

**SELECTMEN'S MEETING
UPSTAIRS MEETING ROOM
1 AVENUE A, TURNERS FALLS, MA
MONDAY, September 28, 2015**

Meeting was opened at 7:00 PM in the Upstairs Meeting Room. Present were Selectpersons, Chris Boutwell, Mike Nelson, (absent) Rich Kuklewicz, Town Administrator, Frank Abbondanzio (absent) , Executive Assistant, Wendy Bogusz

Approve minutes of September 21, 2015 if available.

Boutwell makes the motion to approve the minutes of September 21, 2015. Seconded by Kuklewicz, approved unanimously. Boutwell –Aye, Kuklewicz – Aye,

Public Comment Period: Individuals will be limited to two (2) minutes each and the Board of Selectmen will strictly adhere to time allotted for public comment:

None

Personnel Board and Robert Trombley, WPCF Superintendent

Appoint John Rathbun, WWTP Laborer, 40 hrs/week, Grade B, Step 1, \$16.37/hr. effective 10/1/15

Boutwell makes the motion to appoint John Rathbun, WWTP Laborer, 40 hrs/week, Grade B, Step 1, \$16.37/hr. effective 10/1/15 pending passing of pre employment physical. Secomded by Kuklewicz, approved unanimously. Boutwell - Aye, Kuklewicz - Aye

Robert Trombley, WPCF Superintendent, FY2016 Sewer Rate Discussion

Trombley: We are here to present to you our recommendations concerning the sewer rates. Each year the rates are discussed at 2 Selectboard/Sewer Commission meetings, the first to provide information for discussion, the second to hold a public hearing at which the rates will be voted on. The WWTP staff has continued to be successful in the efforts to reduce operational costs and increase revenue, particularly in the area of outside sources of thickened sludge. A meeting was held in June to discuss this continuing trend. At the meeting's end I was asked this question, "what do we need to do to keep doing what we are doing?" To respond to that I enlisted the assistance of Mr. Grant Weaver, The Water Planet Company. We have taken a different approach to generating the sewer rates this year, he is here tonight to review this and answer any question you may have.

Grant Weaver, President Water planet Co.: 5 years ago about 50,000 a year of revenue was generated from trucked in waste, from pumped out septic tank waste. This past year it was almost \$600,000. Right now that revenue is about 25% of the total revenue. If the plant went back to how it was 5 years ago and not receive all that trucked in waste, it would require about a 50% rate increase, the Town wants to preserve this. To my knowledge, there are no other Treatment plant in this country that take trucked in waste/sludge from other treatment plants and dumps it into the waste stream; there are plants that truck it in doing what our plant is doing, it is a unique arrangement. This arrangement was developed by your staff, collaboration of John Little with staff at the plant along with the support of Bob Trombley. Created something very unique to benefit the Town. First thing is to invest in the staff, show them recognition and reward them when possible. Second invest in the facility; renovate the plant and prepare so it can take in more sludge; we came up with the \$6 million plan; when you bring in the extra sludge, it pays for the debt service. Third item is it's time to raise the rates. Retained earnings budget is getting drained. IF there was no rate increase this year it would totally drain it and then there would be a monster rate increase next year. The recommendation for next year is 10% rate increase this year, and at the same time reduce industrial surcharge by 25%, Follow up with 7% increases every year and 25% depletion until it goes away.

Trombley:

Sewer Rates

This is the first of two scheduled meetings with the Selectboard to address FY 2016 sewer rates; the next meeting is scheduled for 19 October 2015. Each year as part of the work to set the sewer rates the Enterprise account retained earnings (RE) estimate is sent to the State for verification. The State of Massachusetts, Department of Revenue Division of Local Services has certified the free cash amounts for the Town. This allows us to continue the sewer rate discussion leading to the public hearing. The amount of \$226,707 is available to the Town in the RE account from FY 2015, which is a \$259,746 reduction over FY2014.

Recommended Rates, Rates per 1,000 gallons – 10% increase

- I. Gill, Southworth & Strathmore

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- II. Turners Falls, Montague Center, Montague City, Lake Pleasant
- III. 12 month Flat Rate
- IV. Millers Falls

	<u>FY's 2010, 11, 12 & 13</u>	<u>2014&15</u>	<u>2016 proposed</u>
I	\$5.56	\$5.75	\$6.33/1,000 gallons
II	\$6.00	\$6.22	\$6.84/1,000 gal.
III	\$334	\$344	\$378/ FY
IV	\$6.00	\$6.22	\$6.84/1,000 gallons
Non – Contract Surcharges			
		<u>2015</u>	<u>2016 proposed</u>
Total Suspended Solids		\$0.3941	\$0.2956 per pound; Biochemical Oxygen Demand \$0.2771 \$0.2078
per pound; Septage – no change		In Town & Town of Gill = \$75/1,000 gallons;	Out of Town = \$80/1,000
gallons; Trucked-in Sludge – no change		\$310/dry ton; Other – no change; Interest Rate – 14% per Annum	
Demand Charge - \$5.00; Minimum Bill - \$36.00			

Statewide sewer rate figures, calendar year 2014

The statewide 2014 range is \$221 - \$1,874, with an average of \$756 per household. Using the proposed residential rate of \$6.84/1,000 gallons the Montague average household bill based on the state usage figure of 90,000 gallons = \$616; using the actual Montague average flow of 58,934 gallons per residence then the average annual bill becomes \$403.11 and the increase to the homeowner over FY 2015 is \$36.54.

RE refresher

What are Retained Earnings?

Retained earnings are funds certified by the Commonwealth Department of Revenue. The funds concern the Town's enterprise accounting system for the operation of the WPCF, Treasurer's Subsidiary, Highway Subsidiary, Personnel Benefits and Debt Service Budgets. The amount in the fund from a previous fiscal year comes from revenues in excess of those estimated and from unspent appropriations.

Use of RE has enabled the Town to mitigate increases in the sewer rates. The agreement between the Southworth Manufacturing Company and the Town (section 4 (e)) notes, "surplus revenue accumulated from Normal Sewer User Fees shall be used to reduce the billing rate of all Normal User Fees in the following fiscal year".

How did we use RE in FY 2015?

The uses of the funds for FY 2015 involved the following: No rate increase for FY2015, same rates as FY2014; covered the revenue shortfall with retained earnings due to no increase in sewer rates; \$100,000 capital improvements stabilization fund; Engineering services; Lab software program; WPCF wages due to union bargaining

How do we propose to use RE in FY 2016?

At an upcoming Town meeting on 1 October the use of \$100,000 of RE will be discussed for the purpose of keeping the sewer rate increase to 10%.

Recent Sewer Rate History

Since FY2010 the sewer rates have been increased only once: 3.7% in FY2014. Even with the FY2014 rate increase, the residential and industrial revenues declined in FY2014 and FY2015.

Boutwell: I'm not going along with a 10% rate increase

Kuklewicz: In Franks absence I'm the liaison between the WPCF and the Town. Bob set up a meeting a couple of weeks ago with the Staff and it was interesting to hear the passion they have. I met with them to hear about their concerns regarding the shortage of staff and the demands on everybody. Staff is asking how do we continue to do what we are doing when the boss retires and you don't usually hear that. Need to read more about the rates in the emails sent to us by Bob. The plant has held the rates for 10 years

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Trombley: If you have questions between now and the hearing, please forward them to me so I can answer them

Weaver states the Town will be sorry if they don't raise the rates 10% this year

Blaker: How much in retained earnings was generated from last years budget? Over the years WPCF have generated a surplus every year that are usually available at the end of the year. Wants to see how budget numbers effects the plant. Feels rates were set unreasonably high due to retained earnings. Trombley is going to look into this.

