

BOARD OF COMMISSIONERS' MEETING

MEETING MINUTES

September 17, 2019

7:00 P.M.

CHERRY VALLEY & ROCHDALE WATER DISTRICT

- I. CALL TO ORDER - The meeting was called to order by 7:00 P.M.
The following were in attendance:

Kevin Bergin, Chairman	Cheryl Balkus, Clerk
Arthur E.J. Levesque, Commissioner	11 signed in subscribers in attendance
Robert H. Lemieux, Sr. Commissioner	
Jennifer Wood, Treasurer	
Benjamin Morris, Superintendent	

- II. **District Member Forum** – Subscriber/Commissioner Lemieux 199 Main Street asking about the raising of the sewer manholes and if there is any that have been inspected. Per Superintendent Morris this is a sewer related issue however, there has been good progress, a few small issues and coming along. Paving should occur in two weeks. Subscriber John Shocik 7 Folsom St at the last meeting spoke about the possibility of changing the requirements of water mains. Per Superintendent Morris will be discussing this later under the Rules & Regulations section of the agenda. There were no further question/comments during the allotted 30-minute District Member Forum. Commissioner Lemieux motioned to end this evenings District Member Forum. Seconded by Chairman Bergin. All in favor. Approved.

- III. APPROVE MINUTES
 - A. **September 3, 2019** - Commissioner Levesque motioned to approve the minutes of September 3, 2019. Seconded by Chairman Bergin. All in favor. Approved.

- IV. FINANCE
 - A. **Approve September 9, 2019 Warrants** – Commissioner Levesque motions to approve the September 9, 2019 warrants. Seconded by Chairman Bergin. All in Favor. Approved.
Subscriber Greg Buteau for clarification of the listing of items on the warrants. Commissioner Lemieux asked in brief how 38 degrees works. Per Superintendent Morris we receive our bill from them at a 15% discount, they also pay the District in a lease agreement.
 - B. **Approve September 16, 2019 Warrants** –Commissioner Lemieux inquired about item on the warrant named Pride Environmental - Per Superintendent Morris this is for the last payment of the automation interconnection project that includes installation of the vault, SCADA Controls, and telemetry to automate the process. This was a free cash article that was approved in 2017. Commissioner Levesque motions to approve the September 16, 2019 warrants. Seconded by Chairman Bergin. All in Favor. Approved.

C. Treasurer Report – As of August 2019 the FY'20 Water revenue total is \$214,323.35 (Revenue received from water usage), SBA Rental & Solar Rental \$3,404.90 (Cell Tower Rental), Reimbursements \$29,426.74 (Money received from Cherry Valley Sewer District (salary, telephone) Tax Reimbursement), Liens \$153.58 (Tax Liens), Miscellaneous \$344.00 (Drain Layer Application Fees & Licenses) Operating Expenditures: FY'20 Approved Budget \$1,264,440.81 FY'20 YTD Total \$186, 618.71 Balance as of July 31, 2019 before reimbursements \$1,077,822.10 Balance after reimbursement \$1,107,248.84 (This does not include free cash/special articles/debt service). Loan payments \$37,396.80 (this only reflects FY'20). West St Tank \$34,000 (Special Article Annual Meeting).
Subscriber Greg Buteau 2 Merrick St inquiring if there was a status update of the annual audit. Per Treasurer Wood, they have all in house information from us and being completed, the audit firm is awaiting the information from Worcester Regional Office. Commissioner Levesque motions to approve the Treasurer Report. Seconded by Chairman Bergin. All in favor. Approved.

V. Administration

- A. 9-19-19 Customer Request:** Payment Plan Approval – Commissioner Levesque motioned to approve the 12- month payment plan. Seconded by Commissioner Lemieux All in favor. Approved.
- B. 9-13-19 Customer Request:** Payment Plan Approval - Commissioner Lemieux motioned to approve the 12- month payment plan. Seconded by Commissioner Levesque. All in favor. Approved.
- C. Rules & Regulations Amendment** – Per Superintendent Morris the article reads all service types under 2” to be as copper and requested the Board to consider adding polyethylene with a minimum rating of 250 PSI. The life expectancy is of 60 to 100 years. The polyethylene meets all American Water Works Standards, many municipalities are using this now, it has a 250 PSI rating and the District does not exceed this. Copper has the same however there is increase when lead and copper testing and is more expensive. Commissioner Levesque wanted to know if the town is involved with this. Per Superintendent Morris this is a district request that has nothing to do with the town. Subscriber John Shocik 7 Folsom St had witnessed a water main being changed out that had to be pulled from the house to the street. Due to the condition of the line it took approximately three to four hours to pull and remove it. With the polyethylene he does not believe that this would occur and would be a significant cost savings. Superintendent Morris added with copper you need to be very careful with kinking as the cost of copper is costly. Subscriber Gregory Buteau 2 Merrick St confirms other companies are using the product. Commission Levesque motions to amend the Rules & Regulations to add the polyethylene. Seconded by Commissioner Lemieux. All in favor. Approved.

