

**BOARD OF COMMISSIONERS MEETING  
MINUTES OF**

**November 23, 2021**

**Buzzards Bay Water District 15 Wallace Ave. Buzzards Bay, MA 02532**

**Present:**

Wendy Chapman, Chairperson  
Joe Carrara, Commissioner  
Mark McMahon, Commissioner  
TK Menesale, District Treasurer, Clerk  
Steven Souza – Superintendent  
Barry Woods, Admin. Support  
Louise Warren, Account Manager  
Rui Pereira, Assessor Town of Bourne  
Hal Choubah, Consultant/340 Main St

Meeting was held 15 Wallace Ave recorded by TK Menesale, District Treasurer, Clerk. The meeting was called to order by Wendy Chapman, Chairperson, at 4:00 pm.

**Approval of the Meeting Minutes dated 10/12/2021**

Joe Carrara a **MOTION** to approve the minutes of the **10/12/2021 meeting**. Mark McMahon seconded that motion, and all in favor. The motion passed unanimously.

**Approval of the August & September 2021 billing commitments**

Joe Carrara made a **MOTION** to approve the October 2021 billing commitment. Mark McMahon seconded that motion, and all in favor. The motion passed unanimously.

Rui Pereira, Director of Assessing at the Town of Bourne was here to present the classification hearing for the Buzzards Bay Water District. (He provided at hand-out packet). The purpose is to adopt a tax policy by allocating or classifying a tax levy amongst property types. Water commissioners vote on how they adopt the tax rate policy by single rate or split rate. Additionally, they can adopt exemptions and discounts of open space discount and residential exemptions up to 20% of the average residential value. Property must be the primary residence for eligibility. There's also a small commercial exemption. That's 10% of the assessed value of eligible properties and to be eligible the owner has to occupy the business. The assessment can't be more than a million-dollar valuation and can't be more than 10 employees. The Board of Assessors recommends that the water commissioners retain one rate for all classes of property for fiscal year 2022. The use of two tax rates is not warranted and could lead to dramatic increases in taxes paid by the commercial, industrial and personal property taxpayer. Bourne is largely a residential community that simply does not have enough of a commercial / industrial base to make a classification worthwhile. I have a tax levy analysis from last year. Last year's levy was \$451,171.69. This year it has come down and is \$355,541.42. It's a 21% decrease from the last fiscal year.

Wendy Chapman asks why is the rate down as property values have gone up? Is it the removal of the properties by the tax exempt?

Rui explains this all has to do with appropriations, estimated receipts and whatever is built into the levy. The finance has already been established. This has nothing to do with whatever the appropriations are.

Rui states that's what we have right now. That's what the levy is at \$355,541.42 right now.

Wendy asks that's 21% for the tax revenue that will be paid to the district?

TK Menesale says our revenues increased. We estimated 30,000. That's the only swing on our side.

Rui explains regarding the levy, he has to balance it to whatever the devaluation says it has to be because it all has to balance. Once evaluations tell me how, the levy has to balance in the tax recatch but this all strictly had to do with appropriations and estimated receipts.

Wendy states \$100,000 tax levy to this district is a lot of money.

Rui says we can still review it. If something's off you can always schedule a meeting again and we could check it. It could change the tax appropriations and any of the estimated receipts to make sure that everything's in line with that. That's what was presented to me.

Rui continues next is the breakout as far as what the valuation for the district is itself. If you look at the \$881,853,530 that is what the valuation for the district is itself. It went up 9% from last year from fiscal year 2021 to fiscal year 2022. That's across the board. That's all the valuations for the district and so that is the 9%

Next is the tax levy. You get the tax rate by taking the \$355,541.42 and you divide that by the total valuation of the district, and you get the 40 cents per 1000. Last year the rate was 56 cents per 1000, and now we're at 40 because evaluations were at 9% and also the tax levy, or what you need to raise in order to function, that went down 20%.

TK reminds we appropriated free cash to the garage project. So we did something specific there where we took away from unspent free cash on other projects that were previously earmarked. That freed up free cash, more additional funds for the garage project. Those two things I believe are how our income came up. So that must attribute to the swing.

Rui says we can still look at the recap sheet again, make sure all the appropriations and all the estimated receipts are still accurate if we see something that's off we can always do another meeting. Obviously the rate will change at the levy a bit more than the \$355,000.

Wendy states that what the District will be paid by the town on the tax levy will be down.

Rui says yes. It's because evaluations went up so much. We went up 9% across the board in the whole town itself. We're looking at almost 60% difference in tax rate.

