

BOARD OF COMMISSIONERS' MEETING MINUTES
March 12, 2024,
6:30 P.M.
CHERRY VALLEY & ROCHDALE WATER DISTRICT - Hybrid

I. CALL TO ORDER - The meeting was called to order by Chairman Levesque at 6:36 P. M.

The following were in attendance:

Joseph McGinn, Commissioner - on line
Arthur E.J. Levesque, Chairman 1- subscriber in attendance
Benjamin Morris, Superintendent 1 online subscriber
Robert H. Lemieux, Sr., Commissioner – online late 6:46 pm
Jennifer Wood, Treasurer
Cheryl Balkus, Clerk

II. District Member Forum – Chairman Levesque called the district member forum to begin. There were no discussions or comments. Commissioner McGinn motions to close the district member forum seconded by Chairman Levesque. All in favor. Approved.

III. APPROVE MINUTES
February 13, 2024, Meeting Minutes - Commissioner McGinn motions to approve the February 13, 2024, minutes. Seconded by Chairman Levesque. All in favor. Approved.

IV. FINANCE

- A.** Approve February 19, 2024, Warrant
- B.** Approve February 26, 2024, Warrant
- C.** Approve March 4, 2024, Warrant
- D.** Approve March 11, 2024, Warrant

Commissioner McGinn motions to approve all the above warrants. Seconded by Chairman Levesque. All in favor. Approved.

- E.** February Bank Transfer - Commissioner McGinn motions to approve the February bank transfer from the water checking account in the amount of \$51,625.07 to the sewer checking account. Seconded by Chairman Levesque. All in favor. Approved.

- F.** Treasurer Report – As of 2/29/24 expenditure to date is \$743,267.72. Fifty-four percent of the budget has been spent we may be spending most if not all of it.

Terminations to begin in April current outstanding is in line with previous history.

Commissioner McGinn inquired that City of Worcester line-item has a balance of \$114,000.00 and that if we are not to be billed anymore would this be reallocated.

Per Treasurer Wood the city has only billed us up till Jan 15th and there is a possibility we could go over the \$114,000,00. Per Superintendent Morris, Grindstone limited to feeding the Rochdale area, and the City of Worcester feeds the remainder of the district it will be close roughly estimated \$100,000.00.

Commissioner McGinn asked what or where is the potential of savings to not run over the budgeted amount. Per the Superintendent Capital & Reserve, doing everything can to keep subcontractors down, dealing with a small leak this week, will need to spend money on hydrant flushing and possible for work when terminations begin. Whatever we do not have for issues between now and June 30 will be those savings.

- G.** Free Cash – Per Treasurer Wood certification from DOR (Department of Revenue) is \$1,178,575.00.

Subscriber Buteau asked questions regarding the amount.

Per Treasurer Wood this year per the DOR the district is now required to use UMAS (Unified Massachusetts Accounting System).

Subscriber Buteau commented in the past used to have the audit report.

Per the Treasurer we have a new auditor that has UMAS experience, we have not received it from the new auditor however, he assisted and worked with DOR to get this figure by submitting his financial statements. The auditor is completing the finalization of his paperwork.

- H.** FY25 Budget – This is a DRAFT version. The district has been hit with inflation and there are line items that we do not have control of. There are some decreases and several increases. A few examples:

Arsenic Media is pending and may or may not come out of the budget. We are beginning to exceed the levels, to remove and replace could result in \$20,000.00. We may need to go the route of a stabilization account to use free cash and not affect the budget.

Chemical Supplies – decreased. The previous year was budgeted from previous historical data. We have a full year purchase of chemicals, and this is a better number.

City of Worcester – increase of \$35,000.00 - their price has gone up.

Electric – level funded

Field supplies – reduction

Heat - remain level funded.

Insurance – increase

Lab work – decreased by \$7,100 – not as much testing will be required this round.

Meters – increase due to the expense of the metals used to build them.

Payroll increase to cover overtime changes in cost, proposing a 4% increase to the hourly / office staff. Proposing a pay increase to the Treasurer due to passing her certification. When operators receive when they pass for certifications it should be the same for the Treasurer.

Change in proposed budget increase of \$90,153.19. Reminder if arsenic media can be pulled increase could be projected to \$70,000.00 as opposed to \$90,000.00.

Commissioner Lemieux inquired why to take arsenic media out because it is part of the budget. Per the Superintendent if separate would only require the commissioners to approve from the separate account. Creating the stabilization account could assist in not affecting the rates or day-to-day budget.

Per Commissioner Lemieux understands but all part to operating the system. As a subscriber not attending meetings the subscriber should know what it costs to operate the system and not to go through as a separate line item.

Per Commissioner McGinn use of the stabilization account gives the rate payers a way to deal with a buffer in the variability in rate changes over time and not a misrepresentation. Instead of looking up and down over the years this approach would give an opportunity to know what will go towards, that it's a cleaner way to go and more efficient way to present rates and rate structures for a longer-term scenario instead of year by year.

Per Commissioner Lemieux understands this and he wants to ensure that we are totally transparent, to understand that this is part of the overall expense, to know that this is not the bottom line and needs to let them know that this is also part of it and wants it to be made clear at the annual meeting.

Chairman Levesque suggests providing an explanation to the subscribers what is a stabilization account and free cash is.

The district did receive a grant towards security cameras and would use some free cash to finish the update.

OPEB (Other Post Employment Benefit) – is required – Bartholomew setting this up for district.

Per Subscriber Buteau asked about sewer sharing some of the costs of OPEB. Per Treasurer Wood sewer did not vote on this and cannot share.

Per Subscriber Buteau commented that with the billing software update the sewer district should share the costs since water does the billing for them. Per the Superintendent and the Treasurer this is still a draft we still must review budget with the sewer district.

V. Administration – Nothing to Report

VI. Operations

Scada system communication issues FCC Licenses and in process being renewed. There is interference between frequencies and to put in a new frequency. It will be programmed and evaluated. Worst case scenario would be to replace the antenna.

The well arsenic is over on the raw water side however it we can remain operational. Lowry System, who designed it, had high expectations for it to last longer. They are researching more on this, or we may have to look at a different media. A progressing situation, testing coming in next week. If we go above the levels it would need to be shut down till resolved.

Sargent St Water Main – The bid has been awarded to Jack Goncalves & Sons for the \$254,000.00. Waiting for Mass DOT to approve the permit to open Route 9.

Lead Service Line Inventory project (*funded through a grant*) - 140 letters sent out by Tata & Howard to do inspections. 70 may need us to dig to determine what type of line there is to inspect. There are 3 points of verification process.

MVP (Massachusetts Vulnerability Program) grant for the water main that stretches over the Kettle Brook. Previously when met, they did want us to focus on the water main but to spend more time focusing upstream on a dam that the district does not own. We do not have the funds to do this, and it is not worth our time to put in for the grant this year. Spoke with a MEMA representative and from discussions spoke about going towards this with a federal grant. Still pending.

One Stop Program - We can go for the grant for the design this year and then go after the construction the following year. After taking feedback from last year and their criteria, we have piping in the Rochdale area that sizes fluctuate. If we can increase our fire flow capacity in Route 56 area it will allow potential for economic growth. Superintendent Morris put in for the design of upgrading the 8" line on the loop and another section to replace at Pleasant & Stafford to Rt 56 to a 12" to have a solid 12" and then put in for design and construction. It meets the needs for economic growth and added benefit to the system.

Taking care of a water leak of a 4" main.

- VII.** Date of Next Meeting: Commissioner Lemieux motions to have the next hybrid meeting. April 2, 2024, at the 148 Henshaw St at 6:30 P.M. Seconded by Commissioner McGinn. All in Favor. Approved.
- VIII.** Adjournment: Commissioner Lemieux motioned to adjourn. Seconded by Commissioner McGinn. All in favor. Approved. The meeting ended at 8:02 p.m.