

Board of Public Works
5/28/2020 – Minutes
“GoTo Meeting”

Present via remote login:

DPW Board Members: Chair -Tom Nephew, George Clark, Paul Brinkman, Pat Harrington, Lewis Lunn, DPW Director - Ken Kalinowski, DPW Superintendent - Joe Jordan, Town Administrator - Andrew MacLean; others, Susan Tocci

Call to Order at 6:00 p.m.

Chairman Tom Nephew called the meeting to order at 6:06 p.m. and announced that it was being broadcast and recorded.

The following roll call was taken:

Lewis Lunn - Aye
Paul Brinkman – Aye
George Clark - Aye
Tom Nephew - Aye

Acceptance of Meeting Minutes

April 16, 2020 Regular Session

Paul Brinkman made a motion to accept the minutes from April 16, 2020 as amended. The motion was seconded by Lewis Lunn and the motion passed unanimously.

Water / Sewer

HDPE / PVCO Water Main Alternatives (discussion)

Ken Kalinowski started off the discussion by referring to the memorandum from Weston & Sampson. This packet included information regarding the different material types for water main improvements for the Town of Pepperell. The different types discussed in this memo are: High-Density Polyethylene (HDPE), Polyvinyl Chloride (PVC), Molecularly Oriented Polyvinyl Chloride (PVCO) and Ductile Iron (DI).

Lewis Lunn had suggested a while back that we look into the different types of plastic pipelines. Ken said that although the town is not advocating for this, other towns are using it and thought it would be a good idea to get this information out to the Board for discussion.

The Town of Pepperell currently uses DI, but there are two other mainstream options: HDPE and PVCO. George Clark stated that many towns use the plastic piping as it is very light and more flexible; DI does not have as much flexibility. Although the HDPE is very flexible you need to have the proper equipment to fuse it and the equipment is not cheap. George has used PVC for years.

Lewis Lunn stated that both PVCO and HDPE are ok with him. However, he likes how flexible the HDPE is and that you don't have to worry about it busting in cold weather.

George Clark said that PVC is not as flexible as HDPE and that HDPE is top of the line.

Ken Kalinowski stated that we have to be aware of weather conditions when using the HDPE as the different coefficients from expansion and contraction need to be considered.

Joe Jordan stated that he sees a benefit, under certain situations, in using either of these. However, he would like to have strict guidelines on when and where to use them. He also stated that he does not like to mix and match different types of piping.

Paul Brinkman had concerns about the plastic pipes, as they are harder to locate. The town needs to be very careful in regards to making sure that the pipe is put in correctly, as ultimately the town will almost always have some liability for it in the end.

Ken Kalinowski said that the DPW and staff is intrigued by the plastic piping and may want to have a pilot site at Chestnut St. as water will be added here. In addition, the Birch Drive Extension has many bends and tight turns so this may also be a good test site.

Tom Nephew would like to make sure that before we allow contractors to use any of these, we have very strict guidelines.

Joe Jordan wanted to get a general consensus from the board to see if we should look into these options further.

Ken stated that as far as costs, the biggest savings would be for the developers, and that it's not a real cost savings for the town.

Pat Harrington wanted to know more about the specialized equipment that would be required to maintain the HDPE. Ken said that the equipment is less than \$15,000, but we could contract it out until we need to buy it.

Pat Harrington asked why we are looking into this now. Ken stated that the town has always used DI, however, HDPE and PVCO are made in the US, are easy to use and they are cheaper to purchase.

Tom Nephew stated that Joe has the support of the board to take the next step into looking into these types of materials.

BPW Abatement Process (discussion)

Pat Harrington had asked at the last BPW meeting if we could discuss the abatement process. He asked if there was a more effective way to handle this process. Pat was concerned that if someone comes in for an abatement and then 2 years later something really bad happens, then they are out of luck as they have already had their one abatement.

Paul Brinkman stated that we used to have a process, perhaps 3 years ago, that unless there was a really solid reason we would say no to some abatements. Now we have a 1 shot deal and we try to educate the resident as to their responsibilities.

Joe Jordan said that a discussion about revising the process had been held a few years ago. He feels that if it is a maintenance issue, then it is the homeowner's responsibility to take care of it. If it is something like a pool filling, then maybe we can give a sewer abatement. He stated that we need a very strict set of criteria and that way the homeowner can get an abatement only for those reasons.

George Clark disagrees and thinks we should give abatements more than just once.

Lewis Lunn agrees that a one-time abatement is plenty. People need to do their own maintenance.

Paul Brinkman stated that he believes it is way too easy to get an abatement. He likes the idea of educating the home owner and having the one abatement.

Joe Jordan stated that we are the only utility that gives abatements. He believes that we should not give water abatements, however, maybe sewer abatements for things such as filling a pool.

Tom Nephew likes Paul's speech regarding the one time abatement as it lets the homeowner know what to expect.

Pat Harrington and George Clark would like to discuss this matter more. Tom Nephew and Paul Brinkman think it is fine with how it is.

It was agreed to continue discussions later in the evening as the Water Rate Hearing was scheduled to begin.

7:00 p.m. – Public Hearing – Water / Sewer Rates

Tom Nephew opened the Water and Sewer Rate Hearing at 7:02 p.m. He read the legal notice that was posted in the Lowell Sun newspaper.

Ken Kalinowski started off the meeting by letting everyone know the primary reason for the water rate increase is for the Bemis Rd. well project. Last year we raised the water rates by 22%, and we estimate that we will need to get to a 50% total increase in order to cover the cost of the Bemis Rd. project by the time it is done.

