



***LYNNFIELD CENTER WATER DISTRICT WARRANT***  
**The Commonwealth of Massachusetts**  
***Regular Board Meeting***  
**6:30 p.m. January 14, 2019**

**Date, time, place:** The regular meeting of the Board was held on Monday, January 14, 2019 at 6:30 PM in the cafeteria at the Lynnfield Middle School at 505 Main Street, Lynnfield.

**Present were:** Commissioners Chairwoman Constance Leccese, Richard Lamusta, Water Foreman Nick Couris, and District Counsel Attorney Christopher Casey

**Absent:** Christine Smallenberger, Clerk of the Board

**Also attending were:** See sign-in sheet for ratepayers incorporated into the minutes hereto.

**Additional attachments:** Agenda, incorporated into the minutes hereto.

**Next Regular Meeting:** January 28, 2019 at 6:30 PM

**Adjourn:** Unknown.

Chairwoman Leccese opened the meeting stating the meeting is being recorded tonight for the purpose of producing minutes as the clerk is ill and not here tonight.

The District received a motion for a Special District Meeting from Mr. Dalton. A Special District Meeting will be formally scheduled tonight. Attached to the motion is 4 proposed articles on the warrant received were as follows:

Article 1: to select a qualified candidate to fill the vacant seat on the Board of Water Commissioners.

Article 2: proposes the board of commissioners only begin to recruit for a new Superintendent after the 2019 Annual Meeting.

Article 3: proposes to increase the filter rebate program to a maximum of \$2,000 and

Article 4: proposes the District cease and desist the charging of new water rates passed in 2018.

**Agenda Item 2 and 3. Superintendent retirement and search committee for replacement superintendent and Election of New Board Member.**

Chairwoman Leccese mentioned the District has submitted the articles to District counsel for review and will get back to the ratepayers on this. In article 1, paragraph 4 of the District's bylaws, states each candidate for election to any office must submit a letter of intent to the Clerk of the District, no less than 30 days prior to the date of the meeting at which the election is to be held. As we would like to give 2 weeks' notice to give any qualified candidate intent, the earliest date to schedule a Special District Meeting is February 25, 2019 assuming it is posted in the paper tomorrow. If we agree to this date, all candidates wishing to be considered to fill the vacancy of Ken Burnham must supply to the Clerk of the District a letter of intent by Friday January 25, 2019. We also have publication and posting requirements for special district meetings which we will comply with them in a timely manner according to our enabling act, meeting warrants are closed 2 to 3 weeks prior to the scheduled meeting as such the warrant will close at 7pm at our regular scheduled meeting on February 11, 2019; all other submissions for proposed articles on the warrant must be finalized in writing and submitted in writing by that time.

*Mrs. Campbell asked: if the selectman brought copies or where can we find copies of the warrant articles to study them?* The selectman responded they did not bring copies to the meeting. Chairwoman Leccese responded you can get a copy at the office and we can also post them on the website. *Mrs. Campbell further asked why the selectman did not discuss the changes to the enabling act first to the voters of the District before sending a petition to the legislators.* The selectman responded we aren't here to answer questions on our actions. *Mrs. Campbell thinks the voters should have a say on the selectman's decision before sending to the legislature and asked for comment from District Counsel.* Attorney Casey said there is no requirement and the selectman have gone to the correct party. Legally the only way they can change it is through legislature and that is the step they took. *Mrs. Campbell asked if at any point did the selectman talk to the District about this* and Chairwoman Leccese responded no.

*A question was asked: that he knows the focus is on the District but is the selectman focusing on policies generic and better operating practices to include the Lynnfield Water District in the legislation and better operating practices. And at this point is this the only district being targeted?* Selectman said targeting isn't the word to use but Yes.

Motion: Commissioner Lamusta made a motion to suspend the search committee for the new superintendent position until after the 2019 Annual Meeting.

Second: Chairwoman Constance Leccese seconded and the motion was approved.

