

Budget Recommendations Committee
Water and Sewer
Thursday, Nov 8, 2018
Town Offices, Nowak Room
Final Minutes

1. Call to order

Attendees: Doreen Chester, Finance Director; Russell Dean, Town Manager; Jennifer Perry, Public Works Director; Matt Berube, Water & Sewer Manager; David Beavens, DPW General Subcommittee; Len Benjamin, Police and Fire Subcommittee; Nancy Belanger, General Government Chair; Mike Dawley, Rec, Welfare, and Library Subcommittee; Nick Gray, vice-chair and DPW Subcommittee chair; Niko Papakonstantis, Water Sewer subcommittee and chair of the Budget Recommendations Committee; Bob Kelly, chair of the Water and Sewer Subcommittee; Tai Chin Tung, General Government; Christine Soutter, chair of the Welfare and Human Services Subcommittee; Corey Stevens, Police and Fire Subcommittee; and Julie Gilman and Don Clement, Select Board Members, were present at this meeting. The meeting was called to order by Mr. Papakonstantis at 6:30 PM.

2. Minutes

There were no minutes to review.

3. Subcommittee report

Mr. Kelly summarized the Water & Sewer subcommittee's findings. The groundwater treatment plant is in the third year of operations, and it's starting to require more annual maintenance. They are in a ten year contract with the Suez Company dealing with water tank issues. They're past the first few years of heavy capital work and they've moved to maintenance work, so there's a reduced contract annually. They're nearing the end of the \$50 million Newfields Road plant project, and there will be labor, equipment, and capital costs as the facility comes online. There will be a transition period in which they keep the existing facility operational until the new facility is complete.

The subcommittee found no issues in Water Administration. Ms. Chester stated that the Water Administration benefits total is \$91,537, and the Water Administration total is \$376,387. Mr. Benjamin questioned Advertising, line item 5400, and Mr. Kelly clarified that it's for small bid packages. Mr. Gray asked how the bids are advertised; Ms. Perry responded that they usually contact vendors directly, but that there is a Select Board policy that describes how they solicit bids.

MOTION: Mr. Kelly moved to move \$376,387 for Water Administration. Ms. Belanger seconded. All were in favor.

Mr. Kelly moved on to Billing. There is a request for a part-time utilities clerk to move from 16 to 24 hours, to be split between Water and Sewer. The subcommittee agreed with this assessment, since they found that management was regularly roped in for clerical functions.

Ms. Chester stated that the new benefits total for Water Billing is \$44,237; there was a slight drop due to a change in plan.

Mr. Kelly mentioned the Software Agreement in line item 5740; this is the MUNIS billing software that the town is ramping up. Water/Sewer are not using this software yet. Part of the request is to provide a portal where users can log on and see their water usage. The subcommittee felt that the concept is good, but the timing is premature. Implementing the MUNIS software for taxes has been lengthier and more complicated than expected, and there is no reason to believe Water/Sewer would be different. They recommended having the software in place for a couple of quarters before adding a portal, and suggested it be part of the 2020 budget.

Mr. Dean expressed his concerns about delaying the portal. He explained that Water/Sewer is billed quarterly, so residents only get a look at their usage every 90 days. If there were a leak in the last quarter, their bill could be in excess of \$1,000. Mr. Dean wants to create a mechanism for people to identify and address leaks. Monthly billing, which is IT's preferred solution, would be too expensive, and the portal a good alternative. He requested that they leave this money in the budget and get the portal up and running this year, both so that they could market it and also have a better response to the Abatement requests brought before the Select Board. Ms. Perry wanted to provide this as a service to customers. Today, their clerks monitor usage on a monthly basis, and if they see something out of the norm, they contact the user, but it's a manual process and is not going to pick up every leak.

Mr. Stevens asked about the timeline for software implementation and going live with the portal. Ms. Perry said using WaterSmart with the meters could happen early next year, but she's not sure about the utility billing on MUNIS. Mr. Berube clarified that the portal can be used with any billing software, including MUNIS or MUNISMart. Mr. Dean said that the portal would engage people, so it's worth the investment. He suggested that there could also be a water conservation component to checking usage more frequently, which Ms. Soutter agreed with.

