Chairman Hendrickson called the meeting to order at 9:01 AM.

1. **Public Hearing water rates and fees - vote expected**

Commissioner Barnes started with a brief overview of the agenda for the Lincoln Water Department (LWD) Rate Hearing. The agenda included basic assumptions of the rate analysis, various rate increase scenarios, current comparisons of both nearby towns and towns with a similar population size, the water rates recommendation from the last meeting, and a final vote. She noted that this rate analysis is informed by the New England Water Works Association (NEWWA)’s operating and debt service ratio recommendations. Ms. Barnes mentioned that the future water rates must generate enough
Ms. Barnes proceeded to show four rate scenarios. The first scenario was the current rate structure with 0% variable rate increase and fixed cost of $140/year. Ms. Barnes noted that the revenue from the current rate structure is not sufficient for the FY21 operating budget and it requires the use of retained earnings. Chairman Hendrickson noted that the LWD needs to maintain enough retained earnings to avoid paying higher interest rates for capital investments.

Ms. Barnes continued with the second scenario of a 39% variable rate increase and fixed rate increase of $200/year for all current rate payers. She added that the second, third and fourth scenarios would support the FY21 operating budget, meet the operating ratio and debt service ratio recommended by NEWWA, and provide $150,000 in retained earnings. Ms. Barnes moved on to the third scenario that also projected a fixed rate increase of $200/year, but it included charging an annual “meter” charge of $200 to 615 meter-less end-users at multi-unit dwellings. The additional revenue from multi-unit dwelling residents would decrease the burden on all water customers and require only a 28% variable rate increase to meet FY21 budget goals. Lastly, Ms. Barnes offered a fourth scenario in which the third scenario is phased in at a lower base rate of $100/year for all multi-unit dwelling residents in the first year. She added that after the first year, the multi-unit dwelling customers would be charged $200/year. To accommodate this reduced rate in the first year, the variable rate would increase by 34% for everyone.

Based on the third scenario, Ms. Barnes showed a current rate comparison with nearby towns, some of which are much larger in population size than Lincoln, which spreads the fixed costs over a large number of end-users. The rate table compared Lincoln’s current rates and projected rates from the third scenario to rates in other nearby towns. She then showed a second table comparing Lincoln to other towns similar in population size. It was noted that rates for smaller towns will be higher than bigger cities because the fixed cost is being spread out over a smaller group of people. Ms. Barnes concluded by reminding the Commission of the last meeting’s recommendation to increase variable rates by 30%, increase annual meter charges from $140 to $200, and to assess meter-less end-users at multi-unit dwellings an annual “meter” charge (base rate) of $200. Chairman Hendrickson opened the meeting for discussion.

There was a question from the audience about the definition of a unit. Ms. Barnes responded that a unit is a dwelling that has its own address. In situations such as multi-bed care and hospice facilities, a unit is assigned to every 2.9 people. This is in line with the average Lincoln household size. There was a question about whether businesses that use aggregate meters, at-home businesses, private home apartments, and group homes would be affected by the rate change. Ms. Barnes responded that we did not have any information on aggregate-metered businesses, at-home businesses, private home apartments, or group homes during the water rate analysis. One resident commented that we could get information on private homes with apartments from the building inspector. Superintendent Wiser added that some units are already individually metered but it would be beneficial to investigate other residences that are not. Ms. Barnes noted that while it is reasonable to investigate if there are more units that were missing from the analysis, the Commission must act today because the current annual revenue will not support the projected FY21 budget.

Steve Geiger, 236 Aspen Circle, commented that his condo association would see a 10,000% increase in the cost of water from the third scenario. Another resident asked about the cost to install a meter for a household. Superintendent Wiser responded that it depends on whether the unit needs a separate water service or just an additional meter. She added that developers save money by having master meters that provide water to multiple units. One resident commented that they’re being penalized for efficiency. Alisar Cohen, 65 Wells Road, commented that the charge per dwelling vs. per meter is going to negatively impact her community at Lincoln Woods and affect community turnover. She added that they are facing 4-6% increases in rental rates each year and this would be an additional cost burden that would disrupt their community and overburden residents in multi-unit dwellings on a master meter.

