TOWN OF KINGSTON
BOARD OF WATER COMMISSIONERS
OPEN SESSION
WATER DEPT OFFICE - 22 ELM ST, MICHAEL J.
MACPHERSON MEETING ROOM & VIA ZOOM
NOVEMBER 26, 2024

4:00 PM – CALL TO ORDER

Chairman Richard W. Loring Jr called the meeting to order at 4:00pm.
In attendance were Vice Chairman Robert Erlandsen, Commissioner Robert Kostka, Superintendent Chris Veracka, Kristen Berger of Resilient CE, Finance Director Kathleen Barrette, Town Administrator Keith Hickey and Clerk Stacey Smith.
The visitor in attendance was resident Mark Guidoboni.

APPROVAL OF DEPARTMENT BILL SCHEDULES:

MEETING MINUTES:

VOTE TO APPROVE THE MEETING MINUTES OF NOVEMBER 12, 2024

Commissioner Kostka made the motion to accept the minutes as written. Vice Chairman Erlandsen stated he would abstain as he was not present at the meeting. Chairman Loring seconded the motion, and it was voted on (2-0-1).

APPOINTMENTS:

KEVIN GRADY, GRADY CONSULTANTS RE: 70 SUMMER ST

Chairman Loring stated Mr. Grady requested this appointment be moved to the next meeting on Dec 10th.

FINANCE DIRECTOR KATHLEEN BARRETTE, TOWN ADMINISTRATOR KEITH HICKEY RE: WATER RATES

Chairman Loring stated he was disturbed to hear a meeting was requested outside this meeting body with the superintendent, water department engineer and others to discuss water rates. He stated the Board relies heavily on the recommendations of our department engineer and any rate structure will be discussed and determined by this Board. Mr. Hickey apologized and stated it was in no way an attempt to circumvent the Board. It was to make sure everyone was on the same page prior to this meeting. Chairman Loring stated he has concerns of shared costs and how those figures are established. He added, we are concerned regarding the substantial sewer rate increase that will require much more work for the water department, and we would like to make sure that the right allocation is coming back to the water department for the work of the sewer department. He stated it is important to keep an open dialogue. Mr. Hickey addressed allocated costs and the calculations used.

Finance Director Kathleen Barrette explained shared allocated costs are also known as "indirect costs". She continued to explain those expenses such as Munis software, Treasurer/Collector's salary, insurance etc...
She provided a handout packet to the Board explaining how revenue was over budgeted by an average of 6% over 4 years from 2021-2024. The revenue budget is used to file quarterly reports with the Department of Revenue.
Ms. Barrette then provided a rate study which determined the water rate in the past.
Ms. Berger added clarification, that this study has not been used in the past. The last water rate increase was recommended by the former Finance Director, Carol McCoy.
Discussion continued regarding what information was discussed during the rate increase. Ms. Barrette stated the indirect costs were not included as part of the rate increase causing a shortfall in the current budget.

Ms. Smith asked Ms. Barrette if there would have been any reason, Ms. McCoy would've omitted the indirect costs in her figures and information that she provided to Ms. Berger. Ms. Smith asked Mr. Hickey if he remembered any discussion about this at the time. Mr. Hickey and Ms. Barrette didn't have any explanation. Ms. Berger stated it appears the 2023 increase wasn't really enough. Mr. Hickey agreed and stated he recalled the rate increase would get the department through the short term and a later increase would be necessary.

Ms. Barrette reviewed more of the packet regarding debt service schedules and anticipated future debt expenses including the new well debt for the engineering and design.
She stated it's approximately 2.9 million dollars that needs to be received. Working with this figure, Ms. Barrette proceeded to the proposed rate tiers and more usage analysis. Discussion continued regarding the different percentiles of users that Ms. Barrette used in her calculations.
Ms. Berger distributed her own packets of figures using the rate study and more accurate usage numbers as it takes into account all the rate payers.

Chairman Loring stated that in addition to this documentation, Stacey has done an informal survey of neighboring towns' rate structures. He stated we are way out of whack as far as how other towns are operating with their rate structures and the number of usage tiers. He suggested that perhaps decreasing the number of tiers may be beneficial. Discussion and review of the comparison table took place.

4:15pm, Town Collector/Treasurer Ken Moalli entered the meeting.

Mr. Hickey recommended a rate increase for the March 2025 billing period to balance the budget over two quarters versus one quarter. Discussion continued regarding the revenue goals of the water department, debt schedules and SRF borrowing for contruction of the new well.
Vice Chairman Erlandsen asked Ms. Smith when she has to have the new rate information for the March bill. She responded, she would need the rates by the end of January to enter them into the system. Ms. Berger stated when looking at the information provided with the consumption, the lower tiers are the most reliable for revenue. It's tempting to increase the upper tiers as they use the most water. However, they may not be the most reliable. Ms. Smith stated the three largest consumption users currently are the Baymont, the apartments at the mall, both at over 2 million gallons per quarter, and Town and Country mobile home park, which, for at least 2 bills per year, is well over 2 million gallons per quarter.

Discussion continued regarding the current reasonable rates for lower consumption and how to encourage those high users to conserve water and lower their consumption. Commissioner Kostka stated we should look at reducing the number of tiers and increasing the rates accordingly. He stated he feels comfortable with Chris, Stacey and Kristen working together to develop and present new rate structure recommendations for the next meeting. Chairman Loring suggested that Finance Director Kathleen Barrette be involved in the discussion as well.

Commissioner Kostka made the recommendation that Ms. Berger return on December 10 with new rate figure recommendations. Chairman Loring asked to amend the motion to include Stacey, Chris and Kathleen with Kristen. Vice Chairman Erlandsen seconded the motion as amended, and it was voted on unanimously (3-0-0).

<u>COLLECTOR/TREASURER KEN MOALLI RE: BORROWING FOR NEW WELL PROJECT (DESIGN AND ENGINEERING)</u>
Ms. Barrette asked about the proposals for the engineering and design of the new well and if it has gone out to bid. Ms. Berger stated yes and three bids have been received. She explained the interviews will start Dec 10 with the first applicant and again on Dec 17th with the other two applicants. Ms. Barrette asked if those proposals included financial flow sheets. Ms. Berger explained, No, this is the qualification process and once this process is complete and a designer is chosen, then we can request that information. Ms. Barrette stated they would need financial flow sheets from the bid winner for the bonding.

Treasurer/Collector Ken Moalli spoke to the Board about the bonding process for the design and engineering of the new well and that information is required for the loan. He stated we are looking at a 1M loan to be paid over 5 years. Mr. Moalli reviewed the list of required information needed to process the loan. Discussion continued regarding contracts needed regarding cell tower antennae and solar panels. Additionally, he stated there would be a $5800 filing fee for the loan. Ms. Barrette stated a detailed timeline of the project would be helpful with the borrowing.

A brief discussion took place between the board members and Kathleen Barrette regarding a possible charge back from the sewer department. Ms. Smith asked if Ms. Barrette would be able to provide an equation based on the number of sewer accounts, in order to calculate a shared cost. Ms. Barrett responded, no, as she doesn't know how much our processing of sewer bills is, as the water department processes water bills at the same time. Superintendent Veracka spoke up and stated it's not just the processing of sewer bills, it also includes the time and materials in processing the shut-off program for the sewer accounts. Vice Chairman Erlandsen stated it may need to be addressed in next year's budget if not FY26.

Kathleen Barrette and Ken Moalli left the meeting at 5:00pm.

KRISTEN BERGER, RESILIENT CE

MAIN STREET WATER MAIN PROJECT - UPDATES REGARDING STRIPING, LOOPS ON TRAFFIC CONTROLS

Ms. Berger stated the traffic striping and the light looping is completed. Additionally, the curb boxes in question have been adjusted. This should all be good for the winter. Ms. Berger stated she is awaiting final quantities and a pay requisition for CC Construction which should arrive in December.

Superintendent Veracka stated the section of granite curbing located around 175 Main St has sunk below the grade of the street. Ms. Berger noted that and will notify CC Construction.

NEW WELL DESIGN - INTERVIEWS SCHEDULED 12/10 & 12/17

Ms. Berger stated Ms. Smith reached all the teams and scheduled the interviews for December 10 and December 17, 2024.

Ms Smith stated Weston & Sampson would be the first to interview on December 10th. CEI and Kleinfelder will both interview on December 17th.

Vice Chairman Erlandsen stated the qualification packets were very intense and asked if there was a metric to be used to compare and contrast. Ms. Berger stated she had sent one to Ms. Smith. Ms. Smith reviewed her emails, found it and she will print them out and distribute to the board.

