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Water Commission Minutes
Thursday, January 10, 2019

Approved: 1/29/19

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: Robert Nelson, Harold Simmons, Advisory Board; Joan Simmons, Planning Board; Leah D. Basbanes, Ronald J. Mikol, James E. Tully, Board of Selectmen; Warren Allgrove, Ed Gordon, David Reault, Dale Thompson, Tyngsborough Water District; Brian Rich, Fire Chief; Alan Chaney, Conservation Commission

Reviewed & Signed:

- Monthly Bills
- Monthly Payroll

Joint Meeting with Board of Selectmen & Tyngsborough Water District

Will provide copy of these minutes to the TWD. All three parties formally opened their meetings.

Mr. Huber started off by thanking all parties for attending. From there he went over some of the challenges that the Dunstable Water Department is facing as well as some of the history of the last year. The biggest is the water infrastructure project and the ACOP that the department is under with DEP. Other issues include the need for a licensed water operator, a job SWSS has filled, as well as work that needs to be done to Well No. 1, upgrades to pipes, and other repairs. This meeting is for the purpose of determining what the options are. Mr. Allgrove responded by elaborating on discussions that have been had over the years. The first was in 1981 and the last was in 2010. Since the last meeting TWD has developed further including new wells, quality water, and increasing lines with extensions. The only thing they really see as being able to offer is a secondary source of water. Mr. Huber then responded to a question about the planned size of the tanks. He elaborated on the project. Mr. Allgrove then asked some questions about the infrastructure cost, specifically asking how much pipe would be replaced. Mr. Huber responded by explaining the project and what it entails. There is need for more storage capacity, and there are other projects that need to be done including pipe replacement in other areas of town. The envisioned location for the proposed tanks is on the Simmons property near the line with the MUD. Mr. Reault then asked questions about instrumentation and the well sites. Mr. Huber provided details. Mr. Allgrove then noted that there is a strange situation inasmuch as the system doesn't have enough rate payers to pay for everything that needs to be done and a general public that is understandably reluctant to fund infrastructure for a system they are not on.

Mr. Allgrove then explained how TWD comes to their cost estimates, which are usually based on \$200 per foot of pipe installed. In their most recent project, the cost was closer to \$385. The last tank they installed they'd figured would be \$1 million, and it cost about \$2 million. The only thing they see as sensible for them would be the sale of water. There is a cost to the town due to the lack of commercial clients or a large enough rate payer base. There are 100 customers and the rest of the

town. They can only imagine the challenge there. When they think about the infrastructure necessary to hook the two systems together, at 12-inch pipes, assuming \$300 a foot which is lower than what they paid last time, the cost would be likely around \$3 million. Mr. Huber noted that in past discussions in prior years, the cost also had to include further pipe upgrades in Dunstable to make it work. Ms. Basbanes asked how close the Tyngsborough pipe is. Mr. Allgrove responded that it comes up to the town line near what is Lowell Rd in Dunstable. In 2010, the connection would have been rather complimentary. Mr. O'Brien inquired as to the Rt. 113 Project and whether that could help. Mr. Huber gave some prior history on attempts by the department to get MassWorks and MassDOT to help when such projects go through, and they usually won't pay for pipe. Mr. Allgrove elaborated on some history of funding that was available in the past from the Commonwealth for connecting different systems. Sadly, those funding sources have dried up for the most part. Mr. Allgrove then explained that TWD has thought through the costs and it would be considerable. Ms. Basbanes asked if this would negate the need for the water infrastructure project. Mr. Huber responded that it would not negate it entirely, but would change different pieces of it. Mr. Allgrove noted that they do things differently. In Dunstable the town is responsible for the water system. In Tyngsborough the water system is a district which makes it an entity unto itself under MGL.

