

SPECIAL GLOUCESTER CITY COUNCIL MEETING
THURSDAY, November 5, 2009
7:00 P.M.
Kyrouz Auditorium – City Hall
Council Meeting 2009-027

Present: Council Vice President Sefatia Romeo-Theken, Councilor Joe Ciolino, Councilor Steve Curcuru, Councilor John “Gus” Foote, Councilor Jackie Hardy, Councilor Jason Grow

Absent: Council President Bruce Tobey, Councilor Sharon George, Councilor Phil Devlin

Also Present: Mayor Carolyn Kirk, Linda Lowe, City Clerk, Superintendent of Schools Christopher Farmer, Bob Whynott, Jack Vondras, Mike Hale, Jim Duggan, Paul McGeary, Frank Ventimiglia, Larry Durkin, Joseph Rosa

Flag Salute and Moment of Silence: In honor of the passing of Kathy Legendre and John Crowingshield.

City Council Meeting 2009-027 was called to order at 7:00 p.m.

Council Vice President Sefatia Romeo-Theken welcomed the new City Clerk, Linda T. Lowe.

1. Update from the Administration on Water Situation.

Mayor Carolyn Kirk stated she will review the packet she forwarded to the Councilors and appreciates this opportunity to come before them. Our intention is to ensure that lines of communication are open between the Council and the Administration and to get ahead of some of the information that will be coming out to the community in the next couple of days. We also have members of the team here speaking to some of the details.

When we refer to the Water Emergency, we are referring to the time period from between August 15, 2009 to November 1, 2009. That’s a little bit longer than we originally talked about when we last addressed the Council. The key events were the August 15th original failure at Babson, then the boil water order for a 20 day period in August and September; and then the switch to West Gloucester was another critical time where we had to make sure that the plant, after its capital repairs, was smooth and ready to go. There were some requirements from the Department of Environmental Protection (DEP) to get West Gloucester up and running. Right after that we made the switch to our new water contractor, Veolia, as of November 1, 2009. So between October 9th and November 1st there were some requirements that had to be put in place in terms of staffing plans and communication to DEP; the demobilization of United Water and the mobilization of Veolia. That has occurred and has been smooth and successful so far.

Just a couple of quick comments on Veolia. There were four firms that responded to the RFP. We had a selection committee that came together. Veolia was ranked 2nd by the selection team, but it was also ranked highly advantageous so there was some scoring. The #1 firm, over the life of the contract was almost \$4 million more expensive than Veolia. From a procurement standpoint it was felt that two highly advantageous ratings, even though Veolia was a little bit behind the #1 firm, we couldn't justify such a significant price increase and therefore chose Veolia. All the documentation on this process related to that selection is available at the Department of Public Works (DPW) office.

Because of the extension of the water emergency and the need to have run 24 hour a day-seven day a week crews right up past October 9th we needed another week or so make sure West Gloucester was running favorably around the clock. The revised cost estimate for the water emergency is \$600,000. We will know by the end of this month whether or not we will have free cash in the water enterprise account which we hope will pay a significant portion of that. As you know, we have implemented pretty strenuous collection procedures. We have adjusted the revenue calculations based on consumption. The City Council worked very hard with the Administration on calibrating the expenses and revenue of the water enterprise account; and as a result, combined with the collections, we are running a positive balance there. We think we'll be able to tap that free cash. We're not going to know until the end of November, but signs from the CFO are that we will, which is good news.

We have sent letters Rockport, Manchester and Essex thanking them for their assistance, and I have requested that I appear before the select boards of these communities to thank them in person. The letters are a part of the Mayor's packet. Our neighboring communities really helped rescue our water system. And that is not an overstatement.

As part of the water emergency because of the nature of the event where we had high bacteria levels, we were not compliant with DEP regulations; and we are obligated to send out public notice to that effect. Mike Hale, DPW Director and Larry Durkin, the City's new Environmental Engineer will speak about what both these notices mean. The second notice is because we are in violation of the disinfectant byproduct rule. The fix for the bacteria levels was to put in more chlorine into the system. When you dose the system with too much more chlorine you end up with byproducts. This leads to noncompliance, and that is the second notice to the public, to every water customer going out in tomorrow's mail to be in homes by November 9th.

