

BOARD OF COMMISSIONERS' MEETING MINUTES
April 2, 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 6:30 P. M.

The following were in attendance:

Joseph McGinn, Commissioner	
Arthur E.J. Levesque, Chairman	1 - subscriber in attendance
Benjamin Morris, Superintendent	1- online subscriber
Robert H. Lemieux, Sr., Commissioner – online	
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
March 12, 2024, Meeting Minutes - Commissioner Lemieux motions to approve the March 12, 2024, minutes. Seconded by Commissioner McGinn. All in favor. Approved.
- IV.** FINANCE
- A.** Approve March 18, 2024, Warrant
 - B.** Approve March 25, 2024, Warrant
 - C.** Approve April 1, 2024, Warrant

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

- D.** March Bank Transfer - Commissioner McGinn motions to approve the March bank transfer from the water checking account in the amount of \$64,063.71 to the sewer checking account. Seconded by Chairman Levesque. All in favor. Approved.
- E.** Treasurer Report – Per Treasurer Wood the March Water Revenue was \$121,904.14. Received to date is \$968,652.70. Additional fees received: SBA rental, Solar, Liens, real estate tax and miscellaneous for a total received to date of \$1,125,505.35. Expenditures to date are \$862,716.10 with \$495,608.64 remaining in the budget. Still waiting for the City of Worcester bills.
- F.** FY25 Budget – Per the Superintendent not much has changed from the draft and we did receive confirmation of certain line items that were pending from previous conversations. The Arsenic line item remains at \$20,000.00.
The district budget shows free cash articles and there was discussion of what our current rates are and what the different rates would be. As of right now the district does need to do some type of increase. Based on whether everyone pays, percentage increases may need to be between 10% - 12% to meet the FY25 Budget. There are other additional monies the district needs to receive such as liens and will have more definitive information after terminations begin this month. The proposed rate increase is only a discussion for tonight’s meeting and not to be decided tonight.

Commissioner McGinn notes with the 10% increase we basically meet the proposed budget if everyone pays their bills on time. Free cash is used outside of the budget entirely. Assuming putting an article for the annual meeting to establish a stabilization account, what if the items listed in the budget are in the stabilization account. Per the Treasurer that would be the Arsenic Account.

Subscriber Buteau asked for clarification of the shortfall and the rates. He states if there is \$1.2 million in free cash why not do like the town does and use some of the free cash to get out of the dilemma. Per Treasurer Wood doing this there is the high risk of money not available if a major repair or if project comes up and per the Superintendent, if to borrow to keep the budget stable, does not want to get in the habit of this. The district is facing significant increases, we do not want to see any issues happen with the water district like what happened to the sewer district or end up in a situation if something happens and we do not have the funding to do it and it is the board's decision not to have an increase in rates for the coming year.

Per Chairman Levesque he is concerned that if it were to be decided to be doing this the subscribers may want to do again the following year and if we have a problem in the district, it could put the district in jeopardy and would need to raise the rates even more than what is being discussed today.

Per Treasurer Wood, as she is not specialized in rate studies suggests that the district hire an outside expert vendor do a rate study and to confirm what she is doing is in line. She did have what she had created, had someone who does rates and was told it was very good, however there should still be a formal rate study done for the district.

Subscriber Buteau asked if the electricity line methodology is same as previous year and inquired about the 4% increase to the employees. Per the Superintendent confirmed that the methodology is the same, the pay increase for the employees is compared to what other entities are being paid out. There is now a higher demand, they are paying more, and he does not want to lose his licensed people.

Per the Superintendent the board can change rates at any time and the budget will need to be officially voted on at the next meeting.

G. Draft Warrant Articles items 1-7 are standard articles.

Per Commissioner Lemieux, as much as it hurts, we should do a rate increase, not touch free cash, monitor, and spend wisely on projects.

Per the treasurer knowing that the district could be faced with the unknowns does not think that you cannot have an increase.

Per Commissioner McGinn for example if \$100,000.00 borrowed from free cash this would be a modest amount and would be worthwhile looking at. Anything at 5% is a significant increase, we should try to do something for the ratepayers and suggest having an article to have a qualified consultant to review the rates in the next fiscal year. An estimated cost of a qualified rate study would be an estimated \$60,000.00.

