



PSC MEETING MINUTES OF April 18, 2018

In attendance: John Struzziery

Commissioners: Rick Mattila
Richard Booth
Peter Pyclik

Financial Assistant: Carol O'Connor

Absent: Lou Collins

Meeting called to order @ 4:35 pm by Rick Mattila

Accept Minutes of March 28, 2018

Peter Pyclik made the motion to accept the minutes seconded by Richard Booth
Unanimous

John Struzziery informed the Commissioners that Andrew Grosso has been selected to be on the Commission. Andrew will need to go to the Town Clerks office to be sworn in.

Director's Notes:

Slide Presentation for the May 2, 2018 Public Information Meeting:

John informed the Commissioners that there will be a Public Informational Meeting for Warrant Article 20 on May 2, 2018 at the High School second floor exhibition room.

The Warrant Article will total \$17M for interceptor renewal, Gunrock/Atlantic Avenue projects, Force Mains #1 and #3, critical replacements, resiliency, and sewer system improvements. The Commissioners reviewed the slide presentation. It was questioned as to why there were five separate parts of the article versus just one article. John explained that this was due to the funding source for each of the programs. Peter suggested that an additional slide be created to show the funding sources for the debt in order to explain the difference between the low interest loan and the traditional bond and to provide information on grants that have been applied for and the status of the grants. On the rate history slide the notes should include a section relating to the lost leachate revenue and the usage reduction due to water conservation appliances and toilets. On the slide for the projected sewer bill it was requested that it read Projected Average Annual Sewer Bill.

John informed the commissioners that he was going to write a letter to the Hull Times explaining the Town Meeting Article and asking for support of the Article. The Sewer Department will also send the public meeting posting to the Hull Times.

Interceptor and Gunrock Area CCTV:

Work for the CCTV field investigations is complete. No significant changes in condition assessment have been found such as exposed aggregate and reinforcing steel indicating structural concerns. The four-barrel siphon at Nantasket Ave and Draper Ave was inspected and found to be in good condition.

Pump Station #3 and #1 Force Main Assessment: Bay State Subsurface Investigations engineering (BSIE) was hired to perform work over the next month or so. The DCR permit for corrosion testing and test pits along the force main was received. This work will locate the layout of each main and include 5 test pits to verify the thickness compared to the original thickness of each Main. If it is determined that the pipe is not corroded then we will not need to rehabilitate this line and effort will be redirected to other needs.

Funding:

We did not receive the FEMA Hazard Mitigation Assistance Grant for the HVAC/Electrical upgrade. It appears that most of the funding was directed to planning projects versus construction projects. It was also noted that due to the size of the Hull population that this \$6.3M project did not meet cost/benefit criteria. We are preparing an appeal on the decision.

Underground Storage Tank:

A new temporary above ground storage tank has been provided, installed, and tested and is now ready for use if needed. The bids for removing the old tank are due April 20, 2018. It is expected that the underground storage tank will be removed in June.

March Storms:

Woodard has submitted a request for reimbursement of the additional costs incurred during the events of approximately \$47,000. The Sewer Department will review and meet with the Woodard staff to determine the appropriate number.

Woodard & Curran: (reports attached to permanent record minutes)

The Commission reviewed the report and didn't have any questions on the report.

Financial Reports: (report attached to permanent record minutes):

Carol reviewed the year to date financials for fiscal year 2018. Cohasset has diverted additional flow back to their plant and this will result in a revenue shortfall of approximately \$50,000. An assumption for a cash decrease due to uncollected invoices of \$125,000 has been incorporated into the year end projection.

A portion of the Woodard operations contract includes approximately \$410,000 for asset management and at this time it appears that they will require additional funds for maintenance and repairs. The Sewer Department employees reviewed the costs and projected costs and have moved the masonry work, the D Box, the Concrete and Sluice Gate frame repair and the Plant Water pump costs from the operating account to the recovery bond. The work on structural repairs at the pump stations and video system for the plant and pump stations will be done in the next contract year. In addition, the Sewer Department is incurring costs for design engineering for the interceptor project and the force main project to meet the requirements of obtaining SRF funding (low interest loans). These costs will be covered by some savings in the energy costs and not utilizing the capital line item.

Peter asked about the accounts receivable and if the Town would consider using a collection agency. He further asked if we knew how the sewer receivable percent compares to the real estate tax receivable percent and the excise tax receivable percent. Peter indicated that utilizing a collection agency results in obtaining approximately 0.20 on the dollar. Carol noted that due to the fact that the Sewer Department cannot turn off a properties service it would stand to reason that the receivable percent for sewer invoices would be higher than other areas. The current process for receivables is that after a certain amount of time the property goes into lien. If the lien is not paid the Town takes the property. Carol will request the specific time line and steps of the collection process implemented at Town Hall. Carol will also ask if the Town has data on various receivables noted above.

Preliminary FY 2019 Budget: The Commission continued reviewing the preliminary 2019 budget assumptions. The new initiatives currently included in the assumptions are:

- The new SRF debt to fund the Interceptor Project, the Gunrock Rehabilitation, the Rehabilitation of Force Main 3, the Sewer System Evaluation Survey (SSES), work on the clarifier, critical spare parts, resiliency planning and Reliability Centered Maintenance.
- The new traditional debt to fund an Inflow and Infiltration (I&I) study, a Vactor/TV truck, the auxiliary pump, the town portion of the cost of the HVAC system (if we receive the MEMA grant) and the design engineering for future applications for projects to be funded by SRF
- Funding for Regionalization Study
- The costs associated with changing to quarterly billing versus semi-annual billing
- An increase to the W&C contract for chemicals and the asset management accounts.
- The addition of staff for engineering and inspectional needs.

The Sewer Department has been working with the consultants on a rate analysis. This analysis has been completed and they are suggesting that the methodology be changed to incorporate a \$15.00 month base charge and a rate of \$13.00 per 100 cubic foot unit.

Meeting adjourned at 6:00 pm – motion by Peter Pyclik seconded by Richard Booth – unanimous