Discussion regarding retained earnings, sludge, getting a patent

Tom Bergeron, DPW Superintendent, Turners Falls – Main Storm/CSO Drain Inspection

Bergeron: A few years ago Bob noticed a drain that goes under the canal. We have a history that during a rain storm man hole covers are blowing off and we have to put a truck tire over the drain to keep it from overflowing. We decided to contract with CDM to look at this and see if we could get it working properly again. The drain line runs from Avenue A near one of Food City's parking lot entrances, through the parking lot to where their dumpsters are which it becomes the flume, goes under the canal comes back up and discharges on the other side of the powerhouse, which I believe is over 300' just the exit of the line. It was probably built in the 1800's, but one drain we found had a 100 yards of sand underneath. This year we used some of the money appropriated to do some cleaning. They spent a week on G Street where the lines empty out, approx. 20 yards of sand was taken out, but now it is filling with water so it is hard to continue. Prints they were given are not exactly what is there. More investment will be needed to figure this out. Had to cancel work so that damage does not occur to the drain so the line item does not get overspent. Several 1,000 feet have been cleaned and found our lines are in rough shape. We found 3 manholes we didn't know existed near Walnut Street. This cleaning is starting to clog up Bobs line.

Trombley: We are finding fine grit and it is starting to clog our lines. It seems like no matter what we do to remove it, it keeps coming and it is breaking our pumps and is a burden on the staff. The average plant flow has gone down which means we've found some leaks.

Kuklewicz would like to see a list of priorities of where to start to fix the issues

CDM is setting up a spreadsheet with a list of priorities

Millers Falls Road Project Update

Walter has been working diligently with the engineers, Weston and Sampson on this, they want to deny there is an engineering issue with it as it was supposed to take a 100 year storm. They are saying the matting was not installed properly, but I was there taking pictures and it was put in correctly. Weston and Sampson is sending a temporary fix by installing a pipe that will extend to the bowl at the bottom of the hill.

Kuklewicz: We need a design there that is not going to create a bigger problem

Town Administrators Report

Appoint Roy Rosenblatt to the Community Development Block Grant Advisory Committee

Boutwell makes the motion to appoint Roy Rosenblatt to the Community Development Block Grant Committee for 1 year, expiring June 30, 2016. Seconded by Kuklewicz, approved. Boutwell – Aye, Kuklewicz - Aye

Addendum to Contract dated 9/8/15 between Moody Consulting and the Town of Montague

Boutwell makes the motion to approve the addendum to the contract dated 9/8/15 between Moody Consulting and the Town of Montague that excludes the Police Department, WPCF and the Airport. Seconded by Kuklewicz, approved. Boutwell – Aye, Kuklewicz - Aye

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Agreement to Purchase Real Estate at Sale by Auction, 36 Green Pond Road, Millers Falls, Map 34, Lot 048, \$11,000

Boutwell makes the motion to authorize the Chair to sign the Purchase Real Estate at Sale by Auction, 36 Green Pond Road, Millers Falls, Map 34, Lot 048, in the amount of \$11,000. Seconded by Kuklewicz, approved. Boutwell – Aye, Kuklewicz - Aye

Selectboard appointment to the Franklin Regional Planning Board

This topic to be put on next week's agenda

Application to place sign on Masonic Avenue, October 4 to October 17, 2015

Boutwell makes the motion to authorize Keith from the Harmony Lodge to place a sign on Masonic Avenue for the Open House, Public Welcome, Saturday October 17, 2015 from 9:00 AM to 3:00 PM; start date is October 4, ending October 18, 2015 approved by Police Chief as long as it does not obstruct the public's view. Seconded by Kuklewicz, approved. Boutwell – Aye, Kuklewicz - Aye

Topics not anticipated in the 48 hour posting requirements.

None

Executive Session as authorized pursuant to M.G.L. c.30A §21 (a)(2) to conduct Negotiations for Police Chief Charles Dodge, votes may be taken

Kuklewicz declares having this in open session will be detrimental to the Towns bargaining position

Boutwell makes the motion to go into Executive Session at 8:12 PM as authorized pursuant to M.G.L. c.30A §21 (a)(2) to conduct Negotiations with Police Chief Charles Dodge only adjourning to close the regular session. Seconded by Kuklewicz, approved unanimously. Boutwell – Aye, Kuklewicz – Aye,

Boutwell makes the motion to go out of executive session at 9:46 PM and adjourn the meeting. Seconded by Kuklewicz approved unanimously. Boutwell – Aye, Kuklewicz – Aye, Nelson – Aye