



**LYNNFIELD CENTER WATER DISTRICT WARRANT**  
**The Commonwealth of Massachusetts**  
**Regular Board Meeting**  
**7:00 pm July 26, 2021**

**Date, time, place:** The regular meeting of the Board was held on Monday July 26, 2021 at 7:00 PM.

**Present:** Commissioners Anders Youngren, Joseph Maney, Jack Adelson, Superintendent John Scenna, Treasurer Shannan Cuddy and Clerk of the Board Christine Smallenberger

**Absent:** none

**Also attending:** Dante Gesamondo, Brenden Hennehen, Jack Zalvan Brett Cohee, Michael Touchette, Paul Marchionda, Dick Hingston, Tony Roselli, Brian Jamros and Kathleen Glowacki, David Mayerson and Sal Yerardi

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

**Next Regular Meeting:** August 23, 2021 at 7:00 PM

**Adjourn:** 9:04 PM

Meeting called to order at 7:00 pm

Item 1e: Superintendent Scenna introduced the **summer help employees**, all graduates from Lynnfield high school: Dante Gesamondo, Brenden Hennehen, Jack Zalvan and Brett Cohee. They will be working in our Summer Program for the balance of July and August. Their main responsibilities will involve a project that is focused on inspecting all hydrants in the district, confirming address of hydrant, confirm operating static pressure and if it maintains static pressure, exercising the hydrants, reporting any issues to the crew and painting the hydrants. Each employee provided a brief statement on their background.

Item 1b: **Oakridge system expansion:** Mr. Touchette proposed an expansion of the water district line for 46 Oakridge. There are various properties on Oakridge not in the district. To make his plan work, The District limits will need to be expanded. Mr. Touchette will have to send in a letter to petition the district clerk to have land descriptions and signatures from the properties on Oakridge. Mr. Touchette will get the deeds by our next meeting on August 23<sup>rd</sup> and the board will vote to open a warrant for a Special District Meeting to close on September 13<sup>th</sup> with the meeting to be on September 29<sup>th</sup>. We will need to have everything in order by Thursday August 19, 2021. The district charter dictates what governs us. Superintendent Scenna also provided comment on the attached proposed plan. Correspondence was sent to the Developer and his team via email summarizing the process and conditions.

1c: **LIFE accounts:** Commissioner Adelson will recuse himself as he is on the board for LIFE. Superintendent Scenna met with LIFE regarding the impact of our rate change from 2019 to their finances and how it impacts their day-to-day utility bills. The new volumetric rate creates three and a half times higher bill for the units. The new volumetric rates equate to about a \$300 bill per unit when you look at volumetric rate, service fees and the tax levy. The tax levy is determined from the pilot agreement which was set by the town in 2014. The town determined the assessed property and reduced it to which our tax levy is based. LIFE is requesting a removal of the fixed charge and to be capped at tier 1. They were previously paying less, approximately around \$160 per unit. A 4-unit building is assessed a fixed charge of \$50 which equals \$12.50 per unit. A single-family home is assessed a \$25 fixed charge and is assessed at the full property value. Most 4-unit buildings remain in tier 1 with the larger unit buildings consistently in tier 2. The 6-unit buildings sometimes get in tier 2. Overall, LIFE uses 2.5 million gallons of water per year equaling \$26,837.61. Before using any water, a single-family home pays around \$350/year.

Chairman Maney asked why LIFE feels they don't have to pay their fair share. Mr. Yerardi said the larger buildings exceed the amount of people in the building and exceed tier 1. Chairman Maney responded you pay less than what a single-family home pays, all in, you are still under \$300 per unit. LIFE is already in a more favorable position than the regular homeowner because of their ability to split the fix account fees. Commissioner Youngren asked to do an analysis on the proposed billing and the cost of the water. The \$50 charge is a fixed cost to operate the district whether you use a drop of water and is based on the size of the meter. The tier 1 volumetric rate was based on AWWA standards for a family of 4 with reasonable outdoor usage. There are costs associated with running our system

and we need to maintain our system at a certain pressure. The pilot agreement allows LIFE to pay a lower tax portion than a single home. The board will take their proposal under advisement.

