

**Board of Public Works  
Regular Meeting with Water/Sewer/Stormwater Rate Public Hearing  
06/22/2023 – Minutes  
Conference Room A**

DPW Board Members: Thomas A Nephew, Chair (TN); John Patrick Harrington, Vice-Chair (PH); Joe Mercado (JM), James T MacDonald (JTM), Lewis L. Lunn (LL)

Not Present:

DPW Staff: Kenneth Kalinowski, PE, Dir. DPW; Paul Brinkman, DPW Business Manager

Also in attendance: Derek Flanders; 35 Boynton Street, Robert Stefanik 7 Pleasant Road; and Renee D'Argento, 18 Prospect Street (via video conference)

**Call to Order**

Chair, Tom Nephew, called the meeting to order at 5:30 p.m., announcing that it will be broadcast and is being recorded. The video recording can be seen at

<https://pepperell.vod.castus.tv/vod/?video=fec25e74-5b5b-41b2-aecb-7403aebc4537>

**Election of Officers**

- On a motion made by Pat Harrington, 2<sup>nd</sup> by Jim MacDonald, it was unanimously voted to appoint Tom Nephew as Chairman of the Board of Public Works. **(TN, PH, JM, and JTM 4-0)**
- On a motion made by Tom Nephew, 2<sup>nd</sup> by Joe Mercado, it was unanimously voted to appoint Pat Harrington as Vice-Chairman of the Board of Public Works. **(TN, PH, JM, and JTM 4-0)**

**Acceptance of Meeting Minutes**

- May 18, 2023 (Regular)

*Pat Harrington motions to accept the Meeting Minutes for the meeting held on May 18<sup>th</sup>, 2023 as written and amended, Jim MacDonald seconds the motion. **The motion passes unanimously (TN, PH, JM, and JTM 4-0).***

*The Public Rate Hearing is not scheduled to begin until 5:45, TN takes the Water/Sewer Updates out of order at 5:35 to keep the meeting moving along.*

**Water / Sewer** (taken out of order)

- Groton IMA Update No update at this time, PB is moving toward developing the formula that includes the value of the plant in the calculation, should Groton ask for more capacity. PB wants this document to capture every eventuality, even if minimal. TN and PB discuss a realistic timeline to produce an answer that doesn't short change Pepperell residents. TN offers to call his accountant and PB is agreeable that an accountant may be able to provide a basis for it.

*At this time, TN pauses the Groton IMA Update discussion and pivots to the scheduled Public Water / Sewer / Stormwater Rate Hearing.*

## **5:45 – Public Hearing Water/Sewer/Stormwater Rates**

*Pat Harrington reads the Public Rate Hearing Notice into record as published in the Lowell Sun on May 24 & May 25, 2023. The Public Hearing opens at 5:47 PM.*

Paul Brinkman outlines the progress made to the FY23 DPW Enterprise Fund budgets, resulting from the FY23 rate setting. Paul discusses Stormwater, Sewer and Water rate scenarios. Regulatory changes, projected expenses, and environmental factors need to be considered when setting rates for FY24.

Stormwater user fees are discussed. Based on last year's revenue, Paul is proposing no (0%) increase to FY24 Stormwater User Fees and moves on to discuss proposed water and sewer rate increases.

Paul apprises Board members of the ongoing efforts being made to collect unpaid water and sewer debts on delinquent accounts

Members discuss historical water rate increases over the past 5 years. 2022, approximately 25% increase with tier restructuring

- 2021, 6% increase
- 2020, 10 % increase
- 2019, 22% increase
- 2018, 0% increase
- 2017, 0% increase
- 2016, 6% increase

The debt payment for the Bemis Well had not been incorporated into prior year's rate increases. Renee D'Argento addresses the board remotely, noting the proposed increase appears to be projected to cover delinquent accounts. Renee asks what happens to any excess funds if the debts on the delinquent accounts are collected. Paul explains the Enterprise Funds accounts are not part of the Town General Fund and will continue to remain separate. Any excess income is held in retained earnings and offsets future costs or revenue increases for future years. Water revenue is almost exclusively sourced from water usage.

Dunstable is being assessed a 5% rate increase to cover the costs of services that we provide them over the course of a year. Revenue from Dunstable helps to offset the rate increase requirement and represents 3-4% of our water budget.

The discussion moves to Sewer rates. The single tiered sewer billing solution is working. Paul explains that a 10% sewer rate increase is needed to cover expenditure increases:

- Sludge hauling contract cost has increased significantly.
- Lab costs have increased (quarterly sewer testing for PFAS to submit to the EPA).
- Fuel surcharges are increasing.
- Old facilities will need upgrades.

The final debt payment for the sewer plant upgrade will be made this year (FY24) and falls off the debt schedule for FY25. Retained earnings have been spent down to cover that debt. If all things stay the same, we could anticipate a modest sewer rate increase next year. We are continuously working on finding different scenarios to stabilize increasing expenses. The Chief Operator/Wastewater Superintendent has been doing a lot of work making repairs in the plant that gone previously unaddressed in the operating budget. We are spending money more efficiently and effectively.

Paul Brinkman recommends a 5% increase in Water and Sewer Rates for FY24. Jim MacDonald thinks the 5% increase is modest and matches Dunstable's rate increase which is important to keep in mind. Members discuss inflation costs and rate increases.

*Pat Harrington motions to increase Water Usage Rates by 5%, Sewer Usage Rates by 5%, and Unmetered Sewer Rates by 5%, effective on July 1, 2023. Jim MacDonald seconds the motion. The motion passes unanimously. (5-0-0)*

<b>TOWN OF PEPPERELL</b>		
<b>DPW - WATER DIVISION</b>		
Fiscal Year 2024 Water Usage Rates and Fees		
	Usage (cf)	Rate
Base Charge per Unit* per Quarter		\$ 30.00
Tier 1 (per cubic foot)	0 - 800	\$ 0.0525
Tier 2 (per cubic foot)	801 - 2300	\$ 0.0777
Tier 3 (per cubic foot)	2301 - 5300	\$ 0.1050
Tier 4 (per cubic foot)	5301+	\$ 0.1575

<b>TOWN OF PEPPERELL</b>	
<b>DPW - SEWER DIVISION</b>	
Fiscal Year 2024 Sewer Usage Rates and Fees	
	Rate
Base Charge per Unit* per Quarter	\$ 30.00
Consumption charge per cubic foot	\$ 0.1020
Unmetered User Charge per Quarter	\$ 235.20

No changes will be made to Stormwater Rates for FY24.

<b>TOWN OF PEPPERELL</b>	
<b>DPW - STORMWATER DIVISION</b>	
<b>FY2024 Stormwater Fee</b>	
<b>Class</b>	<b>Rate</b>
<b>Residential (per unit*)</b>	<b>per unit per year</b>
Single Family Homes	\$ 60
Condominiums	\$ 30
Multi-Family Units 2-6 units per structure	\$ 30
Apartments 6+ units	\$ 30
Manufactured Home Units in Community Settings	\$ 30
<b>Non-Residential</b>	<b>Rate per year</b>
1-2 ERUs	\$ 60
3-5 ERUs	\$ 120
6-10 ERUs	\$ 240
11-20 ERUs	\$ 480
21+ ERUs	\$ 960

Tom Nephew closes the Public Water/Sewer/Stormwater Rate Hearing at 6:52PM.

**Water / Sewer (discussion resumes)**

- Pat Harrington asks if there have been any thoughts or discussions on expanding water or sewer districts, and where would it make sense to do so. PB explains there is no district for the water and the sewer is limited to a particular overlay district. KK explains that a proposed expansion to the sewer district would require a Town Meeting approval. This will be added to the agenda for discussion at a future meeting.
- PFAS Update
  - Town Managers/Administrators for Groton, Dunstable and Pepperell met this week exploring a firmer commitment for a regional solution.
  - Pilot at Jersey St has been submitted to DEP for approval, we are going to start that feasibility study
- Misc. Updates
  - Shutoff Notices
    - Constable scheduled to serve 8 homes scheduled for water utility shutoff on 8/17/23
    - Constable will also be serving 27 additional homes with shutoff notices on 8/17/23.
    - Renee D’Argento notes that she is the Fuel Assistance Outreach Coordinator for Shrewsbury, people who qualify for fuel assistance get

water assistance, and she asks if Pepperell does that. PB explains that he has signed up with the local agency that manages that program and they were going to send a list of people they could pay the bills for.

## DPW

- 2023 Municipal Conflict of Interest Training
  - June 15<sup>th</sup> is the deadline for all municipal employees, boards, commissions, volunteers, etc. are required to complete and pass Conflict of Interest training bi-annually.
- Misc. Updates
  - Emergency Special Town Meeting scheduled for June 28<sup>th</sup>.
  - Riverside Neighborhood development project meeting went well, consensus was to keep sidewalks as part of the neighborhood. This may need to be delayed due to the availability of funding. Construction of sidewalks is not covered by Chapter 90 funds.
  - Bid opening for the Railroad Square and Rotary came in higher than we hoped. We are looking to see if there is more money available, if not, it may have to be delayed or rebid. Unfortunately, some of the funds from grant money needs to be spent by December 31, 2023 (70% was grant money).
  - Heald Street project is ongoing.

## Review, Approve and Sign Any Documents Requiring Board Signatures

- May Commitments  
*May Commitments were signed by the Board.*

## Commissioners Comments

None

## Next Meeting Dates

July 20, 2023 – Regular BPW Meeting

## Any other matters that may arise which the chair could not reasonably anticipate

None

## Adjournment

*Pat Harrington motions to adjourn the meeting of the Board of Public Works, Jose Mercado seconds the motion. **The motion passes unanimously (5-0-0).***

The meeting adjourned at 7:15 p.m.

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