

**Sewer Commissioners
Minutes of Tuesday, April 27, 2021
Zoom Remote – Public Access**

.....

TA Tony Schiavi
ATA Glenn Cannon

Sewer Commissioners

James Potter, Chairman
Jared MacDonald, Vice-Chairman
Judy Froman, Clerk
Peter Meier – joined by phone
George Slade

Others: Irene Cabone, Ross Negele, Halim Choubah, Erica Flemming, Kathleen Thut, Michael Ellis, Greg Wirsén, Zac Basinski-Bracken Engineering, Noreen Michienzi, Jerry Hill, Ryan Correia, Renee Gratis

Note this Zoom videoconference meeting is being televised, streamed or recorded by Bourne TV. If anyone from the public wishes to provide public comment, they can access the Zoom meeting by calling: 1-929-205-6099, Meeting ID: 851 3508 4567, Password: 755935. If you already have the Zoom App downloaded to your device or computer, you may simply join the meeting by entering the Meeting ID and Password noted above, or go to <https://zoom.us/meetings> and look for the Join Meeting button.

Participants wishing to speak should click the "Reactions" icon on the lower toolbar and then click "Raise Hand" in the dialog box to notify the Chair. The Chair will recognize participants. The 'Chat' keyboard feature will not be utilized for discussion or recognition during this meeting. For Participants who are calling into the meeting and wishing to speak should press *9 to notify the Chair. The Chair will recognize participants. Please MUTE your phone/microphone upon entry.

All items within the meeting agenda are subject to deliberation and vote(s) by the Board of Sewer Commissioners.

Documents:

Meeting Called to Order

Chm. Potter called the meeting to order at 6:30 pm.

1) Salute to the Flag

2) Consent Agenda

- A. Correspondence
- B. Public Comment

RECEIVED
2021 JUL 16 PM 3:48
TOWN CLERK BOURNE

2.A. Correspondence

Judy Froman brought the Sewer Commissioners and the public up to date on the correspondence

- A. Notice of Subsidy from the Cape Cod and Islands Water Protection Fund
- B. Wareham Capital Projects Information

2.B Public Comment

3) Sewer Allocation Updates

- A. 12 Wagner way - GENCON (Robert Gendron)
- B. 100 Block — Vincent Michienzi
- C. 85-93 Main Street — Vincent Michienzi
- D. 227 Main Street — James McLaughlin
- E. 223 Main Street — Bay Motor Inn
- F. 2 Kendall Rae Place - CMP Development LLC
- G. 340 Main Street - 340 Main Street LLC

6 Month Sewer allocation updates.

3.A. 12 Wagner way - GENCON (Robert Gendron)

Ross Negele, representing Wagner Way on behalf of Maritime Holdings.

- Still working on our due diligence package – plan our CCRC
- Current Market Study and Demand Estimate are still under way
- New develop is still underway, in its due diligence period
- Looking to defer up to a 6-month period
- Our study is still on track for its original submission – we are working through the details

Greg Wirsén, Green Seal

- Did a market study about a year ago. Doing another market study now.
- There are supply chain issues
- Don't have any definitive plans with respect to anything we could present from the Planning Board.

Voted: Jared MacDonald moved and seconded by Judy Froman allow a six (6) month extension to the Sewer Allocation (17,750 gallons per day) for the project located at 12 Wagner Road to October 27, 2021.

Roll Call Vote: George Slade – Yes, Peter Meier – Yes, Judy Froman – Yes, Jared MacDonald – Yes, James Potter - Yes

Vote: 5-0-0.

