

**RICHMOND WATER AND SEWER
COMMISSION MEETING
February 10, 2014 MINUTES**

Members Present: Ashley Lucht, Chair; Amy Lord; Chris Granda; Bard Hill; Bruce Bailey

Members Absent: None

Others Present: Geoffrey Urbanik, Town Manager, Kendall Chamberlin, Water Resources; Chris and Bob Fischer; Sheila Bailey; Kathy Sikora; John Rankin and Ruth Miller was present from MMCTV to tape the meeting.

Ms. Lucht called the meeting to order at 7:00 pm.

Discussion of Water Rates

Ms. Lucht opened the meeting and explained that the Water Commission would be looking at a number of different Water and Sewer rate calculations. For some time, she and Chris Granda have been developing a number of alternatives and gathering input from a variety of sources. She said that the recent change in rates has been unpopular in the community and the Water Commission should reexamine the changes. The goal was to present the system users with several choices at the annual meeting, which would be coming up in April.

Ms. Lucht explained that under the current rate system, we had 500 units of water and 462 units of wastewater in the calculations. These were the Equivalent Residential Units that were based on the average annual usage, in gallons, for a single family home. Homes and businesses were assigned a number of ERUs, in .5 unit increments, based on the annual usage for the previous year. A major complaint was that the ERU was arbitrary and penalizing for similar homes and businesses falling on the high side of the next ERU number. Additionally, the range of gallons used went from very small residential customers to very high commercial customers, which weighted the system's costs heavily towards the high users. Using a range of gallons was also confusing. Some suggestions had been made to eliminate the significant complaints.

One of the new suggestions was to divide users into five classes of Residential (currently 351 units); Commercial (121 units); Schools (3 units); Government offices and usage (8 units) and "Water only" accounts (4 units). All accounts would be metered, and all apartments or multiple unit dwellings would count each living space as one unit, and there would be no "half" units.

Mr. Granda presented some computer-generated charts showing graphed results of various rate scenarios. He said that they boiled down to three approaches to rates, and nine scenarios. Ms. Lucht added that Kendall Chamberlin's was added also, in two ways. The main illustration was how the "peaks and dips" were shown under the old rate, the current rate, and several new rates. These peaks and dips were the source of significant complaint, and lack of equity among users.

Mr. Granda reviewed the charts and showed a variety of accounts and how they would be affected under a particular scenario. Many of these were close in dollars to each other, indicating that different approaches were quite similar in outcome. The use of different classes allowed for different cost strategies among customers that was not possible in the current rate structure. This would mean that users would be treated more equitably within their own class, while mitigating cross-class effects of slight changes.

The goal of the discussion on these various rate strategies was to identify a few that might treat users equitably among the different classes. There was significant discussion on this, using the computer presentation to identify how specific accounts might be affected.

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2 Ms. Lucht also explained Mr. Chamberlin's suggestion, which was to make the ERU based on either
3 450 gallons per day or 210 gallons per day for a single family home, and then use a similar allocation
4 for commercial accounts. This would equalize residential living units and provide for a scalable
5 commercial unit calculation similar to what the commercial allocation was under the prior rate
6 scheme. There was some discussion about this approach.

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8 Ms. Lucht suggested the board choose preferable rate scenarios, so that the unpopular ones would
9 not be looked at and work would focus on the preferable ones.

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11 Mr. Granda said he saw three "classes" of rates, and that we should pick a scenario from each class.

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13 Mr. Hill said he liked Mr. Granda's rate example, with the inclusion of what he termed, "Fire Water"
14 which was a value for firefighting use of water that would be billed to the town as a whole, not solely
15 supported by water system users.

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17 Mr. Chamberlin reminded the Water Commission to make sure that the fixed cost calculation actually
18 covered fixed costs. Mr. Chamberlin said we also needed to continue to track allocation to accounts
19 within the system, regardless of rate design.

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21 There was some additional discussion. Ms. Lucht said that she would focus in on the alternatives
22 provided by Mr. Granda, herself and Mr. Chamberlin. Additional discussion on these would be
23 presented later, and finally at the annual customer meeting in April.

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25 **Adjourn**

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27 Ms. Lord offered a motion to adjourn at 9:05 pm and was seconded by Mr. Hill. So voted.