Mr. Dean said that they'd have to pilot the program to see if it leads to a large decrease in abatement requests. Mr. Kelly countered that if the user doesn't know about a problem until after it happens, they will request an abatement anyway. Mr. Dean suggested developing a campaign to encourage people to check their usage every week. Mr. Dawley asked if this would bring up the standard for getting abatements done, since it allows the town to say there's a resource in place which they didn't use. Ms. Soutter asked about the number of abatement requests and the dollar amount. Mr. Berube replied there are about 20 - 25 abatement requests per year, about \$5,000 - \$7,000 total this year. Mr. Dean added that each one takes 45 minutes to get through in the Select Board. Mr. Kelly said that the increase in abatements is due to the increase in rates. When rates were stable and reasonable, there was a fairly stringent policy about abatements: if they were not caused by a problem with the town system, then the town was not responsible. Now abatements are five times what they were three or four years ago. Mr. Dawley suggested that as rates go up, the portal becomes more meaningful, but Mr. Kelly countered that if they have the tool but don't use it, it doesn't fix anything. He asked if in the past five years, anyone with an abatement request has said they need a tool. Mr. Dean replied yes,

pretty regularly, and Mr. Berube added that in every phone call, they ask “why didn’t I know about this sooner.” Mr. Kelly still felt that people won’t check the portal.

Mr. Dawley asked if the program is tried and true in other municipalities. Mr. Dean said that IT had reached out to the City of Boston, who is running a similar program, but on a much larger and more expensive scale. Mr. Dawley said he was more interested in local or comparable towns. Mr. Berube said that he assumed that other towns are using the portal, since it’s included in the vendor package, but he will find out.

Mr. Papakonstantis said he did not disagree that this will be a useful tool, but felt that they are trying to do too much at once. He suggested they come back with the portal next year, when the billing system is up and running.

Mr. Stevens suggested that they have six months of messaging before implementing the portal in mid-2019, and negotiate an 18 month contract with the vendor, to be re-approved next year. Ms. Soutter asked, if there were a six month trial of the portal, how they would measure its success. Mr. Berube responded that the software tracks resident usage of the portal.

Mr. Benjamin said it would be nice to have a positive feature to promote as rates go up. Mr. Dawley mentioned that there will be a big rate increase on Jan 1 2020, but Mr. Kelly said it will actually happen next year. Mr. Dean added that leaks that cost \$100 extra now will cost a lot more once the sewer debt service is on the books.

Ms. Soutter asked if the only way to check usage is to go online to look at it. Mr. Berube said yes, or to call in. Mr. Stevens said he would prefer to see the resident get a text when water usage goes up. Ms. Soutter suggested an app they could check on the phone. Mr. Gray wondered if there is a way that the software could track usage and give the Water/Sewer staff an alert, instead of relying on the residents to check it. Mr. Berube responded that it does have the function, but MUNISMart is limited in reporting; getting the reports would cost outside money. He hasn’t seen what the newer software can do for reporting. Ms. Tung argued that it’s the resident’s responsibility to monitor usage, not the Water Department’s. Ms. Belanger countered that residents don’t have a mechanism to detect their leaks, but Mr. Stevens pointed out that they have their water meters.

Mr. Kelly suggested that they need to develop the portal/alert idea further and make a good proposal next year. Mr. Stevens felt strongly that the alert needs to be a text or something that makes users pay attention. Ms. Tung questioned whether an aging population would use an app, but Mr. Stevens said that people are saturated with mobile devices and technology and will learn. Mr. Gray asked if there is a way to collect the cell phone numbers or emails of residents for alerts, such as when you pay your property tax bills. Mr. Dean said that the technology is out there, and mentioned the CodeRED system, which is a voluntary signup similar to school notices. Mr. Berube suggested that his department could send out a bill stuffer asking residents to send in their information to create a database.

MOTION: Mr. Dawley moved that they reduce line item 5740 by \$5,000. Mr. Kelly seconded. All were in favor.

