

Minutes of 01/30/18- Sewer Commission meeting – Town Hall, 17 Main Street

Attendees: Vice-Chair, Carl Luck, Clerk, Joan Pease, Members, Troy Daniels, John Reynolds, Business Manager, Barb Lefebvre, Minutes Clerk, Jane Ranley

Guests: Mary Manning, Audra and Graham Sprague, Heather Lemieux (Town Manager), Karen Brochu (Town Accountant)

Joe opened meeting at 6:33 pm stating that "in accordance with the requirements of the Open Meeting law, please be advised that this meeting is being recorded and broadcast over Lunenburg Public Access." Roll call attendance was taken with Carl, Troy, John, Joan, and Joe present.

APPOINTMENTS-

Mary Manning, Lt 27 Mass Ave. – request for credit. Mary contacted Barb concerning her sewer usage that had gone high and is requesting a credit. The water department has confirmed that there was a leak. She is concerned about the methodology of how the sewer bill is determined and asked about having a meter to determine the sewer usage. Barb said that the potential credit amount was determined by looking at the last 4 quarters and calculated as \$436.65. Her January usage had gone down significantly after the leak was fixed. Mary said that she was away in December and her pipes broke due to the cold, but had pipes fixed. Troy asked if the water department would be giving a credit and Barb said that the water department does not give credits for leaks. John questioned about how much was the use of power washing? Mary said that she does not go outside for power washing but just was questioning how the usage is determined. In regards to billing, Carl replied that the bill assumes that whatever water goes into the house then goes down the sewer, taking into account use recorded on irrigation meters or for pool filling. Town gets billed for whatever goes out of the town and it is only well documented exceptions that can be looked at. Troy added that everyone has some usage that does not go down the drain, like car washing, watering plants, etc. Carl replied that it all gets averaged in the rate and urged homeowners to get a copy of the Irrigation Meter policy from Barb. The Commissioners reviewed Mary's usage and bills for 2016 and 2017.

Motion: Joan P.

Second: Troy D.

To approve the potential credit that Barb has calculated following the Adjustment policy of \$ 436.65. Vote: Unanimous

Audra and Graham Sprague, Tilton Ave. Extension request – Joe explained that the Sprague's would like to go the Town Meeting to request a sewer extension but needed to come before the Commission first. Audra S. researched and found that Tilton Ave. was in the Comprehensive Master Wastewater Plan (CWMP) Phase 1 study in 2001 but was taken off in Phase 4. She talked to Jack Rodriquez who explained that he had gone door to door 18 years ago to see who was interested in sewer and found most residents did not want to connect to sewer. She added that it would be too expensive for 1 family to take on an extension. Barb replied that Jack was checking door to door about sewer because he was considering paving Tilton and that that may possibly be the study referenced in the CWMP in the decision to exclude Tilton. Carl said that the CWMP is based on need, did not know how Tilton Ave. was missed and supports revisiting the need on Tilton. Joan agrees and asked about where the original engineering report is and Barb replied that it is in the Sewer office. Audra said that their septic is not in failure now but not sure how long it will work. Troy noted that there is a long process for extensions so it may not be the practical route if need is immediate. Carl added there is a process and first they would need to go to Town Meeting to add an article for a warrant to add it to the Sewer Service Area (SSA). The Sprague's can start working on other things while waiting to come to Town Meeting. Carl commented that there are 2 routes – they can go the betterment route, with whole street sharing the cost or do a private extension, where they pay for the roadwork and a privilege fee. They would need to get 2/3 of neighbors to participate to do the betterment but a private extension would not affect neighbors. Barb noted that March 22nd is the deadline for the Town Meeting warrant. Carl said the Sewer Commission should do research and go back to engineering for information. Troy asked and Carl clarified that an owner needs to prove that they cannot put in a septic on their lot in order to be added to the SSA. Graham S. stated that the lot has a stream and a drop down in the back. They currently do not have a leach field and are using a dry well.

Motion: Carl L.

Second: Troy D.

To take action to look at the Tilton Ave. area to see if qualifies as a needs area.

Vote:

Unanimous Joan suggested that the Sprague's could go to the Conservation Commission, to get buffer zone information and gather data on inability to perc the lot. Joe qualified that the motion involved looking at the CWMP. Commission advised the Sprague's to do some parallel work while Sewer Commission researches the plans.

