

Board of Public Works 05/19/22 – Minutes Conference Room A

DPW Board Members: Chair – Tom Nephew; Vice-Chair - Pat Harrington; Joe Mercado; George Clark; Lewis Lunn (not present)

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

- **Call to Order at 5:30 P.M.**

Chairman Tom Nephew called the meeting to order at 5:38 p.m., announcing that it was being recorded and broadcast. The video recording can be seen at:

<https://pepperell.vod.castus.tv/vod/?video=76245346-ad1e-442a-9e22-8e74bc0f810>

The first five agenda items are temporarily tabled pending quorum arrival.

Meeting discussion begins with DPW Miscellaneous Updates.

- **Misc Updates**

- **Transfer Station Monitor Recruitment** is going well. An offer has been extended with hopes to have the position filled mid-June. The position for Water/Sewer Laborer is now open. Funding has been approved for the Transfer Station/Highway Laborer position. The Wastewater Chief Operator position is still open.
- **Drain Layers License – Tee Services** application is still in review process, Application received is incomplete. Ken would like to table the application at this point.
- Construction has begun on the roads in Dunstable. Trees are down and the access road is there. Expect traffic delays to begin soon in Dunstable. Our Water Department is helping and making recommendations to locate the system and finding a lot of quirks in the small, undocumented existing system.
- Roadwork has begun in the Pines, Main St has 10-12 basins that need full or partial rebuilds, DIGSAFE has been contacted, paving work is expected to begin following the Labor Day parade/holiday. We will be using the electronic signboards to alert residents and commuters.
- Groton has started work on 119, our Sewer Crews had initially been asked to adjust the heads, the work has since been subbed out to a contractor and we will be inspecting their work when done. The traffic on 119 is backed up, paving should begin next week and should improve.

At this time Joe Mercado arrives and joins the meeting and There is now a quorum of DPW Board Members. Ken requests to return to the Election of Officers as the first course of business.

- **Election of Officers** (1st meeting following elections)

- On a motion made by Pat Harrington and 2nd by Joe Mercado, it was unanimously voted to appoint Tom Nephew as Chairman of the Board of Public Works.
- On a motion made by Joe Mercado and 2nd by Tom Nephew, it was unanimously voted to appoint Pat Harrington as Vice-Chairman of the Board of Public Works.

At this time George Clark has joined the meeting and is in attendance remotely.

- **Acceptance of Meeting Minutes**

- April 21, 2022 (Regular)
*Pat Harrington moves to accept the minutes of the April 21, 2022 meeting as written and amended. Joe Mercado seconds the motion out of necessity. **The motion passes unanimously***

- **Abatements**

- **4 Foster St., 8 Foster St.** – Continued (Pepperell Housing Authority)
Continued from previously scheduled meetings. Marilyn Tremblay, former Executive Director of Pepperell Housing Authority, and currently Vice-Chair on the Board of Commissioners notes they have not budgeted for the increase in costs and the small operating reserves are set aside for serious emergencies. This unbudgeted, added expense is a cost burden for the 51 units. Additionally, they have septic solids pumped twice a year. Paul Brinkman commits to offer help in appealing to the Department of Housing Community Development for Funding Authority. Tom Nephew proposes to defer payment without interest. Pat Harrington motions to defer the payment on accounts 564, 565, and 638, without interest pending further discussion on action to be taken, 2nd by Joe Mercado. **The motion passes unanimously.**
- **41 Lomar Park** (Delorey) – Mr. Delorey is in attendance and presents a slide handout to request an abatement. Mr. Delorey indicates there are 2 buildings and 21 units. Mr. Delorey indicates the 518% increase in his sewer bill from 2021 to 2022 without any change in water usage. Mr. Delorey feels that the corrections made to the billing software to charge multi-units per-unit resulted in a sewer penalty to multi-unit buildings. Mr. Delorey feels the minimum service charge per-unit is unfair and in excess of the fair share portion. Mr. Delorey feels the Board of Public Works never discussed and voted on multi-unit charges, and increased billing without authority as it is an unlawful tax to implement and raise revenue. Mr. Delorey has requested the BPW rollback “taxes” for water and sewer services and return funds to rate payers. Currently, multi-units are billed by building ignoring the water meter.

Tom Nephew indicates that the BPW members are in agreement with a lot of what Mr. Delorey is saying and find themselves inheriting a policy that was already in existence, and was billing incorrectly. The billing office corrected the billing process. The BPW wants the policy revisited, and needs the data to do so. The BPW is not in a position to grant an abatement to Mr. Delorey for being billed under the current policy. Tom wants to resolve and correct this moving forward.

Paul Brinkman shares that he was on the BPW, and at that time, understood the rate setting to include billing per-unit. In 2014 the rate setting document shows billing per-unit which is consistent with the water billing policy and includes per-unit. As a point of reference, Paul notes there are two similar buildings within in Lomar Park, each unit having its own meter, for over 10 years they have all been paying the minimum. The building next door has 10 meters and are paying what we are asking them to pay even though they are both using the same amount of water and have been paying it greater than 10 years.

Tom Nephew states they will be examining the current policy along with alternatives, and pick one to correct the problem and provide a more fair and equitable billing system moving forward. Without the data and information he needs, Tom states that he is not a position today to grant an abatement, change the rate, or change the policy arbitrarily without knowing the impact it will have. Moving

forward we have a more fair billing system.