Treasurer Wood provided some scenarios if taking \$50,000.00 from free cash could result in a 7% increase and at \$100,000.00 could be a 4% increase.

Per Commissioner Lemieux instead of taking money from free cash to do a rate study to use the money towards with upcoming work that need to be done. Get them shovel ready so when a grant opportunity comes along, we can apply for them. We are spending money on the potential to get these projects done. As for rate studies suggest that we speak with other entities to see what they do instead of paying for an independent person.

Per Commissioner McGinn from the districts previous study of which some have been completed and the ones that remain should be eligible for loan and grant funding. If enough or any of these can get going while fed state governing proposals are made consistent usually there is a loan that can be converted to a grant when into the project.

As for a rate study for the ability for this board and staff by a recommendation by an expert in the field over the next to 5-10 years is beyond our capability and knows from experience looking at OPFLOW or AWWA journals it's just getting too complicated and changing rapidly to keep up to date on one's own and that the best effort is to get the independent rate structuring study done to give a foundation in making recommendations to the board and to be able to explain it to the rate payers of the district. It also shows DOR we have a well thought out plan for the free cash that is computed to be available to us.

Commissioner Lemieux does not see how it can be that so complicated, we are small, we have data and a dedicated staff to come to understand the numbers. Hiring an outsider does not feel we got our monies worth. He looks back about the merger of the districts all that was accomplished was reiterating what we already knew and spending this money for an outside rate study is necessary and we need to take a different approach than we have the last time, and we can do most of it.

Subscriber Buteau suggests keeping it simple just have an article so that if you need the money, it is there and not restricted to one year's use.
Per the Superintendent wants to ensure that the district is protected.

Article 14

To close out old projects that would be turned back over to be reassessed into free cash.

Article 15

There is a water main at Macs Auto that is in a high vulnerability of an upstream privately owned dam and researching what can be done to get it shovel ready for the relocation of 700 feet of pipe. This water main section was on the hydraulic analysis as a much larger project to replace pipe from the district office to Bottomley Ave. that would cost millions of dollars. Per the Superintendent the district can apply for the FEMA BRIC (Building Resilient Infrastructure and Communities) grant that opens in the fall and researching another request for an earmark grant through the US Senate to have money set aside with a small cash contribution but does not identify what that amount would be.

V. Administration

- A. 3-24-2024 M. Darling request – From an email the Subscriber is asking now that the well is online can there be a \$10 reduction to the base rate. Per Treasurer Wood the district would be hit by \$150,000.00.

Per Commissioner McGinn motions to deny the request at this time but should the district proceed with a rate study of any kind, adjustments of the base rate would be considered. Seconded by Chairman Levesque. All in favor. Approved.

Per Commissioner Lemieux that this subscriber may be using figures that were presented when the well was to go online. Per the Superintendent and the Treasurer there was a rate reduction prior to the previous annual meeting. We are saving but the offset is with the uncontrolled increases in the district. Per Commissioner Lemieux suggest that we need to offer this information to the rate payers request. Per the Treasurer with the last penny reduction, it gave \$80,000.00 in savings but there are the uncontrolled increases that the district has faced.

VI. Operations

Superintendent Morris met with MEMA regarding the BRIC grant that they would assist with doing the engineering.

Other potential projects are for water main improvements of the Rochdale Loop. To get the design and then a construction grants the next time around. It is to get all the piping to the same 12" size and will improve the flows throughout the Rochdale area. Commissioner Lemieux suggests that why should we spend our private money, that the town should be funding this.

Met with contractor today regarding the Sargent St project.

A flow test was done for Central Mass Crane located at 112 Huntoon Memorial Highway. They have been approved by the Planning Board to add another building that will extend their branch main into the new building and sprinkler system.

Hydrant flush notices were sent out with the April 1 bills and does not anticipate any issues.

Fixed a small leak on Pitcarn Ave.

Gate valve box work to be done when the town is doing paving.

VII. Date of Next Meeting: Commissioner McGinn motions to have the next hybrid meeting. April 23, 2024, at the 148 Henshaw St at 6:30 P.M. Seconded by Commissioner Lemieux. All in Favor. Approved.

VIII. Adjournment: Commissioner Lemieux motioned to adjourn. Seconded by Commissioner McGinn. All in favor. Approved. The meeting ended at 8:50 p.m.