

Board of Public Works
02/25/21 – Minutes
“Go To Meeting”

Present via remote login:

DPW Board Members: Chair – Tom Nephew, Paul Brinkman, Pat Harrington; DPW Director – Ken Kalinowski, W/S Supt Joe Jordan, Town Accountant William Schlosstein; Mr. Beattie, Mr. & Mrs Mounce, Ms. Zeogas.

Call to Order at 5:30 p.m.

Chairman Tom Nephew called the meeting to order at 5:30 p.m. and announced that it was being recorded and broadcast.

Acceptance of Meeting Minutes:

- **January 14, 2021 (Regular)**
- **January 28, 2021 (Working Session)**

Paul Brinkman made a motion to accept the minutes from January 14, 2021 as amended. Pat Harrington seconded the motion. The following roll call vote was taken:

Paul Brinkman - Aye
Pat Harrington – Aye
Tom Nephew – Aye

The motion passed unanimously.

Paul Brinkman made a motion to accept the minutes from January 28, 2021 as amended. Pat Harrington seconded the motion. The following roll call vote was taken:

Paul Brinkman - Aye
Pat Harrington – Aye
Tom Nephew – Aye

The motion passed unanimously.

Abatements:

13-17 Townsend Street (Zeogas).

Joe Jordan reported that this was an apartment complex and that the owner had found several leaking toilets and a pinhole leak in a radiator. The owner, Ms. Zeogas. confirmed Joe's assessment and reported that all of the leaks had been repaired. The leaks were estimated to have occurred over a period from November thru late January, and the owner's plumber referred to them as 'silent' leaks in that you can't hear them until you lift the tank cover. Paul Brinkman provided the customer with the Boards abatement policy. Paul Brinkman made a motion to abate the account # 2715 in the amount of \$2759.95 for water and \$1373.09 for sewer. Pat Harrington seconded the motion. A roll call vote was taken:

Paul Brinkman - Aye

Pat Harrington – Aye

Tom Nephew – Aye

The motion passed unanimously.

35 Leighton Street (Mounce)

Joe Jordan stated that this involved a leak during the winter that was compounded by the fact that the leak was at the meter which was located beneath a trailer. Paul Brinkman asked if the leak was our equipment and Joe responded that he thought it was the freeze plate on the meter. Joe stated that the meter was replaced several years ago as part of the replacement program. Paul inquired if the meter was still located in a vulnerable location. The owners stated it was located about 2 feet deep in a 55-gallon drum which was full of dirt. They further stated that they added insulation blankets and heated tape to protect the meter and water line from future freeze issues. The owner stated that it was the water service line and not the meter itself that created the leak. Paul Brinkman reiterated the Boards abatement policy. Paul Brinkman made a motion to abate the account # 3173 in the amount of \$1254.05 for water and \$559.04 for sewer. Pat Harrington seconded the motion. A roll call vote was taken:

Paul Brinkman - Aye

Pat Harrington – Aye

Tom Nephew – Aye

The motion passed unanimously.

116 River Road (office)

Joe Jordan stated that this involved a property that had been turned over to conservation land and that the Water Dept had not been notified of the transfer. Therefore, the property continued to receive a water and stormwater bill. Paul Brinkman made a motion to abate the account # 3796 in the amount of \$131.10 for water and \$15.00 for stormwater. Pat Harrington seconded the motion. A roll call vote was taken:

Paul Brinkman - Aye

Pat Harrington – Aye

Tom Nephew – Aye

The motion passed unanimously.

20 Tucker Avenue (office)

Joe Jordan stated that this involved a property that had been re-assigned a new street address (formerly 20 Tucker, now 18-20 Tucker) and a new account was requested/created for 18-20 Tucker. The Water Dept had not been notified of the change in address assignment. Therefore, the ‘old’ address continued to receive a water and stormwater bill. Paul Brinkman made a motion to abate the account # 4397 in the amount of \$65.48 for water, \$60.11 for sewer maintenance, and \$30.35 for stormwater. Pat Harrington seconded the motion. A roll call vote was taken:

Paul Brinkman - Aye

Pat Harrington – Aye

Tom Nephew – Aye

The motion passed unanimously.