Ms. Chester stated that the new Water Billing total is \$165,318.

MOTION: Mr. Kelly moved to move \$165,318 for Water Billing. Ms. Belanger seconded. All were in favor.

Mr. Kelly moved on to Distribution. Line item 1310, Stand-By Wages, represents a new program in which a person is on call for after-hours issues. This would not be overtime, but part of their contract. The subcommittee supports this proposal as an efficient way to cover emergencies. Mr. Dean added that this is something they negotiated as part of the union contract, so it's a built-in cost. Mr. Kelly then mentioned line item 4370, System Maintenance; currently, it's less than half spent, but it mostly gets done towards the end of the year. For Contracted Maintenance, they have a 10 year contract with Suez, and are now seeing savings in the maintenance phase. He mentioned the Metering and Backflow line, line item 5759, stating that six or seven years ago they replaced half the meters, and since then the department has tried to replace 10 - 20 meters every year. Mr. Berube corrected that figure, saying that they replace 100 - 200 meters a year. Line item 5760, Pump Station and Towers, refers to the well which supplies the Groundwater Treatment Plant. They did a pump test 10 years ago but have never been able to replicate that yield, and this is an effort to get more water out of Stadium Well.

Ms. Chester stated that the Water Distribution benefits total is \$113,484.

Mr. Kelly said that the department is having problems cleaning out the TTHM disinfection byproducts from the dead-end lines in town, since they can't clean out those lines hydraulically. There are metering points on those lines that never pass muster. This line item is \$15,000, but they're going to try one automatic flushing hydrant for \$1,000. Mr. Gray asked whether line item 5341, Drug/Alcohol Testing, would be spent. Ms. Perry responded that drug testing is a random process split between the Highway General Fund, the Water Fund, and the Sewer Fund. They don't send exactly five from each group each year, so they may not spend it, but they have to budget for it.

Ms. Chester stated that the Water Distribution total is \$805,213.

MOTION: Ms. Belanger moved to move \$805,213 for Water Distribution. Mr. Kelly seconded. All were in favor.

Mr. Kelly moved on to Treatment, looking at line item 1110, Full Time Wages. Currently, the water treatment plant has one senior operator, and junior operators under that person. As the system is becoming more complicated to manage they would like to train and reclassify one junior operator as a senior operator, which would add \$4,000. Ms. Perry said that the \$4,000 is in addition to \$3416, so it would be a total increase of \$7,500. Mr. Kelly asked whether this increase would also affect to benefits, and Ms. Perry said yes, there would be a small increase. Ms. Chester added that there would be an effect on FICA and retirement.

Mr. Kelly mentioned lagoon cleaning, which will happen once every 3 - 5 years. The first cleaning was last year, and the lagoon filled up more quickly than anticipated. Mr. Berube is training more in-house staff on this process.

Mr. Kelly brought up dam registration. Pickpocket Dam has been reclassified as a high hazard, and the permitting and registration costs significantly more. That's an end of year payment. In Lab Testing, the lab test for cryptosporidium has gone up; they have one more year of spending there. In Energy, there's been a reduction in both natural gas and electricity.

MOTION: Mr. Kelly moved to add \$4,000 to line item 1110, for a new total of \$227,482. Ms. Belanger seconded. All were in favor.

Ms. Chester stated that the new benefits total for Water Treatment is \$156,432.

MOTION: Mr. Kelly moved to move line item 6210, Natural Gas, to \$25,000. Ms. Belanger seconded. All were in favor.

MOTION: Mr. Kelly moved to move an electrical budget of \$80,000, down from \$93,525. Mr. Gray seconded. All were in favor.

Mr. Gray mentioned line item 5080, Supplies and Lab Equipment. Historically they've spent below the \$13,000 figure, so he questioned whether the full amount was needed. Ms. Perry responded that some testing isn't done on a monthly basis; they've just completed lead and copper testing and UCMR. Mr. Berube added that they're down to \$5,000 on this budget, and it will be spent. Mr. Kelly mentioned that TTHM facilities are affected by chloramines and need more heightened oversight.

Ms. Chester stated that the new Water Treatment total is \$744,314.

MOTION: Mr. Kelly moved to move \$744,314 for Water Treatment. Ms. Belanger seconded. All were in favor.

Ms. Tung asked if the Energy Committee can study all departments, or will focus just on streetlights. Mr. Dean responded that LED streetlights was their first major project, but they can take up other questions as they go. For electricity, they're locked in at a rate of a little over 7 cents kw/hour through 2021.

Mr. Kelly said that for Capital Outlay, line item 7420, the subcommittee recommends \$0. There is a CIP truck purchase; one Highway fleet truck has not worked up to expectation, so they will transition an existing truck in the Water/Sewer fleet to the Highway fleet and purchase a truck for Water/Sewer. This Hook Truck is a versatile vehicle with an interchangeable body, and costs \$175,000, divided into a five year lease. Between them giving Highway a truck and the trade-in value, which he estimates at \$50,000, divided between the two funds, the cost is \$0. Mr. Dean responded that they will need to raise the \$50,000 trade value of the Highway vehicle, since the lease payment would still have to be made. Mr. Kelly suggested \$35,000 for line item 7420 as a lease payment, with the urging that the department, town manager, and Select Board come up with suitable compensation. Ms. Perry mentioned that truck 33 coming from

Water/Sewer is only going to last another year, so it won't have a huge trade-in value, while the trade-in value of truck 25 is about \$50,000. Mr. Kelly restated that there needs to be compensation to the department, since Enterprise funds purchased that truck, but that the department can work that out.

MOTION: Mr. Kelly moved to change line item 7420 to \$35,000. Mr. Benjamin seconded. All were in favor.

Mr. Kelly discussed the water system capital, saying that pieces of equipment need to be reworked, but could be put off for another year. The subcommittee recommended a \$100,000 budget instead of \$123,000. Part of this cost is a Portsmouth Avenue fiber optic cable so that the groundwater plant and surface water plant can better communicate. The Fire Department is responsible for the location of communications on the poles in town; if Water/Sewer didn't go through their existing vendor and the town Fire Department, the number would be higher.

MOTION: Mr. Kelly moved to change line item 7425 to \$100,000 instead of \$123,000. Ms. Belanger seconded. All were in favor.

Ms. Chester stated that the new Capital Outlay total is \$151,682.

Mr. Dean said if they do a lease purchase, they'll have to put it in a warrant article. They should reduce it to zero and take it up when they do CIP as part of the warrant articles.

MOTION: Mr. Kelly moved to reduce line item 7420 to zero. Ms. Belanger seconded. All were in favor.

Ms. Chester stated that the new Capital Outlay total is \$116,681.

MOTION: Mr. Kelly moved to move \$116,681 for Capital Outlay. Ms. Belanger seconded. All were in favor.

Ms. Chester stated that the Water Fund total is \$3,270,026.

MOTION: Mr. Kelly moved to move \$3,270,026 for the Water Fund. Ms. Belanger seconded. All were in favor.

Mr. Kelly said that in the discussion on CIP next week, they will discuss the new water line, which will run from the Swasey Park area to new treatment facility. The DPW complex is currently on a well, but a \$35 million facility needs an extended line to protect their investment. On the Public Works priority list are Water/Sewer and Stormwater updates, such as in the Salem Street area, one of the oldest sections of town, where there are substandard diameter lines. The Water Fund portion of this project is \$150,000.

Mr. Kelly moved on to the Sewer Fund. The subcommittee had no comments on the Admin portion.

Ms. Chester stated that the new benefits total for Sewer Administration is \$91,537, and the new total for Sewer Administration is \$402,601.

MOTION: Mr. Kelly moved to move \$402,601 for Sewer Administration. Ms. Belanger seconded. All were in favor.

Mr. Kelly said that on the Billing side, there's an increase from 16 to 24 hours for a utilities clerk. The subcommittee recommended no change to the requested budget. He made a comment that Postage, at \$4500, should actually be level-funded at \$2000; this may have been a typo. For the Software Agreement, there is the same issue as before.

MOTION: Mr. Kelly moved to move line item 5740, Software Agreement, to \$9,900. Ms. Belanger seconded. All were in favor.

Ms. Chester stated that the new Sewer benefits total is \$44,237, and the new Sewer Billing total is \$162,543.

MOTION: Mr. Kelly moved to move \$162,543 for Sewer Billing. Ms. Belanger seconded. All were in favor.

Mr. Kelly moved to Sewer Collections. For standby wages, line item 1310, this is the same as on the Water side, an on-call person with a phone in case of emergency. Building Maintenance, Equipment Maintenance, and I/I Abatement were underspent as of the end of August, but most have gone up significantly in the last couple months and all will be spent out. Pipe Relining and Manhole Maintenance were split out from Line 4315 last year. Mr. Berube added that they have a crew working at night to assess the situation from the High Street sewer collapse. They investigated how the pipes downstream are doing and found they were of the same vintage as the other pipes and had the same type of aggregate showing in the pipe, down to some of the rebar. Addressing them is high priority, will be downtown-invasive, and will require bypass pumping. This line was not spent this year because of their focus on spring odors, but it will get spent earlier next year.

Mr. Kelly asked Ms. Perry if they could level-fund Natural Gas. Ms. Perry thought they had made some errors made in the coding of that line and could level-fund it.

MOTION: Mr. Kelly moved to move line item 6210, Natural Gas, to \$11,150. Ms. Belanger seconded. All were in favor.

Mr. Kelly said that in Electricity, the main sewer pump station has a new grinder pump which facilitates the flow of sewage out to the new plant. This will eat up more electricity, so there's a slight increase.

MS Chester stated that the Sewer Collections total is \$665,089, and the new benefits total is \$113,483.

MOTION: Mr. Kelly moved to move \$665,089 for Sewer Collections. Ms. Belanger seconded. All were in favor.

Mr. Kelly then discussed Treatment. In line item

1110, there's a request for three month funding for an operator to supplement the two operators hired this year. The technical requirements of the new plant are significantly increased. The existing new hires are getting up to speed. Mr. Kelly said that there are four operators now, and they will need a fifth at some point. The plant will come online in midsummer, and they can do the start-up with the team in place now. Since many towns are building new plants to meet federal regulations, the labor pool is not large, and they will need to recruit early. If they commit to hiring an operator in 2020, they might be able to advertise in late 2019. Ms. Perry said an operations person is needed most, since they already have two technicians. Mr. Kelly said that after having a few months of startup operations, they'll have a better idea of the position needed. Mr. Stevens asked if five operators is where the plant ultimately needs to be. Ms. Perry responded yes, the EPA has charts that show how many operators required. They also have to have two facilities running at the same time, and continue to aerate the old lagoons. One lagoon will continue to be a flow equalization basin, and will always be part of operations, while the other one and a half will ultimately be cleaned and taken down. Mr. Stevens said they should do that decommissioning as soon as they can, and asked if they would request money for it next year. Ms. Perry said no, it would be in 2021 or later.

Mr. Kelly discussed line item 4300, Building Maintenance. They spent \$4,500 in that line year to date. For Equipment Maintenance, with a new facility and specialty equipment purchases, \$50,000 is a more realistic budget. In line item 5682 under Treatment, SCADA software, the budget could be reduced to \$5,000.

MOTION: Mr. Kelly moved to update line item 4311 to \$50,000. Mr. Benjamin seconded. All were in favor.

Mr. Kelly said that regarding Industrial Pretreatment, federal regulations are becoming more stringent on metals discharge, but they haven't adjusted the industrial permit fee schedule. Usually the fee structure is calculated to offset the cost of the program. He suggested that they level-fund at \$11,000, and that the department adjust their fee schedule accordingly to bring it more into line with what industries are discharging.

MOTION: Mr. Kelly moved to change line item 4368 to \$11,000. Ms. Belanger seconded. All were in favor.

