

**TOWN OF JAMESTOWN
TOWN COUNCIL MEETING
for
TOWN, WATER AND SEWER MATTERS**

Monday, August 24, 2009

A regular meeting of the Jamestown Town Council sitting as the Board of Water and Sewer Commissioners was called to order at the Jamestown Town Hall, Council Chambers, 93 Narragansett Avenue at 6:00 PM by Commission President Julio DiGiando. The following members were present:

Michael White, Vice-President
William Kelly (arrived at 6:05 PM)
Robert W. Sutton, Jr.
Barbara A. Szepatowski (arrived at 6:10 PM)

Also present were:

Bruce R. Keiser, Town Administrator
Peter D. Ruggiero, Esq., Town Solicitor (arrived at 6:29 PM)
Steven J. Goslee, Public Works Director
Christina D. Collins, Finance Director
Denise Jennings, Water and Sewer Clerk

AWARDS, PRESENTATIONS AND ACKNOWLEDGMENTS

- 1) Rate Study
 - a) Presentation by David Bebyn of B & E Consulting, LLC
- Commission consensus: To discuss this matter following the Report of Town Officials.

READING AND APPROVAL OF MINUTES

- 1) 07/06/09 (special meeting)
Motion was made by Commissioner Sutton, seconded by Commission President DiGiando to accept the 07/06/09 (special) meeting minutes. So unanimously voted.
- 2) 07/20/09 (regular meeting)
Motion was made by Commissioner Sutton, seconded by Commission President DiGiando to accept the 07/20/09 (regular) meeting minutes. Commission consensus: To accept the 07/20/09 (regular) meeting minutes. Commissioner White was not present at said meeting.

OPEN FORUM

- 1) Scheduled requests to address:
(None)
- 2) Non-Scheduled requests to address:
(None)

REPORT OF TOWN OFFICIALS

- 1) Pumping Report:
The Public Works Director reported the following:
 - o Pumping was down slightly for the month of July.

- Rainfall was above average for the month of July.
- Color level is up and is due to heavy rainfall.
- North Reservoir is @ 55MG, usable storage-60MG
- South Pond is @ capacity, usable storage-7MG.

2) Town project reports: (See Project Update Report dated July 2009)

The Public Works Director reported that the reduced efficiency this month was the result of the intake pipe separating from the intake box located at the bottom of the reservoir. The Harbor Master was able to reattach the pipe and the town was able to reestablish drawing off the top of the reservoir within two days.

The Public Works Director further reported that over the last several months, the town has been monitoring the bacteria levels in the reservoir pursuant to the Long Term 2 Enhanced Surface Water Treatment Rule. The results indicated that there is an elevated presence of bacteria in the reservoir when there is the presence of migratory water fowl.

6:05 PM: Commissioner Kelly arrived.

Commissioner Sutton and Commission President DiGiando asked for clarification regarding bacteria testing at the reservoir. The Public Works Director stated that the testing is due to the Safe Water Drinking Act and the Town must test for bacteria levels to a period of time to gather a yearly average and the testing protocol would require 24 crypto tests per a year beginning January 2010 and would cost approximately \$10,000. The Public Works Director further stated that there are only two places in the United States that currently do this testing. The Public Works Director recommended that the town apply for a limited testing waiver to sample only during the months of waterfowl habitation, rather than testing 12 months of the year.

6:10 PM: Commissioner Szepatowski arrived.

The Public Works Director suggested setting up some sort of disturbance to scare away the migratory waterfowl. Commissioner Szepatowski suggested using a border collie. Commission consensus: To ask the Public Works Director to send a letter applying for a limited testing waiver to sample only during the months of waterfowl habitation.

The Commission asked for clarification on a few items as reported by the Public Works Director.

AWARDS, PRESENTATIONS AND ACKNOWLEDGMENTS (cont.)

1) Rate Study

a) Presentation by David Bebyn of B & E Consulting, LLC

David Bebyn of B& E Consulting, LLC made a short presentation on the Rate Study submitted August 2009 (See Rate Study submitted August 2009 by B & E Consulting, LLC for the 09/10 fiscal year)

Mr. Bebyn stated that his company was a utility regulatory consulting agency and they also do school budgetary reviews and are a CPA firm that specializes mainly in consulting. Mr. Bebyn further stated that his firm was retained to do a rate study for the Town of Jamestown and the main focus of the rate study was due to the work that has been at the treatment plant and the bonding that the town had to do and those amounts are starting to become due this budgetary cycle.

