

**Present:**

Lee M. Azinheira, Chairman  
\*Manuel Branco, Clerk

Mark S. Nunes, Vice Chairman  
David T. Hickox, Director

Paul Pacheco, Superintendent Services & Infrastructure      Carlos Cardoso, WPC Plant Manager  
Steven Sullivan, Superintendent Water & Sewer Division  
Donna Fernandes, Town Accountant

Mr. Branco was out due to a previously scheduled vacation.

The Chairman called the meeting to order at approximately 7:35 a.m.

**ACTION ITEMS**

A motion was made by Mr. Nunes and duly seconded by Mr. Azinheira to accept and approve the warrants for the bills payable for the period ending September 30, 2014. So voted.

A motion was made by Mr. Nunes and duly seconded by Mr. Azinheira to accept and approve the payrolls for the weeks ending September 13, 20, & 27, 2014. So voted.

A motion was made by Mr. Nunes and duly seconded by Mr. Azinheira to approve and accept the meeting minutes of August 28, 2014 as amended, & September 11, 2014. So voted.

**NEW BUSINESS**

**Review of End-of-Year Reports**

***Water Enterprise Funds***

Mr. Hickox: I will let Donna Fernandes walk us thru the three enterprise fund end of year reports.

Ms. Fernandes: The top part is the revenues (\$4,844,548.70) that we actually received then you have your expenditures (\$4,378,105.40) and the results of this year's operations (\$466,443.30). The bottom section is how we come up with the unreserved fund balance (\$2,683,802.38). Anyone have any questions on that?

Mr. Azinheira: The \$2.6 million?

Ms. Fernandes: Yes, that was your ending unreserved fund balance.

Mr. Hickox: The number that was reflected by the number given by the State and liens.

Mr. Azinheira: I am looking at the state's number of \$2.6 million.

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Mr. Hickox: This is the Town's number. I have the state's which is \$2,310,000. This is almost what we had at the end of last year.

Mr. Azinheira: Next year it should be a little bigger.

Mr. Nunes: So what are we going to do with all this cash?

Mr. Hickox: Well we have a lot of debt that will kick in soon. We have the meter program project which is underway in the first phase and we have to fund the second half next year.

Mr. Nunes: How much is the first phase coming out to?

Mr. Hickox: \$750,000 and we already appropriated that and then we will get the balance.

Mr. Azinheira: Wait a minute, is it 50/50?

Mr. Hickox: Yes, we do 50/50.

Mr. Sullivan: We base our sewer bills off of water.

Mr. Azinheira: Yes, but don't you have a lot more people on water than sewer? So it should be 60/40 or 70/30. It should not be 50/50.

Mr. Hickox: We will make that adjustment on the final. Then we have the other project that we will be awarding today. The appropriation is for \$1.7 million but the award is for \$1.3 million for the Old Fall River Road water main. Then we have the Panelli wells which are in construction at this point. We will have that debt coming up in the next few years.

Mr. Azinheira: The meters are coming from the retained earnings?

Mr. Hickox: The previous bond proceeds that we moved over and some was borrowed. The difference really from last year is that last year we had a gain of \$253,000 and this year we had \$466,000. We sold more water and a three percent index.

Mr. Azinheira: Steve, I am guessing this year I am looking at a 20% increase of water production in July and August, I assume you are similar?

Mr. Sullivan: Our production went up but we also had all of our good wells down so we had to buy water from the City (of New Bedford).

Mr. Azinheira: So you are not benefiting from it since your costs are going up. Your revenue is up but so are your costs.

Mr. Sullivan: I have already spent half of my budget on buying water from the City (of New Bedford). We had major electrical problems this year at the wells and I had more motors blow out that needed replacing.

Mr. Hickox: Yes and then we have the water restrictions which end on September 15<sup>th</sup>. After that we are free to pump even though the water was not really there to pump anyhow. Our plant is running at under 2 MGD (millions of gallons) a day.

Mr. Cardoso: Driest September since we have been keeping records.

Mr. Nunes: What percentage did we buy from New Bedford versus prior year? How much did it increase?