This radically changes things. So, for example, the schools pay the district, the fire department pays, and so forth. A partnership would therefore be kind of strange. A district is more of a business as it must generate its own revenue. The only real savings for Dunstable would be the installation of a tank. But the cost might be higher to lay the pipe and put in a metering station. Mr. Huber went into some of the ways that a partnership might work. TWD would provide a water operator and so forth. Ms. Basbanes clarified that what TWD is talking about would be connecting the system and selling water. Mr. Allgrove responded that it would be. This would be about two businesses. One selling water and the other buying. Ms. Basbanes asked if TWD would thus not be interested in taking over the system. Mr. Allgrove responded that while that could be an option, they would be surprised if Dunstable would want to do that. Mr. O'Brien asked if it is even a possibility. Mr. Reault responded that for them to take on the problems here, it is clear to them that Dunstable needs a fulltime superintendent. There are also some legal issues that would have to be cleared up. Mr. Allgrove further explained that TWD is financially healthy and are in the middle of drilling a well. So, for them, it would be a lot to take over a system with the needs that Dunstable's have. Between connecting the systems and fixing Dunstable it would be considerable. The analogy was that you can't give someone a \$1 million-dollar house when they only make \$20,000. They won't be able to even afford the taxes. Mr. Allgrove then stated that the only way it would make sense for TWD would be for Dunstable to do its infrastructure project, then give the system over to the district. This would likely be a hard sell. So, the system would then become the district and the district would do everything. Mr. Reault then spoke about the various districts that overlap or coexist in Tyngsborough. One being the Dracut Water District which has some rate payers in Tyngsborough. There haven't really been any problems, but it was setup in the 1950's. So, it comes down to whether the town is willing to put money into a system and then giving it up. Even if a connection is installed and they buy water, they wouldn't buy that much water.

Mr. Allgrove then followed that it would be a tough sell to their customer base as their costs would have to go up. They'd have to hire 1 or 2 more people, so operating costs would go up. There's also the paperwork, testing, overhead costs, and so forth. Mr. Huber asked about betterments. Mr. Allgrove responded that TWD doesn't do betterments. They are big enough to sustain themselves as they are. He noted that Duns tables average bills are only collectively pulling in \$60,000 to \$100,000 a year. Which isn't enough to sustain all that needs to be done. So even if all the infrastructure work is done, there won't be room to make money. The system just wouldn't generate enough to even really pay for the work. Mr. Reault then spoke about the things that they had to do to make their latest well project work. If they didn't put in their well, the perception of their rate payers would be that they've wasted funds. This is clearly a hard situation. That said, even with their wells they would still have to buy water. Lowell, Dracut, and Nashua aren't getting cheaper. So, an interconnection

could be of interest. Mr. Tully asked how much water they would buy. Mr. Allgrove said that was uncertain. Mr. Mikol noted that the only other option for Dunstable may be to get out of the water business in some sort of fashion. The revenues and expenses are always going to be a problem. The town has sought debt exclusions twice to fund the work that is necessary. It is unclear if the current project will make it past town meeting. Mr. Tully submitted that if DEP has to step in it won't be good for any tax payer in town. Mr. Allgrove agreed stating that what DEP does is hire a company. They throw out all the rules that apply to the towns. It goes ahead, it costs what it costs, and DEP makes the town pay. The last town that went through it took an awful hit. And after the bill they still require the town to run the system. What ends up happening is the voters lose their options as DEP makes all the decisions. Mr. Wilkins asked whether it is an absolute that if the systems connect a tank wouldn't be needed in Dunstable. Mr. Allgrove responded that yes, Dunstable could forego such a tank. They could also improve pressure for fire protection. He then noted a few of the drawbacks that a municipal system faces compared to the district. That minus commercial development makes all of it hard. Ms. Basbanes asked what TWD's rates are. Mr. Allgrove explained that they hire a company that figures out what its rates need to be to sustain it and they go with that rate. They are higher than Dunstable currently. They then went over the fees they are able to charge as a district and contrasted that with Dunstable.