Mike Hale, DPW Director, spoke about two public notices which they are obligated to submit to water consumers; one is for level of coliform bacteria found in our system in August and September which is Public Notice A. Basically it just describes some of the language in our drinking water permit to explain it to our customers. Notice B is a notice of chlorine byproducts. Disinfection byproducts are a result of chlorine mixing with organic matter which is naturally occurring in water, and they create disinfection byproducts, something which the EPA found in drinking water in the mid-70's. There are hundreds of disinfecting byproducts in drinking water and only a few are regulated.

Larry Durkin, Environmental Engineer for the City said with the disinfection byproducts with the violations is how that works, a sample taken every quarter. The chlorine was significantly added to reduce bacteria, and the chlorine in the water formed disinfectant byproducts. We have the public health team here to speak to this as well. It is a long term public health risk. Bacteria in the water are an acute risk. That's something that can cause problems immediately. With the disinfectant byproducts it is more of a chronic situation over multiple years. This is well explained in the notice, what the City is doing is moving ahead to address that. The notice is for the four running quarters. We had a very high level in September. It's going to take a couple of months to get off this. In the upcoming quarters we may have to issue this notice one or two more times. It is more of an issue in summer with the warm water. So, we're running off of West Gloucester which is a very good source of clean water. So the levels are down significantly already.

Mr. Hale explained the historical perspective on the City's water system. Currently, the maximum contaminant level is 80 micrograms per liter. It's just a benchmark. It used to be 100 micrograms per liter. From 1994-1999, the City had a running annual average of between 50 and 80. It did exceed 100 which was the benchmark in 2000. In 2001 we decided to hold back some of our chlorine. We injected it in a different point in our system and were able to decrease our chlorine by over 1/3. That was to prevent future disinfection byproduct exceedings. As the level went from 100 to 80, and three years ago it went to 60. So what we have is that we're trying to play catch up, making sure that the water is clean of bacteria, at the same time adding so much chlorine that we're not creating disinfection byproducts.

So what does the City need to do? We're looking at how we process our water, as the byproducts are created by organics in the water; we need to filter our water better. Our filters at Babson are very old. We don't have the same issues in West Gloucester. The running annual average has been maintained because West Gloucester has such good water quality. Babson is almost always over the maximum containment level. West Gloucester washes out to acceptable allowable limits. Going forward not only would our own capital planning but ordered by the DEP, looking at Babson to make some significant improvements there, improving the filters at West Gloucester, looking at chemical processes that will help us remove more organics from the water ahead of the filters; and also changing from a straight chlorine system to a percentage of a chlorine/ammonia system. What it does is that it allows you have chlorine last in your system much longer than straight chlorine does. As you probably remember from the summer, the outlying areas the chlorine would be eaten up by the time it gets to Magnolia or North Gloucester or East Gloucester. That's what happens with straight chlorine. If you add chloramine which is a combination of chlorine and ammonia, that lasts considerably longer. The combination lasts much longer and would reach the outlying areas. We have a big distribution area. Babson won't be back on line until the filters are replaced, the new chemical process is in place and the new disinfection process is in place.

Mayor Kirk noted on page 2 of the update that the City has received the draft administrative consent order from Massachusetts Department of Environmental Protection (MDEP). It will prescribe the upgrade plan that we'll be required to submit in the draft plan. There are two parts to the plan. The first is the statement of facts of what actually occurred. This is the beginning of the after action report that the City will be preparing. The City is currently verifying the facts as DEP understands them. We need to go through and verify the people they spoke to. Was it the City, was it United Water, etc. The second part of the order captures two major components - our need to submit an upgrade plan for Babson and what our plan is for chemical dosing. We have until November 18th to submit the City's response. There are time lines on the consent order that we are trying to negotiate. We all understand the work has to be done by end of May because the risk is that we run out of water in West Gloucester, and that is a very serious problem that we face as a City. So we know the drop-dead deadline. There are some milestone dates in between that we're trying to work through with the DEP. Once we have the enforcement meeting on November 18th where the City formally submits its response to ACO (probably having a bit of a revision on it), the document will be signed and then will be made public. That is the overview of that piece.

