



Town of West Boylston
140 Worcester Street, West Boylston, Massachusetts 01583

Board of Selectmen/Sewer Commission Meeting Minutes

Date / Time / Location of Meeting
September 6, 2017; Rm 210 Town Hall

Members Present
John W. Hadley, Chairman
Christopher A. Rucho, Vice Chair
Barur R. Rajeshkumar, Clerk
Patrick J. Crowley, Selectman
Siobhan M. Bohnson, Selectman

Members NOT Present

Invited Guests:
Paul Parker ABM
Vernon Jackson, DPW Director

Welcome – Call to Order

Time: 7:00 pm

PUBLIC COMMENT – 7:05PM:

No one is present for this agenda item.

APPROVAL OF MEETING MINUTES:

- August 16, 2017, regular session
Motion to Accept: Mr. Rajeshkumar
Seconded: Mr. Crowley
Result: All in favor
- August 30, 2017, regular session
Motion to Accept: Mr. Crowley
Seconded: Mr. Rucho
Result: All in favor

Review and vote to approve warrants for the period covering July 20, 2017 through August 16, 2017: payable warrants for the town FY2018-4, 5, 6 AND 7, payroll warrant FY2018 #2, and #3, sewer enterprise warrant FY2018-SE-4, 5, and 6, school warrant FY2018 S-1 and 2, and Municipal Light Plant warrant FY18 #3 and 4

Motion to Accept: Mr. Crowley
Seconded: Mr. Rucho
Result: All in favor

Paul Parker, ABM Measurement & Verification Manager and Brian Walker, Measurement & Verification Manager to Report on ESCO Project

Mr. Parker and Mr. Walker joined the Board. Mr. Walker reports that the good news is we have exceeded the guaranteed energy savings by almost \$5,000. He provided a handout to the Board and noted that converting lighting to LED provided a tremendous savings in addition they replaced boilers in the schools, switched fuels, and overall it was a great project with great results to report. Page 6 lays out how they went about the measurement and verification process. They looked at individual measures of what was replaced and page 18 provides the results of the fuel switch from oil to natural gas. Even though we are using slightly more energy we are getting \$120,000 in savings just from switching from oil to natural gas. That result would be even higher but the price of natural gas has dropped almost in half since we did the project. We were over \$1.00 a therm and now we are some where at \$.67 cents a therm. Page 25 shows results and effects of the cost of natural gas going down. Mr. Crowley noted that in the first year or second year ABM had to tweak the system, and asked do you still continue to adjust the equipment in order to get the guaranteed savings? Mr. Walker reports that back in October 2016 they came out and did some adjustments on the boiler for additional efficiencies. Mr. Crowley asked if anything else had to be adjusted to account for all the other savings. Mr. Walker indicated that the boiler was the only equipment needing adjustment. Mr. Crowley asked do you anticipate moving forward we would just be monitoring or tweaking the boiler and, if needed, could that be done in house. Mr. Walker just anticipates monitoring at this point. If they see anything on the control systems when they log in they will come out and take a look and if anything is wrong will report back out and fix it.

Mr. Hadley asked if they knew how much actual money was spent on fuel. Mr. Walker referred to page 18 in the hand out and it was a little over \$65,000 in natural gas for both schools for the entire year and we would have spent \$185,000 if we were still on oil. Mr. Crowley asked if those are today's fuel oil dollar numbers or the numbers when we first did the project. Mr. Walker clarified that the \$185,000 is based on the price of oil three years ago, they had no idea the price of fuel and natural gas would crash, and there is really no way to evaluate that. Mr. Crowley feels there is a way to calculate that. You know the dollars spent and how many gallons bought, take the gallons and multiply by the average price of oil today. Mr. Walker added that it would have been based on delivery and there is no clear way to say how much oil you used in that month. Mr. Crowley noted that the price of natural gas dropped in half and so did the price of oil. He feels the \$185,000 number realistically would have been \$92,500. Mr. Walker stated that that is their standard way of evaluating. Mr. Crowley added that if the price of natural gas had not been cut in half you would be \$60,000 short on your savings because instead of it being \$65,000 we would have paid \$130,000 for that same natural gas when we first started the project. Mr. Walker stated that is a potential and ABM would have come out and evaluated the system if they saw that. Mr. Crowley states this has to do with the price of the fuel being used by the system, not the system. My first question was is the price of oil based on the historic price when you did the conversion and the answer is yes and the natural gas is based on today's price. You are telling us that part of the savings is being driven by the cost of natural gas being cut in half and you have taken credit for that cut. The fuel oil you are saying would have remained constant at \$185,000 and we know that it was also cut in half and that \$185,000 number, to do an accurate comparison, it would have to be cut in half. One year ago today I asked this question and the answer I got was no, it has nothing to do with the price of the fuels. One year ago I was told no, we are comparing therms to btu's and we are converting therms to btus and the savings we gave you are the savings in therms/btus and that is not what I am hearing today. So I have an issue with the answer I got last time, which was no, it was just the energy savings and now you are telling me

that part of this is the price of natural gas being cut in half but we are using a fictitiously high price of oil in order to come up with the savings.

Mr. Walker stated that if we had stayed on fuel oil you would still be using even less. How much less is not how they evaluate it, however, he could give us another method of evaluation using the current cost of fuel oil to see what that difference is. Mr. Crowley states that to him, a more accurate evaluation is to take out what the price of fuel is today and look at the price back when we did this and look at gallons of oil used versus the gallons of natural gas and you compare them and you say okay we are using half the amount of fuel. You are telling me you are taking into account the savings on half the amount of fuel and you are comparing the cost of the fuel half the amount at half of the price versus the full amount at the historic price.

Ms. Scheipers does recall the answer given during the last M&V Report was based on that fact the savings was being measured in therms not in the unit pricing of the fuel that was used. To that point based on that chart on page 18 she asked if he could you explain the savings in the units of therms rather than the dollar values. Mr. Walker states if you look right above that, you are actually using slightly more btus at both the schools. The cost of natural gas was always much lower than fuel oil regardless of yesterday's or today's dollar value. In conjunction with that you are doing additional conservation measures at other buildings. On page 3, they are projecting that we saved a little over 40,000 therms in total. Mr. Crowley stated, I am an accountant and I do not understand how you come up with the savings.

Mr. Rucho asked on the guaranteed savings, does the \$218,000 include the switch from oil to gas. Mr. Walker replied yes, it is the very first line of the chart. Mr. Rucho asked if lighting is based the electric bill. Mr. Walker explained that it is based on a reduction of wattage before and after and they agreed on a certain amount of run hours in certain spaces multiplied by the current electric rate. He added that the electric remains fairly constant over the past three years. Mr. Hadley asked why wouldn't the steam trap repairs and insulation save money? It looks like what you projected is half of what it did. Mr. Walker advised that some of that is we changed fewer traps that anticipated and some of that is the natural gas rate going down. When they were doing the project the natural gas rate was above \$1.00 a therm and now it is at \$.67 a therm and that is what they are using to calculate the dollar amount of savings. Mr. Rucho notes that we will be looking more into the actual savings which might have been below the guaranteed savings.

Mr. Crowley states we are using fuel oil expense prices in comparison of \$3.21 for what would have been purchased in May of 2016 and \$3.00 in what would have been purchased in November of 2016 to come up with a dollar savings and that is a statistical lie. Based on this chart, the dollar savings are not there. In May of 2016 fuel oil was about \$1.79, not \$3.21 so the savings are fictitious in looking at this report. It maybe the way the contract was written, but these savings are not real. Mr. Walker states if you are going to evaluate it that way you need to look at the natural gas prices back in 2012 or 2013. Mr. Crowley states you are saying that the fact that the price of natural gas gets cut in half enhances our savings and now we have a net positive of \$5,000 and I don't know if oil and natural gas moved at the same time, but we are using historic prices of oil versus current prices of natural gas and it is not a true indication of the savings. You are playing with statistics, the analysis is wrought and he is going read what the contract says and will do the analysis in house. The bulk of savings is the oil to gas switch. This tells me absent the price of natural gas being cut in half you would be short. Mr. Walker offered to schedule a time outside of a meeting to reevaluate this.

