

**HOLDEN BOARD OF SELECTMEN  
MEETING MINUTES  
MARCH 14, 2011**

6:30PM

Senior Center

**Present:** Chairman David White, Anthony Renzoni, James Jumonville, Kimberly Ferguson

**Absent:** Robert Lavigne

**Others Present:** Nancy Galkowski, Town Manager  
Jim Shuris, DPW Director  
Jim Zingarelli, Water/Sewer Superintendent  
Andy Miller, Camp, Dresser & McKee Inc.  
Adam Yanulis, Camp, Dresser & McKee Inc.  
Evan DeSilva, Camp, Dresser & McKee Inc.  
Scott Carlson, Water/Sewer Advisory Board Chairman  
John Michalack, Water/Sewer Advisory Board  
Joe Pridotkas, Water/Sewer Advisory Board  
Elizabeth Helder, Recording Secretary

Chairman White opened the meeting at 6:37PM.

**1. Water & Sewer Discussion**

The Town Manager introduced representatives with Camp, Dresser & McKee. CDM provided a presentation of additional water/sewer information. This review included a review of the three previously presented rate plans plus a new alternate rate plan. The fourth rate plan would be a full fixed cost fixed fee plan with inclining rate blocks. Projected costs to Holden Housing Authority, Colony Retirement Homes, Wachusett Regional High School, Mountview School, typical commercial bills, the Water Management Act Permit and a community comparison of typical household bills were discussed.

As the size of the water meter increases so will the fixed fee charged to the owner. Since Plan Four has its fees "front loaded" in what customers pay for their water it is less likely to encourage water conservation. Chairman White said that customers in this day and age are prone to conserving water, which affects the revenue stream for the Town. Less water consumption equals less revenue.

Mr. Yanulis said that revenues would be able to be controlled with the Plan Four Fixed Fee.

Scott Carlson commented that new appliances (dishwashers, washing machines) also conserve water for customers affecting water revenues. The Town currently uses 57 gallons per capita per day. DEP/State standard is 65 gallons per capita per day.

Sel. Renzoni commented that the Town's gallon consumption per day is significantly below the State threshold yet the State is forcing the Town to participate in a water mandate. He said that encouraging increased water conservation in town is the least of his concerns.

Joe Pridotkas commented that there are no new major capital projects scheduled in the FY12 budget. CDM commented that capital improvements begin in FY13 when old debt service begins to decline. Mr. Shuris also said that there is no money in the W/S budget to make any capital improvements in FY12. Mr. Shuris said he knows there are several problems in the system that need to be fixed, but he has no money to fix them with. Several pumps and pumping stations are aging and causing I&I problems. The Town needs to continue to work in a proactive way. It is frustrating to know the problems exist and know how to fix them and not have the money to act. He said that he does not consider these to be rate increases but rate adjustments.

Sel. Renzoni said he differed with Mr. Shuris' "play on words." He said the Town is once again being forced to pass on another rate increase to the taxpayers. Sel. Renzoni expressed extreme, angry frustration in the drastic emergency increased rates and drastic increased problems. The Town was promised a \$400K surplus by Director Shuris when the Town was forced to increase water/sewer rates by the DOR in December 2010. In January 2011, the Manager informed the Board of Selectmen that the surplus was only \$200K. Now it's March and the Town has just been informed that the balance is now zero due to an unanticipated 5<sup>th</sup> quarter payment to the Upper Blackstone.

Chairman White asked if Mr. Shuris had written a memo to the Town Manager to outline problems in Town to stabilize the Town's water problems. Mr. Shuris said he had just completed a \$700K outline of I&I/structural capital improvement problems, and a plan to deal with them.

The Manager said the rate plans would be phased to help with rate shock to customers. Capital improvements are also being phased in to smooth out the rate increases. The plans call for smaller rate increases year by year instead of the recent yo-yo increases the Town has been forced to implement. The Town has a 2M I&I repair plan that would be implemented soon.

Sel. Ferguson said she was concerned that almost every rate in Town with the exception of electricity has been increased and passed onto the ratepayers. These increases are significant to them and to her.

