

Pepperell Siding Model Railroad Club, Inc.  
41 Lomar Park Drive, Unit #4  
Pepperell, Massachusetts 01463

Lomar Industrial Condominium No 33 Association  
33 Lomar Park Drive, Unit #33  
Pepperell, Massachusetts 01463

April 19, 2022

Thomas A. Nephew, Chairman  
Board of Public Works  
Post Office Box 319  
47 Nashua Road  
Pepperell, MA 01463

**RE: Petitioner's Request for Relief from Unfair Billing of Water And Sewer Charges**

Dear Chairman Nephew:

Attached please find herein the following documents related to the Town of Pepperell, Water and Sewer Department's February 7, 2022 Quarterly Bill:

1. Petitioner's Request for Relief from Unfair Billing of Water And Sewer Charges (*Pages 2 through 21*);
2. Exhibit #1 - Summary of Water Rates [9,900 CuFt Base] (*19 Pages*);
3. Exhibit #2 - Summary of Water Rates [5,000 CuFt Base] (*19 Pages*);
4. Exhibit #3 - Sewer Use Metrics - Year 2021 Summary (*1 Page*);
5. Exhibit #4 - Meeting Minutes and Rate Setting Analysis (*17 Pages*);
6. Exhibit #5 - Billing Analysis [9,900, 5,000 & 2,500 CuFt Base] (*3 pages*);
7. Exhibit #6 - Public Records Information Request 2022-03-15 (*2 pages*);
8. Exhibit #7 - Abatement Request Form (*1 Page*);
9. Exhibit #8 - Lomar Park Association Authorization (*1 page*);
10. Exhibit #9 - Fair Share Cost Causation Questions (*1 page*);
11. Pepperell Water and Sewer Rate Discussion (*9 pages*).

Please contact us with any questions or concerns.

David Delorey, Treasurer & Director  
Pepperell Siding Model Railroad Club, Inc.

Charles Anderson, President  
Lomar Industrial Condominium No 33 Association

## THE STATE OF MASSACHUSETTS

### **The Pepperell Siding Model Railroad Club, Inc. and the Lomar Industrial Condominium No 33 Association versus the Town of Pepperell Board of Public Works in the matter of Relief from Unfair Billing of Water And Sewer Charges**

#### **Petitioner's Request for Relief from Unfair Billing of Water And Sewer Charges**

Now comes the Pepperell Siding Model Railroad Club, Inc. and the Lomar Industrial Condominium No 33 Association who jointly Requests Relief from the Unfair Billing of Water And Sewer Charges:

#### 1. MASSACHUSETTS GENERAL LAW:

Petitioner asserts that water and sewer operators in the State of Massachusetts that have established an "Enterprise Fund" pursuant to MGL Part I, Title VII, Chapter 44, Section 53F1/2 and operate under MGL Part I, Title VII, Chapter 40N must set water and sewer rates and fees that result in consumers paying their fair share of the costs of such services [See: *Eliot Epstein & Another Vs. Executive Secretary Of The Board Of Selectmen Of Sharon, 22 Mass. App. Ct. 135*].

#### 2. PUBLIC HEARING REQUIREMENTS:

Petitioner asserts that the Town of Pepperell Board of Public Works [Board] may only charge water and sewer rates and fees that were approved after public hearing on the matter pursuant to MGL Part I, Title VII, Chapter 40N, Section 9.

#### 3. POWERS OF THE BOARD:

Petitioner asserts that the Board may grant relief from unfair or erroneous billing of water and sewer rates and fees via abatement or decision pursuant to MGL Part I, Title VII, Chapter 40N [See: *Eliot Epstein & Another Vs. Executive Secretary Of The Board Of Selectmen Of Sharon, 22 Mass. App. Ct. 135*].

#### 4. UNAUTHORIZED POWERS OF THE BOARD:

Petitioner asserts that the Board may not operate its a water and sewer system as a constructive for-profit enterprise or a taxing authority pursuant to MGL Part I, Title VII, Chapter 44, Section 53F1/2 [See: *Bolt v. City of Lansing Annotate this Case, 587 N.W.2d 264 (1998), 459 Mich. 152*].

AND FURTHER TO SUPPORT PETITIONER'S REQUEST FOR RELIEF:

5. BACKGROUND - MASSACHUSETTS WATER AND SEWER SYSTEMS

a) Asserted Water and Sewer System Mission Statement:

Ensure the long-term sustainability of water supplies and set rates and fees at a fair price to customers to finance the operating and capital needs of the water and sewer system under the control of the operator.

b) Asserted Principles of Operating a Water and Sewer System:

- (1) Customers are treated justly and fairly by billing only for the services they use pursuant to MGL Part I, Title VII, Chapter 40N.
- (2) Water connections from the street to a private property location terminate with a water meter to measure water usage.
- (3) The overall revenue stream sustains water and sewer systems as a self funded operational entity.
- (4) Rate schedules are reviewed and updated annually to reflect both changes in costs to run the system and fluctuations in the demand.
- (5) Minimum rates adhere to the concept of cost causation and rely upon fairly billing for identifiable customer specific costs.
- (6) Rate schedules promote water conservation by using multiple rate tiers with progressively higher rates.
- (7) Rate schedules fund a stabilization or reserve account to insulate against temporary fluctuations in service demands.
- (8) Rate schedules fund system fixed and variable costs to ensure that that water and sewer systems are financially sustainable.
- (9) Billing software provides an accessible database to analyze metrics and develop evidence based rate schedules to recover system costs.

c) Massachusetts Statutory Rate Setting Requirements:

Part I, Title VII, Chapter 40N, Section 1 of the General Laws of the Commonwealth of Massachusetts is presented below and sets forth the requirement that all customers are treated justly and fairly by billing only for the services they actually use.



*"It is hereby declared essential for the benefit of the people of each municipality which accepts this act, in order that there be an increase in their commerce, welfare and prosperity and an improvement in their living conditions, that the municipality establish or continue to maintain an economical and efficient water system and sewer works system; that accurate, appropriate, and self-sustaining fees, rates and charges for water and sewer service within the municipality be established and all consumers, public and private, taxpayer and tax exempt, **pay their fair share of the costs of such services**; that the water and sewer systems of the municipality to be operated in a modern, efficient and financially self-sustaining manner to further their sound financial, environmental and physical condition; that conservation of water sources be encouraged; that water supplies be protected and improved; and that the municipality be provided a means to improve its water and sewer systems and insure the continued availability of water and sewer services at sufficient rates; all to the public benefit and good, and to the extent and in the manner provided herein."*

The key phrase of the law is that all consumers pay their **fair share** of the cost for services. Fairness and equity are the fundamental requirements of water and sewer rate making practices where the concept of cost causation prevails and customers' bills reflect their portion of the costs of operating the systems. [Tighe & Bond consultants]

d) Measuring the Fair Share Cost for Services:

The water meter is where water usage is measured in order to determine the customer's use of water services. The water meter is also a proxy for measuring sewer services assuming that water drawn eventually ends up in the various customer drains. Some towns allow additional water meters to be installed to measure the water used that does not end up in customer drains and adjusts sewer bills accordingly.

e) Recovery of System Costs:

The majority of the costs to operate a water and sewer system are fixed costs such as system maintenance, debt service, regulatory compliance and upgrades; and maintaining the infrastructure on and under roads such as pipes, manholes and lift stations; and to a lesser extent include the variable costs related to the level of water and sewer volume handled such as electricity, chemicals, sludge removal, consumables and the like.

Municipalities recover water and sewer system costs largely using rates and some additionally using fees. Some provide funding via



appropriations. Many municipalities including Pepperell have established an "Enterprise Fund" pursuant to MGL Part I, Title VII, Chapter 44, Section 53F1/2 where monies can be collected and deposited in the fund, then spent without appropriation. The cost recovery process needs to comply with MGL, Part I, Title VII, Chapter 40N, that is, fundamentally to bill customers for "*their **fair share** of the costs of such services.*"

f) Minimum Charges:

Minimum charges or fees are typically billed for identifiable customer based fixed costs associated with just having a water meter even if the connection is idle. As an example, the service provider needs to routinely read the meter, render a bill, keep records, collect payments and maintain the meter. Accordingly, many communities, including Pepperell, charge a meter, "metal" or minimum water fee to recover these costs.

Some towns bill specifically for special targeted charges or fees to include system upgrades, capital additions and extensions of service. However, such customer level flat fee charges need to be thought out carefully in order to avoid conflicts with MGL, Chapter 40N. That statute sets forth a fundamental principle that rates must ensure that every customer pays only for their ***fair share*** of system costs. This language more that suggests that rates are a better determining factor to reflect each customer's demands for service based on their water and sewer usage, rather than a flat fee.

g) The Water Meter is the Service Demarcation Point:

The water meter is the exclusive "*Demarcation Point*" where the operator of the water and sewer system capital investments, expenses and maintenance ends and the customer's capital investments, expenses and maintenance begins. After this "*Demarcation Point*", all facilities installed on private property, after the water meter and sewer connection is the exclusive responsibility of the property owner. Thus, costs associated with facilities and services beyond the water meter on private property have no impact on the water and sewer system and are funded entirely by independent private parties.

h) "*Multi-Units*" and Property Classes:

"*Multi Units*" and classes of property are descriptors of how buildings and properties are used. Examples of "*Multi Units*" are buildings or properties owned, leased, rented, donated and/or managed by multiple parties such as condominiums, cooperatives, associations, apartments, office buildings, multi-family homes, trailer parks, mobile home parks,

retirement communities, housing authorities, etc..

Classes of customers vary in setting up discrete rate tables. A few communities have class based rate tables. Examples are residential, business, commercial, industrial, governmental and subsets thereof.

"Multi Units" and classes of property descriptors may be used to develop discrete rate tables for certain types of "Multi Units" and/or classes of property as their particular uses of the water and/or sewer system may particularly affect costs to provide water and dispose of sewerage.

In surveying towns and cities across the State of Massachusetts, municipalities send a single bill to the custodian of the water meter, which is the customer responsible for paying the bill for the water and sewer services as measured by the customer's water meter.

In the case of "Multi Unit" parties that are served by a single water meter, the billed customer that hosts the water meter is responsible to pay the bill. Whatever further disposition of charges is a private matter between by the billed customer and the "Multi Unit" parties.

i) Structuring Water and Sewer Rates:

Generally speaking, rate schedules across Massachusetts for communities providing both water and sewer services use from one to five tiers of rates calculated by multiplying water usage in cubic feet by dollars per cubic foot or a similar proportionate metric. Some municipalities have separate rate tables for different classes of customers and/or types of "Multi Units". Multiple tier rate tables typically have incrementally higher rates aimed at reducing water consumption and promoting conservation pursuant to the purpose clause of MGL, Part I, Title VII, Chapter 40N.

Many municipalities use only one rate each for water and sewer usage to simplify billing and related rate setting processes. Many also do not have a minimum charge or fee for services. Others have a variety of tiers, minimum fees or special charges for water, sewer or both.

6. ASSERTED UNFAIR BILLING FOR WATER AND SEWER USAGE

a) Minimum Charges and Rates:

Town of Pepperell, Department of Public Works, Board of Public Works [Pepperell] minimum annual water charge is \$90.00 per quarter. There are five tiers each for water and sewer services; with two sewer tier

tables: "Residential" and "Commercial"; and four water tier tables: "Single Family", "2 Family", "3 Family & Up" and "Commercial & Industrial". Billing is quarterly.

Pepperell used a "Benchmark" water consumption rate of 9,900 cubic feet of water as set forth in a 2014 presentation presumably representing the typical usage of a residential class single family home. That rate hearing presentation is on the town's Internet web site: <https://www.town.pepperell.ma.us/DocumentCenter/View/136/Water-Sewer-Rates-2014?bidId=>].

For illustrative purposes, and applying the 9,900 cubic foot "Benchmark" to a residential single family home, and applying the first tier sewer minimum rate for 5,000 cubic feet of water, this would generate a cost of \$438.52, or \$0.0877 per cubic foot. That rate is the same rate as it is for the second tier. Accordingly, the same sewer rate of \$0.0877 applies to the first 9,900 cubic feet of water used for this single family home.

The five annualized rate tier brackets for residential sewerage are:

- Minimum 5,000 cubic feet of water;
- 5,000 to 12,000 cubic feet of water;
- 12,001 to 24,000 cubic feet of water;
- 24,001 to 36,000 cubic feet of water;
- 36,001 cubic feet of water; and up.

Again, using the 9,900 cubic foot "Benchmark" on an annual basis, the sewer rate of \$0.0877 also applies to the first 6,000 cubic feet of water used for commercial customers. After using 6,000 cubic feet of water used, commercial pays at the second tier rate of \$0.1023 for the next 3,900 cubic feet of water used. This results in commercial paying slightly more [+5% or ~\$65] than the residential single family home for the 9,900 cubic foot "Benchmark" level of service.

The five annualized rate tier brackets for commercial sewerage are:

- Minimum 5,000 cubic feet of water;
- 5,000 to 6,000 cubic feet of water;
- 6,001 to 12,000 cubic feet of water;
- 12,001 to 18,000 cubic feet of water;
- 18,001 cubic feet of water and up

In summary, for both single family homes and commercial customers who use Pepperell's "Benchmark" 9,900 cubic feet per year or less, neither customer advances to a higher tier rate; commercial pays slightly



more than the single family home.

b) Water and Sewer Rate Survey of Massachusetts Municipalities:

First a reasonableness test was undertaken to determine if the application of water and sewer rates across Massachusetts municipalities was consistent. Accordingly, along with Pepperell, sixteen other municipalities were sampled. Two "*Benchmark*" annual water consumption scenarios were examined: 9,900 cubic feet and 5,000 cubic feet. Many communities consider these annual consumption rates as best representing the high and low brackets of a single family home's usage of water services.

A spreadsheet was developed to show what impact these two "*Benchmarks*" had on billing [see: *Exhibit #1 and #2*].

Firstly, using a "*Benchmark*" water consumption rate of 9,900 cubic feet of water, *Exhibit #1's* summary page puts Pepperell's annual cost in about a middle ranking for both residential and commercial customers. However, for a Pepperell "*Multi Unit*" building billed in February 2022 consisting of thirteen condominium owners with one water meter, those owners found their rates surprisingly 499% higher consuming water at the same rate of 9,900 cubic feet per year.

After carefully reviewing detailed account level public record 2021 usage data, the 9,900 cubic foot single family home "*Benchmark*" usage level would appear to be overstated now compared to 2014. The cause may be related to the advent of more government regulations requiring washing machines, shower heads, toilets and other devices to use less water. Regardless of that speculation, the data indicates that a water consumption rate of 5,000 cubic feet per year may be a better revised "*Benchmark*" model of today's single family home's usage in Pepperell.

As a result, a second spreadsheet was developed to show what impact this lower "*Benchmark*" model had on billing the seventeen Massachusetts municipalities [see: *Exhibit #2*]. Again, the summary page shows Pepperell's annual cost about in a middle ranking for residential and commercial customers. And again, for a Pepperell "*Multi Unit*" building billed in February 2022 and consisting of thirteen condominium owners with one water meter, those owners found their rates 979% higher consuming water at the same rate of 5,000 cubic feet per year.

The reason why Pepperell "*Multi Unit*" condominium owners found their rates substantially higher is because Pepperell's billing system multiplied the minimum charges and rate tiers, by the number of "*Multi Unit*"

owners served by the water meter. This "Multi Unit" multiplier impact will be discussed further herein and is the basis of this "Request for Relief from Unfair Billing of Water And Sewer Charges".

c) Minimum Sewer Rate Cost Causation Basis:

Pepperell has a minimum sewer rate of \$109.63 per quarter, or \$438.52 paid annually for the first 5,000 cubic feet of sewer services. Since there is no sewer meter, establishing a minimum sewer fee on a cost causation basis requires specific justification pursuant to MGL, Part I, Title VII, Chapter 40N.

Such justification should include a rational basis as to why such charges are not manifest as a rate to ensure that all consumers pay their **fair share** of the cost for services, rather than a flat fee which tends to financially penalize low use customers; customers who use less than the minimum 5,000 cubic feet of sewer services concomitantly subsidize high use customers via low use customer overcharges [*i.e., assuming a net zero revenue v. cost basis*].

Establishing a customer based cost causation basis for a minimum sewer rate is a formidable challenge because all of the pipes, connections and fixtures on a customer's private property are the exclusive financial responsibility of the customer. There is no "sewer meter" to service or maintain. According, billing by a rate of use, not flat fee, is more appropriate in absence of customer specific cost causation evidence.

As a result, the basis of the minimum sewer rate cost causation was questioned at a March 17<sup>th</sup>, 2022 Board meeting [*See Exhibit#9*]:

- "1) *There is a minimum sewer charge of \$438.52 per year for the first 5,000 cubic feet of water. What is its fair share cost basis?*
- 2) *A building with one water meter serving multiple condominium owners is charged multiple minimum sewer charges of \$438.52 per year. What is its fair share cost basis?"*

At that meeting, further information regarding answering the two questions was unavailable. These questions were outlined prior to the meeting in a March 15<sup>th</sup> email to the Board's Business Manager regarding General Laws of the Commonwealth of Massachusetts, Part I, Title VII, Chapter 40N, Section 1: Purpose. Accordingly, on March 18<sup>th</sup> a written public records request was made to the Board's Business Manager who is the custodian of the Board's public records. On April 4<sup>th</sup> a response was received indicating that he is **unaware of any specific information**

being available regarding the March 17<sup>th</sup> questions [see: *Exhibit #6 & 9*].

Since there is no documentation regarding justification for the minimum sewer rate of \$438.52 per year for 5,000 cubic feet of water used, or not, one can only assume that the charge is arbitrary, capricious and has no cost causation basis or justification. Accordingly, such circumstance appears to be inconsistent with the requirements set forth in MGL, Part I, Title VII, Chapter 40N. As a result, and unless justification is forthcoming, this fee should be abolished and integrated within the appropriate sewer rate tables. This would fairly spread these charges across all customers as a function of their use of sewer system as required by law.

The specific impact of this apparently arbitrary minimum sewer rate of \$438.52 per year for 5,000 cubic feet of water used, or not, will be discussed further herein and is the basis of this "*Request for Relief from Unfair Billing of Water And Sewer Charges*".

d) Minimum Sewer Rate Over-Billing:

Pepperell's first tier minimum annual sewer rate for the first 5,000 cubic feet of water used is \$438.52. Customers using less water annually are paying for services they never use. And low use customers are effectively subsidizing customers that use more water [*i.e., assuming a net zero revenue v. cost basis*].

Many of these low use customers are senior citizens and/or customers who are making an effort at water conservation. Accordingly, the \$438.52 flat rate can be an unfair financial hardship and/or have a chilling effect on conservation, both of which are antithetical to the goals and objectives of water conservation and the fair treatment standard set forth in MGL, Part I, Title VII, Chapter 40N [see: *Exhibit #3*].

To put this issue in a metrics context, of the 2,055 total sewer 2021 accounts reviewed, 1,114, or 54% of them, were over-billed as a result of the minimum annual sewer rate by an aggregate \$135,804,24 with respect to the total cubic feet of water consumed in 2021 [see: *Exhibit #3*]. The largest over-billing was for 905 residential accounts, of the 1,638 residential accounts, or 55% of the total, who were in aggregate charged \$99,930.99 for sewer services they did not actually use.