Mr. Sullivan: We might be in the ten percent range. Usually it is in the 10-50 percent range. We are not in that 50/50 anymore.

Mr. Hickox: June and September we had the restrictions so when we have a dry year like this we just cannot run these wells.

Mr. Azinheira: That is when I see a difference in the revenues is in those three months. I had a 20 percent increase (in Mansfield) in use over last year.

Mr. Hickox: The benefit is that we will see it on the sewer end because Carlos's cost (Water Pollution Control) go down and the revenue goes up from selling the water.

Mr. Cardoso: Our actual sewage flow with this dry weather and all that gets in here is sewer excluding I/I is 1.9 MGDs with Umass Dartmouth in function.

Mr. Hickox: So we are in good shape on the water.

### ***Sewer Enterprise Funds***

Ms. Fernandes: We split it into two reserves. One is your retained earnings unrestricted which is \$4,014,382.64, and then you have a reserve for the I/I program which is \$93,559.88. The reserve for debt is money that you generate in interest in the general fund and it gets transferred to you once a year. So we reserve it for future debt. This year it was not much (\$424.70) but what you could use that for is if one of the SAF projects (betterments) ends up running deficit at the end of the program when all the bills are paid off you could use this instead of your retained earnings to pay off that. We did have a few of the projects that came full circle, which does not happen often, meaning all taxes are paid off, all debts paid off, projects are all done and there was excess money. I transferred that back to this enterprise fund. The excess could be for a number of reasons such as if people paid in advance.

Mr. Azinheira: You don't just put that into miscellaneous revenue?

Ms. Fernandes: No that goes back to you guys.

Mr. Azinheira: I meant water miscellaneous revenue.

Ms. Fernandes: We only have 2 water projects so this would be for sewer.

Mr. Hickox: Correct me if I am wrong Donna, but years ago prior to Dave and Greg coming in, a lot of this general obligation bonds for the sewer betterments and I was always under the assumption that the general fund were responsible for any deficits if that occurred. Such as if the Board went in and granted half a dozen abatements and there was a deficit in the account then it was paid by the general fund. Then it was corrected when Greg came in and Dave Cressman. That is when this came about and it all became part of the enterprise funds. Even though there were general obligations bonds the obligation was really from the sewer enterprise funds.

Ms. Fernandes: \$68,536.44 was transferred back to the sewer. There were three small betterments that were closed. There is one coming due next fiscal year the bill payments are in a deficit so it will go the opposite that year, possibly FY 2016.

Mr. Azinheira: Why does that money have to be kept separate?

Ms. Fernandes: The only thing that is reserved is the interest. The money that you transferred gets factored into your retained earnings. I am not sure why the interest has to be reserved however this is how they wanted us to show it.

Mr. Hickox: I just wanted to point out that, and I talked to Greg about it yesterday but when all the debt from this project comes in long term through the trust, that is when we will see the full brunt. Greg said that the short term borrowing is 2.1% so you are borrowing the money almost interest free. Once we roll the money over it will be about 2% and our debt service will jump over \$750,000. We also need to think about that once this project starts to wind down in the next few months, starting the engineering for the intermediate phase which is the next step in this upgrade. Then we have the I/I and I will be talking to the Board in the next couple of meetings about the I/I project and what we will do is fund it at Town Meeting in the spring. It is about \$800,000 in the physical repairs. All the studies are in, they have identified the problem areas and now we are going to go in and start making these corrections. It is \$800,000 to pull 168,000 gallons a day out of the system.

Mr. Azinheira: Is that coming out of retained earnings?

Mr. Hickox: It is coming out of retained earnings or we could do a combination.

Mr. Azinheira: I understand and that is why I did not question the \$4 million (retained earnings) normally I would say that is way more but I know we have those big hits and you may need to use this to keep the rates fairly consistent.

Mr. Hickox: Over the past several years we slowly brought that rate up to what it is now to be ready for this debt when it comes in.

Mr. Nunes: Not to stray but what is happening with the windows (in the Administration building)? Do we have the reports and all that?

Mr. Hickox: Carlos and I had a meeting a couple of weeks ago and we discussed some solutions we are still waiting for them to come back with a final.

Mr. Nunes: What did our experts say?

Mr. Hickox: About 3 inches back from what we can tell. It looks like we have to take these window sills out and replace them because you cannot really put these back. We are looking at 3 inches. We had talked about having the window manufacturer generate an aluminum insulated sill so once they cut that out we won't be dealing with a mason, slide it in, same color as the window, bolt it and then slide the window into that.

Mr. Azinheira: That sounds a little more manageable.

Mr. Hickox: The other thing to point out is that the revenue from the I/I doubled from last year and that is an indication that there is a little more development going on.

#### ***Solid Waste Enterprise Fund***

Ms. Fernandes: In Solid Waste you have your unreserved balance is \$563,953.37. There is barely any receivable on trash. The outstanding amount is the Town bills that get paid in July. There were a couple of big expenditures this year. Also you have \$270,000 reserved for this fiscal year from the last Town Meeting.

Mr. Hickox: It is a pretty nice balance where we have been able to not have to borrow to keep this operation going. The thing I have to point out is that the bag revenue has continued to decline.

Mr. Nunes: Why do you think that is?

Mr. Azinheira: People get creative on finding ways not to pay.

Mr. Hickox: Our expenses continue to go down as well. Our expenses were a couple of hundred thousand dollars less this year than they were last year.

#### **Recommendation to Award Hixville Road/ Old Fall River Road Water Main Project.**

Mr. Hickox: Mr. Chairman we opened bids; we have a nice range the lowest being \$1.266 million. The apparent low bidder that we are recommending is Dig It Construction \$1,266,959 but the range was the highest with CN Corporation at \$1.9 million. Our estimate was \$1.75 initially and then we brought it

down to \$1.45 so we are right in that range. This is good news. Paul has checked the references. We are ready to get going on this and just to point out on items 15, 16, and 17 (of the bid tabulation sheet), directional drilling. We have three directional crossings. We are going under Shingle Island and then a couple of other brooks. We looked at strapping the pipe along the side of these culverts/ bridges and this vendor came in very low on these prices and on the pipe.

Mr. Azinheira: His total is \$5,000 higher than Oliveira's Construction for the directional drilling.

Mr. Hickox: Yes, they played with the numbers.

Mr. Azinheira: It is not like he is the only one that low.

Mr. Hickox: Yes we had prices, Paul what were our prices?

Mr. Pacheco: Sixty, Sixty and Ninety (thousand).

Mr. Hickox: We dealt with a firm up in Maine who came down and gave us these figures.

Mr. Nunes: Do you need a motion for that?

Mr. Hickox: We need a motion to award.

Mr. Nunes: It is \$1,240, correct? You said \$1,266 and I am asking where you got that from? What happened?

Mr. Hickox: What happened was there was a discrepancy between the quantity price and the written price and the written priced prevailed. The written price is on the recommendation \$1,240,726.01. They had a couple of mathematical errors that generated a higher number than the written price.

Mr. Azinheira: I thought maybe they changed the quantities on something. I mean, this is only an estimate anyways.

***A motion was made by Mr. Nunes and duly seconded by Mr. Azinheira to award the Hixville Road/ Old Fall River Road Water Main Project to Dig It Construction, LLC, South Dennis, MA, per the total price of \$1,240,726.01. So voted.***

#### **Application for Licensed Utility Layer – R.W. Bryant Contracting Inc.**

Mr. Hickox: Mr. Chairman this is a one time job for Comcast in the industrial park, running a cable across the street.

***A motion was made by Mr. Nunes and duly seconded by Mr. Azinheira to approve the application for a licensed Utility Layer for R.W. Bryant Contracting. So voted.***

## **Ryder Street Betterment Assessment**

Mr. Hickox: That is not ready, we had a real problem finding mylar. In order to do the final recorded plan we had to document but we could not find mylar anywhere and we got it yesterday. The betterments are out, actually. This is just a matter of documenting it to the Assessor.

