



## **PSC MEETING MINUTES OF December 12, 2017**

In attendance: John Struzziery

Commissioners: Rick Mattila  
Richard Booth  
Lou Collins  
Peter Pyclik

Financial Assistant: Carol O'Connor

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

### **Accept Minutes of November 8, 2017**

Lou Collins made the motion to accept the minutes as amended seconded by Rick Mattila Unanimous Vote

**Role of the Sewer Commission** The Commissioners continued the discussion on what their specific roles and responsibilities are. Richard Booth will reach out to Jim Lampke on existing documentation.

### **Director's Notes:**

**Influent Gate:** This project is complete and within budget.

**Asset Management Plan** We have applied for a State Revolving Fund (SRF) for some of the critical needs. The capital project needs include the Interceptor rehabilitation, Gunrock rehabilitation, and critical spares such as influent and effluent pumps. We have also applied for SRF planning funds for the SSES Piping and Outfall Hydraulic and Condition Assessment and the Reliability Centered Maintenance (RCM) assessment. The state has approved the applications; the interest rate on the needed debt will be lower than traditional bonds. In addition, we have applied for a \$4 million MEMA grant to elevate the electrical and HVAC components above the flood level. The grant notification will happen in January.

**Underground Storage Tank:** Due to the age of the Underground Storage Tank the current insurance provider has declined to insure the tank. Our insurance agent was able to obtain a policy; however this policy is at a much higher rate for this year. We need to have insurance on the tank to remain in compliance. The plan is to decommission the current underground storage tank and replace it with an above ground storage tank. This project will take place over the next few months.

**Regionalization:** The Towns of Hull, Cohasset, and Scituate have signed a contract with the Woodward engineering team to perform a high level viability study. This study will better define the needs of each community, describe viable alternatives, provide estimated capital costs and estimate the impact on rates. Hingham will stay on as a customer but will not be part of the regionalization effort.

In anticipation of the initial study resulting in the desire to move forward a \$200K grant has been applied for. We are optimistic that the grant will be awarded.

**Capital Expenditures:** In order to allow maintenance and service of the influent pumps we have contracted with NEP&V to replace the isolation valves and related fittings. This work will be done this month. This work is funded by the recovery bond.

We have been meeting with W&C to understand the status of capital expenditures and maintenance of the asset management accounts. Based upon current projections it appears that the costs may exceed the budget by approximately \$200,000. Woodard is reviewing the projected costs and determining if some of the costs could be associated with the bond and if some of the projects can be delayed until next fiscal year. This is in addition to the cost overruns in the fiscal sustainability plan (FSP). The increase in the FSP is justified as additional projects were reviewed and approved.

W&C has provided proposals for the design of the interceptor rehabilitation and Gunrock/Atlantic Ave sewer improvement projects. These projects will be funded by SRF but in order to receive the SRF the design needs to be completed first.

**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.

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. We are reviewing the costs and projected costs that have been allocated to this to see if some of the projects can be moved to the recovery bond or if some of the projects can wait until the next contract year.

**Preliminary FY 2019 Budget:** The Commission reviewed 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 Commission will have further discussions on how these initiatives impact the rate.

**Quarterly Report:** Rick Mattila prepared the quarterly report. The report was reviewed by Commissioners and will be submitted to the Town Managers Office for posting on the web site.

The next meeting will be held on January 16, 2018 at 4:30 pm.

Meeting adjourned at 5:54 pm by Rick Mattila