3.B. 100 Block — Vincent Michienzi

Zack Basinski, Bracken Engineering

The 100 Block

- The 100 Block was granted 26,000 gallons in 2018
- Mr. Michienzi is working with developer at potential options on the 100 lot
- Asking for a 6-month extension

85-93 Main street

- Have 3 of the 4 tenants up and running
- The last tenant is a restaurant use
- Mr. Michienzi is working with a potential tenant for that
- In the process of putting together new site plans that merges a lot next door.
- Looking at doing an outside seating patio area on that lot and a potential mixed-use development.
- Hope to be back in front of the Planning Board soon
- At that time, we would be looking at reallocating some of the sewer flow out of the 100 Block into that user.
- Asking for a 6-month extension

Voted: Jared MacDonald moved and seconded by Judy Froman to allow a six (6) month extension to the Sewer Allocation (26,080 gallons per day) for the project located at 100 Block to October 27, 2021.

Roll Call Vote: Peter Meier – Yes, George Slade - Yes, Judy Froman - Yes, Jared MacDonald - Yes, James Potter - Yes
Vote: 5-0-0.

3.C. 85-93 Main Street — Vincent Michienzi

Voted: Jared MacDonald moved and seconded by Judy Froman to allow a six (6) month extension to the Sewer Allocation (13,000 gallons per day) for the project located at 85 – 93 Main Street to October 27, 2021.

Roll Call Vote: Peter Meier – Yes, George Slade – Yes, Judy Froman – Yes, Jared MacDonald – Yes, James Potter - Yes
Vote: 5-0-0.

3.D. 227 Main Street — James McLaughlin

Zack Basinski, Bracken Engineering, on behalf of James McLaughlin

- This was a conversion of a single-family house – approved for 2 residential units and a commercial office space on the first floor.

- Applicant was in front of the Planning Board last Thursday night and was granted a special permit for an alternative use on the bottom floor for another 3rd apt inside the building.
 - The building is under construction
 - Hopefully to be looking for tenants soon.
- 2 rentals on top and a 3rd residential rental (3 2-bedroom units)

Voted: Jared MacDonald moved and seconded by Judy Froman allow a six (6) month extension to the Sewer Allocation (79 gallons per day) for the project located at 227 Main Street to October 27, 2021.

Roll Call Vote: Peter Meier - Yes, George Slade - Yes, Judy Froman - Yes, Jared MacDonald - Yes, James Potter - Yes
Vote: 5-0-0.

3.E. 223 Main Street — Bay Motor Inn

Mr. Carbone

- Had a perspective buyer walk away in December (because of Covid)
 - Broker still moving forward
 - Have a few perspective buyers
 - We are across the street from the Calamare project
- Want the town to move forward and resolve the issue with the Calamare project
Frustrating for us marketing our property
We are trying, hoping to get an offer

Voted: Jared MacDonald moved and seconded by Judy Froman to allow a six (6) month extension to the Sewer Allocation (11,985 gallons per day) for the project located at 223 Main Street to October 27, 2021.

Roll Call Vote: Peter Meier – Yes, George Slade – Yes, Judy Froman – Yes, Jared MacDonald - Yes, James Potter - Yes
Vote: 5-0-0.

3.F. 2 Kendall Rae Place - CMP Development LLC

Joe Longo, JL3 Consulting, on behalf of the applicant

- Over the last several months have had our architects working on plans
- Presented them to the Design Review Committee – they approved the plans
- Will be moving to Planning Board and Conservation Commission in the next couple months
- Construction will be started late Fall
- Looking for a 6-month extension

Glenn Cannon said they have not paid their sewer allocation fee. Suggest a 3-month extension.

Joe Longo said the developer is concerned with the water situation in town. Buzzards Bay Water District hasn't resolved their water supply. Spoke with Steve Souza – they are hoping to have the situation resolved by July.

Tony Schiavi said we also have to look at the unpaid allocation on the 100 Block.

Judy Froman said it would be beneficial to get communications from the water district to the developers, as to why they have not been able to pursue their project; it would be helpful to have that documented.

George Slade said we should make sure the road is configured correctly, the stop signs are placed properly, and the parking is adequate for the inclusive playground and the folks from Kendall Rae.

James Potter questioned regarding large projects would there be a benefit to spreading the fee cost over time as opposed to paying upfront

Ryan Correia said spreading it out would be easier as far as financing.