Ms. Berger suggested the list of recommended interview questions be shared with the applicants. She also recommended giving the applicants an idea of the format of the interview so they can plan ahead for their presentations.

TRACKLE POND WELL CLEANING AND PUMP REPLACEMENT - UPDATE (IF ANY)

Ms. Berger stated we are still on track for Maher Services to be onsite to start work December 10th.

WATER SUPERINTENDENT DEPARTMENTAL UPDATE:

AT & T GENERATOR PROPOSAL

Superintendent Veracka presented the AT&T generator proposal. He explained that AT&T is requesting generator space in an empty concrete pen which is attached to space on the tank. They already have a pen with dedicated tank space. This proposal is just for an additional pen for a generator. Chairman Loring stated it makes sense to keep the pen space with the tower space, and they can pay for both. Ms. Smith interjected that they already pay for tower space and a pen space. Superintendent Veracka stated T-Mobile took their equipment off the tank and there remains an empty pen with tower space that AT&T would like to use for their backup generator. Superintendent Veracka stated they first suggested extending their current space outside the perimeter of our fenced-in area, which cannot be allowed. He would like to propose a separate area to create space further down the fenced-in area for AT&T to place a propane-powered generator. Superintendent Veracka stated it's important to have back-up power; however, we need to look at the potential revenue that could be lost.

Commissioner Kostka made the motion to have AT&T either use the ground area with the cell tower space and pay the premium or be offered a separate area away from the current pens, create a new space and run a conduit to the tank with the installation of a propane operated generator, as discussed and approved by Superintendent Veracka. Vice Chairman Erlandsen seconded the motion, and it was voted on unanimously (3-0-0).

WATER REPAIRMAN POSITION HAS BEEN FILLED. APPLICANT HAS ACCEPTED THE POSITION AND IS SCHEDULED TO START 12/9/24.

Evan Donnelly has been offered a conditional offer of employment of water repairman pending Board of Selectman approval on December 3, 2024. He is expected to start December 9, 2024.

DISCUSS SMITH LANE WATER TANK MAINTENANCE RELATIVE TO BUDGET

Discussion took place regarding the funding for the maintenance contract and future expenditures on the water tanks. Ms. Smith presented a handout explaining the water tank maintenance payments and the retained earnings from FY24. It was decided to hold off on adding the Smith's Lane tank to the contract until FY27.
Vice Chairman Erlandsen made the motion to include in the capital plan 70K to replace a department truck, 79,196 K from retained earnings for the FY25 water tank obligation and, with the remaining balance of 164,597 K from retained earnings to fund future water tank expenditures.
Commissioner Kostka seconded the motion, and it was voted on unanimously (3-0-0).

Superintendent Veracka is still working with Eversource on the pricing for the conduit project at the South St complex.

NEW BUSINESS:

DISCUSSION ABOUT APPOINTING AN OPM FOR THE NEW WELL PROJECT

Commissioner Kostka stated it is his opinion that the OPM hired for the last treatment plant did an excellent job, and it worked out well. If that individual is willing to take the position on the new well project, he would be satisfied.
Chairman Loring asked if there was a motion for the appointment.

Commissioner Kostka made the motion to appoint Resilient CE, under Kristen Berger as PE as OPM for the new well project. Vice Chairman Erlandsen seconded the motion, and it was voted on unanimously (3-0-0).

UNFINISHED BUSINESS:

NONE

WATER CORRESPONDENCE FROM LAST MEETING:

MEMO DATED 11/18/24 TO TOWN PLANNER, VALERIE MASSARD RE: 48 EVERGREEN ST, MAP 35, LOT 1 AND 2

BUSINESS OF WATER QUALITY REVIEW COMMITTEE:

NONE

NEXT REGULAR MEETING:

GENERAL MEETING DECEMBER 10, 2024 AT 4PM. EXECUTIVE SESSION MEETING TO BEGIN AT 4:30PM

ADJOURNMENT OF OPEN SESSION:

Vice Chairman Erlandsen made the motion to adjourn the meeting. Commissioner Kostka seconded the motion, and it was voted on unanimously (3-0-0).
The meeting adjourned at 5:30pm.

ZOOM INFORMATION

TOPIC: BOARD OF WATER COMMISSIONERS
TIME: THIS IS A RECURRING MEETING MEET ANYTIME
JOIN ZOOM MEETING
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Respectfully submitted,

Stacey L. Smith

Stacey L. Smith
Clerk