Ken stated that the water and sewer budgets and revenue are adequate and that this rate increase is solely to pay for the Bemis Rd. site.

Joe Jordan discussed the different scenarios for increases. These options were previously discussed at the April 16, 2020 meeting. Joe stated that the general standard set by the MA DEP is that we keep 20% in our retained earnings. This means we need approximately \$400,000 in retained water earnings. In FY22, we are going to see a \$523,000/year increase to our debt service. We won't know the final cost of the project until it is completed. However, it is safe to assume that it will be in the \$500,000 range.

Joe Jordan went over 2 possible options for increases. The first is a 15%/10%/3%/3%/3% increases over the next few years. The second is a 10%/10%/10% with a 3% rate increase after that. The 3% increases are just place holders, as we should only vote on a 1 year increase at this time. Joe suggested that we should do a 15% increase this year and then reassess next year to see what that rate increase should be.

Ken put up a comparison chart on the screen showing where Pepperell water rates are in comparison with neighboring towns and towns that are similar to us in size and tax rate. Even with the 50% increase, our rates will still be below the area average. However, Joe wants us to keep in mind that Pepperell has to do what makes sense for Pepperell, and it does not really matter what other town's rates are. The Bemis Rd. well is a critical water source for the town.

Joe went on to say that although the 10/10/10 percent increase is doable, we would need to be more aggressive at the end of the project if we chose this option.

Joe stated that this increase also assumes that the base rate for water increases from \$21.85/qtr. to \$30.00/qtr.

Paul Brinkman stated that knowing that the DEP wants us to keep the 20% in retained earnings, this is going to be tight. He questioned Joe on which scenario best meets our need to keep the retained earnings at \$400,000.

Joe stated that the 15%/10% option best meets our needs. He said that options 1 and 2 are both similar and that at the end of option 2 the rates are a little bit higher. We need to have \$500,000 in 13 months and although we can use the retained earnings, using them will leave us well below our \$400,000 mark. Both options would get the town to where we believe we need to be by FY26.

Ken Kalinowski stated that he believes we are looking out too far. We should vote in 15% at this point and then take a look again next year to see where we are at. He also noted that this is all predicated on a full fiscal year of earnings.

Tom Nephew stated that he believes the lower increase is still a low risk to our retained earnings and since we already raised the water rates 22% last year, he thinks a 10% increase should be fine for this upcoming year.

Pat Harrington was concerned that with the Coronavirus, people have been hit hard and he believes 15% is too much of an increase. He is in favor of the 10%/10%/10% increase option.

Joe stated that the difference between these 2 options is only \$8/qtr. or \$32/yr.

Paul Brinkman stated that he liked Option 1.

George Clark said he is fine with either one.

Lewis Lunn stated that he would like the 15%/10% increase option as we have to have the money and if we let it go, then we may need to increase the rates more down the road.

Ken reiterated that at the end of all of this we have to be at a rate that meets the loan payments without compromising the retained earnings.

Paul Brinkman stated that the chart comparing our rates to other towns is actually comparing our future rates to the other town's current rates and we could still be on the lower end of this chart when those towns increase their rates. He also stated that we are putting in an advanced system at a really good price.

Joe Jordan suggested that the rate increase should take effect on June 1, 2020, which is in just 3 days.

Tom Nephew asked for public comment. A rate payer from Prospect St. suggested that we should do the 15% increase, as the 10% increase would ultimately have a higher increase in rates overall.

Lewis Lunn made a motion that we do the 15%/10% increase.

Joe Jordan suggested that we should just do a 15% increase this year and then reassess next year.

Lewis Lunn made a motion to do a 15% increase this year. Paul Brinkman seconded the motion. There was no discussion. The vote was as follows:

Lewis Lunn – aye
George Clark – nay
Paul Brinkman – aye
Pat Harrington – nay
Tom Nephew – nay

The motion did not pass.

Pat Harrington made a motion for an increase of 10% and to revisit the rate next year. George Clark seconded the motion. The vote was as follows:

Lewis Lunn – aye
George Clark – aye
Pat Harrington – aye
Paul Brinkman – nay
Tom Nephew – aye

The motion passed.

George Clark made a motion that the water rates go into effect on July 1, 2020. Pat Harrington seconded. The vote was as follows:

Lewis Lunn – aye
George Clark – aye
Pat Harrington – aye
Paul Brinkman – nay
Tom Nephew – aye

The motion passed.

None of the motions contained provisions to address the recommended increase in the water base charge.

Tom Nephew closed the Water Rate hearing at 7:52pm.

The regular BPW meeting then began again. George Clark suggested that the board take up the abatement discussion at the next meeting and it was agreed to do that.

Review, Approve and Sign any documents requiring board signatures

March and April Commitments

George Clark made a motion that Tom Nephew should review and sign the March and April Commitments at town hall. Lewis Lunn seconded the motion. The vote was as follows:

Lewis Lunn – aye
Pat Harrington – aye
Paul Brinkman – aye
George Clark – aye
Tom Nephew – aye

The motion passed unanimously.

Commissioner’s Comments

None

Next Meeting Date / Dates

June 18, 2020 – 6 p.m.

Any Other Matters That May Arise Which The Chair Could Not Reasonably Anticipate

None

Adjournment

Pat Harrington made a motion to adjourn. It was seconded by Lewis Lunn. The meeting adjourned at 7:55 p.m.

Respectfully Submitted,
Susan Tocci
Administrative Assistant
Wastewater and Stormwater Divisions