



Chair/James Gmeiner
Vice Chair/Thomas Orcutt
Clerk/Thomas Hartnett

Town of Groton Sewer Department
173 Main Street
Groton MA 01450

Date: January 18, 2017

Time: 1:30 P.M.

Location: Town Hall/First Floor

Members Present: Chair/James Gmeiner
Vice Chair/Thomas Orcutt
Clerk/Thomas Hartnett

Others Present: April Iannacone/Business Manager, Ann Livezey /Water & Sewer Assistant, Mark Haddad/Town Manager, Bud Robertson/Fin Com and Bob Rafferty/Environmental Partners

The Meeting was call to order by James Gmeiner at 1:33 PM

Fiscal Budget 2018

Mr. Roberston was present at the BOSC meeting with concern regarding the Pepperell upgrade and expansion debt payments. He wanted to discuss the original agreement of a 50/50 split of the payments between the town and the rate payers. Mr. Roberston feels as a rate payer and a tax payer this does not make sense to not have the town pay their half as originally agreed and he would be double paying. He inquired on how many rate payers were on sewer at this time and Mrs. Iannacone replied about 700. Mr. Gmeiner responded that the split was originally done when Mr. Hartnett was treasurer and some refinancing was done and Rate payers were capped at \$150K once paid off. In early 2000 when Pepperell upgraded the plant we purchased enough capacity at 25% and if we wanted more capacity, there would have been an increase for upgrades. Mr. Haddad informed the BOSC that the town covered the debt in FY 16 for the amount of \$27K since he has been Town Manager. Mr. Hartnett replied that the town had also paid FY06, FY07, FY08 & FY16 and the BOSC picked it up in FY09. Mr. Haddad expressed his appreciation of the BOSC for covering the debt for 8 years and mentioned he did come to the BOSC with guidance from finance to cover the debt for FY17. Mr. Roberston wanted to know how this started off being done the same way and all of a sudden it cannot, so let's split. Mr. Gmeiner stated that the main reason this scenario is different with these payments, as compared to the original debt is the town did cover

their share of it and that it is Pepperell's loan/debt and we are just assessed a fee to cover our share.

Mr. Hartnett asked who came to us in FY09 to pick up the debt and Mr. Gmeiner responded he thought we submitted to Fin Com. Mr. Haddad made mention that with this expansion, it has allowed the sewer to expand the district and that increased rates and other connection revenue. Mr. Orcutt responded that having more sewer users benefits the town as well. Mr. Robertson did some calculations and feels that this would still be a hit to the rate payers. Mr. Gmeiner mentioned the BOSC is facing a one million dollar plant upgrade in the future and Mr. Orcutt feels this may prevent the BOSC from covering the debt in the future. Mr. Hartnett feels one department should not help another and we had a plan to go to town meeting and the town voter to pick up the sewer debt and we would continue to pay back until debt paid in full. Mr. Haddad asked if the town was eventually paid back on this agreement. Mr. Hartnett replied that the town approved and we made sure they got the money back and we accelerated the payments to the town, due to the DOR saying they could not be spread out for a long period of time. Mr. Haddad was wondering if FY09 was the year the finance committee suspended paying the hydrant charges to the water enterprise as well and would no longer be supporting Enterprise funds. Mr. Gmeiner responded that it was Fin Com that said all Enterprises should be responsible for their own funds. Mr. Gmeiner mentioned that you cannot bind anyone in the future and its assessments that come to the BOSC and he would like to pursue this in the years to come. Mr. Orcutt and Mrs. Iannacone confirmed the current loan ends in FY25. Mr. Orcutt feels next year will be a different situation, due to the fact we will have a million dollar loan over twenty years. Mr. Hartnett is concerned our revenue is not keeping up with expenses and feels that maybe with the new music center that will generate more revenue.

Pepperell IMA & Agreement

Mr. Gmeiner asked Mr. Rafferty how the debt upgrade is broken out and mentioned we had a break out for the upgrade and expansion cost in the original agreement. Mr. Rafferty replied that we are paying 25% of both the upgrade and expansion. Mr. Gmeiner response was that we are not a rate payer, we are a co-owner. Mr. Rafferty informed the BOSC at the meeting with Pepperell they went through the whole O&M and came down to a whole discussion on agreement. In the end we told him the BOSC would not accept paying Pepperell rates. They agreed to look at the staffing plan of the waste water treatment plant and how much Groton currently uses and come up with a % paying for staffing and treatment use. There is a staffing plan in place and they should abide by it, so they agreed to do some research and look into it. Mr. Orcutt also mentioned there was a discussion on the short payment of bills. Mr. Rafferty said they agreed to go back and look at the bills and figure out what the costs are. Mr. Rafferty also mentioned they will be meeting every two weeks now and a few more meetings will be necessary to negotiate rates and also a list of items for the O&M collection. Mr. Gmeiner expressed his concern that things have changed over time and suddenly periodic maintenance turned into sporadic and was not getting done. Mr. Gmeiner does not feel comfortable giving a % for regularly monthly bills for cleaning manholes etc. and suggested we pay as we go that way we are not paying for work that is not being done. Mr. Rafferty suggested we work out an agreement and he offered to work up an agreement and we can ask for pricing under the O&M. He suggested we start out with a three year agreement and if it does not work out we discontinue.

