

**CHERRY VALLEY SEWER DISTRICT
BOARD OF SEWER COMMISSIONERS' MEETING**

MEETING MINUTES

November 8, 2018

7:00 P.M.

- I. CALL TO ORDER Chairman Manseau called the meeting to order at 7:00 PM with the following present:

Donald G. Manseau, Chairman	Greg Buteau, Not a CVSD customer
Victor M. Taylor, Commissioner	Tom Lennon, Customer
Michael L. DellaCava Commissioner	Attorney Barry Bachrach
Benjamin J. Morris, Superintendent	
Cheryl Balkus, Recording Secretary	

II. APPROVAL OF MINUTES

- A. **September 13, 2018** – Commissioner DellaCava motioned to approve the minutes of September 13, 2018. Seconded by Commissioner Taylor. All in favor. Approved.

III. FINANCE

- A. **Approve Warrants of October 4, 2018** - Commissioner DellCava motioned to approve the warrants of October 4, 2018. Seconded by Commissioner Taylor. All in favor. Approved.
- B. **Approve Warrants of October 11, 2018** - Commissioner DellaCava motioned to approve the warrants of October 11, 2018. Seconded by Commissioner Taylor. All in favor. Approved.
- C. **Approve Warrants of November 8, 2018** – Commissioner DellaCava motioned to approve the warrants of November 8, 2018 Seconded by Commissioner Taylor. All in favor. Approved.
- D. **September Bank Transfer** - Commissioner DellaCava motioned to approve the FY18 Budget Transfer. Seconded by Commissioner Taylor. All in favor. Approved.
- E. **October Bank Transfer** - Commissioner DellaCava motioned to approve the FY18 Budget Transfer. Seconded by Commissioner Taylor. All in favor. Approved.

- IV. **Financial Update** – The Superintendent looked back at the financials back to 2001. There were grants received at the time and the Cherry Valley Sewer District is running off of the grants. March 2006 the auditors made note that revenues were decreasing. Wanted to make aware that this was not something that happened overnight and not 2 years ago that it was 12 years ago. Commissioner Taylor was hoping that someone was going to say something back then that if you do not have X amount of clients coming in then you can't have the loan and then can't have the sewage. Chairman Manseau surprised that the state would let it happen. Commissioner Taylor mentioned Title V was coming in and what was discussed to the customers and tried for the sewage and could not do your own because Kettle Brook did not have enough gray water and then last resort go to Worcester. After that here we are. The Superintendent reiterates that the Cherry Valley Sewer District is in the red. Commissioner DellaCava commented to advise what is to be done. Attorney Barry Bachrach spoke to say he does not have the expertise here and suggests to the staff to find the right council in which options that the Cherry Valley Sewer District has. At some point the sewer district will face receivership with no control and while we do now, bring in some attorney's to advise at the same price as Attorney Barry Bachrach. We should look at specialists who work with

distressed corporations and see that there could be some things that could be done with the federal loans that we have. Since they are not going to volunteer the information but the specialist may have some recommendations. Attorney Bachrach does not have the answers and suggesting to the board to have specialists to come in and try to save. He is not charging for tonight since he does not have the legal answers, but strongly suggests to reach out to the proper resources to avoid bankruptcy. Commissioner Taylor very concerned of the rate structure as the district does not have the right amount of customers to support the sewer. With only 420 customers, the fees incurred from Worcester it's not feasible and something has to happen. The department is making every effort to reach out to the Senator & the State. Commissioner's Taylor & DellaCava motioned to follow Attorney Bachrach advisements. Seconded by Chairman Manseau. All in favor. Approved.