A manager for The Commons at 2 & 3 Harvest Circle wanted clarification on the 2.9 people per unit. He said that there are 90 units at 2 & 3 Harvest Circle. Mr. Sander clarified that he would have to divide 90 units by 2.9 people and then subtract the current number of meters from that number and multiply the result by $200 in order to get the total increase in the cost of their base rate. The Commons manager also mentioned that they service many residents over the age of 62, and The Commons is the highest real estate tax-paying business in the town. He asked if there would be a senior living
discount and if the Commissioners would consider implementing the rate increase over multiple years. A resident from Farrar Pond Condos added their request to implement the increased base rate over 3-4 years since this would be a $16,000 increase for Farrar Pond Condos. She added that other services are increasing such as the school tax. Another resident said that the town doesn’t pay for the install of meters and she asked what the base rate increase is used for. Chairman Hendrickson responded that the base rate helps provide a reliable revenue stream for maintaining the water system’s infrastructure: 87 miles of water pipes, town well, water treatment plant, pressure reservoir, and other fixed resources.

Michael-Ray Jeffries, resident of Battle Road Farm and a Selectman in Lunenborg, commented that they have 39 meters for 140 units at Battle Road Farm. He shared his concerns about whether the rate increase is fair and equitable since residents of multi-unit dwellings do not have their own septic system and the condo association is responsible for maintaining roadways. He added that multi-unit dwellings were built with no way to separate hot and cold water. He recommended including a certain amount of water usage under the base rate. He commented that the rate increase disproportionately affects residents at multi-unit dwellings.

Chairman Hendrickson responded that end users at multi-unit dwellings are currently only paying Tier 1 rates for water. Commissioner Barnes noted that residents who are not in multi-unit dwellings have been paying disproportionately more than the residents in multi-unit dwellings. She added that if nothing is done now, the rates will only continue to increase in the future.

A resident of Lincoln Ridge voiced concern over the sudden increase in rates of end users at multi-unit dwellings. Many condo associations have planned their budgets for the year, and they think it would be appropriate to have a phased installation for new rates. Another resident from Lincoln Woods commented that they have five meters for 125 units and they would see a $24,000 increase in meter charges for the year. They commented that the Water Department does not pay for carrying the water through the property and Lincoln Woods pays for the maintenance. Lastly, one resident commented that he had come to the meeting prepared to oppose the new base rate, but that after the discussion he felt that perhaps residents of multi-unit dwellings have been free-riding for years and they should pay their fair share. Chairman Hendrickson closed the resident comments for deliberation amongst the commissioners.

MOVED: Commissioner Glass made a motion to adopt the plan (scenario #3) as recommended which will increase the tiered rates by 28%, increase annual meter (base rate) charges from $140 to $200, and assess meter-less end users at multi-unit dwellings an annual “meter” charge of $200. Commissioner Barnes seconded the motion. Chairman Hendrickson suggested that wanted to amend the motion to implement a $100 annual meter charge in the first year and to increase the tiered rates by 34%. She added that the Water Board could reassess the rate structure after one year of the new rates. Ms. Wilkins commented that the Department of Revenue certifies the tax rate for the town in September, so we need a new rate structure in place by April 1, 2020.

- Commissioner Glass responded that it’s unlikely that the costs will go down after one year. She added that the Water Commissioners made the capital expenditures as low as possible this year and pushed off many projects, so the rates will only increase in the future.
- Jim Hutchinson commented that he believes it is equitable for each multi-unit dwelling end user to pay the same fixed costs as others in the town, and he added that he thinks accessory apartments should be treated the same way. He noted that an increase from $0 to anything is a high increase.
- Mr. Sander agreed with Mr. Hutchinson’s point on equitability.
- MOVED: Chairman Hendrickson made a motion to implement charging multi-unit end users a $100 meter charge for the first year and increasing the tiered rates by 34% for the first year. The motion was not seconded by either Commissioner Barnes or Commissioner Glass.
- Chairman Hendrickson went back to the original motion on the table to adopt the plan as recommended and increase the tiered rates by 28%, increase annual meter charges from $140 to $200, and assess meter-less end users at multi-unit dwellings an annual “meter” charge of $200. The motion passed with Commissioner Glass and Commissioner Barnes voting aye and Chairman Hendrickson abstaining.

Commissioner Barnes asked for confirmation that the rates must be changed by April 1, 2020. Ms. Wilkins responded that the new rates must be effective by April 1, 2020. Ms. Barnes asked whether payment of the new fixed charges for multi-
unit end users could be postponed to the fourth quarter of FY21. Ms. Wilkins responded yes and added that this would also give the Water Department more time to implement changes in MUNIS and properly code the 615 unmetered units.