Item 1a: **summer consumption:** June was a demanding month on the system. There were 3 periods of 5-7 straight days where we were pumping over 1 million gallons of water. Our average daily is closer to 500,000 than 1 MG. June 4-10<sup>th</sup> peaked at 1.098 million per day and had another run in the middle of June at 1.2 million. The average daily for June was 916,000 gallons. July average daily was 632,000 with 10" of rain and an average temperature of 77 degrees. This is the quarter where we create free cash and gives us breathing room. We are a little concerned. We are looking at almost 500,000 free cash for FY21 due to high consumption last summer. Operators have done a good job staying ahead of periods of higher demand and we have changed operating procedures so as to shut down the treatment plant during the week to allow for the wells to recover.

Item 3a and 3b: This year our **finance team** is different. Dick Hingston has semi-retired and Tony Roselli from Roselli Clark and Associates (RCA) has taken over his accounts. RCA will complete the Fiscal 21 audit and Mr. Hingston will remain in a consultant capacity for fiscal turnover, reconciliation of the tax levy, implementation and vote on the tax levy and DLS reports. RCA is the 2<sup>nd</sup> biggest CPA firm in the municipal field. Mr. Roselli has agreed to the same terms on Giusti & Hingston's previous engagement letter. We will receive new contracts from both Dick Hingston and RCA for the board to approve. Superintendent Scenna reminded the Board that we will begin to review FY21 close out in September, YTD FY22 Budgets in October and CY22 Tax Levy in November.

Item3c: **Bartholomew** - Brian Jamros and Kathleen Glowacki were in attendance to speak to the board on establishing a trust and the board's endorsement on investing and strategizing. Our unfunded liability today is at \$267,736.97; the contributions since 3/22/12 have been \$199,149.68. We have a pending \$30k FY21 contribution to add and we have already approved an additional \$25k contribution we are scheduled to make in FY22. The question for the board is do we want to remain at 50/50 investment plan that targets a rate of return at about 5-6% or do we want to be slightly more aggressive? We are yielding a rate of return around 6.53%. 70/30 is recommended by the consultant. Health care costs have been up 12% on average. We can't outflow (withdraw from this account) until we are fully funded. Our current payments for retirees are paid out from the operating budget. They are budgeted in the regular operating budget insurance line item.

We are approximately 70% funded of our unfunded liability. This money is for retiree benefits. The board is comfortable going to a 70/30 shift in investment strategy. The trustee makes the decision where the shift goes, and you wouldn't need a board vote. We will have to inquire if the trustee is the treasurer and/or chairman.

Motion: a motion was made that the board endorse adoption of required trust under the new law and the trustees to be determined after consultation with our counsel.

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

Motion: a motion was made to adopt a change in the portfolio strategy from 50/50 to 70/30, equity to bonds.

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

Item 1d: **phone system upgrades:** Scenna reminded the Board that upgrades to the office and cellular phone systems were funded in passage of the FY22 budget. We will procure with a vendor on comm buys, the State agency. The package is a phone system that is cloud-based and under budget from our original estimation. We are looking at Verizon Wireless for 5 cellphones through a government account. We may include upgrade of iPads as well with this new package. The system can link cellular phones with the office desktops so that calls can be transferred as needed. There will also be several extensions with this new system and individual voicemail.

Item 2a: **Supplemental Capital Water Program.** Superintendent Scenna will continue to discuss his negotiation progress and strategy with Commissioner Youngren regarding the CDM contracts. It is a master service agreement with 3 task orders: treatment plant, interconnection, and the permitting piece (initial phase). Until we go through the initial phase, we won't know what the future will hold in regard to the third permitting contract and hence Scenna wants to take a phased approach to the contract with an initial phase giving us the opportunity to better define the scope for the next phase in the process. A brief review has found a clause in the permitting language that can be interpreted to read the possibility of getting a waiver instead of having to go through

the entire and lengthy permitting process. Superintendent Scenna wants to review this and may want to apply for the waiver. CDM is at 15% without any construction management. We need to reduce this and do our due diligence. Superintendent Scenna is not prepared to make a recommendation to the Board to move forward and execute the agreements. We are down about \$200,000 but he still wants to make sure we don't overpay for services. Superintendent Scenna requested another few weeks to continue to work through this with the CDM team.

A motion was made to adjourn at 9:04 pm.

Respectfully submitted,