George Clark states that he's not prepared to grant and abatement request now and needs further review and suggests maybe seeking extra help to review the rate policy.

Pat Harrington makes a motion to DENY the abatement for Account 1311. Joe Mercado 2nds the motion. **The motion passes unanimously.**

- **Water / Sewer / Stormwater**

- **Municipal Utility Rate Setting** – philosophical discussion (no vote to be taken)
Paul, Ken and BPW members discuss the current water and sewer rate systems, implementation with examples for billing:
 - Dwelling or office “unit” is identified by the assessor’s office and not by number of water meter(s)
 - Users pay for the system, facilities and maintenance
 - Rates need to build in safety factors to cover all fixed and variable expenses
 - Per-unit base charge = no usage included
 - Minimum usage = consumer usage included
 - Usage is variable
 - Tiers are based on size and cost
 - Capital charge line item could be included
 - Water revenue sources are way off
 - Sewer has more revenue sources

Tom is agreeable to a per-unit charge and cost based on consumption. Tom is concerned the most about the assumption that's tied to the base rate in the sewer (the minimum charge) which is an arbitrary number, not reflecting usage, and should be adjusted.

Rates need to be adjusted to make up for and build in safety factors to cover the mostly fixed and variable costs to maintain the system. Paying for someone else's usage is not equitable. Tom doesn't want to overcomplicate things and feels that a per-unit base charge (no usage included) and reduction in the number of tiers would simplify things.

Paul Brinkman suggests, for example, reducing minimum usage a moderate amount, costs associated with a minimum, and look at the data to see what rates would have to be to absorb that. Paul would like to see 4-quarters of data scenarios to do this.

Tom would like Paul Brinkman to come back with what it will take to build the billing model and how quickly we can do it. Tom wants to see backup data for the rates and wants to know if this will delay the rate meeting?

Paul explains the Rate Hearing needs to be advertised 30-days in advance. Paul can feel comfortable with a moderate reduction to the minimum usage for example, costs associated with the minimum usage, and look at how much revenue may be lost and what the rates will have to be to absorb that using tiers.

Ken Kalinowski notes this will be a similar scenario with the Stormwater fees, there are inequities that we'd like to make right.

Tom suggests postponing the rate meeting and aggressively pursuing backup data for setting the new rates. Some users may see a benefit and some will not.

Paul and Ken reminds the Board that six or eight months ago, the Board voted to remove the maintenance fee for people that had sewer available to them but are not connected. We are maintaining the system for hookup at any time. There are fixed costs to maintain the system which is designed to handle a certain design flow capacity.

Members discuss the next steps. Ken recommends the BPW continue with Stormwater in July and have a working session meeting to discuss proposed water rates on June 9th at the DPW facility and the regular meeting with the Rate Hearing on June 23rd.

- **Stormwater Billing Methodology (update)**

Paul, Ken and BPW members discuss tiered and ERU structures for the billing rates with revenue covering the operating budget and maintenance costs.

The Stormwater rate setting system has been broken down into residential and non-residential classes, impervious surface area and potential usage to determine the equivalent residential unit (ERU).

- Rate setting is based on ERUs of developed parcels and is adjusted on the rate
- What's fair? This is not intended to be a penalty for impervious area, this is intended to be a fair cost based on impact on the roadway and the drainage system by the number of vehicles
- Stormwater is billed annually
- We are doing work to rebuild and fix the Stormwater system
- John Holbrook, GIS worked on this with us
- Ken is not expecting a lot of angst with the rates

Paul and Ken note that the billing rate year begins in July and the Stormwater only customers are billed annually in August. We should have Rate Hearing and a written record of the meeting.

Ken Kalinowski explains that we are often finding errors buried in the database, we are making corrections and changes, cleaning up the database which is much more accurate now. Paul explains how they found a town property that doesn't have a water meter, is tied to sewer and has never been billed until they put a water meter in.

Changing the billing to what it should be has resulted in the revenue being exactly what it should be. Ken said it was Paul who said "if we do this, we should bring in the revenue that we need" the problem was that it wasn't being executed in the software.

- **Review, Approve And Sign Any Documents Requiring Board Signatures**

- April Commitments
April commitments were signed by the Board.

- **Next Meeting Dates**

- June 9, 2022 (working session)

- June 23, 2022 (Water / Sewer / Stormwater Rates – public hearing within regular meeting)
- **Commissioners Comments**
George Clarks asks if Highway requested any funding for capital or new equipment at Town Meeting. Paul and Ken explain approximately \$300,000 ARPA funds have been allocated to the Highway Department for a vehicle, and may be able to parlay that into two newer used vehicles (maybe 2017 models). We still have capital that we are paying on.

Paul circles back to Water and notes that we requested ARPA funds to replace a \$150,000 piece of leaking equipment at one of the wells and were denied. That cost will need to be built into the water department budget. We will likely get a MassDEP violation this year when they come around because it's leaking pretty badly.

- **Any Other Matters That May Arise Which The Chair Could Not Reasonably Anticipate**
 - None
- **Adjournment** – *Pat Harrington moves to adjourn the meeting. Joe Mercado seconded the motion. The motion passes unanimously.* The meeting adjourned at 7:30 p.m.

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