MOVED: Chairman Hendrickson made a motion to implement the new rate structure as of April 1, 2020 and to bill a base charge of $50/unit quarterly. She added that multi-unit end users would be charged a one-time $200 annual base charge in the May 2021 billing and then going forwards they would be charged a quarterly base charge fee of $50. She continued that this would give multi-unit dwellings time to plan for the increased charges. Commissioner Glass seconded the motion and it was approved unanimously.

The manager for the Commons at 2 & 3 Harvest Circle asked for clarification on the 2.9 people per unit and Mr. Sander responded that this only applies to nursing facilities or any facilities that use beds vs. units with distinct addresses. Mr. Sander made a recommendation to include all accessory apartments as units for water billing.

MOVED: Commissioner Barnes made a motion that the Lincoln Water Department make best efforts to determine all apartments in the town and to treat them the same as end users in multi-unit dwellings. Commissioner Glass seconded the motion and it was approved unanimously.

Chairman Hendrickson recommended creating a document outlining the water rates study and hearing decision so that customers are fully aware of the changes. A resident recommended providing more detail in the public notice for the next water rates hearing. The Water Commissioners agreed to provide more detail next time.

2. **Ryan Neyland, Tata and Howard to discuss:**
   - Status update on department projects
   - The ACO for non-compliance with the disinfection by-products issued from the Mass DEP.
   - The programming issues with the SCADA computer
   - Jim Hutchinson to discuss hiring Kleinfelder to conduct a peer review of our current engineering firm on the cost, design, and timing of any of the current projects. - vote expected

Mr. Neyland provided a list of the ten current capital and engineering projects that are underway. Mr. Sander commented that the list showed how much of the approved funds were used, but it did not show whether the projects are on track or if they need amendments. Mr. Neyland ensured the group that all projects are on schedule and on budget.

Mr. Neyland began speaking about the water treatment plant Clean in Place (CIP) system and chemical storage upgrades to help meet Mass DEP Chapter 6 guidelines. He said that the scope of this project has undergone many changes, but they finally have a permit and they are going out to bid tomorrow. Commissioner Glass asked what kind of contractors are likely to respond to this bid. Mr. Neyland responded that the bid would be limited to contractors that have their own DCAM certification. Ms. Glass asked if the contractors are generally on target with bid estimates. Mr. Neyland responded that Tata & Howard makes its best effort to project conservative bid estimates. Ms. Wilkins asked about the date when the project funds were bonded at town meeting because according to her records, the project was only bonded for $355,000. Ms. Glass recommended adding funding appropriation information to the project list. Both Mr. Sander and Ms. Wilkins agreed that it would be beneficial to add a column to the chart that shows town meeting dates and funded amounts, and that the capital projects list should be posted on the website when it’s complete.

Next, Mr. Neyland gave an update on the Tower Road well pump station upgrades. Mr. Neyland mentioned that the release of potassium hydroxide caused project delays, but MassDEP has approved the activation of the well. Superintendent Wiser noted that the crew is pumping out chloride saturator holes, and she is hopeful that the crew will be pumping water out of the Tower Road well by Friday. She added that a new dry well needs to be installed at the well. Chairman Hendrickson asked if the well needs to be shut down during construction. Mr. Neyland responded that the well will be offline for most of the construction, but if needed the well can be turned on. He then gave an update on the filter access platform installation, noting that the access platforms are under fabrication and the project should be complete by the end of March.

Then, Mr. Neyland discussed the filter evaluation and National Pollutant Discharge Elimination System (NPDES) permit project, an ongoing engineering study. He said that the neutralization system wasn’t being utilized and the pH analyzer
wasn’t working properly, but this was resolved by the operators. He added that there is a new washing program where the acid cleaning wash is sent to the neutralization tank instead of the holding tank. Mr. Hutchinson asked if this was a supervisory control and data acquisition (SCADA) programming issue or a manual issue. Mr. Neyland responded that this was a SCADA issue. Superintendent Wiser shared that there were four to five integrators working on the same SCADA system over the past few years, so errors likely stemmed from too many hands on the system.