PUBLIC COMMENT - Carl read a statement concerning the call for the 11/3/17 special meeting, in which his name was brought up regarding claims that a supplier was going to quit working with the town and that he had brought the integrity of an engineer at a supplier into question. He got confirmation from the Town Manager that those claims were not true and that the false claims were not made by the DPW manager. Although the claims caused him stress and anxiety, he is satisfied that the claims were proven untrue and the Town Manager will be working on Town personnel policy for concerns about a board member. He hopes that the Commission can put this behind them, focus on job they were elected for and work to solve the question of the inconsistent data provided by the 2 engineering firms. He thanks the Town Manager and Board of Selectmen Chair for their support. Troy would like to put the issue on an agenda to discuss. Carl will give Barb a copy of his statement (attached as part of the minutes).

Counsel costs – Heather and Karen – Heather stated that previously the Sewer Commission was paying for counsel directly, but now the counsel bill is all in one but Sewer Commission should still pay their share of cost of counsel. Joan asked to clarify that if the Sewer Commission has a legal question, it goes through Barb to counsel. If an individual has a question, then they should go to Heather. Heather agreed and said that individuals can go to the town counsel hours. Carl said that a procedure does need to be put together and it looks like counsel is not billing for office hours. Heather clarified that if an individual goes to office hours, it is included in under the town umbrella and that charges are from doing research and answering questions. Troy was surprised by the bill and felt that the Sewer

Commission was not given a say in how this new process was set up. Carl felt it was good to look at this in regards to the Budget. Heather clarified that if a commissioner goes to Heather with a sewer question for legal, it will be charged to sewer. Joan questioned if the Sewer Commission couldn't use a different counsel? Heather feels that the new town counsel has represented the town well and would be better to not seek outside counsel. Troy said that he does agree with Heather. Carl also agreed that the town counsel is good and they just need to figure out the payments. Karen feels that the Sewer Commission should budget for paying counsel directly from the Enterprise Fund. Troy asked if there is a flat rate or if all departments are billed the same rate? Heather said that there is a flat retainer rate for the town and each month the Sewer Commission would be billed based on a percentage of counsel hours related to sewer. The actual hourly cost could fluctuate each month. Carl felt that the Sewer Commission needs to iron out costs before figuring how much to budget for legal. Joan added that they need to decide as a Commission how to use those hours. Heather reiterated that office hours are paid by the town but research is charged to sewer. Karen suggested looking at last 6 months to see what the figures were and look at the town's budget, vs sewer enterprise budget, figure the cost of legal, and apply % to sewer for legal cost. The concern was raised about using a percentage of the total if the Commission was the only user for a month. Joan stated that commissioners need to be careful about what is asked for outside of the office hours. Carl added that it is important to pay our fair share and protect interest of users. **OPEB Funding**-(Other Post-Employment Benefits)- Karen reported that the Sewer Commission's total liability is \$129,481 accrued for Sewer Enterprise for Barb's retirement, with \$ 6,559 annual service cost and Net OPEB expenses of \$10,072. The numbers are updated every 2 years. If sewer funds some of the \$129K, the yearly amount will change. Troy asked how the \$129K figure was determined and Karen was not sure but said it was related to the number of years Barb has worked. Karen added that the town is being encouraged to put some money towards funding the OPEB. Sewer should have their own trust fund sub-account if they decide to fund some of that OPEB, since any interest would stay in the fund. Also bond companies like to see towns trying to help fund these accounts. Carl reported that he went to a workshop on OPEB and many towns are looking at other ways to set up different benefits plans going forward. Joan questioned if some of Barb's retirement funding would be from her work prior to working in sewer commission and if sewer would be also responsible for some of Jack Rodriquez's fund? Karen said she would need to look into that. Carl felt that sewer should put funds away at the same percentage as the town and John agreed. Karen suggested funding the \$6,559 annual amount to help when Barb retires and said the OPEB trust fund has better interest than the Enterprise fund, but it is up to the Sewer Commission how they want to fund it. More discussion followed on the costs of retirement health and Medicare plans.

