



MEETING MINUTES

Thursday, August 10, 2023 – 6:15 pm

This was a hybrid meeting of the Orleans Finance Committee, convened in the Nauset Room at Town Hall, with remote participation provided by Zoom technology. Real-time public access was provided by Orleans Channel 18 on the Town website and cable television.

The meeting was called to order at 6:15 pm by Finance Committee Chairman Nick Athanassiou. Also attending, and thus constituting a quorum were Committee Clerk Elaine Baird and Committee members Lynn Bruneau, Ed Mahoney and Tony Pearl. Chris Kanaga, Constance Kremer and Peter O'Meara were absent.

Guests: Tim Harrison, AECOM (participating remotely); Select Board member and Chair of the Wastewater Management Advisory Committee (WMAC) Kevin Galligan; Board of Water & Sewer Commissioners (BOWSC) Chairman Alan McClennen; and Ed McAuliffre, Veolia Project Manager. Peggy O'Sullivan from Media Operations provided technical support for this meeting.

(0:15) Public Comment/Announcements:

-There was no Public Comment.

-Mr. Athanassiou announced that the newly former Long Range Capital Planning Committee will be meeting on August 21.

-He also announced that the final welcome event for the Town Manager will be a reception on the Town Green at Snow Library on August 16 from 5-6 PM, followed by the annual Police Department-sponsored Block Party.

-Mr. Athanassiou noted that on September 7 at 6 PM, there will be a Community Forum discussing housing and the Town's priorities around housing, in the Craine Room at Snow Library.

(2:30) Wastewater Project/Planning Update with Representatives from AECOM, Veolia, the BOWSC and Others

Ms. Bruneau introduced the guests who had been invited to provide an update on the Town's wastewater projects and planning as well as sewer and wastewater treatment plant operations. (The AECOM and Veolia presentation documents were provided to Fin Comm members prior to the meeting and are posted to the Fin Comm Drop Box as is the Veolia June WWTF Operation Report.)

Tim Harrison (AECOM) began by providing a Wastewater Infrastructure and Planning Update.

- Phase I (Downtown): wastewater treatment facility (WWTF) and effluent disposal site and Collection System and Pumping Systems currently in change order closeout; sewer connections underway with deadline to connect scheduled for March 9, 2024
- Phase 2 (Meetinghouse Pond): construction underway; pipe installation start-up planned for early September and will take at least 2 years
- Financing of Phases I and II: Cape and Islands Water Trust – 25% of eligible costs (excluding design and engineering); Betterments – 20% of construction costs; Hotel/Motel and Short-Term Rentals – balance of costs
- State Revolving Fund (SRF) covers eligible costs during construction at zero interest; then approximately a year later, the State finalizes the zero interest loan and the Town takes over principal payments, Phase by Phase
- Property Owner costs - "Betterments" based on "sewer units" with "sewer unit" established as water flow for smallest average residence (average condo); approximate cost \$4800/sewer unit

- Property Owners also pay connection costs including permit, septic abandonment-related costs, engineering & construction-related costs specific to property and grinder pump if needed (eg, if property is below sewer main)
- Wastewater Planning: focused on nutrient removal and regulatory compliance for improved water quality
 - CWMP (Comprehensive Wastewater Management Plan) and Master Plan updates due 12/31/23
 - Ongoing evaluation of nutrient removal estimates, town growth and wastewater management strategies
 - Regulations and permit tracking – implementing a watershed approach that will avoid the need for property owner installation of new Title 5 septic systems
- Wastewater Phasing: approximately 5 years/phase; 2 year overlap between phases; WWTF upgrade timing dependent on order of phases and actual wastewater flow; draft CIP data through 2067 with project cost estimates
- Additional methods for improving water quality: Installation of Permeable Reactive Barriers (PRBs); aquaculture (eg, at Lonnie’s Pond)
- Freshwater Pond Management – focus on phosphorus removal: Cedar Pond, Uncle Harvey’s Pond, Boland Pond, Pilgrim Lake, Crystal Lake, and Bakers Pond. In the discussion, concern was expressed about the algal bloom at Pilgrim Lake that is currently precluding swimming. Mr. Galligan said that the WMAC will review Phase 3 (“Lakes & Ponds”) project plans to confirm Pilgrim Lake coverage and timing, noting that alum treatments are not considered a good alternative solution to the phosphorous problem.
- Coordination with other buried infrastructure such as water main and storm-water work (looking to minimize construction disruptions)

