**UPPER BLACKSTONE CLEAN WATER**

**50 ROUTE 20, MILLBURY, MA 01527-2199**

**BOARD MEETING MINUTES - BOARD ROOM/HYBRID MEETING**

**January 17, 2024**

**ITEM I - CALL TO ORDER**

Chairman Labovites called the meeting to order at 1 p.m.

Ms. Mancini, through a roll call, recorded those in attendance and all are noted below:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Board Members** | **Representing** | **Title** | **Present** | **Absent** | **In- person** | **Virtual** |
| Matthew Labovites | Worcester | Chairman | X |  | X |  |
| Philip Guerin | Worcester | Vice Chairman | X |  | X |  |
| John Woodsmall | Holden | Secretary  | X |  |  | X |
| Michael Traynor | Worcester | Member | X |  | X |  |
| Joanna Paquin | Auburn | Member | X |  | X |  |
| Donald Manseau | CVSD | Member | X |  | X |  |
| Robert Antonelli | Worcester | Member | X |  | X |  |
| Gary Nelson | Millbury | Member | X |  | X |  |
| Jay Fink | Worcester | Member  | X |  | X |  |
| Austin Cyganiewicz | Rutland | Member  |  | X |  |  |
| Thomas Degnan | West Boylston | Member |  | X |  |  |

**Upper Blackstone Staff**

Karla Sangrey Engineer Director/Treasurer

Mike Andrus Deputy Director

Denise Mancini HR Assistant/District Clerk

Diane Shea Finance Manager

**ITEM II - APPROVAL OF MEETING MINUTES –** December 20, 2023

 **Minutes** – Member Antonelli moved to approve the minutes, as amended, to change Vice Chairman Guerin’s attendance status from in-person to virtual, of the meeting on December 20, 2023. Member Paquin seconded, and approval of minutes was noted as follows: Chairman Labovites, yes; Vice Chairman Guerin, yes; Member Woodsmall, yes; Member Traynor, yes; Member Paquin, yes; Member Manseau, yes; Member Antonelli, yes; Member Nelson, yes; and Member Fink, yes.

**ITEM III - FINANCE**

 **Warrants –** Vice Chairman Guerin moved to approve the following warrants. Member Traynor seconded, and approval of the warrants was noted as follows: Chairman Labovites, yes; Vice Chairman Guerin, yes; Member Woodsmall, yes: Member Traynor, yes; Member Paquin, yes; Member Manseau, yes; Member Antonelli, yes; Member Nelson, yes; and Member Fink, yes.

 Warrants $ 572,551.37 (12/22/2023)

 $ 211,866.89 (12/29/2023)

 $ 784,481.26

 **FY2025 Draft Budget Update –** Ms.Sangrey began by reporting that the Free Cash was certified on December 29th in the amount of $1,092,834 and is now available to Upper Blackstone for the FY2025 budget if desired. She added that this free cash figure was a significant decrease from last year’s amount of $3M. She referred to the FY2025 Draft Budget Summary Memo that was included with the handouts, (noting it is just a draft and it will be finalized once it has been voted on) and said she has a power point presentation to go along with it. Ms. Sangrey directed all to the graph with the historical rate changes. She explained the drop in 2018 rates was associated with implementing the Integrated Plan (IP) and the FY2022 level funded budget was a response to the ongoing pandemic.

* Plant Staffing – Ms. Sangrey explained the composition of the departments in terms of full-time employees, current and past staffing numbers, and added there is no proposed expansion in the number of full-time employees. Chairman Labovites asked Ms. Sangrey how the FY2025 staff budget compared to that of one five (5) years ago, to which she replied the number was in the mid-sixties (60s) at that time (historically a staffing jump came in FY2021 budget increase from 61 to 67 FTE positions).
* Operations expenses – Ms. Sangrey explained the chemical costs are a large component of the department’s costs, noting the Pandemic resulted in dramatic price increases in bidding results. However chemical prices have stabilized and together with operations making strides in reducing chemical usage, the chemical budget will be less this year. She said energy is also a large part of the operations budget. It includes electric, natural gas, oil and electricity bought for on-bill credits (that change from year to year and can distort energy expenses which are otherwise level). She shared a slide showing a pricing forecast from the energy consultant, and added with the help of the consultant, most of the commodity rates have been locked in, providing stability for the budget. Ms. Sangrey said Upper Blackstone is supporting the state’s initiatives with solar, and these programs generate $300K in revenue back to the District.
* Capital projects - the capital projects budget is partially cash funded, partially debt funded, with some grant funded with a target IP investment of $3.5M per year, a figure which is not adjusted for inflation. Ms. Sangrey said she wants to minimize additional borrowing as much as possible, and the capital expenditure is to keep on track with asset management for the capital program.
* Revenue projections – there is a proposed three (3) percent rate increase planned for outside sludge deliveries. Ms. Sangrey said the market can support it and she may recommend a different number in the Spring as staff are currently reviewing these costs.
* Free Cash – as previously mentioned, the free cash funds available have been significantly reduced by over seventy (70) percent from the last cycle to this cycle. Ms. Shea said the auditors and DLS confirmed this was the result of higher expenses than anticipated in the FY2023 budget (ex., chemicals, natural gas, energy) and revenues were less. She said the numbers are trending better for FY2024.
* Reserve Funding Proposal – reducing the reserved funding was discussed as an option as the investments have done well.

