



last fall Underwood Engineers completed a water rate update for MVD. Since the December letter report was provided budget information became final based on updated budget information which was higher than projected last fall. Underwood recommended a 19% rate adjustment for the fiscal year 2020. The 19% rate increase corresponds with a budget increase of 19% between fiscal years 2019 and 2020. Note that the 19% increase and assumptions on revenue, capital reserve contributions will vary more or less than the target of \$500,000 per year. That was the capital reserve contribution that was in the rate study that was done. Chairman D. Provencher again noted that the rate increase is not related to PFAS treatment. Commissioner W. von Schoen stated that the Patch article that was published was incorrect.

Representative Murphy asked for clarification on the risk of not having \$500,000 in capital reserve contributions. Chairman D. Provencher noted that this was intended for long range planning of water distribution systems, as well as long term, future projects such as replacement of water mains. This was corroborated by Keith Pratt of Underwood Engineers, Inc, noting that there is a lot of work needed beyond PFAS. It was noted by Chairman D. Provencher that the initial contribution goal was higher, at \$700,000. K. Pratt offered a breakdown of this goal, \$700,000 being the distribution goal and \$140,000 being the facilities goal, with a combined total of \$840,000. MVD is currently targeting \$500,000 with discussion of building this up to come. K. Pratt noted that there is an asset management report that supports this goal. Representative Murphy asked how to access the report. Superintendent R. Miner noted that this report will be available on MVD's website.

***The Public Hearing was declared closed at 7:21 pm.***

Submitted by Amanda McKenna, Recording Secretary