

**Board of Public Works
Regular Meeting – Water/Sewer/Stormwater Rate Public Hearing
06/30/22 – Minutes
Conference Room A**

DPW Board Members: Chair – Tom Nephew; Vice-Chair - Pat Harrington; George Clark

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

- **Call to Order at 5:40 P.M.**

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

<https://pepperell.vod.castus.tv/vod/?video=7d5a0a07-c4ab-4305-9a08-08a6f73f117b>

- **Acceptance of Meeting Minutes**

- **May 19, 2022** (Regular)

Pat Harrington moves to accept the meeting minutes as written for May 19, 2022 George Clark seconds the motion.

The motion passes unanimously (Tom Nephew, Pat Harrington, and George Clark)

- **June 16, 2022** (Working Session)

Pat Harrington moves to accept the meeting minutes for June 16, 2022 working session as written. George Clark seconds the motion.

The motion passes unanimously (Tom Nephew, Pat Harrington, and George Clark)

- **Water / Sewer / Stormwater Rates – Public Hearing**

Chairman Tom Nephew announces the Public Hearing will begin momentarily for setting Water, Sewer and Stormwater rates. The hearing will begin with a Water presentation, BPW members will be permitted to ask questions, members of the public will be permitted to ask questions and make comments. Once complete, the process will continue with Sewer and then Stormwater.

5:45 P.M. Tom Nephew opens the Public Hearing for setting Water, Sewer, and Stormwater rates. *Pat Harrington reads the Public Rate Hearing Notice as published in the Lowell Sun on Sunday, May 29, 2022.*

Municipal Water Rate Setting – Paul Brinkman begins the Water rate setting presentation. Currently we have 2 water rates existing for commercial or residential. We are proposing a single rate for both commercial and residential. Some mixed commercial/residential use properties are connected, and there hasn't been a tremendous difference in the commercial base vs residential base so it makes sense to have a single table. We don't have industry that uses a lot water.

The cost of the water system has increased substantially over the last couple of years, therefore, a fairly significant rate increase is being proposed to pay for the expenditure increases. The primary source of water revenue is from water use charges and the proposed impact to rate payers will vary depending on usage (very low – very high use).

Tom Nephew notes, for the record, there had previously been a big problem with the Bemis well experiencing iron and manganese in the water. We had no choice but to go with the

Greensands project to clean the water as that represented 40% of our wells. It was very costly and unfortunately the rate payers have to pick up the cost of having clean water. Pat Harrington adds that we'd be in deep trouble if we hadn't done Bemis when we did which was due to the shutdown of the Nashua Road well due to PFAS. Ken Kalinowski adds that Bemis is maintaining essentially a non-detectable level for PFAS and is our cleanest water source.

Tom Nephew opens the hearing to questions or comments from the public regarding Water rates.

Dave Delorey, PSMRC, 41 Lomar Park, Unit 4 speaks to the Proposed Rates table. Mr. Delorey is agreeable to a base charge, however, he is not agreeable to "multi-unit" charges which he feels should be defined by the number meters and not the number of units which are derived from the Assessor's database. Mr. Delorey feels they are being overbilled and shouldn't be.

Renee Dargento, 18 Prospect Street, joins the meeting remotely. Renee notes that tiers encourage water conservation and that's probably the reason that DEP put that into effect for towns. Renee inquires if the average gallon usage per unit has gone down or up and how it impacts rate increases. Tom explains that the usage itself doesn't have a lot to do with the rate increases which are almost entirely driven by the Greensands investment put in place to filter water coming from Bemis wells. There is a lot of debt service that is carried to be paid off each year to clean the water, and is the primary reason for the water rate increase. Paul Brinkman notes that over the past 5 years, usage has gone down and up by as much as 20% year over year and weather is one of the driving factors.

Renee suggest the BPW adopt the MassDEP Water Use Policy bylaw that can be adopted and allows the BPW more authority to restrict excessive watering usage with irrigation systems. Tom explains there is a cost to enforcement, which is difficult to enforce. Tiers discourage abuse of water resources and encourage compliance.

Unknown remote participant is looking for clarification on how per unit charges are applied to apartments. Paul explains that they are subject to the same base charge per unit with tier usage rates regardless of occupancy or vacancy in apartment units. There is a follow up question as to how the water usage is applied to farmers, and how deduct meters work. Tom explains that deduct meters measure water used outside, and sewer users are not paying a sewer fee on the amount of water used outside.