CURRENT BUSINESS

FY19 Budget – Carl asked about how office space is calculated. Karen replied that office space, including utilities, is based on calculation for other committees, such as PAC and DG Ink, at \$6,000/yr. Carl wants to make sure that they are charged based on cost and not based on what another committees are charged. Joan thinks it is fine to go with the \$6K since it would take a lot of time to research and the budget is due now. Carl felt that users deserve to know how they are being charged. Joan replied that she feels they should focus on the larger picture and not get weighed down on such a little item. Joan made a motion to accept the \$6,000 for office space and seconded by Troy but no vote was taken. Carl felt that they should not vote on each line item. There was a consensus to leave the \$6,000 for this year and Joe will put it on the agenda for looking into researching cost for office space. Carl asked about the insured value of the pump stations and was concerned that the insured value of pump station is the replacement cost. Carl questioned the figures for value of all town property, which seems low, compared to the value of the pump stations. Joan suggested adding a line item to have Weston & Sampson follow-up on their 2012 valuation document to update information as to the replacement value and longevity of each generator and pump station. Carl agreed an update should be done to see if the insurance is adequate and John added that they can decide later who will do the update. Carl asked for clarification on the numbers for stabilization fund revenues. Barb replied that the Stabilization Fund revenue figures were based on how it was done last year. The Reserve Capacity revenue numbers are based on the current fund balance and unused monies transferred last year to be used for Fitchburg costs this year. A separate line (9a from the budget handout) for Reserve Capacity is based on what they expect to collect with new connections. Heather said that she would like to present the budget to FinCom by the 15th and agreed with Barb's suggestion to present an estimated budget. Barb and Heather will decide the key items, the Sewer Commission will discuss them at the 2/13 meeting and then give Heather their best numbers for her meeting. Joan asked Barb if there would be money to have engineering do a capital plan funding study. Barb noted that there was \$10,000 under engineering consulting. Joan questioned whether that \$10,000 will be enough to do engineering on new service area (Tilton Ave.), capital plan funding study, I/I

study and possibly others. Carl added that there needs to be a sewer system maintenance plan. Joan suggested bumping up engineering consulting to \$20,000 and all agreed. Joan brought up concerns about issues with the irrigation meters—they are antiquated, the technology has greatly improved, and users are having trouble getting meters. She would like to upgrade them, get extra irrigation meters to sell to users and find a plumber for referral for installations. Barb said that she has talked to Jack about monies going towards investment in new meters. There are 81 meters in town now. Carl asked why they would need to make a change and Barb replied that the meter they require are hard to find and are inaccurate, causing billing issues. New ones are radio read or read by the cloud. Troy said he attended a workshop that mentioned adding hardware to an old meter so that it could be read remotely. Barb agreed but said that they would need to invest in a base and readers first. Joan added that many people come in with meter questions and they don't know how to get one. John added that they need to decide what technology they want to use first. Barb added in the line item so that the Sewer Commission would discuss and plan for meter updates. She would like to invite meter companies to come in and present info. Joan feels they need to have money to study this. John reported that he has a 3-year-old meter that does not work. Barb said it would be \$38K for software and \$22K for cellular plus the meter cost. She added it to FY18 get the discussion started. Joan felt that if they have a more user-friendly program, the number of meters could double. Carl thinks that they should see how they can pass on the cost, since right now it is costing \$1,200/year for SWSS to monitor the meters. If they went to a new system, they should look at fees to offset the costs. Troy added that meters are for a specific use. The commission agreed to allot \$5000 for now. Joan asked about the line item for 2% for maintenance of pump stations. Discussion followed on DPW support for sewer and that they do a lot that is not billed to sewer. Joan noted that the 2% for technician support is low, but not necessarily change it this year. Carl pointed out that DPW labor shows up in 2 places. Barb explained that one line is for labor overtime for shoveling, raking, etc. of the pump stations and the 2nd is for indirect cost for technician on call. Joan asked about outsourcing billing and asked if they have sufficient data? Barb replied that the \$10K is a starting point. Carl thought they should decide their path since they have the money in this year's budget to go forward. Discussion followed on using this year's money to the upfront development and then allot \$5K for recurring cost for FY19. Barb would like to have FY18 spending on the next agenda. Legal—will be left at \$5000 with a discussion on use of legal services. Purchase of services—Commission reviewed the lines, Barb explaining that they are broken into subcategories for budget purposes only—but difficult to track for YTD numbers since they are all the same account in the system. There was discussion on regular jetting of the system. Carl felt that they needed to get more visibility as to the jetting so they have a history for next year. Jetting falls under infrastructure. I/I—Carl suggested spending more on Inflow/Infiltration(I/I) this year and less next year. Joan added that they should make sure it is thoughtful process, all should have input, but not do things because money needs to be spent. Carl suggested getting \$20K done this year as a start but the Sewer Commission will discuss this again. Fitchburg Usage—Carl said that the rate will be increasing in Fitchburg 30% and Leominster 3%, but he feels that they can still balance the budget without a user rate increase. Barb is anticipating that they will be spending about \$186K for Fitchburg usage in FY18, more than was budgeted but that revenue is better than estimated as well and should cover it. OPEB—Carl suggested just funding roughly 10% of the service cost for two years like the Town did, so all agreed to \$656. Commission discussed amounts for transfer to Capital Reserve Fund and Joan added that they should come up with an amount to fund each year for replacement of pumps.

