

Board of Water and Sewer Commissioner's Meeting February 2, 2022

Present: Scott Zajkowski, Jay Spahl, William Conley, Robert Sullivan, George Patrinos, and Jennifer Cournoyer. Tom Fournier was not in attendance.

In attendance: Todd Sargent from Elliott Construction, Bill Scanlon Town Planner and Richard Carmignani, Town Treasurer/Collector

In attendance via zoom: Jeff Faulker and Mike Schrader both from Tighe and Bond

Scott opened the meeting at 6:30 pm with the Pledge of Allegiance

Accept the minutes of the January 19, 2022, public meeting: *Jay Spahl made a motion to accept the minutes of January 5, 2022, Robert Sullivan seconded the motion, no further discussion, a vote was taken, all in favor, passed unanimously.*

71B Dudley Hill Road – Elliott Construction – Permission to tie into water and sewer: Todd Sargent was in attendance from Elliott Construction looking to connect a single-family home to water and sewer. George stated that a representative from water and sewer met with him and went over the project, and all looks good.

Jay made a motion to allow 71B Dudley Hill Rd to connect to Water and Sewer providing they follow all the rules and regulations (meter pit/pumps) and stays in touch with the department, Bill seconded the motion, no further discussion, a vote was taken, all in favor, passed unanimously.

Town Planner – Delineation of new Zone 2: Bill Scanlon, Town Planner was there and presented information. Originally the town established an IWP area, then an engineering/geology study was done which revealed that there is now a Zone and now the planner is suggesting a change to the actual Zone 2 that was delineated. He is here asking of the commission would be willing to go forward in support of this.

Bob: Where did the Zone 2 delineation come from?

Jeff Faulkner: Jay Billings from NE Geo Science discovered the delineation had been done some number of years ago.

Bob: Would delineation of Zone 2 be different with new wells and a change of wells?

Jeff Faulkner: NE Geo Science indicated the delineation would not change.

Bob: Still, I question that we would want clear information with new wells.

Bill Scanlon: As Jeff mentioned we did ask Jay Billings.

Bob: I would like to get something in writing from Jay Billings.

Bill Scanlon: if there is a change we would want to wait and see.

A discussion occurred about the new Zone 2 delineation and the Aquifer Protection District. Bill Scanlon then made two (2) additional points, first the northeast part of the district connects to Webster's Zone 2 and second, the Mill Overlay district was excluded when this was adopted. He questions if you would want to continue to exclude or investigate adding it. Another discussion occurred about why it may have been left out.

Scott: What to you need from us?

Bill Scanlon: We would like to change the Zoning By-Law at the May Town Meeting and the Planning Board would hold a place holder. Wondering if you would be interested in sponsoring the article or could ask the Planning Board. As soon as you get the answers, please let him know and then can move forward to Town Meeting.

George: I will call Jay Billings tomorrow and get some additional information.

Another discussion about other areas of concerns and concerns with Zone 2 and Aquifer Protection District. Scott stated that we will get answers and keep in touch.

Water Sewer Rate Study Presentation by Tighe and Bond: Mike Schrader and Jeff Faulkner from Tighe and Bond were both here to present via zoom. Mike stated he would go through each slide giving an overview and if questions can go over information.

This is an update of the Water Rate Evaluation for the Town of Dudley MA. Went through the first few slides which is an overview of the process and how it was determined.

On slide #4, Water System Status and Needs: please look at the original presentation of Capital Improvement and the new updated and see that now a number of projects have been completed. \$200,000.00 granted from DEP for PFAS (SRF Grant) and other projects going forward.

On slide #6 Updated Capital Improvement: the yellow items are new projects/items. PFAS was discovered at the other Wells. Temporary treatment at Well #7 and #1, the vessel will be repurposed into final treatment plant. The new treatment plant project changed due to PFAS, and principal forgiveness increased and there are still other projects ongoing, PFAS is not the only item we have to focus on.

On slide #7 Projected Expenses: this is going forward for the next ten (10) years, then below is showing the debt associated with the treatment plant, then below that is the three rate alternatives that were evaluated for this presentation.

A. 0% PFAS Debt Exclusion (Water Rates pay for 100% of the WTP) 12% increase of rates in FY2023 and FY2024

B. 100% PFAS Debt Exclusion (General Fund pay for 100% of WTP) 5% increases of rates in FY2023 and FY2024

C. 50% PFAS Debt Exclusion (General Fund and Water Rates each pay 50% of WTP) 8% increase in rates for FY2023 and FY2024 and a result in increased property taxes.

Slide #11 Total Cost Impact on Property Tax and Water Rates: it will increase the total levy by 2½ % every year. The slides show the differences between 100% debt exclusion and 50% debt exclusion. This

is assuming the levy increases. This also is a conservative estimate on a single-family tax bill. More discussion regarding this may be warranted on the town's side.

Slide#12 Customer Impacts: compares on three (3) scenarios showing the impact on rates and property taxes and the total costs over the next seven (7) years. It is understandable when showing the dollars amounts and the effects. There is also a graph showing cost increase, effects, and when it would double. Debt doesn't go away, just different ways of paying it.