The Department and consulting engineers and the folks who are working on this have the punch list of the work needing to be done and have already begun. The best estimate is \$4.4 million for the repairs and overhaul of Babson and the distribution system which are the pipes also need investment. One of the things that happened this summer is you can get the water clean at the plant but then the pipes consume so much of the disinfectant that combined with the distance water has to travel, the quality of the pipes is severely impact the water quality as well. There is a lot of calibration that's being done. That estimate is about \$2 million. We are looking in the \$6 million range on capital improvements between now and the end of May. Contingency plans are being put in place right now for the vulnerabilities of an environmental nature, such as not enough snow and rain this winter and if the spring rains don't recharge West Gloucester and we become at risk of not having a sufficient water supply in West Gloucester. This update, this project is the #1 priority facing the City. It's the #1 priority of my administration and will become clear as we go through in the weeks ahead that it will be the #1 priority for City Council. The financing plan for the \$6 million is still being put together. We hope to have to it to the City Council by the end of November, early December. Federal and State money is *trickling* in. One of the things on the outside money on the water rate is our emphasis on any money that can go towards rate relief for either water or sewer so the money Congressman Tierney helped obtain of \$500,000 is earmarked for the waste water treatment plant. There is a \$13 million consent order and upgrade that is going on there. So that \$500,000 can go towards that. We got notice today that out of the trillions in Federal stimulus money we got \$400,000 for CSO. Ann Margaret Ferrante got \$100,000 for the seafood processors who were hit hard by the boil order. We are pursuing every single avenue. We will keep at this. What Gloucester needs is an earmark. The stimulus money ends up as a drop by the time it gets to us. The big money comes in earmarks and that's what we need to deliver the rate relief on the water and sewer for the rate relief for the citizens of Gloucester.

Mr. Hale spoke to the timeline. He anticipates opening Babson in the early spring to allow for capturing spring runoff. This recharges West Gloucester, which has a much slower recharging process. Because Babson is a smaller reservoir, it has a faster recharging rate. We haven't run West Gloucester for extensive periods of time. So this is going to be a very interesting winter for my staff. We recently found out that the transfer pumps haven't been used in a number of years just because the pump didn't work well. It was an energy hog which is why they didn't run it. It would have been more prudent to replace it, but it wasn't done. The whole system has to be reevaluated. Key staff is on these tasks, evaluating the whole incident. They're looking at what's worked well and what hasn't over a number of years. Both Frank (Ventimiglia) and Larry (Durkin) are on these tasks. To get improvements done at Babson Reservoir between now and May is going to be an extremely difficult task. There is procurement even though we have had some relief through DCAM (Massachusetts Division of Capital Assessment Management); it takes time to get plans and specifications in place. We still need to solicit for three quotes from qualified vendors to do the work. The work we just did at West Gloucester took the better part of four or five months to do and that's only a fraction of what we have to do to Babson. It's going to be a fire drill – it's going to be an "all hands on deck" at Babson for the next six or seven months. As far as running into contingency, we've already started a dialog with neighboring communities in the event that we have to borrow water. Obviously we'd like not to because change in flows don't sit well with our aging distribution system. That's the first and most obvious place to look. We're going to keep on developing other possibilities as far as contingencies. Managing our water more efficiently and asking our customers to conserve water when they can. I know that winter doesn't seem to be a time when you need to consider it, but we need to be sure we are ready to ask our consumers to be ready to conserve water. The \$2 million that the Mayor was speaking about for the distribution system is just a fraction of the main work needing to be done. That's the most important ones. We are talking a 12 month window here. We've put \$11 million through capital planning for needed water main work. \$2 million isn't the end of it. There is 120 miles worth of pipe where 60% to 70% needs replacing; it's that old and it's in that bad shape. All those water mains, their life expectancy have come to pass. We need to start it and get on a serious main replacement project going forward. Water main replacement projects need to be looked at as stand alone projects.

Mayor Kirk stated that once the administrative consent order is completed, and we've nailed down the exact capital investments necessary, we will put the financing plan forward. Again, we don't have all the answers. This is where we are now, and we are letting you know of our progress. It is a long road ahead of us.

Councilor Curcuru asked Mr. Hale six months? Is that what we're talking about? And the kind of funding that you're looking for is a band aid, isn't it.

Mr. Hale said yes, it will be at least six months and the funding is a band aid, but it is a band aid that we need. We can't operate Babson until this happens. It is not a long term fix for the City, but it will get us to a point where it will let us limp along to get to that long term fix. Right now we need two filtration plants. We need Babson and West

Gloucester. If there's going to be consideration of a single plant, in the near future, at some point we need to have two functioning plants and that is going to take 18 to 36 months to construct. That gives us a number of seasons to be going back and forth between Babson and West Gloucester. It is a band aid, but it is something we can't live without it.