After all the information was presented, a discussion ensued regarding the options presented and the consideration of other options, which Ms. Sangrey said she would send out to members. The Chairman proposed continuing the discussions prior to voting on the budget at the January 31st meeting, submitting questions/suggestions to him and Ms. Sangrey, and recommended the members seek the advice of their communities in the interim.

The draft budget summary included the following table:



**ITEM IV ADMINISTRATION**

 **Integrated Planning Update –** Ms. Sangreysaid she has made a quarterly progress report and can send the members a copy of it.

  **Massachusetts Education & Government Association Loss Control & Safety Grant –** Ms. Sangrey said the Massachusetts Education & Government Association (MEGA) is our worker’s compensation insurance carrier. Upper Blackstone had applied for a grant through them to purchase safety equipment and it has been approved for $2,000.

 **Capital Projects Updates, Mike Andrus, Deputy Director**

  **Regional Biosolids Study –** Phase 1 should be completed by April 30th. Once the cost estimating and feasibility of technical options are complete, decisions will need to be made on whether to continue with the project into future phases.

 **Standby Power Design** – Mr. Andrus said the generators are nearing design completion and a PAC has been issued by the Clean Water State Revolving Fund (CWSRF) for the project. Regarding solar panels and associated batteries, work continues with Power Options and Solect (in conjunction with CDM Smith) to locate, design, and fund (grants and incentives) and tie in with generators..

 **Fleet Electrification** – a report is due by the end of this month.

 **Plant Water Electrical Upgrades** - Plant water electrical upgrades are being planned, to replace outdated electrical equipment on a critical piece of equipment (plant water pumps).

 **Other in-house projects**

* Exploring improvements to polymer system to optimize operations and reduce chemical usage.
* Asset management risk assessment of the entire facility is on the CWSRF intended use plan (IUP) for a grant of $150,000 and will be started this year, with a 5–10-year projection.

**ITEM V – OPERATIONS**

 **Flow Summary** – Ms. Sangrey said the rainfall and snowmelt on January 10th contributed to a wet weather discharge event that lasted the better part of the day and resulted in pH and dissolved oxygen exceedances. She said the acute toxicity tests on the wet weather for both December and January passed.

 **December Effluent Summary Report** – There was a great deal of precipitation in December. There was one wet weather discharge event that included a permit exceedance on pH and dissolved oxygen. Ms. Sangrey referred to the December 18th blending event report in the handouts to view the level of detailing.

**ITEM VI– COMMUNICATIONS**

 **MCWRS –** Vice Chairman Guerin said a coalition board meeting is scheduled for Thursday, January 25th at 3:00 p.m. Planning for the February 29th webinar continues. He said the IUP went out in late December and the comment period closes January 29th, adding it is not too late to advocate for projects that did not make the list for this round of SRF funding. The Vice Chairman said the new storm water regulations are released and the Coalition will be investigating the impact it has on its members.

 **Wastewater Monitoring Communications** - Ms. Sangrey said she forwarded the email that went out to our local health department contacts. Current wastewater data for covid and other diseases can be found on Upper Blackstone’s website. Lab/Pretreatment Manager, Mark Chaplin, has received some bounce backs from the email and is working on getting updated health department contacts. Ms. Sangrey said the monitoring is paid for with grant money.

**ITEM VII – PERSONNEL**

**Postings, New Hires, Resignations** – Ms. Mancini said there were no new postings; George Rodriguez confirmed his retirement date will be March 29, 2024; the new IT Support Specialist is scheduled to start February 20th; the operator that was scheduled to start on December 28th did not show up; and an offer will be made to a new candidate.

**ITEM VIII - DATE(s) NEXT MEETING(s) AGENDA TOPICS**

 1/31, 2/14, 2/28, 3/13

**ITEM X – ADJOURNMENT**

 At 2:42 p.m. Member Manseau motioned to adjourn the meeting. Member Traynor seconded, and the meeting was adjourned.

 Respectfully submitted,

 **Denise Mancini**  Denise Mancini,

 District Clerk