

Submitted by: MET
Date: 2/23/17
Rec'd by: KL
Date: 2-23-17

**Charlton Board of Selectmen
Water/Sewer Commission
Special Meeting
January 24, 2017 – 6:30pm
Senior Center**

Board of Selectmen: Chairman – Joseph J. Szafarowicz, Vice-Chairman – John P. McGrath and Member – David M. Singer. Also present – Town Administrator – Robin L. Craver. Absent: Members – Cynthia B. Cooper and Frederick C. Swensen.

Water/Sewer Commissioners: Alex Mackenzie, Robert Lemansky, Paul Gagner and Gabriel Berthiaume.

1. Open Meeting – Chairman MacKenzie opened the Water/Sewer meeting at 6:35pm. **Motion by Mr. Lemansky to accept the Exxon Mobil contract as printed, seconded by Mr. Gagner, motion passes.** Mrs. Craver reviewed what the main tenants of the agreement would bring to the town. She stated that if anyone at home would like to see the document to please let her know.
2. Chairman Szafarowicz opened the meeting at 6:47pm and asked for all to stand for the pledge of allegiance.
3. New Business – 2018 Budget Calendar. Mrs. Craver stated that she provided the board with the FY18 calendar and they are scheduled to open the warrant. **Motion by Mr. McGrath to approve the budget calendar as presented by the Town Administrator, seconded by Mr. Singer, motion passes. Motion by Mr. Singer to open the warrant, seconded by Mr. McGrath, motion passes.**
4. Chairman Szafarowicz asked everyone to introduce themselves and started with himself. Gabriel Berthiaume – W/S, Rob Lemansky – W/S, Alex MacKenzie – W/S, Paul Gagner – W/S, Christian Bousquet – resident, Melissa Whiting – resident, Mark Whiting – resident, John Jordan – resident, Cynthia Wells – resident, Kevin Wells – resident, Kevin Paicos – Water/Sewer consultant up until December 31st, Bob Mackie and Kendra White from BETA Group, John McGrath – Selectmen, Robin Craver – Town Administrator and David Singer – Selectmen. Mrs. Craver started the discussion by reading a memo that she has prepared which reads: As you know, the Board was scheduled to meet with the Water Sewer Commission in a workshop last week but she was sick and both Chair's thought it best to wait until her return. Tonight, building on the excellent working relationship both boards have developed, you have several issues to discuss tonight. Some issues must be discussed in open session as they do not qualify for executive session and some discussions regarding issues should be held until the executive session portion of the meeting. The executive session portions include any litigation action against the Town of Southbridge. All else, she believes, will not qualify and should be discussed in open session.

Let me begin by saying that, in her opinion, the Water Sewer Department is going to be one of the most active and community shaping departments in town over the next 5 years. The decisions that are made in relation to water and expanded sewer will affect the Town's future finances, economic development, environment and residential build out. Decisions will be made relative to new infrastructure that will last for decades. Decisions will be made that determines Charlton's level of water independence, namely whether the Town pursues a consecutive water system where we run the operations ourselves, whether Charlton continues to purchase water from outside the community or finds its own water source. Decisions will be made on how to assess new sewer capacity as new water infrastructure is developed. Charlton will

soon receive a check for \$8,000,000 and out of that Charlton has agreed to reimburse residents for their betterments; pay off existing debt; fund a new Water Superintendent; and provide roughly \$1.5 million to the Water/Sewer Department for capital, planning and one-time operational assistance. She's happy to say that the agreement was signed tonight.

The past few months, the WS department hired Kevin Paicos as the Interim Water Controller and his contract ended December 31, 2016. He has been on vacation and returned last week. It is her understanding that the W/S Commission held off extending the contract at their last meeting. Given that both Boards discussed his hiring, it is on tonight's agenda. You have in your packets a report of pending issues facing the Water Sewer department. Those include:

Sewer:

1. General operating efficiencies including billing, operating policies and procedures within the office, sufficient backup and the highest and best use of staff.
2. Rate Study
3. There are no Sewer Regulations and they should be developed within the present Charlton bylaws and State regulations.
4. Issues regarding capacity – there is concern that we have “over sold” capacity due to obligations owed to residents who paid sewer betterments.
5. The sewer plant operator is responsible for emergency responses related to a couple failures where sewerage overflow leaked into the Caddy Brook. Town needs to review any pending capital investments that could improve capacity.
6. Billing Issues – as you are aware, Mary has been working on rebuilding the sewer billing system as many deficiencies and inaccuracies were found. You can read the deficiencies in Mr. Paicos' report.
7. Meter review and replacement program – municipalities are required to review and/or replace water meters (which is what we use to calculate sewer usage) at a prescribed interval (usually 10 years)

Water:

1. Oversight/management of Water issues – how does the W/S Commission intent to move forward?
2. Funding:
 - a. FY18 Budget/Review of FY17 budget
 - b. Grants – presently there are 4 separate grants and bond bills approved by Charlton.
 - c. Staff/Consultants/Legal costs
3. Exxon
 - a. Construction of School Loop
 - i. Project oversight
 - ii. Review design-engineering services (EM sent documents early in December and we are waiting For comments from Charlton)
 - iii. Land purchase for pump station on Rt. 169
 - iv. Inspection (clerk of the works, engineer, staff or combination thereof)
 - b. Final Agreement Documents between TOC and EM
4. Town of Southbridge:
 - a. IMA dispute – mediation failed; next step would be for Charlton to submit the dispute to court. As you know, the issues in dispute are 1) over the meaning of “retained earnings” and 2) whether Millennium Power Plant was intended to be counted toward Charlton's percentage calculation for retained earnings. (This would qualify for discussion in executive session if you believed you were going to move forward with litigation)
 - b. Consecutive Water System:
 - i. Charlton has already given notice to TOS it plans to become a consecutive water department

- pending a favorable rate. The IMA required a one year notice.
 - ii. The Water Master Plan, funded thru a grant, will answer many questions and provide the bases to negotiate a fair water price from TOS.
 - iii. Charlton must negotiate with TOS to get a wholesale rate. Charlton running the system will save the TOS repair, maintenance and capital costs while it can sell water.
 - iv. Work with DEP to become a PWS
 - v. Permitting – the Master Plan will also provide DEP confidence Charlton is ready and able to take on the responsibilities of a water department. Remember, public water is a huge commitment and should not be entered into lightly. You must know we can provide safe, consistent clean water to our residents. DEP will hold Charlton to a high standard and we must demonstrate we are ready.
 - vi. Create a Water Department with policies and procedures.
5. Future Water Supply:
- a. Negotiations with TOS as described above
 - b. Water negotiations with Aquarian Water Company and the Town of Oxford for the east side of Rt. 20. As you know there is salt contamination that must be abated.
 - c. Search for viable Charlton wells to serve portions of Town and possibly supplement portions of the new system. TOS has already made it clear they will not expand water supply past the school loop leaving a large portion of town without public water.
6. Casella:
- a. Public water to residents who live by the Southbridge Landfill whose wells are contaminated with 1,4 Dioxane is a priority. DEP has named the landfill as the potential source.
 - b. Review of waterline design (Charlton should have process in place)
 - c. Work with the Board of Health

She has put together a matrix of these for going forward so the Board and Commission can have a “play book” to determine how you envision the tasks being done and who has what role. This will provide direction to the Water/Sewer staff, consultants and herself.

You also have in your packet:

1. K. Paicos – Pending projects list (12/19/16)
2. BETA – Water Master Plan outline – emailed earlier (1/19/17)
3. Email from Joe Spiewak (1/24/17 – priorities)
4. Kleinfelder correspondence
 - a. 90% Water Main Design Review (12/6/16)
 - b. Email asking about design comments (1/18/17)
5. C. McClure – Ethics Opinion (1/11/17)

Mrs. Craver would recommend going through the matrix. She said a lot of work pulled together by Mr. Paicos and herself has been working towards putting together a work product for the boards based on becoming a consecutive water system. She stated that when Exxon starts to put the waterline in, Southbridge will be able to reap the \$2,000 tie in and all of that depending on whether or not Charlton becomes their own consecutive water system. She also said that we negotiated with DEP to come up with a scope of services and work product that we would be able to do a permit to become our own independent water source. We used that and went out to bid and were delighted with the bid we received from BETA who Bob Mackey has stated, that if you do not want to continue with it, they won't hold you to it.

Chairman Szafarowicz thanked everyone for coming out. They are here to make sure we are all on the same page. He wanted to start by reviewing the matrix. Mrs. Craver read Mr. Spiewak's email into the record which

states: Robin, as we discussed, I'm sending along my list of priorities that have been shared with Alex and Steve W. (since it was via email). I understand that Alex was not in attendance at last night's meeting, so others may not be aware of this list. Despite not taking a vote or assigning a specific action, I felt it important to provide my prioritized list should a discussion arise. My priorities for the next 3-4 months would be:

- Hiring a leader for both Water and Sewer
 - Priority focus on ensuring the sewer business operations gets aligned
 - Second priority would be to create the water master plan
- Sewer Rate Study
- Water rate negotiation with Southbridge
 - I believe this is going to be held up by our existing challenges with TOS (i.e. mediation)
- Capacity challenges with Sewer
 - Establishing a more efficient way of dealing with "large users"
- Water Master Plan
 - Continuing on the journey to become a consecutive water supplier

Discussion of the opinion of State Ethics to Chris McClure took place. He would have to decide who he will represent before it goes further. Mr. Lemansky stated that he had a conversation with someone from Ethics and it wasn't an attorney. He said a company with multiple employees can have an employee not involved in any of the issues, work on it. Mr. Singer would sooner have something in writing for anything dealing with State Ethics. Mr. Lemansky said part of the steps whether from the Board of Selectmen or the Water/Sewer Commissioners is getting the "special municipal employee" designation for McClure. He feels it's important to have someone familiar with what's going on. Chairman Szafarowicz stated that no one is doubting the work of Chris McClure's expertise. Mrs. Craver stated that he needs to make a choice of who he will be working for. She reviewed what State Ethics had provided. She will be having a conversation with Mr. McClure and Ethics. Mr. McGrath feels that McClure should lay out what their intentions are. What work they will be doing.

Mr. Berthiaume asked if there is a deadline for Exxon to do their main waterline? Mr. MacKenzie stated that he believes we need to get some kind of review done from the town. Mr. Lemansky stated that one of the changes is that there is no longer a pump station at Masonic Home. Mr. MacKenzie said that it would be dropping the pressure there. Mrs. Craver said that someone needs to be sure that is going to work.

Chairman Szafarowicz brought the discussion back to the Kleinfelder correspondence. Mrs. Craver would like to see a plan a and a plan b. Plan a would be if Chris is representing the town. Plan b would be if we have to look elsewhere. Chairman Szafarowicz would agree. Mr. McGrath stated that Chris was not going to check Dewberry so we need someone to check the hydraulic calculations. He stated that Kleinfelder has given us a document with 90% done, they want us to comment back on it. Do we tell them we need to have them check Dewberry's or ask for new calculations? Mr. MacKenzie would sooner have new calculations. Mr. Lemansky said his understanding has been Kleinfelder has been working hand in hand with Dewberry. Mr. McGrath asked if the Water/Sewer Commission are happy with what they have from Dewberry? Chairman Szafarowicz asked what has changed since the original model and it was stated the loop. Mr. Paicos stated that he had conversations with both Chris McClure and Mr. Calderazzo at Dewberry prior to the RFP. Chris had great concern that the hydraulic model was out of date and he was troubled that Exxon Mobil would be designing with a thin outline. Mr. Calderazzo felt there should be a need for an update in the RFP. Mr. Berthiaume feels the water master plan should be done when this is done. He thinks it should be done after all the pipes are in. Bob Mackie said the issue with the water model that he heard, is there is a new loop added in. He said you do need an accurate model to make decisions moving forward. You could make wrong decisions if it's not correct. Just to clarify, Mr. Singer stated that the first step we would do is create a new water model and the answer was yes. Mr. Lemansky questioned this. Mr. McGrath feels the Commission would be better served to do the water

study. Mrs. Craver said the other piece not added yet was Casella. Mr. Berthiaume asked Mr. Mackie if they were up to doing different bits and then adding more after and the answer was yes. **Motion by Mr. Berthiaume to give Chris McClure till the end of the week to clarify his decision on where he wants to be with the Water/Sewer Commission and move with him or without him. Depending on his data, we meet with BETA because they've already shown us good faith, prices are reasonable, the contract's reasonable that we need a back-up plan and this cannot wait, seconded by Mr. Lemansky for discussion.** Mr. Berthiaume stated that the purpose of this motion is a back-up plan. Mr. Lemansky thinks Chris will need more time. Mr. McGrath agrees with Mr. Berthiaume. Chairman Szafarowicz asked Mrs. Craver if she felt there was any reason why we should not appoint McClure as a special municipal employee. Mr. Berthiaume asked Mrs. Craver if, when the Commission has their next meeting and they invite BETA, is that enough? Mrs. Craver would recommend they attend the next Selectmen's meeting where they should have an understanding at that point. She was hoping they could put a list together tonight. Mr. Berthiaume said he is just going over a scope to clarify. We need to cherry pick some of the items out of the design process. Mr. Lemansky asked Mr. Berthiaume if he would amend the time in his motion. **Mr. Berthiaume amended his motion to allow Chris till next Wednesday to give us an answer so they can have BETA on their next agenda.** It was mentioned that they are giving Chris this time to decide and get a written letter from Ethics on what he can do. Mrs. Craver said she would like to talk to Chris and get the Ethics on the phone for clarification. She said if the Commission can authorize her to do this, she can get an answer sooner. She would ask them to go through the rest of the work order and prioritize it. She stated that you need to give the contractor time to get the bid out and get moving. Mr. Lemansky feels the next step is the Selectmen to make the appointment. Mrs. Craver would recommend that be put on the Selectmen's meeting and that she and Chris work to get that information. She said they could post jointly with the Board of Selectmen or have a few representatives present that way they will know what they have to do. Mr. Lemansky doesn't think McClure can do the modeling. **Mr. Berthiaume restated his motion that McClure Engineering with respect to Chris McClure, has till Tuesday to converse with Robin Craver, the Town Administrator, a reasonable assurance that this Ethics is clear and his desire to move forward with this project, and if not, we move on to a different provider, seconded by Mr. Lemansky, motion passes unanimously.**

Mrs. Craver asked if they need to have the hydraulic model done while looking at the design? Mr. McGrath stated that now were on to BETA and to cherry pick the order of what they are going to do. Mr. MacKenzie said that master plans have to be updated every 4 or 5 years. Whatever money is put forth to the master plan, it is very important to becoming a consecutive water system. He doesn't understand why we would be breaking it apart. Mr. McGrath asked if we are going to vote on the BETA contract, is it both boards jointly or just the Water/Sewer Commission? Mrs. Craver stated that the Commission already has a signed contract with them. **Motion by Mr. Lemansky that we go forward with a portion of the BETA contract, one being the fire flow requirements and testing in the amount of \$5,740, hydraulic model in the amount of \$4,820 and the map creation in the amount of \$4,080.** Chairman Szafarowicz asked why he wouldn't include all of it? He asked why he would want to break it apart. Mr. Lemansky said that we just heard from Mr. MacKenzie and we are not going to be completed with our water project for 2 ½ to 3 years. Chairman Szafarowicz said we have a grant to cover this. He said you can authorize them to do all the tasks listed and if you don't get to it, you don't get to it. Mr. Paicos stated that the RFP for the master plan was not written so the board can comment on the Exxon loop. A hydraulic model is directly on point to allow you to do that. Everything else in there is specifically prescribed by DEP in Worcester in order to allow you to become a consecutive water system. He stated that if the board wants to become a public water system by June/July, you have to do every single piece in the RFP. **Mr. MacKenzie noted there was no second on Mr. Lemansky's motion.** Mr. Paicos said if they become a public water system, they will get the tie in fee plus the charge for water. He said the first year they take over the water system from Southbridge, they will be collecting \$1,000,000. Mr. Berthiaume stated in his own personal opinion and he would state it for the record, he does not feel we are ready to run our own water system. He doesn't think we are in a good position to run and maintain a system in six months. Mr. McGrath