Councilor Curcuru followed up asking this just makes us compliant until we decide to actually rehab or to build a water treatment facility?

Mr. Hale replied, not only compliant, Councilor, but it allows us the ability to have water. We can't produce non-compliant water. One of the issues that the DEP is concerned about is just that. Babson has too much deferred maintenance to come into operation in March or April with nothing. We need both sources of water for the time it's going to take us to make some good planning efforts on where we could site a new facility if we want to take that jump.

Councilor Curcuru asked of the \$2 million is the replacement of underground piping you spread out a figure on how much piping need to be replaced. What was that?

Mr. Hale responded it would be approximately 60 to 70 miles of pipe to replace, and \$2 million will replace 1.5 miles. But it may take care of some very critical pieces of our infrastructure, some of the weak links.

Councilor Curcuru then asked, if you're not ready besides borrowing water from our neighbors, what are your plans for contingency plans for supplying water to the City.

Mr. Hale stated there are contingencies under consideration such as portable potable stations that could help produce water from a full reservoir at Babson to help facilitate the community. But that is a last resort contingency. It's just not potable; it's sanitary, fire protection. There are a lot of issues that need to be addressed. It's not just about safe water to drink. Can I flush my toilets? Do I have water for bathing? It's not just about supplying clean water – it's about supplying water – period.

Mr. Durkin responded that a full contingency plan has already started the dialog with the DEP is that we need them to work with us on water management permits and to get an agreement that this is emergency from now until Babson comes back on line. So that will give us a chance to optimize all of the West Gloucester water system and to keep Dykes reservoir full as possible. Also, this includes operating the Klondike facility as much as we can. The thing is to not over pump these reservoirs, but to draw them down and then allow them to recover. Another part that is going to be a major part of the plan is cooperation with the whole community. We're probably going to have to get into some type of water restriction come the warmer weather. That's going to be based on availability of West Gloucester. Like Mr. Hale said, we've already started the dialog with the communities around us. We prefer not to get water from other communities. Gloucester really does have great sources of water. It's never been done to really

optimize the system in the West. We're already pumping from Haskell's into Dykes reservoir. It's getting the State on board and capture every drop in the system.

Councilor Foote stated he read the notification [to the water customers] and said it all sounds good, but could something like this be available easily so that public can have it, so hospitals and ice houses, processors can have it.

Mayor Kirk said yes, absolutely. It's required to mail to every customer, every business customer, every homeowner in the water system will get this information and also posting in public bulletin boards and also published in the paper

Councilor Grow asked Mr. Hale if he could identify the trouble spots he indicated that the \$2 million would go to repair.

Mr. Hale said the initial push for pipeline replacement will be an interconnection from Western Avenue through Essex Avenue to Bond Street. Right now Essex Avenue comes off Western Avenue and Bond Street, two very short dead end runs. We had problems there all summer. Water quality is poor. We had a water main break in this area last Christmas Eve. So we know the pipe is in poor shape and is very thin-walled. It would make sense that if we're trying to get water through the City that you connect the 20 inch to the 20 inch, not just leaving it hanging like it is; that, as well as the connection between the mainland and the island. I'm not sure if everyone understands that the water travels from West Gloucester to East Gloucester and East Gloucester to West Gloucester. Either way they each go through 20 inch pipes that go underneath the Blyman Canal through a masonry tunnel that was built in 1904. So that's the same pipe in the tunnel that breaks in the Boulevard once a year. If we had a break in the tunnel, all bets are off. We'd have no way to transfer water easily from East Gloucester to West Gloucester. The bridge would have to close indefinitely and have some sort of bypass across the bridge at Western Avenue. The tunnel also holds a gas main that supplies all the gas to the island part of the City. If the water main broke in the tunnel, you'd lose the water mains both ways and the gas feed onto the Cape as well. It's a very weak link in our system. That needs to be evaluated and replaced.

Councilor Grow then asked if that is part of the replacement plan.

Mr. Hale responded that this is part of the \$2 million fix. We have to replace the pipe in the tunnel as part of this fix.

