



LYNNFIELD CENTER WATER DISTRICT WARRANT
The Commonwealth of Massachusetts
Regular Board Meeting
7:00 pm November 27, 2023

Date, time, place: The regular meeting of the Board was held on Monday, November 27, 2023 at 7:00 PM.

Present: Commissioners Joe Maney, Anders Youngren, Steven Walsh, Superintendent John Scenna, Treasurer Kevin Sullivan, and Mary Marengi (part-time admin. assistant)

Absent: Clerk of the Board Christine Smallenberger

Others attending: Greg Phipps from RMLS, Dave Fox from Raftelis, Victor Santaniello, Town Assessor, Mr. and Mrs. MacNulty and other members of the district.

Additional attachments: Agenda, incorporated into the minutes hereto.

Next Regular Meeting: December 18, 2024

Adjourn: unknown

The meeting was called to order.

1. New Business.

Reading Municipal Light Department (RMLD) presentation on solar panels and potential battery field at Glen Drive by Greg Phipps. Using Glen Drive as a solar field is beneficial to Lynnfield Center Water District (LCWD), RMLD, and Lynnfield. RMLD is a public power/energy entity and non-profit organization. Any revenue they collect goes back into their business. Their mission is to provide reliable non-carbon energy. Massachusetts passed a climate bill in 2021, which states a goal of net non-carbon energy by 2050. The decisions made now will have an impact 50 years from now. RMLD is required to be net zero carbon by 2050. 70% of their cost is power supply: energy is 30% and transition is the rest. They need to think and act on how the business is run going forward. RMLD buys power on the market, but if power is generated within their service area, they don't pay 35% of the cost. A big impact from last year was the inflation reduction act, which lowered costs. It's very economical to generate power within their territory. Battery Storage is a key component to infrastructure. The regional network is increasingly fragile, which is one reason why RMLD is looking at territory generation and storage. RMLD can put solar panels on the roof of Glen Drive. Their reliability record is great, but the mechanism for a storage system would protect LCWD in case of a power outage. A long-term lease would enable them

to put in solar power. LCWD could lease the land at Glen Drive for a combination of storage and solar systems which would be owned and managed by RMLD. This proposal is in line with RMLD's mission and would provide backup power to LCWD water system, while giving \$30,000+ back to the district. The solar panels would not be located near well heads and would not jeopardize LCWD systems. RMLD is looking at batteries with no lithium. There would be a 200-300 KW system on top of the roof. They would have to look at replacing some trees with solar panels. This would be roughly a \$9 million project; RMLD has the ability to make these investments, and this seems worthwhile pursuing. RMLD would own the equipment, handle construction, hire the contractors, coordinate with LCWD and run by RMLD. The Commissioners will digest this information and give feedback to Superintendent Scenna and Mr. Phipps. RMLD's goal is to have 40% of power delivered to customers generated within the RMLD district, with reliability and within government compliance. They are constantly trying to predict legislative changes. Regulations will at least remain where they are now, if not become tighter. Load growth is driven by transition and adoption of heat source pumps. Commissioner Walsh asked would profit sharing be possible for power generated on the site as we have limited opportunities to offset rates for LCWD savings. RMLD is open to creative ideas. Commissioner Youngren asked what kind of permits are needed for state and federal permits. RMLD will have to do impact studies. LCWD is losing revenue because cell phone companies are merging. This proposal could be a good replacement and seems to be in the best interests of LCWD and RMLD. The best financial model needs to be figured out. Chairman Maney asked if Glen Drive is the only location being considered. There is difficulty accessing other areas and RMLD needs a large dry area. They are open to other territories and are flexible.

1A: Presentation from Dave Fox, Raftellis; and Victor Santaniello, Assessor: 2024 Tax Levy Options. Victor Santaniello presented the tax classification hearing (presentation slides incorporated into the minutes). LCWD collects revenue through volumetric rates and tax rates. Currently 60% of revenue is from volumetric rates with 40% collected from the tax levy. We need to discuss maintaining this model versus adjusting the numbers up or down based on preliminary and historical data.

Dave Fox from Raftellis presented on the tax levy and rates that LCWD annually reviews. Three to four years ago there was a shift away from taxes as the main source of revenue to achieve more equity in the revenue recovery. Shifting more towards rates is a more equitable system though there are pros and cons to each. Taxes don't fluctuate and are stable and predictable yet can cause equity issues. Volumetric rate related revenue plus the tax revenue supports LCWD's budget. Wet weather and installation of wells have an impact on the rate related revenue. We have considered alternative rate designs. Three options were explored:

- Maintain 40/60 split tax revenue vs. rate related revenue,
- 35/65 split tax revenue vs. rate related revenue, or
- 45/55 split tax revenue vs. rate related revenue

A typical low volume user maintaining at the 40/60 split would see a \$9.00 reduction per year change. Changing to a 35/65 split, a low volume user would see about \$32 reduction in annual bill. Changing to a 45/55 split, a low volume user would see an increase of \$14.00.

Superintendent Scenna recommends the 40/60 split to remain consistent. This split has worked well over the last two years. We hear from a few people about the tax levy component, but far less than when it was the other way around when people were being taxed on property value versus the volume of water they use. We are looking at differentials of the tiered system and trying to clean up the well permit process with the town. The more irrigation wells go in, the less water we sell. Maintaining a 40/60 split at a \$0.46 tax rate is the best path forward in the next year. We have a chance to adopt new volumetric rates to cover for new debt service.