Voted: Jared MacDonald moved and seconded by Judy Froman to allow a allow a six (6) month extension to the Sewer Allocation (46,475 gallons per day) for the project located at 2 Kendall Rae Place to October 27, 2021.

Roll Call Vote: Peter Meier – Yes, Jared MacDonald - Yes, Judy Froman - Yes, George Slade - Yes, James Potter - Yes
Vote: 5-0-0.

3.G. 340 Main Street - 340 Main Street LLC

Hal Choubah, Consulting Engineer, representing the applicant.

- Filed with Conservation – have Conservation approval
- Filed with BOS for the underground fuel storage tank
- Filed with MassDOT for the curb cut on Main Street – waiting for state to approve the permit. Then we will file for a building permit.
- Have a concern with the water, was told by the water Superintendent that by August we should have water.
By August we are hoping we have all our permits and we can apply for a building permit.
- Asking for a 6-month extension

Voted: Jared MacDonald moved and seconded by Judy Froman to allow a six (6) month extension to the Sewer Allocation (3,095 gallons per day) for the project located at 340 Main Street to October 27, 2021.

Roll Call Vote: Peter Meier - Yes, George Slade - Yes, Judy Froman - Yes, Jared MacDonald - Yes, James Potter - Yes
Vote: 5-0-0.

James Potter requested to take Agenda 5A out of order

5) New Business

A. Any new sewer business (not foreseen 48 hours ahead of this meeting)

Jerry Hill from Calamar

- Gave the BOS an update last month
- Senior housing project at 13 Kendal Rae
- Will be finishing the project in the 4th quarter this year
- Have first residents beginning in late November or December – the pre-leasing is going well
- Can give an update to the BOS in August
- Will be working on the exterior of the building so it looks nice over the summer while we are finishing up the inside of the building

Judy Froman questioned what area are the applicants coming from.

Jerry Hill said he doesn't have that information but typically most are from the local area.

Peter Meier suggested the applicant email (communicate with) the TA monthly with updates. Jerry Hill said he will communicate with the TA monthly.

4) Sewer Business

- A. System Development Charge discussion and possible vote**
- B. Sewer Enterprise Fund - Retained Earnings Policy outline**
- C. Cape Cod & Island Water Protection Fund Reimbursement discussion**
- D. Wareham Capital Projects discussion**
- E. Buzzards Bay Wastewater Facility use discussion**
- F. FY 22 Sewer Budget discussion and possible vote**

4.A. System Development Charge discussion and possible vote

James Potter said to keep things clear we are going to call this the System Development Charge (SDC) so as not to confuse it with ERU. ERU is for the rate study.

Glenn Cannon said we looked at the water usage data for 2020, 2019, & 2018

The actual flow we sent to Wareham is still well below our allotment of 200,000 gallon a day. Mr. Cannon went over the Proposed System Development Charge (SDC), compared to other towns.

Proposed System Development Charge (SDC) compared to System Development Charges from other Towns						
Type of Project	Title V Flow (GPD) ¹	SDC ²	Plymouth ³	Falmouth ⁴	Wareham ⁵	Middleboro ⁶
New Residential Home 7	330	\$3,600	\$3,300	\$0	\$0	N/A
Small Commercial Addition	79	\$3,600	\$790	\$0	\$1,885	N/A
Yogurt Shop	440	\$4,752	\$4,400	\$0	\$1,942	N/A
Hotel or Apartment Bldg	15243	\$164,616	\$152,430	\$0	\$8,596	N/A
Mixed Use Commercial	46475	\$501,912	\$464,750	\$0	\$28,276	N/A
¹ GPD = Gallons Per Day						
² (SDC calculation = Title V estimate x .45 ÷ 150 gpd actual usage x \$3600) (Tighe & Bond "Sewer Rate and Capacity Management Evaluation" dated February 2020, revised July 10, 2020) Minimum of one (1) ERU.						
³ Plymouth System Development Fee equals \$10 per gallon (Town of Plymouth, "Sewer Connection Permit Policy", September 10, 2019)						
⁴ Falmouth does NOT access a System Development Charge. The Town of Falmouth would fund the WWTF upgrade (based an email exchange with Falmouth Wastewater Superintendent)						
⁵ "Commerical/industrial sewer connection permit fee" in Wareham						
⁶ (Design plans are required to calculate System Development Charge in Middleboro)						
⁷ (Typical 3 bedroom house on 1/8 acre with 40 ft. of frontage)						