Mr. McAuliffe introduced himself and Veolia, and their role as the Operations & Maintenance Contractor for the Town’s Sewer Collection System (including the pump stations) and the Wastewater Treatment Facility (WWTF). Veolia maintains regulatory compliance with MA groundwater discharge permits and provides operations, compliance and financial reports to DPW, working with DPW staff in managing purchasing and expense reporting. Mr. McAuliffe further reviewed his and Veolia’s role in the management of sewer operations finances, which is a collaborative effort with DPW. He noted, for example, that Veolia takes the lead for purchasing a number of specific items where Veolia’s corporate purchasing power provides a financial advantage for the Town (eg, chemicals, specialty sampling and analysis, capital improvements and repairs, etc.). Mr. Galligan noted that the Town participates in a number of Cape-specific programs that provide advantageous purchase prices for electricity (through Cape Light Compact) and diesel fuel (through a County program).

Mr. McAuliffe clarified that although Veolia can provide data to assist the Town in establishing sewer rates, Veolia does not participate in setting sewer and/or septage disposal rates, or in determining the “Betterment” fees. However, Veolia does assist with the quarterly sewer-related billing, helping to review water usage (the basis for the usage component of the sewer bills). Veolia is responsible for performing the monthly billing of septage haulers and reporting invoicing results to the Town’s Finance Department. If a septage hauler does not pay an invoice, the hauler is precluded from using the WWTF until the invoice is paid.

Mr. McAuliffe noted that Veolia is required to provide a capital planning forecast each November. He also discussed the process for maintaining equipment and parts. Mr. McAuliffe discussed the work done to date and noted that 2 million gallons of septage has been treated and processed so far. Billable revenue from septage is just under \$200,000. He also noted that the monthly Veolia operations report

includes an overview of key operational parameters, maintenance activities and a financial review. The Veolia revenue and expense results don't match the Town's "MUNIS" reports due to the timing of the posting of the information to MUNIS; also, Veolia reports septage invoices whereas the Town reports septage revenue receipts.

Mr. McClennen noted briefly that the sewer rates (billed quarterly, fixed fee of \$50.00 and usage rate \$8.00/kgal) were set in March 2022 and will likely not be changed for another year or so - perhaps as part of the Fall 2024 budget cycle, after the entire system has been in use longer, with more properties connected and estimated water flows (the basis for the sewer rates) confirmed. Septage hauling rates will also be confirmed by then as well (currently \$100/kgal).

In response to Fin Comm's interest in "asset management plans", Mr. McAuliffe noted that Veolia is completing the inventory of component parts for the brand new Collection System and WWTF. Their preventative maintenance process (eg, oil changes) includes updating the system with key information and based on Veolia plant operations experience, they will be establishing a schedule for "asset management" for all key components.

Ms. Bruneau noted that she and Fin Comm alum Tim Counihan had met earlier in the day with Veolia and DPW Director Tom Daley and BOWSC Chairman Alan McClennen to review Veolia's monthly operations report for June in some detail and to clarify roles and responsibilities between/among Veolia, DPW and the BOWSC.

On behalf of the Finance Committee, Ms. Bruneau thanked their guests for participating in tonight's Fin Comm meeting.

(1:28:00) Review / Approval of Finance Committee Meeting Minutes – 7/20/23

- **7/20/23** – Ms. Baird moved to approve the minutes of the July 20, 2023 meeting as amended; Mr. Pearl seconded. The vote was 5-0-0 with Mmes. Baird and Bruneau and Messrs. Athanassiou, Pearl, and Mahoney all voting "aye". (A roll-call vote was not needed as all Fin Comm members were physically present in the Nauset Room for this evening's meeting.)

(1:29:00) Update on 8-2-23 Joint Meeting with Select Board and Orleans Elementary School Committee for the presentation/discussion of the OES Asset/Accessibility study.

Mr. Athanassiou briefly reviewed the meeting, and noted that the members of Fin Comm present at tonight's meeting were all in attendance at the August 2nd joint meeting. He discussed next steps for the project, hoping to see a committee organized to properly manage the project. He also wondered about a backup plan, should the school need other repairs sooner that also triggered the requirement to address compliance with the accessibility code. Mr. Mahoney expressed concern about building a school for as-yet-to-be-determined future population needs. School enrollments in the region (and Cape-wide) have generally been declining over the past few years, yet the OES Study uses an enrollment of 232 students for a new school, 40% more than currently enrolled. There was further discussion, including with regard to regionalizing at the elementary school level.