Slide #13 Customer Impacts and Affordability: Financial impact on Water Sewer, you calculate the total cost and divide by lowest percentile income and then another factor is the poverty prevalence indicator. Based on the indicator Dudley is considered moderate to low and then as we go on through the years it would change to moderate to high.

Mike Schrader summed up his presentation with the last slide above.

Scott: There are a lot of assumptions in trying to determine shifting in cost between the three (3) alternatives, assuming no debt is falling off debt map.

Mike Schrader: The town would have to help with some additional information.

Bob: How did you base the home evaluation increases?

Mike Schrader: I looked at average house evaluation from the DOR from 2003 to 2022 and did a forecast on that and continued with the trend. If you disagree, we can rewrite with historic trends.

Bob: How much of an increase tax bill is based on debt exclusion and rise in home evaluation?

Mike Schrader: Slide #12 shows the breakdown.

Bob: Would you say this presentation is off due to the debt coming off?

Richard Carmignani: We need to start somewhere; we took some assumptions of home values starting in 2003 and went up. Each year's levy was around 3%. We needed to pick a number and move forward based on basic municipal model to go through. From a public view we need to demonstrate a dollar amount per year on each of the different scenarios. This is a sold representation.

Bob: You can't anticipate everything.

Richard Carmignani: I think this is a very strong model. I've reviewed this it's solid and I am comfortable with the methodology. I have had lots of communication with Mike Schrader on this. My largest concern is the stuff that is on the horizon 3-4 years out on slide #5.

Jay: On slide #5 many of the projects that upcoming are expensive, how can we start talking about spending \$12 million plus down the road?

Bill: It is a good projection sheet.

Scott: Some projects have been pushed out multiple times. We have been talking about a new water source for 20 plus years and keep pushing it out due to other issues.

Jay: What are the top five (5) priorities?

Bill: PFAS

Bob: Jeff and Mike, have you factored in the supply and demand and cost increases? Pipe has gone up about 25% in the past few months. A 25% cost increase and a 12-week lead out for supplies.

Mike Schrader: I completely understand where you are coming from. I would put everything you think you are going to need for CIP. When look at the rates you continue to adjust and push things you need to the top and move on what you need. This is not a one and done, this is continuous.

Bob: I am looking at \$9 million.

Jeff Faulkner: \$9.23 is what it is, the town approved at \$11.5 million and is discounted with principal forgiveness.

Bob: How much is the contingency?

Jeff Faulkner: Prebid is 10% after bid is 5%. CIP list is what was presented to us from the Water Department. I would advise against pushing items off. You are in the middle of Asset Management and will most likely have more items coming up.

Mike Schrader: The Asset Management Plan is all based on risk.

Scott: This gives us something to think about.

Mike Schrader: there is a lot to chew on, send any questions to me. A lot to think about.

Scott: If we look at the comparison to three (3) years ago, nothing is going down. We have some considerations to make.

Richard Carmignani: Do you need anything else from me?

Vadar System Information (changing from Point Software): This item was taken out of order so that the Town Treasurer/Collector could speak on this. Richard Carmignani stated that they were look at a new software. Vadar System has a larger system, water sewer would be similar as point but better developed. There is no cross referencing with the Point System. Vadar has a more developed platform, the Treasurer, Accounting, Collector, Water Sewer and Assessors all or cross referenced, in point all entries are manual. We don't not have a cost in hand at this time. Price should be comparable to Point Software.

Scott: Is this a done deal?

Richard Carmignani: this is the exploratory phase.

Bob: What do you currently use for a general ledger?

Richard Carmignani: Excel spreadsheets.

Bob: You may want to look at it as a whole, Municex Software is a step above.

Bill: One of the other problems we have is with our budget. One unknown factor belongs to us. We don't have the information needed. The information on bad debts and accounts that don't pay is what we need to have from you. There are multiple offenders, and we need to know.

Richard Carmignani: \$26,560 in Tax Title between water and sewer tax title represents 1% or less for last two (2) years, my hands have been tied due to COVID and Land Court.

Bill: Let me rephrase what can't we be given the information? We need to know because we have to take action. This happens every year and we need to know if same person.

Richard Carmignani: With respect I don't think your summary is 100% accurate. The actions taken on all Water Sewer accounts have been blanket actions. Everybody gets a demand; lien bill is a priority payment. Everything lien this year is Sewer 81.52% collected as of 4pm today for liens this year. This is the best action in my opinion. The original discussion was a Vadar System. 2021 Water amounts everything lien, maybe another day we can have a discussion about collection efforts.

Scott: you will keep us informed about the decisions with Vadar.

Richard Carmignani: Change in inevitable, Vadar has one through two presentations.

Scott: We just want to be able to budget for cost.

Bob: Any ballpark estimates on cost?

Richard Carmignani: \$250,000.00 - \$300,000.00 over five (5) years, maybe \$10,000-\$15,000/year.

Jay: Is Vadar System compatible with NSight?

Scott: Yes, it is.

Pump Station #1 Change Order: The wall was not as thick as originally thought and need a change order due to increased cost.

Bob: That can't be anticipated.

Bob made a motion to approve the change order for \$5585.50, Bill seconded the motion, no further discussion, a vote was taken, all in favor, passed unanimously.

Jeff Faulkner asked if an email could be sent with the motion and order to proceed. Email was sent by Administrative Assistant.

Change Order for Temporary PFAS: Jeff Faulkner stated that the construction market is going through delay issues. Well #7 PFAS project pressure relief valve as safety valve in original design not due till April. The alternative is to use rupture discs in place of until pressure relief valve when it comes in. Change order to add rupture discs for \$2447.00.

Bob: What is the date for completion from Barbato?

Jeff: Sometime in February, we are anticipating an updated schedule.

Bob: This should be on them; I have an issue with contractors who refuse to do what's necessary to fulfill their requirements because he wants to get items at his preferred pricing, not just get item that is necessary at average cost.

Jay: is it a 6" ruptured disc (175#)?

Jeff Faulkner: Yes, it is rated for 175# so that's what it is.

Bob: To Jay's point, what is the issue once it ruptures? It is out of commission? Are we out of service and not providing water? Two problems with this project, first this shouldn't be at our expense and second, we should have a contingency plan, should we have spares on hand?

Jeff Faulkner: PRV would happen on the town side, not really concerned. The goal with rupture discs is to allow construction to go forward, likely in March time frame to start. Don't think we will be using rupture disc for too long prior to the PRV.

Scott: Will there be backups available?

Jeff Faulkner: The quote is only for a single set, if you want back up could prepare a new quote for second set. The process would be quick.

Scott: When they bust, do they pump out onto the ground and lose a well?

Jay: Can we get the name of the rupture disc and research it?

Jeff Faulkner: Yes, I don't think anyone knows the delivery would take this long.

Bob: When did they place the order?

Jeff Faulkner: I don't have access to that.

Bob: I have dealt with Barbato before and had similar issues with delivery of products. When delays came up, we offered to go through our vendors, and they denied because they could get better pricing.

A discussion occurred regarding the use of rupture discs, the PRV delay due to construction company.

Bob: Have you looked at the specs and temperature of rupture discs? Also, I question whether to get one (1) or two (2) sets of discs. What happens if it ruptures? Having a spare on hand would help prevent loss of a pump station.

Scott: In my opinion I would like to see this move along.

Bill: What is the risk if it is delayed?

Bob: You run the risk of a violation with DEP.

Jay made a motion on the Barbato change order 6" 175 psi rupture disc and installation, Bill seconded the motion, discussion occurred. Scott needs assurance of this, what will happen if ruptures and process of repair? Bob stated first if we approved, we should get a second disc and second, I would recommend that we pay for materials and Barbato pays for materials. They should be held accountable for not meeting the deadlines. George then stated that Bob is right, I had to get materials for them for Station#1 because of delay and we should get two discs. Jay and Bill agreed to rescind the original motion.

Bill made a motion to accept the change order for Barbato to include two (2) discs and we pay a total of \$1944.00. Jay seconded the motion, no further discussion, a vote was taken, vote was three (3) in favor, one (1) against, vote passed with majority.

Easement Update: Scott stated that there were numerous emails and conversations this past month regarding the easement and at this time we do not discuss the easement and schedule an executive session with Town Counsel present. Bob stated should be done in executive session due to real property and litigation. A quick discussion occurred with an overview of what has transpired. Will try for executive session on 2/9/2022 at 6:30pm.

28 Charlton Rd – Water Leak – this item was tabled as it is being addressed.

Webster True-up update – this is being tabled – currently being addressed.

Follow-up on Town Counsel Responses: Scott stated that you have copies of two (2) responses in your folders. First one addressed the non-union personnel and reviews and payments which was addressed at the 1/19/2022 meeting. Second, it was brought up earlier regarding the release of non-payments information for Water Sewer Bills. The commission discussed and it was consensus of the board that we do a formal records request for the information, all past due bills and accounts and any outstanding balances of Water and Sewer bills.

Haluch – release of Final Payment for Blending project:

Bill made a motion to release the Final Payment for the Blending Project to Haluch Construction, Jay seconded the motion, no further discussion, a vote was taken, all in favor, passed unanimously.

Policies Follow up: tabled until next meeting.

Moratorium: tabled until next meeting

Superintendent's Report: George presented his report to the Commissioners previously via email. He asked if there were any concerns or questions? Bill asked about the two water sewer workers assisting with highway. George explained that two of the guys work for the Highway Department plowing with

Highway trucks during the storm and are paid by highway. There was no further discussion about the Superintendent Report.

Public/Board Comments: No Public, Jay asked how the new gas cards were working and being paid. Gas cards working well and being paid via vouchers. Bob asked how the I & I progress was coming along? George stated that it was going well. Bob also stated that he saw the draft of the Emergency Response Plan and he was extremely disappointed with that. Stated it definitely needs to be reviewed and discussed with the engineer who did this

Jay made a motion to adjourn, Bob seconded the motion, no further discussion, a vote was taken, passed unanimously, meeting adjourned at 8:43pm

Respectfully Submitted,
Jennifer Cournoyer, Administrative Assistant