**Agenda Item 7. New Rate Structure Discussion.**

Chairwoman Leccese moved on to questions on the rate increase and how they were arrived at and established. A rate increase was suggested to us by in a 12-18-2017 letter by the DEP

requiring the District implement a conservation and minimization plan. The District's engineering firm, CDM Smith drafted a response to this letter at our request on May 18, 2018. In this response the new rate structure came about. Summarization is: Bills are to be prepared every 6 months with each bill splitting the \$60 service charge to \$30 each bill instead of a previous bill of \$60. The rates were to be: The first 12,000 gallons at \$1.00 per thousand. 12,001 gallons to 36,000 gallons at \$4.50 per thousand gallons, 36,001 to 48,000 gallons at \$9.00 per thousand gallons, and 48,001 gallons and above is \$18.00 per thousand gallons. Discussions began regarding new rate structure in January of 2018 as documented in the minutes of the meeting were discussed at almost every regular board meeting. The rate increase was affirmatively voted during the September 24, 2018 regular board meeting. Ratepayers attending regular board meetings had the opportunities to ask questions about the rate increase and in fact several ratepayers did ask questions. CDM also included the rate increase in their presentations at our regular board meetings. The notice in a rate increase also appeared on the July 2018 bill: please be advised that the rates will be increasing effective with the December bill. The rate increase is to encourage water conservation, build a new treatment plant and explore the viability of other water sources.

*A ratepayer says: he had reviewed all the minutes and said the rate increase would be effective as of November 1, 2018 for the rate increase and that meaning as of November 1, 2018 water would be costing more money. The water consumed before November 1<sup>st</sup> should be charged at the prior rate. Your notice in July said your rates would be effective December. Your motion isn't about a retro-active rate. Your rate was not effective November 1, 2018 and your rate said December 1, 2018. Chairwoman Leccese said we will review the minutes of the meeting to see if there is an error in the minutes and need to make a modification, we will do so and will get back to you. A ratepayer states: you didn't make it retroactive, putting aside from it being ethical to do it retroactive.*

*Another ratepayer raised the question and pointed out Massachusetts Consumer Protection Law Chapter 93A states a business can charge higher rates to encourage water conservation but we already consumed the water. You are implementing higher costs to encourage conservation but we already consumed the water and utilized it. He referred it to consumption to buying a hamburger, you can't order an advertised a \$2 hamburger and then after consuming the hamburger be informed it cost \$10. Chairwoman said they will review the language and will get back to you as it was a strong recommendation by the DEP.*

*A ratepayer remarked you said it was based on the state's average we go off 2.3 people per household; where in Lynnfield are there 2.3 people. Foreman Couris said it was based on 2.8 people as the average that we filed with the state of people per service connection and based on the population per service connection. We understand you can't have .8 person per household, however that is how we do it through the DEP.*

*A ratepayer said he had asked how much water can we use and was told 65 gallons per person per household. My bill went up \$1,100 and we were 3,000 gallons under the suggestion and because I have a large family I'm being penalized. Foreman Couris said it is based on 2.8 people per service as the state wants us to be at 65 gallons per person per day (gpd) but the*

commissioners decided to push it 70 gpd which would give you 71,500 and which is where the 72,000 gallon average come in.

*A ratepayer asked how many services have 2.8 people per household. Foreman Couris said we get the District population from the town clerk.*

*A Ratepayer asked are we getting these recommendations from the DEP. Foreman Couris said this is how we have done it in the past and the DEP has accepted it. The ratepayer said you are at a higher rate than the MWRA including sewerage. Chairwoman Leccese responded the tax rate has gone down. Jim said the tax rate has gone down by a 12% decrease on the water component of your tax bill. The ratepayer said that is very minimal.*

*A Ratepayer asked: are you paying the DEP for the conservation money that has been collected and are they requiring it for conservation. Chairwoman Leccese said no. Chairwoman Leccese said part of the increase is used to offset the warrant voted on at the last meeting. Part of it goes to the operating expenses and goes into reserves, projects and infrastructure. A ratepayer said you already have \$500,000 already in reserves which is sufficient for the warrant article voted in. Chairwoman Leccese said we cannot leave us with nothing in reserves.*

*A Ratepayer states: she went through the minutes to see when the rates we are being charged were decided on and it wasn't at any of the meetings she attended. Chairwoman Leccese said we will review the meeting minutes and will publish a statement; the board has had ongoing discussions since we received the letter from the DEP. We had many discussions culminated with a vote on September 24, 2018.*

*A ratepayer states: a November 14<sup>th</sup> meeting approved the rates, does that sound accurate. Chairwoman Leccese said based on many meeting minutes we approved the rates on Sept. 24, 2018. We discussed it every meeting. CDM Smith discussed it and we discussed it based on current consumption. A ratepayer asked where do have the right to retro-actively apply the rates. Chairwoman Leccese said this is what we are reviewing. I can't truthfully state it was the DEP. When we summarize the facts, we will publish the facts.*