Councilor Grow asked is the Administration going to put forward either fixing up multi-year rate and incorporating a contingency fee within that rate so that we can begin to build up capital account to address long term problems such as this? I'm talking about the additional debt service. In other words, once we do the borrowing, we're going to have additional debt servicing on the water enterprise accounts? I'm asking if we're looking at a long term plan of coming up with a rate that begins to plan for the fact that these additional projects when they come down the road we've begun to build up the reserves to pay for the debt service.

Mayor Kirk responded that right now the way we're securing the contingencies in that fund is through good management and good collections of revenue. That's not as precise as a line item that's funded for capital planning. In the last two years I think we've funded at least \$250,000 per year. Those will stay and need to grow. In terms of a multi-year rate, we had talked about it some time ago. Instead of having the Council vote a rate every year, if we had a solid capital plan at least out two or three years, lock in rate schedule over multiple years, that is probably ideal. However, if we had done it a year ago, none of us could have foreseen the immediacy and pace at which we're going to invest in the water system. We might hesitate at a multi-year rate, but absolutely a multi-year capital plan that's funded year over year within each budget makes all the sense in the world. Rate(s) can be adjusted

Councilor Grow asked once you get the \$6 million Babson fix done what are we looking at capital costs to do further line improvements and moving forward in the long term?

Mr. Hale responded that there are two pieces to this. Once Babson up and running, we have a little bit of breathing room. Distribution main work needs to be done, and that is a 10 to 15 year project. There is so much work to be done; we couldn't possibly get it done in a five year window. We will need a very aggressive but reasonable main replacement program going forward that, and I don't want to say automatic borrowing, but a plan to know what is it going to cost going forward what it is going to cost annually to borrow and just do the work on the financing with a combination of in-house and outside sourcing for the work to be done. Certainly Public Works can handle some of the smaller stuff. A lot of the larger distribution mains will need to be bid out. And then there is a bigger discussion of what does our water filtration plant look like in the future? It's not West Gloucester; it's not Babson. It's going to be something different. We need to come to grips with what that's going to be. We've talked about it for a number of years. The 2006 water needs report recommended that we start taking a look at that then. During the water emergency, there was a member of the EPA who was here 20 years ago who said the facility is the same as it was 20 years ago, and it wasn't said in a nice way. We need a new plant.

Councilor Grow said that he urged the Administration and the Council both when they approach the next budget to seriously consider a thoughtful look at the rates and putting in a contingency amount because these are not going to go away and the more you build them up, the better off you are. It's something we probably should have been doing quite some time ago.

Councilor Ciolino asked Mr. Hale what \$4 million will buy us at Babson. Is it a total gut out or is it a rehab of what's there? What exactly are the plans to get that place operational?

Mr. Hale responded that the facility is 45 year old building. The building's OK; it's the mechanical pieces within the building. Last spring we bid out new finish water pumps ahead of this whole issue. We knew the water pumps there were the original water

pumps. They're not energy efficient, so we bid that out. You're going to have three new high lift pumps there. The filter beds themselves, the components that filter the water, those are original filters. They don't work as well as they should. We replaced them completely in West Gloucester. The same rep looked at the ones at Babson, and he thinks those can be rehabilitated, not replaced. It's yet to be seen whether they can. But whether they can be rehabilitated or need to be replaced, we need to figure that out. As far as the chemical process goes, changes have to be optimized to make a better water product going through our filters. The more organics we can get out ahead of the filters, the better the water quality. We're taking a look at the chemicals needing to be used and optimized. The processes have changed over the last 45 years. The sedimentation basins, which were one of the main causes of the turbidity this summer, the automatic collection of the sludges that the parts that we settle out, that hasn't worked well since the plant came on line in 1964. The chains and these big paddles that scrape the sludge down to a disposal area, they break. They go unrepaired because of capital expense. They break two weeks after you spend \$75,000. So it seems like we need a new system. With a chemical process change, we may create a lighter sludge with less sedimentation, so maybe the chains and paddles will work better. The raw water intake, again one of the culprits from this summer, no one knows really what direction it flows. We know it comes from the reservoir to the plant but there's some question as to the valving of it. By design it's supposed to flow by gravity. We have to have raw water pumps going at all times there. We know we need the pumps when the reservoir levels get low; but even when the reservoir levels are high like it was all summer, the raw water pumps had to be operated. So there is a valving issue there. The operators have always had trouble controlling the flow into it with full sedimentation basins and raw water rushing in; you're asking for trouble. That's what happened on August 15th. It's the very basic components of the plant – raw water intake, sedimentation basins, chemical processes and filters that have to be replaced.

Councilor Ciolino asked what would be the life of Babson after the \$4 million investment.

Mr. Hale said it's difficult to say. We're not completely rebuilding that plant. We're just replacing the old parts that are there. You can run an old plant for some years but the question is, how good is the water quality coming out of there? You have an 11 inch sand media filtration system there. You don't see that anywhere. Most places are in the 3 feet range for their media. It's just the type of system that we have. It requires a whole lot of work ahead of the water getting there. It's outdated. You can operate something this outdated but for only so long. And during the process of getting this up and running we need to have a really good dialog on where the next filtration plant is going to be built.

Councilor Ciolino inquired who is doing the engineering for this. We have a new water company that's come in, and I was part of the selection team; and they all talked to us about the available engineers that they have on staff. Are they going to be participating in trying to get Babson on line again?

Mr. Hale said he anticipates they will be partners in this process. They are only five days into their contract. I don't think we want to push them into a 'hurry up and get it designed' mode right now. We have engineers at our disposal. We had a three year contract with one who is in year two of it who has done a fair amount of the engineering for us. Veolia will certainly be contributing to the water process section of this. They're not going to be constructing things for us right now. As we get further into the contact, perhaps. We need to get them up to speed at West Gloucester and at the waste water treatment plant and not distract them for our quick needs at Babson.

Councilor Ciolino asked what availability of all the components is for Babson. Are there things that need to be manufactured for that plant and will they be done by the summer?

Mr. Hale said certainly lead times are one of the issues we are concerned about. We're rushing to make sure we get our scope and specifications out to certified vendors so they can give us pricing on it so we can have the lead times needed. Some of these items are going to be 12 weeks out. The point of installing them is 14 weeks away. There are things we can do now. The finished water pumps can be installed between now and the first of year. There are a lot of things we can do as long as we manage our scope efficiently.

Councilor Hardy asked for her constituents as to whether United Water, the City's previous water contractor, was going to kick in for the cost of the overtime incurred by City to bring us back to normalcy.

The Mayor stated they trod lightly about United Water as long as they were the operating vendor operating our waste water and water treatment plants. They've been demobilized and they are no longer in the City's employ. What we are doing is compiling insurance claims from the City to our insurance company and giving notice of a claim being filed against United Water Company's insurer. We are compiling all the invoices; CDM, they were a significant part of the cost here. We are having them itemize their expenses and line it up with the duties they performed that should have been performed under the United Water contract. And so Legal is working through this and sorting through our options. Whether or not it leads to litigation is to be seen, and obviously, we would not comment on that in public session.

Councilor Hardy asked as relates to the Babson dam is that something we should be concerned about since we're not going to be using it

Mr. Hale responded certainly the nature of the Babson dam is concerning. We have done some work there recently. Work is ongoing for the next 6 months. We need to do it anyway to manage the raw water intake. We're looking at the old gatehouse and how that allowed water to bypass the spillway and just to the channel which led it out to the Mill River. We're trying to explore that so we can relieve the water from the lower side verses over the spillway which will relieve the weight of the water against the dam.

Councilor Hardy stated that we're not going to completely forget about the dam because we're so wrapped up in the infrastructure of the system.

Mr. Hale responded that without the dam, Babson doesn't do a whole lot for us.

Councilor Hardy had a question about the Capital Advisory Board and asked Mayor Kirk how recent is our report on the data that is contained in the Capital Advisory Board reporting?

Mayor Kirk said that Jeff Towne, CFO, has met once with the Capital Advisory Board. The Board needs to be re-commissioned. The challenge that we're facing is that all of the capital work being done is consent order work CSO waste water treatment plant and now the water plant. The challenge is to integrate the advisory board with consent order work. And that train is just leaving the station with deadline work that has to be met; and there's not lot of room for input. We just have to fulfill our obligations under those consent orders which all told are probably \$60 million of capital work when you take those three major areas and put them all together. That is not to say we shouldn't have a capital plan longer term. We will be looking for volunteers from the community for service on the Capital Advisory Board and to work in a meaningful way with our CFO in terms of understanding as to how to fund the capital projects that end up on the list.

