

Board of Water and Sewer Commissioner's Meeting June 17, 2020.

Present: Scott Zajkowski, Robert Sullivan, Tom Fournier, Jay Spahl, William Conley Sr, George Patrinos, Brian Dorval and Jennifer Cournoyer

FAA: Mike Mayotte, Mark Landry, Ann Gaudreau and Michelle Jervais  
Richard Carmignani

Present: Jeff Faulkner and Mike Schrader from Tighe and Bond

Scott opened the meeting at 6:40

Scott read the Governor's order into the minutes and then proceeded with the Pledge of Allegiance.

**Discussion of Warrant Articles and how to pay for them, raising the rates vs Debt Exclusion:** A discussion occurred as to the amount of money that was needed for the four (4) warrant articles. Two (2) of the articles require \$1.3 millions for Sewer and \$ 5.2 million for Water. The first payment will be due once the construction phase of the project is complete will be roughly \$260,000. Water will be retiring a debt of \$185,000 in 2023, Sewer is retiring a debt of \$63,000 this year. Rich explained that there was \$900,000 approved in the fall and it was borrowed about fifteen (15) days ago. Scott stated that this is why we had a rate study proposal done by Tighe and Bond and how did the board want to proceed with this.

Scott then stated he apologized and should have done this at the beginning of the meeting, and he welcomed newest board member William Conley Sr, who prefers to go by Bill.

Bill states that he has concerns about a debt exclusion due to the recent vote on Monday night and the two (2) ballot questions not passing. George stated that it seems like it may have to fall on the increase of rates. He also stated that these projects need to be done no matter what. George gave a brief explanation of the projects so that Bill would be familiar with what is needed. Need a new well, which now falls under DEP and must be tested for PFAS, which then came back elevated for PFAS, Mason Rd has many problems and leaks that are creating many problems and the refurbishing of the two (2) water storage tanks.

Jeff stated that he would give an overview of the projects from the engineering side. First article Sewer \$ 1.3 million is the construction phase of I & I project – fixing the sewer pipes for leaks, this is an approved SRF project. Second article is for Water which has three (3) construction projects packaged together: Pumping station #1, to get back online, Mason Road Water Main and the Rehab of the two (2) water storage tanks. This was submitted to DEP for SRF funding for low interest loans and a forgiveness of about \$700,000. Then there are two (2) new articles due to the testing of PFAS. PFAS is a new contaminant which is a concern. EPA has a level of 70 ppt (parts per trillion) but the DEP is looking to lower to 20 ppt and this regulation has been drafted and waiting for finalization from DEP. DEP required to test any new well that was drilled and the new well was positive for PFAS at a level higher than 20 ppt, then they had to test the pumping station which also came back positive at a level higher than 20 ppt, they both were rechecked and both again came back at a level higher than 20 ppt. At this point DEP required the Water Department to file an action plan with them for approval. The plan that was approved was to take Pump Station #3 and associated replacement well with Pump Station #6 and connect them with a water main and blend them together to get an approved level at lower than 20 ppt. The article for this is for \$ 1 million and it is short term solution that DEP has authorized.

The last article is for the second step of the PFAS and is for \$ 400,000. DEP is now realizing that these PFAS projects are burdens on the water departments and they now have a grant for up to \$200,000, if this article is approved, we will proceed with the grant application. On this grant payment is reimbursable.

Scott stated he had a brief discussion with the TA and a debt exclusion is not looking good at this time if we do go forward with looking for one and doesn't pass, we need to be ready to deal with it in other ways.

Mike Mayotte asked if you ask a few questions.

1. The FY2021 budget for the Water Department has a debt service for \$164,000 correct?  
*Brian responded – yes with about 20-30 thousand to come off this year.*
2. The \$900,00 that was approved in the fall is for a ten (10) year bond, could it be for a for a twenty (20) year bond?  
*Rich responded- No, ten (10) year is the surest bet, the payment will drop about \$10,000 a year including the \$1 million of PFAS testing. The \$200,000 will be under the grant program*
3. Is financing available?  
*Rich states that financing is under 2% for borrowing and a ten (10) year issuances is best  
Water has a ten (10) year note of \$260,000 then decreases by \$10,000 each year  
Sewer has a \$1.3 million exclusion 6.4% loan forgiveness with a twenty (20) year bonds with a payment under \$80,000  
Water has \$5.2 Million with a 13.2% loan forgiveness water is just under \$680,000 with a payment of roughly \$278,000*
4. We need over \$500,000 in payments between the two departments, that is the amount we need to make up. So, in FY2023 there will be an additional ½ million dollars in payments, ok that is all the questions that I had

Scott then asked what the water sewer boards pleasure was.

