



Town of Danvers

Department of Public Works

David B. Lane | Director of Public Works & Utilities
1 Sylvan Street, Danvers, Massachusetts 01923 | p: 978-777-0001 | Ext. 3012
www.danversma.gov | dlane@danversma.gov

TOWN OF DANVERS, MASSACHUSETTS

Department of Public Works

TO: Water & Sewer Commissioners

FROM: David B. Lane, Director of Public Works *DBL*

DATE: July 15, 2019

SUBJECT: WATER & SEWER RATE HEARING CONTINUATION - June 27, 2019

The public hearing was held on Thursday, June 27, 2019 at 5:30 PM in the DPW Business Division Conference Room at 2 Burroughs Street. Present at the meeting were Board Members W. Coley Rybicki, and Justin Theriault, from staff: Stephen King, Rodney Conley, Steve Bartha, Peter Korpusik, Aaron Cilluffo, and this writer, David Lane, from public: Mark Zuberek, Bob Ryan and Diane Langlais.

- **Minutes of the Previous Meeting:**

Board member Coley Rybicki made a motion to approve the minutes from the June 18, 2019 meeting. Justin Theriault second the motion and it passed unanimously.

- **Open Rate Hearing for FY 2020 Water and Sewer:**

Town Manager Steve Bartha gave an update on the legislative limits on the water system and the policies of reserves for the water and sewer divisions. He also reviewed the declining sales trend that we have experienced.

He reviewed with the Board the calculations of the 2018 retained earnings warrant articles from 2016 and 2017 had previously not been charged, as required, to this account.

The Board discussed whether consumption would drop further with an increase in rate, how we could work towards the 10% policy for retained earnings and the financial impact of an additional 1% drop in consumption.

The predicted sales are very close to what we had back in 2010. 10% retained earnings is the recommended standard for reserves.



Our Core Values

Peter Korpusik reviewed the updated sheet with three rate options:

Option 1: 14.66% Water
1.02% Sewer
7.78% Net

Option 2: 16.55% Water
1.97% Sewer
9.20% Net

Option 3: 18.22% Water
6.34% Sewer
2.99% Net

He also provided back up for the options if the various options were mixed further. Coley understands the answers and if management recommendation is 18%.

Mr. Zuberek questioned how the proposed rate was calculated and that he was surprised it jumped up this much in one year.

Selectperson Langlais noted that she applauded the Board for the hard work. She also noted that the Town has been working on water issues on many fronts for the last few years and this is not a surprise. We also need to fix the pipes and is pleased that we have a good capital plan in place. Rodney Conley stated that 15% and 1% increase would still make up the required earnings.

Justin Theriault made a motion for a blend of Option 1 and Option 2:

15% Water (Option 2)
1% Sewer (Option 1)

The motion was seconded by Coley Rybicki. The motion was approved unanimously.

The next meeting will be scheduled at a later date.



Our Core Values

Danvers