Tom inquired about these two office requests, and Joe noted that both situations could have been avoided if FRO’s (final read outs) had been requested. Paul added that he wants sure that these types of administrative requests should even be coming to the Board. It was agreed that it would be beneficial to have the Board review the abatement policy and possibly allow the staff handle these types of requests. Pat agreed but was concerned about the perception of town requests not receiving the same level of scrutiny as customer requests. Joe clarified that while these requests were made *by* the town, they did not affect town properties. Tom noted that he could accept the office abatements being handled in-house by the office staff, and suggested that it be included on a future agenda.

Water/Sewer

- **Bemis Treatment Facility.** Joe Jordan informed the Board that the project was moving along and testing and trials were underway, with the 40-hour test scheduled in the next couple of weeks. The SCADA work at the plant was also nearing completion, with the expectation that we hoped to be able to put water into the system in late March. Adam Dufour was also called out for special recognition of the amount of effort he had put into the project over the recent months. Joe also mentioned that due to the savings attributed to the SRF principle forgiveness, we should be able to fund a small repair to the Jersey Street Well aeration tower. This plan has been approved by DEP and we are awaiting cost estimates to complete the request.
- **Town Hall Sewer repair.** Ken noted that he & Joe had been working with the Town Administrator to identify the problem and plan a repair to the sewer service at Town Hall. The lack of existing plans and ancillary issues such as stone walls and planting areas were complicating the project. Joe added that the town does not have the necessary equipment to perform this type of camera inspection in-house. Pat asked if the town staff could do the repair themselves, and Joe replied that the wall issue would complicate things and also that the repair will also require some of the existing service lines to be 'lined' – something the town is not equipped to do. The complexity of the repair also has the potential to tie up our crew for some period of time and that could limit our ability to respond to more basic operational needs.
- **2021 Water / Sewer rates (preliminary discussion).** Ken informed the Board that tonight's discussion would focus on Sewer rates, and the presentation and format would be similar to the Water discussion at the last Board meeting. Tom asked what the retained earnings goal was, and Ken noted that we try to keep 20% of the annual operating budget on hand. Joe Jordan walked the Board thru the spreadsheet with prior and projected budgets, and the rates required to meet the expenses. Budget values in the outyears were estimated with nominal (2-3%) increases for most costs, but allowing for more robust (7%) increases for historically high items such as insurance. There was discussion about retained earnings, loan balances, and other expenses. Joe noted that the retained earnings were well in excess of 20% at this point, but that this fund would be drawn down significantly over the next 3-4 years to cover the overlapping debt payments for current and prior plant upgrades. There was also a discussion about the idea of having regular rate increases (annual) vs. going long periods of no increases with larger increases at less frequent intervals. This

concept would apply to water rates as well as sewer rates. Ken pointed out that there will very likely be large capital projects (and costs) in the outyears with regards to issues such as PFAS, the Townsend Street water tank, and that a regular increase in rates could buffer the need for larger rate increases in future years. Paul Brinkman noted that he was impressed that despite not having had sewer rate increases for many years, we were only looking at 6% now. Ken added that people should not lose perspective and fixate on the numerical value of the percent increase versus the actual cost per unit increase, which is relatively minor. Joe suggested that one way to minimize the impact of the rate increase would be for the Board to consider eliminating the sewer maintenance fee paid by customers who have access to the sewer, but have chosen not to connect. Joe also noted that while there were no concrete plans in place, the staff was considering replacing the belt filter press and replacing the sewer camera / truck in the next few years. Tom stated that he felt that 20% retained earnings was the right number, and that small but consistent rate increases in the future would be appropriate. Bill Schlosstein (Town Acct) agreed that regular, modest increases were preferable, especially with organizations such as an Enterprise Fund. He also applauded the effort that went into the analysis for both the water and sewer rates and said he was comfortable with the funds and would continue to keep an eye on things. Ken noted that the current analysis did not acknowledge any savings from the potential, but not finalized, refinancing of Town debt. Bill used this segue to confirm that bettered debt agreements/payments with our customers do not have to be renegotiated even if the debt is refinanced. Ken suggested that the Board take this presentation under advisement, and that no formal action or recommendation would not be necessary at this time. The Board would also be meeting again before the actual public rate hearing. Joe asked that, in any event, the rates be made effective to coincide with the next billing cycle, likely to be on or about May 1st.