April 22, 2021

Mr. Potter said we should try to recoup costs that were incurred due to the new plant. If those costs are incurred, it doesn't translate onto the rates. The System Development Charge would replace the preliminary allocation fees.

Glenn Cannon went over the betterment calculated for the developments.

- Proposed System Development Charge (SDC) Betterment
- Put a 5% interest rate on all of it, for information purposes.
- We picked 10, 15, and 20 years increments, for information purposes.
- Existing Sewer Fees vs. Proposed System Development Charge vs. Capped Fees vs. 50% Rule

Proposed System Development Charge (SDC) Betterment					
Type of Project	Title V Flow (GPD) ¹	SDC Fees ²	10 Year Betterment ³	15 year Betterment ⁴	20 Year Betterment ⁵
New Residential Home ⁶	330	\$3,600	\$378	\$252	\$189
Small Commercial Addition	79	\$3,600	\$378	\$252	\$189
Yogurt Shop	440	\$4,752	\$499	\$333	\$249
Hotel or Apartment Bldg	15243	\$164,616	\$17,285	\$11,523	\$8,642
Mixed Use Commercial	46475	\$501,912	\$52,701	\$35,134	\$26,350
¹ GPD = Gallons Per Day					
² (SDC calculation = Title V estimate x .45 ÷ 150 gpd actual usage x \$3600) (Tighe & Bond "Sewer Rate and Capacity Management Evaluation" dated February 2020, revised July 10, 2020) Minimum of one (1) SDC.					
³ Based on a 5 percent interest rate and the Bourne Board of Sewer Commissioners granting a 10 year betterment					
⁴ Based on a 5 percent interest rate and the Bourne Board of Sewer Commissioners granting a 15 year betterment					
⁵ Based on a 5 percent interest rate and the Bourne Board of Sewer Commissioners granting a 20 year betterment					
⁶ (Typical 3 bedroom house on 1/8 acre with 40 ft. of frontage)					

April 22, 2021

Existing Sewer Fees vs. Proposed System Development Charge vs Capped Fees vs 50% Rule					
Type of Project	Title V Flow (GPD) ¹	Current fees ²	SDC Fees ³	Capped fees	50% of proposed SDC Fee
New Residential Home ⁴	148	\$5,979	\$3,600	\$3,600	\$1,800
Small Commercial Addition	35	\$5,079	\$3,600	\$3,600	\$1,800
Yogurt Shop	198	\$40,256	\$4,752	\$4,752	\$2,376
Hotel or Apartment Bldg	6859	\$69,697	\$164,616	\$164,616	\$82,308
Mixed Use Commercial	20913	\$93,966	\$501,912	\$200,000	\$250,956
¹ GPD = Gallons Per Day					
² Tighe & Bond "Bourne Sewer Rate Evaluation" PowerPoint page 8- Revised 7-10-2020 (based on the 2006 BOSC "sewer Use Charges" and the 2017 Town of Bourne "Commercial Wastewater Management Allocation Policy") Minimum of one (1) ERU.					
³ (ERU calculation = Title V estimate x .45 ÷ 150 gpd actual usage x \$3600) (Tighe & Bond "Sewer Rate and Capacity Management Evaluation" dated February 2020, revised July 10, 2020)					
⁴ (Typical 3 bedroom house on 1/8 acre with 40 ft. of frontage)					

Updated 4/23/2021

Judy Froman said the return on investment to the town could be calculated out when we get the tax benefits, and we get other types of benefits from having those businesses in town. We could figure out a return on investment, the investment is the discount of fees that would be charged to the large mixed use.

