

Attendees

Water and Sewerage Board Members

Christian Carpenter
Bill Harvey
Clair Meehan
Dave Pucci

Town

Frank Gervasio – Town
Maurice Goulet – Town
Megan Rogers – Town
Andrew Foster - Town
Ashley McCullen - Town

Other

Chris McCue Potts - Resident

Water & Sewerage Board Meeting

Agenda

1. Review and approve outstanding meeting minutes
2. Review rate model inputs
3. Board recommendation for FY24 rates to Enterprise Committee
4. Discussion on Liaison & Subject Matter Specialists

New Action Items during This Meeting

#	<u>Item</u>	Responsible	Due
1.	Peer analysis for Water & Sewerage Connection Fees	M. Goulet	June 2023
2.	Adjust rate model sheet to reflect capital outlay	F. Gervasio	June 2023

Holdover Action Items

#	<u>Item</u>	Responsible	Due
1.	Examine terms of agreement related to reimbursement of use of spare VFDs in water treatment plant commissioning	M. Goulet	Mar 2023
2.	Draft annual report	B. Harvey	Mar 2023
3.	Post approved meeting minutes to the Town website.	M. Rogers	April 2023
4.	Gather report from Environment Partners on WTP	M. Goulet	May 2023

The Board Meeting was called to order at 2:31 pm.

1. Approval of outstanding meeting minutes

07 April 2023

28 April 2023

T. Erb attending as PBC Committee

Discussion with T. Erb more than just on VFD's. June meeting recommend to cancel contract with Eaton and direct EP as vendor

B. Harvey requests memorandum from W&C on PCO No. 5 on legal resolution dispute between Bizko and _____

Add as action item owned by W&C

Board requests Town post links to USEPA and MassDEP regarding their PFAS - B. Harvey will provide links

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"Assignments are as follows:"

Next meeting May 3 and June 9

Changes will be made and recirculated to Board for review and approval

2. Review of Status of Board Holdover Actions List

Examine terms of agreement related to reimbursement of use of spare VFDs in water treatment plant commissioning

Draft annual report

Post approved meeting minutes to the Town website

Gather report from Environment Partners on WTP

3. Review rate model inputs

No changes to FY24 budget since 07 April 2023 meeting leading up to ATM

F. Gervasio explains

free cash = retained earnings ("RE)

any deficits or surplus in budget projects will be pulled/put into RE

Primarily funds capital projects and \$100,000 emergency reserves

Balances certified by DOR every fiscal year before can be spent

A. Foster clarified these are unreserved retained earnings. Reserved RE include bond premiums, money aside for next year capital, allocated in budget for specific uses

If there was an immediate need for capital before DOR certifies free cash, typically around January, the Town could look towards bond issuance or other funding sources

F. Gervasio presented the rate model, including future capital outlay. This includes the 334 expected Trinity connection fees in FY26 and FY27

C. Meehan says to look at conservative approach without it. C. Carpenter agrees - once Town is more comfortable projecting that money coming in then they can look at adding it back into future projections and rate model studies.

A. Foster highlights that approved revenue at ATM should be used in the rate model for the projected revenue amount

C. Carpenter asked if a built in surplus in rate revenue should be built into the budget as a line item?

A. Foster confirmed for transparency to taxpayers that line item should be built into the budget for ATM.

B. Harvey asks if the sheet reflects the \$1.2M unspent contingencies from the Filtration Project. F. Gervasio confirms it does not.

F. Gervasio asks if the Board would like to target just RE or unspent bond proceeds. C. Carpenter confirms they need to see the capital outlay called out for both.

B. Harvey suggests parking this conversation to work through the details further. 20 year capital articles funded from unspent bond proceeds.

C. Carpenter stated that the bond proceeds would not influence the rates for FY24.

B. Harvey disagreed and once the rate sheet is restructured it will change the trajectory of RE.

F. Gervasio confirmed Sewer RE is a different story. There is a surplus this year which will positively influence the RE balance year over year. B. Harvey confirmed that

C. Potts "It would help to understand how water connection fees are created. Where can that be found? Have we looked at fees for neighboring towns?"

B. Harvey confirmed they are an exhibit in rules and regs and created in 2018. A peer analysis can be done since it has been 5 years since last one.

C. Potts Upton's is \$4k for water and \$8k for sewer.

A. Foster added that a surplus is the expected procedure for budgeting and a budget deficit cannot be reflected properly at ATM.

B. Harvey suggests the use of a KPI in budgetary standards for below the line.

4. Board recommendation for FY24 rates to Enterprise Committee

This item will be discussed at a later date.

5. Discussion on Liaison & Subject Matter Specialists

This item will be discussed at a later date.

6. Other New Business

C. Meehan motioned to adjourn. C. Carpenter seconded.

Vote: Aye unanimous

Motion passes

Meeting adjourned at 3:44pm.