At this time Tom moves the discussion to Sewer rate setting.

Municipal Sewer Rate Setting – Paul Brinkman begins the Sewer Rate Hearing presentation.

The current system does not have a base charge, it has a minimum charge per unit, per quarter. Tier 1 allows for 1250 cubic feet for the minimum charge, after that users go into tiered usage tables. The same rules apply for multi-units in terms of averaging out before advancement to the next tier. Previously the BPW requested to reduce or eliminate the number of tables and minimum charges. Paul reviews two different approaches developed:

- One single tier with base charge per unit to be consistent with water
- Multiple tier with base charge per unit – Four tier system with a base charge per unit, per quarter billed. With these rates we're looking at a surplus.

Sewer has many more revenue sources, with revenue coming from Groton for managing their system. We are seeing a little bit of growth, therefore no reduction is necessary to offset people getting more efficient with water, and we are looking at the big charge to

retained earnings in the budget. The rate setting discussion is being done nine months prior originally planned and is not based on a full twelve months of proper billing/usage historical data in the system as was requested by the Business Manager. Paul discusses how the Multi-Tier Table will likely impact rate payers. Low users are looking at a decrease billing and moderate and high users will be paying more.

Single Tier with base charge per unit simplifies billing with less variability, and is likely more sustainable and predictable. The single tiered model is the recommended approach with a single table, single tier and adding a base charge per unit (commercial, industrial or residential unit as derived from Town Assessors database).

Tom Nephew opens the hearing to questions and comments from the board, hearing none, opens the hearing to the public.

Dave Delorey, PSMRC, 41 Lomar Park, Unit 4 is permitted to present PowerPoint slides detailing his concerns specific to the proposed FY23 Sewer Usage Rates and Fees. Tom Nephew limits Mr. Delorey to 10 minutes and reminds Mr. Delorey that he has attended and has been permitted to speak at length at previously recorded BPW meetings to discuss his views and objections to “multi-unit” quarterly billing. Tom notes that the BPW heard Mr. Delorey’s points at past meetings and appreciates him bringing his concerns to their attention. Tom continues, the BPW has addressed and accelerated its analysis of “minimum use” charges, per Mr. Delorey’s request. Tom notes the BPW is comfortable with a minimum base charge per unit. Mr. Delorey explains his issue is not with the base charge, his concerns are with billing “per unit”. Tom Nephew thanks Mr. Delorey for his comments.

Roland Meijer, MJR Engineering, 33 Lomar Park, Unit 1 speaks on “base unit” billing concerns and how to define “user”. Tom Nephew and Paul Brinkman explain that rate tables cannot be created and applied to every individual scenario, and at the end of the day operational expenses need to be budgeted for and paid.

Doug Adams, 5 Blueberry Hill, and fractional owner of 1,000 square feet at 33 Lomar Park notes billing concerns at his business location. Paul Brinkman notes that meters should have been put into place for each unit at that location. We are currently taking steps to insure that moving forward, each individual units constructed have a meter to create equity across the service area and so we don’t end up in this situation.

Renee Dargento, 18 Prospect Street, joins the meeting remotely and is looking for clarification on how her sewer bill has changed from the last year and the current bill. Tom can’t speak to a specific bill, but he explains there was a correction made to an error that had been going on for many years and recently discovered in the billing system where the minimum use charge per unit wasn’t billing multi-unit users. This billing correction to the billing system currently in effect resulted in multi-unit users being billed the minimum use charge for each unit, and assumes minimum amount of flow usage. The BPW has been made aware that many users were not using the minimum flow amount and didn’t want to continue to charge users for flow they weren’t using. Tonight the BPW is discussing replacing the minimum charge with a base charge per unit to cover administrative expenses and actual usage.

At this time Tom closes the discussion on Sewer rates and moves to Stormwater rates.

Municipal Stormwater Rate Setting – Paul Brinkman begins the Stormwater Rate Hearing presentation of two billing models detailing proposed changes to the existing flat rate annual billing per parcel regardless of development status (excluding Chapter and Conservation land). As requested, the proposed billing systems address fairness concerns

by increasing equity with a fixed fee with charges based on an Equivalent Residential Unit (ERU) model, and decreasing or eliminating fees for undeveloped parcels.

A fixed fee model would require an increase in fee annually, does not reduce inequity for parcels with multiple unit on one parcel, or capture large parcels with high impervious surfaces. Tom explains the significance of “impervious surface” is because of runoff when you have impervious surfaces. Paul explains the Stormwater system is to carry the runoff off streets, and it also gets carried into the swales and rivers. The EPA requires the quality of that water be as good as it can be. Ken also notes “impervious” although important is not the primary consideration, the original plan to bill per parcel was to create equitable billing. Billing by parcel is assuming property owners in town are using our streets. This reformulation attempts to be sensitive to the fact that people are using the streets and is not strictly based on the amount of impervious area and activity generated on streets and ways in town.

Paul continues, the development to determine a “typical” impervious surface area for a single family residence (SFR) becomes the ERU. The average ERU is approximately 3,500 square feet of impervious surface per SFR. The impervious area for a Non-SFR properties (i.e., condos, apartments, etc.) was reviewed with the majority falling into about 0.5 ERU per unit, and not as impervious as a single family home. Non-residential parcel ERUs are calculating by determining impervious area divided by 3500 square feet and charged on an ERU basis.

The recommended approach is a single charge per SFR (ERU), half charge per unit for all other non-SFR residential units (as derived from Town Assessor’s database), and increasing block tiers for non-residential based on ERU. Mixed use will be determined based upon the most applicable rate structure and undeveloped parcels will not receive Stormwater fee charges.

Tom Nephew opens the hearing to questions and comments from the board. Pat Harrington looks for clarification on billing non-residential units, in Lomar Park, for example. Paul explains that they are non-residential and number of units is not considered, only the impervious area on the site. A single quarterly bill for the non-residential parcel will be sent to the condo association as the responsible party. If there condo units are set up as separate parcels with individual owners, the bill would be split the bill amongst the number of units.

Ken Kalinowski notes that if the board should vote to accept, there are also a series of exemptions previously identified and put in place by the board that they may want to reserve the right to review at a future meeting and reconsider if the exemption is still necessary.

Tom Nephew opens the hearing to comments from the public.

An unidentified meeting participant notes the contributions that everybody makes by using the roads doesn’t fit with the equation, and should include what people use every day and contribute to the issue. Paul notes that cars traveling through town can’t be billed without having toll booths. A large impervious parcel surface would likely contribute a large amount of traffic with cars moving in and out.

Ken explains Stormwater is a problem the town of Pepperell needs to solve per the EPA. We’re trying to find the most equitable manner and we’ve made a big step in exempting undeveloped properties in their entirety, of courses this is always subject to change. Adjustments may need to be made again at some point in the future.

Caroline Ahdab, 19 Deerfield Drive has questions and concerns about undeveloped areas with underground contamination, like Indian Head Ski Area, and how it will be classified for Stormwater. It has 6 monitoring wells and is an active site with MassDEP. Paul explains the impact on roads is where the focus currently is with Stormwater billing. If this facility is undeveloped and determined to be contributing to Stormwater, we will look at these parcels individually in GIS imagery and mapping, and if there's something on this parcel that has the potential and impervious surface, they will get a bill. Ken adds that under the ERU process, a small number of buildings would equal a small number of ERU's and would probably be a smaller bill. Ken is not familiar with the results of the monitoring however, if the contamination is contained and localized to the site and not impacting the town we can't connect it to our Stormwater. Tom thanks Caroline for bringing it to our attention and notes it's probably worth a discussion with Paula.

Renee Dargento, 18 Prospect Street, joins the meeting remotely, and has questions and is looking for clarification about billing for impervious surface on vacant lots. Ken explains that the impervious surface is being used to determine equivalency and to approximate the level of impact the property might have to the town.

Tom Nephew comments for the record that a \$60 Stormwater bill wouldn't affect his decision to put up a shed, a pool, or addition on his home.

At this time Tom closes the discussion on Stormwater rates and the Rate Hearings at 7:58 p.m.

Paul Brinkman explains that the following Proposed Water, Sewer and Stormwater rates have been prepared and also include "No consumption is provided within the base charge" and the effective date August 1, 2022. This date provides 30 days' notice to let people know the rates are changing and that they won't see a bill resulting from this until November 2022. An explanation of the rate change beginning in August will be included in the communication sent to explain the bill.

Proposed Rates – Water

TOWN OF PEPPERELL		
DPW - WATER DIVISION		
Fiscal Year 2023 Water Usage Rates and Fees		
	Usage (cf)	Rate
Base Charge per Unit* per Quarter		\$ 30.00
Tier 1 (per cubic foot)	0 - 800	\$ 0.0500
Tier 2 (per cubic foot)	801 - 2300	\$ 0.0740
Tier 3 (per cubic foot)	2301 - 5300	\$ 0.1000
Tier 4 (per cubic foot)	5301+	\$ 0.1500

Effective Date August 1, 2022

*unit – as derived from Town Assessor's database. A unit may be commercial, industrial, or residential in nature.
No Consumption is provided within the Base Charge.

*Pat Harrington motions to adopt the new proposed Water rates as presented, effective August 1, 2022. George Clark seconded the motion. **The motion passes unanimously.***

Proposed Rates - Sewer

TOWN OF PEPPERELL	
DPW - SEWER DIVISION	
Fiscal Year 2023 Sewer Usage Rates and Fees	
	Rate
Base Charge per Unit* per Quarter	\$ 30.00
Consumption charge per cubic foot	\$ 0.0970
Unmetered User Charge per Quarter	\$ 224.00

Effective Date August 1, 2022

*unit – as derived from Town Assessor’s database. A unit may be commercial, industrial, or residential in nature.
No Consumption is provided within the Base Charge.

Pat Harrington motions to adopt the new proposed Sewer rates as presented, effective August 1, 2022. George Clark seconded the motion. **The motion passes unanimously.**

Proposed Rates - Stormwater

Effective Date August 1, 2022
(with exception of undeveloped parcels, which is July 1, 2022)

*unit – as derived from Town Assessor’s database.

Mixed Use will be determined based upon the most applicable rate structure as determined by the DPW.

Undeveloped Parcels will not receive charges.

ERU – Equivalent Residential Unit

TOWN OF PEPPERELL	
DPW - STORMWATER DIVISION	
FY2023 Stormwater Fee	
Class	Rate
Residential (per unit*)	
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
Non-Residential	
1-2 ERUs	\$ 60
3-5 ERUs	\$ 120
6-10 ERUs	\$ 240
11-20 ERUs	\$ 480
21+ ERUs	\$ 960

Paul Brinkman pauses to request the members consider the billing Stormwater effective date of August 1st, yet not bill the undeveloped parcels effective July 1, 2022.

Pat Harrington motions to adopt the new proposed Stormwater rates as presented, effective August 1, 2022 (with the exception of undeveloped parcels, which would be July 1, 2022). George Clark seconded the motion. **The motion passes unanimously.**

Members thank Paul and Ken and acknowledge the tremendous of amount of work that has been put in to the rate change process.

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

- Drain Layers License – Tee Services

George Clark motions to accept the Drain Layers License for Tee Services.

Paul Brinkman notes that in checking Tee Services references, a number of references were unfamiliar with him however they did get 2 good references. Paul is requesting the board consider granting permission for a conditional license to Tee Service to do one single connection and evaluate him for licensing permanently.

Tom Nephew questions why Drain Layer Licenses have to be approved by the Board. Paul and Ken respond its history. George Clark states that historically the department granted licenses and would then bring forward to the board. If the board had issues then the board could reject licenses. Tom Nephew feels the department is competent to issue the licenses.

*Tom Nephew motions the board seed the power of approving licenses for Drain Layers and Water and Sewer Installers to the Director of Public Works. Pat Harrington seconded the motion. **The motion passes unanimously.***

- **DPW**

- Heald Street culvert replacement (update) – This project is still being funded by a grant, work will probably not start until mid to late August and finish work to be done in November. .
- 2022 Roads Program – Phase 1 (update) – moving equipment in on July 5, start milling and paving on July 6th beginning at Town Hall. Phase 2 will begin later in the summer. The website is continues being updated.

- **Adjournment** – *Pat Harrington moves to adjourn the meeting. George Clark seconded the motion. **The motion passes unanimously.*** The meeting adjourned at 8:15 p.m.

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