Next, Mr. Neyland discussed the water treatment plant filter membrane replacement. He said the membranes have been ordered and they are working on getting a contractor to install them. Mr. Neyland anticipated that the specifications will be sent to the Water Department by mid-March. Mr. Sander asked if this project will be in progress during the summer high usage time. Mr. Neyland confirmed that the project would be ongoing through the summer and the treatment plant would be run at a lower flow rate. Mr. Neyland shared that he hopes to complete this project by end of September, but the project is reliant upon Dupont’s delivery of membranes. He added that the pilot test proposal is due by Friday. Chairman Hendrickson asked if the coagulant pilot study would be done after the new membranes have been installed, and Mr. Neyland confirmed it would. Ms. Hendrickson requested monthly updates on the project list, and Superintendent Wiser suggested updates on a quarterly basis. Ms. Hendrickson persisted in requiring monthly updated and Mr. Neyland agreed that it would not be difficult to do so.

Superintendent Wiser asked the Water Commissioners to review and approve the Administrative Consent Order (ACO). MOVED: Chairman Hendrickson made a motion to approve the ACO. Commissioner Glass seconded the motion and the motion was approved unanimously.

Lastly, Mr. Neyland shared that the SCADA upgrades need to be completed by both R.E. Erickson and Dupont. He noted that R.E. Erickson would do the bulk of the work and program the system, and Dupont would provide engineering services, including testing and implementation of the SCADA program. He said that five PLCs plus two main PLCs need upgrades, resulting in a total of seven PLCs. Mr. Neyland commented that they are still waiting on an estimate from R.E. Erickson but Dupont’s costs are estimated to be $40,000. He added that he should have an estimate from R.E. Erickson by March 10.

Mr. Hutchinson suggested that there is not enough competition for engineering bids, and he recommended putting out bids for future projects to help reduce cost and provide an alternative point of view. Mr. Sander agreed with Mr. Hutchinson but noted that Tata & Howard would still have an advantage because they have been working with the Lincoln Water Department for many years. He recommended expanding the criteria beyond cost to include quality of work. Superintendent Wiser offered to produce a list of engineering firms used by surrounding towns.

Mr. Hutchinson asked whether it was still feasible to get proposals from other engineering firms for the water treatment plant CIP system and chemical storage upgrades project. Superintendent Wiser advised it was not possible due to the time and effort Tata & Howard has already committed to this project. Mr. Hutchinson suggested that $600,000 is more than the Water Commissioners ought to award in the future to any firm without competition. Mr. Higgins recommended benchmarking across other towns, and Superintendent Wiser agreed to create a list of firms for future project bids.

3. **Discuss FY 20 Budget Projections**

Ms. Wilkins shared that she met with Superintendent Wiser regarding FY20 budget projections. She noted that the department is on budget, and Ms. Wiser agreed that there is no need for a retained earnings transfer.

4. **Discuss warrant articles for the March 2020 ATM – vote expected**

The Water Commission tabled the discussion on warrant articles for the March 2020 ATM and will take up the topic at the March 10, 2020 meeting.

5. **Discuss Agricultural Rate Policy and application process – vote expected**
Ms. Barnes asked if the agricultural application included a statement about the responsibility of the homeowner to pay for a new water service line if needed. Mr. Sander agreed to draft a statement about cost acknowledgement and email it to Chairman Hendrickson to include in the application. Superintendent Wiser recommended eliminating the language about the Water Department waiving an inspection, and the Water Commissioners approved this change.

MOVED: Commissioner Glass made a motion to approve the Agricultural Rate Policy and Application as amended. Commissioner Barnes seconded the motion and it was approved unanimously.

Superintendent Wiser agreed to post the new application and policy on the website and send a letter to all current agricultural users about the new process. Lastly, Chairman Hendrickson agreed to share the document with the Agricultural Commission.

6. **Approve the minutes of February 4, 2020 meeting – vote expected**

The Water Commission tabled the review of the February 4, 2020 meeting minutes until the next meeting.

7. **Approve the minutes of January 21, 2020 meeting – vote expected**

The Water Commission tabled the review of the January 21, 2020 meeting minutes until the next meeting.

8. **Other Business**

None.

MOVED: Commissioner Glass moved to adjourn. The motion was seconded by Commissioner Barnes, and the motion was approved unanimously. The meeting adjourned at 12:10pm.

The next meeting of the Water Commissioners is scheduled for Tuesday, March 3, 2020 at 8:00 AM in the Donaldson Room at Town Hall, 16 Lincoln Road.

Respectfully submitted,

Monica Kacprzyk, Administrative Assistant