



OFFICE OF THE
WATER DEPARTMENT
TOWN HALL, 511 MAIN STREET
DUNSTABLE, MA 01827-1313
(978) 649-4514 FAX (978) 649-8893
waterdept@dunstable-ma.gov

Water Commission Minutes
Wednesday, September 26, 2018

Approved: 10/15/18

Chairman Karl Huber called the meeting to order at 6:00 pm

Members present: John O'Brien, Scott Wilkins

Meeting held: At the Dunstable Town Hall, 511 Main Street, lower level

In attendance: Bernard Rousseau, Pennichuck; Harold Simmons, Advisory Board; Leah Basbanes, James Tully, Board of Selectmen

Reviewed & Signed:

- Monthly bills
- Monthly payroll

Review & Discuss with Pennichuck daily Dunstable Water Dept. Operations

Mr. Rousseau provided some history and background for Pennichuck as a company. Pennichuck has a single shareholder which is the City of Nashua. There are three regulated utility subsidiaries. They provide a range of contract options from small community water systems to bigger ones. They provide services from operations to distribution. They also have customer service which performs billing. Clients, like the Town of Amesbury, often have Pennichuck perform the billing and customer service. They serve many small systems like public schools and a few small municipal systems like Woodstock, NH. They prefer to commit to multiyear contracts and tend to keep their area of service constrained so that people aren't paying for a lot of travel. In MA they operate Salisbury, Amesbury, Eastham, and they run a small system in Westford. Their largest client is Salisbury. Mr. Huber had some questions about how a New Hampshire based company is able to operate in Massachusetts. Mr. Rousseau responded that they do work in Massachusetts and are familiar with the requirements with DEP and the regulatory structure. They know the Massachusetts system and have experience in MA. They have about 150 employees and they help their clients with a lot of things from chemical monitoring to reporting to appropriate regulatory bodies in the proper formats. Mr. Huber had some questions about resources and physical labor that would be available. Pennichuck responded that they attempt to do as much in house as they can.

In a typical contract they aren't doing capital work, but they do basic maintenance checks like hydrant flushing. They often have arrangements with local contractors to see to repairs that go beyond what Pennichuck does. Smaller things like replacing the odd pump is something they can do in house. The way they structure their work is to be as organized as possible and is based on American Water Work Standards and their 170 years of operating experience. They take a practical approach to handling infrastructure. Mr. Huber noted that in the past the Water Department has always relied heavily on the Highway Dept. to help maintain the system and asked whether this is something that can continue with Pennichuck. Pennichuck was amendable, but made it clear they are specific with their requirements so as long as it can be worked out properly that could be acceptable. This prompted some further discussions as to how repairs and maintenance would be handled. Ultimately, the town is responsible for its system. But the license is Pennichuck's and they take that very seriously. Mr. Huber stated that Dunstable recognizes that it is their license and would want to work with them and their standards. Pennichuck then outlined how their approach takes things seriously. Mr. Huber then spoke about the current challenges the Water Dept. faces from the infrastructure project as well as some of the needed fixes beyond that project. There are various

Approved and adopted on 10/15/18

different pipe sizes, and about 102 customers, the most significant of which are the Town Hall, the Police Station, Fire Station, Library, and Swallow-Union Elementary School.

The department has, unfortunately, faced regulatory compliance challenges with the system which is over 100 years old. The system has two wells. There have been recent upgrades to the wells including an installation of a VFD. The pipes vary in size throughout the system, some of which need to be replaced. The biggest hurdle presently is the lack of a licensed operator. Previously the department had a superintendent who oversaw day to day operations. DEP is requiring that Dunstable operate with a licensed operator. Dunstable was in contract with White Water from about January to June. In July the town sought an inter-municipal agreement with Pepperell to operate the town's water system. Unfortunately, both White Water and Pepperell now appear to lack the resources to continue supporting Dunstable's system. Mr. Huber then noted that what Pennichuck is outlining as its services fit the needs of Dunstable. The Water Department was without clerical for a period of time, but that has been resolved. The clerical support covers the billing and office tasks, but the town still needs an operator to do physical meter readings, regular maintenance on meters, and similar. Pennichuck had some questions as to the equipment used, in particular meters and hydrants. Mr. Huber responded by outlining when the meters were last replaced and what the state of the hydrants on the system are. The Fire Department is thankfully not over reliant on the town's water system. Nonetheless, the Water Department continues to work with the Fire Department on use of hydrants. The system is old and the needs of it need to be fully identified.

