

Meeting Date: December 2, 2015

Called to Order: 6:00 PM

Location: 1 Avenue A, Turners Falls MA

Finance Committee Members Present: Michael Naughton, Fred Bowman, Greg Garrison, and Patricia Pruitt. John Hanold and Chris Menegoni were absent.

Selectmen Present: Chris Boutwell and Rich Kuklewicz. Michael Nelson was absent.

Others Present: Town Accountant Carolyn Olsen, WPCF Superintendent Robert Trombley and WPCF Staff: Operators John Little, Tim Little and Tim Peura, Operator in Training Anthony Suprenant, Administrative Assistant and Assistant Lab Technician Tina Tyler and Administrative Assistant Kate Jones.

Water Pollution Control Facility

Mr. Trombley was present to provide information about the WPCF and answer questions prior to the budget process.

- Mr. Trombley began with a short video presentation about the new revenues generated from the new sludge process and the condition and needs of the plant.
- The presentation included:
 - A brief history of the new sludge process and the revenue it generates.
 - Proposed changes in allocation/positions of current staff. This would require the creation of 2 new positions, but no additional employees. Mr. Trombley plans on retiring at the end of next year. His main concern is that a new superintendent unfamiliar with and intimidated by the challenges of our system will revert to conventional waste activated sludge treatment and discontinue our process, thereby losing revenues and savings because it's too complex and demanding. This concern is behind the proposal of the new staff structure, which does not have a superintendent, but shares departmental responsibilities between an administrator and a chief operator.
 - Pictures of some rarely-seen parts of the plant, showing the age and condition.
 - General information about the cost of necessary repairs and upgrades.
 - A five-year plan was presented recommending a total investment of \$6 million.
- Ms. Pruitt asked how much additional trucked in waste could be processed with these improvements. Mr. John Little thinks they can at least double the amount of waste they can take in with the additional tankage.
- Mr. Bowman asked about the initial \$725,000 of investment to allow for additional trucked in waste. This amount will be borrowed, with the debt service paid by increased future revenues.
- Mr. Bowman asked how much revenue is brought in from treating outside waste. Mr. Trombley said they average about \$10,000 per week in total billings for both biosolids and septage.
- Mr. Trombley noted that the need for a place to take in waste is constantly increasing as traditional disposal sites for sludge are closing. There are no longer any local sites that take sludge, and the transportation costs for the further sites are very expensive. It's much cheaper for local towns to bring their waste to Montague than to truck it

elsewhere. The fact that we have eliminated the need for disposal of an end product makes this biological process particularly efficient and cost effective.

- The WPCF still has a composting project going on, but generally there is no solid byproduct from their biological sludge process. The final end products of this process are water, carbon dioxide and hydrogen.
- Mr. Naughton asked about heavy metals. Toxicity tests have been negative, and there are no heavy metals coming into the system. Some of the bacteria actually eat iron oxide. Mr. Trombley noted many toxic substances are now testable, primarily because of technological advances that allow us to measure very small traces of various substances.
- Mr. Bowman asked if upgrades would continue after the end of the six year plan. Upgrades and replacements would continue, but at a lower annual cost. The goal is to avoid pyramiding debt – paying debt for something that’s already been replaced with something that brings new debt service costs.
- Mr. Bowman asked how much population could be handled by the plant. Mr. Trombley answered that the plant could handle 10,000-12,000 residents. Part of this additional capacity is because the plant was designed for a level of industry that no longer exists in Montague.
- Mr. Bowman asked about the sewer lines. Mr. Trombley reviewed the lines that have been relined.
- Mr. Kuklewicz views the WPCF as an industry within the town. There’s constant maintenance and change in these environments and he strongly recommends that the maintenance and upgrades be done in a planned and timely manner rather than waiting until there’s an emergency that costs more to fix.
- Mr. Bowman noted that the town’s past philosophy of waiting until something’s broken doesn’t work. Mr. Bowman suggested borrowing money sooner rather than later as interest rates are likely to increase.
- Mr. Bowman said that if we try to keep sewer rates flat, you end up with a day of reckoning. We need to have reasonable increases annually rather than wait and have a huge increase.
- Mr. Garrison congratulated the WPCF team on their efforts and results. His concerns are in the process going forward.
 - Is the plan to double capacity something that is done first or done gradually over the next 5 years. It would be the first project.
 - Is there any way we can have long-term contracts with the waste suppliers? Mr. Trombley feels that, because of the nature of the industry, most plants will not have the desire to do what we do, so it’s unlikely that we’ll lose customers to other plants doing the same process. Mr. Trombley feels the contracts could be a liability rather than a benefit and added that the contracts would have to be with haulers rather than municipalities or industries.
- Mr. Trombley reiterated that the biological process they use takes a lot more work than the traditional process. There’s constant baby-sitting and adjustments of the process.

- Mr. Garrison asked, in terms of the proposed staff structure, who would sit in Mr. Trombley's seat.
 - The proposed structure deliberately eliminates the position of Superintendent as there is no requirement to have a Superintendent. South Hadley and East Hampton/Colchester, Connecticut operate with the proposed staff structure.
 - The goal is that it will be easier to have three people doing different things than one person doing everything. The staff plan would shift some staff to higher wages, but it eliminates the Superintendent's salary.
 - Mr. Trombley would also like changes to the wage scale for Operators, with a system where grades correspond to the license level the employee has achieved. The current scale treats all operators at the same pay level, which eliminates any incentive to get higher level licenses.
 - Mr. Kuklewicz thinks that makes sense.
 - Mr. John Little noted that an outsider coming in with a Level 6 license would be lost in their process.
 - The goal is to provide a natural progression into areas of more responsibility. It takes about 2 years of working in our plant to understand our plant and process after getting a license.
 - Current license levels are:
 - Mr. Trombley – Grade 7
 - Mr. John Little – Grade 6
 - Mr. Timothy Little- Grade 5
 - Mr. Peura – Grade 3
 - Mr. Suprenant - Trainee
- Mr. Garrison and Mr. Kuklewicz brought up the idea of intellectual property rights as well as how best to share the knowledge. Palmer and Westfield are trying the biological process, as is the state of Montana. There's a grass roots effort where a lot of plants are trying their own techniques.
- Ms. Tyler noted that the issue of taking in more waste isn't just the volume of additional tanks, but how to feed the process with the additional amounts of waste. The tank itself would be the first step.
- Ms. Jones noted that we need to take care of our people. They are very talented, work very hard, and they're paid less than the industry standard.
- Mr. Bowman noted that turnover costs a lot of money. If you want to retain people, you have to be competitive. People will move for just a few dollars extra. We need to provide salary scales that will retain our employees.
- Ms. Pruitt is so impressed by the enthusiasm with which the staff has taken on this challenge and doesn't want them to be discouraged by the inability of the town to provide appropriate compensation.
- Mr. Trombley said it's not just a job for them.
- Mr. Naughton noted that the new structure takes Mr. John Little from a lead operator to a manager/supervisor position and that these can be very different skill sets. Mr. Trombley said that Mr. John Little has been acting as a chief operator for several years while he gets the same compensation as an operator. Details such as which

management responsibilities would fall under the Administrator and Chief Operator are currently being established.

- Mr. Kuklewicz says the key is whether the new structure works for the town. The second step is to make sure the right people are on the right seats on the bus.
- Mr. Bowman is concerned that someone could decide to reverse the process back to traditional methods at any time at a large cost.
- Ms. Tyler, Mr. John Little and Ms. Jones have been working on taking different bits of Mr. Trombley's job, and are working well together in covering all the bases, taking advantage of each person's strengths.
- Mr. Naughton appreciates that the staffing change was done with a level funded budget, but noted that this is not the only driver in terms of making the change.
- Ms. Tyler thanked the Board and Committee for listening to them.
- Mr. Boutwell suggested that the Finance Committee may like a full-blown tour of the plant and substations.
- Mr. Naughton asked about questions submitted by Mr. Hanold earlier. Mr. Trombley will respond in writing and Ms. Olsen will forward the responses to board and committee members.

Minutes

Finance Committee Moved:

To approve the minutes of November 4, 2015.

Vote: 3 In Favor 0 Opposed 1 Abstained

Selectmen Moved:

To approve the minutes of November 4, 2015.

Vote: 2 In Favor 0 Opposed 0 Abstained

Preliminary Revenue Estimates

- Ms. Olsen provided a printout of current revenue estimates for Fiscal Year 2017.
- Mr. Naughton suggested that if we could offer the Gill-Montague Regional School District more money this year it would be appreciated by the district.
- Mr. Naughton suggested adding a discussion of potential changes to a January meeting.

Topics not anticipated within in the 48 hour posting requirements

- The Planning Board would like to have a Special Town Meeting in January or February for a zoning change to allow for a solar array at Park Villa.
- Mr. Ramsey has informed Ms. Olsen that most of the recent \$25,000 reserve fund transfer for the Millers Falls Soil Stabilization project will not be needed. Ms. Olsen will check to see how the unused balance of the transfer can be moved back to the reserve fund.

Next Meeting:

- December 9th at 5:00 PM - Meet with Police and Dispatch

Future Items:

- Discuss how to handle process for the appropriation for WPCF Capital Stabilization Fund, use of revenues from solid waste process.
- Financial Policy regarding annual appropriations to Town General Stabilization Fund
- Determine if Board Stipends should be increased, and if so, by what amount(s)
- Finalize revenue estimates

Meeting adjourned at 7:25 PM

List of Documents and Exhibits:

- Minutes of November 4th
- Fiscal Year 2017 Revenue Estimates and Affordable Assessment calculation