School Business Manager Roger Pontbriand joined the Board. He reports that they do not come in to tweak anything anymore. He hasn't seen them for a year. He also just got a copy of the Energy Report provided to the Board this evening and he doesn't see the rationale behind how they are doing the measurement and verification. In order for the town to get the savings guarantee you have to do the M&V for ten years at a cost of \$15,000 a year. With regard to spending \$15,000 a

year for future M&V if we don't see that there is a savings to do that, it is at our choice to continue or not. Ms. Scheipers added that last year we said we would make that decision this year.

School Business Manager, Roger Pontbriand, wanted to know if they had any more recommendations to gain more efficiencies over the negative lines at the school. Mr. Pontbriand noted that as part of the Green Communities Act they had two companies come in to audit the buildings for efficiency projects. Ms. Bohnson asked Mr. Pontbriand to put together his questions and email them to the Town Administrator. Mr. Pontbriand is interested in knowing that out of the five negatives in the report, is there anything the school could do to get positive results. He assumes their intention was to get positive results across the board on all the items identified because that is how they programmed the projects.

Mr. Rucho noted the boiler replacement, there is nothing more we can do to get the savings they thought we would. Mr. Pontbriand suggested perhaps slow down the motor system we use. Mr. Rucho added the difference is a negative \$10,000 because we paid \$15,000 for the audit. There was a savings across the board but it doesn't meet the \$218,000 when you take into account the cost of the M&V savings.

Mr. Crowley doesn't doubt that the energy savings was \$120,000. But the price was cut in half and we would have seen a big portion of the energy savings had we done nothing. He added that last time Mr. Walker was in he asked the same question and he got the opposite answer. In addition, Mr. Crowley noted that prior to approving the project the Finance Committee asked the question to ABM if the price of oil gets cut in half, you would not meet the savings and the person said yes, that is correct, we would not meet the savings. Then when I asked the question, when the price of oil did get cut in half, they are saying oh no we are comparing therms to btus based on historic price. Now today they are saying we are comparing the historic prices of btu to the current price of therms. He questions which one is it. Mr. Pontbriand added that last year ABM explained it to Board that they use units of measurements and this year they explained it to you that they use dollars to relate to those units of measurements. That was not mentioned last year. Mr. Crowley noted that he asked that same question and Mr. Pontbriand remembered him asking it.

Ms. Scheipers noted that the original contract was based on units and not on dollars. Mr. Hadley added that they also wanted to do a second project, replacing valves at the school, but they could not give us enough guaranteed savings.

I&I Study Tighe & Bond

Michael Schrader, PE, Project Manager for Tighe & Bond joined the board. Ms. Scheipers explained that back in 2010 Finance Director Michael Dailey did a very comprehensive study of the sewer system financial structure and recommended a rate adjustment. In 2014 he reported that we would need to adjust the rates again because he was seeing a greater reliance on our reserves and at that time he recommended going through a study in 2017 for an increase in 2018.

Mr. Schrader prepared a power point presentation for the Board. He states that it only makes sense to talk about rate increases in percentages. We have a 17 year old system with 12 pump station and 32 miles of sewers. The system is operated as an enterprise fund and the premise of the fund is cost recovery. You also want to put a little extra into the fund. The rate structure divides the costs equally over the users. Expenses include the cost of operation, debt and capital. Operations expenses include expenses for disposal, fees, labor, contract with Weston & Sampson services, benefits, and energy. Reducing I&I will help drive the costs down. Another expense is the debt from previous capital projects. What drives a rate increase is cost of disposal, MWRA, Worcester, Upper Blackstone, labor and benefits and materials and equipment. Capital projects include the I&I project being required by DEP at a cost of \$80,000 to \$90,000 a year for ten years. The study is a look back at the expenses over the last five years and you project forward ten years. The pump stations are half way

through their service life, and those improvements will cost \$760,000. It includes pump replacement, controls, check valves and that figure will get you back to a new system. They are looking at expenses for the last five years and they can project the future expenses. They also do that for sewer usage. It is your currency, the thing you are selling. If it goes down you make less revenue and if it goes up you make more revenue. They project going forward a .6% increase. Debt is about 20% of our expenses at \$360,000 a year. Revenue consists of three items, usage, minimum charge and others including services, grants, fines, interest. Rate revenue for Residential Tier I is the biggest user, 70%. Commercial has 30% in Tier 1 and 20% in Tier 2. Putting all that together Mr. Schrader looked at the pro forma and operating costs going up 3% a year. Pump station ban is a \$700,000 note at 4% over five years, and the I&I project is \$80,000 a year. Revenues under the existing rate structure are below expenses, retained earnings are going down and by FY20 we will deplete those revenues. There is a set aside for capital for the Woodland Pump Station. What it will take to maintain the reserves is a 10% increase in FY18, which is already reduced by one quarter because it has already started. This would be followed by two years with no increases and then increases over the next seven years. He recommends setting a policy on reserves and debt. The second option would be steady rate increases over ten years and the third option would be three large increases over ten years.

The average West Boylston residential customer pays \$113.00 a quarter. A 10% increase would be \$11.00. He recommends a higher rate increase in the beginning and then smaller increases on top of that. Mr. Crowley asked when using scenario two, the smaller increases each year, in FY24 when the ban is paid off what would the low rates on our retained earnings on a percent would be 7%. With regard to the pump station repairs, Ms. Scheipers noted that they did say that some of the items are more urgent than others. Thomas Basin is a \$45,000 item and should be done sooner rather than some of the others. Ms. Bohnson noted that the pricing is estimated at today's dollars and will increase if put off. She asked if they recommend the most urgent be done first or the higher dollar value to save money. Based on Weston & Sampson's feedback Ms. Scheipers reports that it needs to be a combination of the most urgent pump station and then we can look at the cost factor. Mr. Schrader explained that the cost year is 2017 and the implementation year is 2020 with a 3% escalator. Mr. Crowley asked what happens if you make the ban at 2% instead of 4% what happens to my 7% retained earnings number. Mr. Schrader states it then goes to 10%, six years from now.

Ms. Scheipers states what we are trying to do is figure what would be the most appropriate option for a rate increase. We have three scenarios and the Board discussed during their work session having smaller more frequent increases. At the end of the five years you end up at the same cost to the home owner. Mr. Crowley asked how hard is it from an administrative point to actually implement a rate increase within the system. Ms. Scheipers states the input is more the public response. We will see an increased number of people calling saying why has my sewer bill gone up. In that respect, the less frequent would be better. Ms. Scheipers is most concerned that we have good rate information out for people to understand and what the impact will be as we did with the police station project and the senior center project. She is hoping we can do the same thing with this increase as getting information out well in advance will lessen the impact on the staff. She recommends holding a public hearing on October 1st. Mr. Schrader reports that he did a study in a mayor form of government and one of the councilmen said what if we do it all at once and they ended up going with that approach.

In looking at other communities who go through the Upper Blackstone Treatment Plant, West Boylston's last increase was in 2010. They used the rates for 2010 and the data consumption and showed what they were in 2010 and now. Holden went up 1%, Milbury 51%, Rutland 13%, Worcester 40% Cherry Valley 81%, West Boylston is shown at 0%. If we did a 10% increase in West Boylston's fees it would be more than Holden and Rutland and less than Worcester, Cherry Valley, and Millbury. Tighe and Bond does a sewer rate study every year. Size of the system and cost of the

system it is hard to make meaningful sense of it. His next step is to prepare a summarization memo and he is happy to spend as much time with people so they understand this.

DPW Director Vernon Jackson

1. Recommendation for award of the Newton Street Drainage Remediation Project

Mr. Jackson reports that the low bidder was Borges out of Ludlow at \$350,986.59, the project was estimated at \$400,000 and we had \$420,000 of Chapter 90 funds approved for the project. Once this project and the Newton Street Library parking projects are completed, we will have \$294,757 remaining in Chapter 90. This work is the section from Goodale to Prospect Streets.

Motion Mr. Crowley to approve the award of the project to Borges in the amount of \$350,986.59, seconded by Mr. Rajeshkumar, all in favor.

2. Update on Newton Street drainage project and Library parking project

Mr. Jackson reports that the bid opening is tomorrow at 10:30 and the contract award will be included on the September 20th Board agenda.

3. Route 140 sidewalk and poison ivy control

Mr. Jackson spoke with DCR about the situation. We own the road and their property is just beyond the guardrail. He had somebody come in and spray in the back of the school. DCR went out and took care of the sidewalk poison ivy. They will be working on a permanent solution.

