



TOWN OF KINGSTON
BOARD OF WATER COMMISSIONERS
OPEN SESSION
WATER DEPT OFFICE - 22 ELM ST, MICHAEL J.
MACPHERSON MEETING ROOM & VIA ZOOM
AUGUST 22, 2023

3:30 PM – CALL TO ORDER

Chairman Richard W. Loring Jr called the meeting to order at 3:30pm.

In attendance were Vice Chairman Robert Erlandsen, Commissioner Robert Kostka, Superintendent Chris Veracka, Town Administrator Keith Hickey, Finance Director Carol McCoy and Clerk Stacey Smith.

APPROVAL OF DEPARTMENT BILL SCHEDULES:

MEETING MINUTES:

TABLE THE MINUTES OF AUGUST 9, 2023 UNTIL THE NEXT MEETING

Chairman Loring tabled the meeting minutes of August 9, 2023 until the next meeting as they were not completed.

APPOINTMENTS:

KEITH HICKEY - TA, CAROL MCCOY - FINANCE DIR & KEN MOALLI - TREASURER/COLLECTOR

TO DISCUSS WATER REVENUE SHORTFALL AND POSSIBLE SOLUTIONS

Chairman Loring stated as referenced at the meeting of August 9, 2023, the Town Administrator, Finance Director and Town Treasurer/Collector are here to discuss some revenue shortfalls anticipated for FY24 and what we can do collectively to address the issue.

Town Administrator, Keith Hickey, said he would give a brief overview and then pass it on over to Ms. McCoy, Financial Director.

Mr. Hickey stated while they were closing FY23, they noticed an overall budget problem; revenues were not coming in as anticipated. This is largely due to loss of revenue from lack of water connections due to the cost of doing business in this economy. FY23 revenue showed a \$404,000 deficit. Mr. Hickey reviewed the sources of revenue. He explained that Verizon had not paid their cell tower payment but did pay at the end of the year.

Mr. Hickey went on to the expense sheet. There was an expense surplus of \$493,000, which was made up of principal and interest payments that were budgeted for but did not pay in FY23. This made up the difference with the revenue shortfall.

He went on to say, the concern is when the town submits the FY23 information to the state database, it will flag the Kingston Water Department. The state will expect the Kingston Water Department to avoid this in the future and he and Ms. McCoy have some recommendations to achieve this goal. They are the following:

1. Propose 200K from retained earnings voted at the FY24 Annual Town Meeting be moved to supplement the budget.

Town Treasurer/Collector Ken Moalli entered the room at 3:36PM

2. Propose 200K additional ARPA funds be used to replace retained earnings. Mr. Hickey is prepared to ask the Board of Selectmen for this request.
3. Propose operational changes such as raising rates an additional .35 per thousand across all rate tiers and increase

collection rates from 85% to 97% by taking a harder line with shut off accounts.

Mr. Hickey used the example of cable bills or phone bills. When they aren't paid, they're shut off and the same should apply to water.

Ms. McCoy went on to say her recommendation for FY24 and FY25 to raise the rates by .35 per thousand gallons of water is because the Department of Revenue may flag any increase over 20%. Regarding the shut off notices, she recommended lowering the shut off threshold from \$500 to \$250. Chairman Loring deferred to Ms. Smith and asked her how the shut-off process was going. Ms. Smith explained the process is a vicious cycle as it's not just a matter of shutting people off for non-payment. That action triggers other events such as Board of Health citations, possible Housing Court situations and displacing residents as they cannot stay in a property without running water. She added, on top of this, there's no guarantee we will receive the money owed. She said lowering the threshold from \$500 to \$250 will result in lots more notifications and an additional burden of work and expense on a small office. Discussion continued regarding the shut-off program and increasing fees. Vice Chairman Erlandsen asked if everyone paid their bill on time, would there still be a financial issue? Ms. McCoy responded, Yes. Town Administrator Keith Hickey stated even with the .35 rate increase, the collection rate will still need to be addressed.

Mr. Hickey stated right now the FY24 budget is not balanced. The longer you wait to resolve this, the more you may need to increase rates or fees.

Commissioner Kostka stated he believed, due to the wet summer we have had, the water user fees are likely to go down. He said, with a normal summer, this could potentially all go away.

