

FINANCE COMMITTEE MEETING MINUTES
UPSTAIRS MEETING ROOM
1 AVENUE A, TURNERS FALLS, MA
WEDNESDAY, DECEMBER 12, 2018
Page 1 of 4

The Chair opens the meeting

- Meeting was opened at 6:02 PM in the Upstairs Meeting Room
- **Finance Committee members present:** Jen Audley, Greg Garrison, John Hanold, and Michael Naughton. Chris Menegoni, Fred Bowman, and Richard Widmer were absent.
- **Others present:** Selectboard member Chris Boutwell, WPCF Superintendent Bob McDonald and Town Accountant Carolyn Olsen
- The Finance Committee Chair announced that the meeting is being recorded by MCCI and asked if anyone else was recording the meeting. No one else was recording the meeting.

Minutes

Finance Committee Moved:

To approve the minutes of December 5, 2018.

Vote: 4 In Favor 0 Opposed 0 Abstained

Mr. Naughton expressed concern about last week's discussion about how additional information provided by department seems to lead to even more questions and discussion, and that this seemed to be portrayed as a negative. Mr. Naughton clarified that it's the Finance Committee's job to ask questions and understand how the town spends money. Everyone agreed that asking questions that had already been answered in a department's budget submission should be avoided.

Water Pollution Control Facility (WPCF) - Operational Updates and Inflow & Infiltration

Superintendent McDonald updated the committee on the solar installation, sludge disposal, staff levels and inflow and infiltration calculation methods.

Solar Installation

The low bid proposal for the engineering for the solar installation was from JK Muir and the Selectboard are scheduled to approve the contract on Monday. The sooner the engineering is done, the sooner we can apply for Smart Grants. Still hoping construction is completed by the end of summer.

FINANCE COMMITTEE MEETING MINUTES
UPSTAIRS MEETING ROOM
1 AVENUE A, TURNERS FALLS, MA
WEDNESDAY, DECEMBER 12, 2018
Page 2 of 4

Sludge disposal

Sludge disposal is one of the three largest costs of running the plant. The plant now has a contract with Casella to take cake sludge at a lower cost. Mr. McDonald is estimating that sludge disposal costs should drop about \$100,000 for FY2020. Department of Environmental Protection (DEP) is expected to approve restarting the composting process in January after some more questions are answered.

Due to the size of the facility, we can currently only compost about 25% of our waste. To increase this percentage, Mr. McDonald will be submitting a special article requesting \$25,000 for engineering cost to design a larger composting facility, either at the plant or at the landfill. An article to fund construction would follow, hopefully for Fiscal Year 2021. This facility would be a cement based canopy garage to keep the compost dry. Mr. McDonald also hopes to be able to add solar panels to the canopy. This facility would allow us to compost our all of our own sludge in house to create Type 1 compost. The recent purchase of a mixer to combine sludge and wood chips will save a lot of time and energy and increase efficiency, as this is currently done with shovels, rakes and a loader.

The next step will be to find someone to take the completed product. Mr. McDonald is already in contact with someone who markets these types of products.

Staff Levels

Work continues to increasing automation, which requires fewer labor hours per DEP's staffing requirements. Mr. McDonald has written another letter to DEP requesting permission to reduce the current staff requirement of 8.6 down to a staff of seven. The budget has provisions for 8 staff members and there are currently 7 employees at the plant.

Inflow and Infiltration

Inflow and infiltration (I & I) is used to describe both the flow of water coming into the treatment plant from undocumented sources and the cost of treating that water. The town's largest percentage of costs are those for disposing of additional solids, primarily grit, the cost of additional personal needed to treat the additional flow, and the cost of treating the inflow and infiltration portion of the Erving assessment to treat water from Millers Falls.

We've looked at three methods to determine the cost of treating I & I. The first, Bob Trombley's spreadsheet, is not practical at this time as it incorporated costs that are not currently separately identified, and revenues that we no longer receive, such as industrial surcharges for

FINANCE COMMITTEE MEETING MINUTES
UPSTAIRS MEETING ROOM
1 AVENUE A, TURNERS FALLS, MA
WEDNESDAY, DECEMBER 12, 2018
Page 3 of 4

additional solids. We will still be analyzing this method to see if it can reasonably be adapted for our current use, but that is not likely to be an available option for Fiscal Year 2020.

The second method we looked at is based on the 1981 document titled "Surcharge for Infiltration and Inflow Payable by the Town of Montague" created by Curran Associates, Inc. There are some questions about some of the assumptions used, but an updated calculation based on this method, 2017 and 2018 flow information, and the Fiscal Year 2019 budget calculates an annual cost of \$310,000 to treat inflow & infiltration.

The third method, which was based on a DEP article, is the most simplified, and uses I & I as a percentage of total flow multiplied by costs identified as varying according to the amount of wastewater treated. The current version of this, using an average of the flow information for 2017 and 2018 and the Fiscal Year 2019 budget, calculates the annual cost of treating inflow & infiltration at \$432,000.

Mr. McDonald noted that the high cost of fixing the causes of I & I via projects like lining pipes has incremental savings but may have a long payback period.

Mr. Naughton remembers that the Millers Falls I & I was investigated many years ago and wonders if some of those records are available.

Mr. Hanold asked which approach Mr. McDonald favored. Mr. McDonald thinks the simplified method is more straightforward and less complicated. Mr. Hanold noted that either method indicates that the town is not paying enough to the WPCF to treat the I & I.

Mr. Naughton likes the approach of the 1981 method since it seems more focused on the specific additional costs to treat I & I. There is a separate question of the value of the WPCF to town as a whole and if so, does that justify additional financial support from taxation to the WPCF beyond the cost of treating I & I.

Tidbits

Greenfield is still moving forward with plans for a regional digester and is hoping to get the results of the first study by end of December. That report is expected to show cost impacts to the various towns. Mr. McDonald emphasized that we still need our own composting facility even with the digester available. Composting would be done in warmer months, but in colder months the digester would reduce sludge volume and disposal costs.

FINANCE COMMITTEE MEETING MINUTES
UPSTAIRS MEETING ROOM
1 AVENUE A, TURNERS FALLS, MA
WEDNESDAY, DECEMBER 12, 2018
Page 4 of 4

While still incomplete, the Fiscal Year 2020 budget numbers are not looking too bad. Mr. McDonald is hoping for single digit % budget increase, even after including new debt service.

Preliminary Use of Reserves

Mr. Naughton asked about known additional capital needs. Mr. Garrison said most major needs are known, but additional funds would allow for smaller capital projects to be addressed

Mr. Naughton noted that the GMRSD may not be able to meet affordable assessment, which may require additional use of free cash.

Finance Committee Moved:

To allocate \$110,000 of free cash for CIC uses.

Vote: 4 In Favor 0 Opposed 0 Abstained

Feedback on Town Administrator's FY19 Budget Review and FY20 Revenue Projections

Members were encouraged to provide any feedback before tomorrow.

Review budget calendar

Topics not anticipated within in the 48 hour posting requirements None

Next Meeting Date: – January 9th to review budget requests, determine additional questions to ask, determine which departments to meet with, discuss proposal on how to approach FC Report to Town meeting, and hold an executive session to consider the value of real estate.

Meeting adjourned at 7:38 PM

List of Documents and Exhibits:

- Minutes of December 5, 2018
- Inflow & Infiltration Handouts