



LYNNFIELD CENTER WATER DISTRICT WARRANT
The Commonwealth of Massachusetts
Regular Board Meeting
6:30 p.m. April 8, 2019

Date, time, place: The regular meeting of the Board was held on Monday, April 8, 2019 at 6:30 PM in the auditorium at the Lynnfield Middle School at 505 Main Street, Lynnfield.

Present were: Commissioners Robert Almy, Joseph Maney, Anders Youngren, Treasurer James Alexander, Water Foreman Nick Couris, Clerk of the Board Christine Smallenberger and District Counsel Attorney Christopher Casey.

Absent: none

Also attending were: See sign-in sheet for ratepayers incorporated into the minutes hereto.

Additional attachments: Agenda, incorporated into the minutes hereto.

Next Regular Meeting: April 22, 2019 at 6:30 pm

Adjourn: 9:42 pm

Agenda Item 1. Administrative Issues for New Board.

Number of challenges 3 immediate topics, hiring new superintendent, setting new rates and ongoing technical studies.

a) Election of Board Chair for 2019-20.

Motion: Commissioner Youngren nominated Commissioner Almy as chairman.

Second: The motion was seconded and the motion carried.

b) Introduction of District personnel. Chairman Almy introduced the personnel of the District. Nick is the Foreman. Brian, Sean and Frank work in the field. Christine is the office manager. The elected officials keep an eye on how the District is run. The day-to-day running will be the responsibility of the Superintendent. Jim Alexander is the Treasurer. Stefan Taschner is the District secretary. Attorney Christopher Casey is the District's legal counsel. Dick Hingston is the District's auditor.

- c) **Briefing materials.** Materials provided to the new commissioners. Copy of enabling legislation act, by-laws, budget materials, job description for Superintendent's position. CDM Smith will be providing a map of the District. Conflict of interest and open meeting law that needs to be signed and have a couple of weeks to complete.

Agenda Item 2. Approve minutes of Annual District Meeting. Clerk Taschner captured the gist of the discussion in the minutes and the minutes are completed. We passed a new by-law and revenue budget.

Motion: Commissioner Youngren made a motion for the Clerk of the District to submit minutes to the town and state for process.

Second: The motion was seconded and the motion carried.

Agenda Item 3. New Business.

- a) **Recruitment for Superintendent.** The recruitment for the Superintendent was delayed by direction of the voters until after the Annual Meeting. Chairman Almy took it upon himself and circulated the job description on April 4th to get the process started with the resumes and letters due on May 7th. Chairman Almy recommends the board appoint a review committee to review the resumes and letters of interest and make a recommendation of a short list to the board. Chairman Almy suggests to have 2 members of the public, 1 professional staff (the public works director has volunteered) and maybe have Mr. Finegan from the Lynnfield Water District sit in on the committee. No action needs to be taken today. Commissioner Maney asked why it was put out before this meeting. Chairman Almy takes responsibility for putting the superintendent posting out. Commissioner Maney said due to open meeting laws it needs to be discussed here. Commissioner Maney said this new board's #1 goal is to gain the public's trust. Chairman Almy said we will need to set a salary range for the superintendent position. The previous board asked Mrs. Patricia Campbell and Chairman Almy to sit on this committee.
- b) **Overview of Rates and Rate Setting.** The board needs to get started in setting up a new rate structure. Most of our revenue comes from taxes, water sales from the rates, a \$60 connection fee and lease fees. Last year the proposed rate structure was rescinded and caused lots of paperwork and confusion. Chairman Almy wants to reconsider the rate structure and connection fee. The rates are currently set up to pay for water and provide an incentive for conservation. The rates moving forward can be simplified and made more effective. It would be useful for the board to set up a working group including members of the public to help with setting rates to get opinions and let the public know what is going on. Commissioner Youngren asked what the timeframe will be for setting the rates. Chairman Almy said if we set rates and make them effective for meters read in November, the revenue would be on the next meter reading and we wouldn't see that new revenue until the next fiscal year. Currently, we are reading monthly but are notified once a year. The monthly meter readings are new so we don't

have a profile of each individual and what the use is year round. Two questions to consider: actual rate structure and how frequent do we bill. Our current billing software and meter reading software does not work well with each other and we are looking to network and upgrade. Commissioner Maney said instead of looking into additional personnel maybe we should look at upgrading the software.