MOTION: Mr. Kelly moved to change line item 5682 to \$5,000, down from \$10,000. Ms. Tung seconded. All were in favor.

Mr. Kelly said that in the Wright-Pearce operations costs forecast, they updated the numbers for chemicals, specifically for solids handling. Two plants will be in operation, so chemicals will increase to \$80,000, up from \$35,000. Natural gas will be up \$6,000, and electricity is going up \$96,000, new plant online. These increases only cover six months. Mr. Dawley asked about the increased cost of running the new plant over the current one. Ms. Perry responded it's about three times the operating cost, about \$1 million more for operations of the new wastewater plant per year, including increased labor, energy, chemicals, and supplies.

MOTION: Mr. Kelly moved to change line item 5985, Chemicals, to \$80,000. Ms. Belanger seconded. All were in favor.

Mr. Kelly said that Solids Handling was at \$168,000 with a lagoon based system where the sludge accumulates, but now they will be taking the sludge offsite. They recalculated that a half year would now cost \$100,000.

MOTION: Mr. Kelly moved to change Solids Handling to \$100,000. Ms. Belanger seconded. All were in favor.

Mr. Kelly stated that Natural Gas and Electricity were going up.

MOTION: Mr. Kelly moved to change Natural Gas to \$16,500. Ms. Belanger seconded. All were in favor.

MOTION: Mr. Kelly moved to change Electricity to \$206,000. Ms. Belanger seconded. All were in favor.

Ms. Chester stated that the new Sewer benefits total is \$142,333, and the new Sewer Treatment total is \$932,836.

MOTION: Mr. Kelly moved to move \$932,836 for Sewer Treatment. Ms. Belanger seconded. All were in favor.

Mr. Kelly discussed Capital Outlay, line item 7419, the Waste Water Treatment plant. The subcommittee suggests deferring upgrades to the Webster pump station, which will be a rebuild of \$22,000. The budget is now \$90,000.

MOTION: Mr. Kelly moved to change line item 7419 to \$90,000. Ms. Belanger seconded. All were in favor.

Mr. Kelly moved on to Capital Outlay, line item 7420, Vehicle, at \$0. This will be a warrant article, so the budget will be zero.

MOTION: Mr. Kelly moved to update line item 7420 to \$0. Ms. Belanger seconded. All were in favor.

Ms. Chester stated that the new Capital Outlay total is \$106,681.

MOTION: Mr. Kelly moved to move \$106,681 for Capital Outlay. Ms. Belanger seconded. All were in favor.

Ms. Chester stated that the new Sewer Fund total is \$2,845,874.

MOTION: Mr. Kelly moved to move \$2,845,874 for the Sewer Fund. Ms. Belanger seconded. All were in favor.

Mr. Kelly said that for the CIP recommendations, they will suggest deferring the upgrade to the Folsom Street Pump Station and the Squamscott River Siphons for another year. They support the Sewer portion of the Salem Street upgrades, which will be \$145,000.

Mr. Kelly thanked Ms. Perry and Mr. Berube for work with the subcommittee.

Mr. Dawley asked where they will be a year from now. Ms. Perry said that they will have had three months of operating the new facility, which will be a big change. There's a backlog in improvements to the conditions of utilities out in the Collections system. The Folsom Street Pump Station work is not critical, it can be pushed off a year. The relining of older pipes is very expensive, but it's a reality of the system. They will need continued maintenance of the aerated lagoons. They'll continue to operate the old facility, and the closure expense is significant: as much as \$7 million for a complete closure, in addition to the \$54 million spent on the project. Mr. Dean added that closure was value engineered out of the project, and will be reassessed once the facility is online. Mr. Kelly said that the EPA and DES didn't feel that the closure had to be done right away.

4. Board schedule

CIP Night is Wednesday, November 14th. Two more nights are reserved in case they don't get through it.

5. Adjournment

MOTION: Ms. Belanger moved to adjourn the meeting. Mr. Kelly seconded. All were in favor, and the meeting adjourned at 8:30 PM.

Respectfully submitted,
Joanna Bartell
Recording secretary