

UPPER BLACKSTONE CLEAN WATER
50 ROUTE 20, MILLBURY, MA 01527-2199
BOARD MEETING MINUTES - BOARD ROOM/HYBRID MEETING
January 31, 2024

ITEM I - CALL TO ORDER

Chairman Labovites called the meeting to order at 1:07 p.m.

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

<u>Board Members</u>	<u>Representing</u>	<u>Title</u>	<u>Present</u>	<u>Absent</u>	<u>In- person</u>	<u>Virtual</u>
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			X

Upper Blackstone Staff

Karla Sangrey	Engineer Director/Treasurer
Mike Andrus	Deputy Director
Elizabeth Mailhot	HR Manager
Denise Mancini	HR Assistant/District Clerk
Diane Shea	Finance Manager

ITEM II - APPROVAL OF MEETING MINUTES – January 17, 2024

Minutes – Member Antonelli moved to approve the minutes of the meeting on January 17, 2024. Member Fink seconded, and approval of minutes was noted as follows: Chairman Labovites, yes; Vice Chairman Guerin, yes; Secretary Woodsmall, yes; Member Traynor, yes; Member Paquin, yes; Member Manseau, yes; Member Antonelli, yes; Member Nelson, yes; Member Fink, yes; and Member Degnan, yes.

ITEM III - FINANCE

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

Warrants	\$ 134,064.17	(01/05/2024)
	\$ 2,892,341.20	(01/12/2024)
	<u>\$ 495,196.14</u>	(01/19/2024)
TOTAL	\$ 3,521,601.51	

Breakdown of Cash – Ms. Sangrey said the Money Market account is where it is expected to be and most of the January assessments are in and reflected in the balances. There is more money in the BAN account

than expected as the capital expenses have not been incurred yet and the money hasn't been transferred. Ms. Shea said progress is being made and there are pending purchase orders/invoices expected in January and February. Ms. Sangrey added the costs have already been encumbered and it is a matter of receiving equipment and invoices.

Aging Report – The summary is longer as it reflects the bi-annual billings that were recently sent to the dentists; some of the items in the 1–30-day column are from the annual pre-treatment billing; and there are assessment payments due from Millbury and West Boylston that are expected to be in their communities' warrants written on February 2nd and February 5th. Ms. Sangrey said aside from the overdue assessments, the total aging is approximately one hundred fifty (\$150) thousand dollars.

Outside Revenue Position – The septage and leachate are a little behind budget year-to-date but ahead of last year. Sludge is a little ahead of budget for year-to-date. Ms. Sangrey and Ms. Shea met with the solar consultant and provided a full run-down of the contracts and solar agreements for Upper Blackstone and the complexities involved with tracking the credits and expenses. Ms. Sangrey said the net revenue amount is ahead of budget.

Quarterly Report – Ms. Sangrey provided a brief explanation of what is represented in the report. She said the Other Income (Energy Credits) shows year-to-date revenue that is much less than budget, due to the Hampden site which is not part of the portfolio yet; the energy on the expense side is under budget, and the chemicals are under budget. The parts and service expenses are ahead of the budget for this time of year, but Ms. Sangrey expects those expenses to end within the budget.

FY25 Budget BAI#1 and BAI#2 – Chairman Labovites thanked Ms. Sangrey, Ms. Shea, and the rest of the team for putting together this year's budget package and providing the addition of Option Five (5) as part of the revised options. Ms. Sangrey provided an overview of the budget options and how they vary, including the options for distribution of free cash. She said since the last meeting, the December financials came in and she made some budget updates after reviewing the sludge revenue, open staff positions, chemical usage, and the administration budget through the first half of FY2024. Vice Chairman Guerin mentioned the plant replacement reserve and a discussion followed on its usage. Also mentioned as a topic for discussion was a review of insurance costs, and an agenda item in February to create a sub-committee on the topic.