Jared MacDonald said the commercial does seem a little high, because we want to attract new commercial business. With the calculation written out they could figure out the fees themselves.

James Potter said this would be a page in the back with the attachments and they could fill it out and understand the charges.

Cap Option

James Potter suggested to be careful about the caped idea. There is not benefit to the Enterprise Fund if there is a cap, and all the benefit is to someone who is over the cap; they can have twice the size project and they would be caped. It could be a bad thing for the System Development Charge, it might be a good thing for rates.

Jared MacDonald said regarding the cap, another option could be maybe when they go over a certain gallonage there is a percentage reduction; we can set that up as a formula.

Judy Froman said we need to justify the benefits back to the town of having a cap.

James Potter questioned what is the Boards feeling about a Cap

Jared MacDonald and Judy Froman agreed to explore the Cap option.

Betterment Option

James Potter said one of the possible solutions is having a threshold and if we are above the threshold, we can treat it as a betterment and spread the cost over time, which would be easier on the larger projects.

Tony Schiavi said as it relates to the betterment, the Board needs to consider what some of the intended purpose of the collection of the Sewer Development Charges. If everything is spread out over the years, that money would come in slowly and it may impact the kinds of things we want to do with the money. Was the money going to help pay for some of the infrastructure, improvements of the system.

Spreading payment out over time

James Potter questioned the Board on the consensus of spreading a payment system out instead of a one-time fee.

Jared MacDonald said he is not opposed to it, but we can't go long term, because if buildings change owners. If it is spread out over time it should be over a short period. It does put a lot of work on staff.

Judy Froman said we need to justify the benefits back to the town; if we spreading payment out over time it uses staff time.

James Potter said once we get to a consensus on how we went to administer the model we have to stick with it, we can't stray from it. We had the rate study done, we have the results, it's a process of fixing the system so it works and then we have to stick with the system.

Voted: Jared MacDonald moved and seconded by Judy Froman to continue discuss of the Equivalent Residential Unit System Development Charge to a future Board of Sewer Commissioner's meeting.

Roll Call Vote: Peter Meier - Yes, George Slade - Yes, Judy Froman - Yes, Jared MacDonald - Yes, James Potter - Yes

Vote: 5-0-0.

4.B. Sewer Enterprise Fund - Retained Earnings Policy outline

James Potter said we met last night with the Finance Committee and there was discussion regarding Retained Earnings and how much should/could be in Retained Earnings, also Creating Retained Earning Policy

Mr. Potter spoke about the Wareham Swift Beach Sewer Project

Wareham Swift Beach Sewer Project – it was investigated and they needed \$30,000 to fix the broken pipe. This is what you would use for retained earnings. There was a bigger pipe break, the project is estimated at \$199,000.

Broken pipe delays Swifts Beach sewer project

Matthew Bernat
Nov 4, 2016

A collapsed pipe beneath the intersection of Bayview Street and Wankinco Avenue has delayed the start of sewer improvements in Swifts Beach.

Water Pollution Control Facility Director Guy Campinha told Wareham Sewer Commissioners on Thursday that it will cost an estimated \$30,000 to fix the pipe. Campinha said the damage was discovered during a scheduled inspection.

The pipe must be fixed immediately before a large improvement project that will reline pipes in the neighborhood can begin, said Campinha. He noted an 11-foot section of pipe is broken 16 feet below the surface.

Announced in July, the project will reinforce sewer pipes beneath Bayview Street and Wankinquoah Avenue, which are cracked, leaking and in danger of failing, said Campinha.

The project will be done in stages with pipe sections being repaired in stretches between manhole covers. Campinha said the work will be done with as little disruption to residents as possible. Street closings will be minimized and sewer service will be shut off to residents adjacent to construction for a day, two days at most in some cases.

The project is estimated to cost \$199,000. It will be paid for with funds from the sewer department's budget.

The follow up to the project.

It was a much bigger issue. And became a \$10 million dollar project.

