

BOARD OF COMMISSIONERS' MEETING

VIRTUAL MEETING MINUTES

March 16, 2021

7:00 P.M.

CHERRY VALLEY & ROCHDALE WATER DISTRICT

- I. CALL TO ORDER - The meeting was called to order by Chairman Bergin @ 7:01 P.M.

The following were in attendance:

Kevin Bergin, Chairman

3 – Subscribers

Arthur Paquette - LCAC

Arthur E.J. Levesque, Commissioner

Benjamin Morris, Superintendent

Robert H. Lemieux, Sr., Commissioner

Jennifer Wood, Treasurer

Cheryl Balkus, Clerk

- II. **District Member Forum** – Subscriber Greg Buteau asked if there is an update of Weston & Sampson getting back on comments on the water / sewer study. Per Superintendent Morris the last he heard they were working on the corrections. A few individuals have reached out to us from their team to make sure the information will be accurate. There were no other inquiries during the District Member Forum. Commissioner Levesque motions to suspend the District Member Forum. Seconded by Chairman Buteau. All in favor. Approved. The District member Forum ended in 4 minutes 12 seconds

III. **APPROVE MINUTES**

- A. **March 2, 2021 Meeting Minutes** – Commissioner Levesque motioned to approve the minutes of March 2, 2021 Meeting Minutes. Seconded by Chairman Bergin. All in Favor. Approved.

IV. **FINANCE**

- A. **Approve March 8, 2021 Warrants** – Commissioner Lemieux motions to approve the March 8, 2021 warrants. Seconded by Chairman Bergin. All in Favor. Approved.

- B. **Approve March 15, 2021 Warrants**- Commissioner Levesque motions to approve the March 15, 2021 warrants. Seconded by Chairman Bergin. All in Favor. Approved.

The warrants consist of the Grindstone Well for \$2,217.50, legal \$445.50, phones, meters, office expense, lab work, service agreement, City of Worcester \$28,787.25, payroll, technology, field supplies, motor vehicle expense, technology.

The total of the combined warrants is \$59,974.53

C. Treasurer Report – February

Water Revenue Received \$120,078.23 Fiscal Year Total (FYT): \$833,661.68
SBA Rental & Solar Rental (Cell Tower Rental) \$1,792.28 FYT: \$14,066.92
Reimbursements: (money received from CVSD) \$1,976.79
FYT: \$142,635.86
Liens: \$1,721.01 FYT: \$6,529.23
Miscellaneous: \$0.00 FYT \$1,631.15
February Grand Total: \$125,568.31 FYT Grand Total \$998,524.84

Operating Expenditures

Approved Budget \$1,217,593.91 FY21 Total \$701,839.92
February \$47,669.49
Balance as of 2-28-21 before reimbursements \$515,753.99
Balance after reimbursements: \$658,389.85

Other Payments

Loan Payments: Appvd Amt \$93,000.00 Pd Amt: \$91,877.60 Bal: \$1,122.40
Grindstone Approved Amt: \$225,000.00 Pd Amt: \$24,828.64 Bal: \$200,171.36
Clear Well Approved Amt: \$355,000.00 Pd Amt: \$37,065.82 Bal: \$317,934.18

Aged Receivables – As of 2/28/21

0-90 Days: \$71,974.31 Over 90 days Past Due: \$46,810.87

Total: \$118,785.18

V. ADMINISTRATION

A. Terminations – Per Superintendent Morris this time of the year we issued notices for termination of nonpayment, there is a significant amount of money that is due to the District at this time. As of February 26, 2021, Governor Baker signed an extension of moratorium for utility shut offs by extending it till 7/1/2021. Since we are not regulated by DPU (Department of Public Utilities) we do not need to follow this order and asks the Board if we want to follow with the other utilities and if there is the extension there will be more liens. Currently we have 85 accounts eligible for termination. Of these accounts 33 are eligible to lien, there are nine promise to pay and five accounts that active payment plans. The Superintendent to the Board if to are to begin to terminate April 15, 2021 or extend it till July 1, 2021.

Commissioner Levesque wanted to know if we will have enough money to get into the next fiscal year. Per the Superintendent we should be by limiting all our expenses to what is needed, and we do need to recoup.

Per Commissioner Lemieux does not really see a benefit to moving now vs July. We run the risk of the government extension again. He is ok with either decision being made. Per Chairman Bergin the primary focus is to have an efficient sustainable operation. With the opening of more with the state July might be the very end and not another extension. As long as we have enough money to fund the budget as planned. We have several subscribers that do not pay during the winter months. This has been the cycle and the subscribers begin to make payments when notices are sent. He is ok with the extension till July.

Commissioner Levesque motions to extend terminations to July 1, 2021.

Seconded by Chairman Bergin. All in favor. Approved.

Per the Superintendent to the Board to advise how we shall process with liens because we need to submit them to the town by May. Currently it is vacant and occupied homes, in the past we had about a dozen properties and to date there are 33 combined vacant and occupied properties pending a lien on them. Per Billing Representative Cheryl Balkus, the amount, of accounts could change and be less as subscribers begin to pay their balance, set up a payment plan or other payment arrangement to avoid the lien. Commissioner Lemieux motions to lien in May. Seconded by Chairman Bergin. All in favor. Approved.

B. 3-2-21 Customer Request: 12-month payment plan.

Commissioner Lemieux motions to approve 12-month payment plan. Seconded by Chairman Bergin. All in favor. Approved.

C. Draft Annual Warrant Articles – Per Superintendent Morris most of the articles are traditionally what we see. Article 8 is to reamend the clear well project. Subscriber Gregory Buteau 2 Merrick St wanted to know what the result was to expand who can vote at a meeting and that it ran into a legislative snag. There was discussion to turn it back to the voters to see if they wanted to spend money to continue the effort.

Per the Superintendent he will update the draft articles changing it from 8 to 9 articles. It will need to include if the voters want to spend the money to go forward with the change in legislature.

Subscriber Buteau, regarding the truck that the last two times bought by the District it was done by an outside article and his experience on the finance board and the what the town does you do not put a capital item in an operating budget. He is not trying to fight on this but think's it is inappropriate to put it into the operating budget. He shares that you might not meet Department of Revenue regulations. The town had a special article for a \$5,000 roller and if people do not go along might not have a passed operating budget. If you want to give it consideration to a truck and it be as an outside article to be consistent with government wide practices that have been used by the town and by the District.

Per the Superintendent he has done research and the District has not done this in the past an intent with relation with the truck is to start to establish a vehicle

replacement program for the District. As they depreciate, we start to replace them at their depreciation value. Putting it in the operating budget it would be a reoccurring expense and spread it over several years and why fixing into the operating budget. He is aware that the town has done as for their lease purchasing. He can put it in for one year make one payment and then the next year could be voted down we would need to turn the truck over and we would lose that asset. Fixing it in the budget ensures that the asset is with us for the term of the lease purchase agreement. The thought of bringing something to the table to benefit us in long run and replace equipment as it aged and getting most bang for the buck out of the vehicles and setting it up the way it is being proposed.

Commissioner Lemieux, respectfully to Mr. Buteau is to do what the Superintendent is doing because it is a private business as he understands it has become a fixed expense and as far as what you eluded to was for people to see the total expenditure, and wants to be clear that the Superintendent made it clear to the Board and the subscribers that the yearly expense for the vehicle the lease purchase of the vehicle would be shared and the total expenditure for the item would be disclosed ahead of time and not buried into the operating budget and our subscribers would not have a clear understanding of that expense of that vehicle and make good accounting sense to add it into the budget, and ben being progressive to use the vehicles as we need them and rolling out while they have value before spending serous money to maintain them. Applauds the Superintendent on the financial side and the practicality of maintaining the fleet and making them safe and functional. As a standard practice of a private busines it becomes and expensed item.

Subscriber Buteau cannot comment what is done on private business, but can on what has been done with the District in the past or cannot speak for every town of the Commonwealth but in town of Leicester always been an outside article. If establishing a program, then let us establish for replacing the water mains in the operating budget. Example past article replace the water main n locust. People recognize this. Or like past 2 trucks. People recognize it being as an outside article. Speaking what has been done in government he is not from DOR (Department of Revenue) in the state but knows for years thru separate town administrators and anything of a capital item is done as an outside article.

Commissioner Lemieux this is a depreciating asset it is not a capital improvement of the infrastructure or a building that has a long-term benefit. If we were going to make a separate article, he would not have to vote on every year. He would like to see one vote and last the duration of the lease of purchase term, so we do not get in a situation as the Superintendent stated where outside article one year and then need to be approved 2nd 3rd and so on and subscribers decide not to pass it, the vehicle then we are subject to penalties or other expenses or be without a vehicle. No perfect answer but if an outside article it must be that it is for the duration of the lease purchase one vote one time and must cover that yearly expense for the lease purchase.

