

**BOARD OF COMMISSIONERS' MEETING
HYBRID MEETING MINUTES
JUNE 28, 2022
7:00 P.M.
CHERRY VALLEY & ROCHDALE WATER DISTRICT**

I. CALL TO ORDER - The meeting called to order by Chairman Bergin @ 7:00 pm

The following were in attendance:

Kevin Bergin, Chairman	1- subscriber in attendance 1- online
Arthur E.J. Levesque, Commissioner	
Benjamin Morris, Superintendent	
Robert H. Lemieux, Sr., Commissioner	
Jennifer Wood, Treasurer - virtually	
Cheryl Balkus, Clerk	

II. District Member Forum – There were no questions or comments from the listening audience, in person audience or from the board. Commissioner Levesque motions to suspend the remaining minutes of the forum. Seconded by Chairman Bergin ended 1 minute and 40 seconds.

III. APPROVE MINUTES

A. June 7, 2022, Meeting Minutes - Commissioner Levesque motions to approve the June 7, 2022, meeting minutes. Seconded by Chairman Bergin. All in favor. Approved.

IV. FINANCE

A. Approve June 13, 2022, Warrants – Commissioner Levesque motions to approve the June 13, 2022, warrants. Seconded by Chairman Bergin. All in Favor. Approved.

B. Approve June 20, 2022, Warrants- Commissioner Levesque motions to approve the June 20, 2022, warrants. Seconded by Chairman Bergin. All in favor. Approved.

Commissioner Lemieux inquired about the charge for \$2,390.93 for meters from Stiles Co and Badger in the amount of \$4,417.80. Per the Superintendent this is for meters and transmitters from Stiles and Badger is upgrade of the 1st 300 meters that were installed when the program began. These are on a 3g network that is being phased out and these transmitters required to be changed out by end of the year. The cost is being staggered out this fiscal year and next fiscal year.

C. Approve June 27, 2022, Warrants – Commissioner Lemieux motions to approve the June 27, 2022, warrants. Seconded by Chairman Bergin. All in favor. Approved.

Commissioner Levesque asked who Berry Insurance is. Per the Superintendent this is our insurance company.

Commissioner Lemieux asked about Worcester Regional Retirement in the amount of \$73,262.00, what do we use Berry Insurance for and GH Excavating. Per Treasurer Wood WRR is the annual fee, Berry Insurance is a 1 annual payment for Workman's Comp and GH Excavating \$4,380.00 was used to install a valve to the mill shutdown on Stafford St.

D. Treasurer Report: *(A detailed report can be found under Reports of website)*

Revenue Received

Water Revenue (Revenue received from water usage) Fiscal FY' 22 Total: \$1,144,997.37

SBA Rental & Solar Rental (Cell Tower Rental) Fiscal FY'22 Total: \$36,221.05

Reimbursements Fiscal FY'22 Total: \$149,780.99

Liens Fiscal FY'22 Total: \$15,889.03

Total: \$1,346,888.44

Operating Expenditures

FY' 22 Approved Budget FY'22: \$1,168,280.90 YTD Total: \$1,031,607.80

Balance before reimbursements: \$136,673.10 Balance after reimbursements: \$286,454.09

Other Payments

Loan Payments

Approved Amount: \$93,000 Paid Amount: \$90,287.92 Balance: \$2,712.08

Grindstone Well Reactivation

Approved Amount: \$580,000.00 Paid Amount: \$242,623.32 Balance: \$337,376.68

Aged Receivables Report

As of Date:	3/31/2022	4/30/2022	5/30/2022
0-90 Days past due	\$47,413.88	\$38,864.00	\$33,905.27
Over 90 days past due	\$21,073.98	\$15,871.01	\$6,305.81
Total	\$63,487.86	\$54,735.01	\$40,211.05

There we no question or comments from the board, listening audience or those in attendance regarding the report.

V. ADMINISTRATION –

A. Sargent St Contract – Per Annual Meeting voted to put out for design phase to have shovel ready. This is strictly for the design to us for a total amount of the contract \$16,000.00.

Commissioner Lemieux asked the Superintendent if there is any assurance from Tata & Howard that they will not overrun the cost of this contract. Per the Superintendent it is cut and dry and there should not be. There is nothing in this project to get a change order to get more money, it covers everything on the design phase, it is not a complex project that should be simple and not going above or beyond what is written in this document.

Subscriber Buteau asked about a completion date and what the costs would have been if it were to be done as to now. Per the Superintendent 60 days, the estimated construction cost if this was done in 2018 was \$140,000.00 now it is estimated at \$205,000.00.

Changes have been made to save on costs. Per Subscriber Buteau the State has some money that may help towards the costs. Per the Superintendent he has been in contact with Representative LeBoeuf that may be able to go through an SRF and then it would be paid but it is unclear at this time but another round out there.

Commissioner Levesque motions to approve the Sargent St contract dated June 15, 2022. Seconded by Chairman Bergin. All in favor. Approved.

B. Capitalization Policy –

Purpose: To establish guidance identifying, capitalizing depreciation and accounting for the district's fixed assets.

Definitions: A fixed asset (a.k.a. capital assets) is defined under this Policy as an asset owned by the district that:

1. Is acquired for use in District operations
2. Possesses physical substance
3. Is long-term in nature (i.e. useful life exceeds 2 years)
4. Is subject to depreciation

Policy: It is the policy of the district that the following types of assets will be considered Fixed Assets of the District.