Mr. Allgrove expressed the feeling that there is room to work together, but TWD cannot afford to come in and save Dunstable. And even if they did come in and take over the system, they would run it as a business. They have to be very careful to ensure they remain healthy. In the end, the only people that pay for the water from their system are those who use it. Dunstable would have to really figure out what it needs to do, from KOH, to pipe replacement, to work on the wells, and any necessary tanks. The problem Dunstable has isn't an easy one to solve. If Dunstable was willing to do the infrastructure and as a follow up give up some water rights, then they would be able to talk about the system coming under the district. Mr. Mikol asked about equity and any residual rights that the town might keep. Mr. Reault elaborated further on the process, how they would own property and infrastructure under such a scenario. Mr. Huber then spoke briefly about the problems with expansion for the system which hurt Dunstable's ability to be sustainable. Mr. Allgrove agreed noting the amount of land in Dunstable under conservation, the topography, and the lack of a commercial tax base. He suggested that if Dunstable was able to connect to Tyngsborough, there would be the potential for closing Dunstable's wells. Rate payers would then get their water supplied by TWD. Mr. Mikol asked some questions about how that would work. Wells would be mothballed and only used as a secondary source. Mr. Reault said that would be so, but the wells would still have to be operated to some extent. Doing this kind of solution would have some benefits like potentially eliminating the need for overhead such as an operator. All this would do to TWD would be adding 100 customers to their system. Mr. Allgrove then explained that Dunstable would be a customer, Dunstable would buy the water from TWD and charge its customers. This could lower operating costs. But a lot of pipe would probably still need to be replaced. Mr. Huber asked how DEP looks at this kind of thing. Mr. Allgrove responded that DEP likes interconnected systems, but there would still be regulatory challenges.

Mr. O'Brien then asked TWD point blank, if it was them, what direction would they go in. Mr. Allgrove responded that so much has to be done and there is just no getting around it. Pipe replacement, meter replacement, tie up work, additional pipe where there isn't currently and so forth. There just isn't enough revenue to justify all of the infrastructure in their eyes. There are a lot of different scenarios. Mr. Reault then frankly went over TWD's own challenges, including buying water from other communities. Ms. Basbanes noted that the options are challenging given the costs to tax payers as well as rate payers. Mr. Wilkins noted a situation that happened in Stow where a small water district shut down. But in that case every rate payer was able to drill a well. Dunstable has the situation where some rate payers cannot drill a well because their lots aren't big enough to meet requirements for distance between the well and septic. Mr. Chaney stated that the problems with shutting down Dunstable's system mostly boil down to Swallow Union and the municipal buildings.

There is also the issue that in the past the center of town was determined to not have sufficient water supplies. Thus, drilling a proper well for the school in particular could be an issue. Mr. Reault went over how it might be done, such as maintaining the current wells to feed just the municipal buildings and finding solutions for the rest. Mr. Allgrove suggested calling the public in and asking them what they want to do.

Mr. Chaney followed with a few suggestions on how to demonstrate to the public the need. Mr. Wilkins then asked how much the needed infrastructure work would be on Dunstable even if it was willing to give the system over including the rights to the water. Mr. Allgrove responded that Dunstable would have to do all the work and they would not be able to put anything in beyond the connection on their side of the town line. It just wouldn't make sense for them otherwise. The infrastructure would have to be in place, the system would become part of the district, and rate payers would have to pay the TWD rates. Even then there are financial concerns for them. There is no candy coating this. Mr. Tully expressed concerns about what the voters will support. Mr. Nelson noted that the operating revenues can support current operating costs if structured properly. He then asked how many rate payers would need to be on the system to make it capable of thriving. Mr. Allgrove was uncertain what that number would be, but laid out all of the things that have to be done to the system as it is. Mr. Huber interjected to state that a lot of things are being done. The department is being proactive and trying to solve as much as it can. Still the money goes fast. Mr. Chaney noted that Carlisle doesn't have a water system, but they must have something in place for their municipal buildings in their town center. That might be worth exploring. Mr. Allgrove suggested it might be worth exploring the creation of a water district. Mr. Huber formally thanked TWD for coming in and having this discussion. TWD wished Dunstable the best in this difficult choice.

TWD adjourned at 7:27 pm. Motion by Mr. Allgrove and seconded by Mr. Reault. Passed unanimously.

