



**LYNNFIELD CENTER WATER DISTRICT WARRANT**  
**The Commonwealth of Massachusetts**  
**Regular Board Meeting**  
**7:00 pm April 20, 2021**

**Date, time, place:** The regular meeting of the Board was held on Monday April 20, 2021 at 7:00 PM via Virtual Zoom Meeting.

**Present via Virtual:** Commissioners Anders Youngren, Joseph Maney, Jack Adelson, Superintendent John Scenna, Treasurer James Alexander and Clerk of the Board, Christine Smallenberger

**Absent:** none

**Also attending virtual:** Joe Conway, Dan Tomasello, Mike Nelson, Tim Doyle, Donna Cashman, Steven Bishop, Greg Williams, Patricia Campbell

**Additional attachments:** Agenda, incorporated into the minutes hereto.

**Next Regular Meeting:** May 3, 2021 at 7:00 PM - Virtual

**Adjourn:** 8:32 PM

The meeting was called to order at 7:03 pm.

Chairman Maney read the following statement:

*Pursuant to Governor Baker's March 12, 2020 Order Suspending Certain Provisions of the Open Meeting Law, G.L. c.30A, §18, and the Governor's March 15, 2020 Order imposing strict limitation on the number of people that may gather in one place, this meeting of the LCWD Board of Commissioners will be conducted via remote participation. Specific information and the general guidelines for remote participation by members of the public and/or parties with a right and/or requirement to attend this meeting can be found within this posting below. No in-person attendance of members of the public will be permitted, but every effort will be made to ensure that the public can adequately access the proceedings in*

*real time, via technological means. In the event that we are unable to do so, despite best efforts, we will post minutes of proceedings as soon as possible after the meeting.*

## **1. Superintendent's Update**

- a. Flushing Program Update: Tomorrow we will be flushing in the Glen Meadow area; this is the first time in this area. The traditional flushing area of Apple Hill had been completed within a week and a half. The series of tests went well.
- b. Tank Rehabilitation Project Bid Summary & Funding Options: We opened the bids today with the Office Manager, Foreman and Commissioner Youngren in attendance as witnesses. We received 6 bids, with the average bid at \$430,000 and the lowest bid at \$390,000. The recommendation to fund the project will be a total \$430,000 (low bid plus a 10% contingency going into construction). CDM will review the bids references. Upon initial review it appears that the lowest bidder looks to be a solid contractor with similar prior experience.
- c. DEP Station 1 Permit Request Update: We have requested the DEP allow seasonal use of Station 1 without the emergency order. We are awaiting a response from the DEP; Mike Nelson from CDM followed up with the DEP today. We remain hopeful and are working diligently towards making sure this permit is in place prior to demand escalating.

## **2. Supplemental Water Program Capital Program**

- a. Final Q&A on FY 22 Capital Projects: MWRA Supplemental & Glen Drive WTP Upgrades

Mike Nelson from CDM is here tonight to speak on the article that the board is endorsing to upgrade our water system. CDM is confident with what they are proposing. There have been questions on the cost and whether there is a benefit to making upgrades to Glen Drive as opposed to going to Wakefield for more water. Mike will focus on this tonight.

We finalized the Annual Statistical Report (ASR) with the DEP. This contains every gallon the district produced in 2020. In 2020 we produced 240,000,000 total volume of water and have broken it out at which station we have received the water. We are concerned with max day and average day. The demand max day is 1.2 million gallons per day (mgd) and the average day is .66 mgd. The demand exceeded our ability to pump. We could only produce 1.1 mgd and the demand was 1.2 mgd and we went into a water emergency. Station 4 is Glen Drive and in 2020 Glen Drive produced 40% of

the volume of the district's water. Glen Drive's average is 178 gallons per minute (gpm) and the max was 208 gpm. It's safe design yield on file with the DEP and safe for the aquifer is 575 gpm. It is operating at much less; the harder we pump the more issues we have with iron and manganese.

The goal is not to go into an emergency capacity. If we keep our facilities online, we need to have a treatment plant at Glen Drive. For option 2, we still need facilities online, we can't meet demand through their Wakefield. We still need .4 mgd and Phillips Road cannot produce this demand.

