

**TOWN OF SPRINGFIELD  
SELECTBOARD HALL – 96 MAIN STREET – THIRD FLOOR  
PUBLIC HEARING - FY24 WATER AND WASTEWATER BUDGET  
MONDAY, June 12, 2023**

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**APPROVED MINUTES**

**A. CALL MEETING TO ORDER**

Chair, Kristi Morris, called the meeting to order at 6:00 pm.

**Selectboard Members:** Chair, Kristi Morris, Vice Chair Michael Martin, Walter Martone, and Crissy Webster were present in-person. Everett Hammond arrived late.

**Administration:** Town Manager Jeff Mobus, Jeff Strong Public Works Director, Nate Fraser Wastewater Treatment Facility Superintendent, and Roy Farrar Water System Superintendent, and Town Clerk Barbara Courchesne were present in-person. Library Director Sue Dowdell was present via Zoom.

**School Board Liaison:** Steve Karaffa was not in attendance.

Town Manager Jeff Mobus presented the FY24 Water and Wastewater Budget included in the meeting packet. Town Manager Jeff Mobus noted that there will be an edit after provided by Everett Hammond for an item that he needed to review. Town Manager Jeff Mobus discussed that the proposed budget is \$3,994,510, which is an increase of 2.67% over the prior year budget of \$3,890,677. Town Manager Jeff Mobus added that given the inflationary pressures of the past couple of years, we believe that this is a very reasonable increase. Town Manager Jeff Mobus further added that the Town paid off a water bond in the current year and interest payments on other bonds have been decreasing. Town Manager Jeff Mobus continued that the double billing of the Correctional Facility will come to an end and the volume of water sold has been decreasing for decades.

Town Manager Jeff Mobus discussed that currently the water rate is \$5.39 per 100 cubic feet and wastewater is \$9.05 per 100 cubic feet and the base charge is \$45 per six-month billing cycle for residential users. Town Manager Jeff Mobus added that the budget packet contained a couple of pages with the rates calculations, one with the volume of water sold at 20 million units and one with the volume of water sold at 19 million. Town Manager Jeff Mobus further added that the Board received a page with the rate calculation done for the volume of water at 19.5 million units.

Town Manager Jeff Mobus discussed that the Town will receive double revenue from the Correctional Facility for one more semiannual cycle and we can set the rates at the higher volume of 19.5. Town Manager Jeff Mobus noted that this means that the following year there'll be one last volume adjustment with the ending of the Correctional Facility agreement. Town Manager Jeff Mobus added that the water rate would go down to \$5.32 per 100 cubic feet and the sewer rate would increase to \$10.51 per 100 cubic feet. Town Manager Jeff Mobus further added that he recommends that the Board authorize a 15% increase in the base rate as has been done the last couple of years to allow for the Town to become less dependent on water sales.

Town Manager Jeff Mobus discussed that in a couple of years new debt service payments will be added to the base charge and not the rates as this is now considered best practice as it is a more reliable funding source not being dependent upon the amount of water sold. Town Manager Jeff Mobus added that based on the last two years of water sales to predict the amount of water sold the correct volume used for setting rates should be 19 million gallons for water and 17 million gallons for wastewater. Town Manager Jeff Mobus further added that each million gallons of water and wastewater sold equals approximately \$150,000.

Town Manager Jeff Mobus noted that the double billing under the agreement with the Correctional Facility, based on recent usage has been about \$150,000 per year. Town Manager Jeff Mobus discussed that next year, the Town will only receive the double billing for one six-month cycle, which will generate approximately \$75,000 of extra revenue. Town Manager Jeff Mobus further added that the \$75,000 equals roughly 500,000 gallons of water and wastewater. Town Manager Jeff Mobus continued that adding the 500,000 gallons to the water and wastewater to the breakeven 19 million for water and 17 million for wastewater, results in calculating the rates based on 19.5 million for water and 17.5 million for wastewater. Town Manager Jeff Mobus further discussed that using those volumes to set the rates we are recommending water at \$5.32 per 100 units and wastewater \$10.51 per 100 units.

