



LISBON WATER DEPARTMENT

639 Lisbon Road

Lisbon Falls, Maine 04252

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Marie Hale, Chair, James Lemieux, and Roger Bickford, Commissioners
Superintendent, William G. Alexander Jr.

Public Hearing Minutes for 2020 Rate Case on August 5, 2020

Members Present: Marie Hale, Roger Bickford

Members Absent: James Lemieux-Excused

Staff Present: Shellie Reynolds, Bill Alexander, Cindy Schafer, Cody Currier and representative for the Water Department, Nick Henry from Horton, McFarland & Veysey.

Town Liaison: Don Fellows

Audience: None

I. OPENING OF THE HEARING AND ATTENDANCE

- A. Ms. Hale, Chairman of the Water Commissioners, opened the Public Hearing for the Lisbon Water Department Rate Increase to be effective October 1, 2020 as required by the Public Utilities Commission at 6pm. She explained that the meeting was being live streamed. She turned the meeting over to Nick Henry our financial consultant, for the hearing requirements and overview.

II. INITIAL HEARING OVERVIEW

- A. **Mr. Henry read the Maine Public Utilities Commission hearing requirements and customer rights.**
 - 1. He said that with any rate increase in the State of Maine we are required by State Statute to notify customers what their rights are and he read the State Statute that according to 35-A MRS Section 6104, a customer has the right to request additional information relating to the present and proposed rates from the Dept., the right to an open and fair hearing, which we are having right now, and the right to assistance from the Public Advocate. Customers also have the right under section 6104 to petition the Maine Public Utilities Commission to suspend and investigate the Department's rates according to 35-A MRS Section 310, if on or before September 04, 2020, 15% of the Department's customers (approximately 350 customers) file with the Treasurer of the Department and with the Public Utilities Commission, a petition or petitions demanding review by the PUC of the proposed rate changes. Signatures on the petitions filed according to Section 7 are invalid unless accompanied by a printed names and addresses of the signers. Upon request the

Department will provide customers with petition forms that include space for the signatures and the printed names and addresses of the signers.

2. He asked if there were any questions with the Rules and seeing none he moved into the overview for the rate case.
- B. Mr. Henry went on to explain we are looking at an overall 15% increase in total revenue for the Department and this is broken down specifically as an 8% increase on the minimum charge base rates and a 25% increase on the overage rates so these increases will achieve the target of 15% and so what we were trying to do was to minimize the impact on the minimum users partly because these lower users tend to have a higher per cubic foot rate when compared to your higher users so we were trying to balance fairness between your low and high users. Over 70% of our customers will see a quarterly increase of less than \$15.00 or \$5.00 per month. Customers that use the minimum 5/8" rate amount of 0 to 500 cubic feet will see an increase of \$4.00 per quarter. The average usage for a 5/8" customers, which represent over 96% of our annual bills for the Department will see an increase of less than \$10.00 a quarter. The primary driver of this rate increase is that the Department just issued a \$1.5 million, 10 year bond for infrastructure improvements so to cover this new bond payment which is in excess of \$160,000.00 per year, we need the 15% increase. So that is a summary of the rate increase.

III. OPEN DISCUSSION AND COMMENTS

- A. Mr. Henry opened the floor for questions and comments from anyone. For those customers not present and may be watching on the live stream, you can call 295-3097 to make a comment or ask a question. Again that number is 295-3097. So at this time we would entertain question either from the floor and/or calls with questions and comments. Mr. Henry went on to say there are no customers in attendance so if there are customers...Ms. Reynolds stated we do have one. Mr. Henry did state there is one in attendance, we are seeing no questions/comments from the floor so if there are customers that would like to call in with a question or comment, now would be the time. After this portion of the hearing would be adjournment. Mr. Fellows (local resident and member of the Town Council as well) asked "When was the last time the town had a rate increase on water? Mr. Henry answered, the last water increase would have been effective April 1, 2018. Mr. Fellows "so 2 years ago"; Mr. Henry replied 2.5 years between and the state average is we estimate is 3 to 5 years give or take. Mr. Fellows "and with the rate increase, where will approximately that put this town in relation to other towns of similar situations as far as rates go"? Mr. Henry replied "great question. So when we look at the state average for, the PUC can measure the state average by 1200 cubic, the 1200 cubic foot rate and they publish the rates for all utilities or a majority of the utilities across the state so our 1200 cubic foot rate will now be \$78 for 5/8" customers which is about what our average customers use. The state average was \$84ish so that puts us below the state average". Mr. Fellows thanked Mr. Henry for the information. After no additional questions or comments Mr. Henry once again gave the number (295-3097) to call in on. After seeing no further questions and no calls coming in with questions or comments then I will turn it over to Marie.

IV. HEARING CLOSURE

- A. Ms. Hale made a motion to adjourn the meeting, Mr. Bickford 2nd the motion followed by a 2/0 vote in favor.