Mr. Rafferty said the construction date given to him by Pepperell was to be online by spring 2018. The summer system needs to work in the winter, so they went from an 8 million project to a 4 million project. He also mentioned that the engineering fees have not been accessed or studied yet. The plant evaluation has been done and they are not going (SRF), so there is no plant study required. Mr. Gmeiner asked if we would be seeing engineering fee's in the future. Mr. Rafferty replied there has been no numbers on evaluation yet.

Four Corners Sewer Update

Mr. Haddad informed the BOSC that Mr. Rafferty has developed a bid and is due February 9th @ 10:00 am and hopes to be done by August. Mr. Rafferty mentioned that one segment of sewer pipe needs to be replaced and would like to roll into the project. Mr. Rafferty also inquired about the status of the sluice gate and if we have to go back to conservation. Mr. Orcutt inquired about the cost of the sluice gate and Mr. Rafferty anticipates anywhere from \$20K-\$50K. Mr. Orcutt suggests we get as much done under the grant. Mr. Haddad replied that the DPW can get this done and no reason for the BOSC to worry about the maintenance and project will not be turned over to BOSC until ready to go. Mr. Haddad believes that when the bids come in, he will have a better idea of where this falls. Mr. Rafferty will be putting the bids out electronically and also be placing an ad in the Groton Herald. Mr. Gmeiner asked Mr. Haddad for an explanation "you will give to the BOSC when all done". Mr. Haddad replied and said there is \$210K outside the grant monies that can be used for the project and start up (private funding). Mr. Gmeiner asked with the private funding will it be required to be spent on specific items. Mr. Gmeiner also mentioned he would like to see some of those monies set aside in a reserve fund for startup. Mr. Haddad asked what a reasonable start up would be, that there will be no debt and Ayer responsible for rates for 3-months. Mr. Hartnett inquired how we would be billing. Mrs. Iannacone replied that it will just be different coding and they will be billed on a quarterly basis. Mr. Gmeiner inquired about the engineering funds and was wondering if the town was looking to get paid back. Mr. Haddad replied he would have a better idea after February 9th and is able to review the bids and have an idea of the total cost of the project. Mr. Gmeiner also inquired about the design costs and Mr. Haddad replied that with \$210K in private funding he does not want to go back with betterments. The total engineering to go out to bid was \$190K and if bids come in and total engineering costs are \$210K then they paid the town's portion and if they come in under, I would not have to touch for engineering. Mr. Haddad suggested we sit down again after February 9th after we get all bids and he is hoping for no betterments, but that would be the selectman's decision.

Ayer IMA

Mr. Haddad informed the BOSC that there is not update on the Ayer IMA and Mr. Rafferty has not heard back from Ayer at this time.

Internal Abatement - 23 Old Ayer Road

An Abatement for Michael Weinberg, 23 Old Ayer Road was submitted to the Board of Sewer Commission for \$2,130.88 for a betterment assessment that was committed to his tax bill. The construction and interest portion of his sewer betterment was previously paid off.

Mr. Gmeiner made a motion to abate the sum of \$2,130.88 for Michael Weinberg at 23 Old Ayer Road, Mr. Hartnett seconded and the motion carried unanimously.

Proposed Town Charter Changes

The Board of Sewer Commission reviewed the town charter and decided to make the following recommendation **Section 7.10: Waiver of Administration Fee:** add the following language to line 896 after “municipal (town) department: - “with the exception of the Sewer Enterprise Fund.

Mr. Hartnett made a motion to accept the change, Mr. Orcutt seconded and the motion carried unanimously.

Mr. Gmeiner questioned the section of the town charter stating that no town employee shall serve on an Enterprise fund. Mr. Harnett disagrees with this and mentioned that having Mr. Orcutt who is currently a town employee is a tremendous asset to the Board of Sewer Commission and that this should not be included in the town charter.

Mr. Gmeiner made a motion to oppose the town charter proposal to exclude town employees from serving on an Enterprise Fund, Mr. Hartnett seconded and the motion carried unanimously.

Other Business, Bills, Minutes etc. :

Mr. Hartnett made a motion to elect Mr. Gmeiner on the hiring committed to replace the Business Manager, Mr. Orcutt seconded and the motion carried unanimously.

Next Meeting – The next meeting of the BOSC will be held on the February 1, 2017 @ 2:00 PM.

BILLS SIGNED

One set of Bills were signed at this meeting for FY-17, Expense Warrants (EW-016).

MINUTES: December 21, 2017 minutes were approved.

Mr. Gmeiner amended the minutes of January 4th, 2017, **Mr. Hartnett made a motion to accept the amended minutes, Mr. Orcutt seconded and the motion carried unanimously.**

ADJOURN – Mr. Orcutt made a motion to adjourn the meeting at 3:20 PM. Mr. Gmeiner seconded, and the motion carried unanimously.

Respectfully submitted,
Ann Livezey, Water & Sewer Assistant

APPROVED:
