

APPROVED

Joint Sewer IMA Review Committee
December 10, 2013
2:00PM

Present: Mark Jamieson, IMA Review Committee
John Stone, IMA Review Committee
Andy Burbine, IMA Review Committee

David Norton, City of Brockton, DPW
Michael Thoreson, City of Brockton, DPW
Larry Rowley, City of Brockton, DPW

Also Present: Caitlin Leach, Assistant City Solicitor, City of Brockton
John Condon, CFO, City of Brockton
Jeanne White, Executive Assistant, Abington
Chris Petrini, Special Counsel, Abington

The meeting convened at approximately 2:00 PM.

Initially, the Joint Committee discussed the next meeting date. The members agreed that the next Joint Sewer IMA Review Committee meeting will take place on January 10, 2014 at 10:00 AM in Brockton at the Wastewater Treatment Plant at 310 Oak Hill Way in Brockton. Abington members will meet at 9:30 for Executive Session.

Mr. Petrini explains the proposal made to Brockton. He says Abington wants the dedicated pipe but Brockton does not, so Abington makes the following four-part proposal that does not include a dedicated pipe option:

1. Implement a percentage of flow billing method for treatment and transport and further reduce the resulting rate by 20-25% discount in recognition of Abington's status as a wholesale customer.
2. He explains it is hard for Abington to budget so we propose the parties agree on a fixed Transport Fee with a fixed figure not to exceed \$450,000.
3. Brockton and Abington will work on identify whose system needs upgrading. We will use the consulting engineers from Abington and Brockton and if they cannot agree then we will hire a 3rd party to make the decision.
4. Abington also requests a credit for overcharges due to the sewer revenue general fund migration and the indirect costs of the Brockton WWTP that have been included in the Abington transport rate.

Ms. Leach thanks Mr. Petrini for the proposal and explains that Brockton is not prepared to go through every item in detail but will go over some items.

Re Abington Proposal 1: The City is willing to explore an appropriate discount. The 20% discount offered was intended to help achieve a settlement. The actual loss of revenue is approximately about 3% and the extra discount is intended to facilitate a settlement. The flow as it is applied to

treatment is purely a rate calculation. They are willing to look at what the costs are to treat. Brockton is willing to explore going to a percentage of total flow-based billing methodology or provide a discount of the current Transport Rate of approximately 20% but they are not willing to go to a flow-based billing methodology and provide a further discount of 20% to that flow-based rate.

Chris Petrini asks Brockton to work the numbers both ways. He states that from Abington's perspective, the Town is at Brockton's mercy with elements that are not within its control.

We all agree on what is coming in for treatment so we could do one cost using that number. Brockton will show us the number both ways before our next meeting.

Re Abington Proposal No. 2: Mr. Petrini asks Brockton if they will agree to a cap on the Transport Fee given the financial uncertainty faced by Abington. Ms. Leach explains that Brockton will most likely not agree to cap the rate but that Brockton is seeking new users for the system, which should result in a decrease of costs to Abington. Brockton then noted potential new customers for its system, including Avon, Easton and East Bridgewater.

Mr. Petrini points out that Abington uses a small portion of the Brockton system and he thinks there should be a middle point of compromise here. Mr. Condon states that he wants to get to a rate structure that is fair for all users.

Re Abington Proposal 3: Mike Thoreson says he talked to CDM, Brockton's consultant, and they will start looking into the Brockton Ave. issue so they can see if there are any concerns with that part of the Brockton system. CDM also will do an analysis on the impact to the Brockton system if Abington is allowed to flow 1.5MGD.

Re Abington Proposal 4: Brockton states they want to hold off on talking about proposal #4 at this time. They would like to get a handle on the other items first.

Mr. Condon explains that the typical family consumes about 12,000 cubic feet per year. Abington has mixed users and we are at the third block in the Brockton block billing system if that system was utilized.. Mr. Petrini states that Abington should be discounted; we are essentially a wholesale user since we are billed as one customer. The committee members agree to resume this discussion at the next session.

Motion to adjourn by Mr. Thoreson. Second by Mr. Jameison. Unanimous vote 6-0.

Meeting adjourned at 2:40 p.m.