*Mr. Crawford asked about the tax rate on our tax bill what did it do for the overall tax, do we know if it actually went down or stayed the same. The average house in town went up 11%. Treasurer Alexander said it went down. It was all taken into consideration. We see the effect it has on each household, without the figures in front of me I believe we are taking in about \$150,000 less of tax revenue. We did reduce the tax rate for the members of the district. Mr. Crawford further asked since the \$5.2 Million greensand filter plant was voted down, why didn't the water rate increase get reduced. Chairwoman Leccese said there were multiple reasons for the rate increase such as seeking alternative water sources, greensand and infrastructure improvements. Treasurer Alexander said they want to remove the burden from the tax payer and shift that burden to those actually using the water. That is the intent. It doesn't have to do with raising additional funds for the plant. It is the normal course of business. Mr. Crawford said it was stated for the greensand filter plant. Chairwoman Leccese said it has to do with the discovery of the greensand filter plant and if we were going to construct a plant it was our hope to be funded largely from a low interest state loan.*

*Mr. Dalton asked can you tell us what the water rate increase will produce annually. Treasurer Alexander said it will replace roughly what we are losing in the tax revenue for what we are losing in the inflationary cost for the operational cost. Mr. Dalton said if I understand correctly, with the new rate water increase and tax rate decrease it is pretty much a wash? Treasurer Alexander responded correct. Anything we generate in free cash will go back into the budget to keep the tax rate stable. If you notice for years the tax rate has been stable. If we have any projects, emergencies, water exploration, well field infrastructure, or a water break because we only budget for so many water breaks (an average cost for a water break could be between \$8,000 to \$10,000 and could be significantly more depending on the damage done); the rate increase shifts the responsibility.*

*A ratepayer said instead of spreading it out equally to 2600 tax payers you are penalizing the higher water users. The commissioners said correct. Treasurer Alexander said we are trying to promote conservation. A ratepayer mentioned if something is broken in the system and instead of all 2600 families paying for it, essentially the families are paying to fix it? A ratepayer said you are charging people with multiple kids the higher rates. Chairwoman Leccese said that is not the intent. Treasurer Alexander responded as my perspective as the treasurer, what we have done is shifted the burden. It is the board's responsibility to raise the rates. I was tasked to balance the budget. We didn't raise any extra money by raising the rates and our budget went up a few percent.*

*A ratepayer asked how do you get this rectified. We have this bill due the end of the month, are we going to have to still pay that. Chairwoman Leccese said we will review all the figures, our advice is to pay the bill. A ratepayer do you want us to make us an interest-free loan to your bill. Chairwoman Leccese asked what is the interest on your bill, we are talking peanuts here.*

*A ratepayer said we are facing serious burden paying who have paid \$60 to \$80 dollars in their lifetime and got bills for \$900 or more and at Christmas-time. You are here to serve us and we are here to tell you it is a big burden on our community and needs to be changed and be resolved tonight. Chairwoman Leccese said it will not be resolved tonight.*

*A ratepayer said you are wrong and need to re-read the minutes and you were wrong and see you didn't pick the rates until the November 7, 2019 and weren't said out loud and did them behind the scene and didn't do in a public meeting and all of that is improper. In order to rectify this mistake is to take the burden off our citizens and give them a couple of months while you sort this out to make this payment. We are asking you to make a motion tonight to delay making the payments so you can carry on and do what you need to do to give us water and take the burden off the people.*

Attorney Casey said you brought up an issue about your interpretation of the meeting minutes and whether or not it is retroactive or not. The chairwoman has said she will look into it and that means I will look into it, unless you re-set the rate at this meeting that being a mistake. *Mr. Almy asked does the District have enough cash to delay the bills 30 to 60 days or will it cause a cash flow problem? Chairwoman Leccese said it will not cause a cash flow problem, we have enough cash to cover.*

Motion: Chairwoman Leccese made a motion to extend the payment date to 30 days that brings us close to the Special District meeting and to sort out the issues raised.

Second: Commissioner Lamusta seconded and the motion was approved.

*A ratepayer asked was that a private meeting?* Chairwoman Leccese said everything is a public meeting.

*A ratepayer said my bill was \$4500 dollars and there is no way we used that much water. Why aren't we notified when we are using this much; why can't we get notified like I do with my cell plan.* Chairwoman Leccese said it looks like it would be more and more necessary to bill quarterly and we will put your actual meter usage on the bill. Foreman Couris said to call the office as I don't have numbers with me.

*A ratepayer asked it would make more sense to change the payment of the bill after the Special District meeting so we know for sure what the bills will be, correct?* Chairwoman Leccese said yes. The Special District Meeting is on February 25, 2019. Chairwoman Leccese said I would like to entertain a motion to amend the motion to extend the payment of the bills to 60 days, rather than 30 days. The motion was seconded and moved.

*Mrs. Rauseo asked what did the district collect last year and this year for revenue and what do we anticipate?* Chairwoman Leccese said we are working on a year-to-year comparison. Treasurer Alexander responded he sets the tax rate and set it based on the figures provided but does not have the numbers here and does not remember what the numbers are. *Mrs. Rauseo asked what was collected for total revenues for last year and the bills this year that were sent out.* Treasurer Alexander said we don't have a full year's of revenue. I can't give you this year's number but can give you last year's number. Chairwoman Leccese said we can fulfill that request by the next meeting and get that on the website.

*A ratepayer is disappointed there is no agenda, there are no handouts and we are all having problems. Why wouldn't you that information. There is no transparency.* Treasurer Alexander didn't expect to answer these questions.

*Mr. Preston from 19 Trickett Rd asked whether you can retroactively apply the rate increase and when can we expect a response to that question.* Chairwoman Leccese said the reasonable time will be at the next board meeting.

*A ratepayer asked can you explain how the water rates are set.* Foreman Couris responded he was tasked finding out what neighboring communities rates are based on the averages between 72,000 and 75,000 throughout the neighboring communities of Wakefield, North Reading, Danvers, and the Lynnfield Water District and are paying anywhere between \$600 to \$850 dollars of water depending on the usage. We are looking to combine what the average for us and the average tax rate to put us in that figure. *A ratepayer asked does the other rates include sewerage.* Foreman Couris said no, it does not and is for water only.

Foreman Couris answered Mrs. Rauseo's questions regarding the status of the study for new water sources. Foreman Couris mentioned that Tata & Howard is the engineering firm that was

hired in December 2018 through the Lynnfield Water District. Regarding the status of the 40% of water from the wells at Glen Drive and latest count for iron and manganese, we have been testing since July of 2018 and there has been no drastic change in one direction or the other. The latest levels are .05 for iron and .12 for manganese. We have new samples come in today from the lab and won't have the results until next week.

*Mrs. Rauseo's question on the studies for the Glen Drive source treatment:* The CDM study for Glen Drive has been received December 19, 2018 and is in the District office for review. The board members have to finalize and decide if it can be electronically available due to security issues with the treatment process and geography of the system that we cannot allow the public to see openly. Regarding if a pilot study for the proposed treatment system was performed pursuant to DEP regulations, Foreman Couris cannot speak to it as he does not know if it was done pursuant to the DEP regulations.

#### **Agenda Item 5. New Business.**

Chairwoman Leccese asked Foreman Couris to speak on any new business. Foreman Couris reported we had multiple service connection breaks in the past 2 weeks, 2 that were the responsibility of the District's and 1 that was a private service. All breaks were fixed and repaired in a timely fashion.

#### **Agenda Item 6. Old Business.**

Chairwoman Leccese asked for any old business.

- (a) We are looking to upgrade meter reading equipment and had a Ti Sales representative show us a demonstration for a new computer-based system that will allow us to read the entire District in a 4-hour window; this will also allow more information that the members of the District are asking for such as monthly usage and putting actual meter reading on bills.
- (b) We are looking to update the computer network and infrastructure to give the members of the District more information. The biggest feedback from customers is they want more information. And we have the ability to read more frequently, we will have those numbers and it can throw a red flag to notify if they are a high user.

*Mr. Dalton inquired as to the status of town's Freedom of Information request.* District Counsel responded it is being worked on and will be done within the timeframe of the statute.

#### **Agenda Item 8. Payroll, A/P Warrant(s) and Rebates.**

Chairwoman Leccese moved on to the next line of business to signing the warrant documents.

*A question was asked regarding a North Reading development.* Chairwoman Leccese said we have no information on that and we will look into it. *This ratepayer is concerned.* The Commissioners will look into this and get back to her.

Motion: Commissioner Lamusta made a motion to adjourn the meeting.

Second: Chairwoman Leccese seconded and the motion was approved.

Respectfully submitted,