4. Mowing of detention basin at police station

Mr. Jackson does not believe this will be a problem. It will be weed wacked or hand mowed once the Conservation Commission and Planning Board give their approvals. Mr. Jackson will wait until the Planning Board advises at what level they would like the basin kept.

5. Fall DPW site improvements

Ms. Scheipers visited the DPW and she and Mr. Jackson put together a list of projects that needed to get done. One of those is the driveway and Mr. Jackson was given a price of \$115,000 from a local contractor. He will add it as a capital project. Mr. Hadley thought the price was a little high. Mr. Jackson noted that it will need to be pulverized because it is so bad and we may need to do some retention ponds because we are so close to the reservoir.

Mr. Rucho would like to look at improving the lawn at town hall next year. There was a sprinkler system which was ripped up when the parking lot was extended. Mr. Rajeshkumar suggested reseeding the area. Mr. Rucho would like an update on that project.

Ms. Bohnson asked when Newton Street would be done. Mr. Jackson has it scheduled for September 20th until November 29th. He intends to put up signage to alert residents and do a reverse 911 call. It will be closed to thru traffic during the day, not at night and we will post suggested detour routes on the website.

6. Sewer billing for 560 Prospect Street

This item will be tabled this evening.

NEW BUSINESS:

1. Consider approving the following Production Assistant hirings for WBPA-TV, conditional upon successful pre-employment physicals, at Grade 2: Clifford deMelo-Shay, Neil Tupper and Hailey Brinn

Motion Mr. Crowley to approve the hirings, seconded by Ms. Bohnson, all in favor.

2. Recognize the acceptance of the following donations for the Bandstand Committee and to approve expenditure of these funds for general purposes: \$150.18 in free will donations from August 13 concert, \$137.70 in free will donations from August 20 concert, \$200.00 donation from Vignaly

Family, 240.01 in free will donations from August 27 concert, and \$250.00 sponsorship from Lester's Refrigeration

Motion Mr. Rucho to recognize and accept the donations, seconded by Mr. Crowley, all in favor.

TOWN ADMINISTRATOR'S REPORT:

1. Town Meeting Preparations – Modify electric sign bylaw

Ms. Scheipers reports that the deadline for money articles was last Friday and she is drafting the warrant. Minor budget fixed will be needed, we will need to include an article to cover the first year costs of the I&I Study, a capital article for the replacement fire truck and ambulance. The deadline for general articles is tomorrow. We will also have an article to adopt the Stretch Code and we are working to meet each of the criteria, and we will have a zoning bylaw change to reduce the gross vehicle weight of commercially-licensed vehicles that can be parked overnight in residential neighborhoods. The Economic Development Task Force will be asking for an amendment to the sign bylaw to allow fading in and out and a picture. They are also placing a budget fix article on for Cable Access. The PEG Board is looking to purchase some equipment which will allow them the ability to broadcast two meetings live at one time. The draft warrant will be reviewed at the September 20th meeting and the Finance Committee will be present.

2. Regional ACO Program Status

Ms. Scheipers continued to meet with a variety of communities to see what interest there might be for a regional approach. At this point it looks like a collaboration with Shrewsbury might work out. She plans to bring something forward in October.

3. Test Well Installation at Landfill

Ms. Scheipers reports that the new test well will be installed beginning September 11th and will be a one week project. Once we get the water tests from those wells we will have a better understanding of what is going on in that area.

4. Eversource Report on Gas Leaks in Town

Ms. Scheipers informed the Board that she has been made aware that there is a group of high school students who were concerned about a number of gas leaks in our community. She contacted Eversource to get information about what leaks have been found and what has or is being done to correct them. Eversource categorizes leaks into three categories. Class 1 would be a leak of such size or volume to reflect an emergency situation and immediate response in coordination with public safety. Class 2 would be a known pipe issue that is scheduled to be addressed at the earliest convenience. Class 3 is a report of a gas odor in an area, they would respond to do a site survey. According to Joanne Leary of Eversource, there are no Class 1 or Class 2 leaks in West Boylston. There have been reports of gas odors and all have been investigated and reported per the state and federal requirements. She wants us to make sure our residents know what to do if they smell gas and we will post that information on our website.