To resolve this anomaly, it is recommended that the asserted arbitrary and capricious \$438.52 annual minimum sewer rate be eliminated and sewer rates be adjusted upward across the Board by an estimated 11.356%. With this rate adjustment the billing system would raise the same amount of revenue, but charge everyone only for services actually



used pursuant to MGL, Part I, Title VII, Chapter 40N [see: *Exhibit #3*].

e) Single Owner Property Metrics Using “*Benchmark*” Usage Levels:

Examining water and sewer billing prior to February 7, 2022, a single family consuming Pepperell's “*Benchmark*” usage level of 9,900 cubic feet annually and applying the prevailing rate schedule, customers paid:

\$612 per year for water services;  
\$868 per year for sewage disposal services;  
\$1,480 per year for receiving both water and sewer services.

A single commercial property owner consuming Pepperell's “*Benchmark*” usage level of 9,900 cubic feet annually and applying the prevailing rate schedule, customers paid:

\$612 per year for water services;  
\$925 per year for sewage disposal services;  
\$1,537 per year for receiving both water and sewer services.

A single family building and a single commercial property owner consuming the lower “*Benchmark*” usage level of 5,000 cubic feet annually and applying the prevailing rate schedule, customers paid:

\$324 per year for water services;  
\$439 per year for sewage disposal services;  
\$763 per year for both water and sewer services.

In summary, billing in 2021 for services appears to be fair and the arbitrary minimum annual sewer rate unaffecteds “*Benchmark*” customers.

f) Billing Virtual “*Multi Unit*” Customers – February 7, 2022:

Pepperell's water and sewer billing software system includes a feature to extract from the Board of Assessors database, all town property owners and import them into the billing software to facilitate the billing process.

The software also has a unique multiplier feature [“*SEWER MIN Q MULTI*”] to bill every property **owner** for water and sewer charges **beyond** the water meter “*Demarcation Point*”, which constructively creates **multiple virtual “Multi Unit” customers**, each having their own respective class of unpublished rate tables.

As an illustrative example of this feature, consider the example building with one water meter serving thirteen virtual “*Multi Unit*” customers

within a building using Pepperell's "*Benchmark*" usage level of 9,900 cubic feet annually. This is the same example customer Pepperell's Business Manager cited in the March 17<sup>th</sup> 2022 slide presentation delivered to the Board explaining "*Multi Unit*" billing on slides #10 through #17 [*see herein: Pepperell Water and Sewer Rate Discussion*].

Each of the new minted thirteen **virtual** "*Multi Unit*" sewer customers would be subject to the approved five annualized commercial rate tiers:

- Minimum 5,000 cubic feet of water;
- 5,000 to 6,000 cubic feet of water;
- 6,001 to 12,000 cubic feet of water;
- 12,001 to 18,000 cubic feet of water;
- 18,001 cubic feet of water and up.

The software would then aggregate the thirteen virtual "*Multi Unit*" customer's sewer rate tables for billing purposes. When the bill is sent to the billed customer that hosts the water meter, the five aggregated annualized rate tiers for commercial sewerage would tacitly be:

- Minimum 65,000 cubic feet of water;
- 65,000 to 78,000 cubic feet of water;
- 78,001 to 156,000 cubic feet of water;
- 156,001 to 234,000 cubic feet of water;
- 244,001 cubic feet of water; and up.

Firstly, it is patently illogical to set forth a bill for a minimum sewer rate relating to 65,000 cubic feet of water [ $13 \times 5,000$ ] when the customer only used 9,900 cubic feet of water. There are only 10 customers [0.5%] of the 2,055 total sewer accounts reviewed that actually logged that level of usage in 2021. Fairness is clearly an issue.

And, applying this new rate schedule to all of the "*2 Family*", "*3 Family & Up*" and "*Commercial & Industrial*" rate tiers should have been the subject of a rate hearing. However, the record shows that no such approval of these new charges or rate tiers ever happened pursuant to MGL, Part I, Title VII, Chapter 40N.

Certainly, the upside resultant in billings for virtual "*Multi Units*" customers is that they unfairly would enjoy lower rates than properties or buildings that were not virtual "*Multi Units*" with their expanded usage levels in the lower cost bottom rate tier.

However, the more substantial downside to all of the "*2 Family*", "*3 Family & Up*" and "*Commercial & Industrial*" virtual "*Multi Unit*" customers would

be that they would be required to pay multiple annualized \$438.52 minimum sewer rates when in the prior billing cycle put forth only a single charge of \$438.52.

In summary, fairness is indeed a casualty with the exemplified thirteen virtual "*Multi Unit*" customers billed annually for \$5,701.00 [ $13 \times \$438.52$ ], or a 1,300% overcharge, while all other customers using exactly the same amount of services, but were not virtual "*Multi Unit*" customers, would only be paying one \$438.52 charge.

g) February 2022 Quarterly Billing System Changes:

Prior to the February 7, 2022 billing cycle, Pepperell only billed one sewer minimum rate of \$109.63 per quarter for 1,250 cubic feet of water to the custodian of the water meter who was the end point customer.

However, in February 2022, the water and sewer billing system was modified to activate multiple virtual "*Multi Unit*" billing. Accordingly, the billing system **billed every virtual "*Multi Unit*" customer** served by the water meter, **each for a sewer minimum rate of \$109.63**. None of these new virtual "*Multi Unit*" customers were sent a bill. Each had no prior notice that they became de facto new virtual "*Multi Unit*" sewer customers, each with their own rate table and responsible for paying a minimum quarterly rate of \$109.63 for 1,250 cubic feet of water.

To examine further the financial impact of virtual "*Multi Unit*" billing, assume Pepperell's "*Benchmark*" annual water consumption rate of 9,900 cubic feet, and using the Business Manager's slide #17 as previous cited with one building with one water meter serving thirteen virtual "*Multi Unit*" customers within a building. With the single family residence paying \$1,480 annually for water and sewer services, the thirteen new virtual "*Multi Unit*" customers in aggregate would realize annual costs for water and sewer services precipitously rise from a 2021 billing level of \$1,537 to \$7,665, or 499% more than the single family home [see: *Exhibit #5*].

To see the broad disproportionate impact of the virtual "*Multi Unit*" multiplier for various annual water consumption rates, please refer to the 3 spreadsheets which details billing for customers with actual 9,900, 5,000 & 2,500 cubic feet per year usage levels [see: *Exhibit #5*].

The result is that the example virtual "*Multi Unit*" customers are billed over-charges of 499%, 979% and 1,115% more than the single family home using the same respective levels of 9,900, 5,000 & 2,500 cubic feet of water per year. While **fairness and equity are the fundamental requirements of water and sewer rate making**



**practices** pursuant to MGL Part I, Title VII, Chapter 40N [see: *Exhibit #5*], these spreadsheets detail multiple examples of apparent non-compliance regarding **fair share** pricing for services rendered.

In summary, the billing for water and sewer services for these example virtual "*Multi Unit*" customers was many times greater than the bill to the single family home using the same level of services. Conversely the single family home would be paying a fraction of the amount billed to the exemplified new virtual "*Multi Unit*" customers. This circumstance does not conform to statutory requirements, profoundly begs the common sense question of fairness and is antithetical to a policy that customers should be billed only for the services they actually use. And, nearly all of this controversy could have been avoided if absent was this apparently arbitrary minimum sewer rate or that the virtual "*Multi Unit*" software feature was simply left in the "off" position.

h) Specific "*Multi Unit*" - 41 Lomar Park Drive:

41 Lomar Park Drive is a commercial "*Multi Unit*" condominium building served by Pepperell with a water and sewer connection and one water meter installed decades ago. Each of the twelve "*Multi Units*" is equipped with the residential equivalent of one half bath, each consisting of a toilet and a sink without a shower or bath tub. One unit has no water or sewer services. Since residential use is prohibited, additional water consuming appliances such as dishwashers, clothes washers and lawn sprinkler systems are absent. The property is typically populated only during weekday business hours between 7:00 AM and 6:00 PM. The use of water and sewer services is minimal.

Consider that Pepperell has a 2014 stated overall policy of fairness articulated on the town's web site identifying its billing principles:

"Billing customers only for what they use."

"Delivering water at a cost of about one cent per gallon to residential customers."

"A cost formula based on a residential "*Benchmark*" usage of 9,900 cubic feet of water."

For decades, Pepperell has considered this "*Multi Unit*" building as one customer with thirteen property owners and has billed the Lomar Industrial Condominium No 33 Association for all water and sewer services provided to the property owners under their governance. Only the condominium association treasurer receives a bill. The other twelve

"Multi Units" have never received a bill and have been totally unaware of these billing practices. The building is estimated to consume somewhat more or less than the residential "Benchmark" usage of 9,900 cubic feet of water annually.

i) Specific "Multi Unit" - 41 Lomar Park Drive – Scenario #1:

Using the above specific "Multi Unit" building, on February 7, 2022, Pepperell changed its billing process. As a result of the redefining the "Multi Unit" building's customer base as thirteen separate virtual "Multi Unit" customers, rather than one customer for sewer services, the new billing formula [see: Exhibit #5] would impose the following charges on this "Multi Unit" building consuming Pepperell's "Benchmark" usage level of 9,900 cubic feet of water annually:

\$1,964 per year for water services;  
\$5,701 per year for sewage disposal services;  
\$7,665 per year for both water and sewer services.

The "Multi Unit" building will incur the following overcharges compared to the same "Benchmark" usage level of 9,900 cubic feet of water consumed by a single family home:

321% more for water services, or \$1,352 in excess charges;  
616% more for sewer services, or \$4,776 in excess charges;  
499% more overall, or \$6,128 in excess charges.

In summary, billing in 2022 for services appears to be remarkably unfair to the aggregate thirteen virtual "Multi Unit" customers.

j) Specific "Multi Unit" - 41 Lomar Park Drive – Scenario #2:

Again using the foregoing specific "Multi Unit" building in a second scenario, and as a result of the redefining the "Multi Unit" building's customer base as thirteen separate virtual "Multi Unit" customers, rather than one customer for sewer services, the February 7, 2022 billing formula [see: Exhibit #5] would impose the following charges on this "Multi Unit" building consuming a lower "Benchmark" usage level of 5,000 cubic feet of water annually:

\$1,764 per year for receiving water;  
\$5,701 per year for receiving sewage disposal service;  
\$7,465 per year for receiving both water and sewer services.

The "Multi Unit" building will incur the following overcharges compared

the same lower usage level of 5,000 cubic feet of water consumed by a single family home:

544% more for water services, or \$1,440 in excess charges;  
1,300% more for sewer services, or \$5,262 in excess charges;  
979% more overall, or \$6,702 in excess charges.

Again in summary, billing in 2022 for services appears to be extremely unfair to the thirteen aggregate virtual "Multi Unit" customers.

k) 33 & 41 Lomar Park Drive with Multiple Virtual "Multi Unit" billing:

In a logical analysis, one would expect that water and sewer charges would be distributed, or divided up, among the individual condominium units therein accounting for their portion of usage recorded by the two water meters, one in each building. However, the billing software does the exact opposite. It multiplies the billing tier schedule metrics by the number of condominium units in each building. The result is a profoundly unfair billing outcome, and clearly the exact opposite intent and purpose of MGL Part I, Title VII, Chapter 40N, Section 1 [See: *Eliot Epstein & Another Vs. Executive Secretary Of The Board Of Selectmen Of Sharon*, 22 Mass. App. Ct. 135].

Please note that 33 Lomar Park Drive is remarkably similar to 41 Lomar Park Drive. Assuming the town's "Benchmark" usage level of 9,900 cubic feet of water consumed by a single family home, the following metrics indicate the annualized financial impact of the new billing formula for water and sewer services on the Lomar Industrial Condominium No 33 Association located at 33 & 41 Lomar Park Drive compared to 2021 billings. With no change in usage levels from year to year, that the software creates an absurdly antithetical outcome:

Billing in 2021 @ \$1,224, in 2022 became \$3,528 per year for water;  
Billing in 2021 @ \$1,850, in 2022 became \$11,402 per year for sewer;  
Billing in 2021 @ \$3,074, in 2022 became \$14,930 per year for both.

The resultant over charges are outrageously unfair:

+ \$2,304 per year for water;  
+ \$9,552 per year for sewer;  
+ \$11,856 per year for both.

In due consideration of the foregoing analysis, and of commonsense import, and of cursory logical thinking, it is remarkably unsurprising to the most casual observer that Pepperell appears to be the only



municipality in Massachusetts that has billed water and sewer customers using this uniquely unfair multiple virtual "*Multi Unit*" software feature.

l) Summary - Virtual "*Multi Unit*" Customer Billing Issues:

The obvious problem with implementing virtual "*Multi Unit*" customer billing is that there is no rational basis to charge for sewer services using the actual usage recorded by the water meter and then multiply those charges by the number of virtual "*Multi Unit*" customers on the property. Such billing scheme obviously has absolutely nothing to do with charging fair rates for actual sewer usage as recorded by the water meter.

A major statutory consideration with implementing this billing software feature is that its implementation on February 7, 2022 does not appear to relate to any prior vote of the Board, or the Board voting to activate the sewer billing virtual "*Multi Unit*" software feature available in Pepperell's billing software, or create rate tables or language expressly authorizing virtual "*Multi Unit*" billing [see: *Exhibit #4*]. Accordingly, creating virtual "*Multi Unit*" customers and applying a virtual "*Multi Unit*" multiplier to sewer bills, without an explicit vote of the Board, is without merit or application in the billing process.

And to exacerbate the matter, the application of this unfair virtual "*Multi Unit*" multiplier process results in arbitrarily over billing a class of customers for sewer services they never received and concomitantly subsidizes the rest of the customer base [*i.e., assuming a net zero revenue v. cost basis*] that were not "*Multi Units*" [see: *Exhibit #3*].

Also on a statutory basis, this "*Multi Unit*" multiplier is demonstrably counter to the concept of cost causation as set forth in MGL Part I, Title VII, Chapter 40N because such criteria bills customers without regard to their portion of costs bearing upon Pepperell's water and sewer systems as measured by the water meter.

As further evidence of non-cost causation over billing virtual "*Multi Units*", all facilities installed within a building or upon a property after the water meter "*Demarcation Point*" and main sewer connection are the responsibility of the property owner. There is absolutely no customer specific cost impact on the water and sewer system in this regard and obviously such has nothing to do with the amount of water or sewer service used as measured by the water meter.

m) Summary – Rate Increase Issues:

A 6% rate increase, or about \$80K, was voted by the Board in an April

2021 Public Hearing which increased rates in the water and sewer rate tables [see: *Exhibit #4*] effective May 2021.

However, absent in any meeting minutes was a discussion or vote of the Board regarding the implementation of billing sewer customers on a virtual "*Multi Unit*" multiplier basis. And, since this new billing basis would indeed be a significant up charge in the billing process due to establishing hundreds of new \$438.52 annual minimum sewer rates applied to customer bills, such likely would have been discussed in some detail and reflected in meeting minutes of the Board. But, the February 7, 2022 quarterly bills did indeed include billing on a virtual "*Multi Unit*" multiplier basis without a Board discussion or an express vote to do so.

To get an accurate idea of the exact scope of this increase in billing, a detailed report by account was obtained reflecting the four quarterly billings for 2021 and a public records request was made to obtain the February 2022 first quarter billing cycle. A 2021 "*Consumption History - Detailed*" report was provided, but a report of that nature apparently is unavailable for 2022. Without this information, it is impossible to accurately report herein an account detailed impact of the new virtual "*Multi Unit*" sewer charges on the sewer system customer base. And likewise, it was also impossible for the Board to determine the very same information to measure the impact of a February 2022 decision to start billing virtual "*Multi Unit*" sewer customers prospectively.

Moreover, if detailed account level reports were only recently found to be unavailable regarding the impact of billing on a customer by customer virtual "*Multi Unit*" basis, then it is fair to conclude that in April 2021, the Board was without the same critical information regarding how much additional revenue would be raised by virtual "*Multi Unit*" billing, or how much more each customer would need to pay, or how fair this would be. And, that partly explains why Board meeting minutes are absent a narrative regarding the billing impact of what hundreds of new virtual "*Multi Unit*" customers would be with sewer revenues increasing at a rate of 3.3%, or \$44K, per hundred new virtual "*Multi Unit*" customers.

From the information and testimony gathered to date, it may be fair to estimate that at least three to five hundred additional \$438.52 annual minimum sewer rates were generated as a result of implementing the new virtual "*Multi Unit*" billing formula. Thus, 2022 revenues could rise by 10% to 17%, or \$132K to \$220K as a function of the new virtual "*Multi Unit*" billings, and the total rate increase could rise from 16% to 23% including the 6% increase already voted by the Board in April 2021.

Since an additional estimated raise of 10% to 17% in revenue associated

with the newly implemented virtual "Multi Unit" multiplier billing has yet to be justified, or even needed, such potential excess revenues may also be considered a tax levied in excess of the authority of the Board [See: *Bolt v. City of Lansing Annotate this Case, 587 N.W.2d 264 (1998), 459 Mich. 152*] and [See: T. Scott Pernici, Michael Jones, and Mark Defatta, individually and on behalf of a class of similarly situated persons vs. City of Shreveport, Suit No. 599-698, rendered by the First Judicial District Court for the Parish of Caddo on Nov. 23, 2020].

And lastly in comment regarding public notice and record retention, during past rate hearings, minutes contained references to documents in consideration of potential rate changes. However, the lack of adding such as attachments to the minutes and/or posting of such to the Internet, and/or keeping such on file, deprives the public of knowing exactly why their rates might be adjusted. Moreover, many of these records referenced in meeting minutes appear to be lost. Such may be an issue pursuant to MGL Part I, Title X, Chapter 66, Section 8.

#### 7. SUMMARY STATEMENT OF FACTS:

- (1) The Board is required to implement sewer rates, fees and charges only by a vote of the Board after public hearing and with proper notice thereof pursuant to MGL Part I, Title VII, Chapter 40N ; and
- (2) The Board's meeting minutes fail to reflect a specific vote to implement "Multi Unit" sewer billing, and then charge hundreds new \$438.52 annual minimum sewer rates in February 2022; and
- (3) Billing systems must comply with MGL Part I, Title VII, Chapter 40N requiring that all consumers pay their fair share of the cost of sewer services used, presumably measured by the water meter; and
- (4) The Board's own engineering consultants, Tighe & Bond, have stated regarding MGL Part I, Title VII, Chapter 40N: "*The key phrase of the law is that all consumers pay their **fair share** of the cost for services. Fairness and equity are the fundamental requirements of water and sewer rate making practices where the **concept of cost causation prevails** and customers' bills reflect their portion of the costs of operating the systems.*"
- (5) The annual minimum sewer rate of \$438.52 per 5,000 cubic feet of water must have a cost causation basis pursuant to MGL Part I, Title VII, Chapter 40N and such claim is corroborated by the Board's own Tighe & Bond engineering consultants; and



- (6) The custodian of the Board's public records has stated that he is "unaware of any specific information being available" of a cost causation basis to support charging for the \$438.52 annual minimum sewer rate, or multiples thereof to "Multi Unit" parties; and
- (7) The annual \$438.52 minimum sewer rate per 5,000 cubic feet of water, if absent of cost causation, is an arbitrary and capricious charge antithetical to the fundamental requirements of MGL Part I, Title VII, Chapter 40N; and
- (8) Billing the custodian of the water meter multiple \$438.52 annual minimum sewer rates based on the number of "Multi Unit" parties served by the water meter is incompatible with billing only for the actual sewer usage measured by the water meter; and
- (9) About half of all single ownership residential customers appear to be over billed due to the annual \$438.52 minimum sewer rate in the case that sewer usage was less than 5,000 cubic feet of water.

WHEREFORE, Petitioner respectfully prays that the Board considers the following enumerated matters in granting relief from what appears to be a remarkably unfair billing of water and sewer charges:

- (1) Pursuant to MGL, Chapter 40N, there is absent a factual rational basis, or a cost causation basis, or plenary fairness with regard thereof, for multiple virtual "Multi Unit" billing charges levied beyond the water meter because there is no demonstrated cost impact on the water and sewer system in this regard, and therefore the Petitioner asserts that such virtual "Multi Unit" charges levied beyond the water meter are without merit or application; and
- (2) The Board appears to have implemented virtual "Multi Unit" minimum rate multiplier sewer billing on February 7, 2022 without an explicit prior vote of the Board, or the Board substantiating the need for such, and therefore the Petitioner asserts that such virtual "Multi Unit" minimum rate multiplier billing charges levied beyond the water meter are without merit or application; and
- (3) Further, to prospectively, permanently and fairly resolve the matter of the inappropriate use of an apparently arbitrary and capricious minimum sewer rate ungrounded in a cost causation basis, the Board should consider adjusting the sewer rates upward across the Board by an estimated 11.356%, and eliminate the minimum sewer rate, which application thereof would result in raising the same level of revenue, and most importantly, charging all customers only for what

services they actually used administered by rates alone; and

- (4) For the foregoing reasons, and others stated herein in detail, it appears to be just and fair to grant the Petitioner's request for an abatement or credit to the petitioning parties for all virtual "*Multi Unit*" charges applied to the February 7, 2022 billing cycle; and
- (5) Grant whatever additional relief is necessary and just.

**Exhibit #1 - Massachusetts Multi-Municipality Summary of Water Rates**

<b>Town of Pepperell: 1 Water Meter, 1 Building Using 9,900 Cubic Feet of Water Annually</b>			
<b>Municipality</b>	<b>Type of Service</b>	<b>Description</b>	<b>Annual Cost</b>
<b>One (1) Property Owner</b>			
Town of Pepperell MA	Commercial	Total Water & Sewer	<b>\$1,536.83</b>
<b>Thirteen (13) Condominium Property Owners</b>			
Town of Pepperell MA	Commercial	Total Water & Sewer	<b>\$7,664.68</b>
			<b>Percent difference</b>
			<b>499%</b>

<b>Typical Single Property Owner - 9,900 Cubic Feet of Water Annually</b>						
	<b>Municipality</b>	<b>Type of Service</b>	<b>Tiers</b>	<b>Base Rate</b>	<b>Description</b>	<b>Annual Cost</b>
1	Town of Gloucester MA	Residential & Commercial	One		Total Water & Sewer	\$2,404.71
2	Town of Norwood MA	Residential & Commercial	Two		Total Water & Sewer	\$2,157.93
3	Town of Spencer MA	Residential & Commercial	Three *	\$160.38	Total Water & Sewer	\$1,938.84
4	Town of Goton MA	Residential & Commercial	Four *	\$15.00	Total Water & Sewer	\$1,919.11
5	Town of Winchendon MA	Residential & Commercial	One		Total Water & Sewer	\$1,633.50
6	Town of Amesbury MA	Residential & Commercial	One		Total Water & Sewer	\$1,608.75
7	<b>Town of Pepperell MA</b>	<b>Residential</b>	Four *	\$109.63	<b>Total Water &amp; Sewer</b>	<b>\$1,468.17</b>
8	Town of Holbrook MA	Residential & Commercial	One		Total Water & Sewer	\$1,468.17
9	Town of Attleboro MA	Residential & Commercial	One		Total Water & Sewer	\$1,442.43
10	Town of Holden MA	Residential & Commercial	Five *	\$28.94	Total Water & Sewer	\$1,438.20
11	Town of Franklin MA	Residential & Commercial	Three		Total Water & Sewer	\$1,318.02
12	Town of Swampscott MA	Residential & Commercial	One		Total Water & Sewer	\$1,256.31
13	Town of Maynard MA	Residential & Commercial	Three*	\$50.00	Total Water & Sewer	\$1,016.32
14	Town of Plymouth MA	Residential & Commercial	Four *	\$87.50	Total Water & Sewer	\$896.35
15	City of Waltham MA	Residential & Commercial	Four		Total Water & Sewer	\$885.72
16	Town of Billerica MA	Residential & Commercial	Three		Total Water & Sewer	\$822.55
17	Town of East Longmeadow MA	Residential & Commercial	One*	\$37.00	Total Water & Sewer	\$652.40

**7 of 17 Municipalities Have Only 1 Rating Tier**  
**9 of 17 Municipalities Have Minimum Base Rate**  
**9 of 17 Municipalities Have 3 or More Rating Tiers**

**\* Note: Plus a Minimum Base Rate**



05/17/21

Town of Pepperell MA

## SCHEDULE OF WATER &amp; SEWER RATES (Billed Quarterly)

				Commercial	Benchmark 9,900 CuFt per Year
Water	Volume per Quarter	Rate	Increase	Volume per Year	
	Minimum Charge	\$30.00		Minimum Charge	\$120.00
	0 to 1,250 CuFt	\$0.04080		0 to 5,000 CuFt	\$204.00
	1,251 to 1,500 CuFt	\$0.05130	25.74%	5,001 to 6,000 CuFt	\$51.30
	1,501 to 3,000 CuFt	\$0.06060	18.13%	6,001 to 12,000 CuFt	\$236.34
	3,001 to 4,500 CuFt	\$0.08400	38.61%	12,001-18,000 CuFt	\$0.00
	4,501 Cu Ft and up	\$0.11660	38.81%	18,001 Cu Ft and up	\$0.00
				Total Water	\$611.64
Sewer	Volume per Quarter	Rate	Increase	Volume per Year	Rate
	Minimum 1,250 CuFt	\$109.63		Minimum 5,000 CuFt	\$438.52
	1,251 to 1,500 CuFt	\$0.08770	0.00%	5,000 to 6,000 CuFt	\$87.70
	1,501 to 3000 CuFt	\$0.10230	16.65%	6,001 to 12,000 CuFt	\$398.97
	3,001 to 4,500 CuFt	\$0.11490	12.32%	12,001 to 18,000 CuFt	\$0.00
	4,501 Cu Ft and up	\$0.11660	1.48%	18,001 CuFt and up	\$0.00
				Total Sewer	\$925.19
				Total Water & Sewer	<b>\$1,536.83</b>

The Minimum Charge is a fixed charge, regardless of the amount of usage.  
Usage charges are calculated in addition to the Minimum Charge

<https://town.pepperell.ma.us/DocumentCenter/View/6078/Water-Rates-2021>

02/07/22 Town of Pepperell MA  
 SCHEDULE OF WATER & SEWER RATES (Billed Quarterly) Commercial

Includes Minimum rate rate **Multiplier** based on Property Owners Within a Building  
 \* **Multiplier = 13**

					Benchmark 9,900 CuFt per Year
Water	Volume per Quarter	Rate	Increase	Volume per Year	
	Minimum Charge	\$390.00		Minimum Charge	\$1,560.00
	0 to 16,250 CuFt	\$0.04080		Minimum 65,000 CuFt *	\$403.92
	16,251 to 19,500 CuFt	\$0.05130	25.74%	65,000 to 78,000 CuFt	\$0.00
	19,501 to 39,000 CuFt	\$0.06060	18.13%	78,001 to 156,000 CuFt	\$0.00
	39,001 to 58,500 CuFt	\$0.08400	38.61%	156,001 to 234,000 CuFt	\$0.00
	58,501 Cu Ft and up	\$0.11660	38.81%	244,001 CuFt and up	\$0.00
			Total Water	\$1,963.92	
Sewer	Volume per Quarter	Rate	Increase	Volume per Year	Rate
	Minimum 16,250 CuFt *	\$1,425.19		Minimum 65,000 CuFt *	\$5,700.76
	16,251 to 19,500 CuFt	\$0.08770	-0.07%	65,000 to 78,000 CuFt	\$0.00
	19,501 to 39,000 CuFt	\$0.10230	16.65%	78,001 to 156,000 CuFt	\$0.00
	39,001 to 58,500 CuFt	\$0.11490	12.32%	156,001 to 234,000 CuFt	\$0.00
	58,501 Cu Ft and up	\$0.11660	1.48%	244,001 CuFt and up	\$0.00
			Total Sewer	\$5,700.76	
			Total Water & Sewer	<b>\$7,664.68</b>	

\* **Multiplier** is based on the # of property owners within a single building served by a single water meter.  
 The Minimum Charge is a fixed charge, regardless of the amount of usage.  
 Usage charges are calculated in addition to the Minimum Chargee.

<https://town.pepperell.ma.us/DocumentCenter/View/6078/Water-Rates-2021>

2022  
Town of Gloucester MA  
SCHEDULE OF WATER & SEWER RATES (Billed Quarterly)

Water	Volume CuFt	Rate \$0.0898	Volume CuFt Total Water	Benchmark 9,900 CuFt per Year \$889.02 \$889.02
Sewer*	Volume CuFt	Rate \$0.1531	Volume CuFt Total Sewer *	Rate \$1,515.69 \$1,515.69
			Total Water & Sewer	<b>\$2,404.71</b>

<https://www.gloucester-ma.gov/316/Water-Sewer-Rates>



10/01/21 Town of Norwood MA  
 SCHEDULE OF WATER & SEWER RATES (Billed Monthly)

					Benchmark 9,900 CuFt per Year
Water	Volume per Month Meter Charge	Rate \$6.87	Increase	Volume per Year Meter Charge	\$82.44
	0 to 500 CuFt	\$0.0389		0 to 6,000 CuFt	\$233.40
	500 CuFt and up	\$0.0749	92.54%	6,001 CuFt and up	\$292.11
				Total Water	\$607.95
Sewer*	Volume per Month	Rate	Increase	Volume per Year	Rate
	0 to 300 CuFt *	\$0.0984		0 to 3,600 CuFt *	\$354.24
	300 CuFt and up *	\$0.1898	92.89%	3,601 CuFt and up *	\$1,195.74
				Total Sewer *	\$1,549.98
				Total Water & Sewer	<b>\$2,157.93</b>

\* Sewer charges are based on 60% of Water Usage

The Meter Charge is a fixed charge, regardless of the amount of usage, to recover the costs of installing, maintaining, and replacing water meters and the associated automatic meter reading equipment. Usage charges are calculated in addition to the Meter Charge.

Customer Base: 9,000 business and residential customers

[http://www.norwoodma.gov/departments/public\\_works/water\\_\\_\\_sewer\\_rates/water\\_and\\_sewer\\_rates.php](http://www.norwoodma.gov/departments/public_works/water___sewer_rates/water_and_sewer_rates.php)

04/01/20 Town of Spencer MA  
 SCHEDULE OF WATER & SEWER RATES (Billed Quarterly)

	Volume per Quarter	Rate	Increase	Volume per Year	Benchmark 9,900 CuFt per Year
Water	Minimum 1,500 CuFt	\$150.0000		Minimum 6,000 CuFt	\$600.00
	1,501 to 3,000 CuFt	\$0.0712	-0.02%	6,001 to 12,000 CuFt	\$277.68
	3,001 to 6,000 CuFt	\$0.0751	5.48%	12,001 to 24,000 CuFt	\$0.00
	6,001 to 8,000 CuFt	\$0.0802	12.64%	8,001 CuFt and up	\$0.00
	8,001 CuFt and up	\$0.0878	16.91%	8,001 CuFt and up	\$0.00
				Total Water	\$877.68
Sewer	Volume per Quarter	Rate	Increase	Volume per Year	Rate
	Minimum 1,500 CuFt	\$160.3800		Minimum 1,500 CuFt	\$641.52
	1,501 to 5,000 CuFt	\$0.1076	0.00%	1,501 to 5,000 CuFt	\$419.64
	5,001 to 8,000 CuFt	\$0.1174	9.11%	5,001 to 8,000 CuFt	\$0.00
	8,001 CuFt and up	\$0.1292	10.05%	8,001 CuFt and up	\$0.00
				Total Sewer	\$1,061.16
				Total Water & Sewer	<b>\$1,938.84</b>

A Base Charge or Meter Charge is levied on a per meter basis.

[https://www.spencerma.gov/sites/g/files/vyhlf1246/f/uploads/rates\\_effective\\_4-1-20.pdf](https://www.spencerma.gov/sites/g/files/vyhlf1246/f/uploads/rates_effective_4-1-20.pdf)

<https://www.spencerma.gov/sewer-department/pages/sewer-usage-rates>

01/01/22 Town of Goton MA  
 SCHEDULE OF WATER & SEWER RATES (Billed Quarterly)

					Benchmark 9,900 CuFt per Year
Water	Volume per Quarter	Rate	Increase	Volume per Year	
	Service Charge	\$13.00		Service Charge	\$52.00
	Fire Protection	\$5.21		Fire Protection	\$20.84
	Manganese Charge	\$35.00		Manganese Charge	\$140.00
	0 to 1,500 CuFt	\$0.0550		0 to 6,000 CuFt	\$330.00
	1,501 to 3,000 CuFt	\$0.0631	14.73%	6,001 to 12,000 CuFt	\$246.09
	3,001 to 4,500 CuFt	\$0.0724	14.74%	12,001 to 18,001 CuFt	\$0.00
4,501 CuFt and up	\$0.0832	14.92%	18,001 CuFt and up	\$0.00	
			Total Water	\$788.93	
Sewer	Volume per Quarter	Rate	Increase	Volume per Year	Rate
	Capital Upgrade	\$15.00		Capital Upgrade	\$60.00
	Minimum 0 to 100	\$0.0844		Minimum 400 CuFt	\$33.76
	0 to 1,500 CuFt	\$0.0844	0.00%	400 to 6,000 CuFt	\$472.64
	1,501 to 3,000 CuFt	\$0.1686	99.76%	6,000 to 12,000 CuFt	\$657.54
	3,001 to 4,500 CuFt	\$0.1855	10.02%	12,000 to 18,000 CuFt	\$0.00
	4,501 CuFt and up	\$0.2041	10.03%	18,001 CuFt and up	\$0.00
			Total Sewer	\$1,130.18	
	Four *		Total Water & Sewer	<b>\$1,919.11</b>	

A Service Charge or Meter Charge is levied on a per meter basis.  
 Usage charges are calculated in addition to the Service Charge.

<https://www.gotonwater.org/rates/>



2022  
Town of Winchendon MA  
SCHEDULE OF WATER & SEWER RATES (Billed Quarterly)

Water	Volume CuFt	Rate \$0.0601	Volume CuFt Total Water	Benchmark 9,900 CuFt per Year \$594.99 \$594.99
Sewer*	Volume CuFt	Rate \$0.1049	Volume CuFt Total Sewer *	Rate \$1,038.51 \$1,038.51
			Total Water & Sewer	<b>\$1,633.50</b>

<https://www.townofwinchendon.com/public-works/pages/water-sewer-rates>

05/17/21

Town of Pepperell MA

SCHEDULE OF WATER & SEWER RATES (Billed Quarterly)

				Residential	Benchmark 9,900 CuFt per Year
Water	Volume per Quarter	Rate	Increase	Volume per Year	
	Minimum Charge	\$30.00		Minimum Charge	\$120.00
	0 to 1,250 CuFt	\$0.04080		0 to 5,000 CuFt	\$204.00
	1,251 to 1,500 CuFt	\$0.05130	25.74%	5,001 to 6,000 CuFt	\$51.30
	1,501 to 3,000 CuFt	\$0.06060	18.13%	6,001 to 12,000 CuFt	\$236.34
	3,001 to 4,500 CuFt	\$0.08400	38.61%	12,001-18,000 CuFt	\$0.00
	4,501 Cu Ft and up	\$0.11660	38.81%	18,001 Cu Ft and up	\$0.00
				Total Water	\$611.64
Sewer	Volume per Quarter	Rate	Increase	Volume per Year	Rate
	Minimum 1,250 CuFt	\$109.63		Minimum 5,000 CuFt	\$438.52
	1,251 to 3,000 CuFt	\$0.08770	0.00%	5,000 to 12,000 CuFt	\$429.73
	3,001 to 6,000 CuFt	\$0.10230	16.65%	12,001 to 24,000 CuFt	\$0.00
	6,001 to 9,000 CuFt	\$0.11490	12.32%	24,001 to 36,000 CuFt	\$0.00
	9,001 Cu Ft and up	\$0.11660	1.48%	36,001 CuFt and up	\$0.00
				Total Sewer	\$868.25
				Total Water & Sewer	<b>\$1,479.89</b>

The Minimum Charge is a fixed charge, regardless of the amount of usage.  
Usage charges are calculated in addition to the Minimum Charge

2021  
Town of Holbrook MA  
SCHEDULE OF WATER & SEWER RATES (Billed Quarterly)

Water	Volume CuFt	Rate \$0.0697	Volume CuFt Total Water	Benchmark 9,900 CuFt per Year \$690.03 \$690.03
Sewer*	Volume CuFt	Rate \$0.0786	Volume CuFt Total Sewer *	Rate \$778.14 \$778.14
			Total Water & Sewer	<b>\$1,468.17</b>

<https://www.holbrookma.gov/public-works/pages/watersewer-rates-fy2021>

2022  
Town of Attleboro MA  
SCHEDULE OF WATER & SEWER RATES (Billed Quarterly)

Water	Volume CuFt	Rate \$0.0510	Volume CuFt Total Water	Benchmark 9,900 CuFt per Year \$504.90 \$504.90
Sewer*	Volume CuFt	Rate \$0.0947	Volume CuFt Total Sewer *	Rate \$937.53 \$937.53
			Total Water & Sewer	<b>\$1,442.43</b>

<https://www.cityofattleboro.us/314/Water-Sewer-Rates>



07/01/21 Town of Holden MA  
 SCHEDULE OF WATER & SEWER RATES (Billed Monthly)

					Benchmark 9,900 CuFt per Year
Water	Volume per Month Meter Charge	\$27.51		Volume per Year Meter Charge	\$330.12
	0 to 150 CuFt	\$0.0139		0 to 1,800 CuFt	\$25.0200
	151 to 500 CuFt	\$0.0167	20.14%	1,801 to 6,000 CuFt	\$70.1400
	501 to 1,000 CuFt	\$0.0201	20.36%	6,001 to 12,000 CuFt	\$78.3900
	1,001-1,500 CuFt	\$0.0240	19.40%	12,001-18,000 CuFt	\$0.0000
	1,501 Cu Ft and up	\$0.0289	20.42%	18,001 Cu Ft and up	\$0.0000
				Total Water	\$503.6700
Sewer	Volume per Month Meter Charge	\$28.94		Volume per Year Meter Charge	\$347.28
	0 to 150 CuFt	\$0.0473		0 to 1,800 CuFt	\$85.1400
	151 to 500 CuFt	\$0.0565	19.45%	1,801 to 6,000 CuFt	\$237.3000
	501 to 1,000 CuFt	\$0.0679	20.18%	6,001 to 12,000 CuFt	\$264.8100
	1,001-1,500 CuFt	\$0.0815	20.03%	12,001-18,000 CuFt	\$0.0000
	1,501 Cu Ft and up	\$0.0978	20.00%	18,001 Cu Ft and up	\$0.0000
				Total Sewer	\$934.5300
Total Water & Sewer					<b>\$1,438.2000</b>

The Meter Charge is a fixed charge, regardless of the amount of usage.  
 Usage charges are calculated in addition to the Meter Charge.

