

TOWN OF SPENCER, MASSACHUSETTS
OFFICE OF THE
WATER DEPARTMENT

DAVID R. O'COIN
NORMAN C. LETENDRE, JR.
ROBERT O. FRITZE, JR.

3 OLD MEADOW ROAD
SPENCER, MA. 01562



SUPERINTENDENT
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Minutes of Meeting held October 13, 2010

Meeting of the Board of Water Commissioners held at the Water Department, 3 Old Meadow Road, Spencer, MA.

Members present: David R. O'Coin
Norman C. Letendre, Jr.
Robert O. Fritze, Jr.

Staff present: Robert D. McNeil III, Superintendent
Greg Karpowicz, Chief Water Operator
Susan L. Lacaire, Junior Clerk

Others present: Lorraine Gately, Resident
Patricia Rossi, Resident
Edward Ashworth, Resident
David Ashworth, Resident
David Potmesil, Resident
Roger Plourde, Jr., Broad Arrow Forestry

Meeting was called to order at 5:30 P.M.

Invoices were reviewed and signed.

The minutes of September 8, 2010 were approved. Motion Letendre/O'Coin passed 3/0.

Abatement to Water Customer -57 Pleasant St: Following a water shutdown and in an effort to expel air from the waterline when the water was turned back on, the hose spigot was opened and forgotten about. Water was allowed to flow out of the spigot until it was discovered nearly three hours later. During this time some of this water entered the basement and needed to be cleaned up and fortunately did not cause any damage. Chief Water Operator Greg Karpowicz calculated the water loss by filling a five gallon bucket and timing it. The calculation is as follows: 10gpm x 180 mins. = 1800gals/7.5 =240CF.

Total usage at 57 Pleasant Street for quarter 7-1-10 to 9-30-10 is 2302CF-240CF=2062CF. 2062CF generates a Water Bill of 166.56. Resident was charged 182.21. The Water Bill should be abated the difference of 15.65. Motion made Letendre/O'Coin to abate Water Bill by \$15.65 passed 3/0. Mr. McNeil will petition the Sewer Department on the resident's behalf.

Letters Regarding Late Fee: Motion made O'Coin/Letendre to abate the late fee for 22.5 Cherry Street and 39 Highland Street as a onetime courtesy as neither resident had ever been late before, passed 3/0.

Valley View Drive Residents: Resident Lorraine Gately spoke to the Commissioners about her water tank. The Commissioners referred Ms. Gately to #15 in the Rules and Regulations book which states "All persons having boilers or hot water tanks on their premises not equipped with check valves or other safety devices to prevent drain back are hereby notified that neither the Board of Water Commissioners, their agents nor the Town will be responsible for damages resulting from shutting water off for any reason. The Water Departments is not responsible for pressure over eighty (80) lbs. All property owners must have pressure-reducing valves installed."

Resident Patricia Rossi spoke to the Commissioners regarding her excessively high Water Bill. Ms. Rossi explained that the usage for her property is about 6000CF higher than her normal usage. They were away for 4 weeks during this quarter. She is attributing this high usage to the work on Pleasant Street and water main breaks. Resident Edward Ashworth spoke to the Commissioners regarding his excessively high Water Bill. Mr. Ashworth explained he heard loud banging in his pipes and saw his meter spinning. He is attributing this high usage to the work on Pleasant Street and water main breaks. The Commissioners will take all of this information under advisement. Mr. Ashworth and Ms. Rossi were advised to call the Water Department to make appointments to check their meters and to not pay their current water bills until the Commissioners have made a decision. They will not be charged late charges.

Resident 24 Bay Path Road: David Potmesil of 24 Bay Path Road told the Commissioners of his concerns with the rising Water Bills. Water Rates are going up, but there have been no increases in Social Security. He questioned if there might be some consideration for below minimum usage customers. Mr. McNeil said that in future rate studies this would be look at.

Abatement 1 Temple Street: The new owner of 1 Temple Street is seeking abatement for a frozen meter that allowed the basement to fill up with water causing usage of 59,467CF. The Commissioners unanimously voted to deny reduction of the Water Bill. Customers are charged for water that flows through the meter.

FY 2011 October Water Commitments: The October Quarter Water Commitment is \$419,811.06.

Tata & Howard Two Zone Pressure System Update: Change Order #7 and Change Order #8 were signed by the Commissioners.

a) **Change Order #7: Description of Change** The purpose of Change Order No.7 is to adjust the contract price for additional costs associated with the soils analyses, bill of laden (MassDEP, form BWSC-012C), removal, transport and disposal of petroleum contaminated soils excavated from Wilson street and temporarily stored at the Town's transfer station facility off South Spencer Road. Professional services provided by the Contractor's consultant associated with the contaminated soils total \$6,109.90 and the total additional cost (including the GC 7.5% markup) suns t \$6,568.14. This change order results in the increase in the Contract Price to \$7,114,165.44. **Reason for Change** Due to observed petroleum odors in the material excavated from Wilson Street (near the intersection with Highland Street), the excavated materials were segregated and temporarily stored at the Town's transfer station facility. The water mains trench was backfilled with clean replacement gravel. Subsequent soils testing on the segregated Wilson Street excavate indicated petroleum contamination, and procedures were initiated with the MassDEP for proper reporting and disposal of the segregated materials. Motion made Letendre/O'Coin to accept Change order #7 as written passed 3/0.