Councilor Hardy asked, would you agree it's not only consent order work that needs to be done in the City that would add to the \$60 million; aren't there other infrastructure work as well?

Mayor Kirk said absolutely, the capital list is \$175 million to \$200 million; there is significant work, over many years into the future, but the consent order work is significant and expensive, and it's sitting on the water and sewer rates. So that's been the immediate focus of the initial \$60+ million. We need to take a longer view and engage a strong advisory board in creating a realistic plan that can be funded over five to ten years.

Councilor Hardy stated it is a valuable tool and expressed her willingness to work with the Mayor to make sure that the report is brought up to date.

Councilor Hardy asked Mr. Hale to respond to her questions regarding chemicals. The chloramine, is that something we're using now or is that something we're switching to?

Mr. Hale responded that it is a change to it, and it is a process. A fair amount of public notice has to be done in advance of that change.

Councilor Hardy asked if these chemicals are more expensive or less expensive chemicals than using now and what kind of an impact would this have on our budget?

Mr. Hale said he doesn't know yet as there hasn't been a large analysis of the costs. He doesn't anticipate that will be a budget breaker on that. We're going to do away with

some, increase some, and decrease some. The actual physical components of it but the buying of the chemicals, I don't consider that to be a big cost.

Councilor Hardy asked Mr. Hale if he considered that this is an emergency situation that the City is in at this time.

Mr. Hale said yes, he considers this an emergency situation.

Councilor Hardy stated she knows we're in a national public health situation, and the Board of Health has been allowed certain leeway in purchasing, etc. Would this be tantamount to asking for some kind of waiver as to purchasing?

Mr. Hale said we have, actually. We've done that, and we're in the process. Jim Duggan has spoken to folks at DCAM about some kind of relief that we may be eligible for. It's limited, certainly. But if we can get out of any portion of that, it will allow us to have a little more flexibility going forward; and they have been receptive to giving us some flexibility.

Councilor Grow asked a follow up question on borrowing issue and the time frame. We have six months of work to do that needs to be done before May. Just in the process of borrowing, we have to have a public hearing, advertisements to get out, etc. Are you prepared to expedite the process to get that done before the end of December?

The Mayor stated she'd like this Council to vote the appropriation. There is some balance available from previous authorizations that have been voted that we may have to reprogram which would be another vote of the Council with a public hearing in advance of that. Jeff Towne, CFO, is working on timing.

Councilor Grow asked in reference to the CIAB and the suggestion that even though these are consent order projects, if we had an engaged, involved Capital Improvement Advisory Board, frankly, to their credit, they've done a lot of work, despite the fact that we routinely ignore them both in the City and on the Council; and we've tried to resolve that issue. With the consent orders, the sooner they're brought into the process to review these, even though they need to be done, it's to the better. Their input and consistency of understanding of what's going on as we move forward will be valuable, and we should actively engage them so that they're routinely a part of the process. The Council really should not be making decisions on borrowing without some recommendation from that board moving forward.

Councilor Grow then asked if there are any Board of Health concerns on the drinking water because what we're dealing with here is a potential public health problem.

Joseph Rosa Chairman of the Board of Health responded. He stated that one of the public notices speaks to the violation of the trihalomethanes or TTHM, that disinfection by-product is one of several, and Gloucester has been in violation of the 80 parts per billion limit for this past reporting period. TTHM's are something you don't want in the

water; and that's why the EPA and the DEP puts a limit on them. However, they're dangerous only over the very long term or in extremely high doses. And those dangers are significant. They can be carcinogenic and cause other problems. We are, hopefully, not going to see this happen for years. It's an immediate issue that's being dealt with. The levels are not extremely high; and hopefully, they won't stay above the limit very long. So, right now the water is safe for all purposes; and, hopefully, will stay that way if we can move on all these things we've heard about this evening.

Councilor Grow asked about potential fines and penalties the City could be facing.

The Mayor stated that on the administrative consent order the penalty line on the draft is blank. But there is a line there, and there is a calculated penalty. We will negotiate with the DEP based on the argument that any monies need to be put towards capital improvements. She doubts we'll escape without a penalty on this. They will probably demand some penalty. It will not exceed approximately \$80,000, but it's not in \$400,000 to \$500,000 range.