Water use can be tied to water quality; our consultants are working with us on the water quality side. Mrs. Mahoney from 20 West Tapley feels those who have a water quality problem should have some type of adjustment for the cost of the water. Chairman Almy said it is obvious we need to solve the water quality problem and look at adjustments on the bills on a case-by-case basis. Commissioner Youngren commented it sounds like we missed the season for encouraging conservation. Chairman Almy said the existing rates have a very steep step in the middle, which is one of the challenges to water users because as soon as you cross that threshold the cost of water goes up quickly. The cost to produce water is \$6.50 per thousand and we are already giving a break to those conserving water at the tier below the \$6.50 tier. The question is if we are doing that too much as we have operating costs. All these issues are legitimate. Clerk Taschner said people need to understand the District needs a certain amount of revenue to operate which comes from water revenues and tax bills. If water bills go down, tax rate goes up which is based on property value and not on consumption. The former board tried to shift from the tax rate and get closer to the \$6 per thousand gallon cost of operation so taxpayers aren't subsidizing the water. It was never the intent for the tax to pay two-thirds of the operating costs. We need to get the information out to members of the District better. Chairman Almy said one way of financing capital improvements is through issuing bonds for new water sources and treatment facilities and those 30 year costs are factored into the cost of the operating of the District. We have to adjust rates for fairness and balance with the tax rates and perhaps in a year we will be there. Commissioner Youngren asked about the fixed cost versus marginal cost to produce a thousand gallons of water. Clerk Taschner said the intent for the \$60 annual fee is a fixed cost for the basics of running the District. It is about a \$6 per thousand gallons cost to get water to your door. Right now the rate structure starts at \$.50/thousand and a good portion of customers are not paying for the cost of the water to your home. Chairman Almy feels in the future it may be beneficial for the District to run a water audit to look for places via an operational or accounting standpoint where water is not accounted to understand where all the gallons go. Clerk Taschner said 2015 was the first year they aggressively changed the rate structure and the attempt was moving towards a more cost-based. The previous board attempted to further this action and the rates weren't unreasonable. Chairman Almy said we will bring this topic back.

c) **Topics for future Agendas.**

- i) **District Infrastructure and facilities.** John Doherty from CDM Smith gave a brief overview of the system for the new board members.

- ii) **Status of technical studies.** CDM Smith has met with Tata & Howard regarding the supplemental study. Depending on results of the study another option is to look independently going to MWRA. The process is ongoing.

These 2 topics will be brought back again in future meetings as well as inviting CDM Smith back to a board meeting.

Commissioner Maney asked about the due date for the study and asked when the reasonable due date will be. Chairman Almy said it would be nice to have it done by the end of this Fiscal Year in June 2019. There are 3 connections to MWRA and what upgrades need to be done to take water (pumping and/or piping). If we were to take 100% water there would be most likely significant improvements to Lynnfield Water District and possibly a new pipeline from Saugus. The study will yield results if water will need to be pumped directly to the tank or through the 3 interconnections and dispersed through the system. The chemical difference between the water differences need to be analyzed.

- iii) **Consideration of filter rebate program.** This will be a future topic to increase the rebate amount per home. Currently the rebate program offers \$200. There are approximately 40 to 50 households that have had water quality complaints since last April. The current rebate program is open to everyone in the District. We will focus on the people who have the problems and increase the amount. The board may approve these on a case-by-case basis. Starting July 1st for the new Fiscal Year, \$50,000 was allocated in the budget for the rebate program. It is up to the board to make sense of the criteria. Commissioner Maney wants to defer to Foreman Couris on who qualifies; if \$50,000 isn't enough then we will have to revisit it. Foreman Couris said we can do samples again but there is a significant cost associated with sampling. By the time we get to their homes the discolored water is gone. During flushing, some people may get discolored water yet they do not need filters. Foreman Couris said we note it on the call log when we are flushing. The District notifies the public via social media, newspaper, sign boards and reverse 911 call when we are flushing.

Agenda Item 4. Old Business.

- a) **AT&T Cell Site Lease renewal/extension.** AT&T contract expires in 2020. We need to go through a state-mandated process with RFP's and bids, assuming the board wants to lease space on the cell tower. District counsel has drafted a memo and RFP for the board to review. New language needs to have 3 existing tenants and if they don't renew they will come down. You will have to co-occupy with them as a new condition compared to 20 years ago. The Zoning Board (ZBA) requires the board to supply a document that gives approval to enter into a lease which gives them standing with the ZBA. How much work on this RFP can be done in an open meeting was asked by Chairman Almy to District Counsel. District Counsel replied everyone can work on it individually but agreements on dates and changes must be done in open meeting. The whole process of opening the bids must be done in public.

- b) Status of modified bills and refunds.** Over 1,400 refunds were issued. As of March 29, 2019 almost 1,200 refund checks were cashed. \$87,677.24 is left to collect which includes 4 unpaid liens.
- c) Ratepayers with Billing issues.** On March 25, 2019 three ratepayers came before us. The commissioners discussed criteria but did not formally adopt the criteria. The District has confirmed their year usage has increased substantially. There is a question how much should be charged and whether the charge should be reduced. In the past there was no criteria or consistency. The criteria we are looking at: their account is up-to-date, increase is not due to known or identified leaks in the plumbing system and/or fixtures, and increase is greater than 15% prior year and past 3 years average and they have no citations or fines for excess water use. Once your water use gets to Tier 5 the cost escalates quicker. Chairman Almy proposed all above Tier 5 be reduced to the Tier 5 rate. It was proposed to change the criteria that the current bill in dispute not paid is not included in the account being up-to-date. The District went and assessed the meters at the homes in questions and no leaks noted at the time the operators went to the home. Mrs. Fallon made a proposal in her March 25, 2019 letter. The prior board had not taken action. The District is working on enhancing our technology and readings and trying to be objective and more transparent. Commissioner Maney is torn and feels it will set a bad precedent and will feel better dropping it down to Tier 4. The District currently only reads in May for tracking purposes and in November and doesn't give enough data to give us consistent readings.

Motion: Commissioner Maney made a motion to adopt the criteria for adjustment for the bill from Chairman Almy's March 25th memo with changes discussed and agreed upon tonight.

Second: The motion was seconded and moved.

Motion: Commissioner Maney made a motion that any water used above Tier 4 be billed at the replacement cost of \$6.00 per thousand rather than the \$8.50 posed in the March 25th memorandum.

Second: The motion was seconded and open for discussion.

Commissioner Maney withdrew his motion.

These discussions only apply to this billing cycle only and for these 2 customers only: Mrs. Fallon and Mr. Slaney.

Commissioner Maney feels Mr. Baldini's billing issue is a tenant issue and for Mr. Baldini to go after the tenant and Commissioner Youngren agrees.

Motion: Commissioner Youngren made a motion to adjust the bills for 17 Melch Road, Mr. Slaney and 69 Bourque Road, Mrs. Fallon to adjust the 2018 usage bill to the

average of the previous 3 years at the published rate structure based upon inspection by the Water District there has not been any water usage wasted and meets the criteria for consideration.

Second: The motion was seconded and moved. Commissioner Maney abstained from voting.

Chairman Almy has raised the issue of 3 topics regarding technical, financial and personnel to divide between the commissioners. Technical will be Chairman Almy, Financial will be Commissioner Youngren, and Personnel will be Commissioner Maney.

A question was asked of Attorney Casey regarding retainer fees. Attorney Casey said up until 5 months ago his rate was \$200 an hour and now it is \$350 per hour but \$250 per hour for boards and municipalities. The District has an annual service contract as well as service task orders with CDM Smith. Clerk Taschner said when you have an engineering firm on record, you do not need to go out to bid. CDM Smith has been involved in the District for many years and have working knowledge of the system. CDM Smith's past work has been thorough and last year's work was the feeling it was rushed. Our working relationship is good. Chairman Almy wants to take a wait and see attitude and see what happens in the next few months.

Treasurer Alexander needs to get together with Chairman Almy to go to the bank with signature cards. The District's auditor would like to meet with the new board.

The board will consider changing the time of board meetings to 7:00 PM.

Agenda Item 5. Review and Approve Minutes of Prior Meetings.

Minutes were not approved at this meeting.

Agenda Item 6. Public Comment for any Topics not listed on this Agenda.

Agenda Item 7. Board review and approval of payroll, A/P Warrant(s) and Rebates.

The Board reviewed and approved payroll, and A/P Warrants

Chairman Almy made a motion that was approved and the meeting adjourned.

Respectfully submitted,