b)**Change Order #8: Description of Change** The purpose of Change Order No. 8 is to adjust the contract price for additional costs associated with the furnishing and installation of a replacement filter backwash vertical turbine pump at the meadow Road Water Treatment Facility. The awarded contract includes furnishing one complete replacement pump and motor, delivered to a location designated by the Town. The price quote provided by the General Contractor's mechanical subcontractor to furnish and install the pump and motor complete, as specified in the contract documents, totals \$27,238.00, and the total additional cost (including the GC 7.5% markup) sums to \$29,280.85. This change order results in an increase in the Contract Price to \$7,143,446.29. **Reason for Change** As a result of Town's concerns regarding the condition and performance of the existing backwash filter pump, the Town requested the Contractor provide a price quotation to furnish and install a complete replacement pump and motor assembly in addition to the shelf unit complete replacement pump and motor included in the Contract. Motion made Fritze/O'Coin to accept Change order #8 as written passed 3/0.

c)**Night Work Notice:** Businesses and residents of Main Street were notified that for approximately two weeks from October 3rd to 14th construction would be done on Main Street between 7:00PN to 3:30AM. This is to minimize the impact to business operations.

d)**Project Schedule and Cash Flow:** The Commissioners were given the project schedule and cash flow. This is on file at the Water Department for public review.

e)**Fuss & O'Neill Soil Contamination Information:** Oil contaminated soil was encountered on May 18, 2010 while excavation a water main trench at the intersection of Wilson and Highland Street. Fuss and O'Neill was contacted to do conduct a preliminary review and to assess the possible source of the contamination. Motion made Fritze/Letendre to not pursue the matter passed 3/0.

Original Water Charter: The Commissioners were presented with the original Water Charter dating back to March 27, 1882. This Charter was obtained through a Google search. This is on file at the Water Department for public review.

FY10 Water Enterprise Fund-Retained Earnings: Mr. McNeil, in a letter to the Commissioners, confirmed that in a recent financial audit retained earnings for fiscal year 2010 is \$363,609.51. According to Massachusetts General Law (MGL) Ch.44§53F1/2 and the April 2008 Department of Revenue (DOR) Information Guideline Release (IGR) No. 08-101, significant changes to Enterprise Fund law became effective on June 30, 2008. One such rule change is the use of retained earnings. Retained earnings may be appropriated to:

1. Fund direct costs of the enterprise for the current fiscal year;
2. Fund costs appropriated in the General Fund operating budget and allocated to the enterprise for the current fiscal year;
3. Reimburse to the General or other fund for subsidized capital costs of the enterprise not already reimbursed for the two full, immediately prior, fiscal years.

Retained earnings cannot be spent without appropriation. Additionally, a Town may budget for the replacement of capital assets through a particular purpose stabilization fund or by a separate warrant article (see IGR No. 04-201 Creation of Multiple Stabilization Funds 7 Proposition 2-1/2 Overrides for Stabilization Funds). Retained earnings can be used to replace user charges as a funding source of the enterprise to prevent the need to increase rates.

Since approximately \$100k of these reported retained earnings are a combination of outstanding collections from previous years and unexpended expenses and \$150k is from a state reimbursement for costs associated with 2007 water emergency it stands to reason that a more accurate representation of the FY 10 retained earnings is approximately \$113k. This years' positive cash flow indicates that we are getting back on track financially following the 2007 water emergency and its associated costs which resulted in years of deficits (-\$50k in FY08, and -\$28k in FY09).

Mr. McNeil further writes: I am proud of the recent accomplishments and continued professionalism of our Water Department. Together we are rebuilding our outdated treatment and distribution system to ensure safe, clean drinking water for future generations. I look forward to your continued support.

Discussion:

a) **Rate Study & Water Conservation Grant:** No update. The Conservation Grant is intended to cover the future Rate Study.

b) **Water Terminations (Procedures, notifications, and restrictions):** Mr. McNeil informed the Commissioners that there is no law that prevents us from shutting water off for nonpayment between November 15th to April 15th. After some discussion no action was taken at this time. This matter should be pursued with Town Counsel.

c) **Recent Water Breaks:** There have been 4 recent water breaks 2 on South Street, 1 corner of Main Street & South Spencer and 1 on Smithville Road. Three of the breaks caused pump deadheading.

d) **NGRID Incentive Program:** The Water Department is looking at \$100,000.00 incentive for purchase of energy efficient equipment and changes to our operation schedule. Pumping at off peak hours would cut expenses.

e) **ACO Update:** SCADA & DEP BRP WS 25 form has been submitted.

f) **Mass Water Infrastructure Hearing:** Mr. McNeil attended the Mass Water Infrastructure Finance Commission public hearing on October 13th at the State House.

h)**Forest Management action plan:** Roger Plourde, Jr. presented the Commissioners with a property overview, regional significance and management summary of the Shaw Pond property. The 229 acre Shaw Pond Property is located in the northwest quadrant of Leicester. This property includes 167 acres of oak dominated forestland surrounding the 60+ acre Shaw Pond.

The Spencer Water Department's management objectives are mainly centered around maintaining the property as a viable watershed. They include the following:

- Water supply protection
- Sustainable timber harvesting
- Biological diversity
- Generation of income
- Enhancing wildlife habitat
- Preserve or promote scenic beauty

The Forest Stand Map and Roger Plourde's report is on file at the Water Department for public review.

Rules and Regulations review: The Rules and Regulations review will be discussed at a future meeting.

New Business: The owner of 28 Meadow Road requested information regarding a second meter for the garage apartment. When there is one owner there can only be one service. A second meter to measure usage of the second apartment can be inserted after the Town's meter. All cost of this is paid by the owner of the property. The bill goes to the owner of the property. It is the owner's responsibility to bill the tenant.

Motion made (O'Coin/Letendre) to adjourn at 9:00PM (Passed 3/0)