[https://www.holdenma.gov/sites/g/files/vyhlf4526/f/uploads/01\\_july\\_2021-\\_water\\_sewer\\_rate\\_schedule-approved\\_5-3-2021-1.pdf](https://www.holdenma.gov/sites/g/files/vyhlf4526/f/uploads/01_july_2021-_water_sewer_rate_schedule-approved_5-3-2021-1.pdf)

06/30/19 Town of Franklin MA  
 SCHEDULE OF WATER & SEWER RATES (Billed Quarterly)

					Benchmark 9,900 CuFt per Year
Water	Volume per Quarter Meter Charge	Rate \$0.00	Increase	Volume per Year Meter Charge	\$0.00
	0 to 1,500 CuFt	\$0.0696		0 to 6,000 CuFt	\$417.60
	1,501 to 4,000 CuFt	\$0.0733	5.32%	6,001 to 16,000 CuFt	\$285.87
	4,501 CuFt and up	\$0.0859	17.19%	16,001 CuFt and up	\$0.00
				Total Water	\$703.47
Sewer	Volume per Quarter	Rate	Increase	Volume per Year	Rate
	0 to 1,500 CuFt	\$0.0605		0 to 6,000 CuFt	\$363.00
	1,501 to 4,000 CuFt	\$0.0645	6.61%	6,001 to 16,000 CuFt	\$251.55
	4,501 CuFt and up	\$0.0740	14.73%	16,001 CuFt and up	\$0.00
				Total Sewer	\$614.55
			Total Water & Sewer	<b>\$1,318.02</b>	

A Meter Charge or Minimum Charge is not used.  
 Usage charges are calculated in addition to the Meter Charge.

<https://www.franklinma.gov/water-sewer-division/pages/water-sewer-rates>

07/01/20 Town of Swampscott MA  
 SCHEDULE OF WATER & SEWER RATES (Billed Quarterly)

Water	Volume CuFt	Rate \$0.0711	Volume CuFt Total Water	Benchmark 9,900 CuFt per Year \$703.89 \$703.89
Sewer*	Volume CuFt	Rate \$0.0558	Volume CuFt Total Sewer *	Rate \$552.42 \$552.42
			Total Water & Sewer	<b>\$1,256.31</b>

<https://www.swampscottma.gov/water-and-sewer-division/pages/water-sewer-rates>

07/01/21 Town of Maynard MA  
 SCHEDULE OF WATER & SEWER RATES (Billed Quarterly)

	Volume per Quarter	Rate	Increase	Volume per Year	Benchmark 9,900 CuFt per Year
Water	Base Charge	\$25.00		Base Charge	\$100.00
	0 to 500 CuFt	\$0.0278		0 to 4,000 CuFt	\$111.20
	501 to 1,000 CuFt	\$0.0734	164.03%	4,001 to 9,000 CuFt	\$433.06
	1,001 to 2,500 CuFt	\$0.0797	8.58%	9,001 to 18,000 CuFt	\$0.00
	2,501 CuFt and up	\$0.0925	16.06%	18,001 CuFt and up	\$0.00
				Total Water	\$644.26
Sewer	Base Charge	\$50.00		Base Charge	\$200.00
	0 to 1,500 CuFt	\$0.0595		0 to 6,000 CuFt	\$357.00
	1,501 to 2,500 CuFt	\$0.0954	60.34%	6,001 to 10,000 CuFt	\$372.06
	2,501 CuFt and up	\$0.1046	9.64%	10,000 CuFt and up	\$0.00
				Total Sewer	\$372.06
				Total Water & Sewer	<b>\$1,016.32</b>

A Base Charge or Meter Charge is levied on a per meter basis.

[https://go.boarddocs.com/ma/tom/Board.nsf/files/CA6TQC787414/\\$file/water%20and%20sewer%20rate%20presentation%202023%2012-14-21%20Final.pdf](https://go.boarddocs.com/ma/tom/Board.nsf/files/CA6TQC787414/$file/water%20and%20sewer%20rate%20presentation%202023%2012-14-21%20Final.pdf)



07/01/21 Town of Plymouth MA  
 SCHEDULE OF WATER & SEWER RATES (Billed Quarterly)

					Benchmark 9,900 CuFt per Year
Water	Volume per Quarter Base Charge	Rate \$25.00	Increase	Volume per Year Base Charge	\$100.00
	0 to 1,000 CuFt	\$0.0170		0 to 4,000 CuFt	\$68.00
	1,001 to 2,250 CuFt	\$0.0266	56.47%	4,001 to 9,000 CuFt	\$133.00
	2,251 to 4,500 CuFt	\$0.0269	1.13%	9,001 to 18,000 CuFt	\$24.21
	4,501 CuFt and up	\$0.0350	30.11%	18,001 CuFt and up	\$0.00
				Total Water	\$325.21
Sewer	Volume per Quarter Base Charge	Rate \$87.50	Increase	Volume per Year Base Charge	Rate \$350.00
	0 to 1,000 CuFt	\$0.0602		0 to 4,000 CuFt	\$240.80
	1,001 to 2,250 CuFt	\$0.0954	58.47%	4,001 to 9,000 CuFt	\$477.00
	2,251 to 4,500 CuFt	\$0.1046	9.64%	9,001 to 18,000 CuFt	\$94.14
	4,501 CuFt and up	\$0.1226	17.21%	18,001 CuFt and up	\$0.00
				Total Sewer	\$571.14
			Total Water & Sewer	<b>\$896.35</b>	

A Base Charge or Meter Charge is levied on a per meter basis.

[https://www.plymouth-ma.gov/sites/g/files/vyhlf3691/f/pages/fy22\\_water\\_sewer\\_rates.pdf](https://www.plymouth-ma.gov/sites/g/files/vyhlf3691/f/pages/fy22_water_sewer_rates.pdf)

01/01/22 City of Waltham MA  
 SCHEDULE OF WATER & SEWER RATES (Billed Monthly)

	Volume per Month	Rate	Increase	Volume per Year	Benchmark 9,900 CuFt per Year
Water	0 to 700 CuFt	\$0.0307		0 to 700 CuFt	\$257.88
	701 to 1,500 CuFt	\$0.0415	35.18%	701 to 1,500 CuFt	\$62.25
	1,501 to 4,000 CuFt	\$0.0665	60.24%	1,501 to 4,000 CuFt	\$0.00
	4,001 CuFt and up	\$0.0889	33.68%	4,001 CuFt and up	\$0.00
				Total Water	\$320.13
Sewer	0 to 700 CuFt	\$0.0546		0 to 700 CuFt	Rate \$458.64
	701 to 1,500 CuFt	\$0.0713	130.52%	701 to 1,500 CuFt	\$106.95
	1,501 to 4,000 CuFt	\$0.1476	107.01%	1,501 to 4,000 CuFt	\$0.00
	4,001 CuFt and up	\$0.1901	28.79%	4,001 CuFt and up	\$0.00
				Total Sewer	\$565.59
Total Water & Sewer					<b>\$885.72</b>

A Base Charge or Meter Charge is levied on a per meter basis.

[https://www.city.waltham.ma.us/sites/g/files/vyhlf6861/f/uploads/2022\\_water\\_rate\\_pie\\_chart\\_12-7-2021\\_0.pdf](https://www.city.waltham.ma.us/sites/g/files/vyhlf6861/f/uploads/2022_water_rate_pie_chart_12-7-2021_0.pdf)

12/01/21 Town of Billerica MA  
 SCHEDULE OF WATER & SEWER RATES (Billed Quarterly)

					Benchmark 9,900 CuFt per Year
Water	Volume per Quarter	Rate	Increase	Volume per Year	
	0 to 2,000 CuFt	\$0.0318		0 to 8,000 CuFt	\$254.40
	2,001 to 10,000 CuFt	\$0.0405	27.36%	8,001 to 40,000 CuFt	\$76.95
	10,001 CuFt and up	\$0.0526	29.88%	40,001 CuFt and up	\$0.00
			Total Water	\$331.35	
Sewer	Volume per Quarter	Rate	Increase	Volume per Year	Rate
	0 to 2,000 CuFt	\$0.0481		0 to 8,000 CuFt	\$384.80
	2,001 to 10,000 CuFt	\$0.0560	16.42%	8,001 to 40,000 CuFt	\$106.40
	10,001 CuFt and up	\$0.0839	49.82%	40,001 CuFt and up	\$0.00
			Total Sewer	\$491.20	
			Total Water & Sewer	<b>\$822.55</b>	

A Meter Charge or Minimum Charge is not used.

<https://www.town.billerica.ma.us/222/Water-Billing>

07/01/21 Town of East Longmeadow MA  
 SCHEDULE OF WATER & SEWER RATES (Billed Monthly)

	Volume per Quarter	Rate	Increase	Volume per Year	Benchmark 9,900 CuFt per Year
Water	Minimum 1000 CuFt	\$36.0000		0 to 4,000 CuFt	\$144.00
	1000 CuFt and up	\$0.0360	-99.90%	4,001 CuFt and up	\$212.40
				Total Water	\$356.40
Sewer*	Minimum 1000 CuFt	\$37.0000		0 to 4,000 CuFt	\$148.00
	1000 CuFt and up	\$0.0370	-99.90%	4,001 CuFt and up	\$148.00
				Total Sewer *	\$296.00
Total Water & Sewer					<b>\$652.40</b>

A Base Charge or Meter Charge is levied on a per meter basis.

For consumers who use less than 1000 cubic feet of water per billing cycle, there is a minimum charge of \$36.00. This minimum charge contributes towards the cost of maintaining our underground infrastructure, the wholesale cost of purchasing the water from the Springfield Water and Sewer Commission and continuous testing and disinfection of the water.

The sewer Minimum rate covers the cost of sewage disposal at Bondi's Island in Agawam, and for the upkeep and maintenance of the underground sewer pipeline system, as well as the seventeen sewer lift stations located throughout Town.

<https://www.eastlongmeadowma.gov/185/Water-Rates>

<https://www.eastlongmeadowma.gov/196/Sewer-Rates>



**Exhibit #2 - Massachusetts Multi-Municipality Summary of Water Rates**

<b>Town of Pepperell: 1 Water Meter, 1 Building Using 5,000 Cubic Feet of Water Annually</b>			
<b>Municipality</b>	<b>Type of Service</b>	<b>Description</b>	<b>Annual Cost</b>
<b>One (1) Property Owner</b>			
Town of Pepperell MA	Commercial	Total Water & Sewer	<b>\$762.52</b>
<b>Thirteen (13) Condominium Property Owners</b>			
Town of Pepperell MA	Commercial	Total Water & Sewer	<b>\$7,464.76</b>
		Percent difference	<b>979%</b>

	<b>Municipality</b>	<b>Typical Single Property Owner - 5,000 Cubic Feet of Water Annually</b>	<b>Tiers</b>	<b>Base Rate</b>	<b>Description</b>	<b>Annual Cost</b>
1	Town of Spencer MA	Residential & Commercial	Three *	\$160.38	Total Water & Sewer	\$1,241.52
2	Town of Gloucester MA	Residential & Commercial	One		Total Water & Sewer	\$1,214.50
3	Town of Holden MA	Residential & Commercial	Five *	\$28.94	Total Water & Sewer	\$1,021.80
4	Town of Norwood MA	Residential & Commercial	Two		Total Water & Sewer	\$896.90
5	Town of Goton MA	Residential & Commercial	Four *	\$15.00	Total Water & Sewer	\$876.08
6	Town of Winchendon MA	Residential & Commercial	One		Total Water & Sewer	\$825.00
7	Town of Amesbury MA	Residential & Commercial	One		Total Water & Sewer	\$812.50
8	<b>Town of Pepperell MA</b>	<b>Residential</b>	Four *	\$109.63	<b>Total Water &amp; Sewer</b>	<b>\$741.50</b>
9	Town of Holbrook MA	Residential & Commercial	One		Total Water & Sewer	\$741.50
10	Town of Attleboro MA	Residential & Commercial	One		Total Water & Sewer	\$728.50
11	Town of Franklin MA	Residential & Commercial	Three		Total Water & Sewer	\$650.50
12	Town of Swampscott MA	Residential & Commercial	One		Total Water & Sewer	\$634.50
13	Town of East Longmeadow MA	Residential & Commercial	One*	\$37.00	Total Water & Sewer	\$476.00
14	City of Waltham MA	Residential & Commercial	Four		Total Water & Sewer	\$426.50
15	Town of Billerica MA	Residential & Commercial	Three		Total Water & Sewer	\$399.50
16	Town of Plymouth MA	Residential & Commercial	Four *	\$87.50	Total Water & Sewer	\$290.00
17	Town of Maynard MA	Residential & Commercial	Three*	\$50.00	Total Water & Sewer	\$189.20

**7 of 17 Municipalities Have Only 1 Rating Tier**  
**9 of 17 Municipalities Have Minimum Base Rate**  
**9 of 17 Municipalities Have 3 or More Rating Tiers**

**\* Note: Plus a Minimum Base Rate**

05/17/21

Town of Pepperell MA

## SCHEDULE OF WATER &amp; SEWER RATES (Billed Quarterly)

				Commercial	Benchmark 5,000
Water	Volume per Quarter	Rate	Increase	Volume per Year	CuFt per Year
	Minimum Charge	\$30.00		Minimum Charge	\$120.00
	0 to 1,250 CuFt	\$0.04080		0 to 5,000 CuFt	\$204.00
	1,251 to 1,500 CuFt	\$0.05130	25.74%	5,001 to 6,000 CuFt	\$0.00
	1,501 to 3,000 CuFt	\$0.06060	18.13%	6,001 to 12,000 CuFt	\$0.00
	3,001 to 4,500 CuFt	\$0.08400	38.61%	12,001-18,000 CuFt	\$0.00
	4,501 Cu Ft and up	\$0.11660	38.81%	18,001 Cu Ft and up	\$0.00
				Total Water	\$324.00
Sewer	Volume per Quarter	Rate	Increase	Volume per Year	Rate
	Minimum 1,250 CuFt	\$109.63		Minimum 5,000 CuFt	\$438.52
	1,251 to 1,500 CuFt	\$0.08770	0.00%	5,000 to 6,000 CuFt	\$0.00
	1,501 to 3000 CuFt	\$0.10230	16.65%	6,001 to 12,000 CuFt	\$0.00
	3,001 to 4,500 CuFt	\$0.11490	12.32%	12,001 to 18,000 CuFt	\$0.00
	4,501 Cu Ft and up	\$0.11660	1.48%	18,001 CuFt and up	\$0.00
				Total Sewer	\$438.52
				Total Water & Sewer	<b>\$762.52</b>

The Minimum Charge is a fixed charge, regardless of the amount of usage.  
Usage charges are calculated in addition to the Minimum Charge

<https://town.pepperell.ma.us/DocumentCenter/View/6078/Water-Rates-2021>

02/07/22 Town of Pepperell MA  
 SCHEDULE OF WATER & SEWER RATES (Billed Quarterly) Commercial

Includes Minimum rate rate **Multiplier** based on Property Owners Within a Building  
 \* **Multiplier = 13**

	Volume per Quarter	Rate	Increase	Volume per Year	Benchmark 5,000 CuFt per Year
Water	Minimum Charge	\$390.00		Minimum Charge	\$1,560.00
	0 to 16,250 CuFt	\$0.04080		Minimum 65,000 CuFt *	\$204.00
	16,251 to 19,500 CuFt	\$0.05130	25.74%	65,000 to 78,000 CuFt	\$0.00
	19,501 to 39,000 CuFt	\$0.06060	18.13%	78,001 to 156,000 CuFt	\$0.00
	39,001 to 58,500 CuFt	\$0.08400	38.61%	156,001 to 234,000 CuFt	\$0.00
	58,501 Cu Ft and up	\$0.11660	38.81%	244,001 CuFt and up	\$0.00
			Total Water	\$1,764.00	
Sewer	Volume per Quarter	Rate	Increase	Volume per Year	Rate
	Minimum 16,250 CuFt *	\$1,425.19		Minimum 65,000 CuFt *	\$5,700.76
	16,251 to 19,500 CuFt	\$0.08770	-0.07%	65,000 to 78,000 CuFt	\$0.00
	19,501 to 39,000 CuFt	\$0.10230	16.65%	78,001 to 156,000 CuFt	\$0.00
	39,001 to 58,500 CuFt	\$0.11490	12.32%	156,001 to 234,000 CuFt	\$0.00
	58,501 Cu Ft and up	\$0.11660	1.48%	244,001 CuFt and up	\$0.00
			Total Sewer	\$5,700.76	
			Total Water & Sewer	<b>\$7,464.76</b>	

\* **Multiplier** is based on the # of property owners within a single building served by a single water meter.  
 The Minimum Charge is a fixed charge, regardless of the amount of usage.  
 Usage charges are calculated in addition to the Minimum Chargee.

<https://town.pepperell.ma.us/DocumentCenter/View/6078/Water-Rates-2021>

2022  
Town of Gloucester MA  
SCHEDULE OF WATER & SEWER RATES (Billed Quarterly)

Water	Volume CuFt	Rate \$0.0898	Volume CuFt Total Water	Benchmark 5,000 CuFt per Year \$449.00 \$449.00
Sewer*	Volume CuFt	Rate \$0.1531	Volume CuFt Total Sewer *	Rate \$765.50 \$765.50
			Total Water & Sewer	<b>\$1,214.50</b>

<https://www.gloucester-ma.gov/316/Water-Sewer-Rates>



10/01/21 Town of Norwood MA  
 SCHEDULE OF WATER & SEWER RATES (Billed Monthly)

					Benchmark 5,000 CuFt per Year
Water	Volume per Month Meter Charge	Rate \$6.87	Increase	Volume per Year Meter Charge	\$82.44
	0 to 500 CuFt	\$0.0389		0 to 6,000 CuFt	\$194.50
	500 CuFt and up	\$0.0749	92.54%	6,001 CuFt and up	\$0.00
				Total Water	\$276.94
Sewer*	Volume per Month	Rate	Increase	Volume per Year	Rate
	0 to 300 CuFt *	\$0.0984		0 to 3,600 CuFt *	\$354.24
	300 CuFt and up *	\$0.1898	92.89%	3,601 CuFt and up *	\$265.72
				Total Sewer *	\$619.96
				Total Water & Sewer	<b>\$896.90</b>

\* Sewer charges are based on 60% of Water Usage

The Meter Charge is a fixed charge, regardless of the amount of usage, to recover the costs of installing, maintaining, and replacing water meters and the associated automatic meter reading equipment. Usage charges are calculated in addition to the Meter Charge.

Customer Base: 9,000 business and residential customers

[http://www.norwoodma.gov/departments/public\\_works/water\\_\\_\\_sewer\\_rates/water\\_and\\_sewer\\_rates.php](http://www.norwoodma.gov/departments/public_works/water___sewer_rates/water_and_sewer_rates.php)

04/01/20 Town of Spencer MA  
 SCHEDULE OF WATER & SEWER RATES (Billed Quarterly)

	Volume per Quarter	Rate	Increase	Volume per Year	Benchmark 5,000 CuFt per Year
Water	Minimum 1,500 CuFt	\$150.0000		Minimum 6,000 CuFt	\$600.00
	1,501 to 3,000 CuFt	\$0.0712	-0.02%	6,001 to 12,000 CuFt	\$0.00
	3,001 to 6,000 CuFt	\$0.0751	5.48%	12,001 to 24,000 CuFt	\$0.00
	6,001 to 8,000 CuFt	\$0.0802	12.64%	8,001 CuFt and up	\$0.00
	8,001 CuFt and up	\$0.0878	16.91%	8,001 CuFt and up	\$0.00
				Total Water	\$600.00
Sewer	Volume per Quarter	Rate	Increase	Volume per Year	Rate
	Minimum 1,500 CuFt	\$160.3800		Minimum 1,500 CuFt	\$641.52
	1,501 to 5,000 CuFt	\$0.1076	0.00%	1,501 to 5,000 CuFt	\$0.00
	5,001 to 8,000 CuFt	\$0.1174	9.11%	5,001 to 8,000 CuFt	\$0.00
	8,001 CuFt and up	\$0.1292	10.05%	8,001 CuFt and up	\$0.00
				Total Sewer	\$641.52
				Total Water & Sewer	<b>\$1,241.52</b>

A Base Charge or Meter Charge is levied on a per meter basis.