\$10 million approved for sewer line repair at Wareham Town Meeting - By Matthew Bernat - Wareham, MA - Wareham Week VillageSoup

A costly, critical sewer line repair will move forward after voters at Town Meeting approved spending up to \$10 million for the project, which calls for relining a 1.7-mile stretch of pipe from Swifts Beach to the Narrows pump station.

Half of the funds will come from sewer department savings and the other half will be borrowed. Because \$5 million will come from savings, officials said users' sewer rates will not increase.

Wareham Water Pollution Control Facility Director Guy Campinha said the project was crucial in order to avoid a potentially catastrophic environmental disaster. The pipes were installed in the early 1970s and range in size from 18 inches to 21 inches in diameter. Officials said a review of the pipe's interior using closed circuit television found extensive corrosion.

"I can't say when the pipe will fail, but it could be soon," said Chris Cronin, of BETA Engineering, on Monday. "We're trying to avoid catastrophic failure."

Officials said because the pipe runs through environmentally sensitive areas, state laws will likely prohibit direct replacement, forcing the town to lay several miles of extra pipe, which will drive up costs. The repair work includes relining the pipes with a coating of fiberglass and epoxy. That will strengthen the pipes and seal cracks and holes.

The vote required a two-thirds majority and passed unanimously.

This is why we want Retained Earnings at a certain level. When it becomes a bigger project, the more you have in Retained Earnings, its better when borrowing and impacting the rates.

James Potter went over some of the changes he suggested. We want to adopt a policy as a Board.

by the Sewer Commissioners

BoSC 4/27/2021

Rates and fees for enterprise services shall be set at a level to provide for self-supporting enterprise operations, including direct and indirect costs. Capital projects shall be financed from enterprise revenues and grants.

Changes in the rates and/or rate structure shall be carefully analyzed prior to recommendation and implementation in order to ascertain the short and long term impact on financial security of the fund, rate payers and the general fund [if subsidies are being considered]. Town fees and charges shall also be reviewed periodically in relation to the cost of providing the service.

The Sewer Commissioners

The Town will compare rates with nearby communities to determine if the fees established are competitive. The Town may decide against full cost recovery where greater public benefit is demonstrated. Exceptions to full recovery costs include cases where: the fee maximums are established by the General Laws of Massachusetts (MGL) or where a policy decision has been made otherwise by the Board of Sewer Commissioners.

The Government Finance Officers Association recommends that when certain services provided especially benefit a particular group, governments should consider charges and fees on the service recipients. Well-designed charges and fees not only reduce the need for additional revenue sources, but promote service efficiency. Regular and consistent review of all fees is necessary to ensure the costs associated with the delivery of specific services have been appropriately identified and that a municipality is collecting reasonable charges

The Division of Local Services recommends communities adopt written policies for setting charges and fees. A policy should identify what factors are to be taken into account when pricing services. It should also state whether the community intends to recover the full cost of providing the service or benefit and under what circumstances a charge or fee is set at less than full recovery (e.g., debt exclusion or other subsidy). Such a policy and the fee structure should be reviewed periodically to ensure they remain current, and both should be communicated with the public clearly and openly.

References

MGL c. 41 §53F½

DLS Guidelines: [Enterprise Funds: A Best Practice](#)

Government Finance Officers Association, [Enterprise Fund Governance and Best](#)

III. Fiscal Reserve Guidelines

Similar to Free Cash, an Enterprise Fund's retained earnings are considered a "one-time" or "non-recurring" revenue source. In that regard, the Government Finance Officers Association recommends that communities develop guidance on the use of one-time revenues to minimize services disruptions due to the non-recurring nature of these sources. In addition, The Division of Local Services states that funding operations with one-time revenues, without identifying future available offsets, effectively postpones difficult decisions necessary to achieve a structurally sound, sustainable spending plan.

As it relates to the Sewer Enterprise Fund, the Board of Sewer Commissioners and Administrators shall reduce its use of Retained Earnings for the operating budget by ~~least \$XX,XXX each year until it ceases using one-time revenue sources for recurring costs in the annual Sewer operating budget.~~ One-time revenues shall be appropriated to reserve funds, used to fund one-time budget or capital costs, and/or address unfunded liabilities or when unanticipated expenses or emergencies occur.

to zero dollars.

BoSC 4/27/2021

The Sewer Enterprise Fund's accumulation of prudent reserves is critically important to the fiscal health of the fund. It shall be the policy of the Board of Sewer Commissioners to maintain a level of unreserved retained earnings in the Sewer Enterprise Fund that is sufficient to address the financing of: working capital, revenue shortfalls, unanticipated and emergency expenditures and/or in anticipation of increases to operating or capital expenses by the Town of Wareham.

The Board of Sewer Commissioners in concurrence with information and analysis provided by the Town Administrator, Finance staff and the Superintendent of Public Works shall maintain (at a minimum) the following reserves:

- a. Working Capital: to maintain a minimum balance of 30% of the operating budget.
- b. Reserve for Debt & Capital Expenses: to maintain at least three (3) years of capital debt service, plus anticipated cost of Bourne Capital Expenses as identified in the town's five year capital plan.

IV. Financial Planning & Monitoring Guidelines

- a. Multi-year Financial Forecasting
Establish and maintain an on-going financial planning model that projects revenues and expenses over the next five (5) years by using five (5) years of historical data and other fiscal trend analysis.
- b. Monitor and Track Current Year Financial Activities
Sewer Enterprise Funds shall be reviewed annually by the responsible board, commission, or department head to project revenues and expenditures for the next fiscal year and generate estimates of the current fiscal year and the projections for future years in order to prevent the need for subsidy by the General Fund operating budget. Estimates of capital project costs, debt service, and other liabilities shall be included in this analysis in order to project future enterprise fund budgets and revenues necessary to maintain self-sufficiency.

V. Capital and Debt Service Planning To be added

VI. Revenue Enhancement To be added

8,500,000 x 17.91%,
spread over 4 years

$$[(\text{Operating Budget} \times 0.30) + 3(\text{debt service/yr.}) + (\text{capital expenses}) + (\text{Wareham operations/yr.} + \text{capital/yr.})]$$

= Minimum Retained Earnings

$$[(1.357K \times 0.30) + 3(38K) + (95K) + (410K + 380K)]$$

= \$1,406,100 Minimum Retained Earnings

Jared MacDonald suggested to do a couple different scenarios, go back a few years and calculate some totals to see how the formula will work. The formula may need to be tweaked to clear it up. The formulas should be listed in the back.

Judy Froman suggested to have a longer-term replacement schedule so we know what is coming, to minimize the types of debt.

James Potter questioned should we write that we are trying to get to a certain formula, so we won't be outside the policy.

4.C. Cape Cod & Island Water Protection Fund Reimbursement discussion

James Potter said the Cape Cod and Island Protection Board, had a meeting. Several communities received reimbursement for their projects. We received a 1.165 million dollar subsidy back on our new wastewater treatment plant. It was a 25% subsidy that was taken as debt. That is a combined amount from the town and the Enterprise Fund. There was general debt taken and debt taken by the Enterprise Fund. The award is based on the combined amount. Staff contacted Clean Water Trust to try to understand how the money will be disbursed. We are still waiting on the guidance for how they will reimburse the communities.

Mr. Potter said he has been working with staff. We are work on being eligible for reimbursement for the existing IMA with Wareham. Had a meeting with the Executive Board for the Cape & Islands Water Protection Fund, DEP and Clean Water Trust on how we can pursue that reimbursement. It wasn't considered in the section that was passed as law. We have the home rule petition next week to allow us to craft language to keep pursuing this. Should that become an eligible project that would also be another subsidy back to Bourne.

4.D. Wareham Capital Projects discussion

James Potter said they sent us a capital outline of the trucks and equipment \$967,000 and the Equalization Basins \$1.689 million dollars, that is the first phase of their 9 million dollar Capital Projects at the plant.