(1:42:00) Discussion re: first draft of Fall STM Warrant Article Index

Mr. Athanassiou reviewed the draft Fall/Special Town Meeting Warrant Article Index that was included in this week's Select Board meeting packet. This list currently has 39 potential Articles and will be discussed at a future Select Board Meeting. At last night's Select Board meeting, Town Manager Kin Newman noted that she had wanted to see a complete list of anything that might be

included in the Warrant for Fall Town Meeting, anticipating that this list is much longer than the final list will be.

(1:45:00) Discuss ongoing FinComm projects and future agendas as needed

Mr. Athanassiou noted that Mr. Mahoney is compiling information related to OES expenses over the past 10+ years. Mr. Mahoney said that he would like to discuss the following subjects in future Fin Comm meetings: procedures for the Fin Comm review and approval of Reserve Fund transfer requests; Enterprise Funds; and the Orleans Elementary School and Nauset Regional Schools (eg, consideration of demographics as well as ordinary and capital expenses, as well as tuition agreements with Truro and Provincetown).

The Committee discussed its role with regard to school budgets and operations.

(1:59:00) Updates

Recent Select Board meeting discussions/decisions (8/2, 8/9, others)

8/2/23: Mr. Athanassiou referred to the draft compensation study with a review of staff pay rates, recently completed by the Collins Center. The draft report was included in the revised Select Board meeting packet. At the Select Board meeting, Town Manager Kim Newman indicated that she has worked with the Collins Center consultants previously, and would take more time reviewing the draft report. Likely the topic will be on a subsequent Select Board agenda.

-Also at the 8/2/23 meeting, as noted above, the joint meeting with the OES School Committee and Fin Comm for the OES Asset/Accessibility presentation; brief quarterly update from the BOWSC; discussion and vote to support the Revenue Advisory Committee's application for CPC funding for pickleball courts at the Town's Bay Ridge Lane facility; final review and approval of the Select Board FY24 Goals. Ms. Bruneau suggested that Fin Comm invited Select Board Chair Michael Herman to a Fin Comm meeting for a discussion of the Goals and how Fin Comm might support those efforts.

8/9/23: Mr. Athanassiou noted a Public Comment discussion about "next steps" for the now-closed Christmas Tree Shop with suggestions "why do business in Orleans"; Quarterly Reports from Planning Director George Meservey, Fire Chief Geof Deering; Police Chief Scott MacDonald. The RFP for the Governor Prence project will be reviewed/approved at the 8/15/23 joint meeting of the Affordable Housing Trust Board and the Select Board (co-owners of the property).

Select Board meeting recordings can be found on the Town's website.

Liaison Reports as appropriate

-Ms. Bruneau provided updates from recent meetings of the Planning Board (7/25/23 and 8/8/23); the Wastewater Management Advisory Committee (7/27/23 and 8/10/23); the Affordable Housing Committee (8/1/23) and the Meeting House Pond Project Team (8/3/23 and 8/10/23).

(1:55:00) Review Schedule and Items for Future Agendas

- Thursday, August 24, 31: Budget Priorities Public Hearing preparation; Fall STM preparation; begin voting on Warrant Articles.
- Wednesday, September 6: Joint Pubic Hearing with Select Board on FY25 Budget Priorities.
- Thursday, September 7: Fin Comm meeting, finish voting on Warrant Articles
- Thursday, September 21: Fin Comm meeting

Adjourn

Motion to adjourn by Ms. Baird; Mr. Mahoney seconded. The vote was unanimous, 5-0-0.

The meeting adjourned at 8:45 pm.

Respectfully submitted,
Courtney Butler, Secretary

The documents listed below are all in the Finance Committee Drop Box except as noted:

1. August 10, 2023 Finance Committee meeting agenda
2. AECOM Presentation – Wastewater Infrastructure
3. Veolia Presentation - Veolia’s Role as Sewer Operations & Maintenance Contractor
4. Veolia WWTF Monthly Operation Report for June 2023
5. Draft July 20, 2023 Fin Comm Meeting Minutes
6. Draft Warrant Article Index for Fall Special Town Meeting as of 8/4/23
7. Select Board meeting packets for the 8/2/23 and 8/9/23 Select Board meetings (Select Board website)

The minutes for the August 10, 2023 Finance Committee meeting were reviewed and approved at the August 31, 2023 meeting. **Motion to approve by Ms. Baird; second by Mr. Pearl. The vote was 5-0-1 with Mmes. Baird and Bruneau and Messrs. Athanassiou, Kanaga and Pearl all voting “aye” by roll-call. Mr. O’Meara chose to abstain as he was not present for the 8/10/23 meeting. Ms. Kremer had not yet arrived at the 8/31/23 meeting and was not present for the review and approval of the minutes.**