Rui continues next we see where it says Buzzards Bay Water District tax rate for fiscal year 22. Look on the top line where it says 40 cents per 1000. That's what the actual district tax dollars would collect based on that type of assessment. So some assessments are going to be higher. Numbers are always going to be higher than the 141.32 that's based on a \$353,300 assessment. Next we see commercial industrial. Since the Board voted to keep the single rate, that will be 40 cents per 1000 on the commercial valuation, and that's what the district tax will be on the commercial side. There was so much residential valuation that was up, it brought down the tax rate so low. So now with a commercial property, they may see a decrease in taxes as far as what they pay for the year this year, because the number one class at the valuation is always the residential side. That really dictates the control where the rate is going to be because it's about 80% of what the valuation as far as a town comes from is from the residential side. So that's going to control pretty much every kind of swing, it goes up 9%. That's going to control all of this as far as what the effect is going to be on the average taxpayer.

The next scenario we get into is the shifting. That's always an option. The 1.10 shift, which the burden would go towards the commercial side, you would see that the residential rate will go down to 39 cents per 100, that's a 1.10 shift, then they would save \$3.54. As far as commercial, you're shifting a little more to the commercial side, then that's 44 cents per 1000. They would go up and then they would pay an additional \$12.82 If the shift was 110. The next scenario is the 125 shift, which with that rate would be .37, the average residential median assessment would save about \$10 to \$10.60. Then you'll see the commercial rates go up about \$32. A full 150 shift. The residential rate will go down to 35 cents per 1000. That effect will be a savings of \$17.67. And as far as the commercial rate, that will go up about 20 cents on the 1.50 shift. You can calculate what the district tax would be on those scenarios. I think historically the town has never voted to apply the type of shifting numbers just because it's still the town itself. So primarily, a residential community with only 10% of our taxable base is actually commercial. Typically, most communities when they approach that 50% threshold as far as what is their basic commercial and industrial, that's usually considered the shift scenario when you get to that 50% mark. We're still way below that at 10 and you actually can see that if you go back to the page where it says percentage of shares of tax levy. The district itself has about 20% commercial concerned to commercial and personal property accounts. There are a lot of businesses here on Main Street. That's really the town itself. Those numbers are a lot smaller. With the district there's such a condensed area you'll see that the class of the commercial and industrial personal residential are the highest because of Main Street itself. Those are the shift scenarios.

Lastly, the recommended motion of the water commissioners, from the board of assessors to adopt the single tax rate by selecting a residential factor of one in determining the allocation of taxes to be borne by the four classes of real property along with personal property for fiscal year 2022. The board also votes not to adopt an open space discount, residential exemption, small commercial exemption for fiscal year 2022

Joe Carrara makes a motion that we accept the recommended motion that was presented by our guest speaker.

Wendy Chapman, All in favor? Motion passes. Unanimous vote.

Rui reiterates we still have plenty of time to adjust.

Wendy asks if there has been a lot of properties removed from our tax base to the tax exempt?

Rui says no, the only property that went from exempt to taxable was a clubhouse on Taylor's Point so called the Taylor's Point Home Improvement Association. Taxable to exempt not nothing I can think of not in

Wendy asks if anything else has been taken by Mass Maritime?

Rui says just that parking lot. I believe that was for fiscal year 2021.

### **Review and approve of new water service at 340 Main Street.**

Halim Choubah is a consulting engineer with offices at one fall State Road in Dartmouth, Massachusetts and he represents the applicant/owner for water service application for property located at 340 Main St. The property is about a four acres across the street from the Speedway gas station. They've gone through the site plan review. They started the project back in 2019. They proposed to demolish what's there now and propose to build a mixed use building which will be 6000 square feet on the first floor to be used as a convenience store associated with the gasoline filling station that will be a couple units of food service, restaurant or coffee shop. At that time it was suggested by the planning board that residential apartments are needed in this area. This will be something that they will be looking at favorably if they incorporate adding another six apartments on top of the commercial. They went through the site plan review and the town hired a peer review engineer to review the plans. They went through all the stormwater management information then also the Conservation Commission. They do have the approval. They applied for the storage for the underground storage tanks with the fire department and the Select Board and were approved recently. They also did get the MASS DOT curb cuts. A building permit was filed two weeks ago. It's under review. It's ready to be issued probably within a couple of weeks. When they started the project they spoke to Mr. Souza and there was no water available at that time. Unfortunately also COVID put them back probably another year, almost two years. Now they're ready for construction. They understand the water is available now and it is a 12 inch water main on the westerly boundary of Route 6 and this is where they plan to try to bring in two lines. One six inch water line for fire protection as the building has to be sprinkled and another six inch line for domestic use. Now the reason for the six inch line. They don't need the six inch line at this time for the building and apartments but there might be some plans later in the future in the back. The property is four acres and they're only using half of the property in case we need to go back. The process of trenching Route 6 at this time and bringing the waterline is really a big project so it is probably safe to say they're bringing in a six inch line for domestic use and then if they need more in the future it will be available to them.

All the construction will be in compliance with your standards and subject to your inspections. They are here to request the service and then they can move on with the project.

Wendy asks if Steve has any comments.

Steve Souza says no, they haven't varied much from the original plans.