Graphs are wonderful to look at but the bottom line of rate increases is not pretty.

Sel. Renzoni left the meeting for 5 minutes at 7:35 PM.

Chairman White asked Scott Carlson and members of the Water/Sewer Advisory to review all the information presented. He concurred with the frustration level that Sel. Renzoni expressed during the meeting and said that he and fellow board members have no confidence in the water/sewer program.

Sel. Renzoni said he would not endorse Option 1.

Mr. Carlson confirmed that any of the plans presented are only rate adjusting plans to balance the account. There are no capital improvements planned to help offset immediate occurring problems in FY2012.

Town Manager Galkowski confirmed that rates would be gradually increased with several capital projects scheduled to begin in 2013. CDM has included a valve replacement/maintenance plan beginning in 2013. The Manager said she had given the Selectmen a copy of the Weston & Sampson I&I report at their March 7, 2011 meeting.

Mr. Shuris said he likes to save towards projects to minimize debt and not operate with a "credit card mentality." He said he did not want to get into the habit of "borrow, borrow, borrow." The water/sewer's current debt service affects the current budget.

Chairman White suggested that it would benefit the Town to spend the money to make the I&I repairs in Mr. Shuris' report now rather than continuing to spend \$150K annually making repairs to an old and outdated system that continue to drain the system. However, the last I&I study produced very little I&I to recover. Mr. Shuris said the DPW had a list of residents who live in low areas of Town that the fire department frequently pumps out their basements. He said he knew where the water is located.

The group looked at the pros and cons to each rate structure alternative. The entire group was in agreement that the Current Rate Structure and Alternative One were not the best options for the Town and would not be considered.

The group agreed that Alternative Two should be considered and studied further. Mr. Carlson commented that this option has less impact to commercial and school users.

Mr. Pridotkas said he was really only interested in Alternative Four. Most of the group agreed that Alternate Four was the best plan but too drastic and would need to be phased in over time. Chairman White suggested that a way to phase into Alternate Four would be to start out in Alt. Two and gradually work users up to Alt. Four.

Alternative Three was discussed. Sel. Ferguson felt that Alternative Three was too harsh economically to commercial users who are struggling to come out of the recession.

Mr. Yanulis reiterated that each plan presented by CDM would meet the revenue needs of the Town. He said it was the Town's policy decision which plan it wants to choose to pass on to its customers and yet minimize the variability of the Town's revenue.

Mr. Pridotkas said don't throw out the strategy of Alternative Four; just manipulate it to make it work. He said that variability is the greatest concern and Alternative Four takes care of that issue.

Mr. Michalack said originally he was leaning toward Alternative Three, but after further review, felt that the sharp increases to the Town's commercial base were too great an impact.

The Manager said she was under the impression that the group was leaning towards starting at Alternative Two and work towards phasing in Alternative Four.

Mr. Pridotkas said he said what is the objective of the Town? Preservation of Rates? He said his position was to get stability in the revenues and Alternative Two doesn't accomplish that like Alternative Four.

Sel. Ferguson left the meeting at 8:55PM.

Andy Miller suggested increasing the fixed fee "laundry list" and gradually slope up from Alt. Two to Alt. Four adding things from the laundry list or tweak the blocks in Alt. Four to lower the 1<sup>st</sup> block and increase the other blocks to reward the low consumption users to make up from the higher fixed fee costs. The rates in the blocks are not set in stone and can be adjusted.

CDM will make several adjustments to Alt. Four to work to bring down low consumption users to mitigate the impact to those that use the least. Distributing the costs of the water in an equitable way once the fixed costs have been covered. CDM will provide the information to the Town within a week.

Chairman White asked the Water/Sewer Advisory Board to discuss the issue and provide their feedback to the Manager and the Selectmen. The W/SAB will meet March 24<sup>th</sup>.

## **2. Adjournment**

Motion by Sel. Renzoni, seconded by Sel. Jumonville, it was **UNANIMOUSLY VOTED TO ADJOURN THE MARCH 14, 2011 MEETING AT 9:03 PM.**

APPROVED: April 19, 2011 as amended