

**RICHMOND WATER AND SEWER  
COMMISSION MEETING  
February 3, 2014 MINUTES**

Members Present: Ashley Lucht, Chair; Amy Lord; Chris Granda (arrived 6:05); Bard Hill; Bruce Bailey

Members Absent: None

Others Present: Geoffrey Urbanik, Town Manager, Kendall Chamberlin, Water Resources; Sheila Bailey; Donna Lyons; Connie Doherty, Finance Assistant; Francis Stewart; George Gifford; Cheryl and Charles Owens and Ruth Miller was present from MMCTV to tape the meeting.

Ms. Lucht called the meeting to order at 6:00 pm.

#### Delinquent Accounts

The Manager reviewed the provided data, which gave a total delinquency, date last paid, and proposed agreement. Additional data showed who was over 120 days late on the July bill and who was 30 days late on the October bill.

Mr. Hill said it looked like a situation was developing where people were having trouble paying both bills. He wanted to discuss the possibility of a lien for those accounts with large past due balances prior to the rate change in May.

There was a discussion on the agreements and efforts to collect according to the updated delinquency policy. Mr. Hill said that the only possible outcome for some accounts was shutoff, because of the high amount they owe. The Manager said that selling a lien was an option but it had to be sold, otherwise people may just be tempted to put the bill "on the tab" and never pay. Mr. Hill said he understood, and that this proposal was just for those accounts with high balances prior to the rate change. He asked how many there were, and the Manager said there were only about six accounts and most were paying on agreements.

There was more discussion on the shutoff. Mr. Granda suggested holding off on this. Mr. Hill said that the policy said shutoff and unless we made a motion to deviate from that, he assumed staff would move forward on shutoff, and the Manager said they would.

Mr. Chamberlin said that Laurie Brisbin was organizing these delinquencies and doing a much better job at taking care of this. In the past we have not followed through, which we need to do. Currently, we are prepared to follow through. Ms. Lucht agreed.

Connie Doherty said that we only received six agreements by the January 31st deadline, but we need a history of follow through or else this situation will get worse.

Mr. Hill said it was important to know how many people were approaching the shutoff stage, so updates were needed.

After additional discussion, Chair Lucht said that staff was to follow the approved policy.

#### Rate Policy

Ms. Lucht said that the Water Commission has been looking at doing something different with rates, since the last change has proven to be unpopular. She said that one of the new rate options was a

1 unit-based flow charge, with multiple customer classes with the full number of residential units per  
2 account. For instance, a duplex with two meters would have two units, and an apartment with six  
3 units but one meter, would have six units assigned. The unit value would be based on class, not how  
4 much you use.

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6 Another option was a per-1,000 gallons flow design, where a charge for each 1,000 you use would be  
7 applied. This again would penalize higher users, but benefit low users.

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9 Ms. Lucht said that the third option would be to modify our current ERU-based system and change  
10 how we calculate the ERU which could mean additional living units, different rate classes or raising  
11 the minimum ERU value.

12  
13 Mr. Hill said the unit-based system would work with a number of classes, such as residential,  
14 business, mixed use accounts, government and schools, and fire protection. He added fire protection  
15 because he felt that the system users were footing the entire bill for the cost of the infrastructure used  
16 to fight fires. He said in the past two months we've had two fires that used a significant amount of  
17 water, and all of that was paid for by the system users. He said that the town as a whole needed to  
18 contribute something to the upkeep of that infrastructure.

19  
20 There was discussion on the options presented.

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22 Jon Rankin said that we needed to consider economies of scale, and Mr. Granda said that what he  
23 was suggesting was a decreasing block rate, which we wanted to avoid. Mr. Hill suggested this might  
24 work with business accounts. There was a discussion on how to treat high volume users.

25  
26 Mr. Bailey said he was in favor of one base rate for everyone to pay the fixed costs, with a water flow  
27 charge to cover the remainder.

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29 Mr. Hill said we needed to put this in a sheet and see how it would work out for all accounts. The  
30 question was how to treat different users equitably but fairly.

31  
32 Ms. Lucht said we should be ready to go with proposals by the annual meeting, which should be in  
33 mid to late April.

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35 Mr. Granda said that he has spoken with Anne O'Brien and that the problem we have now is largely  
36 with the rate design, not the rate increase. With a new rate we needed to be careful how we  
37 distribute the costs.

38  
39 Mr. Hill said he has heard strongly from users that this increase is "killing me" and Mr. Granda said  
40 we should be sure that this change is the last one for a while.

#### 41 42 Transfer Warrant

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44 The Manager explained that there were three years of outstanding accounts payable and payroll  
45 charges that were due to the General Fund, from the Water Fund. This included utility charges,  
46 payroll charges, insurance charges and other accounts payable items, totaling over \$500,000. This  
47 transfer would clean the account of payables and reconcile the cash balance.

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49 The Water Commission considered and approved the transfer warrant.

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51 Ms. Lucht said that we would have a rate meeting in the next week, to be determined. Also, the leak  
52 policy needed to be considered on the 18th. She said that the Water Commission meeting would be  
53 on the 18th due to the holiday on the 17th.

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55

1 **Adjourn**

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3 Mr. Hill offered a motion to adjourn at 7:05 pm and was seconded by Mr. Granda. So voted.

DRAFT