SUMMARY OF ALLOCATION OPTIONS

DRAFT FY2025

UPPER BLACKSTONE CLEAN WATER
ALLOCATION AND APPORTIONMENT OF BUDGET - FISCAL YEAR 2024
three year average flow basis, FY '21 - '23

BUDGET DATA	Option 1		Option 2		Option 3		Option 4		Option 5		Option 6	
	No OPEB, No FC		No OPEB or debt reserve funding, No FC		No OPEB		No OPEB		No OPEB or debt reserve funding		No OPEB or debt reserve funding	
O&M Budget (excludes debt, capital and reserves)	\$	21,206,666	\$	21,206,666	\$	21,206,666	\$	21,206,666	\$	21,206,666	\$	21,206,666
Debt Service (less admin fees)		11,996,526		11,996,526		11,996,526		11,996,526		11,996,526		11,996,526
Capital Equipment		1,670,000		1,670,000		1,670,000		1,670,000		1,670,000		1,670,000
Reserve Funding		100,000		-		100,000		\$100,000		\$0		\$0
<i>subtotal</i>		\$34,973,192		\$34,873,192		\$34,973,192		\$34,973,192		\$34,873,192		\$34,873,192
Outside Revenue plus Solar Revenue		(6,251,087)		(6,251,087)		(6,251,087)		(6,251,087)		(6,251,087)		(6,251,087)
Distribution of Free Cash		-		-		(100,000)		(300,000)		(300,000)		(500,000)
Net Budget for apportionment		\$28,722,105		\$28,622,105		\$28,622,105		\$28,422,105		\$28,322,105		\$28,122,105
Net Treatment Cost	\$/Kgal	\$2.526		\$2.518		\$2.518		\$2.500		\$2.491		\$2.474
COST APPORTIONMENT	\$ % Dif		\$ % Dif		\$ % Dif		\$ % Dif		\$ % Dif		\$ % Dif	
Auburn	\$1,638,052	4.5%	\$1,632,349	4.1%	\$1,632,349	4.1%	\$1,620,943	3.4%	\$1,615,239	3.0%	\$1,603,833	2.3%
CVSD	\$77,251	4.9%	\$76,983	4.6%	\$76,983	4.6%	\$76,445	3.8%	\$76,176	3.5%	\$75,638	2.7%
Holden	\$1,343,498	6.1%	\$1,338,820	5.7%	\$1,338,820	5.7%	\$1,329,465	4.9%	\$1,324,787	4.6%	\$1,315,432	3.8%
Millbury	\$1,450,829	10.8%	\$1,445,778	10.4%	\$1,445,778	10.4%	\$1,435,675	9.6%	\$1,430,624	9.3%	\$1,420,521	8.5%
Rutland	\$357,228	-4.1%	\$355,985	-4.4%	\$355,985	-4.4%	\$353,497	-5.1%	\$352,253	-5.4%	\$349,766	-6.1%
W. Boylston	\$332,215	5.0%	\$331,059	4.7%	\$331,059	4.7%	\$328,746	3.9%	\$327,589	3.6%	\$325,276	2.8%
Worcester	\$23,523,031	6.0%	\$23,441,132	5.6%	\$23,441,132	5.6%	\$23,277,335	4.9%	\$23,195,436	4.5%	\$23,031,639	3.7%
TOTAL OF ASSESSMENTS		\$28,722,105 6.0%		\$28,622,105 5.6%		\$28,622,106 5.6%		\$28,422,105 4.9%		\$27,106,658 4.5%		\$28,122,105 3.7%
Change from previous FY Assessments		5.96%		5.59%		5.59%		4.85%		4.48%		3.75%
% Free Cash Applied		0%		0%		9%		27%		27%		46%
Debt Service Coverage Ratio Estimate		1.15		1.14		1.14		1.12		1.11		1.10

Member Nelson made a motion to approve BAI#1 - Pursuant to Section 11, Chapter 752, Acts of 1968, as amended, there is appropriated an amount to be apportioned among the members of thirty-four million, eight hundred seventy-three thousand, one hundred ninety-two dollars (\$34,873,192) for operation and maintenance, debt service, and reserve funding expenditures of the Upper Blackstone for the fiscal year ending June 30, 2025, as follows:

Fiscal Year 2025 Budget Summary

DEPARTMENT	PAYROLL & BENEFITS	ORDINARY MAINTENANCE	CAPITAL EXPENSE	DEBT SERVICE	RESERVE FUNDING	TOTAL BUDGET
Operations	\$2,447,378	\$9,522,360	\$100,000			\$12,069,738
Maintenance	\$2,571,117	\$1,636,700	\$1,350,000			\$5,557,817
Administration	\$2,698,527	\$1,067,053	\$60,000			\$3,825,580
Lab & Pretreat	\$769,087	\$335,880	\$160,000			\$1,264,967
Debt Service				\$12,155,089		\$12,155,089
Reserve Funding					\$0	\$0
TOTAL	\$8,486,110	\$12,561,993	\$1,670,000	\$12,155,089	\$0	\$34,873,192

Vice Chairman Guerin seconded, and approval of BAI#1 is noted as follows: Chairman Labovites, yes; Vice Chairman Guerin, yes; Secretary Woodsmall, yes; Member Traynor, yes; Member Paquin, yes; Member Manseau, yes; Member Antonelli, yes; Member Nelson, yes; Member Fink, yes; and Member Degan, yes.

Secretary Woodsmall motioned to approve BAI#2 - Pursuant to Section II, Chapter 752, Acts of 1968, as amended, the Net Budget of the Upper Blackstone for the fiscal year ending June 30, 2025, shall be apportioned among the members in proportion to three-year average flow as shown in Option 5 in the Summary of Allocation Options dated January 28, 2024. Member Nelson seconded, and approval of BAI#2 is noted as follows: Chairman Labovites, yes; Vice Chairman Guerin, yes; Secretary Woodsmall, yes; Member Traynor, yes; Member Paquin, yes; Member Manseau, yes; Member Antonelli, yes; Member Nelson, yes; Member Fink, yes; and Member Degan, yes.

ITEM IV ADMINISTRATION

Integrated Planning Update – Member Fink said the EPA inquired of the status of the long-term control plan. Ms. Sangrey said she will meet with the team in February to see what can be done to continue to move the negotiations ahead. Member Fink said the dry weather sampling during the winter months is something to take into consideration regarding the outcome of the pilot IDDE; the study is still underway but dependent on dry conditions. Ms. Sangrey confirmed the current order extension was granted until April.

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 the next step is to decide on procurement. He added a Project Approval Certificate (PAC) has been issued by the State Revolving Fund (SRF) for the project and he is also investigating grant opportunities.

Fleet Electrification – JK Muir is finalizing their report, and it should be received soon. Once received, Mr. Andrus and Ms. Sangrey will be formulating an implementation plan.

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

Other in-house projects

- Exploring improvements to the polymer system to optimize operations and reduce chemical usage. Upper Blackstone had a company on site to do a demonstration. If successful it could result in reduced polymer and/or natural gas usage.
- Disinfection systems are under final design.

ITEM V – OPERATIONS

Flow Summary – Ms. Sangrey said there was a wet weather blending event on January 10th, a public notification was sent.

ITEM VI– COMMUNICATIONS

MCWRS – Vice Chairman Guerin said planning for the February 29th stormwater webinar continues and registration will open soon. He said speakers will include Attorney Chris Pomeroy of Aqualaw who will address the results of the appeal; a representative from Shrewsbury who will address stormwater activity; and Elizabeth Clark, new Stormwater Coordinator for the Mass DEP, will be speaking on regulations. The Vice Chairman said a zoom member chat is planned for February 15th at 3:00 p.m. regarding the wetlands and waterways regulations for the purpose of gathering input on concerns and issues. He said comments were submitted on Fitchburg's draft NPDES permit and the focus on the adaptation plan. Ms. Sangrey said the EPA is offering training on adaptation planning and a representative of Upper Blackstone plans to attend. Vice Chairman Guerin said the EPA created a program called Climate Resilience Evaluation and Awareness Tool (CREAT) for adaptation planning and is offering a free 12-hour training for a phase of the planning, which will be conducted in six (6), two-hour (2) sessions. The Vice Chairman said the MCWRS also commented on Fitchburg's aluminum limit which is inconsistent with the state's aluminum standards. Adding the last item that was commented on is the testing of absorbable, organic fluorine, which is a surrogate for PFAS. The EPA is having permittees do research on it and the Coalition feels the EPA should be doing it, not putting the burden on the permittees. Ms. Sangrey said she wants to be supportive and sure that contributing communities are taking advantage of participation with the Coalition by becoming affiliate members of Upper Blackstone.