[https://www.spencerma.gov/sites/g/files/vyhlf1246/f/uploads/rates\\_effective\\_4-1-20.pdf](https://www.spencerma.gov/sites/g/files/vyhlf1246/f/uploads/rates_effective_4-1-20.pdf)

<https://www.spencerma.gov/sewer-department/pages/sewer-usage-rates>

01/01/22 Town of Goton MA  
 SCHEDULE OF WATER & SEWER RATES (Billed Quarterly)

					Benchmark 5,000 CuFt per Year
Water	Volume per Quarter	Rate	Increase	Volume per Year	
	Service Charge	\$13.00		Service Charge	\$52.00
	Fire Protection	\$5.21		Fire Protection	\$20.84
	Manganese Charge	\$35.00		Manganese Charge	\$140.00
	0 to 1,500 CuFt	\$0.0550		0 to 6,000 CuFt	\$275.00
	1,501 to 3,000 CuFt	\$0.0631	14.73%	6,001 to 12,000 CuFt	\$0.00
	3,001 to 4,500 CuFt	\$0.0724	14.74%	12,001 to 18,001 CuFt	\$0.00
	4,501 CuFt and up	\$0.0832	14.92%	18,001 CuFt and up	\$0.00
			Total Water	\$487.84	
Sewer	Volume per Quarter	Rate	Increase	Volume per Year	Rate
	Capital Upgrade	\$15.00		Capital Upgrade	\$60.00
	Minimum 0 to 100	\$0.0844		Minimum 400 CuFt	\$33.76
	0 to 1,500 CuFt	\$0.0844	0.00%	400 to 6,000 CuFt	\$388.24
	1,501 to 3,000 CuFt	\$0.1686	99.76%	6,000 to 12,000 CuFt	\$0.00
	3,001 to 4,500 CuFt	\$0.1855	10.02%	12,000 to 18,000 CuFt	\$0.00
	4,501 CuFt and up	\$0.2041	10.03%	18,001 CuFt and up	\$0.00
			Total Sewer	\$388.24	
	Four *		Total Water & Sewer	<b>\$876.08</b>	

A Service Charge or Meter Charge is levied on a per meter basis.  
 Usage charges are calculated in addition to the Service Charge.

<https://www.grotonwater.org/rates/>

2022  
Town of Winchendon MA  
SCHEDULE OF WATER & SEWER RATES (Billed Quarterly)

Water	Volume CuFt	Rate \$0.0601	Volume CuFt Total Water	Benchmark 5,000 CuFt per Year \$300.50 \$300.50
Sewer*	Volume CuFt	Rate \$0.1049	Volume CuFt Total Sewer *	Rate \$524.50 \$524.50
			Total Water & Sewer	<b>\$825.00</b>

<https://www.townofwinchendon.com/public-works/pages/water-sewer-rates>

05/17/21

Town of Pepperell MA

SCHEDULE OF WATER & SEWER RATES (Billed Quarterly)

				Residential	Benchmark 5,000
Water	Volume per Quarter	Rate	Increase	Volume per Year	CuFt per Year
	Minimum Charge	\$30.00		Minimum Charge	\$120.00
	0 to 1,250 CuFt	\$0.04080		0 to 5,000 CuFt	\$204.00
	1,251 to 1,500 CuFt	\$0.05130	25.74%	5,001 to 6,000 CuFt	\$0.00
	1,501 to 3,000 CuFt	\$0.06060	18.13%	6,001 to 12,000 CuFt	\$0.00
	3,001 to 4,500 CuFt	\$0.08400	38.61%	12,001-18,000 CuFt	\$0.00
	4,501 Cu Ft and up	\$0.11660	38.81%	18,001 Cu Ft and up	\$0.00
				Total Water	\$324.00
Sewer	Volume per Quarter	Rate	Increase	Volume per Year	Rate
	Minimum 1,250 CuFt	\$109.63		Minimum 5,000 CuFt	\$438.52
	1,251 to 3,000 CuFt	\$0.08770	0.00%	5,000 to 12,000 CuFt	\$0.00
	3,001 to 6,000 CuFt	\$0.10230	16.65%	12,001 to 24,000 CuFt	\$0.00
	6,001 to 9,000 CuFt	\$0.11490	12.32%	24,001 to 36,000 CuFt	\$0.00
	9,001 Cu Ft and up	\$0.11660	1.48%	36,001 CuFt and up	\$0.00
				Total Sewer	\$438.52
				Total Water & Sewer	<b>\$762.52</b>

The Minimum Charge is a fixed charge, regardless of the amount of usage.  
Usage charges are calculated in addition to the Minimum Charge



2021  
Town of Holbrook MA  
SCHEDULE OF WATER & SEWER RATES (Billed Quarterly)

				Benchmark 5,000
Water	Volume CuFt	Rate \$0.0697	Volume CuFt Total Water	CuFt per Year \$348.50 \$348.50
Sewer*	Volume CuFt	Rate \$0.0786	Volume CuFt Total Sewer *	Rate \$393.00 \$393.00
			Total Water & Sewer	<b>\$741.50</b>

<https://www.holbrookma.gov/public-works/pages/watersewer-rates-fy2021>

2022  
Town of Attleboro MA  
SCHEDULE OF WATER & SEWER RATES (Billed Quarterly)

Water	Volume CuFt	Rate \$0.0510	Volume CuFt Total Water	Benchmark 5,000 CuFt per Year \$255.00 \$255.00
Sewer*	Volume CuFt	Rate \$0.0947	Volume CuFt Total Sewer *	Rate \$473.50 \$473.50
			Total Water & Sewer	<b>\$728.50</b>

<https://www.cityofattleboro.us/314/Water-Sewer-Rates>

07/01/21 Town of Holden MA  
 SCHEDULE OF WATER & SEWER RATES (Billed Monthly)

					Benchmark 5,000 CuFt per Year
Water	Volume per Month Meter Charge	\$27.51		Volume per Year Meter Charge	\$330.12
	0 to 150 CuFt	\$0.0139		0 to 1,800 CuFt	\$25.0200
	151 to 500 CuFt	\$0.0167	20.14%	1,801 to 6,000 CuFt	\$53.4400
	501 to 1,000 CuFt	\$0.0201	20.36%	6,001 to 12,000 CuFt	\$0.0000
	1,001-1,500 CuFt	\$0.0240	19.40%	12,001-18,000 CuFt	\$0.0000
	1,501 Cu Ft and up	\$0.0289	20.42%	18,001 Cu Ft and up	\$0.0000
				Total Water	\$408.5800
Sewer	Volume per Month Meter Charge	\$28.94		Volume per Year Meter Charge	\$347.28
	0 to 150 CuFt	\$0.0473		0 to 1,800 CuFt	\$85.1400
	151 to 500 CuFt	\$0.0565	19.45%	1,801 to 6,000 CuFt	\$180.8000
	501 to 1,000 CuFt	\$0.0679	20.18%	6,001 to 12,000 CuFt	\$0.0000
	1,001-1,500 CuFt	\$0.0815	20.03%	12,001-18,000 CuFt	\$0.0000
	1,501 Cu Ft and up	\$0.0978	20.00%	18,001 Cu Ft and up	\$0.0000
				Total Sewer	\$613.2200
			Total Water & Sewer	<b>\$1,021.8000</b>	

The Meter Charge is a fixed charge, regardless of the amount of usage.  
 Usage charges are calculated in addition to the Meter Charge.

[https://www.holdenma.gov/sites/g/files/vyhlf4526/f/uploads/01\\_july\\_2021-\\_water\\_sewer\\_rate\\_schedule-approved\\_5-3-2021-1.pdf](https://www.holdenma.gov/sites/g/files/vyhlf4526/f/uploads/01_july_2021-_water_sewer_rate_schedule-approved_5-3-2021-1.pdf)

06/30/19 Town of Franklin MA  
 SCHEDULE OF WATER & SEWER RATES (Billed Quarterly)

					Benchmark 5,000 CuFt per Year
Water	Volume per Quarter Meter Charge	Rate \$0.00	Increase	Volume per Year Meter Charge	\$0.00
	0 to 1,500 CuFt	\$0.0696		0 to 6,000 CuFt	\$348.00
	1,501 to 4,000 CuFt	\$0.0733	5.32%	6,001 to 16,000 CuFt	\$0.00
	4,501 CuFt and up	\$0.0859	17.19%	16,001 CuFt and up	\$0.00
				Total Water	\$348.00
Sewer	Volume per Quarter	Rate	Increase	Volume per Year	Rate
	0 to 1,500 CuFt	\$0.0605		0 to 6,000 CuFt	\$302.50
	1,501 to 4,000 CuFt	\$0.0645	6.61%	6,001 to 16,000 CuFt	\$0.00
	4,501 CuFt and up	\$0.0740	14.73%	16,001 CuFt and up	\$0.00
				Total Sewer	\$302.50
			Total Water & Sewer	<b>\$650.50</b>	

A Meter Charge or Minimum Charge is not used.  
 Usage charges are calculated in addition to the Meter Charge.

<https://www.franklinma.gov/water-sewer-division/pages/water-sewer-rates>

07/01/20 Town of Swampscott MA  
 SCHEDULE OF WATER & SEWER RATES (Billed Quarterly)

Water	Volume CuFt	Rate \$0.0711	Volume CuFt Total Water	Benchmark 5,000 CuFt per Year \$355.50 \$355.50
Sewer*	Volume CuFt	Rate \$0.0558	Volume CuFt Total Sewer *	Rate \$279.00 \$279.00
			Total Water & Sewer	<b>\$634.50</b>

<https://www.swampscottma.gov/water-and-sewer-division/pages/water-sewer-rates>



07/01/21 Town of Maynard MA  
 SCHEDULE OF WATER & SEWER RATES (Billed Quarterly)

					Benchmark 5,000 CuFt per Year
Water	Volume per Quarter Base Charge	Rate \$25.00	Increase	Volume per Year Base Charge	\$100.00
	0 to 500 CuFt	\$0.0278		0 to 4,000 CuFt	\$111.20
	501 to 1,000 CuFt	\$0.0734	164.03%	4,001 to 9,000 CuFt	\$73.40
	1,001 to 2,500 CuFt	\$0.0797	8.58%	9,001 to 18,000 CuFt	\$0.00
	2,501 CuFt and up	\$0.0925	16.06%	18,001 CuFt and up	\$0.00
				Total Water	\$284.60
Sewer	Volume per Quarter Base Charge	Rate \$50.00	Increase	Volume per Year Base Charge	Rate \$200.00
	0 to 1,500 CuFt	\$0.0595		0 to 6,000 CuFt	\$297.50
	1,501 to 2,500 CuFt	\$0.0954	60.34%	6,001 to 10,000 CuFt	-\$95.40
	2,501 CuFt and up	\$0.1046	9.64%	10,000 CuFt and up	\$0.00
				Total Sewer	-\$95.40
			Total Water & Sewer	<b>\$189.20</b>	

A Base Charge or Meter Charge is levied on a per meter basis.

[https://go.boarddocs.com/ma/tom/Board.nsf/files/CA6TQC787414/\\$file/water%20and%20sewer%20rate%20presentation%202023%2012-14-21%20Final.pdf](https://go.boarddocs.com/ma/tom/Board.nsf/files/CA6TQC787414/$file/water%20and%20sewer%20rate%20presentation%202023%2012-14-21%20Final.pdf)

07/01/21 Town of Plymouth MA  
 SCHEDULE OF WATER & SEWER RATES (Billed Quarterly)

	Volume per Quarter	Rate	Increase	Volume per Year	Benchmark 5,000 CuFt per Year
Water	Base Charge	\$25.00		Base Charge	\$100.00
	0 to 1,000 CuFt	\$0.0170		0 to 4,000 CuFt	\$68.00
	1,001 to 2,250 CuFt	\$0.0266	56.47%	4,001 to 9,000 CuFt	\$26.60
	2,251 to 4,500 CuFt	\$0.0269	1.13%	9,001 to 18,000 CuFt	\$0.00
	4,501 CuFt and up	\$0.0350	30.11%	18,001 CuFt and up	\$0.00
				Total Water	\$194.60
Sewer	Base Charge	\$87.50		Base Charge	\$350.00
	0 to 1,000 CuFt	\$0.0602		0 to 4,000 CuFt	\$240.80
	1,001 to 2,250 CuFt	\$0.0954	58.47%	4,001 to 9,000 CuFt	\$95.40
	2,251 to 4,500 CuFt	\$0.1046	9.64%	9,001 to 18,000 CuFt	\$0.00
	4,501 CuFt and up	\$0.1226	17.21%	18,001 CuFt and up	\$0.00
				Total Sewer	\$95.40
				Total Water & Sewer	<b>\$290.00</b>

A Base Charge or Meter Charge is levied on a per meter basis.

[https://www.plymouth-ma.gov/sites/g/files/vyhlf3691/f/pages/fy22\\_water\\_sewer\\_rates.pdf](https://www.plymouth-ma.gov/sites/g/files/vyhlf3691/f/pages/fy22_water_sewer_rates.pdf)

01/01/22 City of Waltham MA  
 SCHEDULE OF WATER & SEWER RATES (Billed Monthly)

	Volume per Month	Rate	Increase	Volume per Year	Benchmark 5,000 CuFt per Year
Water	0 to 700 CuFt	\$0.0307		0 to 700 CuFt	\$153.50
	701 to 1,500 CuFt	\$0.0415	35.18%	701 to 1,500 CuFt	\$0.00
	1,501 to 4,000 CuFt	\$0.0665	60.24%	1,501 to 4,000 CuFt	\$0.00
	4,001 CuFt and up	\$0.0889	33.68%	4,001 CuFt and up	\$0.00
				Total Water	\$153.50
Sewer	0 to 700 CuFt	\$0.0546		0 to 700 CuFt	\$273.00
	701 to 1,500 CuFt	\$0.0713	130.52%	701 to 1,500 CuFt	\$0.00
	1,501 to 4,000 CuFt	\$0.1476	107.01%	1,501 to 4,000 CuFt	\$0.00
	4,001 CuFt and up	\$0.1901	28.79%	4,001 CuFt and up	\$0.00
				Total Sewer	\$273.00
Total Water & Sewer					<b>\$426.50</b>

A Base Charge or Meter Charge is levied on a per meter basis.

[https://www.city.waltham.ma.us/sites/g/files/vyhlf6861/f/uploads/2022\\_water\\_rate\\_pie\\_chart\\_12-7-2021\\_0.pdf](https://www.city.waltham.ma.us/sites/g/files/vyhlf6861/f/uploads/2022_water_rate_pie_chart_12-7-2021_0.pdf)

12/01/21 Town of Billerica MA  
 SCHEDULE OF WATER & SEWER RATES (Billed Quarterly)

					Benchmark 5,000
Water	Volume per Quarter	Rate	Increase	Volume per Year	CuFt per Year
	0 to 2,000 CuFt	\$0.0318		0 to 8,000 CuFt	\$159.00
	2,001 to 10,000 CuFt	\$0.0405	27.36%	8,001 to 40,000 CuFt	\$0.00
	10,001 CuFt and up	\$0.0526	29.88%	40,001 CuFt and up	\$0.00
			Total Water	\$159.00	
Sewer	Volume per Quarter	Rate	Increase	Volume per Year	Rate
	0 to 2,000 CuFt	\$0.0481		0 to 8,000 CuFt	\$240.50
	2,001 to 10,000 CuFt	\$0.0560	16.42%	8,001 to 40,000 CuFt	\$0.00
	10,001 CuFt and up	\$0.0839	49.82%	40,001 CuFt and up	\$0.00
			Total Sewer	\$240.50	
			Total Water & Sewer	<b>\$399.50</b>	

A Meter Charge or Minimum Charge is not used.

<https://www.town.billerica.ma.us/222/Water-Billing>

07/01/21 Town of East Longmeadow MA  
 SCHEDULE OF WATER & SEWER RATES (Billed Monthly)

					Benchmark 5,000
Water	Volume per Quarter	Rate	Increase	Volume per Year	CuFt per Year
	Minimum 1000 CuFt	\$36.0000		0 to 4,000 CuFt	\$144.00
	1000 CuFt and up	\$0.0360	-99.90%	4,001 CuFt and up	\$36.00
				Total Water	\$180.00
Sewer*	Volume per Quarter	Rate	Increase	Volume per Year	Rate
	Minimum 1000 CuFt	\$37.0000		0 to 4,000 CuFt	\$148.00
	1000 CuFt and up	\$0.0370	-99.90%	4,001 CuFt and up	\$148.00
				Total Sewer *	\$296.00
Total Water & Sewer					<b>\$476.00</b>

A Base Charge or Meter Charge is levied on a per meter basis.

For consumers who use less than 1000 cubic feet of water per billing cycle, there is a minimum charge of \$36.00. This minimum charge contributes towards the cost of maintaining our underground infrastructure, the wholesale cost of purchasing the water from the Springfield Water and Sewer Commission and continuous testing and disinfection of the water.

The sewer Minimum rate covers the cost of sewage disposal at Bondi's Island in Agawam, and for the upkeep and maintenance of the underground sewer pipeline system, as well as the seventeen sewer lift stations located throughout Town.

