

TOWN OF BRIDGEWATER

OFFICE OF THE TOWN COUNCIL



Budget & Finance Committee Meeting Virtual Meeting via Zoom© Agenda

Committee Members:

*William Wood, Chair
Precinct 6 Councilor*

*Shawn George, Member
Precinct 3 Councilor*

*Dennis Gallagher, Member
Councilor-At-Large*

Location: Virtual Via Zoom©

To Attend Via Video, Click the Link Below:

<https://us06web.zoom.us/j/83784146656>

Call In: 1-646-876-9923

Meeting ID: 837 8414 6656

Date & January 4, 2022

Time: 6:00 p.m.

Agenda

- A. Call to Order
- B. Public Comment
- C. Approval of Meeting Minutes
- D. Budget & Finance Committee and Finance Committee Joint Meeting
 - Order O-FY22-033: Loan Order – For Upgrade of the Wastewater Treatment Facility
 - Order O-FY22-034: Acceptance of Non Recurring Revenue to Capital
 - Order O-FY22-035: Contractual Buyouts
- E. Adjourn



Bridgewater Town Council

In Town Council, Tuesday, December 21, 2021

Council Order: O-FY22-033

Introduced By: Town Manager
Date Introduced: December 21, 2021
First Reading: December 21, 2021
Second Reading: January 4, 2022
Amendments Adopted:
Third Reading:
Date Adopted:
Date Effective:

Order O-FY22-033

LOAN ORDER - FOR UPGRADE OF THE WASTEWATER TREATMENT FACILITY

ORDERED, that, **\$43,000,000** is appropriated, to be expended, for the purpose of financing the design and construction of upgrades to the Town's existing Wastewater Treatment Facility located at the end of Morris Avenue including without limitation all costs incidental or related thereto; that to meet this appropriation the Treasurer with the approval of the Town Manager is authorized to borrow said amount and issue bonds or notes therefor under Chapter 44 of the General Laws and/or Chapter 29C of the General Laws; that the Treasurer with the approval of the Town Manager is authorized to borrow all or a portion of such amount from the Massachusetts Clean Water Trust established pursuant to Chapter 29C; and in connection therewith to enter into a financing agreement and/or a security agreement with the Trust and otherwise to contract with the Trust and the Department of Environmental Protection with respect to such loan and for any federal or state aid available for the project or for the financing thereof; that the Town Manager is authorized to enter into a project regulatory agreement with the department of Environmental Protection, to expend all funds available for the project and to take any other action necessary or convenient to carry out the project. Any premium received upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with M.G.L. c. 44, §20, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount. Order O-FY19-052 approved on May 7, 2019 is hereby rescinded and of no further force or effect.

Committee Referrals and Dispositions:

Referral(s)	Disposition(s)
• B&F and FinCom	•

November 22, 2021

Michael Dutton
Town Manager
Municipal Office Building
66 Central Square
Bridgewater, MA 02324

**RE: Bridgewater Morris Avenue WWTP Phase 1 Upgrades
Application for Financial Assistance
Clean Water State Revolving Fund – Construction Stage
CWSRF - 6838**

Dear Mr. Dutton:

The Town of Bridgewater recently applied for financial assistance through the Clean Water State Revolving Fund (CWSRF) Program for the Bridgewater Morris Avenue Wastewater Treatment Plant Phase 1 Upgrades project (CWSRF-6838).

The Town is conducting this project in accordance with an Administrative Consent Order (CWA-AO-R01-FY17-10) the town is being held to by the EPA (Environmental Protection Agency) and MassDEP. The consent order includes strict timelines to complete construction of Phase 1 and Phase 2 Nutrient Removal Projects. Phase I is required to be completed by May 1, 2024. The project is on track to meet this deadline.

The 95% design was submitted to MassDEP on October 15, 2021 by Stantec, the design Engineer. Environmental Partners, the Owners Project Manager has completed the peer review of the 95% design and Stantec is currently working on the 100% design, to be completed by January 2022. Local permit approvals are underway.

To receive the Clean Water Trust and MassDEP Project Approval Certificate (PAC) and Permission to Advertise in February 2022, certification of the appropriation for the entire project from design/construction through startup is required. The Town appropriated a total of **\$33,750,000 in 2019** for the project based on the Weston and Sampson Comprehensive Wastewater Management Plan cost estimates (2017, ENR 10737), as approved by MassDEP in 2019.

As part of the 95% design submission, an Opinion of Probable Construction Cost (OPCC) was prepared by an independent construction cost estimator utilizing the 95% design drawings and specifications. The OPCC, plus the maximum SRF allowable pre-bid contingency of 10%, increases the construction estimate to **\$35,382,323**. Including construction administration, Resident Project Representatives, and Startup and Training, the total project cost is now **\$42,843,377** (November 2021, ENR 12647).

In order to keep our low-interest Clean Water Trust loan, and to remain eligible for Zero Percent Interest and Principal Forgiveness, we must appropriate the **\$9,100,000** gap prior to advertising for construction bids. We cannot receive our full PAC without having the Town Council appropriation.

Several factors contributed to the increased construction cost estimates for Phase 1 Upgrades to the Bridgewater WWTF. Specifically:

1. **Escalation to Midpoint and Inflation Uncertainty.** There is a great deal of uncertainty as inflation continues to ramp up. Specifically, supply chain disruption due to the long-term effects of COVID 19 have resulted in an increase of escalation to mid-point of construction rate increased from **3.5% to 5.0%**.
2. **Water & Wastewater Equipment Costs.** Supply chain uncertainty and lead time issues are affecting cost and openness of suppliers to hold pricing firm. Some suppliers will now only quote firm prices at order time.
3. **Average labor cost** increased from \$94.50/hr. to \$101.64/hr.
4. **Concrete material cost** increased.
 - a. Wall concrete unit cost increased from \$190/CY to \$495/CY.
 - b. Elevated framed slabs cost increased from \$180/CY to \$505/CY.
5. **Electrical material cost** increased impacted by the following increases in average cost:
 - a. Fitting prices increased by 1.5x.
 - b. Copper price/LB increased by 2x.
 - c. Conduit price/LF increased by 3x.

We respectfully request that you present the need for additional funding of **\$9,100,000** to the Town Council for a **first hearing on December 7, 2021 and second/third reading on December 21, 2021**. We cannot receive a PAC and advertise for construction without an updated Town Council Appropriation. It is imperative to our Consent Order to stay as close to our estimated schedule as possible.

Please find attached a summary of project costs and a draft appropriation for additional funding based on the requirements of the CWSRF program. Please feel free to contact me at (781) 856-2611 or htg@envpartners.com with any questions you may have or if you need any additional information.

Sincerely,



Environmental Partners Group, LLC
Helen Gordon, P.E., MCPPO, BCEE
Senior Program Manager | Associate

cc: Kimberly Williams, Assistant Town Manager
Debra Ward, Executive Assistant to Town Council
Anthony Sulmonte, Finance Director, Town of Bridgewater

Azu Etoniru, DPW Director, Town of Bridgewater
Gregory Tansey, Town Engineer, Town of Bridgewater
Jonas Kazlauskas, Water and Sewer Superintendent, Town of Bridgewater
Brian Shea, P.E., Stantec
David Graham, P.E., Stantec
Kate Roosa, P.E., Environmental Partners