Everett Hammond inquired if assuming everything else held the same what difference does half a million gallons do to the rate percentage wise. Town Manager Jeff Mobus responded it would be 7.14% for the volume adjustment. Further discussion ensued that the volume adjustment would be a smaller adjustment the following year assuming we stay level with the 19 million and 17 million, the volume would only decrease the volume sold from the rate calculation from 19.5 million to 19 million and 17.5 million to 17 million and this catches us up to where we are supposed to be on volume sold and takes into account the last 6 month payment from the correctional facility.

Doug Johnston via Zoom commented the increase in the base rate versus the volume amount used would be more stable and he inquired if you have companies coming in and they're using a lot more wouldn't it be fairer to base it on the amount of usage used per person or per business versus a base rate where everybody's being affected. Jeff Strong, Public Works Director responded that the base rate is based upon the size of the meter, so the larger the user you are the larger the meter and the larger your base rate. Jeff Strong, Public Works Director added that the base rate does go up depending on the user size. Town Manager Jeff Mobus added that we also had made the decision a couple years ago, we did a lot of analysis about changing how much we charge, so the usage sales we've kept per gallon rate consistent for everybody and then the fluctuation is on the base charge.

Doug Johnston inquired if any of it is based on the water or sewer that you may use. Town Manager Jeff Mobus responded that a new company would have to pay an access fee charge based on the amount of expected usage to obtain an allocation letter. Town Manager Jeff Mobus added that we get an upfront amount of money for the allocation that the new company would need for the increased amount of usage that they need. Town Manager Jeff Mobus further added that what would happen is if it's a company that uses a lot of water, the volume would go up and that would drive down rates for everybody in the subsequent year. Town Manager Jeff Mobus noted that the parallel is growing the grand list to grow the amount of water sold.

Jeff Strong discussed that there are a couple of large things that both the water and wastewater are looking at that are some Federally mandated and State mandated issues with lead that need to be addressed and PFAs.

Roy Farrar, Water System Superintendent discussed that the EPA years ago with Flint, Michigan, and now it's catching up to all the other states, they're requiring us to remove all our lead soon. Roy Farrar, Water System Superintendent added that in 2018 we did a grant to go around and evaluate our system to see where the lead was and now the State is requesting the next step, we must document all of this, present it, and then coming down the line they want us to remove it. Roy Farrar, Water System Superintendent noted that those are going to be big expenses within the next five years. Roy Farrar, Water System Superintendent further added that we don't have a lot of lead in this Town, but we have a lot of cast iron in this Town. Roy Farrar, Water System Superintendent continued that in his experience 1950s cast iron and earlier has what they call a lead gooseneck which is a short lead piece from the main to the service pipe, and those are considered lead with a galvanized pipe that will need to be replaced. Roy Farrar, Water System Superintendent further discussed that right now they are working on the rules where we may be replacing from the main all the way into the house, whether we own it or not, because the EPA wants us to replace it all because it is going to affect the owners.

Chair Kristi Morris commented that the goosenecks have been being replaced over the years, to some extent. Roy Farrar, Water System Superintendent confirmed and added that we started this in 2018 when we did the grant, where we went around and tried to identify all the ones that we had. Roy Farrar, Water System Superintendent added that as part of that grant we had to propose a replacement plan and we tried to do 15 or so a year and we're still trying to do that, but the State wants more.

Jeff Strong Public Works Director added that by October 2024 we have to inspect everybody's house where there could possibly be lead, so if people get a notice in the mail maybe they could go down and take a picture of their water meter or their service coming in or if we happen to knock on the door that's what we're doing, inspecting your water service. Roy Farrar, Water System Superintendent added that the State wants us to document not only the Town side of the service, but the homeowner side of the service and every service that we have in this Town whether it is existing or a previous service if it's still in the ground, we must document it.