NEWEA Conference – Ms. Sangrey said there were two presentations on Tuesday. Mr. Andrus was on the panel for the morning one, which was optimization of biological nutrient removal with instrumentation. Mr. Andrus said it was a question-and-answer session regarding experience with using instrumentation for biological nutrient removal and it was well received. He added there is an app and a program available to explore all the options. Ms. Sangrey was part of a panel in the afternoon on biosolids. Mr. Andrus said the regional biosolids crisis in the northeast was a hot topic, with a lot of people interested, adding the acronym for the New England Regional Biosolids is the "NERB". The biosolids session was an opportunity for people to raise issues, such as PFAS, in a public forum. Ms. Sangrey said there is a need to find funds to advance these regional facility concepts. Mr. Andrus said there were less EPA and MA DEP people than in previous years. In addition to Ms. Sangrey and Mr. Andrus, eight (8) other staff members attended, several of which joined committees. An internal meeting was held on Friday for all who attended to share and review what was learned at the conference and what can be applied at Upper Blackstone.

ITEM VII – PERSONNEL

Postings, New Hires, Resignations – Ms. Mailhot said there is a new posting for a laborer as one has resigned; and a new operator is scheduled to start in mid-February.

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

2/14, 2/28, 3/13, 3/27

ITEM X – ADJOURNMENT

At 2:20 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



Upper Blackstone Clean Water FY2025 Budget Summary

On January 31, 2024, the board of directors approved the following budget for fiscal year 2025.

DEPARTMENT	PAYROLL & BENEFITS	ORDINARY MAINTENANCE	CAPITAL EXPENSE	DEBT SERVICE	RESERVE FUNDING	TOTAL BUDGET
Operations	\$2,447,378	\$9,522,360	\$100,000			\$12,069,738
Maintenance	\$2,571,117	\$1,636,700	\$1,350,000			\$5,557,817
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Lab & Pretreat	\$769,087	\$335,880	\$160,000			\$1,264,967
Debt Service				\$12,155,089		\$12,155,089
Reserve Funding					\$0	\$0
TOTAL	\$8,486,110	\$12,561,993	\$1,670,000	\$12,155,089	\$0	\$34,873,192

A comparison of the FY2025 budget to the previous year budget is shown below:

TOTAL BUDGET		\$			
		BUDGET	BUDGET	DIFFERENCE	
		2024	2025	\$	%
EXPENSES					
Operations & Maintenance (O&M)					
	Payroll and Benefits	8,626,099	8,486,110	(139,990)	-1.62%
	Ordinary O&M	13,906,374	12,561,993	(1,344,381)	-9.67%
	Capital Program	1,555,000	1,670,000	115,000	7.40%
	Subtotal - O&M Budget (net of debt)	24,087,473	22,718,103	(1,369,371)	-5.68%
	Debt service	12,065,585	12,155,089	89,504	0.74%
	Reserve Funding	500,000	-	(500,000)	-100.00%
O&M TOTAL		36,653,059	34,873,192	(1,779,867)	-4.86%
REVENUE					
Outside Revenue					
	Septage and Sludge	3,546,482	3,573,575	27,093	0.76%
	Service Charges	281,301	291,200	9,899	3.52%
	Investments	245,000	295,000	50,000	20.41%
	Other Revenues (including Solar NMC)	2,879,200	1,569,869	(1,309,331)	-45.48%
	Subtotal - Outside Revenue	6,951,983	5,729,644	(1,222,339)	-17.58%
	Grants and SRF Subsidy	539,417	521,443	(17,973)	-3.33%
Assets					
	Free Cash	2,055,000	300,000	(1,755,000)	-85.40%
	Drawn from reserves	-	-		
	Subtotal - Assets	2,055,000	300,000	(1,755,000)	-85.40%
	Member Assessment	27,106,659	28,322,105	1,215,446	4.48%
Total Funding		36,653,059	34,873,192	(1,779,867)	-4.86%



Upper Blackstone Clean Water FY2025 Budget Summary

The District's department organization is illustrated below:

