



Committee on Public Works & Utilities and the Northampton City Council

Committee Members:

Chair: Councilor Dennis P. Bidwell

Vice-Chair: Councilor James Nash

Councilor William H. Dwight

Councilor David A. Murphy

MEETING MINUTES

Date: March 27, 2017

Time: 4:00 pm

**Location: City Council Chambers
212 Main St., Northampton, Massachusetts**

1. Meeting Called to Order and Roll Call - At 4:00 pm Vice-Chair James Nash called the meeting to order. Present at the meeting were committee members Dwight, Murphy and Nash. Councilor Bidwell was absent. Also present from the City Council were Councilors Sciarra, LaBarge and O'Donnell.
2. **Public Comment: None**
3. **Approve Minutes of February 27, 2017 meeting:**
Councilor Dwight moved to approve the minutes; Councilor Murphy seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Absent (Councilor Bidwell).
4. **Items Referred to Committee:**

17.264 An Order to Establish Water Sewer Rates for FY2018

By Order of the City Council, a Public Hearing was held to consider the proposed FY2018 water and sewer rates submitted by Mayor Narkewicz.

At 4:05 p.m. Councilor Murphy moved to open the Public Hearing; Councilor Dwight seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Absent (Councilor Bidwell).

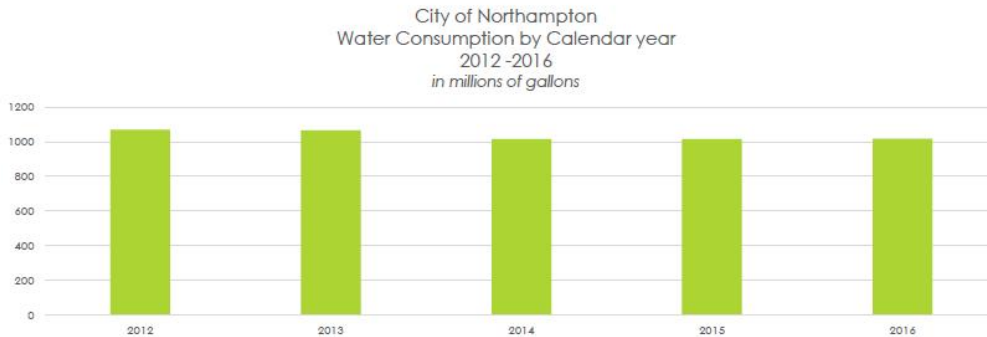
Mayor Narkewicz presented the FY18 Water and Sewer rates. Also present is Donna LaScaleia, Director of Public Works, and Finance Director Susan Wright.

Councilor Nash read the Council Order under consideration by the committee. Mayor Narkewicz points out that the rates reflect the same rates that the City Council approved for FY2017. At that time there

was a significant review process because the City was moving from a single rate for water and sewer to a tiered rate system. The Mayor reminded the committee that there were a number of meetings to gather public feedback. This will be second year using the tiered rate system.

The slide below shows water consumption from FY2012 to the present. The bars represent millions of gallons; the slide shows that usage has remained at about the 1 billion gallon level over the past 5 fiscal years. The customer base has also remained about the same. The Mayor suggests that one could also assume that conservation efforts are measured in this graph.

Water Consumption Calendar years 2012 -2016



The slide below shows estimated Water Enterprise receipts. The budget for next year's Estimated Water Rates and Fixed Charge receipts are almost the same as FY2017, with a difference of only \$2,755. The Enterprise Stabilization Fund will see a slight increase in the use of the funds for capital projects. The increase is expected to be \$92,214 for FY2018. Water Liens and Water Meter Fees will remain constant for FY2018. While the city has always collected cross connection fees, an accounting change will now make those more visible on the tracking spreadsheets. The city will continue to budget at the same level for Water Interest. So while water usage remains relatively the same, the budget will increase by 1.8% due to the addition of Water Enterprise Stabilization Funds.

Estimated Revenues for Water Enterprise Fund for FY18
\$7,598,737

	RECAP	Estimated	Dollar	%
	Budget	Budget	Change	Change
	FY2017	FY2018	FY 2017-2018	FY 2017-2018
WATER ENTERPRISE RECEIPTS				
Water Rates and Fixed Charges	6,027,245	6,030,000	2,755	0.0%
Water Enterprise Stabilization Fund	676,523	768,737	92,214	13.6%
Water Liens	100,000	100,000	0	0.0%
Water Meter Fees	600,000	600,000	0	0.0%
Water Cross Connection Fees		40,000	40,000	#DIV/0!
Water Interest	60,000	60,000	0	0.0%
TOTAL WATER ENTERPRISE REVENUES	7,463,768	7,598,737	134,969	1.8%

The slide below shows the operating fund breakdown between Permanent Salaries, Operations and Management, Other than Operations and Management, and a “catch-all” category of “Other”. Mayor Narkewicz explained that the PS increase is primarily the normal salary increases that happen every year as part of collective bargaining. The chart demonstrates an increase debt structure on the borrowing for capital projects that have already been approved. In the overall budget, the change will be a 1.81% increase which the Mayor states is a balanced projected budget at this point. He does not foresee it changing very much.

Preliminary Water Enterprise Fund Budget for FY18
\$7,598,737

Water Enterprise Fund Operating Budget				
	Budget	Budget	Change	% Change
	FY2017	FY2018	FY17-FY18	FY17-FY18
PS	1,326,110	1,387,324	61,214	4.62%
OM	1,105,500	1,159,713	54,213	4.90%
OOM	2,264,160	2,110,000	(154,160)	-6.81%
OTHER	2,767,998	2,941,700	173,702	6.28%
Total	7,463,768	7,598,737	134,969	1.81%

On the sewer side, the Mayor reminds us that the sewer usage is largely driven by water consumption. The sewer rate is set based on the water consumption at the 80% level. The budgeted revenues are about \$1,872 less than last fiscal year.

Estimated Revenues for Sewer Enterprise Fund for FY18 \$6,270,000

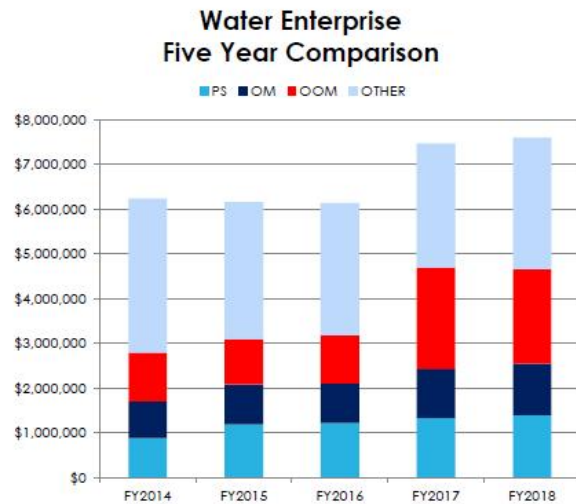
	RECAP	Estimated	Dollar	%
	Budget	Budget	Change	Change
	FY2017	FY2018	FY 2017-2018	FY 2017-2018
SEWER ENTERPRISE RECEIPTS				
Sewer Rates	6,031,872	6,030,000	(1,872)	0.0%
Sewer Liens	200,000	200,000	0	0.0%
Sewer Interest Income	40,000	40,000	0	0.0%
TOTAL SEWER ENTERPRISE REVENUES	6,271,872	6,270,000	(1,872)	0.0%

The slide below shows the Water Enterprise fund for the last five years. Shown on the chart are Permanent Salaries, Operations and Maintenance, Capital Projects (OOM), and Other expenses. It is clear that OOM has expanded which shows larger investments in capital projects, equipment, etc.

Historical Expenditures Water Enterprise Fund

FY2014, 2015 and 2016 – actual expenditures, FY2017 budgeted, FY2018 preliminary budget

- PS – Salaries, OT, Longevity
- OM – Utilities, Chemicals, Supplies, Engineering.
- OOM – Capital Projects – Infrastructure, Vehicles, Land, Equipment, Technology
- Other – Principal and Interest on Debt, Indirects, contributions to Stabilization Fund



The chart below is represents the similar items compared for the Sewer Enterprise fund. Debt services (shown in "Other") and Captial Projects are ramping up.



Department of Public Works Director Donna LaScaleia explained that the slide below shows the plan for capital projects for the Water and Sewer system. Among the most important projects is Water Line Replacement. The money proposed for FY2018 is for a new water infrastructure on Damon Road and Villone Drive. The design work funds have already been encumbered, so the monies here represent only the construction costs. In 2013 there was a Water Asset Management Plan that was created in 2013 by consultants Tata and Howard. In the plan there are items identified for future projects. The work identified in multiple studies needs to be bundled together so that the infrastructure work makes sense. The DPW doesn't want to plan a project that will tear up roads and then do it again at some point in the future for a different project. The work needs to be staged to maximize resources. The FY18 numbers represent a solid path forward for the DPW. The other years will need more shaping up as the future fiscal years get closer.

There are known deficiencies in the spillways of the 3 drinking water reservoirs. Director LaScaleia explained that the money earmarked for reservoir construction over the next five years is projected expenditures based on 2013 estimates for permanent repairs to the spillways. Right now there is insufficient spillway capacity. Roughly 10 million dollars will be required to address those deficiencies.

Regarding the Audubon Road water tank repairs, there is a 200,000 gallon storage tank that is part of the Leeds Village high pressure system. The tank was constructed in 1935; it needs sandblasting and painting as well as security fencing and water guards. The work is required by the regulating authority.

Regarding the Transmission Main Rehabilitation and Replacement, there are two transmission mains right now that run from the water treatment plant into town. One of the lines runs through a swamp hole—the wetlands near the Beaver Brook. It is a 20-inch cross country line that is over 100 years old and largely inaccessible. This is something that was identified in the water asset management plan as

having a critical status. The plan will be to relocate the line in proximity to another line in a similar location. The line is 20,200 linear feet of 24 inch piping that will need to be installed. Once installed, the existing line will likely be abandoned.

Water Enterprise – Capital Program FY2018- FY2022

City of Northampton Capital Projects - FINAL PLAN FY2018 - FY2022							
Department	Project Title	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
DPW- WATER	Granular Activated Carbon	80,000	80,000	80,000	80,000	80,000	400,000
	Waterline Replacement	1,400,000	675,000	575,000	575,000	575,000	3,800,000
	Reservoir Construction	1,630,000	1,705,000	1,100,000	1,750,000	3,450,000	9,635,000
	Upper Roberts Meadow Dam Removal	250,000	0	0	0	0	250,000
	Watershed Land Acquisition	200,000	200,000	200,000	200,000	200,000	1,000,000
	Water System Leak Detection	0	0	0	25,000	0	25,000
	Meter Replacement	75,000	75,000	75,000	75,000	75,000	375,000
	Radio Read Program	100,000	100,000	100,000	100,000	100,000	500,000
	Hydrant Replacement	30,000	30,000	30,000	30,000	30,000	150,000
	WTP Storage Building	90,000	0	0	0	0	90,000
	WTP Replace Control and Measuring Equipment	100,000	100,000	100,000	100,000	100,000	500,000
	Water Distribution System Replace Equipment	125,000	125,000	75,000	75,000	75,000	475,000
	Vehicles	326,100	50,200	171,586	132,000	200,550	880,436
	Water System Building Roof and Masonry Repair	100,000	0	0	0	0	100,000
	Audubon Road Water Tank Repairs	250,000	350,000	350,000	250,000	250,000	1,450,000
	Transmission Main Rehabilitation and Replacement	250,000	1,200,000	1,200,000	2,250,000	1,800,000	6,700,000
	Totals	\$5,006,100	\$4,690,200	\$4,056,586	\$5,642,000	\$6,935,550	\$26,330,436

The next slide addresses the sewer side as well as the collection systems. The biggest item on this list is the Waste Water Treatment Plant Improvements. Director LaScaleia explained that the project itself is of considerable size and scope. Tighe and Bond is the designer selected to design the system. They are very close to finalizing documents to go out to construction for the conversion of the chlorine gas disinfection system to hypochlorite. Other smaller discrete projects are planned. The DPW has to work under procurment rules which includes hiring a project manager (PM) to represent the needs of the city. The PM will help the City interact with the designer and construction team. Director LaScaleia hopes that this person is on board by the end of FY17. Director LaScaleia feels that the timetable that is outlined is realistic. Regarding Sewer System Studies, this is part of the wastewater management plan. This deals with infiltration and inflow which is making water in the plant higher than it should be—it is not wastewater. There is a huge benefit to arresting the water from entering the system before treating it. One area that is known to be a problem is the area between King and State Street which is in proximity to the King Street Brook. The funding is requested to finish off studies that are already underway. Regarding sewer line replacement, Damon Road is the next location up for replacement.