The town is working on a major infrastructure project that will replace the hydropneumatic tanks, and provide other necessary fixes. The short term needs have to do with upgrades and fixes. There are some funds in the department's budget to fund these kinds of projects. So, the Water Commission would like to determine if there is a way that Pennichuck and Dunstable could work together. Pennichuck's response was that the challenge is in keeping licensed operators and they look for a 3-year contractual commitment. They felt confident that one of the biggest strengths they can bring to the table is personnel. They have at least 15 to 20 employees in Massachusetts who are fully licensed. So they have the resources to bring to the table. There was then a question about the requirements of DEP and whether weekend coverage is required. Pennichuck has union employees, so weekend coverage comes with some costs. If the Water Department can come up with a scope of work, Pennichuck can put a price to it. Mr. Huber noted that the length of contract isn't really a problem. Pennichuck noted that the town may have to put out an RFP. Mr. Huber reminded those present that DEP expected this matter to be resolved by this point in time, so it is unclear what is required. But hopefully DEP will support any resolution the department can figure out that works within DEP's requirements. Pennichuck noted that the system is too small to truly justify the cost of an in house operator. This puts the town in a tough situation since operators are scarce and the department really doesn't need it for the cost. There was then further discussion regarding the best ways to handle the system and what makes the most sense. Pennichuck went over the ways they handle different systems and the things they've learned from each.

Pennichuck then took a moment to elaborate on what they won't do. They generally won't do the designing and engineering or construction. That is left to the town, but they are willing and able to provide references for parties that might be able to help. This prompted some discussion of the pH issues the system has faced as well as the KOH valve. There are a lot of little natty things that need to be fixed. Pennichuck suggested those are things that can be picked up along the way as small maintenance. That said, some of the concerns are still worthy of attention. The pH in particular since an imbalance can be harmful. Mr. Huber noted that a lot of things have already been addressed. The Commission doesn't want to ignore things; rather they should be phased in. Pennichuck agreed suggesting that they could help as operator to recommend things to the list. Pennichuck then noted that they always have in their contracts a clause that allows them to step away if the town is unwilling to take necessary steps so as to prevent action against their license. Pennichuck like any other operator will not risk their license. Mr. Tully inquired whether the contract termination goes both ways. Pennichuck responded that the town would have the ability to get out of the contract if displeased with Pennichuck's work. Mr. Tully then asked some questions about the Nashua system in particular. Mr. Rousseau went over how that system is managed and how they operate. Nashua has an excellent system that actually wholesales water to surrounding communities including

Approved and adopted on 10/15/18

Tyngsborough. Mr. Tully asked if Pennichuck owns any water systems. Mr. Rousseau responded that they own 67 systems outright. They used to acquire systems, but Pennichuck is no longer interested in buying any more. They prefer to provide operating services.

Mr. Simmons inquired as to what the time frame would be for requested work if Pennichuck sees a needed repair and it's going to cost a significant sum of money. Mr. Rousseau responded that they would work with the town to see something like that funded, but there would be still be the requirements of DEP. That said they are willing to be an advocate for the town with DEP to work around all constraints. Mr. Rousseau then made a series of suggestions for how to handle unexpected expenses like putting aside funds overtime to have reserves. It really doesn't involve huge amounts of money. As for big projects, there are options like bonding and borrowing. This prompted Mr. Huber to discuss what the department has done so far with the infrastructure project including applying for funding through the SRF program. Mr. Rousseau then had some questions about lead and copper. Mr. Huber responded by outlining where Dunstable stands on lead and copper and some of the difficulties the department has faced. Mr. Rousseau expressed sympathy noting that Dunstable isn't alone in struggling on this subject. Dunstable isn't alone, a lot of the regulatory scrutiny on this subject is due to the crisis in Flint, MI. Discussion then turned back to chemicals and how to properly balance them and ensure proper mixture. This included what the best practices are in Pennichuck's opinion. Discussion ended with Mr. Rousseau promising to follow up and work on getting familiar with the system and putting together a formal proposal. Mr. Huber promised as part of this to get Pennichuck in contact with White Water and Pepperell.

