

Commissioners Meeting
Water Supply District of Acton
693 Massachusetts Avenue
Acton, MA 01720

March 10, 2008

Agenda: Comments from Citizens
 Accept Minutes of March 3, 2008

OLD BUSINESS

Discussion of Bid Results for Kennedy-Marshall Treatment Plant Project
Letter From Owner Regarding the Eminent Domain Taking at Knox Trail

NEW BUSINESS

Discussion of Meeting Schedule for April/May/June

Minutes of March 10, 2008 Commissioners Meeting

Regular bi-monthly meeting. Present were Commissioners Parenti, Phillips, and Stuntz. Also in attendance were District Manager Chris Allen, Treasurer/Collector Mary J. Bates, District Counsel Mary Bassett, and Finance Committee Members Charles Bradley and Bill Kingman. Wright-Pierce was represented by Richard Protasowicki and Peter Quern and Ralph Dumke of Waterline Industries Corporation.

The meeting was called to order at 7:31 P.M.

Approve Minutes of March 3, 2008

Mr. Stuntz motioned to approve the minutes of the meeting held on March 3, 2008 and Mr. Parenti seconded the motion. The Commissioners were all in favor of approving the minutes.

Mr. Stuntz motioned to approve the Executive Session minutes from the meeting held on March 3, 2008 and Mr. Parenti seconded the motion. The Commissioners were all in favor of approving the minutes as modified at tonight's meeting.

Comments from Citizens

There were no comments from Citizens at tonight's meeting.

OLD BUSINESS

Letter From Owner Regarding the Eminent Domain Taking at Knox Trail

Ms. Bassett discussed with the Commissioners the letter she received from R & K Partners Trust regarding the eminent domain taking at Knox Trail. She stated that she has drafted a response

explaining that the AWD is a separate entity from the Town of Acton and she will also include a copy of the appraisal when she sends the letter. She noted that John Avery was the person who did the appraisal and pointed out that this land has no value so it couldn't be sold. Ms. Bassett showed the Commissioners a map of the area where the land is located. It was stated that R & K Partners Trust is pushing back on the price. The Acton Water District offered the appraisal price and they returned with an offer of \$10.5?. Ms. Bassett will forward a copy of the plan to R & K Partners Trust.

Discussion of Bid Results for Kennedy-Marshall Treatment Plant Project

Ralph Dumke of Waterline Industries Corporation introduced himself to the Commissioners and stated that he met with the Acton Water District on Friday, March 7, 2008. He supplied the Commissioners with information/background on Waterline Industries Corporation and handed out a brochure pertaining to the company. He said that employees of Waterline Industries do all the work and that they don't hire subcontractors. He stated that he understands that the project is over budget and that this was discussed at Friday's meeting. Mr. Dumke gave the Commissioners a list of all the projects along with their bid and final costs that his company has completed since 2002 and gave a description of some of the projects. He said that he does all the estimating and that the company was started in 1987. He mentioned the first bonded job in Massachusetts was Wampus Hill in Acton.

Mr. Stuntz said that the problem is that the cost estimate of this project went from \$2.5/\$3.0M to \$6.0M. Mr. Protasowicki reviewed the memo that he sent to Mr. Allen regarding the recommendations on general bids. He reviewed four different water treatment projects that were bid recently in the towns of Wayland, Swansea, E. Bridgewater, and Weymouth. Mr. Dumke described how some contractors won't give a quote any longer than 7 days. He informed the Commissioners that pipe and other materials prices have increased and that contractors have to take this into account. According to Mr. Dumke, it is the cost of materials that are continuing to increase, largely due to high international demand in China for these materials, such as copper. Mr. Stuntz asked Mr. Protasowicki what percentage of the contract is labor versus material and Mr. Protasowicki responded that labor is 20-25% and the rest is material.

Ms. Bassett stated that a motion to amend can be entered at the Annual Meeting. At the Annual Meeting, Mr. Stuntz will state that the Kennedy-Marshall Treatment Plant Project will cost more than expected. An amendment will need to be approved and the Finance Committee will have to comment.

Mr. Stuntz asked the Finance Committee if this project is a reasonable thing to do and they responded that we need to clean up the water. They felt that the Commissioners need to tell the Finance Committee that they really need this and that it was the Commissioners' decision. Mr. Stuntz asked the Finance Committee what the borrowing capacity was and Mr. Kingman responded that there is currently no debt and that they can borrow at a very low rate. Ms. Bates stated that the AWD has unlimited borrowing, but they have to make sure they can afford it. She said that the \$4.4M was built into the budget, but there is not enough in the budget to cover borrowing \$6M. She said that the water rate increase over 3 years was approximately 18%. Ms. Bates said that the water rates were just increased for this project based on a \$4M cost and she will have a program run to see what the rate will be at the \$6M price. Ms. Bates will have a bond number available tomorrow, March 11, 2008, and will inform the Commissioners.

Mr. Bradley asked if other than the cost of materials, are there any other costs involved in residents getting clean water and Mr. Allen stated a few of the costs which consisted of chemical cost, M&O costs, and membrane cost. Mr. Bradley was concerned as last fall the treatment plant project was approved and this amount was twice as much as they have borrowed in the past, with the new \$6M price, it now increases to triple the amount of borrowing. Mr. Bradley asked Mr. Dumke if there were any additional cost (above the \$6M) to get the plant up and running after the facility/treatment is completed and Mr. Dumke stated that the plans and specifications are very clear and that the price is fixed. He also stated that tying in of all the wells is included in the cost. He mentioned that flushing is not included in the price. Mr. Dumke said that by the end of next summer the treatment plant will be completed and ready to activate.

The Commissioners all agreed that the water needs to be improved and that this project should go forward. Mr. Phillips asked Mr. Dumke if he had any proactive suggestions for reducing costs such as eliminating the rebar in the concrete and replacing it with new macrofiber materials for reinforcement, and Mr. Dumke responded that his company is always looking for ways to save the customer money. He discussed with the Commissioners ways that his company has saved cost to the owners and mentioned the roof material could be changed, but he does recommend a metal roof as this doesn't need maintenance.

Mr. Dumke was invited to the Annual Meeting on Wednesday, March 19, 2008. He informed the Commissioners that he will be on vacation, but will send Mike Girard in his place to answer questions on materials and the cost of the bid. Mr. Protasowicki stated that Wright-Pierce will also attend the Annual Meeting.

OTHER OLD BUSINESS

Ms. Bassett supplied the Commissioners with a copy of the Lease Income financial information from the cell towers as of February 2008. She stated that the Sprint/Nextel tower lease will expire in 2020. The annual grand total lease income is \$104,975.04.

NEW BUSINESS

Discussion of Meeting Schedule for April/May/June

The following is the Monthly Commissioners meeting schedule through June 2008:

March 24

April 14

April 28

May 12 (replacing the meeting that was scheduled on May 19th)

June 02

June 16

OTHER BUSINESS

The decision was made to remove Article 12 from the Acton Water District's Annual Meeting. Mr. Stuntz moved to adjourn the meeting and Mr. Parenti seconded the motion. The meeting adjourned at 9:08 pm.