Sewer Enterprise – Capital Program FY2018 – FY2022

City of Northampton Capital Projects - FINAL PLAN FY2018 - FY2022							
Department	Project Title	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
DPW- SEWER							
	WWTP Improvements	0	3,984,000	4,606,000	15,270,000	5,803,000	29,663,000
	Sewer System Studies	200,000	165,000	0	0	0	365,000
	Sewer Line Replacement	400,000	400,000	400,000	400,000	400,000	2,000,000
	Vehicle Replacement	45,100	0	272,350	132,000	98,000	547,450
	WWTP Equipment Replacement	35,000	35,000	35,000	35,000	35,000	175,000
	Sewer Distribution Equipment	45,000	45,000	45,000	45,000	45,000	225,000
	DPW New Storage Facility	75,000					75,000
	Totals	\$800,100	\$4,629,000	\$5,358,350	\$15,882,000	\$6,381,000	\$33,050,450

Councilor Dwight appreciates the holistic approach that the DPW is taking to address the needs of both the water and waste water treatment plant. He notes that water infiltration issues are related to the antique clay pipes that are in use; they will channel anything that runs through it provided it is not clogged. He wonders if there are any plans to try to mitigate those. Director LaScaleia notes that there are multiple areas of the city that have been studied. The last missing piece of this is the downtown area. There is good documentation that explains information about where fixes are needed. Director LaScaleia cannot speak specifically about the area referenced by Councilor Dwight.

Councilor Dwight asked about the water line that is running through Beaver Brook; he wonders if there will be an effort to remove the pipe that will be abandoned after a new line is installed. Director LaScaleia notes that this will be determined as a result of the permitting process. To remove the pipe will require additional costs, probably at a significant level.

Councilor Dwight asked about the soundness of the Wastewater Treatment Plant. Director LaScaleia stated that the structure is fairly sound; the roof has problems in some areas but the structure itself is solid. Councilor Dwight asked if the building had a useful life beyond the timeline of the C.I.P; Director LaScaleia states that there are structural things that were identified that need to be looked at. She does not feel that the building would need to be torn down.

Councilor Dwight noted that what prompted the creation of a stormwater utility fee was pressure from the authorities because the city was not meeting requirements and standards. He wonders how much of this is compelled by mandates as opposed to an enlightened community trying to protect its infrastructure. Director LaScaleia feels that it is a good solid combination of the two. Stormwater is largely permit driven. But there is an earnest desire to maintain the infrastructure on the city's part as well.

Mayor Narkewicz notes that the rates for the upcoming fiscal year are proposed with no changes from the FY17 rate.

There were no opponents to the proposed rates.

Councilor LaBarge thanked the Mayor and Director LaScaleia for the presentation. She appreciates the time and effort it took to pull the report together. People were happy when the Mayor held back a rate increase two years ago. Now they are going to be pleased to hear that the rates will not increase again.

Councilor Dwight notes that based on the new structure, the rates went slightly down for residential customers. He wondered if the Mayor's Office had much feedback about the new rate structure. Mayor Narkewicz explained that it has never been a tipping point when talking with people who want to open a business in Northampton. They are more concerned about taxes, which is a much larger percentage of the operating costs. When the rates first went into effect, there was an on-line calculator that was added to the city website so that people could calculate how the new rate structure would impact them. Even after the new rates went into effect, the Mayor's Office continued to do public outreach. Tenants were primarily concerned about what would be happening with their rates.

Councilor Nash asked if the Water Treatment Plant would be "less smelly" after the work is complete. Mayor Narkewicz stated that the smell would not get any worse and the work that is planned can only help.

At 4:48 p.m. Councilor Dwight moved to close the public hearing; Councilor Murphy seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Absent (Councilor Bidwell).

Councilor Murphy moved to return a positive recommendation on the order of the water sewer rates proposed for FY 18; Councilor Dwight seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Absent (Councilor Bidwell).

5. Plans for future meetings: Updates & Discussion

- April - Stormwater & Flood Control Utility System: Councilor Nash reported that he spoke with Councilor Bidwell. He is hoping to speak with Mayor Narkewicz about what will be presented next month regarding this topic. Mayor Narkewicz disclosed that Councilor Bidwell and he had a very general conversation about this, but a more in depth conversation is necessary. The DPW Director came and did a fairly comprehensive presentation to the City Council already.
- May - National Infrastructure Week & Public Works Appreciation Week: Councilor Nash recalls that the Committee had proposed doing tours of the facility; Mayor Narkewicz explained that he did have a conversation with Councilor Bidwell about this. The DPW is going to recognize Public Works Week and tours will be planned for the occasion. He recalls that Councilor Bidwell suggested that the Committee could help to promote the events planned by the DPW.

6. New Business: None

- 7. Adjourn:** At 4:52 Councilor Dwight moved to adjourn the meeting; Councilor Murphy seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Absent (Councilor Bidwell).

Prepared By:

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