<https://www.eastlongmeadowma.gov/185/Water-Rates>

<https://www.eastlongmeadowma.gov/196/Sewer-Rates>



**Town of Pepperell Massachusetts**  
**Exhibit #3 - Sewer Use Metrics - Year 2021 Summary**

		Metrics based on Minimum Charge Billing							
Accounts	Type of Use	Over Billed Metrics				Year 2021 Totals		Ave Overage	
		Accounts	%	Cubic Feet	Over Billed	% of Total	Cubic Feet		Billed
167	2 Family	66	39.5%	-91,597	-\$8,033.06	5.92%	1,223,369	\$111,792.44	-\$121.71
5	3 Family & Up	2	40.0%	-3,198	-\$280.46	0.21%	60,567	\$5,437.57	-\$140.23
8	3 Family & Up Condo	0	0.0%	0	\$0.00	0.00%	291,831	\$24,860.77	\$0.00
12	Commercial	9	75.0%	-24,374	-\$2,137.60	1.57%	43,908	\$6,022.15	-\$237.51
11	Condos	8	72.7%	-16,377	-\$1,436.26	1.06%	42,549	\$5,025.57	-\$179.53
4	Day Care Centers	3	75.0%	-3,980	-\$349.05	0.26%	23,766	\$2,663.46	-\$116.35
69	INDUSTRIAL	39	56.5%	-98,924	-\$8,675.63	6.39%	383,554	\$43,297.51	-\$222.45
6	Medical Facility	4	66.7%	-650	-\$57.01	0.04%	37,262	\$3,193.45	-\$14.25
8	Moblle Home Parks	4	50.0%	0	\$0.00	0.00%	944,525	\$76,994.56	\$0.00
20	Municipal	11	55.0%	-26,756	-\$2,346.50	1.73%	71,383	\$8,448.73	-\$213.32
16	Other Non-Transient	13	81.3%	-15,597	-\$1,367.86	1.01%	81,958	\$9,046.54	-\$105.22
19	Other Other	14	73.7%	-38,119	-\$3,343.04	2.46%	65,964	\$9,123.42	-\$238.79
45	Other Transient	23	51.1%	-48,792	-\$4,279.06	3.15%	577,279	\$64,812.94	-\$186.05
1,638	Residential	905	55.3%	-1,139,464	-\$99,930.99	73.58%	9,702,901	\$918,017.54	-\$110.42
4	Restaurant	1	25.0%	-3,750	-\$328.88	0.24%	36,686	\$3,971.58	-\$328.88
9	Retail	3	33.3%	-9,391	-\$823.59	0.61%	199,695	\$21,167.07	-\$274.53
4	Schools	1	25.0%	-4,805	-\$421.40	0.31%	73,433	\$8,780.52	-\$421.40
9	Service Station	8	88.9%	-22,735	-\$1,993.86	1.47%	63,435	\$8,963.67	-\$249.23
1	Unknown	0	0.0%	0	\$0.00	0.00%	32	\$46.29	\$0.00
<b>2,055</b>		<b>1,114</b>		<b>-1,548,509</b>	<b>-\$135,804.24</b>	<b>100.00%</b>	<b>13,924,065</b>	<b>\$1,331,619.49</b>	<b>-\$166.31</b>
	<b>% of Total</b>	<b>54.2%</b>		<b>-11.1%</b>	<b>-10.2%</b>				

		Cost Causation Basis						With Adjustments	
Accounts	Type of Use	Accounts	%	Year 2021 Net Totals		Ave Rate	percent+	New Billed	Ave Increase
				Cubic Feet	Billed				
167	2 Family	66	39.5%	1,131,772	\$103,759.38	\$0.0917	1.0411%	\$115,542.2986	\$22.45
5	3 Family & Up	2	40.0%	57,369	\$5,157.11	\$0.0899	1.0208%	\$5,742.7463	\$61.04
8	3 Family & Up Condo	0	0.0%	291,831	\$24,860.77	\$0.0852	0.9674%	\$27,683.9590	\$352.90
12	Commercial	9	75.0%	19,534	\$3,884.55	\$0.1989	2.2583%	\$4,325.6797	-\$141.37
11	Condos	8	72.7%	26,172	\$3,589.31	\$0.1371	1.5574%	\$3,996.9088	-\$93.51
4	Day Care Centers	3	75.0%	19,786	\$2,314.41	\$0.1170	1.3283%	\$2,577.2389	-\$21.56
69	INDUSTRIAL	39	56.5%	284,630	\$34,621.88	\$0.1216	1.3813%	\$38,553.5353	-\$68.75
6	Medical Facility	4	66.7%	36,612	\$3,136.45	\$0.0857	0.9728%	\$3,492.6197	\$49.86
8	Moblle Home Parks	4	50.0%	944,525	\$76,994.56	\$0.0815	0.9257%	\$85,738.0622	\$1,092.94
20	Municipal	11	55.0%	44,627	\$6,102.23	\$0.1367	1.5528%	\$6,795.1979	-\$82.68
16	Other Non-Transient	13	81.3%	66,361	\$7,678.68	\$0.1157	1.3140%	\$8,550.6744	-\$30.99
19	Other Other	14	73.7%	27,845	\$5,780.38	\$0.2076	2.3574%	\$6,436.8041	-\$141.40
45	Other Transient	23	51.1%	528,487	\$60,533.88	\$0.1145	1.3007%	\$67,408.1092	\$57.67
1,638	Residential	905	55.3%	8,563,437	\$818,086.55	\$0.0955	1.0849%	\$910,988.4555	-\$4.29
4	Restaurant	1	25.0%	32,936	\$3,642.71	\$0.1106	1.2560%	\$4,056.3706	\$21.20
9	Retail	3	33.3%	190,304	\$20,343.48	\$0.1069	1.2140%	\$22,653.6848	\$165.18
4	Schools	1	25.0%	68,628	\$8,359.12	\$0.1218	1.3832%	\$9,308.3833	\$131.97
9	Service Station	8	88.9%	40,700	\$6,969.81	\$0.1712	1.9447%	\$7,761.3022	-\$133.60
1	Unknown	0	0.0%	32	\$46.29	\$1.4466	16.4272%	\$51.5467	\$5.26
<b>2,055</b>		<b>1,114</b>		<b>12,375,556</b>	<b>\$1,195,815.25</b>	<b>\$0.0966</b>	<b>1.3085%</b>	<b>\$1,331,612.03</b>	<b>\$65.11</b>
								<b>Adjustment</b>	<b>11.3560%</b>

**Town of Pepperell Massachusetts - Board of Public Works**  
**Exhibit #4 - Meeting Minutes and Rate Setting Analysis**

All of the board's meeting minutes that have been posted on-line were reviewed from January 2019 through February 2022. Meetings held on 05/13/21, 04/01/21, 02/25/21, 01/28/21, 01/14/21, 08/20/20, 07/16/20, 06/18/20, 05/28/2020, 04/16/2020, 02/20/2020 and 02/21/2019 contained information regarding rate setting and related issues. Such excerpts are included herein.

**Public Notice - Rate Setting**

There are water and sewer rate tables, effective May 1, 2021, posted on the board's web site\* and signed by the board. However, there is no further back up information past 2014 such as presentations, rate tables, metrics, comparisons with other towns, spreadsheets [e.g., "sewer rate worksheet" - 1/28/2021 minutes] or other documents supporting the approval of, or the basis of, the May 1, 2021 rate tables on the board's web site. Moreover, regarding back up information, in the various meetings of the board from 2019 to the present relative to foregoing information, there were no attachments contained within the meeting minutes either. In short, the public has had little notice or information regarding the basis of the rates which affected their respective bills.

**"Multi Units"**

The only mention found in meeting minutes regarding the "Multi Unit" multiplier are in the Board of Public Works, January 28, 2021, Minutes, page 3: "*Currently large multi-unit customers are billed single base charges, but the threshold for their tiers is multiplied by the number of dwelling units.*" This appears to point out a problem with the "multi-unit" tiers not matching the rate tables.

There is a "Municipal Utility Bill Calculation Guide" posted\*\* on the board's web site accessible under "How to Calculate your Water & Sewer Bill". This Internet web page sets forth an undated explanation of how an example February 7, 2022 bill was calculated. Contained therein is a narrative explaining a "Multi Unit" multiplier whereby "*A multiunit apartment or business will be charged a minimum of \$109.67 times the number of units.*" However, that explanation does not appear to relate to any vote of the board, or the board even establishing a "Multi Unit" multiplier. Moreover, absent from the minutes is any back up information explaining the "Multi Unit" multiplier's "*fair share of the costs of such services*" pursuant to MGL, Chapter 40N, §1 or the cost causation basis for a "Multi Unit" multiplier. Accordingly, applying a "Multi Unit" multiplier to customer bills, without an explicit vote of the board, is without merit or application in the billing process.

\* <https://town.pepperell.ma.us/DocumentCenter/View/3349/Sewer-Rates?bidId=>  
<https://town.pepperell.ma.us/DocumentCenter/View/6078/Water-Rates-2021>

\*\* <https://town.pepperell.ma.us/DocumentCenter/View/6760/How-to-calculate-your-bill>



## **Board of Public Works**

**05/13/21 – Minutes**

**“Go To Meeting”**

**Present via remote login:**

DPW Board Members: Chair – Tom Nephew, Pat Harrington, Lewis Lunn, George Clark;  
DPW Director – Ken Kalinowski, Rene D’Argento.

### **DPW**

• **DPW Business Manager.** Ken informed the Board that former Board member Paul Brinkman had accepted an offer to join the DPW as the new Business Manager. All members thought this was a good thing and that we would not be losing his knowledge, but rather seeing it from a different perspective. The tentative start date is on or before June 14<sup>th</sup>. Tom asked that the Board share with him any ideas of potential replacements for Paul.

### **Review & Approve Documents:**

• **Rate Increase.** Ken explained that after any rate adjustments, it was customary to create a rate table for posting on the appropriate utility web page, and that this document was signed by the Board. Similar to other documents, Ken asked that the Board nominate a Board member to sign on behalf of the Board. *Lewis Lunn made a motion to allow Pat Harrington to sign the Water & Sewer Rate sheets on behalf of the Board. Tom Nephew seconded the motion.* The following roll call vote was taken:

George Clark – Aye

Pat Harrington – Aye

Lewis Lunn - Aye

Tom Nephew – Aye

**The motion passed unanimously.**

## **Board of Public Works**

**04/01/21 – Minutes**

**“Go To Meeting”**

**Present via remote login:**

DPW Board Members: Chair – Tom Nephew, Pat Harrington, Paul Brinkman, George Clark, Lewis Lunn; DPW Director – Ken Kalinowski, W/S Supt Joe Jordan, Selectboard members Tony Beattie and Margaret Scarsdale.

### **PUBLIC HEARING – Water & Sewer Rates (6:00)**

om Nephew read the legal notice and opened the public hearing at 6:00. Joe Jordan reviewed the rate recommendations made to the Board during the working sessions, including the need to raise rates for the new Bemis Well Greensands Facility. He also noted that this was the final increase of what has been a gradual, multi-year approach to meet the new debt service. Joe stated that a 6% increase for water was being requested, and the unit rate (Tier 1) would be ~ \$4.08/ccf which was less than the \$4.50/ccf target originally estimated 3 years ago. The base charge would remain at \$30/qtr. There was no discussion or questions from the Board. Paul Brinkman noted that the final unit rate was less than originally expected, and that was an acknowledgement of the project management and a benefit to the customers. *Paul Brinkman made a motion to accept the DPW recommendation to increase the water rate by 6%.* Joe Jordan asked that the motion specify that the rate increase coincide with the beginning of the next quarterly billing cycle which was expected to be on or about May 1<sup>st</sup>. Paul Brinkman modified the motion to *accept the 6% recommendation with no change to the base rate, to be effective May 1<sup>st</sup> or the beginning of the next billing period that occurs closest to May 1<sup>st</sup>.* Pat Harrington seconded the motion.

A roll call vote was taken:

Paul Brinkman - Aye

Pat Harrington – Aye

George Clark - Aye

Lewis Lunn - Aye

Tom Nephew – Aye

***The motion passed unanimously.***

Pat Harrington then applauded the effort that Joe had put into preparing the rate scenarios as well as the overall management of the Green Sands project.

Joe Jordan then presented the rate scenarios for the Wastewater rates, with a recommendation to raise them 6% as well. He reminded the Board that although there appeared to be a lot of retained earning available to defray a rate increase, those monies would be reduced by approx. \$300k/yr. for the next 3 years while the new debt overlaps with the existing debt for the last plant upgrade. Joe also reminded the Board that with 1 small exception, there had not been a significant sewer rate increase since FY16. Ken asked Joe to clarify whether the potential 4% rate increases in the outyears included the 1% estimated by the staff to be the cost of eliminating the Sewer Maintenance fee, a change that has been regularly requested by the affected customers. Joe confirmed that he was making this recommendation in addition to the 6% rate increase. It is estimated that the Sewer Maintenance fee accounts for

approximately \$48k annually. Paul Brinkman stated that he understood the concept, but could also argue the need to keep this fee. Joe noted that the loss of this fee did not have an appreciable impact on rates or revenues in the outyears. Tom Nephew stated that he agreed with Joe's recommendation to remove this fee. *Pat Harrington made a motion to increase the Sewer rates by 6% on or about May 1st, with the rate increase to coincide with the start of the May thru July billing cycle. He also made a motion to eliminate the Sewer Maintenance charge currently issued to those customers who have been assessed a betterment fee, but have not yet connected to the sewer system. The charge shall be removed after the issuance of the May 2021 bills, to coincide with the May through July billing cycle. Lewis Lunn seconded the motion.*

A roll call vote was taken:

Paul Brinkman - Aye

Pat Harrington – Aye

George Clark - Aye

Lewis Lunn - Aye

Tom Nephew – Aye

***motion passed unanimously.***

### ***Board of Public Works***

***02/25/21 – Minutes***

***“Go To Meeting”***

**Present via remote login:**

DPW Board Members: Chair – Tom Nephew, Paul Brinkman, Pat Harrington; DPW Director – Ken Kalinowski, W/S Supt Joe Jordan, Town Accountant William Schlosstein; Mr. Beattie, Mr. & Mrs Mounce, Ms. Zeogas.

### **Water/Sewer**

• **2021 Water / Sewer rates (preliminary discussion).** Ken informed the Board that tonight's discussion would focus on Sewer rates, and the presentation and format would be similar to the Water discussion at the last Board meeting. Tom asked what the retained earnings goal was, and Ken noted that we try to keep 20% of the annual operating budget on hand. Joe Jordan walked the Board thru the spreadsheet with prior and projected budgets, and the rates required to meet the expenses. Budget values in the outyears were estimated with nominal (2-3%) increases for most costs, but allowing for more robust (7%) increases for historically high items such as insurance. There was discussion about retained earnings, loan balances, and other



expenses. Joe noted that the retained earnings were well in excess of 20% at this point, but that this fund would be drawn down significantly over the next 3-4 years to cover the overlapping debt payments for current and prior plant upgrades. There was also a discussion about the idea of having regular rate increases (annual) vs. going long periods of no increases with larger increases at less frequent intervals. This concept would apply to water rates as well as sewer rates. Ken pointed out that there will very likely be large capital projects (and costs) in the outyears with regards to issues such as PFAS, the Townsend Street water tank, and that a regular increase in rates could buffer the need for larger rate increases in future years. Paul Brinkman noted that he was impressed that despite not having had sewer rate increases for many years, we were only looking at 6% now. Ken added that people should not lose perspective and fixate on the numerical value of the percent increase versus the actual cost per unit increase, which is relatively minor. Joe suggested that one way to minimize the impact of the rate increase would be for the Board to consider eliminating the sewer maintenance fee paid by customers who have access to the sewer, but have chosen not to connect. Joe also noted that while there were no concrete plans in place, the staff was considering replacing the belt filter press and replacing the sewer camera / truck in the next few years. Tom stated that he felt that 20% retained earnings was the right number, and that small but consistent rate increases in the future would be appropriate. Bill Schlosstein (Town Acct) agreed that regular, modest increases were preferable, especially with organizations such as an Enterprise Fund. He also applauded the effort that went into the analysis for both the water and sewer rates and said he was comfortable with the funds and would continue to keep an eye on things. Ken noted that the current analysis did not acknowledge any savings from the potential, but not finalized, refinancing of Town debt. Bill used this segue to confirm that bettered debt agreements/payments with our customers do not have to be renegotiated even if the debt is refinanced. Ken suggested that the Board take this presentation under advisement, and that no formal action or recommendation would not be necessary at this time. The Board would also be meeting again before the actual public rate hearing. Joe asked that, in any event, the rates be made effective to coincide with the next billing cycle, likely to be on or about May 1st.

## **Board of Public Works**

**01/28/21 – Minutes**

**“Go To Meeting”**

**(working session)**

**Present via remote login:**

DPW Board Members: Chair – Tom Nephew, Paul Brinkman, Pat Harrington, Lewis Lunn, George Clark; DPW Director – Ken Kalinowski, W/S Supt Joe Jordan, Town Accountant William Schlosstein.

### **Water and Sewer Rates – Working Session (no votes to be taken).**

- Ken Kalinowski informed the Board that the discussion on the sewer rate worksheet was being deferred until a later date due to some minor discrepancies in the debt figures. Paul Brinkman asked for confirmation that this was not a rate hearing, and Ken said he was correct, this was a working session to evaluate several options.
- Ken informed the Board that due to the SRF program having awarded Pepperell ‘principle forgiveness’ on the Bemis Road filtration plant, the anticipated rate increase for water was well below the 15% that was discussed at last years rate hearing.
- Joe Jordan walked the Board thru the underlying assumptions that were used to compile the rate spreadsheet. The end result was that the staff was recommending a 6% increase in the water rates for FY22, with 3% increases in each of the out years to generate sufficient income to meet estimated operational costs as well as to maintain a retained earnings balance of approximately 20% of the annual operating budget.
- Joe reiterated that the ~\$500k in principle forgiveness was the primary driver in lowering the recommended rate increase. He also reminded the Board that we are paying 2% interest on the SRF loan, and when coupled with the forgiveness this created about the best possible scenario for funding the project.
- Ken reminded the Board that although the 10-year horizon shown on the spreadsheet was a good planning tool, any figures beyond the next 2-3 years (max) could potentially be subject to considerable unforeseen change.
- Tom Nephew stated he was comfortable with the 6% increase and there was general consensus expressed by various Board members.
- Ken Kalinowski informed the Board that, although this rate increase should be sufficient to meet anticipated expenses, there was the specter of PFAS (Per- and polyfluoroalkyl substances) becoming an issue in Pepperell’s water system. These compounds are the result of the manufacture and disposal of any number of common

products associated with items made with Teflon®, as well as fire-fighting foam and other fire retardants. Paul noted that the federal limit is set at 70 parts-per-trillion (ppt), but MA is using 20 ppt. Ken added that labs can detect down to 2-3 ppt. Joe noted that the Nashua Road well is close to 20 ppt now, but Jersey Street is testing at 11-12 ppt and Bemis Road is non-detect. Given that Nashua is also experiencing elevated Fe and Mn, Joe suggested it could be more cost effective to shut this well down completely and redevelop a new well at Bemis rather than construct a treatment facility at Nashua Road. The cost for such treatment could be equal to or more than the green sands facility at Bemis.

- As a look ahead the discussion on proposed sewer rates, Ken reminded the Board that we need to start dealing with the deferred impacts of having under-bettered sewer projects many years ago. The town accountant estimated that the impact of this practice could be as high as \$60k/year for the next 10 years.
- There was a general discussion about refinancing betterments from the 4% rate down to 2%. It was pointed out that the bettered debt was general obligation municipal bonding, and not the low interest SRF loans, so bettering 4% could be tough. Joe added that the town refinanced 7 loans in FY17. The town accountant added that refinancing could impact the pre-negotiated covenants with all the bettered customers, adding that there were multiple loans (projects), rates and terms to contend with as well.
- Ken noted that while receivables were up due to increased consumption during the pandemic, actual cash flow was down for the same reason, and this was being complicated by the town's decision to suspend termination for non-payment as a collection technique. There was a brief discussion about liens, MLC's and efforts to collect as much outstanding water and sewer money as possible during real-estate closings.
- Ken noted that although we are recommending water and sewer rate increases, we did not expect to raise rates for the Transfer Station or Stormwater funds.
- Joe said that it would be beneficial to have the public rate hearing in March so that the staff would have time to adjust the billing software and run test environments to validate the changes before the May billings.
- George Clark asked about revising the water tiers. Tom did not think there was sufficient time to discuss the issue thoroughly at this meeting. Joe said he recalled a desire to have a single tier water rate, and that would be relatively easy to accomplish. Paul Brinkman said a single tier water rate would adversely and disproportionately impact the low-consumption customers, and suggested simplifying the tiers from 5 to perhaps 3. He did advocate for a single tier sewer rate.



- Paul also noted that this was probably not a good time to adjust tiers in that we have just begun to compile good consumption data, and the past years results were probably not valid due to the impacts of Covid, i.e., home confinements, etc., skewing the consumption numbers.
- Joe added that any adjustment of the tiers would require reworking the application of base charges. *Currently large multi-unit customers are billed single base charges, but the threshold for their tiers is multiplied by the number of dwelling units.*
- Tom agreed that the evaluation of the water and sewer tiers should be deferred until 'normal' levels of consumption return.

## **Board of Public Works**

### **01/14/21 - Minutes**

#### **"Go To Meeting"**

#### **Present via remote login:**

DPW Board Members: Chair – Tom Nephew, Paul Brinkman (joined late), Pat Harrington, Lewis Lunn; DPW Director – Ken Kalinowski, W/S Supt - Joe Jordan, Shari Jensen (Fairlane).

#### **Water / Sewer updates (con't.)**

- **2021 Water / Sewer rates (preliminary discussion).** Ken updated the Board with regards to various factors that would be impacting the requested rate increases for water and sewer this year, including new debt for both Enterprise Funds. Ken noted that revenue levels were off this year, which was most likely a result of our decision to not pursue service terminations during the pandemic. Joe added that we were likely to see a \$250k reduction in FY21 revenue due to limited collection actions. Joe also noted that we had recently been awarded \$500k in principle forgiveness on the Bemis project, dropping the loan amount to approximately \$8M which equates to an annual reduction in payments of approximately \$100k. This principle forgiveness program varies from year to year and there is no guarantee that any community will receive relief. Lewis asked if there was consideration for the elderly or handicapped with regards to water shut offs. Joe replied that our intent is to work with all of our customers to get their accounts current, and that terminations are typically reserved for recalcitrant customers.

## **Board of Public Works**

**8/20/20 – Minutes**

**“Go To Meeting”**

**Present via remote login:**

DPW Board Members: Chair – Tom Nephew, George Clark, Paul Brinkman, Pat Harrington, Lewis Lunn, DPW Director – Ken Kalinowski, Conservation Administrator - Paula Terrasi, MA Dept. of Agriculture Christine Chisholm, Mr. & Mrs. Jon Kaiser, DPW Admin Susan Tocci.

### **WATER / SEWER**

#### **• Water Base Charge & Rate Increase (clarifying vote)**

Ken stated that, upon the opinion of Town Counsel, a vote needed to occur to clarify that it was the Boards intention to increase the water base charge when the rates were increased. This intent was verified through a polling of the Board at the July meeting, but it was not a binding vote as it was not an official agenda item in July. Paul Brinkman made the following motion: *I move that the Board of Public Works clarify the vote taken at the May 28, 2020 Rate Hearing. More specifically, that it was the intent of the Board to increase the water base charge from \$21.85/quarter to \$30/quarter in addition to increasing the consumption rates by 10%, with all increases to be effective July 01, 2020.*

George Clark seconded the motion. The following roll call vote was taken.

Pat Harrington – Aye

Paul Brinkman – Aye

Tom Nephew – Aye

Lewis Lunn – Aye

George Clark - Aye

The motion passed unanimously.

## **Board of Public Works**

**7/16/20 – Minutes**

**“GoTo Meeting” – 5:30 p.m.**

**Present via remote login:**

DPW Board Members: Chair – Tom Nephew, George Clark, Paul Brinkman, Pat Harrington, Lewis Lunn, DPW Director – Ken Kalinowski, DPW Superintendent – Joe Jordan, and Susan Tocci.

## **Water / Sewer**

### **- Other**

Ken discussed with the Board, information that was received from town counsel in regards to the rate hearing. He stated that the rate increase was predicated on the fact that we also increased the base rate.

Town counsel said that the quarterly base rate was considered a fee. However, because it was not specifically voted on at the last meeting, the Board would need to have a discussion and formally agree that this increase was the intent of the Board. At the August meeting, we will have a clarifying agenda item and we will make the rate change effective July 1st. If you do not want this, then this will cause us to increase rates later in order to come up with needed funds.

Tom Nephew asked the Board to take a vote on whether they thought this was also an increase in the base rate.

Pat Harrington – yes, it was my understanding

Lewis Lunn – yes

Paul Brinkman – did not think that this was what it was based on

George Clark – yes

Tom Nephew – yes

With a majority agreeing as to the intent, the base rate increase will be put on the agenda and brought up for a vote in August.

The Board historically signs a formally written copy of the rate increases when they are voted on. The initial one did not show the rate increase. Ken asked the Board to vote to allow Tom to sign the rate increase with the adjusted base charge. Ken will then post this on the website showing the rate increase.

Pat Harrington made a motion to have Tom Nephew sign the rate increase notice on behalf of the Board members. Lewis Lunn seconded the motion.

Lewis Lunn - aye

Pat Harrington - aye

Paul Brinkman – aye

George Clark - aye

Tom Nephew – aye

The motion passed unanimously.



## **Board of Public Works**

**6/18/20 – Minutes**

**“GoTo Meeting”**

**Present via remote login:**

DPW Board Members: Chair – Tom Nephew, George Clark, Paul Brinkman, Pat Harrington, Lewis Lunn, DPW Director – Ken Kalinowski, DPW Superintendent – Joe Jordan, others Tighe & Bond Consultant -Emily Scerbo, Conservation Administrator - Paula Terrasi and Susan Tocci.

### **Commissioners Comments**

At the rate hearing the Board voted to have the rate increase as of July 1<sup>st</sup>. This was predicated on the fact that the water base rate was also increased at that time. That did not happen as part of the vote.

Joe stated that the current base rate is \$21.85/qtr. We are proposing that the base rate go to \$30.00/qtr. The last increase was sometime around 2014.

Ken stated that we are waiting to hear from town council asking whether the Board can increase this rate without a hearing. Clarification from council as to whether the base rate is actually a fee or a rate increase will be needed in order to move forward with this.

## **Board of Public Works**

**5/28/2020 – Minutes**

**“GoTo Meeting”**

**Present via remote login:**

DPW Board Members: Chair -Tom Nephew, George Clark, Paul Brinkman, Pat Harrington, Lewis Lunn, DPW Director - Ken Kalinowski, DPW Superintendent - Joe Jordan, Town Administrator - Andrew MacLean; others, Susan Tocci

### **7:00 p.m. – Public Hearing – Water / Sewer Rates**

Tom Nephew opened the Water and Sewer Rate Hearing at 7:02 p.m. He read the legal notice that was posted in the Lowell Sun newspaper.

Ken Kalinowski started off the meeting by letting everyone know the primary reason for

the water rate increase is for the Bemis Rd. well project. Last year we raised the water rates by 22%, and we estimate that we will need to get to a 50% total increase in order to cover the cost of the Bemis Rd. project by the time it is done.

Ken stated that the water and sewer budgets and revenue are adequate and that this rate increase is solely to pay for the Bemis Rd. site.

Joe Jordan discussed the different scenarios for increases. These options were previously discussed at the April 16, 2020 meeting. Joe stated that the general standard set by the MA DEP is that we keep 20% in our retained earnings. This means we need approximately \$400,000 in retained water earnings. In FY22, we are going to see a \$523,000/year increase to our debt service. We won't know the final cost of the project until it is completed. However, it is safe to assume that it will be in the \$500,000 range.

Joe Jordan went over 2 possible options for increases. The first is a 5%/10%/3%/3%/3% increases over the next few years. The second is a 10%/10%/10% with a 3% rate increase after that. The 3% increases are just place holders, as we should only vote on a 1 year increase at this time. Joe suggested that we should do a 15% increase this year and then reassess next year to see what that rate increase should be.

Ken put up a comparison chart on the screen showing where Pepperell water rates are in comparison with neighboring towns and towns that are similar to us in size and tax rate. Even with the 50% increase, our rates will still be below the area average. However, Joe wants us to keep in mind that Pepperell has to do what makes sense for Pepperell, and it does not really matter what other town's rates are. The Bemis Rd. well is a critical water source for the town.

Joe went on to say that although the 10/10/10 percent increase is doable, we would need to be more aggressive at the end of the project if we chose this option.

Joe stated that this increase also assumes that the base rate for water increases from \$21.85/qtr. To \$30.00/qtr.

Paul Brinkman stated that knowing that the DEP wants us to keep the 20% in retained earnings, this is going to be tight. He questioned Joe on which scenario best meets our need to keep the retained earnings at \$400,000.

Joe stated that the 15%/10% option best meets our needs. He said that options 1 and 2

are both similar and that at the end of option 2 the rates are a little bit higher. We need to have \$500,000 in 13 months and although we can use the retained earnings, using them will leave us well below our \$400,000 mark. Both options would get the town to where we believe we need to be by FY26.

Ken Kalinowski stated that he believes we are looking out too far. We should vote in 15% at this point and then take a look again next year to see where we are at. He also noted that this is all predicated on a full fiscal year of earnings.

Tom Nephew stated that he believes the lower increase is still a low risk to our retained earnings and since we already raised the water rates 22% last year, he thinks a 10% increase should be fine for this upcoming year.

Pat Harrington was concerned that with the Coronavirus, people have been hit hard and he believes 15% is too much of an increase. He is in favor of the 10%/10%/10% increase option.

Joe stated that the difference between these 2 options is only \$8/qtr. or \$32/yr.

Paul Brinkman stated that he liked Option 1.

George Clark said he is fine with either one.

Lewis Lunn stated that he would like the 15%/10% increase option as we have to have the money and

if we let it go, then we may need to increase the rates more down the road.

Ken reiterated that at the end of all of this we have to be at a rate that meets the loan payments without

compromising the retained earnings.

Paul Brinkman stated that the chart comparing our rates to other towns is actually comparing our future rates to the other town's current rates and we could still be on the lower end of this chart when those towns increase their rates. He also stated that we are putting in an advanced system at a really good price.

Joe Jordan suggested that the rate increase should take effect on June 1, 2020, which is in just 3 days.

Tom Nephew asked for public comment. A rate payer from Prospect St. suggested that we should do the 15% increase, as the 10% increase would ultimately have a higher increase in rates overall.

Lewis Lunn made a motion that we do the 15%/10% increase.

Joe Jordan suggested that we should just do a 15% increase this year and then reassess next year.

Lewis Lunn made a motion to do a 15% increase this year. Paul Brinkman seconded the motion.

There was no discussion. The vote was as follows:

Lewis Lunn – aye

George Clark – nay

Paul Brinkman – aye

Pat Harrington – nay

Tom Nephew – nay

The motion did not pass.

Pat Harrington made a motion for an increase of 10% and to revisit the rate next year.

George Clark seconded the motion. The vote was as follows:

Lewis Lunn – aye

George Clark – aye

Pat Harrington – aye

Paul Brinkman – nay

Tom Nephew – aye

The motion passed.

George Clark made a motion that the water rates go into effect on July 1, 2020. Pat Harrington seconded. The vote was as follows:

Lewis Lunn – aye

George Clark – aye

Pat Harrington – aye

Paul Brinkman – nay

Tom Nephew – aye

The motion passed.

None of the motions contained provisions to address the recommended increase in the water base charge.

Tom Nephew closed the Water Rate hearing at 7:52pm.



## **Board of Public Works**

**4/16/2020 – Minutes**

**“GoTo Meeting”**

**Present via remote login:**

DPW Board Members Tom Nephew, George Clark, Paul Brinkman, Pat Harrington, Lewis Lunn; DPW Director Ken Kalinowski, DPW Superintendent Joe Jordan; others Martin Cadek, Susan Tocci

### **4. Water & Sewer**

Four water rate increase options were discussed. Joe Jordan led the discussion. Ken emphasized that this is, in fact, just an informal discussion to see where we are and where we need to be, and that the Board will need to hold a public hearing to vote any changes.

Option 1 proposes a 15% increase this year, 10% next year and 3% increases following indefinitely. This would maintain our expenses and keep a healthy retained earnings balance through FY26.

Option 2 is a 10% increase for each of the next 3 years. The rates at the end of this would be slightly higher than in Option 1, but it would still have essentially the same net result.

Option 3 is an 8% increase for the next 5 years. The rates are a bit higher here, however, in FY23 we would be below our targeted retained earnings balance.

Option 4 is to do nothing and hope for the best. With this option, we would be in deep financial trouble by FY22 and things would likely only get worse.

Joe Jordan recommends Option 1, but emphasizes that it is really up to the board to decide. He also noted that in FY22 the full debt will hit the budget in the amount of \$522,888 per year.

Lewis Lunn suggested the board should take a strong position.

Tom Nephew was concerned about the rate increase in Option 1. It is a rate hike of 59%. Joe explained that the 50% increase is necessary to get us to be able to cover the debt; however, there are also the other regular costs such as salaries, insurances and other expenses that will go up.

Ken said these options are based on our assessment of the current financial status of the project and other operational considerations, and this could change.

Paul would like to look at actuals rather than budgeted numbers and to not look too far out as we get closer to the rate hearing.

Tom would like to make sure that we have enough in retained earnings for whatever comes up. His next priority would be to be able to provide relief for the rate payers. If we spread this rate increase out over a longer period of time it would be easier for the rate payer to absorb. Tom suggested that we do the 10% increase, and carry it out to 2024 to make sure we still maintain a balance of \$400,000.00 in our retained earnings. We had a 22% increase this year and if we have 10% for the next few years, then a 5 or 6% in 2024 should allow us to maintain that balance.

Joe stated that Option 1 and 2 are very similar, but Option 2 flattens out increase.

The comparison chart was brought up to look at. The staff stated that it is very difficult to directly compare rates from these towns as all the communities use slightly different billing parameters, but we tried to normalize it as much as possible. The chart shows that we are in the middle of the road for water rates. For this comparison, Joe stated that he used the same communities that Andrew MacLean used for the tax comps. In addition he used neighboring communities.

Ken asked for this comparison to be done. We are very competitive on our water rates, as well as taxes.

Pat likes Tom's idea of spreading out the rates. Ken and Pat agree as well. Paul has some concerns. Ken stated that although 10% sounds high, even if you raise this to 11% or 12%, the impact is only pennies on the unit rate which bill usage per 100 cubic feet.

Ken asked the board if they would like to have the rate hearing on May 28th. Tom said he wasn't sure that was possible given the current COVID-19 situation.

Joe said if the rate increase were to go into effect in August, to be aware that the 10/10/10 might be a bit different. Paul said that we could vote in July and have the change occur before the read and still have it apply.



A discussion was held as to the possibility of having the rate hearing via a zoom-type conference call. Ken will speak to town counsel.

Tom would like to have May 28th as the rate hearing if town counsel allows it.

Ken wanted to give thanks to all town employees who have worked so hard during this time.

**Board of Public Works  
2/20/2020 – Minutes  
Conference Room A  
Town Hall**

**5.b. W/S Rate Hearing - discussion, set tentative date(s)**

Joe Jordan stated that he would like to set a rate hearing for the next Board meeting. He would like the new rates to be in effect for the full fiscal year. We will coordinate the new rates with the readings. The last rate increase was over a year ago.

A discussion was held as to how much and when the three increases were to take place. Tom Nephew requested the schedule of intended rate increases be emailed out to the Board prior to the next meeting.

**February 21, 2019  
Conference Room B  
Town Hall**

Present:

DPW Board Members Tom Nephew, Paul Brinkman, George Clark; DPW Director Ken Kalinowski

**Quarterly Billing**

Ken noted that the 1st round of quarterly billing were sent last week. Feedback from the staff indicated that the change seemed to be well received. Ken also told the Board that these bills contained stormwater billing, and the public reception was mixed with a lot of questions.

**Exhibit #5 - Pepperell Water Billing Analysis  
Usage at 9,900, 5,000 & 2,500 CuFt per Year**

**Typical Single Property Owner - 9,900 Cubic Feet of Water Annually**

<b>Water Res &amp; Comm Minimum</b>	<b>Quarterly Tier</b>	<b>2022 Rate</b>	<b>Annual Usage</b>	<b>Total</b>
		\$30.0000	4	\$120.00
1	1250	\$0.04080	5,000	\$204.00
2	250	\$0.05130	1,000	\$51.30
3	1500	\$0.06060	3,900	\$236.34
<b>Totals</b>			9900	<b>\$611.64</b>

<b>Sewer Res</b>	<b>Quarterly Tier</b>	<b>2022 Rate</b>	<b>Annual Usage</b>	<b>Total</b>
1	1250	\$109.63000	5,000	\$438.52
2	1750	\$0.08770	4,900	\$429.73
<b>Total</b>			9,900	<b>\$868.25</b>
<b>Grand Total</b>				<b>\$1,479.89</b>

**Residential  
Water & Sewer  
\$1,479.89**

<b>Sewer Comm</b>	<b>Quarterly Tier</b>	<b>2022 Rate</b>	<b>Annual Usage</b>	<b>Total</b>
1	1250	\$109.63000	5,000	\$438.52
2	250	\$0.08770	1,000	\$87.70
3	1500	\$0.10230	3,900	\$398.97
<b>Totals</b>			9,900	<b>\$925.19</b>
<b>Grand Total</b>				<b>\$1,536.83</b>

**Commercial  
Water & Sewer  
\$1,536.83**

**Multiple [13] Property Owners - 9,900 Cu Ft of Water Annually**

**Differences**

<b>Water Comm Minimum</b>	<b>Quarterly Tier</b>	<b>2022 Rate</b>	<b>Annual Usage</b>	<b>Total</b>
	<b># Owners x Rate x Quarters</b>	\$30.0000	13	\$1,560.00
1	Up To 16,250 CuFt	\$0.04080	9,900	\$403.92
<b>Total</b>	Annual CuFt Billed = 9,900			<b>\$1,963.92</b>

**Water  
\$1,352.28  
321%**

<b>Sewer Comm</b>	<b>Quarterly Tier</b>	<b>2022 Rate</b>	<b>Annual Usage</b>	<b>Total</b>
1	Billed Min 16,250 CuFt	\$109.63000	13	\$5,700.76
<b>Total</b>	Annual CuFt Billed = 65,000			<b>\$5,700.76</b>
<b>Grand Total</b>				<b>\$7,664.68</b>

**Sewer  
\$4,775.57  
616%**  
**Water & Sewer  
\$6,127.85  
499%**

*Note: Calculations using the above rate tables assume billing to a single water meter.*

**Exhibit #5 - Pepperell Water Billing Analysis  
Usage at 9,900, 5,000 & 2,500 CuFt per Year**

**Typical Single Property Owner – 5,000 Cubic Feet of Water Annually**

<b>Water Res &amp; Comm Minimum</b>	<b>Quarterly Tier</b>	<b>2022 Rate</b>	<b>Annual Usage</b>	<b>Total</b>
1	1250	\$0.04080	5,000	\$204.00
2	250	\$0.05130	0	\$0.00
3	1500	\$0.06060	0	\$0.00
<b>Totals</b>			5000	<b>\$324.00</b>

<b>Sewer Res</b>	<b>Quarterly Tier</b>	<b>2022 Rate</b>	<b>Annual Usage</b>	<b>Total</b>
1	1250	\$109.63000	5,000	\$438.52
2	1750	\$0.08770	0	\$0.00
<b>Total</b>			5,000	<b>\$438.52</b>

**Residential  
Water & Sewer  
\$762.52**

<b>Sewer Comm</b>	<b>Quarterly Tier</b>	<b>2022 Rate</b>	<b>Annual Usage</b>	<b>Total</b>
1	1250	\$109.63000	5,000	\$438.52
2	250	\$0.08770	0	\$0.00
3	1500	\$0.10230	0	\$0.00
<b>Totals</b>			5,000	<b>\$438.52</b>

**Commercial  
Water & Sewer  
\$762.52**

**Multiple [13] Property Owners – 5,000 Cu Ft of Water Annually**

**Differences**

<b>Water Comm Minimum</b>	<b>Quarterly Tier</b>	<b>2022 Rate</b>	<b>Annual Usage</b>	<b>Total</b>
1	Up To 16,250 CuFt	\$0.04080	5,000	\$204.00
<b>Total</b>		Annual CuFt Billed = 5,000		<b>\$1,764.00</b>

**Water**  
\$1,440.00  
544%

<b>Sewer Comm</b>	<b>Quarterly Tier</b>	<b>2022 Rate</b>	<b>Annual Usage</b>	<b>Total</b>
1	Billed Min 16,250 CuFt	\$109.63000	13	\$5,700.76
<b>Total</b>		Annual CuFt Billed = 65,000		<b>\$5,700.76</b>

**Sewer**  
\$5,262.24  
1300%

**Water & Sewer**  
\$6,702.24  
979%

*Note: Calculations using the above rate tables assume billing to a single water meter.*

**Exhibit #5 - Pepperell Water Billing Analysis  
Usage at 9,900, 5,000 & 2,500 CuFt per Year**

**Typical Single Property Owner – 2,500 Cubic Feet of Water Annually**

<b>Water Res &amp; Comm Minimum</b>	<b>Quarterly Tier</b>	<b>2022 Rate</b>	<b>Annual Usage</b>	<b>Total</b>
1	1250	\$0.04080	2,500	\$102.00
2	250	\$0.05130	0	\$0.00
3	1500	\$0.06060	0	\$0.00
<b>Totals</b>			2500	<b>\$222.00</b>

<b>Sewer Res</b>	<b>Quarterly Tier</b>	<b>2022 Rate</b>	<b>Annual Usage</b>	<b>Total</b>
1	1250	\$109.63000	2,500	\$438.52
2	1750	\$0.08770	0	\$0.00
<b>Total</b>			2,500	<b>\$438.52</b>

**Residential  
Water & Sewer  
\$660.52**

<b>Sewer Comm</b>	<b>Quarterly Tier</b>	<b>2022 Rate</b>	<b>Annual Usage</b>	<b>Total</b>
1	1250	\$109.63000	2,500	\$438.52
2	250	\$0.08770	0	\$0.00
3	1500	\$0.10230	0	\$0.00
<b>Totals</b>			2,500	<b>\$438.52</b>

**Commercial  
Water & Sewer  
\$660.52**

**Multiple [13] Property Owners – 2,500 Cu Ft of Water Annually**

**Differences**

<b>Water Comm Minimum</b>	<b>Quarterly Tier</b>	<b>2022 Rate</b>	<b>Annual Usage</b>	<b>Total</b>
1	Up To 16,250 CuFt	\$0.04080	2,500	\$102.00
<b>Total</b>		Annual CuFt Billed = 2,500		<b>\$1,662.00</b>

**Water  
\$1,440.00  
749%**

<b>Sewer Comm</b>	<b>Quarterly Tier</b>	<b>2022 Rate</b>	<b>Annual Usage</b>	<b>Total</b>
1	Billed Min 16,250 CuFt	\$109.63000	13	\$5,700.76
<b>Total</b>		Annual CuFt Billed = 65,000		<b>\$5,700.76</b>

**Sewer  
\$5,262.24  
1300%**

**Water & Sewer  
\$6,702.24  
1115%**

*Note: Calculations using the above rate tables assume billing to a single water meter.*



**Subject:** Re: FW: Information Request - Recommended language - Add as needed  
**From:** @comcast.net" < @comcast.net>  
**Date:** 04/05/22, 10:24 AM  
**To:** Brynn Durno <bdurno@town.pepperell.ma.us>  
**CC:** "Paul D. Brinkman" <PBrinkman@town.pepperell.ma.us>

Brynn C. Durno-

Thank you for facilitating the fulfillment of my March 15th and 17th requests for access to Department of Public Works public records. I do understand that the Department of Public Works is unaware of any specific information that is available regarding my March 17th questions, and the basis of these questions as outlined in my March 15th email regarding General Laws of the Commonwealth of Massachusetts, Part I, Title VII, Chapter 40N, Section 1: Purpose:

*"1) There is a minimum sewer charge of \$438.52 per year for the first 5,000 cubic feet of water. What is its fair share cost basis?*

*2) A building with one water meter serving multiple condominium owners is charged multiple minimum sewer charges of \$438.52 per year. What is its fair share cost basis?"*

I also understand that the Town's duty to respond to written requests for public records is confined to Department of Public Works records in existence at the time of the request for such records. According, I agree that my requests have been fulfilled.

Thank you again for your assistance in this matter.

David Delorey, Director and Treasurer  
Pepperell Siding Model Railroad Club, Inc.  
(603) 562-6257

On 04/04/22 2:41 PM, Brynn Durno wrote:

Good afternoon Mr. Delorey,

Attached here is the response from Mr. Brinkman, Business Manager for DPW. We were able to complete the majority of the records as requested however two of your questions we do not have that information. Please be advised that the Town's duty to respond to records requests extends only to records that are in existence and in custody and that the Town is under no obligation to create records in response to your request. Furthermore, the Town is not required to answer questions in response to a records request.

Should you have any questions please let me know. This office believes your records request is now fulfilled.

Thank you,

Brynn C. Durno  
Town Clerk

Justice of the Peace, Notary Public  
Commissioner to Qualify  
Town of Pepperell  
1 Main Street  
Pepperell, MA 01463  
Voice (978)433-0339  
e-mail: [bdurno@town.pepperell.ma.us](mailto:bdurno@town.pepperell.ma.us)  
Hours: Monday 8am-5pm, Tuesday - Thursday 8am-4:30pm, Friday 8am-12:30pm

**Please be advised that the Secretary of the Commonwealth has determined that all email messages and attached content sent from and to this email address are public records unless qualified as an exemption under the Massachusetts Public Records Law (MGLc.4, §7(26)).**



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**From:** Paul D. Brinkman  
**Sent:** Monday, April 4, 2022 8:55 AM  
**To:** Brynn Durno  
**Subject:** Information Request - Recommended language - Add as needed

Mr. Delorey,

Attached please find the information that you have requested.

1. The Fiscal Year 2022 Quarter 3 Billing for all users including addresses.
2. The Power Point that was given at the BoPW on March 17, 2022.
3. The Budget for the Sewer Division, both Expenditures and Revenues.
4. The spreadsheet that was used to determine the rates for the Rate Hearing in April of 2021.
5. The voted and signed rates for water and sewer effective in FY 2022.

We are unaware of any specific information that is available regarding your questions:

*1) There is a minimum sewer charge of \$438.52 per year for the first 5,000 cubic feet of water. What is its fair share cost basis?*

*2) A building with one water meter serving multiple condominium owners is charged multiple minimum sewer charges of \$438.52 per year. What is its fair share cost basis?*

The expenditures, revenues, and rates are what the Town has relied upon in order to appropriately fund the Wastewater Division.



**Department of Public Works**  
47 Nashua Road  
PEPPERELL, MASSACHUSETTS 01463  
(978) 433-0359  
**ABATEMENT REQUEST FORM**



Date: April 18, 2022

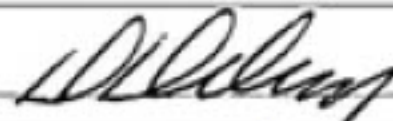
Requested by: Lomar Industrial Condominium No 33 Association and  
Pepperell Siding Model Railroad Club, Inc.

Address: 33 Lomar Park Drive, Unit #33, Pepperell, MA 01463  
41 Lomar Park Drive, Unit #4, Pepperell, MA 01463

Phone Number: (978) 815-3246      Email: owandersonexcavating@gmail.com  
(603) 562-6257      treasurer@psmrc.org

Requested Abatement: Water Use \$   \*   Sewer Use \$   \*  

Reason: \* See attached "Request for Relief from Unfair Billing of Water & Sewer Charges"

Signature:       See Exhibit #8 Authorization email

For Office Use Only. Do not write below this line.

*Office Review:*

Account Number: \_\_\_\_\_ Bill Period: \_\_\_\_\_

Previous Abatement: Yes / No / N/A      Date: \_\_\_\_\_

Approved \_\_\_\_\_      Denied \_\_\_\_\_

Reason: \_\_\_\_\_

Signature: \_\_\_\_\_      Date: \_\_\_\_\_

*Board of Public Works Review – Subject to a \$25 fee to be billed to the Account:*

Approved Abatement: Water Use \$ \_\_\_\_\_ Sewer Use \$ \_\_\_\_\_

Board Signatures: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATE: \_\_\_\_\_

NOTES: Abatements are only for the bill period specified. It is the owner's responsibility to notify the Board of any changes. Billing will continue each bill period regardless of this Abatement status.

# Exhibit #8



CW Anderson Excavating <cwandersonexcavating@gmail.com>

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## Water and Sewer for buildings 33 & 41 Lomar Park

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CW Anderson Excavating

Mon, Mar 21, 2022 at 8:56 AM

Dave,

Thanks for taking on this chore for the association.

As president of the Lomar Condo 33 Association, I give full authorization to David Delorey to speak on our behalf with regard to the water and sewer bill from the Town of Pepperell.

Regards,

Charles W. Anderson

A handwritten signature in black ink, appearing to read 'Charles W. Anderson', written in a cursive style.

**Two Similar Buildings - Remarkably Different Water & Sewer Bills**



Ownership Type: Single Owner

Building Size: 20,000 Square Feet  
Water Consumption: 9,900 Cubic Feet per Year  
Type of Use: Industrial  
One Water Meter

Total Water & Sewer Bill: \$1,479.89



Ownership Type: 13 Condominiums

Building Size: 20,000 Square Feet  
Water Consumption: 9,900 Cubic Feet per Year  
Type of Use: Industrial  
One Water Meter

Total Water & Sewer Bill: \$7,664.68

**FAIR SHARE  
COST CAUSATION  
QUESTIONS**

**There is a minimum sewer charge of \$438.52 per year for the first 5,000 cubic feet of water.**

**What is its fair share cost basis?**

**A building with one water meter serving multiple condominium owners is charged multiple minimum sewer charges of \$438.52 per year.**

**What is its fair share cost basis?**

# Pepperell Water and Sewer Rate Discussion

Paul Brinkman, DPW Business Manager  
March 17, 2022

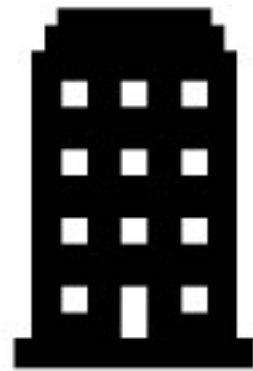


# Water Billing

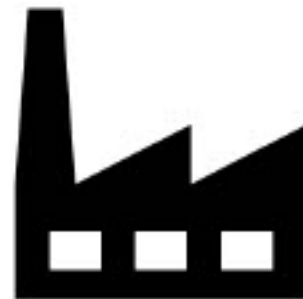
- \$30 charge per unit per quarter
- Usage based upon tiers



Single Unit House



Multi-Unit Dwelling



Commercial Property



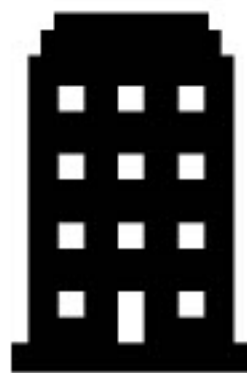
# Single House - Water

- \$30 per quarter
- Tiers for use
- Typically tier 1 and 2



- $\$30 + \$70 = \$100$

# Multi-Unit Property - Water



- \$30 per unit per quarter
- Tiers for Use
  - Tiers adjusted for number of units



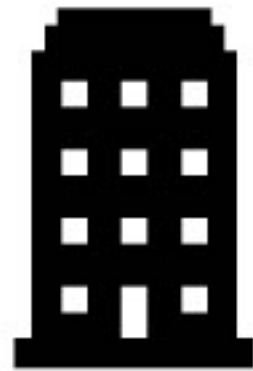
- Example 8 units
- $(\$30 \times 8) + (\$60 \times 8) = \$720$

# Sewer Billing

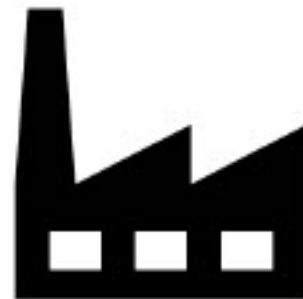
- \$109.63 charge per unit per quarter for up to 1250 cubic foot (cf) usage
- Usage greater than this based upon tiers



Single Unit House



Multi-Unit Dwelling



Commercial Property

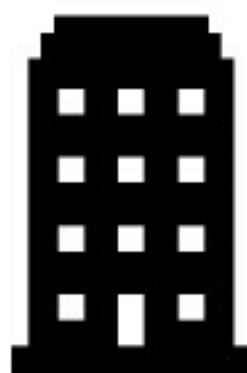
# Single House - Sewer

- \$109.63 per quarter
- Commonly doesn't exceed 1250 cf
- Tiers for excess beyond 1250 cf



- \$109.63

# Multi-Unit Property – Sewer (prior to 2022)



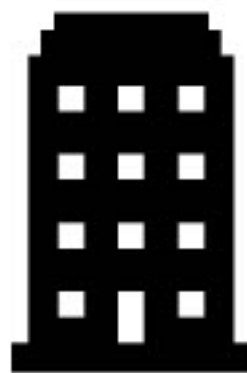
- \$109.63 per quarter
- Tiers for Use
  - Tiers adjusted for number of units



- Example 8 units
- $(\$109.63) + \$450 = \$559.63$
- \$70 per unit



# Multi-Unit Property – Sewer (corrected)



- \$109.63 per unit per quarter
- Tiers for Use
  - Tiers adjusted for number of units



- Example 8 units
- $8 \times \$109.63 = \$877.04$
- \$109.63 per unit

# Multi-Unit Commercial – Sewer (corrected)



- 13 Unit commercial condominium complex
- Water is unchanged
- Prior Bill – Sewer Charges \$218.81 or \$16.83 per unit
- New Bill 13 units X \$109.63 = \$1425.19
- or \$109.63 per unit

Pepperell Siding Model Railroad Club, Inc.  
41 Lomar Park Drive, Unit #4  
Pepperell, Massachusetts 01463

Lomar Industrial Condominium No 33 Association  
33 Lomar Park Drive, Unit #33  
Pepperell, Massachusetts 01463

April 27, 2022

Thomas A. Nephew, Chairman  
Board of Public Works  
Post Office Box 319  
47 Nashua Road  
Pepperell, MA 01463

**RE: Petitioner's Request for Relief from Unfair Billing of Water And Sewer Charges**

Dear Chairman Nephew:

Attached please find herein the following documents related to the Town of Pepperell, Water and Sewer Department's February 7, 2022 Quarterly Bill:

1. Addendum to Petitioner's Request for Relief from Unfair Billing of Water And Sewer Charges.

Please contact us with any questions or concerns.

David Delorey, Treasurer & Director  
Pepperell Siding Model Railroad Club, Inc.

Charles Anderson, President  
Lomar Industrial Condominium No 33 Association



## THE STATE OF MASSACHUSETTS

### **The Pepperell Siding Model Railroad Club, Inc. and the Lomar Industrial Condominium No 33 Association versus the Town of Pepperell Board of Public Works in the matter of Relief from Unfair Billing of Water And Sewer Charges**

#### **Addendum to Petitioner's Request for Relief from Unfair Billing of Water And Sewer Charges**

Now comes the Pepperell Siding Model Railroad Club, Inc. and the Lomar Industrial Condominium No 33 Association who have jointly Requested Relief from the Unfair Billing of Water And Sewer Charges submits the following Addendum "n) Summary – In Excess of Authority Issues" to paragraph #6:

#### 6: ASSERTED UNFAIR BILLING FOR WATER AND SEWER USAGE:

##### n) Summary – In Excess of Authority Issues:

In the case of a Pepperell example commercial solely owned building, or a Commercial Condominium Unit Owner [CCUO] in a building, each with only one water meter and reporting use of 9,900 cubic feet of water [CFW], such parties were billed in 2021 an annual sewer charge of \$925.19 detailed as follows: \$438.52 [Tier #1: Minimum 5K CFW @ \$0.08770/CFW]; \$87.70 [Tier #2: 5K-6K CFW @ \$0.08770/CFW]; and \$398.97 [Tier #3: 6K-9.9K CFW @ \$0.10230/CFW].

However in 2022, each Additional Commercial Condominium Unit Owner [ACCUO] in the example CCUO's building will be assessed an annual "Multi Unit" Tier #1 sewer usage charge of \$438.52 which will be added to the CCUO's sewer bill. Since a tier #1 sewer charge relates to consuming 5K CFW of sewer services annually and such usage will be accounted for in the CCUO's annual bill, any additional \$438.52 "Multi Unit" charges assessed to ACCUOs are unrelated to any actual additional sewer services rendered by Pepperell to the ACCUO.

"Generally, a 'fee' is exchanged for a service rendered or a benefit conferred, and some reasonable relationship exists between the amount of the fee and the value of the service or benefit" *Bolt v Lansing*, 459 Mich 152, 158; 587 NW2d 264 (1998) and *Saginaw Co v John Sexton Corp*, 232 Mich App 202, 222; 591 NW2d 52 (1998) and *Vernor v Secretary of State*, 179 Mich 157, 167; 146 NW 338 (1914) and *Bray v. Dep't of State*, 418 Mich. 149, 162, 341 N.W.2d 92 (1983).



"In resolving this issue, this Court [*Bolt v. City of Lansing, supra*] has articulated three primary criteria to be considered when distinguishing between a fee and a tax. The first criterion is that a user fee must serve a regulatory purpose rather than a revenue-raising purpose". *Merrelli v. St. Clair Shores, 355 Mich. 575, 583-584, 96 N.W.2d 144 (1959)*, quoting *Vernor, supra at 167-170, 146 N.W. 338*. "A second, and related, criterion is that user fees must be proportionate to the necessary costs of the service." *Id.; Bray, supra at 160, 341 N.W.2d 92*. As was summarized in *Vernor*, "To be sustained [as a regulatory fee], the act we are here considering must be held to be one for regulation only, and not as a means primarily of producing revenue [*underline added*]. Such a measure will be upheld by the courts when plainly intended as a police regulation, and the revenue derived therefrom is not disproportionate to the cost of issuing the license, and the regulation of the business to which it applies." [*Id. at 167, 146 N.W. 338.*]

"In *Ripperger*, this Court [*Bolt v. City of Lansing, supra*] articulated a third criterion: voluntariness." Quoting from *Jones v. Detroit Water Comm'rs, 34 Mich. 273, 275 (1876)*, the *Ripperger* Court stated: "The water rates paid by consumers are in no sense taxes, but are nothing more than the price paid for water as a commodity, just as similar rates are payable to gas companies, or to private water works, for their supply of gas or water. No one can be compelled to take water unless he chooses, and the lien, although enforced in the same way as a lien for taxes, is really a lien for an indebtedness, like that enforced on mechanics' contracts, or against ships and vessels. The price of water is left to" ... "be fixed by the board in their discretion, and the citizens may take it or not as the price does or does not suit them."

Applying the foregoing case law, and considering the collective testimony of the Pepperell Business Manager in the public meetings held on March 17, 2022 and April 21, 2022, the primary intent of "Multi Unit" charges is to raise revenue and is unrelated to any service provided to the ACCUOs. Moreover, the ACCUOs could not avoid these compulsory "Multi Unit" charges by reducing their sewer usage and such "Multi Unit" compulsory charges are in fact not an exchange for a sewer services rendered or a benefit conferred to the ACCUOs. Accordingly, these ACCUO "Multi Unit" sewer charges are constructively a tax assessed solely to raise revenue.

Since the Board of Public Works lacks taxing authority, such charges are in excess of authority, are invalid, and must be refunded to the adversely affected parties as set forth in the April 19, 2022 "*Petitioner's Request for Relief from Unfair Billing of Water And Sewer Charges*" Paragraph #8.