Mr. Hickey stated he was surprised to learn that the Town of Kingston doesn't pay for water usage yet they pay for sewer usage. He would support the town paying for water usage. He stated that initial cost estimates are around 22K for town water use. Another suggestion was to re-allocate old water articles that have been unspent. Discussion continued regarding this option of releasing unallocated funding articles.

Commissioner Kostka stated he is extremely reluctant to raise rates for the short term. He would prefer to do it once. Mr. Hickey said he didn't disagree with that outlook and he and Carol can forecast water department projects and can help with that. Ms. McCoy stated we can start charging the town for water usage. Chairman Loring stated he's unsure as to why the Town was never charged for water but if they are paying for water leaving the pipe (sewer), they should be paying for water entering the pipe. Commissioner Kostka stated the concern was that it creates an additional burden on other departments having to stay within their budgets as well. However, that was back when revenues met expenses and he added it would be difficult to defend increasing water rates while the town doesn't pay for its usage, nor does it provide an incentive for the town to reduce its water usage.

Ms. McCoy said regarding late fees, the fee to turn back on the water after a shut off can be increased. Currently, it's one hundred dollars. This increase could offset any additional expense the staff incurs from increasing the number of accounts notified of shut-off. There are no late fees charged. Commissioner Kostka said he's in favor of charging a late fee. Town Treasurer/Collector Ken Moalli stated he doesn't believe the water department is under the same requirements as his office regarding late fees and how much is allowable to charge for a late fee, as it would be a late fee not a demand. Commissioner Kostka stated a late fee wouldn't increase the volume of work on the office staff as it would be paid along with the bill. Chairman Loring asked whether it should be a percentage of the balance or a flat fee. Ms. McCoy recommended a flat fee.

Superintendent Veracka asked if it would be beneficial to start charging for non-emergency work like turn on/turn offs, meter maintenance, water line inspections etc.. Vice Chairman Erlandsen asked where the responsibility of the homeowner begins and ends. Chairman Loring stated the homeowner buys the meter. However, the Kingston Water department is responsible for maintenance of the meters. He feels it would be unfair to charge the residents for maintenance of the meters. Commissioner Kostka stated he feels the quarterly service fee should cover the maintenance of our meters. Superintendent Veracka asked if we should charge for services like water line inspections, plumbing repair turn on/off, etc.. He said he has heard from other towns that do charge a nominal fee of \$25 or so to do

these services. Commissioner Kostka said he would agree with those charges as they are an action of the homeowner. Vice Chairman Erlandsen asked that a list be put together of these fees for future review and discussion.

Mr. Hickey stated the deadline for the warrant for the Fall Special Town Meeting is September 12, 2023. Any article presented for the Town Meeting regarding moving funds needs to be received by then. Discussion continued regarding the unspent articles. Ms. Smith clarified that many of those articles are intended for projects to be done. She added that most of the unspent articles were cleared up at the FY24 Town Meeting to be re-allocated towards the Main Street Water Main Project. Mr. Hickey stated the water department has a FY24 deficit of 400K, 200K needs to come from either a rate increase and/or fee charges; the remainder can be made up with the retained earnings or additional ARPA funding.

Ms. McCoy stated again, even if collections are tightened up, the .35 increase is necessary. Chairman Loring said we need to look at increasing the rates. Commissioner Kostka stated, we added a treatment plant without raising rates. Chairman Loring said this will take some thought process to be sure the increase doesn't continue again in five years. Ms. McCoy said the .35 increase is level funded and .50 increase would be good over 10 years.

Commissioner Kostka said he would consider the .35 increase and revisit the situation in two to three years. Mr. Hickey said to consider the new well expenses and build that in to any increase. Superintendent Veracka stated the new well will be pretty expensive along with any new water tank that may be needed. Mr. Hickey said there is urgency in the situation. Ms. McCoy stated we need resolution by Special Town Meeting and she would also consider increasing the quarterly water service charge from \$36-40/qrtr.

Superintendent Veracka stated we may want to consider accounting for the water used to fill, disinfect, flush and sample new water mains for developments. Subdivisions use hundreds of thousands of gallons of water when establishing new water mains. Vice Chairman Kostka asked Ms. Berger to compile some figures together for the next meeting.

