

**BOARD OF SELECTMEN / SEWER COMMISSIONERS WORKING MEETING**

**SEWER-USERS INFORMATION SESSION**

**Wednesday, February 28, 2018 – 5:30 PM – Richmond Town Hall, 1529 State Road**

**PRESENT:** Mr. Paul Lisi, Town Treasurer/Tax Collector, Mr. Mark Pruhenski/Town Administrator, Mr. Neal Pilson/Selectman, Mr. Roger Manzolini/Selectman, and Mr. Alan Hanson/Selectman.

**GUEST:** See sign-in sheet

Mr. Lisi opened the meeting at 5:30 PM and announced that the meeting would last one-half hour and advised the attendees as to how the meeting would proceed.

Mr. Lisi then noted that Item number 3 on the attached list advised the sewer users that free cash for the Sewer Enterprise Fund was certified by the Bureau of Accounts on August 8, 2017 in the amount of \$149,855, which is an increase of \$7,594 over fiscal year 2016. The outstanding principle amount for the Sewer Enterprise Debt is \$2,524,002, outstanding interest and Administrative Fees \$818,438 for a total of \$3,342,440. If you deduct from that amount the Betterment payments that are still due, it comes to a Debt Shortage of \$265,502, which is an increase of about \$65,820 over the amount in October. That's due to the need for us to front the debt-service payments and the incoming debt payments that will be billed in May.

Sewer Operation and Maintenance (user charge) payments: There are, as of December 31, 2017, eight properties in arrears, totaling \$9,132.88 due to the Sewer Enterprise Fund.

Sewer Betterment payments: As of December 31, 2017, eighteen properties are in arrears for a total of \$64,225.98 which is due to the sewer Enterprise Fund.

Mr. Lisi advised the attendees that letters have been sent to the tax payers who are in arrears, making them aware that the Town will be moving forward with Tax Title proceedings. One final letter will be sent out by Legal Counsel, demanding payment or arrangements to address the arrears. If no action is taken, the Tax Title proceeding will move forward.

The Sewer Enterprise Fund Budget was approved on May 17, 2017 at the Annual Town Meeting in the amount of \$225,000.00. Break-down is as follows:

- Salaries - \$20,600
- General Operating Expenses - \$28,664
- Emergency Reserve - \$4,000
- Debt - \$171,736

Expenses as of December 31, 2017:

- Salaries - \$8,010

General Operating Expenses - \$13,890  
Emergency Reserve - \$0.00  
Debt - \$147,471.

There are no outstanding Sewer Repair invoices.

The Board of Sewer Commissioners will set the FY '18 Operation and Maintenance rate in March of 2018 and taxpayers will be informed of those at the end of March when the bills are mailed.

A question from the floor – How is the rate of the Operation and Maintenance set? Mr. Lisi responded that the Operating Cost amount is divided by the number of users. In response to an inquiry, Mr. Lisi noted that currently there are 135 hook-ups and Mr. Lisi thought that there was room for an increase in that number up to 144 or 145. Mr. Lisi noted that there is a realtor looking at the possibility of selling a vacant lot in the Camp Marion White area. If it proves to be a buildable lot, Mr. Lisi will advise the Sewer Commissioners for their approval of a hook-up for that property to the sewer system. The new owners will then accrue the debt service from the date of purchase and increase the number of users.

The City of Pittsfield has a new Debt Service coming up for the new Waste Water Treatment Plant. That was in the range of \$74,000,000 at the time. The Council declined that vote and it is now anticipated that the Debt Service amount will go up. It is possible that the amount might increase depending on how long it is delayed. Mr. Lisi chose to bring this information to the attention of the attendees so that they would understand that, if Pittsfield takes on a new Debt Service, all the people who contribute to that system will see an increase in the cost. The town of Richmond is protected through the end of its current contract, which happens at the end of fiscal year 2018. At that point, the Town will have to renegotiate a contract with Pittsfield almost certainly at higher rates.

Mr. Roger Manzolini reported his discussion some ten-plus years ago with then Mayor Roberto of Pittsfield and Bruce Collingwood. At that time, Richmond was billed \$400,000 to connect to the new system. He was told that that amount represented a fee for “Future Infrastructure Improvements”. Mr. Manzolini was unsure whether that was ever documented. There was a discussion of how to find whatever documentation may exist concerning that contract and that payment. Mr. Lisi will contact the appropriate people in Pittsfield and try to produce that documentation. Whatever he can produce, Mr. Lisi will bring to the next meeting.

The Balance Sheet and Talking Points will be available on the Town’s Website by the end of the week.

The Next Sewer Users Informational Meeting is tentatively set for July 25, 2008 at 5:30 PM. This summer scheduling will make it possible for all summer residents to attend the meeting

Questions: A resident in the audience reported that a sewer problem she had was repaired by Mr. Tom Grizey and billed to her by the Town. Will that continue? Mr. Lisi said that the question will be addressed in the regular 6:00 PM meeting of the Selectboard where it will be discussed in terms of the legality of proceeding in that way with the Town Counsel.

Mr. Manzolini asked about the more than a quarter million-dollar shortfall on the Bond. Do we have a plan to make that up? Mr. Lisi described multiple options: raise an article at the Annual Town Meeting for an appropriation of funds to put towards Free Cash; work with legal counsel to determine, over the course of a certain number of years, how to build that into the Operation and Maintenance costs, which nobody wants to have happen; or the Town as a whole would have to bring up an article in the fiscal year before the debt service is due for the amount that's due.

Mr. Manzolini suggested that the Sewer Users Betterment Fee be increased to cover the shortfall, rather than waiting. Mr. Lisi noted that there are payments that will be outstanding after the May bills are mailed. That will reduce the \$65,000 shortfall. Then there will be income from the collection of outstanding debts, which can further reduce that number.

There was a conversation about some repairs to town property. Mr. Lisi advised the group that despite the Town's appreciation of volunteers and the work they do for the town, there are legal restrictions to electrical, plumbing and other construction work needing to be done by licensed contractors.

A question as to whether a new land-owner would have to pay up front for a 30-year period to hook up to the sewer system. Mr. Lisi will turn over to Town Counsel the wording in Section 7.4 regarding new hook-ups to the sewer system.

Mr. Lisi then noted that, as it was then 6:00 PM, this meeting was adjourned, and the regular Board of Selectmen meeting would begin.

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Alan Hanson, Chairman