380 Electric Ave. Car Wash—Restitution agreement and Privilege fee—Joan reminded all that at the last meeting they voted to move forward. Barb received the restitution agreement as a draft and asked if anyone had edits. No one had edits. Barb added that Adam wants all parties present to sign it, so they can send the draft to Dan and if it is ok with him, have him come in to the next meeting so it can be signed with all present. Joan said she will be away then but if necessary Joan she can sign before she leaves on vacation. All were ok with that but felt they would have a quorum so she would not need to do that.

Motion: Joan P.

Second: Troy

D.

To send the restitution agreement draft to Dan Proctor for the 380 Electric Ave. property

Vote:

Unanimous

Motion: Carl L.

Second: Troy

D.

To assess privilege fee of \$103,963.23 for the 380 Electric Ave. property.

Vote:

Unanimous

Minutes -

Motion: John R.

Second: Joan

P.

To accept minutes of 9/12/17 as amended.

Vote:

Unanimous

Motion: Troy D.

Second: John

R.

To accept minutes of 10/31/17 as amended.

Vote:

Unanimous

Motion: John R.

Second: Troy D.

To accept minutes of 11/14/17 as amended.

Vote:

Unanimous

Minutes of 12/5/17 – more review is necessary and they will hold off on accepting.

DPW Systems Update- Small Water reports, repairs – Joan asked about the Small Water (SWSS) list of costs for spares. Barb said it was part of the FY18 discussion and it will be about \$35K. The Sewer Commission will vote at next meeting. Carl noted that the cost has gone up approximately \$10,000 since last reviewed and would like to find out which pumps will be bought and which stations they will support. Troy commented that there are comments in the reports that require follow-up. Barb will communicate this to SWSS.

Inflow/Infiltration –DEP report -Task 1 and 2, Economic Development meetings- not discussed

Counsel for Highfield Village– Barb wanted to confirm that the Commission is okay with staying with KP Law for the next step? All agreed. **Fitchburg – CSS 4d Project Costs –John Fitch Highway, Rate study** – Carl said that the cost came in 50% more than they expected, but they are ready to meet with the Sewer Commission and he is confident that they can bring that cost down. The next step is to sit down with them and ask how they arrive at figures. He will set up a couple of times and see if who is available to go. **Whalom Kitchen** (previously 324 Ugly Omelet)- Barb said that they want to open on 2/7. It is the same ownership but a management change. Discussion followed on the non-compliance fee assessed to the previous owner and the annual permit and the concern that people might change corporation names to avoid fines starting a precedent. The Sewer Commission agreed to ask counsel for guidance. **Annual report request** – Barb will have it for next meeting. Troy is up for re-election this year for 3-year term and Caucus is March 12th. Troy will need someone to nominate him at Caucus. **Members Agenda Inputs for Future Meetings**– Joan would like to have a discussion on the Commission's use of legal, a discussion on Communications and have a workshop for these discussions.

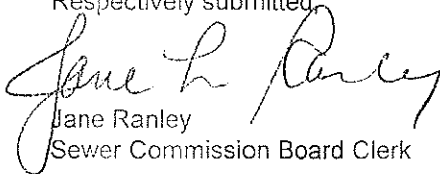
Motion: Carl L.

To Adjourn: 10:22 pm.

Second: Troy D.

Vote: Unanimous

Respectively submitted,


Jane Ranley
Sewer Commission Board Clerk

RECEIVED & FILED

MAR 28 2018

LUNENBURG TOWN
CLERK OFFICE

Documents:

- 1) Public Comment – Carl Luck
- 2) FY19 Draft budget –revision 1/30/18