At 4:14pm, Keith Hickey, Carol McCoy and Ken Moalli left the meeting.

KRISTEN BERGER, RESILIENT CE RE: ENGINEERING UPDATES

I-86/GRASSY HOLE WATER TREATMENT PLANT UPDATES

Ms. Berger stated Winston Builders will return after Labor Day to address the retainage pond. That will be the last thing to be done outside of the closeout paperwork for the SRF.

MAIN ST WATER MAIN PROJECT

Ms. Berger stated she spoke with the surveyor about the additional cost to pull in the DOT stationing, and she requested time and materials "not to exceed" the proposal previously submitted (5K). If that is agreeable with the Board, she can get that moving forward. She will meet with Superintendent Veracka and review the design.

WATER SUPERINTENDENT DEPARTMENTAL UPDATE:

PUMP OPERATOR POSITION WAS POSTED TO NEWWA WEBSITE LAST WEEK. NO CANDIDATES AS OF YET.

Superintendent Veracka stated they received one applicant submission yesterday, through the NEWWA posting, for the Pump Operator position. Hopefully, more candidates will be forthcoming.

CELL TOWER UPDATES - ELM ST TANK CLEANING PROJECT AND PEMBROKE ST TANK CELL CARRIER UPGRADES/GENERATOR WORK

A temporary cell tower has been installed over at the Elm Street Water Tank. The temporary cell tower is only for this tank maintenance project and will be taken down afterwards. Superintendent Veracka told the Board he has been in touch with Mike Leary to change the settings to run Trackle Pond well from volume to pressure only while the tank work is being completed. Work is scheduled to start September 1, 2023.

QUARTERLY BILLS FOR SEPTEMBER ARE STILL IN PROCESS OF BEING COMPLETED. RESIDENTS WITH HIGH USAGE, NO USAGE AND TELEPHONE READ METERS IN NEED OF UPGRADE HAVE ALL BEEN NOTIFIED BY MAIL.

Superintendent Veracka stated the September bills are in process. He said he was told there were a number of letters that were mailed regarding high usage, no usage and meters that need to be converted from telephone read to radio read. He stated, Ms. Smith has been diligently training the new administrative assistant in the office. Vice Chairman Erlandsen asked specifically about no usage and how that occurs. Ms. Smith stated sometimes it can be a meter that is stuck and needs to be cleaned out. Superintendent Veracka stated it could be due to a loose wire on the transmitting piece on the meter.

TWO PROPERTIES HAVE BEEN SHUT OFF 8/8/3 DUE TO NON-PAYMENT, 32 DEER RUN RD AND 10 ATWOOD STREET.

Superintendent Veracka stated two properties have been shut off for non-payment. Vice Chairman Kostka asked if both houses were occupied. Ms. Smith added, one property was vacant, and the other was occupied. However, the property that is occupied paid in full today and has been turned back on. Chairman Loring asked if a property is paid in full and turned back on, do we charge them anything to turn the water back on. Ms. Smith stated, Yes, one hundred dollars. She stated that may be a charge that needs to be reviewed and possibly increased.

Discussion went back regarding departmental charges and what the various charges are currently. Commissioner Kostka suggested Superintendent Veracka bring suggested changes before the Board and present them at the next meeting. Vice Chairman Kostka asked Superintendent Veracka to put together a proposal of recommendations to address the revenue shortfall. Discussion continued regarding different services that could be charged. Chairman Loring suggested Superintendent Veracka stay in touch with Carol McCoy, Financial Director.

Chairman Loring asked Superintendent Veracka where we stand on the land acquisition for a well site. Superintendent Veracka stated the estate is still unresolved as they are dealing with some family issues. Chairman Loring asked him to contact the estate representative and explain the need for the town to move forward on this one way or another.

NEW BUSINESS:

REQUEST FOR REMOVAL OF INTEREST CHARGES ON ACCOUNT FOR 15 BAKER AVE DUE TO INCORRECT MAILING ADDRESS ON BILLS FOR TEN BILLING CYCLES.