Motion: A motion was made to adopt a single tax rate of \$0.46 per thousand.

Seconded: the motion was seconded, and the motion was passed with Commissioner Youngren, Commissioner Maney and Commissioner Walsh saying aye by a unanimous vote.

Motion: a motion was made to not adopt an open space discount

Seconded: the motion was seconded, and the motion was passed with Commissioner Youngren, Commissioner Maney and Commissioner Walsh saying aye by a unanimous vote.

Motion: a motion was made not to adopt the residential exemption.

Seconded: the motion was seconded, and the motion was passed with Commissioner Youngren, Commissioner Maney and Commissioner Walsh saying aye by a unanimous vote.

Motion: a motion was made not to adopt a commercial exemption.

Seconded: the motion was seconded, and the motion was passed with Commissioner Youngren, Commissioner Maney and Commissioner Walsh saying aye by a unanimous vote.

2. Continued Business

Recreational path access through LCWD Property Vote. We are close to an IMA agreement for a license which will cover access to existing trails and any new trails. The license is specific to trails and gives LCWD the ability to meet annually to review. This would be a ten-year agreement with an option to extend the agreement up to 25 years. If there's an issue or concern, we have the ability to approach the town before we nullify the agreement in case there's a future issue within the penalty clause. The agreement speaks to the district not committing any funding to this project; it speaks to adding trail markers, the town paying for construction, signs at trail entrances, and gives a lot of control to the LCWD superintendent. Superintendent Scenna and District Counsel Tom McEnaney drafted the agreement and worked to get everyone's concerns with a good balance.

Motion: a motion was made to allow the superintendent to execute the agreement with the town.

Seconded: the motion was seconded, and the motion was passed with Commissioner Youngren, Commissioner Maney and Commissioner Walsh saying aye by a unanimous vote.

Approval of lien list. A letter was sent in October with follow-up calls. One last letter is going out informing people of the lien. The list has been sent to the town. The board will respond to an email sent to them from the superintendent approving of the list.

Capital Project Update. The kick-off meeting with Weston & Sampson and CDM was productive. Pre-qualification for bidding is due next week. We are still waiting for comments from the DEP; we need these comments.

Interconnect. The concern is the quality of the water from the interconnect; Wakefield will send documentation. The actual MWRA permit is making its way around. The earliest we can respond is January. When Glen Drive DEP comments are received and processed, we'll jump on it immediately. We prequalified vendors for bidding. We still have the ability to get this project out for bid by the end of January. Weston & Sampson is on board and reaching out to their vendors. Wakefield installed piping under the bridge and are in the process of testing. The Northrup building will switch to Wakefield for water.

Superintendent's Update. The meeting in December will take place on December 18th.

Second Quarter & Consumption Updates. Commissioners were forwarded the second quarter updates. Summer usage was down 20%.

Bid Updates, RFP Antennas. The RFP for Antennas had one potential bidder, Dish Network, submit a request for the bid package.

Clerk Doyle and Superintendent Scenna will plan a Special District Meeting in late January or early February.

LCWD was certified \$1.7 million in free cash from FY23 which includes the carry-over from the prior fiscal year's free cash, plus increased revenue. Questions remain on how to utilize the free cash. Chairman Maney wants to know what Superintendent Scenna's best guess is for the Special District Meeting. We will probably add approximately \$150,000 to \$200,000 into the budget. SCADA upgrades are important as SCADA is the foundation of our plant and was a question on the sanitary survey. Commissioner Youngren asked about a reduction in overtime and if calls can be eliminated. Technically yes, but very unlikely as there are too many moving pieces.

Other Board Items

Approval of minutes.

Motion: a motion was made to approve minutes from October 17th and October 30th meetings.

Seconded: the motion was seconded, and the motion was passed with Commissioner Youngren, Commissioner Maney and Commissioner Walsh saying aye by a unanimous vote.

Abatement Recommendations from Committee. There were four abatement requests with three denials and one approval:

- Denial for 378 Main Street for discolored water; the house recently sold. They applied significantly past the deadline.
- Denial for 40 Grey Lane - they complained of excessive usage of water because of the water main break with a need to flush discolored water.
- Denial for 11 Tappan Way
- Approval for 28 Heritage Lane and issuance of approximately \$115 credit.

Motion: a motion was made to accept the recommendations.

Seconded: the motion was seconded, and the motion was passed with Commissioner Youngren, Commissioner Maney and Commissioner Walsh saying aye by a unanimous vote.

Commissioner Youngren asked about our position in the past concerning discolored water due to breaks. If we failed to notify a resident of planned construction, maybe we would consider that. Water breaks are not predictable, and we notify residents asap but it's obviously impossible to give notice. The discoloration for the residence at Olde Town Road was significant and it took 10 days to clear up.

Superintendent Scenna presented the board with a contract to approve for cleaning vegetation from Phillips Road. This hasn't been done in twenty years; the recommendation to clean is every ten years. The cost will be roughly \$28,000 for the two lagoons.

Motion: a motion was made to go into executive session and adjourn the regular meeting.

Seconded: the motion was seconded, and the motion was passed with Commissioner Youngren, Commissioner Maney and Commissioner Walsh saying aye by a unanimous vote.

Respectfully submitted,