From that 9 million we have the share of 17.91% that would be good to get that covered under our Cape & Islands Water Protection Fund reimbursement. When you do the calculation, we are obligated for about 1.6 million dollars, which we have to account for in our budget.

In the subcommittee we have for negotiating the IMA with Wareham, we have to find a way to get these capital repayment plans in writing. It isn't spelled out in the IMA. We need to make sure, if it is over a certain amount, we can pay it back over time. We talked with Clean

Water Trust about taking loans, they would like to see us document it in the IMA so there is an agreement on how these will be paid back.

Jared MacDonald said we need to have better documentation from them. We need the documentation for justification if we get loans or grants.

James Potter said we put them on notice that we want to be notified about Capital Projects. We need to have it written that they have to notify us of the Capital Projects they pursue that they want us to be part of.

4.E. Buzzards Bay Wastewater Facility use discussion

Tony Schiavi said

- Closing in on the end of the construction contract
- Plant substantially complete around mid-June
- Have some clear water test to do, get permission from DEP
- Have an agreement on the operations and maintenance contract that has been approved by EDA, haven't heard back from DEP
- Finalized the professional engineering contract with Weston & Sampson – that needs to be in place for us to start operating.

We need to look into whether or not we start the plant on time when it is ready, We talked to our wastewater consultant, what would a scope of work look like to do that type of analysis. The Federal Government would be involved We'd be looking at the plant, the warrantee items, operational costs (savings).

James Potter said there was discussion in the past regarding if we don't turn on the plant, or do we turn on the plant. Staff needs direction on what to look at. This is just to have a discussion on how to move forward.

Jared MacDonald questioned if there would be damage done if we do stall the starting of the plant. We need to be aware if there are going to be detrimental problems.

Peter Meier said we went to Town Meeting requesting the money for this plant; then we aren't going to start it and leave it dormant. Keep in mind with equipment the warranty starts when the plant is started, even for testing.

Judy Froman said we should direct our intention on optimizing the use of the plant to make the most of it.

Gary Malone, Buzzards Bay,

- What is the date we need for the expected flow
- What would be the operations cost savings between today and the date of the expected flow. There is a liability of not using something we are paying for.
- That flow may be useful to someone else, besides us at a different rate

George Slade said we have to realize the facilities are under capacity, because of COVID. The facilities want to keep their allocation. When we approach the 160,000 gallon point, we don't want to have to tap into the plant and realize there are problems. We should test it and make sure it is operating properly

Mary Jane Mastrangelo said looking at the allocation granted by the Sewer Commissioners it is 270,000 gallons these are developments in the works that are based on Title V flow, we need to be mindful of what is actually going to be used.

What is the conversation we could have with Wareham, when we look at the next 5-10 years in development what do we think we have and what do we think we will use and what we can send back to Wareham. We need to find out how to work with Wareham so it benefits both of us.

James Potter said there isn't an option to return the flow to Wareham, and with the new plant we will be sending them less. As we send less flow to Wareham, we have to pay attention to the Hydrogen Sulfate that builds up in the pipes. We should fill our allocation to Wareham and we should fill our plant. We don't want the rate payers to pay for a plant that is running at 25% capacity. We have to justify why the plant is there.

4.F. FY 22 Sewer Budget discussion and possible vote

James Potter said at the joint meeting the Finance Committee changed their recommendation for Retained Earnings for Town Meeting, it matches our recommendation for Retained Earnings at Town Meeting, \$50,000.

We will work on our policy to increase retained earnings.

5) New Business

A. Any new sewer business (not foreseen 48 hours ahead of this meeting)

Discussed after agenda item 3G.

6) Adjourn

Voted Jared MacDonald moved and seconded by Judy Froman to adjourn at 9:39 P.M.

Roll Call Vote: Peter Meier - Yes, George Slade - Yes, Judy Froman - Yes, Jared MacDonald - Yes, James Potter - Yes

Vote 5-0-0.

Respectfully submitted – Carole Ellis, secretary.