FY19 Budget

The Commission was pleased to see its budget in proper order with the appropriate reports. The new clerical was able to put it together. This prompted some discussion of the budget and some outstanding accounts, in particular 92 Pleasant Street. The Commission made the commitment to address the situation with 92 Pleasant Street and determine how handle the bill. A decision will have to be made in the near future. Discussion then shifted to what the total budget should realistically expected to be. Especially in light of water being an Enterprise Fund. Mr. Voelker advised the Commission to consider scheduling with the Town Accountant to go more in depth over what funds will be available for FY19 including Waters version of Free Cash.

Dunstable Water Dept. Clerical Support

Mr. Huber expressed concerns about ensuring meter readings are done so that the department can bill. Without meter readings Ms. Bresnick, the departments clerical staff, won't be able to do the billing. Mr. Huber was also concerned about ensuring that proper notices are sent out for Lead & Copper testing. The town has 20 sites to test and he's given a template to Ms. Bresnick for the notices that need to be sent out to each site. There was then some discussion as to how precisely the testing would work and how to handle the logistics of it. This included providing the appropriate materials and getting the results back in a timely fashion.

Authorization of Accounts Payable & Payroll

Mr. Huber started off by discussing the Borden & Remington bill for \$300. The town sought out alternatives to Borden & Remington, all of which ended up being cost prohibitive. As a result the department will have to pay the bill in order to continue working with Borden & Remington. Mr. Hiber then reported other bills which included the standard National Grid bills and a White Water bill. The Commission also signed payroll for water employees.

Minutes

The Commission considered its minutes from September 4th, 2018. Seeing no necessary changes or modifications, the Commission proceeded with adopting them.

Approved and adopted on 10/15/18

A motion was made by Mr. O'Brien to adopt the minutes of September 4th, 2018. The motion was seconded by Mr. Wilkins and passed by majority vote.

Additional Topics Discussed Not Noted on the Agenda

Tyngsborough

Mr. Huber reported on his discussions with Tyngsborough. Currently work is being done to set up a sit down with them. Tyngsborough is only interested if they own the system. Mr. Wilkins noted that this may not be the worst scenario. Mr. O'Brien agreed suggesting that they could expand the system and add connections. Mr. Huber then spoke about past proposals for Dunstable to work with Tyngsborough, including the sale of water to them. Tyngsborough only sees a benefit if they control and own the whole thing and Pennichuck isn't interested in buying. There just doesn't seem to be a benefit to Tyngsborough to simply operate the system. Mr. Wilkins noted that such a deal would take the stress off of tax payers who are not on the water system. Mr. Huber agreed stating that the Water Commission would remain, but all the overhead and day to day management would go to them. It might even negate some of the needs for the infrastructure project. Mr. Wilkins outlined many of the benefits of doing a deal like Tyngsborough might consider. Plus, having an outside operator is a yearly cost that will continue year after year. Mr. Huber agreed noting that Dunstable can't run without one. There was then discussion of any sale would work. Mr. Simmons felt confident it would require town meeting approval. Mr. Huber stated that Dunstable isn't currently in a good situation and it might be possible to resolve this through this way.

Weston & Sampson

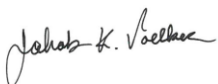
Mr. Huber reported on discussions he's had with Weston & Sampson about doing some of the immediate fixes that are required for the town. This included some discussion of the costs that have been estimated so far.

Alternative Resources

Mr. Huber went over some of the leg work he's done to try to find alternatives for licensed operators. Mr. Simmons had some thoughts about what the town could do, like seeking out a recently retired operator from another town who has kept their license current. That could be one way to address the cost. The clock is ticking and the legitimate fear is that DEP may step in and dictate what the town does. This prompted Mr. Huber to discuss where things stand with the ACOP and the town's current request with DEP to amend the ACOP's timelines. Mr. Wilkins noted that each party that looks at the water system sees something different. This can be baffling. Mr. O'Brien suggested that a temporary staffing solution could be sought first and foremost, then another solution be sought out, whether one like Tyngsborough, or a deal with Pepperell or Pennichuck for operations management.

Motion to adjourn at 7:40 pm by Mr. O'Brien and seconded by Mr. Wilkins. Motion passed unanimously.

Respectfully submitted by



Jakob K. Voelker
Administrative Assistant
Dunstable Water Department

Approved and adopted on 10/15/18