1. Funding Sources	Funding FY19			
Order O-FY19-052: Loan Order for Upgrade of the Wastewater Treatment Facility	\$ 32,000,000			
Order O-FY19-008: Phase 1 Pre-Design Work	\$ 250,000			
Sewer Reserve Fund	\$ 1,500,000			
2. Design Phase Work		Total Costs 2021	SRF Eligible Cost	SRF Ineligible Cost
Stantec Pre-Design Services		\$ 249,500		\$ 249,500
Stantec Preliminary and Final Design (Change Order 01)		\$ 1,790,500		\$ 1,790,500
EP Task 1A Project Management		\$ 263,900		\$ 263,900
EP Task 2B Pre-Design, Design and Construction Procurement Phase		\$ 312,859		\$ 312,859
	Subtotal	\$ 2,616,759		\$ 2,616,759
3. Expected Construction Costs		Total Costs 2022 - 2024	SRF Eligible Cost	SRF Ineligible Cost
Construction Estimate (95% OPCC)		\$ 32,165,748	\$ 32,165,748	
Construction Contingency (max. 10% pre-bid)		\$ 3,216,570	\$ 3,216,570	
OPM and Resident Project Representative (EP)		\$ 2,074,300	\$ 2,074,300	
Design Engineer Construction Administration (Stantec)		\$ 2,550,000	\$ 2,550,000	
Other (specify)				
Utility Fee		\$ 200,000	\$ 200,000	
Police – Traffic Detail		\$ 20,000	\$ 20,000	
	Subtotal	\$ 40,226,618	\$ 40,226,618	
4. Project Totals	\$33,750,000	\$ 42,843,377	\$ 40,226,618	\$ 2,616,759
SRF Funding Gap		\$ (9,093,377)		

Bridgewater Town Council
In Town Council, December 21, 2021
Council Order: O-FY22-

Introduced By:	Town Manager
Date Introduced:	December 7, 2021
Second Reading/Public Hearing:	December 21, 2021
Amendments Adopted:	None
Third Reading	December 21, 2021
Date Adopted:	
Date Effective:	

Order O-FY

LOAN ORDER - FOR UPGRADE OF THE WASTEWATER TREATMENT FACILITY

ORDERED, that, \$9,100,000 is appropriated for the purpose of financing the additional costs of the design and construction of upgrades to the Town's existing Wastewater Treatment Facility located at the end of Morris Avenue including without limitation all costs incidental or related thereto; to meet this appropriation the Treasurer with the approval of the Town Manager is authorized to borrow \$9,100,000 and issue bonds or notes therefore under Chapter 44 of the General Laws and/or Chapter 29C of the General Laws; that the Treasurer with the approval of the Town Manager is authorized to borrow all or a portion of such amount from the Massachusetts Clean Water Trust established pursuant to Chapter 29C; and in connection therewith to enter into a financing agreement and/or a security agreement with the Trust and otherwise to contract with the Trust and the Department of Environmental Protection with respect to such loan and for any federal or state aid available for the project or for the financing thereof; that the Town Manager is authorized to enter into a project regulatory agreement with the department of Environmental Protection, to expend all funds available for the project and to take any other action necessary or convenient to carry out the project. Any premium received upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with M.G.L. c. 44, §20, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.

Explanation:

- *This loan funds the additional anticipated costs for the rehabilitation work to the Town's existing wastewater treatment facility and is required to modernize old systems and equipment, provide odor control, and upgrade the treatment process to meet new effluent discharge limits set by the*

EPA and Massachusetts DEP and as agreed to by the Town per an administrative consent order signed in 2018.

- *Phase I work was funded with a **\$250,000** transfer from Reserve Capital for pre-design tasks, and was approved under Order O-FY19-008.*
- ***\$1.5M** for Preliminary and Final Design will be funded through Sewer Reserve Funds*
- ***\$32,000,000** was appropriated for Procurement, construction and project closeout through Council Order O-FY19-052*
- *This project is on the Clean Water State Revolving Fund (CWSRF) Intended Use Plan FY21.*
- *Additional funds are required due to escalation costs on equipment and materials due to COVID 19 impacts.*



Bridgewater Town Council

In Town Council, Tuesday, December 21, 2021

Council Order: O-FY22-034

Introduced By:	Town Manager
Date Introduced	December 21, 2021
First Reading:	December 21, 2021
Second Reading:	January 4, 2022
Amendments Adopted:	
Third Reading:	
Date Adopted:	
Date Effective:	

Order O-FY22-034

ACCEPTANCE OF NON RECURRING REVENUE TO CAPITAL

ORDERED, that the Town Council assembled vote to:

WHEREAS: Massachusetts General Laws, Chapter 40, §5B requires the Town Council to accept and authorize the expenditure of revenue sources that are deemed one-time revenue or take any other action relative thereto and

WHEREAS: The Town of Bridgewater has received a payment of \$324,778.33 from the Department of Corrections' FY 2022 budget earmarked for cities and towns hosting correctional facilities.