Jay stated that in the past discussions we stated we need help from the municipality. The water system is 100 years old and DEP is controlling and mandating what needs to be done. I feel we need to try for the Debt Exclusion.

Bill stated that only 50% of the town is on the water sewer system.

Scott agreed it is a hard sell but there are benefits to all the people in town, at this point we have to try.

Bill said take a shot and plan for the worse-case scenario.

Tom stated he agrees, but if it's put on the users it will put people out of their houses.

Scott explained 6% increase in rates on water if no debt exclusion, 3% increase with debt exclusion. At this time should plan on not getting any help with a debt exclusion. The bottom two (2) tiers of the system are not bad as they are small increases, the major increase is on tier III.

Bill asked I am to assume that the majority on tier III are businesses?

Scott replied yes mostly businesses.

Brian stated Yes, Gentex, Nichols, Apartment Houses and people with irrigation systems are on Tier III. Also, just a note that it isn't until 2024 that we reach the average rate that other towns were charging in 2017.

Scott stated thinks the best bet is to follow the no debt exclusion line for this year and if debt exclusion passes, then can re-adjust rates at that time.

A discussion occurred regarding the rates and debt exclusion.

Rich stated that perhaps now is the time to ask the FAA for their support and then to move forward and have placed on Fall ballot for a Debt Exclusion.

Scott thinks we need to try for a debt exclusion and prepare for what I coming and plan for the future. I would be in favor of debt excluding \$5.25 million dollars.

**Jay made a motion to present to the town for \$5.5 million dollars for debt exclusion for the water system repairs and upgrades for the Fall Town Ballot.**

**Tom seconded the motion.**

**A discussion occurred,** sewer is not being considered for debt exclusion, only water  
Mike stated he will call a separate meeting of the FAA to vote on this. Scott stated that the Water Sewer Commissioners will continue to work with the FAA and Selectman to move this forward.

**A roll call vote was taken, Jay, Tom, Bob, Bill and Scott, all in favor, passed unanimously**

Rates discussion occurred regarding Water Rates:

Jay we recently raised the rates should we be doing this via zoom or wait until a real meeting.

Brian asked Mike from Tighe and Bond how would this effect the rate study?

Mike stated if push off the rates it will pro-rate your revenue.

Another discussion occurred as to if we should only raise rates the 6% or more or less.

**Bill made a motion to raise the water rates by 6% as recommended by Tighe and Bond, to be effective for the 2<sup>nd</sup> cycle of FY2021 billing, Jay seconded the motion, discussion occurred as to if any water usage had increased recently, which it had not yet, a roll call vote was taken, Bill, Jay Bob, Tom and Scott all in favor, passed unanimously**

The administrative assistant raised the question on the effective date of this motion, more discussion occurred regarding the rates. The study presented by Tighe and Bond had rates effective FY2021 July 1, Readings are done in July for the previous three (3) months and bills are sent in August.

It was decided that the old vote was not valid and a new vote needed to be taken with an effective date.

**Tom made a motion regarding the sewer rates, to increase the sewer rates by %6 and the restructuring of the tiers as recommended by Tighe and Bond on the October 2020 meter reading, Bob seconded the motion, a discussion occurred and Jay stated that he agrees with Tom and Bob that we**

***need to give customers notification, a roll call vote was taken, Tom, Bob, Jay, Bill and Scott all in favor, passed unanimously.***

A discussion occurred Sewer rates:

***Jay made a motion to increase Sewer Rates as recommended by Tighe and Bond the 12% for the October 2020 Billing Cycle, Bill seconded the motion, a discussion occurred, Tom asked what does the rate increase cover, Scott stated cover new debt that sewer will be incurring. A roll call vote was taken Jay, Bill, Bob, Tom, Scott, all in favor vote passed unanimously.***

Next meeting will be Wednesday July 8, 2020 @ 6:30pm.

***Tom made a motion to adjourn, Bob seconded the motion, a roll call vote was taken, Tom, Bob, Jay, Bill, Scott all in favor, vote passed unanimously.***

Meeting adjourned at 9:39pm

Respectfully submitted,

Jennifer Cournoyer  
Administrative Assistant