Mr. Choubah states that they have the sewer appropriation which was approved and they paid the fee a year and a half ago.

Discussion between Mr. Choubah, Steve Souza and Mark McMahon about placement of mains. Resulting discussion suggests there may be a better, less destructive placement for the main on the west side of the property. This will be looked into by Steve and Mr. Choubah.

Steve wants to verify the project is still the 3,000 gallons per day

Mr. Choubah states, yes, that's what we have for the sewer.

Steve says they might need a little bit more than the sewer allocation

Mr. Choubah can't recall what they did for the sewer originally. He thinks they probably took into consideration another 10 residential in the back or 10 units. He'll look into that.

Wendy Chapman asks do I have a motion?

Joe Carrara makes a motion that we approve the project review and plan for 340 Main Street.

The motion is seconded by Mark McMahon

The motion passes. A unanimous vote.

### **Superintendent's Report / Steve Souza**

The work is semi complete on Old Bridge Rd.. They have couple of things to finish off on our water main project.

Wendy asks if it came in a lot higher than we anticipated?

Steve says it should come in lower than planned They didn't run temporary water mains. They did everything live. That was about a \$60,000 item on their price. The police details for the project were high. It should come in under what we planned.

Wendy asks if the 340 Main St. property has a sewer main.  
Steve says he believes there is sewer at that property.

Wendy asks if we would be able to piggyback there?

Steve says there is a sewer line there but he doesn't know if it's going to be adequate for what they're proposing. He thinks the sewer line that goes to that property is only an inch and a half or a two inch pipe coming out of it. I think a commercial building would be more than a two inch pipe.

Discussion between Barry Woods and Steve Souza about the 340 Main St. property. Some brain storming about saving costs during this construction by piggy backing off the Town or Mass Highway. Then discussion of system development fees.

Steve announces that the DEP permit was issued!! We finally got paper.

T mobile is working on the tank installing a generator for their cell tower.

We've got about 75% of seasonal shut offs done.

The Mass Maritime Beachmoor project started. They're going to replace about 300 feet of our water main for their project, and roughly about four residential service lines as they go by. It still leaves about 500 feet of older watermain on that street. That could be replaced because it's only a two inch main. There's about 500 feet of two inch rain and there are 12 houses on it. Future thought for a next project.

Wendy asks if it should be done when they're doing the other?

Steve says we've tried to push the subject and it's not going to happen.

Wendy asks should the district do it just because the demand on that two inch main is high?

Discussion regarding planning to replace this line and the fact that we won't be able to get much out of MMA because they are in time constraints regarding digging.  
Discussion of System Development fees and funding new projects.

Steve continues we just did a new service replacement today on Puritan, after they paved the road. That service line was pretty much collapsed plugged up solid. He was probably getting about four gallons a minute out of his water line.

### **Treasurer's Report from TK Menesale**

We had no turn offs for no-payment this season after resuming normal collections. We just had one customer that was on a payment plan that had a delinquent plan. He got a door tag and he paid. Billings went to liens and so those are going to appear on their December real estate tax bills. New rates go in effect this period and will be in the billing that comes in January. We do expect some calls then, but they were notified of the increased billing since the April 2021 mailing went out. I was in contact with the Division of Local Services after first contacting the Bourne treasurer about the formal fiscal management policies that always came up in our regular audit. We should have some formal policies and she directed me to the Division of Local Services. That has a community compact program where it's no cost to us, the state will come in

and look at our financials and how we normally reserve free cash and offer some of the formal written policies. So that's going to take place in January.

Today our phones went out randomly because a power module in our server down in the basement stopped working. Acada sent a technician right away. He also said that he's going to give us some quotes about upgrading our service. We're expecting that hopefully next month and he's also going to include an option for a reverse 911 for us. We'll have a look at that next month.

Wendy said "Do you know why we don't have bond rating?"

TK answers we don't have any bonds out.

Wendy says the town has a triple A bond rating. Why doesn't the District have a bond rating?

TK said we don't have a bond rating because we have never issued Bonds. We have short term BANs.

Further discussion of bond ratings and our finance. TK ends by explaining that we have short term loans. We pay them on time and we refinance them. We've saved a ton of interest. We're better off where we are at until we get on to some large project that we need to finance.

TK states she thinks the next meeting date she has as sort of open but we've already discussed December 7 for the next tax classification meeting. December 7, 2021.

Discussion regarding the fact that having 2 separate Tax Classification meetings is uncalled for.

Next regular Board of Commissioners meeting is scheduled for Tuesday December 7, 2021.

#### **ADJOURNMENT**

Joe Carrara made a **MOTION** to adjourn the meeting at 4:48 pm. Mark McMahon seconded that motion, and all in favor. The motion passed unanimously.

Prepared by: TK Menesale, District Treasurer, Clerk & Louise Warren, Account Manager  
Buzzards Bay Water District