Mr. Bebyn stated that upon his review for the rate study he looks at the following:

- Current activity
- Past activity
- Current year budget, to determine if it is reasonable

Mr. Bebyn further stated that one of the other driving factors of this rate study was the property that

belongs to the Water Department, which will be sold. In his modeling, he has anticipated revenue stream that will be coming from that one-time revenue sale during year 2010. We are going to utilize that revenue and spread it out over a few years, as not to cause a large spike of a rate increase in future years.

Mr. Bebyn briefly outlined the rate study as follows:

- o Page 1-shows the current rates and looks at projections for expenditures and it looks at revenues at your current rates and is basically showing that you don't need a rate increase however, that is contingent upon the property sale.
- o Page 2-shows a summary of projected revenues and current actual budgets.
- o Page 3-shows projections on current expenditures.
- o Page 4-shows debt service, which is broken out by interest and principal.
- o Page 5-shows a projection of your future expenditures for capital. The only item budgeted for year 2010 is mitigation in the amount of \$100,000.
- o Page 6-shows projections for rate increases.
- o Page 7-Schedule 4 shows breakdown of revenue increases.

Commissioner Szepatowski asked for clarification regarding the amount used for the sale of 44 Southwest Avenue. Mr. Bebyn stated that \$400,000 was used and was on the conservative side.

Mr. Bebyn reported that in his study he also addressed fire protection. Mr. Bebyn stated that he did not do a full cost allocation study, but with his experience in having dealt with previous water departments and with the improvements that have been made, a certain amount of water flow is expected for fire protection. Therefore, the Town needs to cover those costs for those expenditures. Commissioner Szepatowski asked Mr. Bebyn if there should be some sort of review of actual fire expenses. Mr. Bebyn stated that he would have to conduct a whole different kind of study for full cost allocation for fire protection.

6:29 PM: Solicitor Ruggiero arrived.

Brief discussed ensued regarding current expenses due to fire protection.

Mr. Bebyn further outlined the rate study as follows:

- o Page 8-shows where water rates will go over time and ratepayer impact and that an average user will see about a \$12. increase per a quarter for water charges.

The Commission asked for clarification on a few items as reported by Mr. Bebyn. Commissioner Szepatowski asked Mr. Bebyn what his recommendation was. Mr. Bebyn recommended that the Commission approve a 20% increase for year 2010, with no increase in 2011 and a 7% increase in year 2012.

Brief discussion ensued regarding the community value and benefit of municipal water. Administrator Keiser suggested that this matter be discussed during the general fund budget process early next year.

LETTERS AND COMMUNICATIONS

(None)

UNFINISHED BUSINESS

1) Water Tower lease request: (cont. from 07/20/09)

a) Cox Communications

No action taken.

- 2) Church Community Housing Corp. (cont. from 08/03/09 Town Council Meeting)
 - a) Waiving of connection fees for a 10 unit affordable housing rental development (Plat 8, Lot 97; 79 North Rd.)No action taken.

NEW BUSINESS

- 1) Proposed Water Budget fy 2009/2010 for adoption
No action taken.
- 2) Proposed Sewer Budget fy 2009/2010 for adoption
No action taken.

BILLS AND PAYROLL

- 1) Adoption of Bills and Payroll dated 08/24/09
No action taken.

TOWN BUSINESS

(None scheduled)

ADJOURNMENT

There being no further business before the Commission, motion was made by Commissioner Szepatowski, seconded by Commissioner Sutton to continue the following items to a special meeting on 09/08/09 at 6:00 PM:

- 1) Water Tower lease request:
 - a) Cox Communications
- 2) Church Community Housing Corp.
 - a) Waiving of connection fees for a 10 unit affordable housing rental development (Plat 8, Lot 97; 79 North Rd.)
- 3) Proposed Water Budget fy 2009/2010 for adoption
- 4) Proposed Sewer Budget fy 2009/2010 for adoption
- 5) Adoption of Bills and Payroll dated 08/24/09

and to adjourn the meeting at 6:59 PM. So unanimously voted.

Attest:

Denise Jennings
Water and Sewer Clerk

xc: Commission Members (5)
Town Administrator
Town Solicitor
Public Works Director
Town Clerk