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John M. Driscoll, *General Manager*

WATER DIVISION

Water Commissioners' Meeting May 8, 2018

Members present were: Chairman Dana Blais
Clerk/Secretary Chris Stewart

Employees present were: General Manager John Driscoll
Water Superintendent Ron Davan
Business Manager Jennifer Belliveau

The meeting was called to order at 6:10 p.m. by Dana.

The agenda was approved on a motion by Chris seconded by Dana, 2-0 in favor.

The minutes of March 6, 2018 AND April 3, 2018 were approved on a motion by Chris, seconded by Dana, 2-0 in favor.

Old Business:

The GM revisited his FY2019 water rate proposal with the Board from the April meeting. The Board had voted at the March meeting to establish an OPEB Trust for the Water Plant based on a report done by the GM. The report showed a 30-year funding status with a \$50K initial contribution and \$75K per year thereafter. Since the water budget for FY2019 was essentially level funding, this additional \$75K would have to be gotten from water rates via an increase. The GM had proposed a 5% rate increase at the April meeting to collect an additional \$75K from water customers to fund the trust. Dana inquired as to the financial health of the Water Plant thus far in FY2018. The GM stated that we are selling less gallons than FY2017 but the revenues were basically the same thanks to increased miscellaneous income. The Water Plant now paid all its bills on time (including its electric bills) including four (4) loans at the same time. The WS stated that there had been very few water main breaks thus far in FY2018 so this had helped to keep our operating costs down.

Both Dana and Chris felt comfortable with the GM's proposal for a 5% water rate increase and that he had done enough justification thru sales summaries and the trust report to make the 5% reasonable. Water rates would increase on July 1, 2018 as follows:

CUSTOMER CHARGE	\$59.29 to \$60.00 per Bill
TIER 1 USAGE 0-12,500 GAL	\$7.74 to \$8.60 per GAL
TIER 2 USAGE 12,500-25,000 GAL	\$8.59 to \$9.10 per GAL

TIER 3 USAGE 25,000+ GAL

\$9.62 to \$9.60 per GAL

The GM said that the average quarterly water bill in town would increase from \$166 to \$175. Dana felt that the Water Plant was managed well and was operating well and that we should start preparing to cover our retirees' benefits costs now while we are taking enough money in, before they retire and the expenses start hitting water rates harder. At this time a vote took place as follows:

"On a motion by Chris, seconded by Dana, 2-0 in favor the Board voted to accept the GM's proposed water usage rate schedule increase of 5% for FY2019 as presented to them."

Chris - Aye

Dana - Aye

New Business:

On a related note, the GM presented to the Board his proposed water plant operating budget for FY2019 of \$1,640,662. The new \$75K OPEB Trust expense was cited as the sole reason for the budget increase of 4.5%. Employee benefits would be up 48% from FY2017 but 46% of this was due to funding the new trust. The GM mentioned that electricity would be up 3% from FY2017 due to a change in the on-peak/off-peak electric rate schedule put in place in January 2018 (this was done to alter the on/off cost split from 70%/30% to 55%/45%). Dana asked Chris if he saw anything in the GM's budget that stood out as needing specific explanation or justification; Chris said that the budget figure looked fine to him. Dana agrees with Chris on this. At this time a vote took place as follows:

"On a motion by Chris, seconded by Dana, 2-0 in favor the Board voted to accept the GM's proposed water plant operating budget of \$1,640,662 for FY2019 as presented to them."

Chris - Aye

Dana - Aye

Other Business:

The GM and the WS told the Board about the issues that they'd been having with the chlorine pump system in place at the Sawyer St WTP. Much time and money had been spent over the last few years to keep the existing pump system running even though our design was an older one. The WS stated that this year he had trouble finding repair parts and was afraid that by next year these parts would not be available anymore at all. He had attended several conferences involving water treatment and most other water systems had moved to a newer mainstream design. The WS told the Board that a newer chlorine pump system would use chlorine tablets rather than injecting a chlorine solution into the source water.

The Board looked at a proposal done by Tighe & Bond to take care of any engineering and permitting necessary for us to put a new chlorine pump system online at Sawyer St for \$13,900. Both the GM and the WS were comfortable working with Tighe & Bond going back to FY2013, and they had already provided consulting services to the Water Plant on our capital improvement study, a rate study AND the new Johnson Ave WST. Dana was in favor of having the newer piece of water treatment equipment in

place because there are parts available for it and people trained to make repairs on it. Chris also felt that the newer system was the way to go. At this time a vote took place as follows:

"On a motion by Chris, seconded by Dana, 2-0 in favor the Board voted to accept Tighe & Bond's proposal for engineering and permitting services for the new Sawyer St WTP chlorine pump system for \$13,900 as quoted."

Chris - Aye

Dana - Aye

The GM and WS would be in touch with Tighe & Bond tomorrow to authorize them to begin this process and they would come back to the Board when the rest of the cost was known for the pump system equipment and installation. The \$13,900 portion was necessary to comply with the Mass DEP since this dealt with adding chemicals to drinking water.

The Town had been in touch with a contractor who was planning to remove several trees near Sadie's Pit in East Templeton, either close to or within the delineated Zone II for the Sawyer St WTP. Apparently, the Town would get around \$21K for this wood, and the WS had been approached by the Board of Health to unlock our well site gates to inspect the trees. The GM thought this was odd since the trees were mostly pine, so he contacted the Town Administrator and was told that if any portion of the trees being removed fell within the Zone II area then the Water Plant would receive those funds. The GM added that they were going to be removing trees behind the Town's DPW facility on Baldwinville Rd as well. The GM and WS would check with Tighe & Bond to see if there were any regulations on tree removals in such protected areas and they would work with the Town thru this process.

There being no other Open Session business to discuss, on a motion by Chris, seconded by Dana, 2-0 favor the Water Commissioners' Meeting adjourned at 6:50 p.m.

Respectfully Submitted,



John M. Driscoll
General Manager