Mr. Rajeshkumar asked about the leak near the manhole at the elementary school. Ms. Scheipers advised that she didn't mention that particular location, but once it is reported Eversource comes out and investigates it. Mr. Rajeshkumar mentioned it to the DPW and is not sure what happened after that. Ms. Scheipers will make sure it gets reported. She didn't have a list of the areas the students had concerns with, however, she was told that they would come to the Board and present their findings.

5. Miscellaneous updates

With the construction of the new rental apartments on North Main Street, we are at 8.17% of our required subsidized housing number.

We are now eligible to submit a new community compact proposal. We received funds for the update to the Pavement Management Plan and for the Housing Production Plan update. We will move ahead with each of the things we said we were going to do and received funding for.

FISP UPDATE:

1. Consider signing Designer Contract with Caolo & Bieniek for Senior Center

Mr. Hadley reports that FISP has reviewed and approved the contract. Mr. Rucho voiced concern that the contract went up \$40,000 and they took off \$5,000 because of the merging of the two companies. Ms. Scheipers explained that the contract value is \$352,000 in total for all the different design phases. It does not include construction or administration. The value is based on the assumption that the construction cost for the senior center will be \$4.2 million, equal to the construction costs for the police station, and is \$27,000 more than the contract we had with CBA for the police station. FISP discussed this and recommends awarding it. Mr. Rucho added that they saw we were in position and we let them do work before we had a contract and we are kind of stuck. Even Tony, our OPM thought the increase was a lot. Ms. Scheipers noted that they developed their contract value using the state guidelines for designer selection contracting which takes into consideration the type and size of the building. The police station was 8% and the senior center is 8.59%. Mr. Rajeshkumar is bothered that if we didn't start the project before the agreement was signed we still would have bargaining capacity but since they started whatever they want we have to agree to. In the future he recommends not starting any work until the contract is signed. Ms. Scheipers added that you still have the ability to look at the contract value for stages that have not been completed yet. Mr. Hadley pointed out that they did a lot of redesign on Caitlin plan. Mr. Rucho thinks they took advantage of the situation, understands it is only \$32,000, but he doesn't think it was a good thing.

Motion Ms. Bohnson to sign the contract, seconded by Mr. Rajeshkumar. Vote on the motion – Messrs. Hadley, Rajeshkumar, Crowley and Ms. Bohnson yes; Mr. Rucho no.

2. General Update on Senior Center and Police Station

Mr. Hadley reports that the police station should be ready the end of September. There is a lot of work going on. Mr. Rucho reports that they have been working on the senior center plans and the next meeting in next Monday.

APPOINTMENTS AND RESIGNATIONS:

1. Resignation from Robert Chisholm as at large member of the Facilities Implementation and Strategic Planning Committee conditional upon appointment to Facilities Implementation and Strategic Planning Committee as the designee of the Council on Aging

Motion Mr. Rajeshkumar to accept, second by Mr. Crowley, all in favor.

2. Concurrence on the appointment of Robert Chisholm, 91 Hillside Village to the Facilities Implementation & Strategic Planning Committee, as the designee of the Council on Aging, effective September 7, 2017 for a term to expire on April 30, 2020

Motion Ms. Bohnson to approve, seconded by Mr. Crowley, all in favor.

MEETINGS, INVITATIONS & ANNOUNCEMENTS:

1. Announce the business whose name will appear on the Welcome to West Boylston Gateway Sign
Mr. Hadley announced that Oli's Restaurant won the drawing and will be the first business to appear on the sign.

2. Legislators will meet with the Board on October 18 and prior to that meeting they will conduct office hours at 6:00 in the Land Use Meeting Room of town hall

3. 2017 Legislative Breakfast Meetings: September 22, 8 a.m. – 10 a.m. – Stow, Pompositticut Community Center and September 29, 8 a.m. – 10 a.m. – Auburn, Town Hall

ADJOURN MEETING

Motion to Adjourn at 9:00 p.m.: Mr. Crowley

Seconded: Mr. Rajeshkumar

Result: All in favor

Respectfully submitted,

Approved: February 21, 2018

Nancy E. Lucier, Municipal Assistant

John W. Hadley, Chairman

Christopher A., Vice Chairman

Barur R. Rajeshkumar, Clerk

Siobhan M. Bohnson, Selectman

Patrick J. Crowley, Selectman