- a. Land
- b. Land improvements with a limited life, such as driveways, walks, fences, landscaping, and parking lots
- c. Buildings
- d. Building Improvements, such as HVAC equipment, remodeling costs, and landscaping
- e. Pressure & Distribution pipelines
- f. Storage Facilities, such as wet wells
- g. Pumping and Wet Wells such as pumps and booster pump station facilities
- h. Machinery and Equipment, such as generators, compressors, jackhammers, tools, trimmers, etc..
- i. Fleet Equipment, such as cars, trucks, trailers, and backhoes
- j. Office equipment such as furniture and fixtures
- k. Computer Systems, Purchased software and telephones
- l. Planning Documents, systems modeling reports and other documents directly related to capital improvements.

Capitalization Thresholds: Fixed assets otherwise eligible for capitalization must have:

1. An estimated useful life of at least two years from date of acquisition
2. Water system infrastructure assets shall have a minimum value of \$3,000
3. Building, building improvement fleet equipment, machinery and equipment shall have a minimum value of \$1,000
4. Furniture, fixtures, office equipment, computer, purchased software and telephones shall have a minimum value of \$1,000

Self-Constructed Fixed Assets

Only self-constructed sewer system infrastructure assets intended to be used in District operations are eligible for capitalization. The capitalized value of self-constructed assets shall be determined using only direct costs associated with the construction up until the time the asset is complete, and the infrastructure is ready for its intended use.

Per Treasurer Wood and the Superintendent, the auditors have us annually capitalize. We should increase some of these limits due to the way costs are increasing. Something that was not capitalized in the past needs to be capitalized now. Per Treasurer Wood this was in last year's audit report as a recommendation.

Per Chairman Bergin agrees not to exceed the threshold to the increase from \$1,000 to \$2,500 in the capital thresholds of line 3 & 4. Per the Superintendent an example is buying a valve or clamp that use to cost \$500 and now costing \$1,200. Treasurer Wood also provided verbiage from the Audit report under Fixed Assets section dated 2-1-2022.

The district has a capitalization policy for fixed assets of \$1,000. We noted that the district does not have a strong understanding over properly capitalizing and tracking fixed assets according to the policy. Assets purchased with a life of more than one year, meeting capitalization thresholds, should be posted or reclassified as a monthly adjusting entry to the fixed assets account on the balance sheet. We also recommend that the district's capitalization threshold for fixed assets should be increased from \$1,000 to \$2,500.

This is only for now, if prices continue to go up in the future it could change again. Per Commissioner Lemieux if they are making the recommendations then agrees to make the change. There were no questions or comments from the online or in person audience. Commissioner Levesque motions to raise line item 3 & 4 from \$1,000 to \$2,500 threshold. Seconded by Chairman Bergin. All in Favor. Approved.

VI. Operations

A. Superintendent's Report –

Grindstone Update – equalization tanks, fills, lines, and discharge lines installed. They are planning to install chemical feed equipment by end of week and the electrician to wire. Holding up the project is the pump; it was supposed to have shipped the 18th and date was changed to 24th. The engineer has reached out to the pump supplier and awaiting to hear back from them that it did ship.

Since Hydrant flushing completed did leak detection and did not find any issues.

July 1 water bills were sent out today with a notice that there is a slight rate reduction in each of the tiers.

Working with RCAP to gathering data to go over the asset Management plan is. A developing project.

Stafford St - Installed a new valve to shut down the mill at 1030. The valve in place was not working. Cut in a new inline valve as costs savings due to availability of parts. Left old valve in place. The new one will protect the system. If they want to activate the line the property owner would be responsible for repairs. Repairs that have been done will have a lien so if the property sells, we will be paid for the work done. This was an approved item.

Valve Exercising should be later in August. Hydra Tech notified to work with us and to provide price. It is costly but time savings. Equipment we have does not do the job. They are about \$3,200 per day and maybe use them for just trouble areas we have.

Lead and Copper to begin in July. Samples collected from the customers

Once the well is activated will need to be done twice (spring & fall) total of 80 samples For up to 3 years. Depending on the results could be reduced.

Wrapped up the M36 audit with Weston & Sampson. They accumulated and scored us. 1st time average was a 62 which is in the ballpark range of 1st time participants.

Has been in contact with the developer on RT. 56 regarding a fire suppression system. Tata & Howard gave letter for their recommendations. They will be putting in their own tank for the purpose of the fire suppression and it will be metered so we know if they empty and refill.

VII. Communications – Nothing to report

VIII. PERSONNEL – Nothing to report

IX. DATE OF NEXT MEETING

A. Approval of Next Meeting – Per the Superintendent, the State Hybrid meetings end July 15, 2022. Commissioner Levesque motioned to hold the next meeting in person Tuesday, July 19, 2022, at the Town Hall Selectboard Room 3 Washburn Square Leicester, MA @ 7:00 PM. Seconded by Chairman Bergin. All in favor. Approved.

X. ADJOURNMENT- Commissioner Levesque motioned to adjourn the meeting. Seconded by Chairman Bergin. All in Favor. Approved. Meeting adjourned at 7:56 P.M.

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