thinks they would be better off to have the master plan completed just in case you decide to go forward. **Motion by Mr. Berthiaume that BETA start work on this project and come to their next scheduled meeting on February 13, 2017, to discuss further, breaking the bid down and how they will achieve it, seconded by Mr. Gagner, motion passes unanimously.** Chairman Szafarowicz reiterated that he thanked everyone for coming together and working together. Mr. Singer asked how much would it cost the town if we didn't become a water supplier. Mr. Paicos stated about \$130,000. That's just one instance. If the design of the hydraulic model is wrong, that would cost much more. He said the amount of revenue that Charlton loses is extensive. Mr. Singer said he would sooner pay more now to have a correct model than pay more later. Chairman Szafarowicz asked if a financial analysis has been done and Mr. Lemansky stated about 10 years ago. Mr. Singer asked for Mr. Paicos' answer on the numbers. Mr. Berthiaume thinks that both boards need to decide if we are going to be a consecutive water system or not. Chairman Szafarowicz asked if we could review the matrix. They started with the sewer, page 1.

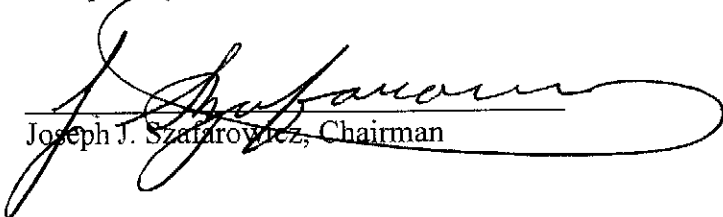
1. Sewer Rate Study – (1) is a priority

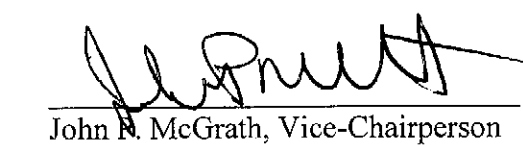
Discussion of what's needed for staff. Mrs. Craver said that she asked Mr. Paicos in case this came up tonight, if he wanted to continue, what would his cost be and what would he do? Mr. Paicos stated that he charged an amount last year because he is retired and he could make up to a certain amount. He said making all that money is not that important to him, what's important is doing good work. He said if the Commission's goal is not to become a consecutive water system, they don't need him. Mr. Singer said this is his goal. He would like to see Mr. Paicos stay. He brings to the table knowledge not shared by anyone else in this room. Mr. McGrath sees that a lot of items on the matrix are 1's and we need someone that can do this, if we prioritize this and know whose going to do it. Mr. Berthiaume said we need to figure out what we are doing with water. Mr. Lemansky stated that the chances that we will become a consecutive water system in 2017 is 50 to 1. He was asked why and he said it would be a financial disaster if we do that. Chairman Szafarowicz said that we don't know that yet. Mr. Lemansky said that he has a solid basis for making that statement because he's been down there for 8 ½ years, he knows what the Southbridge rate is and knowing what other communities negotiate and if we get any discount from Southbridge that would be great but it won't match the cost of water. He said the list that Mr. Paicos put together is great but he can't go to Southbridge. Southbridge will not have any discussions with Mr. Paicos relative to water. That was written by the Southbridge Town Manager on July 22nd. He said if they had known this in July, they would have had a whole different perspective. Mr. McGrath asked Mr. Lemansky, he said looking at this, take the water rate out of it, you have more work here to do and you don't have the people to do it. There was a problem with the billing at the sewer office and we had to send one of our staff members down there to straighten it out. He said there are a lot of issues down there that need to be straightened out. These priorities have to be listed out and we need to make people responsible to do them. The Board of Selectmen are willing to help. Mr. McGrath also stated that the issue with Kleinfelder shouldn't have gone on this long. Mr. Lemansky stated that they lost their engineer. Mr. McGrath stated that the engineer was told to go to ethics two months ago and nothing has happened. You can't let this thing drag. He knows the Commission has put a ton of effort into it but that's what this list is for. Mr. Lemansky asked to look at #2 on the matrix. Mrs. Craver asked to hold on this as the members from BETA need to leave and asked both boards if they had any other questions for them. With no further questions, she thanked them for coming and will get in touch with them. Mr. Lemansky stated that it's noted about the space. It was said that we had to save space for betterments but that's a fallacy. We don't have to save space. Mr. McGrath said that we need to get the goals set. We are just trying to get to what needs to be done. Mr. Berthiaume asked if we are ready to spend \$100,000 to \$150,000 irregardless of the outcome for the water stuff? He said there are seven of us here, are we going to say we are going to spend the money regardless of the outcome? This is a huge answer he would like. Mr. Paicos said he doesn't need to meet with Southbridge to prepare financial plans for the department. He just needs a few documents to calculate the rates. He said to make a policy like this, you need to deal with the absolute facts. He said they are a lot closer than they think to run a water department. Chairman Szafarowicz stated that the money is already earmarked from Exxon Mobil. Mr.

McGrath stated its due diligence. It's money we have to spend to find out if it's capable. He asked that we take a try and organizing the list. Mr. Berthiaume asked Mrs. Craver if she could send down who they can have or not have down at the plant. They need a high functioning manager down there. Mrs. Craver recommended having everyone review the list and send it to her and put names in it. Mr. Singer stated that we have wasted all our time tonight if our priorities don't match. He would like a decision made now and take the list and prioritize it instead of having all different answers. Mr. McGrath stated that they don't have their goals and objectives in order and they need it so they know where to go from there. Mrs. Craver said she would like to have an answer to negotiating the land. Mr. Lemansky stated that it would be Paul or Gabe working on it. Mr. Paicos stated just as a closing thought, based on the Water and Sewer right now, there is a lack of professionalism. He said what matters is that you hire an experienced person who has knowledge of water and sewer and it doesn't have to be an operator. It has to be someone with a good understanding of finance and management that could run that department nicely. The billing file has been fixed. He said there is an enormous amount of work that's got to get done. The first thing to get done is the financial analysis. He appreciates all that they do. All thanked Mr. Paicos and he left the meeting. Mr. Berthiaume asked if Mrs. Craver could provide them with the update on Mr. Paicos pay structure now. He agrees with Mr. Paicos that they do need professionalism down there. There are changes that have to be made as far as personnel. Mr. Lemansky stated that the good news is they haven't increased the sewer rate since 2007. He also said there is enough funds in the retained earnings to operate their system for one year. With no further discussion, **motion by Mr. McGrath to adjourn at 9:20pm, seconded by Mr. Singer, motion passes unanimously. Motion by Mr. Lemansky to adjourn at 9:20pm, seconded by Mr. Gagner, motion passes unanimously.**

Submitted by:
Mary C. Devlin
Administrative Assistant

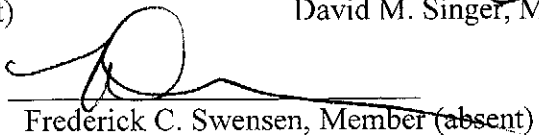
Accepted by Board of Selectmen:


Joseph J. Szafarowicz, Chairman


John N. McGrath, Vice-Chairperson

Cynthia B. Cooper, Member (absent)


David M. Singer, Member


Frederick C. Swensen, Member (absent)

Accepted by Water/Sewer Commission:

Alex MacKenzie

Gabriel Berthiaume

Rob Lemansky

Paul Gagner

Joseph Spiewak (absent)