ORDERED: that the Town Council of Bridgewater, Massachusetts in Town Council assembled to vote to accept payment of \$324,778.33 into the Capital Stabilization Funds to appropriate for Capital needs

Explanation:

This order accepts one time non-recurring revenues from the DOC earmarked 2022 budget to the Capital Stabilization Fund for Capital Appropriations for the Towns Capital Needs

Committee Referrals and Dispositions:

Referral(s)	Disposition(s)
• B&F and FinCom	•



CHARLES D. BAKER
Governor

KARYN E. POLITO
Lieutenant Governor

TERRENCE M. REIDY
Secretary

The Commonwealth of Massachusetts
Executive Office of Public Safety & Security

Department of Correction
50 Maple Street, Suite 3
Milford, MA 01757
Tel: (508) 422-3300
www.mass.gov/doc



CAROL A. MICI
Commissioner

PATRICK T. DEPALO, JR.
MICHAEL G. GRANT
ROBERT P. HIGGINS
MITZI S. PETERSON
THOMAS J. PRESTON
Deputy Commissioners

December 3, 2021

Mr. Michael Dutton
Town Manager
Municipal Office Building
66 Central Square
Bridgewater, MA 02324

Dear Mr. Dutton:

The Department of Correction's FY 2022 operating budget contains funds earmarked for cities and towns hosting correctional facilities.

Based on the average state inmate population housed in your community from July 1, 2020 through June 30, 2021, a payment in the amount of **\$324,778.33** will be processed for the City of Bridgewater. This payment will be issued via the State Treasurer's Office and sent to your local Treasurer by electronic transfer. This payment has a scheduled disbursement date of December 8, 2021.

If there are any questions, I can be reached at 508-422-3332.

Sincerely,

Thomas Brennan
Budget Director

Cc: Thomas J. Preston, Deputy Commissioner Administration
Tara Calhoun, Director of Legislative Affairs
Kristine Marcotte, Director, Fiscal Services



Bridgewater Town Council

In Town Council, Tuesday, December 21, 2021

Council Order: O-FY22-035

Introduced By: Town Manager
Date Introduced: December 21, 2021
First Reading: December 21, 2021
Second Reading: January 4, 2022
Amendments Adopted:
Third Reading:
Date Adopted:
Date Effective:

Order O-FY22-035

CONTRACTUAL BUYOUTS

ORDERED, that the Town Council assembled vote to:

Pursuant to Section 6-4 of the Town of Bridgewater Charter, that the Town Council of Bridgewater, Massachusetts in Town Council assembled vote to appropriate and transfer \$100,748 from Employer's Liability Trust Fund to accounts as outlined

Source of Funds	Account No.	GL Account Description	Amount
EMPLOYEE SLLB LIABILITY TRUST	80045-596100	TRANSFER TO GF	\$ 100,748.00
Total:			\$ 100,748.00

Use of Funds	Account No.	GL Account Description	Amount
Salaries Police	02105001-519005	Salary Contractual Pay	\$ 87,651.00
Salaries Fire	02205001-519005	Salary Contractual Pay	\$ 13,097.00
Total			\$ 100,748.00

Explanation:

Contractual Buyouts for Retirement

Committee Referrals and Dispositions:

Referral(s)	Disposition(s)
• B&F and FinCom	•

ROLL-CALL VOTE REQUIRES MAJORITY OF FULL COUNCIL