



# WATER & SEWER COMMISSION

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## Minutes of the Water & Sewer Commission meeting 8/17/2021

Attending Board of Selectmen's meeting held at Police Station,  
15 Memorial Drive, East Freetown, MA

4:00PM Meeting called to order by Bob Parker  
Members present: Bob Parker; Paul Sadeck; Lee Baumgartner  
Staff present: Keven Desmarais; Steven Chandler

Meeting being audio recorded by Paul Sadeck

RECEIVED  
FREETOWN TOWN CLERK  
2022 APR 13 PM 12:59  
Cheryl A. Sadeck

### Discuss Changing FW&SC from Enterprise Fund back to Town Department

- Board of Selectmen have read the letter submitted by the Freetown Water & Sewer Commission.
- Paul Sadeck states that the FW&SC was originally the Town Water Department. The FW&SC is funded by 670 customers.
  - MassDEP has stated that they do not know how we continue to operate as an Enterprise Fund with only 670 customers. They recommend switching back to a Town department.
  - Indirect Costs continue to increase and when there is an emergency or unexpected costs like the two damaged hydrants currently needing to be replaced, the funds to address these issues need to be appropriated somehow. We have no mechanism to do certain types of work and need to call in outside help.
  - Due to a salt infestation the Town was made to install water lines and pump station in East Freetown. These lines were installed at the direction of the State of Mass after it was discovered that road salt had infiltrated the wells in Braley and County Roads area due to the State DOT salting roads [in winter months]. This project was to be paid for by the Town of Freetown
  - In Assonet there was a gasoline leak at the top of North Main Street and to protect residents with wells from any future water issues, water lines were installed in North Main and Pleasant Streets. There was also a hurricane which caused problems in wells for residents on Assonet Bay Shore's so water lines were installed there as well.
  - All these incidents in East Freetown and Assonet were beyond the control of residents.
  - Once the Town Water Department was changed to an Enterprise Fund the cost for the pump station and all other forced infrastructure costs became to responsibility of the FW&SC and was to be paid for by approx. 630 customers at that time. These customers are comprised of East Freetown and Assonet residents.

- The Board of Selectmen at the time decided to pay the bond for the infrastructure and the FW&SC decided to reduce the service charge from \$13.69 per quarter to \$3.69 per quarter to compensate for the money customers paid towards a debt which was a result of legal action taken against the Town, not the customers. This is some history.
- Sewer responsibility was added to water responsibility for the Water Department [at the time], so there are [both] that [need] to be dealt with.
- A sewer line extended down South Main Street is a great idea but 670+ customer cannot pay for the project, nor should they.
- Kim Fales, Town Accountant, confirms that the Enterprise Fund is basically an accounting mechanism [created] to track the activities, revenue, and expenses, in a separate fund outside of the general fund. Because, basically this [FW&SC] is viewed as a business.
  - Being an enterprise fund doesn't mean you have to be 100% self-sufficient; you can have a subsidy that would come from the Town which could be used to mitigate extraordinary charges to water and sewer customers.
- Selectman Trevor Matthews asks if funds from the [Town] reserve fund could be used if there is an urgent need, so the FW&SC does not have to wait to go to Town meeting later in the year.
  - Kim Fales states that yes, a request could be made to the Finance Committee to use Town funds, and, the FW&SC also has a reserve fund which may be used.
    - The Town can always vote to appropriate money for specific projects.
    - Kim suggested to Commissioners at a previous meeting that they meet with the Selectmen and Finance Committee to have a work session and talk about how to address capital needs and other extraordinary items and a cost plan. All the issues can be addressed with a document that everyone agrees to.
    - The Department of Revenue recognizes the Enterprise Fund as a best practice for a business type of activity. Whether we got into the business of selling water because we wanted to or because we had to, we are still in the business of selling water.
    - Kim recommends the Enterprise Fund stays in place and address some of the concerns the Commissioners have. There can be subsidies that go towards the Enterprise Fund and can certainly have a plan to address capital as part of the anticipation of the next budget cycle.
- Selectman Matthews asks about Keven's position. He wears many different hats and when he does retire someone will have to be hired to replace him. Is that person a Town employee?
  - Commissioners say yes, it would be a Town employee, and Kim says that if the Commissioners were not able to find a qualified candidate and hire them, an outside source could be used. Currently WhiteWater is being used for certain tasks and could be utilized more if needed.
  - Paul Sadeck says WhiteWater is the qualified [entity] to run the water system, and they cost the FW&SWC a lot of money (\$70k per year).
- Lee Baumgartner gives some history as to why there is an enterprise fund.
  - Reverend Dias told him that the original [water] system that was put in was small and inadequate. The community sued the Town and the Town lost because there were [residents] at the end of the line who only got one gallon of water per minute. It came up in court that it took 20 minutes for a 70-year-old woman to take a shower. The Town had to install the pump station.

- It was after the Town lost the lawsuit that the Enterprise Fund was created and have the people who were going to benefit from [water system infrastructure] pay for it.
- Selectman Matthews suggests that rather than voting on this now, Kim makes some good points and there may be some middle ground to agree upon. As for sewer down the line, perhaps it could be subsidized by the Town, but we [need] to get that stuff formalized.
- Selectman Matthews entertains a motion to vote on the letter to approve this being in the Warrant for the FW&SC [Article] request to be a Town Department rather than an Enterprise Fund. Selectman Jared Zager motion made. Selectman George Grunwald goes along with Kim Fales. Selectman Matthew 2<sup>nd</sup>. Two in favor; one abstains. Request will be included in Warrant for Fall Town Meeting.
- Selectman Zager hopes that both sides discuss at Town Meeting because there are valid points for each position on the matter.
- Paul Sadeck agrees with Kim's statement that the DOR recommends EF for [municipal] water and sewer departments and he has no problems with Kim, she is the best. What he's saying is the FW&SC is such a small operation that whatever we bill the customers, we send it out the next door to pay for New Bedford and Fall River for water.
- Selectman Zager asks what the [operator] license requirements are for the size system we have so that outside services can be shifted to inhouse; could one or two people be hired to take care of the needs?
  - Commissioners think it may be a D2 or D3, they are looking into that and have asked Chandler to find out.
- Selectman Matthews suggests there be another meeting with BOS, Commissioners, and Town Accountant to discuss this further.
- Selectman Grunwald asks what difference it makes if the FW&SC is a Town department or not, as it relates to employees?
  - Bob Parker states as an Enterprise Fund, we can't afford to have two employees to do the outside work [should WhiteWater go away]. It would have to be paid for by the customers.
  - Selectman Grunwald asks Kim Fales if the Town could subsidize the employees and she said yes but it will have to be voted on as part of the [FW&SC] budget at Town meeting; all residents may go to Town meeting and express an opinion on that.

Meeting adjourned at 4:43pm.

Respectfully submitted,



Steven Chandler  
Senior Clerk  
Freetown Water & Sewer Commission