The capital costs have been reviewed previously. Taking less water from the MWRA equates to less of an initiation fee as noted in the presentation (included with these minutes). The cost for the water treatment plant at Glen Drive is \$6.3 million; there are costs if we abandon the station. If we were to take 575 gpm from MWRA it would cost \$1.4 million for main improvements as we would need a bigger water main. It is almost 3,000 feet of water main. We don't need to make these improvements with a lower flow rate as there is less water going through the pipes. Regardless of what option, the permitting cost will be the same. The bottom line is that the capital costs are similar and within 5%.

The cost to produce a million gallons of water for the district is the fixed cost plus operational. (see the slide) and is in the same ballpark as the MWRA. The operational expense of Glen Drive is small at \$505/mg. One caveat is that the rates will go up. The customers' rate will go up with debt service. The operational costs should not increase that much but not at the same rate at the retail rate.

What would the cost be if we shut down Glen Drive? We took out 40% of overtime, chemicals, electricity etc. and we found it was a small portion of the overall budget reducing the cost by about \$500 per million gallons. We still have to operate the Phillips Road filter treatment plant, pay insurance, and pay employees. The benefit to taking Glen Drive offline does not translate to savings. The fixed costs to run LCWD would remain even with MWRA water. There is a benefit to producing your own water rather than purchasing water as the rates get higher. It makes sense to produce your own water and purchase water to meet demand. Connecting to MWRA will not provide relief for existing outdoor water restrictions imposed on the Ipswich River Basin even if we went 100% MWRA. The district's cost to produce water will be less than buying MWRA water. We can bring new customers into the district; this plan is financially sound.

Commissioner Adelson asked would there be a significant timeline from the 2 alternatives. The timeliest thing is the permit to join the MWRA. The interbasin act will take the longest. The pipeline improvements can happen more rapidly than building a greensand filter plant. The critical path is the interbasin act and the permit.

Chairman Maney mentioned that last year we got 1 million gallons of water from station 1 on an emergency basis. If the DEP approves station 1 for seasonal use, what would we get from station 1. Station 1 was giving us a consistent 50 gpm. For the 2 months we used it, we pulled out 1.2 million gallons. If we can keep station 1 in service for 6 months, it will be a big help. Chairman Maney also asked when it is safe to turn on station 1 because of the nitrate levels. The nitrate levels started to drop off around May. When we used it last summer, the nitrate levels didn't come close to where they were 10 years ago. The more we used it the more the levels dropped.

We have studied countless options and are ready to bring it to the next steps and hope the district gives us the ability to move forward for the future of the district.

- b. Wakefield Intermunicipal Agreement: Joe Conway from Wakefield DPW is here tonight. We have been working on the intermunicipal agreement where they would transport MWRA water at an interconnection at Baystate Road. The final proposal is before the board to be voted on this evening. Mr. Conway and his team has continuously refined their scope to lower the cost for the district.
1. As discussed, Payment of Capital Improvements shall equal **\$832,407** for all construction, design, construction inspection, details, permitting, temporary paving, etc. Installment of said lump sum shall be in intervals as established by the LCWD Superintendent and the Wakefield DPW Director. This payment shall cover all work associated with the three phases of the scope required to loop the Wakefield system from Bay State Road through the drainage culvert (bridge) on Main Street at the Wakefield/Lynnfield town limits. The following exceptions still apply:
- c. The bridge crossing proposed in phase 3 of the scope assumes that no bridge improvements will be required including railings.
  - d. The agreed upon price assumes that a CDF waiver will be granted and that work will occur during normal working hours
  - e. LCWD will be responsible for permanent patching to MASSDOT and Town of Lynnfield requirements

- f. Costs do not include the meter vault or any escalation (if construction occurs in spring of 2022).
  - g. If any of the exceptions/assumptions were to not be true and additional costs were required to complete the installation all additional costs would be the responsibility of LCWD.
2. LCWD shall hold and make accessible to Wakefield a contingency fund of NTE **\$66,590** (8% of construction costs) for any unanticipated subsurface conditions including ledge. LCWD will forward amounts from this contingency to Wakefield about review and approval of claims. Claims shall be submitted by the Wakefield DPW Director for review to the LCWD Superintendent. See above
3. Wheeling rate shall be fixed at **20% mark up on MWRA wholesale rate** for first 7 years of the agreement.
4. Agreement will go into **effect on July 1, 2021**. The agreed upon first allocation of funds can be made after July 15, 2021.
5. **Term:**
  - a. This agreement shall remain in full force and effect for a period of twenty years (20) from July 1, 2021 through June 30, 2041.
  - b. The wheeling rate associated with said agreement can be renegotiated mutually by both parties during the 7<sup>th</sup>, 12<sup>th</sup> and 16<sup>th</sup> year of this agreement. The new mutually agreed upon markup will go into effect the following fiscal year.
  - c. Renegotiation of the wheeling rate shall be based on costs associated with transporting MWRA water through the Wakefield system to the LCWD interconnect. In the event an agreement can not be reached by both parties, they shall agree to hire an independent Arbitrator to discuss and reach agreement.
6. Language shall be added to the agreement which provides the Town of Wakefield with the **ability to maintain and/or repair** Wakefield water system infrastructure that is located within the Town of Lynnfield Right of Way.
7. The Town of Wakefield shall bill LCWD **quarterly** for water consumed.

Motion: a motion was made that we add this article of intermunicipal agreement with the attending conditions for the warrant for the Annual District Meeting on May 10, 2021.

Seconded: the motion was seconded, and the motion was passed with all saying aye by a unanimous vote.

### 3. New Business

- a. n/a

#### 4. Continued Business

##### a. Annual Election Update

Annual Election Update: There is a contested election for the treasurer position, Shannon Cuddy has expressed interest. Resume will be posted tomorrow on the website. We will allow both candidates to speak at the Annual District Meeting. It will be a ballot vote for registered voters. We will have a voting card and a ballot that will be passed out at the registration desk.

District Clerk Tim Doyle is running again unopposed. Chairman Maney provided his letter of intent as well. The 2<sup>nd</sup> letter of intent for the commissioner seat was received from Ryan Collard. We found Mr. Collard is not a registered individual of the district and therefore disqualified. Chairman Maney will be running unopposed. A letter was sent on April 15, 2021 to Mr. Collard informing him of disqualification.

##### b. Final Location and time of ADM and SDM,

*Monday, May 10, 2021, 6:00 p.m.; Outdoors, Lynnfield High School Front Entrance:* It has been confirmed the Annual District Meeting will be held at the front mezzanine at the Lynnfield High School. This is the patio area by the front door (the drop off area). It is quieter as the fields are in full use. The rain date is Tuesday, May 11<sup>th</sup>. The meeting will begin at 6 pm.

##### c. ADM and SDM warrants scheduled to close at 7:30 PM

The Special District Meeting warrants include: article 1 to vote on a moderator, article 2 to appropriate funds to the current fiscal year deficit funded from certified free cash, Article 3: create a general operations stabilization fund with transferring \$60,000 from free cash, and Article 4 to transfer an additional \$31,000 to the capital stabilization fund to have a balance of \$150,000 in the capital stabilization fund.

Motion: a motion was made to approve the warrant articles for the Special District Meeting on May 10, 2021.

Seconded: the motion was seconded, and the motion was passed with all saying aye by a unanimous vote.

Joe Markey will serve as moderator for both the Special District and the Annual District meetings. The assistant town clerk will assist at the check-in table.



The Annual District Meeting warrants contain the usual same language with Article 5 as standard budget language and does not include the final budget number as it is a work in progress. A budget of \$2.5 million from rates and tax levy has been sent to the commissioners for review. It is a 1.5% increase on the bottom line of last year. The budget falls within 1% of the projected revenue. Some line items have been reduced and some have increased. The budget includes the same health insurance plan. The Essex County Retirement Assessment is a 34% increase. To summarize on this briefly, the superintendent salary from 2014 to when Superintendent Scenna came on board, was not considered pensionable salary. When Superintendent Scenna came onboard, it came back into play and formed the basis for most of the increase.

Article 7 will upgrade QuickBooks licensing to the cloud in a secure format and be accessed remotely as needed.

Article 8: Is for phase 2 of the American waterworks infrastructure act for emergency response preparation for the entire district.