Per Subscriber Buteau, structure is as like a bond this is the total price that you can pay that off in increments. You would not want a lease agreement for 1 year and agrees it would make the district vulnerable. To have it read for the entire amount and indicate will have partial payments. Chairman Bergin we need to do more research, yet to decide with a vehicle and how we are going to do it to research with DOR and bring this back.

Commissioner Levesque why do we need to spend more money on the rewriting of the wordsmithing the legislation that came back from beacon hill. Per Chairman Bergin they were not willing to make the change it needs to be brought back to the voters and ask them if we want to revisit this again implement the changes again. We need to bring it back to the voters.

- D. Well Contract Amendment** – Per the Superintendent each Board member has a copy of the amendment of the contract of the changes of the well and the clear well that requires it to be approved and be signed. There is enough money in the Grindstone project to make the changes from not using the Clearwell, reduce the pressure drops when booster pump is running, and this will be a significant cost savings to the project.

Commissioner Lemieux motions to approve the amendment. Seconded by Chairman Bergin. All in favor. Approved.

Subscriber Buteau, when seeing the Rochdale portion of the system to clarify stays the same. Per the Superintendent confirms.

Mr. Buteau wanted to know if DEP had been in discussion and bought into this revision. Per the Superintendent Tata & Howard plan is to have these new plans to DEP for review by end of month. Subscriber Buteau does agree with the engineering concept, but DEP could be an issue with the design change. Per the Superintendent they are going to be given a 95% design and if any comments they will come back to us. He is not concerned with DEP for the Clear Well report inspection. There is the integrity of the issues with the Clearwell. DEP had a lot of structural things to recommend of what to do with the Clear Well, potentially became more expensive and would have costs the project more money. He believes that in conversation with Tata & Howard they are not overly concerned with this change with DEP opinions. It will raise questions and Tata & Howard are prepared for this. DEP will understand the engineering changes and ask questions if needed.

Subscriber Buteau although reduction in construction costs the longer it takes, we are losing about \$10k a month in revenue of not having the Grindstone online.

Commissioner Lemieux inquired if can we call DEP and explain and give them the heads up. Per the Superintendent he would ask Tata & Howard as they are making the submittals of the project. Does not want to overstep them. They are submitting the plan in 10 days. Chairman Bergin believes this will be received as favorable and does not anticipate a problem.

VI. Operations

A. Superintendent's Report – Per Superintendent Morris the testing of the Grindstone well was done yesterday and today. A full electric load test, flow test, measured the draw down on it on how well it is functioning on a 24-hour period. Hope to have info back who we hired in the next week to pass to Tata & Howard for their records.

No significant issues at the well sight. Started the process of pulling the demolition permits to knock down old wooden garage and screen house to get it out of the way in next couple of weeks so when plans come in and where to install the insertions valve. This is our part and of the contract.

System wide leak survey done by an outside company to start towards early April.

ASR completed and submitted to DEP and meets our annual requirement.

A follow up to the research of the dump truck from the previous meeting. He did reach out to two sales companies from the state bid list about Dodge, Dodge diesel, Ford diesel and Chevy. He does not have hard numbers back. However, for the Ford diesel add \$10,000 to the truck and increase to \$71,000 for the truck. He is waiting to get back information of the Chevy and other models. The Chevy is made with crew cab now, we do not need this and pushing it off the list. Ford diesel there is \$1,000 to \$2,000 per year in maintenance cost. Now we spend about \$150.00 three times per year. The new diesel on the Fords have had issues with them. One of the other sewer districts in town had numerous issues with it and purchased a gasoline motor because more reliable. The emissions issues come into a factor, as they are not being driven highway and getting full use. Idling for long periods of time for diesels are not good for them and can end up in significant costly repairs. Speaking with a local mechanics, they work on diesel, with a gas motor on the ford a great price and more favorable. Waiting for the pricing of the Dodge.

VII. Communications – Nothing to report

VIII. PERSONNEL – Nothing to Report

IX. DATE OF NEXT MEETING

A. Approval of Next Meeting - Commissioner Levesque motioned to hold the next Virtual Meeting Tuesday, April 6, 2021 @ 7:00 PM. Seconded by Chairman Bergin. All in favor. Approved.

X. ADJOURNMENT- Commissioner Lemieux motioned to adjourn the meeting. Seconded by Commissioner Levesque. All in Favor. Approved. Meeting adjourned at 8:20 P.M.