

Board of Public Works
04/21/22 – Minutes
Conference Room A

DPW Board Members: Chair – Tom Nephew; Vice-Chair - Pat Harrington; Joe Mercado; George Clark; Lewis Lunn

DPW Staff: DPW Director/Engineer, Ken Kalinowski; DPW Business Manager, Paul Brinkman

1. Call To Order At 5:30 P.M.

Chairman Tom Nephew called the meeting to order at 5:41 p.m., announcing that it was being recorded and broadcast. The video recording can be seen at:

<https://pepperell.vod.castus.tv/vod/?video=fece6d0c-d66f-4a38-bba1-031082361563>

2. Acceptance of Meeting Minutes

2.a. March 17, 2022 (Regular)

*Pat Harrington moves to accept the minutes of the March 17, 2022 meeting as amended. Tom Nephew seconds the motion out of necessity. **The motion passes unanimously.***

3. Abatements

3.a. 4 Foster St., 8 Foster St. – Continued (Pepperell Housing Authority)

Continued from March 17, 2022 due to scheduling conflict in May. Applicant not in attendance, **Discussion tabled to May 2022 meeting.**

4. Public Comment

4.a. (Delorey)

Tom Nephew invites Mr. Delorey to share new information or concerns that have not been discussed at previous meetings. Mr. Delorey notes that he filed an abatement request on April 21, 2022 and is not expecting the board to consider the request at this time due to the late submission.

Mr. Delorey notes that he has prepared an illustration that he prepared to follow up on the DPW Business Managers multi-unit property billing slide. Tom asks Mr. Delorey to hold his comments for the next agenda item to discuss pricing, Mr. Delorey agrees.

5. Water / Sewer / Stormwater

5.a. Municipal Utility Rate Setting – General Discussion (No Vote to be Taken)

Tom Nephew recaps the March 17, 2022 discussion. As per the current billing policy, as approved by the BPW, some multi-unit properties should have been billed the minimum rate for each building unit. An error had been identified in the billing software which had been charging only one minimum rate per building regardless of the number of units. Once the billing error had been identified, corrections were made in the quarterly bill. Some customers were surprised when they received invoices with the correct billing fees. Although the billing error had been ongoing for years, customers were not billed retroactively for previously unbilled fees.

Tom reminds everyone that at the March 2022 meeting, Mr. Delorey came before the board expressing his concern that the billing policy is unfair. When the billing methodology was implemented, sewer billing was managed separately from water. Water billing has a nominal minimum monthly fee, and then bills for usage. Sewer

has a larger minimum monthly fee and assumes a certain amount of wastewater quarterly.

Mr. Delorey expressed concern that he may not be using the minimum amount of wastewater that he is being billed for. Paul Brinkman notes that all accounts are not affected the same way, some have seen no difference because they are already using and paying the minimum or above. Rate structures are established based on the potential usage of the unit(s).

Tom explains that billing methodology discussions, with all members of the board, will occur at future meetings to see if an adjustment may be necessary. As the BPW begins the rate discussions, members review the implications rate changes may have on revenue. Revenue must cover costs to run and maintain the facility and can't be adjusted based on flow usage, 80% of department costs are fixed.

To fully understand the implications resulting since the billing correction has been made, a full four-quarter data model needs to be reviewed to ensure the revenue being generated satisfies cost expenditures.

Jason (no additional information) speaks as the Treasurer of a Condo Association, The Condo association is also working with a budget and the current bill unexpectedly increased significantly. He feels that billing should be based on usage and notes they don't use water in his business unit.

Mr. Delorey continues, with the rate analysis of 17 Massachusetts communities fair share cost is measured by water meter billing. Mr. Delorey states that there is no record or evidence that the board voted to bill by multi-unit which resulted in a rate increase without a hearing.

Tom Nephew firmly disagrees with Mr. Delorey. There was no rate increase, there was a correction made to the current pricing policy which inadvertently had not been billed. The pricing model had been implemented when the BPW approved it. By default, the minimum rate is included when the BPW votes annually to approve rates.

Mr. Delorey request the BPW "turn off" billing per unit while the data is reviewed for revenue impacts. Tom Nephew denies Mr. Delorey's request to change the billing. The billing is correct now. When all the data is available, the board will move quickly to review and revise the billing methodology to implement an equitable solution cross the board. Multi-units have received a huge break for many years.

BPW will discuss per-unit billing concept over several upcoming meetings. For the short term, the billing is correct and will not be changed until there is an equitable solution across the board.

Tom indicates there will be philosophical discussion of different approaches to rate setting at the May 2022 BPW meeting. A water rate hearing happens in June with sewer rates discussed as well.

Ken Kalinowski clarifies that the budget is set to meet estimated expenses, and revenue has underperformed the last couple of years. The Department of Revenue requires sufficient revenue to cover the appropriated budget, which has been done through transfers from retained earnings. This cannot continue without anticipating depletion of funds.

- 5.b. Stormwater - Stormwater Billing Methodology (Update)
Tiered and ERU structures for the billing rates are discussed with revenue covering costs of the operating budget and maintenance costs.
6. DPW
 - 6.a. Spring ATM – DPW Articles (Discussion)
Brief update on Articles and Enterprise Fund Budgets appearing on Town Meeting Warrant
 - 6.b. 2022 Roads Program (Update)
Ken notes the town is anticipating confirmation of an additional \$200M in funding to come from the state for the list of streets submitted to be paved, and/or milled and paved this year. The \$365K bid estimate (based on multi-year bids received last year) for the 2022 paving projects includes a fuel escalation clause.
 - 6.c. Heald Street Culvert Replacement (Update)
Heald Street bids to be paid for with grant funding. Heald Street will be closed for two-three months (maybe four months). Project must be complete by October 30th. Cost of project could triple with a different timeline plan. Environmental work includes restoration of stream. Street closing notices will be posted on electronic billboards and mailed to residents.
 - 6.d. Transfer Station Monitor Recruitment
Transfer Station Monitor opportunity has been posted. Transfer station is staffed by Operator and Monitor. We are also looking at adding a floater to help cover the transfer station and snow removal duties.
7. Review, Approve And Sign Any Documents Requiring Board Signatures
 - 7.a. March Commitments
March commitments were signed by the Board.
8. Commissioners Comments
None
9. Next Meeting Dates
 - 9.a. May 9, 2022 (ATM)
 - 9.b. May 19, 2022
10. Any Other Matters That May Arise Which The Chair Could Not Reasonably Anticipate
11. Adjournment – *George Clark moves to adjourn the meeting. Lewis Lunn seconded the motion. **The motion passes unanimously.***

The meeting was adjourned at 7:00 p.m.

Respectfully submitted,
Donna Lane-McPartlan
DPW Program Administrator, Highway Division