Ms. Smith presented a request for an abatement before the Board. The residents had not been receiving their water and sewer bills and when they realized it and called to inquire, it was discovered the bills had been mailed to their previous address. Ms. Smith explains she believes this may have been due to a mail forwarding service the billing company used to use. The residents understand they are responsible for paying the bills. However, they are asking for an adjustment for the interest charges totaling approximately \$41. Vice Chairman Erlandsen made the motion to adjust/abate the interest charges. Commissioner Kostka seconded the motion and it was voted on unanimously (3-0-0).

UNFINISHED BUSINESS:

WATER CORRESPONDENCE FROM LAST MEETING:

LETTER TO RESIDENT AT 11 KINGSTON ST REGARDING HIGH USAGE AND IRRIGATION

Ms. Smith explained to the Board the copies of letters that were in their packet regarding some high usage and suspected irrigation on town water. During the bill process, it was discovered on this particular account high usage existed at a property where an irrigation well existed. A letter was sent to the residents to make them aware of their high usage and inquire as to whether the irrigation well was in use.

A few days later, the residents responded that the irrigation well was in use but had no reason to offer for the high usage. We recommend they place a sign out front of their property stating their irrigation is serviced by a well.

LETTER TO RESIDENT AT 11 WAPPING RD REGARDING UNDERGROUND IRRIGATION

A letter was sent to the residents after we were made aware that irrigation had been installed on town water. The resident contacted the office and apologized and stated he was unaware of the regulation preventing irrigation systems on town water. The builder never notified him of the regulation. He stated he would disconnect the irrigation and cut

and cap the line. We instructed him to contact us for an inspection after the plumbing was disconnected. Superintendent Veracka states this happens quite a bit with new homes. The builder buys the water service but never shares the regulation of no irrigation on town water with the new homeowner. Chairman Loring stated the building department does inspections of new homes, and they should be able to reinforce this policy with the builders. Superintendent Veracka stated when our department does a final sign off for the occupancy permit, we do our best to look at all water connections and plumbing to look for irrigation within a property. Commissioner Kostka suggested we provide the policy in writing to the builders. Superintendent Veracka stated it's printed on the water service application and that is why Ms. Smith sends a copy of the water service application along with any letter she may send out to homeowners notifying them of the policy.

BUSINESS OF WATER QUALITY REVIEW COMMITTEE:

NO BUSINESS

NEXT REGULAR MEETING:

SEPTEMBER 12, 2023

In discussing our next meeting, Vice Chairman Erlandsen stated he had a conflict on Tuesdays from September through November. It was decided amongst all in attendance, that Mondays would be the meeting date and meeting times would start at 4pm. The meetings for September will take place on Monday, September 11 and Monday, September 25. Monday meetings will take place through November 2024.

Superintendent Veracka added one more item. He was contacted by Atty Sandman today regarding the PFAS class action lawsuit. Atty Sandman is requesting an appointment for one of the next meeting agendas. Originally, the Board decided not to join this lawsuit. The Town Administrator signed up for the lawsuit specific to the firefighting equipment and foam that may contain PFAS. The law firm would like the water commissioners to reconsider their position in joining the class action litigation. Atty Sandman would like to present his thoughts and present them to the Board directly.

ADJOURNMENT OF OPEN SESSION:

Commissioner Kostka made the motion to adjourn. Vice Chairman Erlandsen seconded the motion and it was voted unanimously (3-0-0).

The meeting adjourned at 4:36pm.

ZOOM INFORMATION

TOPIC: BOARD OF WATER COMMISSIONERS

TIME: AUG 22, 2023 03:30 PM EASTERN TIME (US AND CANADA)

JOIN ZOOM MEETING

[HTTPS://US02WEB.ZOOM.US/J/81467620404?PWD=ZM9NZ2D6RNDEUULQSU0WDMLENZRHDZ09](https://us02web.zoom.us/j/81467620404?pwd=ZM9NZ2D6RNDEUULQSU0WDMLENZRHDZ09)

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PASSCODE: 031678

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FIND YOUR LOCAL NUMBER: [HTTPS://US02WEB.ZOOM.US/U/KKYIRQ4BL](https://us02web.zoom.us/j/81467620404)

Respectfully submitted,

A handwritten signature in blue ink that reads "Stacey L. Smith". The signature is written in a cursive, flowing style.

Stacey L. Smith
Clerk