

**PUBLIC HEARING  
WATER RATE INCREASE  
JANUARY 20, 2015  
6:30 P.M.  
SELECTMEN'S MEETING ROOM**

**PRESENT: Chairman O'Connor, Selectman Crichton, Selectman Ganiere, Selectman Wright**  
**Staff Present: Water Plant Operator Chris Weismann, Interim Town Manager Gary Stenhouse, Town Clerk Jo Anne Lepley**  
**Others Present: Independent Consultant Sandy Bolotsky**

**Chairman O'Connor opened the Public Hearing at 6:32 p.m.**

Ms. Bolotsky stated her credentials as an independent consultant and stated that the Public Hearing was to discuss the Water Department's proposed rate increase. The thirty-day preliminary filing had been done, and this was now the Public Hearing phase of the process. Ms. Bolotsky introduced Mr. Weismann and stated he would answer the more technical questions regarding the operation of the water plant. Ms. Bolotsky asked that the public keep the comments and questions to those directly related to the rate case.

Ms. Bolotsky went over the customer's rights:

1. The right to a fair and open hearing
2. The right to further hearings before the PUC
3. The right to assistance by the Public Advocate
4. The right to petition under §6104 of PUC Law
  - a. Petitions will be available at the Town Hall or the water treatment plant
  - b. The petition must have a place for: signature, printed name, address
  - c. Only water customers may sign
  - d. One adult per household
  - e. Businesses – the sole proprietor or a partner may sign
  - f. There is thirty (30) days from the hearing to gather 15% of the 946 utility accounts (142)

Ms. Bolotsky stated that the BOS would deliberate and then vote. Ms. Bolotsky's stated that the rate case was thoroughly developed and she believes that it is a fair one.

The request for comments from the Public:

1. Anyone can comment
2. The minutes will go to the PUC with the filing
3. Customer comments will be first
4. State your name
5. Try to stick to the topic

**Maria Seraphim, 20 Bobcat Ln.** – Ms. Seraphim stated that she was there to advocate for the minimum usage households which typically consist of the elderly, retired, and single. This group comprises approximately 10% of the water department's customers. Ms. Seraphim felt that minimum usage households should be billed on "actual" usage of water. As example she used her average usage of 500 cu. Ft. per quarter. Currently she pays a minimum charge of \$73.59 per quarter. She would pay only

\$36.00 per quarter if charged for actual usage. She felt that the infrastructure was already paid for and that the rates should be lowered not raised. There should also be consideration of prorating even the minimum charge if a homeowner is not home for periods of time. The higher consumption the higher the fee should be.

**Ms. Bolotsky** thanked Ms. Seraphim for her work on this matter. Ms. Bolotsky stated that a majority of the cost of water is infrastructure and that it is part of the set rate. There are still loans that are being repaid and that it cost \$300,000 for the standpipe maintenance that occurred last year. The PUC was sued because a Utility was charging a steep fee for something that had not been approved by the PUC and a Customer with deep pockets complained. One outcome is that the PUC began to see prorating without PUC approval as lowering rates, which a utility cannot do on its own. A utility must be approved by the PUC to be able to prorate customer rates.

**Mr. Weismann** stated that the last rate increase was in 2008.

**Eleanor Murphy, 40 Rochester Street** – Ms. Murphy stated that the proposed 11.8% increase is a very large increase. Ms. Murphy asked if one of the reasons for the increase is the third full-time position because with benefits, the position is budgeted at \$70,309 a year. Ms. Murphy also stated the current water plant is only fourteen (14) years old and that they were told that the plant could be set on automation on the weekends. Ms. Murphy asked Ms. Bolotsky if she worked for the State.

**Mr. Weismann** stated that when considering the increase he thought about what the water department needed to do its entire job and be the best possible thing for Berwick. One of the biggest expenses is maintenance; it costs between \$100 and \$200 to replace one foot of water pipe. Mr. Weismann stated that the plant cannot run on its own on the weekend and that someone needs to be on-call.

**Ms. Bolotsky** stated that she is an independent consultant and does not work for the State. Ms. Bolotsky also explained that the PUC requires the rate increases to be publicized in percentages (11.8) versus dollar amounts (\$2.29 per month).

**Philip Jenks, 45 Silver Tail Road** – Mr. Jenks inquired whether this rate can be lowered or changed or possibly charge different rates to different levels of customers. He also stated that during the Thanksgiving Holiday he and his wife needed someone to fix a broken water pipe and someone quickly responded and you cannot get that with an automated system.

**Ms. Bolotsky** stated that there is a process for determining rates.

1. There is a Test Year broken down to see a predetermined budget versus the amount actually collected.
2. Averages or actual expected usage are used to calculate the budget
3. The totals are turned into percentages and spread out
4. An equitable amount is derived and the percentage increase is usually the same for all levels. It is more expensive and a much harder process to charge different rate increase percentages.

**Mr. Weismann** explained the disinfection byproducts issue and how the standards are set by the federal government. Bromodichloromethane is a cancer causing byproduct of chlorine that is used to disinfect drinking water. With today's standards of 1 part per billion, a person would have to drink 2 liters every day and then would have a 1 in 1 million chance of developing a health issue.

Andrea Ouimette stated that Mr. Weismann had promised no rate increase would be necessary for the third person.

Ms. Bolotsky spoke again regarding the increase and changing regulations that must be strictly followed in order to operate a water utility. She also responded to the earlier question of whether the rates could be changed at this point. She stated that the BOS did have the right to make changes during deliberations before the final filing.

Mr. Weismann stated that the rate increase was derived by thinking from the utility point of view.

**The Public Comment Section was closed at 7:30 p.m.**

#### **BOS WATER RATE CASE DISCUSSION**

The BOS discussed the concerns that the citizens had voiced during the Public Hearing including the minimum consumption consumers (approximately 10% of customers), the extension of the water lines was brought up by Ken Raine and discussed with Water Operator Chris Weismann. Selectman Crichton brought up the subject of local farms that may use water from the utility and discussion of large corporate user rates. Ms. Bolotsky encouraged the BOS to submit the Water Rate Case as written to the PUC for the 11.8% rate increase due to the need. Chairman O'Connor asked if there could be changes made in the future and Ms. Bolotsky stated that they could, but any changes in would have to be presented as a new Rate Case to the PUC. Selectman Wright encouraged water customers to petition.

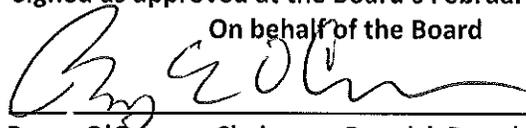
**Motion:** It was moved by Selectman Wright and seconded by Selectman Ganiere to send the proposed Rate Case to the PUC as presented.

**The motion carried on a vote of 3 – 1. (Selectman Crichton)**

**The Public Hearing adjourned at 7:51 p.m.**

**The January 20, 2015 Water Rate Case Public Hearing  
Signed as approved at the Board's February 3, 2015 Meeting**

**On behalf of the Board**



**Bryan O'Connor, Chairman, Berwick Board of Selectmen**