There was then a number of thoughts expressed about the costs and the available options. Ms. Simmons asked about replacement of the hydropneumatic tanks. Mr. Huber responded that DEP was opposed to hydropneumatic tanks. Ms. Simmons stated that everything costs money, the fact that we have to pay for a water system is just another thing that has to be paid for. Mr. Tully noted that if DEP forces the project it could cost far more. Still, we're stuck. Chief Rich suggested that the town determine the costs for various options. This prompted discussion of the cost of drilling wells for rate payers and what hardship that might provoke. Mr. Nelson noted that he's been running the numbers. As much as he philosophically believes that rate payers should pay for the system, the reality is that the system is too far gone and too small not to need an investment from the town as a whole. And there is some potential for increase in rate payers thanks to the affordable housing project. There was then some ensuing discussion of pipe laying and the impact of the Rt. 113 Project. Mr. Huber then noted some other things that the town has be cognizant of for pipework. Ms. Basbanes reminded those present that Roads Commission is working on getting some funding from MassDOT for replacing the pipe under the Rt. 113 Project area. But even if that succeeds the Commonwealth would not pay for all of it. Just a portion. There was a question about proceeding. Ms. Basbanes reminded those present that DEP is requiring us to move forward. Mr. Nelson felt that not getting the system fixed has greater costs. Mr. Wilkins reminded those present that Board of Health was clear that most rate payers would not be able to drill wells because they do not have sufficient land. Mr. Simmons agreed. None of the solutions are easy or cheap. On that note the Board of Selectmen determined to adjourn.

Selectboard adjourned at 7:48 pm. Ms. Basbanes made motion, second by Mr. Mikol. Passed without objection.

Plan for Well No. 1 Pump & VFD Operational Update

Mr. Huber reported that First Electric and Frank Sullivan working together on this project. There is a hold up as they are waiting for some necessary components. Once they have those they can get things running again, and will ensure that the VFD works properly.

Approval of 30-Day Extension for SWSS

Mr. Huber reported that the new Town Administrator signed the contract as the towns Procurement Officer. This extension allows the department time to negotiate the contract. Only SWSS submitted a response to the RFP and they were awarded. The emergency declaration contract concluded on January 9th, 2019, so the extension allows both parties to continue working together and conclude a multiyear contract.

A motion was made by Mr. Huber to approve the 30-day extension. The motion was seconded by Mr. Wilkins and passed unanimously.

Minutes

The Commission considered the minutes from December 27th, 2018. Seeing no reason not to approve them the Commission proceeded with doing so.

A motion was made by Mr. O'Brien to approve the minutes of December 27th, 2018 as written. The motion was seconded by Mr. Wilkins and passed without objection.

Next Meeting/Regular Meetings

The Commission will be meeting with the Board of Selectmen and the Advisory Board on Monday, January 14th, 2019. The infrastructure engineers will be present as well as the Town Administrator and the Town Accountant. The start time will be 6 pm.

Outstanding Customer Bill Discussion

There was discussion regarding a home which has squatters. The homeowner has moved out, but there are squatters who are present on the property. Mr. Wilkins was uncertain as to shutting off the supply to the home. The homeowner's attorneys have asked for some action to be taken. Mr. Huber suggested speaking to SWSS. The home in question appears headed for foreclosure, and the situation for the family is not an easy one.

Authorization of Accounts Payable & Payroll

The Commission considered and signed off on several bills ranging from AmeriGas, to National Grid, and SWSS. The Commission also signed department payroll.

Additional Topics Discussed Not Noted on the Agenda

Water Flow Concerns

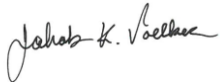
SWSS is looking at past bills from rate payers as well as recent bills to rate payers to track down some discrepancies in what was pumped out and what is being billed. Chief Rich suggested he might be able to help with tracking down any fire use.

Hydrants

Mr. Huber reported on some leg work done for how to identify and collar hydrants that are not serviceable. Chief Rich suggested that some of his firefighters could assist in that work.

A motion to adjourn was made by Mr. Wilkins at 8:10 pm. The motion was seconded by Mr. Huber and passed without objection.

Respectfully submitted by



Jakob K. Voelker
Administrative Assistant
Dunstable Water Department