Chair Kristi Morris commented that there's probably no estimate now of how extensive that is, how many services may be affected. Roy Farrar, Water System Superintendent responded that we are looking at around 2,300 services to do. Roy Farrar, Water System Superintendent added that we've got a good handle on some of it right now because of what we did in 2018, though we're still behind because we must have this all done within a year. Michael Martin asked to confirm that it needed to be documented within the year. Roy Farrar, Water System Superintendent confirmed and added that the replacement part is probably going to come in the next ruling. Roy Farrar, Water System Superintendent added that from what he read, the EPA is basing it on how many services they feel that we have then they're going to start a lead sampling plan and then from there will be the replacement plan. Roy Farrar, Water System Superintendent noted that it's a few years out yet before we get to the replacement part but it's coming.

Michael Martin inquired that the sampling will be at each individual domicile and business. Roy Farrar, Water System Superintendent responded that it will be based on what the State comes up with by how many services that we come up with. Roy Farrar, Water System Superintendent added that the sampling plan will be based on how many iron pipe services you have, how many you know that have a lead

gooseneck, and how many unknowns you have, then depending on what the results are from those sampling plans will be how rapid we must go in and replace services.

Michael Martin inquired how many total services do we have. Roy Farrar, Water System Superintendent responded that we have approximately 2,300. Michael Martin asked to confirm that not all those services have lead. Roy Farrar, Water System Superintendent responded they do not and from his experience here the only ones that have possible lead are the ones that are 1950s-1960s and prior when cast iron mains could possibly have the lead gooseneck. Roy Farrar, Water System Superintendent added that he has never seen a lead service and the Town of Springfield in his 20 years here, but we do have lead goosenecks and he is unsure how many we have.

Jeff Strong, Public Works Director noted that one of the good things is that all the work that we're doing in our funding packages, has a level of lead forgiveness (Lead remediation). Town Manager Jeff Mobus added in our case 50% for \$1,000,000 million dollars, for lead remediation.

Further discussion ensued that we just need to document what we have at this time and there may be testing at some point as these rules are still being written and the State doesn't even know what's next, though the State is leading us to believe that what's coming is the replacement side all the way to the house because that's what's happening in other states. Additional discussion ensued regarding letting the Board know when they have more information on this as the rules are developed so we can start looking into funding.

Further discussion ensued that when they put the budget together it was a very tight budget, and it was noted that since Covid inflation on everything has skyrocketed and staffing shortages have affected things.

Nate Fraser Wastewater Treatment Facility Superintendent discussed that PFAS are found in municipal wastewater and in the groundwater around the state. Nate Fraser Wastewater Treatment Facility Superintendent added that our biosolids program is potentially going to take a big hit on the composted municipal sludge, we really need to look at alternative ways of processing and getting rid of the sludge that we produce down at the treatment plant. Nate Fraser Wastewater Treatment Facility Superintendent further added that we've done limited testing but in the future the State is going to be setting some regulations.

Nate Fraser Wastewater Treatment Facility Superintendent discussed that it's early to tell right now and a lot of people don't know a lot right now, but the future is uncertain as far as being able to get rid of our compost. Nate Fraser Wastewater Treatment Facility Superintendent added that it's going to be a large investment for other alternatives. Nate Fraser Wastewater Treatment Facility Superintendent further added that we're looking at maybe a screw press and the dryer. Jeff Strong, Public Works Director added that we are looking at a different way to handle our sludge to take more water out of it so when we do have to ship it away, we can ship it away as efficiently as possible. Jeff Strong, Public Works Director further added that we had been giving it away to RMI and they are no longer taking it as they have sludge from another facility. Jeff Strong Public Works Director noted that for the PFAS the regulation limit that is probably going to be set is going to be lower than what we have tested in our biosolids at this point. Nate Fraser Wastewater Treatment Facility Superintendent noted that it's going to be the end user, the municipal treatment plants that are going to suffer the most.

Michael Martin inquired how do we get rid of the PFAS now. Nate Fraser Wastewater Treatment Facility Superintendent responded that you can't get rid of PFAS, there's not really any treatment options for PFAS currently. Nate Fraser Wastewater Treatment Facility Superintendent added that this is really early stages as well. Nate Fraser Wastewater Treatment Facility Superintendent further added that he believed what happened in Bennington was really what kicked off this whole thing. Nate Fraser Wastewater Treatment Facility Superintendent added that PFAS are found in food packaging, waterproofing materials, and stain master carpets. Chair Kristi Morris commented that around the state, geographically equally distributed, the State is checking 500 private wells for PFAS. Nate Fraser Wastewater Treatment Facility Superintendent added that we're currently testing once a year and the State just started requiring that last year.

Nate Fraser Wastewater Treatment Facility Superintendent discussed that there's a lot of uncertainty as to which direction this is headed, and he feels like the State is waiting for the Federal Government to set their regulations and then they're going to play into that however that goes. Nate Fraser Wastewater Treatment Facility Superintendent added that he got an email from the head of the biosolids program last winter and they had some preliminary numbers that they were throwing around and there's a lot of people that are nervous right now around the State. Nate Fraser Wastewater Treatment Facility Superintendent noted that it's going to be a large expense when this all comes to fruition.

Town Manager Jeff Mobus commented that if there's a silver lining it's that the facility is at its end of life anyway, so we won't be getting rid of good equipment because they changed the measurements, we would have to replace this facility soon anyway. Nate Fraser Wastewater Treatment Facility Superintendent added that the compost facility is aging, it was the first in the state and a lot of the equipment up there is the original equipment that was there when it was put in place. Further discussion ensued that the composting facility was done in the 1990s. Additional discussion ensued regarding letting the Board know when they have more information on this as the rules are developed so we can start looking into funding.

Nate Fraser Wastewater Treatment Facility Superintendent discussed that the current plan to replace the composting will be part of the 20-year review next year, noting that the compost predates the upgrade to the Treatment Plant in 2004.

Michael Martin inquired if we have a capital plan component to this. Jeff Strong confirmed that it was under line item 99 in the capital plan, noting it's towards the end the last two pages. Further discussion ensued that some of this is under debt service but there's equipment purchases, redeveloping wells, upgrading sewer pump stations, though there's nothing specific here for lead or PFAS yet.

Michael Martin inquired if there was a fund balance. Jeff Strong responded that the idea of making the usage number right was so that our revenue monies generated leaves us with a fund balance to be able to do these capitals. Michael Martin commented that these are budgetary contributions to these line items and some of these things are current expenditures capital investments but some of them should be contributing to a fund for future so there should be a fund balance being established for the eventual replacement. Michael Martin inquired if we are just waiting until we need a new one and then we're going to go to the Town and say we need to approve a bond because we didn't save any money for that expense. Jeff Strong responded that there are some of that built into this, for example the digester cleaning, it's about a \$50,000 project that takes two years to generate the money and whether these are individually set off in a fund balance, or it's just the bottom-line fund balance at the end of the year.

Town Manager Jeff Mobus noted that for many years we were way behind, so the water fund owes the Town about \$1.2 million which has come down from \$1.5 million. Town Manager Jeff Mobus added that we've got this plan in place to pay it down, but when you owe that much money to fund one that was because you had used up your available funds there and we're making it right. Town Manager Jeff Mobus further added that we've sized things right now and we're making progress, but there's not a fund balance you can draw from right now and any of these things we're talking about are going to be millions. Town Manager Jeff Mobus continued that you're talking about bonding you're not going to save money for that in the budget. Jeff Strong added that in this budget, we are paying back to town the transfer out to Fund 1 a total of \$50,000 a year.

Chair Kristi Morris requested that as soon as we get more information on these items to give a report back to the Board to get some indication of what the timeframe might be.

No further discussion. The Public Hearing was closed at 6:32 pm.

Respectfully submitted,

Carrie M. Kellow, Recording Secretary