Commissioner Taylor commented that there is money sitting in housing that no one is using the 1.5 million – CA Development could be put in and tied into the sewer to assist to pay. Customer Buteau, arrived late and needed clarity of how long that the issue has been going on. The Superintendent inherited this issue and Mc Govern's conversation is a work in process with his aide. Staff continues to look at other viable options. The largest costs are City of Worcester & the Upper Blackstone, \$350,000.00. The Cherry Valley Sewer District is still looking at bankruptcy. Commissioner Taylor mentioned that there is a lawsuit against the city regarding their rate structure and that it should only be for water & sewer and may involve extras in their fees. It's going to trial and if the case wins against the city this will affect the rate structure. Commissioner Taylor also stated that the sewer district did not have the option to be added to the Leicester Water District. Commissioner DellaCava asked if we could be forced to be taken over by the Town of Leicester. Customer Lennon asked with the current rates how much we are short. The superintendents response is as of 2017 \$659,000 and we are waiting the audit report for 2018. Customer Tom Lennon responded it's impossible to make this up amongst 420 and it's been a problem since day 1. A million dollar budget for 400 plus customers. Customer Buteau also added even with the forgiveness of the loans the sewer district is in the red! Customer Tom Lennon inquired if we have enough money for a couple of years. Per the Superintendent this comes from the betterments that had to pay for the operations. Customer Tom Lennon reviewing the budget and inquired, there is \$16,000.00 for technology, if we do not spend that does the water give back the 50% to the sewer. Per Treasurer Jennifer Wood the item is budgeted and the money is spent. If there is a surplus it will help to pay towards the sewer. Commissioner DellaCava wants to know as soon as any information comes forward and not to wait till a next meeting. The Superintendent agreed.

V. ADMINISTRATION

VI. OPERATIONS

A. Superintendent's Report

The Superintendent is working on manhole work. Tracking pumps with the rain, the heavy targeted area in McCarthy Ave. with infiltration coming into manholes – plugged up with hydraulic cement and hopes that this will work and also epoxy. Commissioner Taylor mentioned of using volcanic ash as another option. Volcanic ash expands 10 times its density & hydraulic cement does 1 pipe at \$500.00.

Quarter 2 of this year the bill was \$35,000.00, last year was \$68,000.00. With the work that is being done and all that rain in the quarter the bill is cut in half. What we have been targeting is running less and it is paying off with the intent that the next few quarters and will do the same. Customer Buteau asked if this is based on a flat rate. The superintendent stated that Upper Blackstone is a flat rate and Worcester is flow based. We need to see a full year to see projected rate. Customer Tom Lennon asking if we are cleaning the meter. The Superintendent explained at the time we were doing a lot of

issues at the same time and does not think that just the cleaning of the meter is what just caused the drop in usage. The Upper Blackstone charges are a tiered fixed charges. If you pump so much it's at one cost, then if it's this much the price is the next amount. Lennon says flows were going up no one monitoring, that this is what the costs increases came from and now we are on to it to reduce the costs. The Superintendent says we are doing several rebuilds on manholes next week. Structural skin was recommended as top coat but it is \$35.00 a bag with 350 manholes to be done. Epoxy lining would be the answer, however it is very costly. The superintendent states he is doing the best that he can with the budget he has. Auditors are looking for a meeting December 10, 2018 @10:00 AM – if information received before then the Superintendent will contact the Commissioners.

VII. COMMUNICATIONS

- A. **UBWPAD Update** – Chairman Manseau had a tour of Upper Blackstone Treatment Facility and that they actually doubled the area. All brand new, they still have money to spend and not thru yet. Looking for places to put away there money in the markets approx \$950k in the stock markets. Commissioner DellaCava asks with this can they reduce our expense. \$4.4 million is in money market accounts and all the towns around them are upset. Project should be completed by 2020.

VIII. PERSONNEL

IX. DATE OF NEXT MEETING

- A. **Approval of Next Meeting Date** - Commissioner Taylor motioned to hold the next meeting on December 10, 2018 at 10:00 A.M. Seconded by Chairman Manseau. All in favor. Approved.

- X. **ADJOURNMENT** - Commissioner Taylor motioned to adjourn the meeting. Seconded by Chairman Manseau. All in favor. Approved. Meeting adjourned at 8:00 PM.

"This institution is an equal opportunity provider, and employer."