

**Joint Meeting  
Finance Committee  
Selectboard  
Whately Water Department  
April 2, 2019  
Town Offices**

A joint meeting of the Finance Committee, Selectboard, Whately Water Department, and Whately Water District of the Town of Whately was called to order on April 2<sup>nd</sup>, 2019 at 6:30 pm by the Selectboard Chair, Jonathan Edwards, Finance Committee Chair, Paul Antaya and Water Commissioner, Georgeann Dufault.

**Meeting Participants:**

Finance Committee: Paul Antaya, Dan Kennedy, Tom Mahar, Jim Kirkendall, Fred Baron, and Bob Fydenkevez

Selectboard: Jonathan Edwards, Joyce Palmer-Fortune and Frederick Orloski

Whately Water Commissioners: Georgeann Dufault and George Bucala

Whately Water District: Scott Jackson, Nicholas Jones, Mary Stuart

Others: Water Department Superintendent Wayne Hutkoski, Town Administrator Brian Domina and Administrative Assistant Amy Schrader.

Jonathan Edwards (Selectboard Chair) informed the group that the Selectboard requested this meeting to make final decisions on how to move the water merger project forward, including any necessary articles that need to be voted at the upcoming Annual Town Meeting on April 30<sup>th</sup>.

Paul Antaya (Finance Committee Chair) stated that the Whately Water District has water supply problems which is a public health and safety concern

Joyce Palmer-Fortune (Selectboard) added that not only does the Whately Water District serve 40 residence, it also serves 4 town buildings and the cemetery.

Fred Orloski (Selectboard) mentioned that he has been on the Working Committee for the last 2 years and they have been working hard on this project. There are two funding options presented here. The Working Committee has not decided on either of the two options. Fred suggested that Brian Domina (Town Administrator) read through the two options that are presented in the spreadsheets.

Brian informed the group that the Water Department and the Water District are located about 300 feet apart. The elevation between the two systems is the reason why a pumping system needs to be installed. The Town has already appropriated \$40,000 to pay for the engineering to connect the two systems. With these funds the Water Department hired Berkshire Engineering to assist with the design of the project.

The costs of the project are presented in two ways on the sheet; the cost for domestic water supply only and the cost for the domestic water supply plus fire protection. The Water District stated that the

Committee put together a proposal that supported supplying domestic water and fire protection. The Selectboard, Whately Water District, Finance Committee, and Water Department agreed that the project should include the supply of domestic water and fire protection.

Brian discussed the financing scenarios for how this project could be paid for. The first scenario shows how much the Town would have to borrow to complete the project without in-kind services. The second financing scenarios assumes that the Town would provide in-kind services which reduces the project cost by approximately \$168,850 in lieu of the Town paying the hook-up fees for its buildings.

Joyce Palmer-Fortune (Selectboard) questioned if the Highway Department's budget would increase by the in-kind service amount of \$163,350 or if this amount would be spread out over time? Keith Bardwell (Highway Superintendent) stated that certain rental expenses (ex. excavator) would be an additional expense, but that the Highway Department has majority of the equipment available to complete this project. His employees are also licensed to work on the project. Brian requested clarification that it's safe to assume that the Highway Department will be providing in-kind services for this project? The Board stated yes.

The Whately Water District questioned where the previous \$20,000 quote for the site work and trenching came from? Wayne Hutkoski (Water Department Superintendent) stated that those numbers were estimates.

Fred Orloski (Selectboard) questioned who is going to manage the project? A contractor? The Water Commissioners stated that they would be managing the project.

The Whately Water District discussed the \$5,000 hook-up fees for residents that are currently on the water system. The District stated that they had conversations regarding the financial impact on the water district residents and their residents have had a lot of warning regarding the proposed hook-up fee. The Water District stated that they don't know the financial situation of all of their customers so the reality of collecting \$5,000 from all 40 homes is unknown. The assets of the Water District will be distributed among the Water District residences which will help offset the \$5,000 hook-up fee.

Jonathan Edwards (Selectboard Chair) suggested that the Water Department could incorporate the water hook-up fee into their resident's water bill. The rate would be the same for all residents and the additional fee could be divided up over a period of years. An extensive discussion ensued regarding alternative payment options for the hook-up fee, possibility for financial waivers, and the ability to add the hook-up fee into their existing water bill. The Water Commissioner stated that they would have to check with Lynn Sibley, Treasurer/Collector, to see if this suggestion is feasible.

The group questioned who is going make the determination that certain residents have financial difficulties and are unable to make the \$5,000 payment? Jonathan Edwards (Selectboard Chair) stated that the application process could be done by an independent third party. Brian Domina (Town Administrator) asked the Water Commissioners what they think about the hardship issue. The Water Commissioners stated that they don't have problem with trying to figure out some ways to deal with financial hardship situations.

Paul Antaya expressed concern that the residents at the Annual Town Meeting will want to know that the \$200,000 in hook-up fees is collectable and will pay off the loan. Brian stated that the town is borrowing the money and the hook-up fees will be paid to the enterprise fund. The article will be

written that the enterprise fund will pay back the Town. The Committee questioned where the money will come from if the Enterprise fund doesn't collect the \$200,000? Jonathan suggested that the Enterprise fund and the Town split the difference in uncollected hook-up fees.

There was a brief discussion regarding the additional fire hydrants being installed on Chestnut Plain Road and final plans of the new pumping station. Wayne Hutkoski (Water Department Superintendent) informed the Board that two out of the three fire hydrants would go in front of the Church and the Library. The third hydrant would go at the end of Haydenville road. The new fire hydrants will tap into the existing water lines.

The Selectboard, Finance Committee, Water District, and Water Department agreed that if there are any changes to the design plan then the resident donating the land should be approached and informed of these changes to maintain the good working relationship.

Fred questioned if there should be a separate warrant article stating that the Water Department is willing to take over the Water District. The Board decided that since the Water District is in support of these articles this step is not needed at this time.

Brian stated that the Informational meeting on April 8 will include the water merger project and the proposed new zoning by-law changes.

The following is a summary of the agreed upon aspects of the project:

- The project should include both domestic water supply and fire protection
- Town will borrow \$220,000 for the upfront costs of the domestic water supply portion
- \$87,000 will be taken from the stabilization account to pay for the fire protection portion
- The Water Commissioners will charge a \$5,000 hook-in fee to each new customer and the hook-in fees will be used to pay off the loan with any interest and remaining amount in uncollected fees to be paid for by the Enterprise Fund

Adjourn – A motion was made to adjourn – 7:43 pm. Motion was seconded. All in Favor.

Respectfully submitted,

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Brian Domina, Town Administrator