VI. Operations

- A. Superintendent's Report** – Unidirectional flushing began last week in the Cherry Valley area it is halfway done and scheduled to be completed by end of week. There was a water main break on Brook St that may have been associated with the unidirectional flushing due to increase in pressure causing the main to crack. They were able to shut it off immediately, get an emergency contractor to come in and have the water restored to the area by 5:30 pm. The subscribers were

understanding and cooperative. Lead and Copper has been completed there are 40 samples that are tested annually between July and September. We are waiting for the results and it appears we will be passing. Commissioner Levesque, now that Henshaw Pond is no longer in use is the District re spraying for weeds. Per Superintendent Morris Solitude comes in to check the pond in case we can utilize it in the future.

VII. COMMUNICATIONS

A. Joint Water/Sewer Town Officials/Elected Officials Working Group Update

Per Chairman Bergin the meeting was held 8/27/19. All Boards and Representatives were in attendance. The only group absent was Congressman McGovern's office. There was an inquiry to the MWRA (Massachusetts Water Resources Authority) to see if there was the possibility to provide to Leicester and they cannot, but able to provide to the City of Worcester. An Economic Development Grant was filed that is on hold awaiting a letter from the MassDEP. MassDEP was working on it and no timetable for the completion of this. All followed up on and moving along. There was conversation about the City of Worcester about a possible land swap of unimproved roads. The City of Worcester was not quite ready to negotiate. The snow mobile club said Worcester does not want to speak with them as they use some of these unused roads. When the City of Worcester is ready, they will reach out no sooner than the Spring of 2020. The EPA is offering the WIIN Grant (Water Infrastructure Improvements for the Nation). The Town Administrator awaiting to get back. The Route 9 project work has been underway and helpful to the Cherry Valley Sewer District. The DCR (Department of Conservation and Recreation) sister agency of MassDEP consulted about an inter basin transfer in changing it to be treated from Worcester to Leicester. The DCR's opinion did not see that there would be any big hurdles. We are awaiting feedback on the CVSD loans. Chairman Bergin spoke with Town Administrator and the \$100,000.00 federal loan has been completed and is in for the Federal 2020 Budget. Their fiscal year is Oct 1. The federal grant is separate, after the budget get passed, the town will get the Congressman McGovern's \$100,000.00 for the study. Per Commissioner Lemieux if the money being received from Congress McGovern's is a grant and not a loan. Per Chairman Bergin it is not a loan.

Subscriber John Shocik 7 Folsom St spoke about the negotiations regarding property clarification and that the inner-city rate would be to the CVRWD and not to the rest of the district. Per Chairman Bergin if there is some agreement between the Town and City of Worcester there would be the possibility of the inner-city rate to the CVSD. Since the town is involved perhaps it would involve CVRWD & CVSD. Per Subscriber John Shocik the CVSD is in most trouble and should be top priority, the inner-city rate is not that significant. Per Chairman Bergin any discussions with the city has been open and they need to follow a process. When MWRA activates the shaft, to fill the shaft there is a premium and that cost does get passed onto the Subscribers. The next date and time for the Working Group Meeting has not been set, the coordination is done with the Town Administrator, his Assistant and the Elected officials. Subscriber Gregory Buteau 2 Merrick St asked Chairman Bergin if questions could be given to him on behalf of the subscribers. Per Chairman Bergin he is very welcome to take back with him

questions or concerns from the Subscribers for the Working Group of the District. Subscriber Margaret Darling 17 Brown St. wanted to know when the grant is released will they let the Working Group know and if he is made aware of when the next Working Group Meeting is to be held if he would let the Subscribers know. Per Chairman Bergin he will let the Subscribers know. Commissioner Lemieux asked the Chairman if there was any ETA when this will be finished. Per Chairman Bergin we do not have a begin date and unknown of when it will be finished. Commissioner Lemieux can't believe how these things progress and it's unprofessional. If you have a problem, you get together and keep getting together to work on the problem and is there any way that we can move this along at a quicker rate or otherwise it will not get going. Per Chairman Bergin he understands, says that town meetings took precedence, coordination of getting all together, summer vacations. After answers, all groups met again was pleasantly surprised on how much has been done. The fact that everyone has come together that there has been a level of professionalism, and all groups have been meeting to come together. This has been a change from past practice. Commissioner Lemieux expresses that there should be a begin time and an end time. Subscriber Michael Hickey 184 Auburn St asked what was the scope of the grants for the \$100,000.00? Per Chairman Bergin is unaware what the scope of what the grants were and suggests that he speak with the Town Administrator, Senator Moore and Representative Leboeuf. Chairman Bergin explains that it is for the purpose of the study and unaware what the actual scope was. Subscriber Christopher Reilley explains that federal take several years. State grants are a quicker turn around. Each grant has KPI's (Key Performance Indicators) Once the KPI's are met this progresses the grant. Per Chairman Bergin adds that at the next working group meeting will have more questions. Per Commissioner Lemieux that this takes more priority and not take so long.

B. 9-11-19 – Customer Request: Darling

Three questions were received:

1. An update on Working Group of all the districts which was held 8/27. Was it well attended and what was the outcome?

Per Chairman Bergin refer to the Agenda Section VII Communications Item A.

2. CVRWD is privately owned, how are we able to register vehicles with a state plate? Per Superintendent Morris the District is under MGL, it makes the District a municipality and we register with municipal plates.

3. Two large loans were paid off. What is the reason that the price of water charged by the District to the subscribers continues to be so much higher than the rate charged by the City of Worcester to the District? Per Chairman Bergin after the rate study and actual budget in addition to the charge of water from the City of Worcester the district budget has thirty-six other line items. Some of these line items are from accounting, bank fees, MassDEP, field chemical supplies, consulting services, electricity, field supplies, heat, lab work, legal advertising, license fees, meters, motor vehicle expense etc... All of these are part of the operating budget that are required to operate in addition to receiving the water from the City of Worcester. The City of Worcester water bill is \$500,000 of the budget. The loan was the other aspect of the budget. A private consulting company was used to look at the expenses that were provided to result in the rates to cover all items that are in the budget. After back and forth of finalizing the budget numbers were approved and this is how the lowered water rates were

determined. Per Subscriber Margaret Darling customers are having problems in paying their bills, there is a lot of hardship in the District and this is why the question is always being asked. There is the confusion because the price of water is not that expensive, there are items in the budget outside of the water bill that could be lower that could result in lower rates. Per Chairman Bergin if we were able to get the well back on-line the district could save approximately \$100,000.00 in purchasing water from the city and perhaps the District can see another decrease. Per Subscriber Margaret Darling it is disheartening that subscribers are living like the old days. Commissioner Levesque asked if for the next meeting to provide how many subscribers are on a payment plan. Per the recording secretary Cheryl Balkus there are approximately 20 subscribers that are on payment plans.

C. Potential Forensic Audit Warrant Article

To see if the district will vote to solicit bids for a period of 65 days from the date of publication of the request for bids for a Forensic Audit to address the following:

- 1) An accounting of the loan received from the USDA by the District to install a MIEX (Magnetic Ion Exchange) water treatment system.
- 2) To determine how the District used monies received by the District solely because of rate increases for the years 2012 through the present.
- 3) To determine if any District money was used for the Route 9 West development per the agreement between the Leicester Water Supply and Town of Leicester.

Chairman Bergin sent out letters to each of the members who signed the petition of the forensic audit asking for the scope. Feedback has been received and sent to legal counsel and how it would read. Per Chairman Bergin the District never received the \$3.5 million in loans. The District borrowed money to fund the MIEX Study with the hopes to treat and fix the Henshaw Pond quality problems. There was a similar company in Maine with the hopes that it would do what would need to be done. When the District was done with the cold-water study and it was not a success and knew that it would not work for the warm water. SRF (State Revolving Fund) money was borrowed to do the pilot study, \$3.5 million was never borrowed, and the District has a letter from 2016 or 2017 to notify USDA that the loan was not going to be used.

Commissioner Lemieux asked if we have enough valid signatures to the petition to warrant moving forward. Per Chairman Bergin is unclear, some of the feedback was that this was to circumvent to now allow it to move forward. If we do not move forward with this there will still be the doubt of some of the petitioners and wants to put the vote to move forward on this whether it meets enough signatures or not. Because there is a 65 days period of soliciting bids Chairman Bergin does not want to hold up the one bill vote process. Commissioner Levesque motions to move forward with updated wording to go out and receive bids. Seconded by Commissioner Lemieux. All in favor. Approved. Per subscriber John Shocik feels that to the subscribers with the amount of distrust in government it would benefit to proceed and let them have the vote. Per Subscriber Gregory Buteau does not personally agree with the forensic audit and some people did not realize what they had signed and withdrew. Commissioner Levesque motions to move the article to amend it from reading USDA to SRF (State Revolving Fund). Seconded by Chairman Bergin. All in Favor. Approved.

Subscriber Buteau, for clarity that there will be two Special District Meetings one for the one bill one vote, forensic audit and the second Special District Meeting will

be for free cash and the Grindstone Well. Confirmed by the Board. Customer Buteau suggests that the group of people involved with this should be informed of what the costs are associated to run Special Meetings at approximately \$2,500.00 - \$3,000.00.

D. 9-13-19 – Customer Request: Reilley – Commissioner Lemieux, Subscriber Christopher Reilley, Superintendent Morris and Subscriber Paul Ravina held a meeting regarding grant writing, pursuit of grants and Subscriber Ravina analyzing the data of setting future rates and saving money to the district. Per Commissioner Lemieux several great ideas were discussed. Subscriber Christopher Reilley who is a grant writer set forth a proposal to retain him to research and write grants. There could be grants available for rate relief for people who are in a hardship. The main priority is a hardship grant to not allow a municipal lien again. Another initiative is safety equipment, testing equipment and meters. Per Subscriber Reilley because we are a municipality, are not for profit there are several grants available. He says that federal grants take a long time, there should be a long-term plan such as five or six-year plan and there are foundations out there to help. He is proposing to act as a retainer and birdog grants, he has a lot of access to look for these and provided the board with some examples of grants that were or are available and that the district certainly qualifies. His proposal is to retain him at \$100.00 per month as a researcher, inform the Superintendent of what is available and if he is to write the grants, he offers at a discount rate. The Board of Commissioners has been provided a packet that entails Retainer Proposal, Retainer Agreement, information regarding his company Bytesized Studio. There is a breakdown of fees and said that can save the district money. Per Subscriber Reilley has a success rate of 5 for 5 primarily in Art Grants however, the rules are the rules. Per Commissioner Lemieux, Subscriber Reilley and Ravina were very helpful and appreciated having the meeting. Chairman Bergin clarifying with Mr. Reilley that the packet he has provided to the Board are specific to a water district and asking how is this different than what Tata & Howard currently does for us now. He missed the last meeting and thought that this was doing this for free and now there is money involved. Per Subscriber Reilley explains that the price of writing a grant can be incorporated in the grant and Commissioner Lemieux said he previously asked the group that was in attendance or the viewers to volunteer and no one volunteered. Subscriber Ravina volunteered his services for doing an analysis of the rates as his background is data analysis SQL (Structured Query Language). Commissioner Levesque and Chairman Bergin would like more time to read the information before accepting. Subscriber Michael Hickey 184 Auburn St. asked what the typical price is. Per Mr. Reilley 75% of grant writing is research. With so many variables could cost in the range of \$2,000 - \$12,000. Per Subscriber Hickey said we would also want to know what the long-term range savings would be as well.

E. 8-6-19 – Customer Request: Darling

Requesting a monthly report with the following information:

of gallons of water purchased from the City of Worcester and the cost associated with that purchase.

of gallons billed to subscribers and the total amount billed to subscribers.

Per Superintendent Morris we do not currently use this data as we do not have a need for this. To get numbers to match with the city against our billing cycle would be virtually impossible or infeasible. We do currently provide treasure report or

investigated we could add to it aged receivables. We have researched and there is no way to achieve this, best option would be to provide the 3 different reports and she could take these for her own. Superintendent Morris says annually we physically get a report of total amount billed based on categories – residential, commercial, multiple categories and report it in the form. Totals are given, we estimated 12% of our water is unaccounted for and unbilled. (Annual Statistical Report) This could be water sitting in a water main or a tank and the water has been physically purchased. Commissioner Lemieux asked Subscriber M. Darling what she would need this information for. Per Subscriber M. Darling said for curiosity.

VIII. PERSONNEL

IX. DATE OF NEXT MEETING

A. Approval of Next Meeting - Commissioner Lemieux motioned to hold the next meeting Tuesday, October 1, 2019 @ 7:00 PM at the Leicester Town Hall
Seconded by Chairman Bergin. All in favor. Approved.

X. ADJOURNMENT- Commissioner Lemieux motioned to adjourn the meeting.
Seconded by Chairman Bergin. All in Favor. Approved. Meeting adjourned at 9:56 P.M.

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