994	1.90	4.40	6.30
1995	1.65	4.75	6.40
1996	1.50	4.90	6.40
1997	1.80	5.00	6.80
1998 JUL/AUG	1.90	4.90	6.80
1999 JAN	1.60	5.20	6.80
1999 JULY	2.10	5.50	7.60
2000	2.50	5.75	8.25
2001	2.75	6.05	8.80
2002	2.75	6.25	9.00
2003	2.75	6.25	9.00
2004	2.75	6.25	9.00
2005	3.25	6.25	9.50
2006	3.40	6.60	10.00
2007	3.40	7.20	10.60
2008 January	4.00	7.60	11.60
2008 July	4.20	7.80	12.00
FY 10 2009	4.30	8.30	12.60
FY 11 2010	4.30	8.60	12.90
FY 12 2011	4.40	9.00	13.40
FY 13 2012	4.60	9.00	13.60
FY 14 2013	4.80	9.80	14.60
FY 15 2014	5.00	9.80	14.80

Account	Service	Service Description	Type	WATER	SEWER
002067	100	QUARTERLY WATER	P	9000	9000
002068	100	QUARTERLY WATER	P	19100	19100
002160	100	QUARTERLY WATER	P	24500	24500
002170	100	QUARTERLY WATER	P	12600	12600
002175	100	QUARTERLY WATER	P	8000	8000
002295	100	QUARTERLY WATER	P	48000	48000
002296	100	QUARTERLY WATER	P	25100	25100
005531	100	QUARTERLY WATER	P	11000	11000
005532	100	QUARTERLY WATER	P	23200	23200
024015	100	QUARTERLY WATER	P	13000	8500
024015	100	QUARTERLY WATER	P		
045147	100	QUARTERLY WATER	P	9000	9000
045151	100	QUARTERLY WATER	P	1300	1300
048130	100	QUARTERLY WATER	P	31000	31000
050001	100	QUARTERLY WATER	P	30400	
058041	100	QUARTERLY WATER	P	3400	3400
058504	100	QUARTERLY WATER	P	159200	159200
058505	100	QUARTERLY WATER	P	26000	26000
058506	100	QUARTERLY WATER	P	198500	
059426	100	QUARTERLY WATER	P	900	
062215	100	QUARTERLY WATER	P	11000	8300
062215	100	QUARTERLY WATER	P		
066345	100	QUARTERLY WATER	P	6000	
068005	100	QUARTERLY WATER	P	16200	16200
068006	100	QUARTERLY WATER	P	8000	8000
080060	101	MONTHLY WATER	P	14100	
080065	101	MONTHLY WATER	P	26200	
080070	101	MONTHLY WATER	P	12000	
080075	101	MONTHLY WATER	P	12400	
080105	101	MONTHLY WATER	P	43800	
080045	101	MONTHLY WATER	P	110600	
080050	101	MONTHLY WATER	P	101000	
				1014500	451400

CF

10145 WATER @5.00 = \$ 50,725.00

4514 SEWER @9.80 = \$ 44,237.20

5

# Water & Waste Pipe Testing Inc.

## SUMMARY:

Water & Waste Pipe Testing, Inc., of Rowley, MA, conducted and completed a comprehensive water leakage survey on the entire water distribution system - approximately 78 miles - for the Town of Stoneham, MA. The entire survey was conducted during the working hours of 8:00 am to 3:00 pm on weekdays. The more heavily traveled roads, such as Main St., Franklin St., Elm St., Montvale Ave., and Williams St., were surveyed on early Saturday morning, March 28th, 2015, between the hours of 4:00 am and 8:00 am.

The survey was conducted during the working daylight hours so that assistance from Mr. Robert Radigan, Water & Sewer Supervisor, was available when needed. All leaks detected were reported to Mr. Radigan at the end of each day of the survey.

### TOWN OF STONEHAM, MA LIST OF LEAKS DETECTED MARCH/APRIL, 2015

LEAK #	DATE LOCATED	LOCATION OF LEAK	DESCRIPTION OF LEAK	GPM	REPAIR DATE
1	3/23/15	End of Rita Circle	Hydrant leak	2	Not repaired
2	3/25/15	28 Stevens St.	Hydrant leak	2	Not repaired
3	3/30/15	2 Birch St.	Hydrant leak	2	3/30/15
4	3/30/15	38 Lotus Ave.	Hydrant leak	2	3/30/15
5	4/7/15	34 Lincoln St.	Service leak - Homeowner's side	7	Not repaired
6	4/7/15	507 Williams St.	Service leak - Homeowner's side	10	Not repaired

To: David Ragucci

From: Water and Sewer Review Board

Date: April 27, 2015

RE: FY2016 Water and Sewer Rates

The Water and Sewer Review Board held its annual public meeting on April 22<sup>nd</sup> to hear input from Bob Grover on the water and sewer enterprise funds, as well as to hear any citizen input. Mr. Grover gave us a presentation on the expected revenues and expenditures for these funds. Although the meeting was posted with the town clerk's office, only one citizen attended and offered no comments. It is the goal of this board to better advertise this meeting in the future to gain more citizen involvement.

The water enterprise fund used several assumptions due to the anticipated closing of the Atlantic Gelatin plant. The two main assumptions that were made were (1) how much water they will use, and (2) when they will close. The surplus retained earnings are already at a low level of approximately 6%. According to Mr. Grover, the FAB recommends 10-15%. This fund WILL have a shortfall; how much depends on Atlantic Gelatin.

The sewer enterprise fund is in much better shape. There is a small deficit between revenues and expenditures that will be covered by the surplus retained earnings. After the reduction, we are still expected to have 12% in surplus on 7/1/2016. The FAB recommends 10-15% in surplus retained earnings for this fund as well.

After a lengthy discussion with Mr. Grover and among ourselves, the board was not in agreement on water and sewer rate recommendations. We feel at this time there are too many variables and unanswered questions. Some members of the board expressed concern about previous water and sewer revenues (approximately \$2 million) being used to balance the general budget as well as the policy change in FY2011 to remove water from town department budgets (with the exception of the golf courses and arena) and adding that expense to the rate payers in the water and sewer bills.

We understand that the closing of the Atlantic Gelatin plant poses a significant challenge to the Enterprise funds. It is our sincere hope that all cost saving measures be considered prior to a water rate increase. Some of the measures we ask you to consider are use of the general stabilization fund, shifting

some DPW employee time out of the enterprise funds and into the general DPW fund, and shifting town department water and sewer costs out of the water and sewer rates and back into the department budgets. If after all cost saving measures have been considered, a water rate increase is still necessary, we ask that it be minimal, be offset by a reduction in sewer rates (not to go below the 10% minimum in surplus, approximately \$.22/hcf), and have assurances that it will be lowered after the town is finished paying MWRA assessments that include Atlantic Gelatin water use. We also ask that water rates be addressed at the beginning of Town Meeting prior to any votes being taken on the budget or any other article involving town expenditures.

The Water and Sewer Review Board will be happy meet with you regarding any questions or concerns you may have for us regarding this meeting or any other business.

Respectfully,

Scott LeBeau

Chairman, Water and Sewer Review Board

Cc: Board of Selectmen

Finance Advisory Board