Mr. Nunes: How much are they more or less?

Mr. Hickox: They were less than they estimate. They came out to \$5,300.

Mr. Nunes: They are all happy about it right? Are we hearing from them?

Mr. Hickox: We have not had one call. We were a couple of hundred dollars less than the estimate. Also it came out really nice. It increases the value of their property dramatically.

Mr. Nunes: It maintained the value of their property.

Mr. Azinheira: If you are able to sell a house because of the condition of the street then it is actually adding value because most people would be deterred from buying (if it was in bad condition).

Mr. Hickox: If they do not fix your street or plow your street it is (undesirable to buy).

Mr. Nunes: Are we plowing now?

Mr. Hickox: It is not accepted.

Mr. Azinheira: Did you guys put it in for this fall?

Mr. Hickox: I have not seen anything.

Mr. Nunes: We have not put it in for an acceptance?

Mr. Hickox: We do not do that.

Mr. Nunes: Who does that? The residents have to? I though once we completed it.

Mr. Azinheira: Do they understand that? Whoever took the lead before should make them aware so they can get their paperwork in by the spring. They probably think it will be automatic.

Mr. Nunes: They will never get their trash picked up right? Are we going down there?

Mr. Hickox: We make private entry for trash but we do not plow. I will contact the developer and let them know they have to do it. Lastly, Carlos and I have one matter that we wanted to talk about. Carlos

had a couple windrows of sludge compost that got saturated and became unmarketable. We have been trying to dispose this material because it has been taking up a lot of space in the area of the salt shed. The company that buys our compost had no interest in it but at one point they had offered to take it for a minimal price just to dispose it. At the time we said yes and with the market price that would work. We have a price sharing agreement with the vendor.

Mr. Cardoso: Agresource was going to pay us \$1 to make it legal because you cannot give the material away to G. Lopes.

Mr. Nunes: What kind of material is it?

Mr. Hickox: It is sludge compost and it is soaking wet. We tried screening it and it clogged up the screening.

Mr. Cardoso: What do we do with it? I was told you cannot give it away that a \$1 sale would work and is legal.

Mr. Azinheira: It is a Solid Waste, you can pay to get rid of it.

Mr. Cardoso: Well that's the thing. I managed to get the bio filter media hauled by G. Lopes for free where as we paid \$14,000 to haul away the media we just removed.

Mr. Hickox: There may be a farmer that wants it.

Mr. Cardoso: There is one that may be interested, S&S Farms but we have to haul it.

Mr. Nunes: Where are they located?

Mr. Hickox: Horseneck Road. The point is we cannot use it or process it and it is taking up valuable space.

Mr. Cardoso: I would like to contact Sylvan Nursery again. They seemed interested in getting it for free.

Mr. Nunes: So we either pay or they pay us? Why cannot we give it away or \$1 for the whole thing just to get it out of here or \$5 to make it legal?

Mr. Hickox: My concern is that we can find a farmer to take it but we want to make sure we do it properly. If the farmer next door sees this farmer getting this product that might be beneficial to his field he may ask why he didn't have the opportunity.

Mr. Nunes: Do you want to advertise it?



Mr. Hickox: We take out the ad, put it out again for a lump sum to take it away.

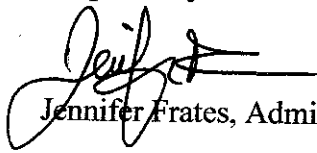
Mr. Nunes: It is an inconvenience for us to have it there taking up space. Throw an ad out there and give it a date.

Mr. Hickox: We may look into it a little more and get quotes on it.

Mr. Azinheira: If it is solid waste it is one of the few exemptions and you can do whatever is in the best interest of the Town.

**Having no further business to discuss that morning, at approximately 8:10 a.m., a motion was made by Mr. Azinheira and duly seconded by Mr. Nunes to adjourn the meeting. So voted.**

Respectfully submitted:



Jennifer Frates, Administrative Assistant

Approved:

 10/29/14