Article 9: A \$125,000 investment in water meter infrastructure to upgrade water meters throughout the entire system. Overall, the cost for this program will cost \$435,000. This allows us to achieve upgrading a third of the district with equipment to data log to the nearest hour.

Article 10: A request from free cash to purchase capital equipment for \$73,895. This includes a new truck, a sign board for flushing (the rental costs add up) and a bobcat attachment to sweep sites, water break sites and construction sites.

Article 11: to fund a project with CDM as DEP has changed Lead and Cooper plans. NPDES is a storm water control program and regulates our lagoons. Our testing program is up. This article addresses the new testing requirements for these 3 items to include PFAS.

Article 12: Funds water tank rehabilitation at \$25,000 for inspection services. We will contract through CDM and will most likely not be a CDM employee.

Article 13: Replace, repair meter and VFD at Station 3 (Phillips's road water treatment plant) to make pumps operate more efficiently with a \$32,500 investment. This should reduce our energy consumption at our water treatment plant. This is the part of our system that runs the most and this investment would come from free cash.

Article 14: Fund the OPEB liability at \$25,000.

Article 15 and 16: Energy conservation articles that are required by our withdrawal permits; these articles have appeared for several years on prior Annual District Meeting Warrants and are standard articles.

Article 17, 18, and 19: Article 17 is to borrow \$430,000 for water tank upgrades; Article 18: is to borrow \$9.8 million for the Glen Drive Water Treatment Plan and Supplemental Water from the Wakefield interconnection; Article 19: Is the intermunicipal agreement with the Town of Wakefield.

Clerk of the District Attorney Doyle mentioned the specific language for Articles 17 and 18 needed to be approved by bond counsel which includes the language in both the articles and votes they want us to use.

In terms of bonding: Commissioner Adelson, Treasurer Alexander and Superintendent Scenna met with Hilltop group. If the district gives us the option to borrow, we need to look at the options. There is no better time to borrow than right now. There are various ways to borrow. The consensus is we would borrow likely half the project this July and that would impact the rate next year with the balance of borrowing taking place in 2022 which would impact the rate the following year. The advantage is you will defer your payment until July of 2022 if you borrow in July of 2021. Treasurer Alexander looked at options to use state notes for the tank rehabilitation project. There are serial notes with 5/7-year terms. It would cost \$25,000 on a 5 year, \$30-35,000 for a 7-year note, this is an option that is in play. The tank project is a separate vote, but we can borrow together or separately.

Mrs. Campbell asked if we pass all articles using free cash, how much would be left in free cash? Superintendent Scenna responded that the warrant expends all free cash from FY20; it is our expectation we will have free cash from this fiscal year that we don't plan to use. Mrs. Campbell further asked if we vote for \$25,000 to the OPEB fund, what will our liabilities be for the OPEB fund? Treasurer Alexander responded that our liability is \$177,000 and with the \$25,000 this will bring the liability down to \$150,000. We have yet to make a contribution this year. After this contribution and next year's contribution, our liability will be around \$120,000 by the end of next fiscal year.

The line-item budget is up for vote from the commissioners at the May 3<sup>rd</sup> meeting. The warrants including the intermunicipal agreement will be available the morning of May 4<sup>th</sup>.

Motion: a motion was made to approve the warrant of 19 articles for the Annual District Meeting on May 10, 2021.

Seconded: the motion was seconded, and the motion was passed with all saying aye by a unanimous vote.



**FY22 Operating & Capital Budget:** The budget was distributed to the board to review. Overall, the budget is within 1% of what the rates are scheduled to bring in for the volumetric and tax levy. The FY22 budget does not rely on any free cash that is due to be certified in the fall. Free cash and our newly created stabilization funds help with our bond rating.

**5. Other Board Items:**

- a. Approve Prior Meeting Minutes: none at this time.
- b. Approve A/P and Payroll and Payment Plans, if applicable: commissioners will approve via email.
- c. Approve Abatements as Recommended by the Abatement Committee: none at this time.
- d. Approve and Discuss Filter Rebate Program as Required: none at this time.
- e. Any other unanticipated items by the Board: none at this time
- f. Executive Session for legal and personnel purposes if required

A motion was made to adjourn at 8:32 pm for executive session with Treasurer Alexander.

Respectfully submitted,