DPW

- **FY22 Budgets.** Ken provided the Board with an update of the budget and the approval process. Ken noted that he and the Town Administrator would be presenting the budget to the Fin Comm next week. This would not be the final approval by the Fin Comm and Selectboard, but would allow the Fin Comm to raise anything that may be an issue going forward. Ken reviewed the General Fund budgets including street signs, Engineering, Highway, Parks/Cemetery and Snow/Ice. Highlights included the NMCOG Stormwater Collaborative dues, and the plan to potentially reestablish a 'floater' position that would be split between Highway and Transfer Station, and the

continued effort to fund a capital plan for the Highway Dept. Ken also mentioned the adjustment to the snow and ice budget that makes it more realistic and therefore less dependent on Free Cash to balance it at the end of the year. A request to increase the tree budget was also noted. The budgets are fluid up until the vote at Town Meeting. Joe Jordan then reviewed the Sewer Enterprise Fund budget. This is based on contractual obligations and cost trending of operational items. Of note was the increase in sludge disposal, as we are currently having issues finding places to dispose of our sludge which has a higher than desirable water content. This ties back directly to the need to replace the belt filter press. Ken noted that Stormwater was level funded, with an internal adjustment to increase the contractual services to facilitate a round of catch basin cleanings complete with baseline data collection for the MS4 permit compliance. In regards to the Water budget, Joe noted that the operations budget decreased slightly with an increase in labor due to contractual obligations. Ken then reviewed the Transfer Station budget which was very similar to FY21 with the exception of contractual obligations for labor and solid waste disposal. Ken did let the Board know that there may be a need to increase the sticker prices later in the year. Tom asked if there was any appreciable impact on new customer sales with regards to last years promotional efforts. Ken stated that despite the effort and the addition of a new bag tag sales outlet, the customer base remained relatively level. Tom and Pat both requested a copy of last years flyer. Ken noted an uptick in certain revenue streams such as cardboard and construction debris which likely was a direct result of Covid-related quarantines.

Commitments:

Paul Brinkman made a motion to allow Tom Nephew to sign the January commitments on behalf of the Board. Pat Harrington seconded the motion. The following roll call vote was taken:

Paul Brinkman – Aye

Pat Harrington – Aye

Tom Nephew – Aye

The motion passed unanimously.

Commissioners Comments:

- Tom had wanted to discuss the job description for the new position that would replace the Water/Sewer Supt upon Joe Jordan's retirement. It was suggested that this item be deferred until the full Board is available to discuss. Pat had hoped to have

the job posted in March due to a 60-90-day recruitment. Ken then noted that Joe would be leaving at the end of April, underscoring Pats comment. Tom then outlined the proposed switch to a Business Manager for the Enterprise Funds from the Water & Sewer Supt. Ken outlined the general responsibilities and the potential need to adjust the two Chief Operator positions going forward. Joe added that he agreed with the need to incorporate more municipal finance knowledge as well as to take a deeper look into elevating the Chief Operator positions.

- Ken reported back on what he had learned about the potential of tying the Stormwater fee to excise tax bills since the majority of the stormwater impacts are primarily attributable to vehicles. Ken reported that the biggest obstacles was that the excise tax database was issued by the Registry of Motor Vehicles. It also contains sensitive data such as dates of birth, social security numbers, etc... and that the RMV may not want to provide (nor the town accept the responsibility for) such data. There were also exceptions from excise tax including veterans, blind people, etc... and these may create as many 'billing inequities' as currently exist. With regards to simply placing a stormwater bill in each excise tax envelope, the idea of billing a scooter the same amount as a motorhome could also raise inequities. Paul noted that you cannot lien a car like you can a property. Tom said it would be a good discussion on a future agenda when the entire Board was present. Ken noted that with the addition of the GIS Analyst, we have also made tremendous progress with the potential to using an impervious surface-based solution that is the typical solution for most communities.
- Pat asked about a posting date for Joes position. Ken stated that he was working on the job description and that a draft would be distributed by the end of next week.

Adjournment:

Pat Harrington made a motion to adjourn. Paul Brinkman seconded the motion. The following roll call vote was taken:

Paul Brinkman – Aye

Pat Harrington – Aye

Tom Nephew – Aye

The motion passed unanimously and the meeting was adjourned at 7:56.

Respectfully submitted,
Kenneth Kalinowski, PE
Director of Public Works