Councilor Romeo-Theken thanked them for coming this evening to update the City Council. She related that she had meeting with Mr. Duggan and thanked him for going over the fines and helping to bring them down because it could have been higher. Every person who has a water bill will be getting these letters. They'll be on the City website, at the City Clerk's office; it will go into the newspapers, etc. The \$600,000 and the \$500,000 in federal funds obtained through Congressman Tierney can't be used to bring down the water rates?

Mayor Kirk said there is a chance in the discussions with Tierney's office that the money coming though the EPA may be able to be reallocated over to the water side of the equation. Either way it doesn't really matter because both go on the rate. We can bring the sewer rate down a little bit or not raise the water rate as high.

Councilor Romeo-Theken said right now, as Councilor Curcuru said, it's a band aid that has to be done. But the DPW Director, Mike Hale said it has to be done. If not, we're looking at what happened this summer. If we don't fix the piping, we won't have any running water. So, obviously, we have to pay out \$600,000 for the past. We have \$6 million we need to look at now within five months. So now we're looking at water rates and sewer rates. We need to really get together and really generate utility bills so that we understand what needs to be done. No one could have imagined what happened this summer. If we don't fix those pipes under the tunnel we're looking at a major crisis. So we need to focus on this now. If you want this City Council to go through with this budget, we need to look at this now and whether it's to call an emergency meeting of the City Council. She told the Mayor and her staff that they were doing great, and said she really appreciated Mr. Duggan for his time and introducing Mr. Durkin to her also, and explaining the entire process to her in order to better understand the situation that the City is facing.

2. Consideration of MSBA Resolutions Prepared by the School Department and Reviewed by The Budget and Finance Committee.

Councilor Grow said that he will read a series of motions that need to be passed in order to submit the annual application for consideration of funding opportunities that they may have available to us out to the Massachusetts School Building Authority (MSBA). The Budget & Finance Committee voted unanimously to recommend the acceptance of these following resolutions as written. We have to read them into the public record for the purposes of the requirements of the MSBA. There are seven motions, and we have to vote on each one of them.

Councilor Ciolino asked that Superintendent Christopher speak to the Council with regard to the meaning of the motions so that the people at home can understand the proceedings.

Mr. Farmer explained that two years ago the Massachusetts School Building Association (MSBA) introduced new arrangements under which municipalities can make proposals for funding for the repair and replacement of some schools. Each year after that these proposals can be resubmitted. They call it a “refresh of the proposals”. It is important that we provide information to MSBA to ask them to help us provide for schools that are appropriate for our children. The MSBA Executive Director, Ms. Craven, visited the City a little while ago and was at a special meeting of the School Committee at the behest of Senator Tarr and Representative Ferrante. She indicated she is willing to press for consideration of a replacement school for West Parish. The resolutions that Councilor Grow has before him are in the language required, specified and prescribed by the MSBA. It is necessary for the City Council to approve them in order that we have a marker down that Gloucester needs the MSBA’s help. Maybe he could provide some reassurance because one of the priorities as contained in Priority 1 states: “Replacement or renovation of a building which is structurally unsound or otherwise in a condition seriously jeopardizing the health and safety of school children, where no alternative exists.” Now, none of our schools are about to fall down, nor are they unhealthy, but we do have a series of situations particularly in terms of the conditions of the roofs that if something is not done fairly soon, we are going to have more water penetration, and that will cause problems with the structure of the buildings and air quality problems. It is on that basis that we are asking for help under that priority. Your approval of the motions commits you to no expenditure whatsoever and it commits the MSBA to no expenditure whatsoever either. Essentially it’s a request for outlining planning permission so that discussions can then take place about the municipality’s priorities.

Councilor Grow reiterated that there is no financial commitment on the part of the City. Should the MSBA choose to grant us any funding opportunities in the future, those would come forward to the Councilors as every other funding opportunity does and would be considered and taken up for a vote.

Councilor Ciolino asked if handicapped accessibility is included in these priorities.

Mr. Farmer said detailed proposal that will go forward will address the ADA compliance in any of the schools if there is any planning to be done.

Councilor Foote asked how do you tell school children and parents that their school is safe and not to shift their children elsewhere because of that.

Mr. Farmer stated that the language is prescribed by the MSBA. It is very important that we tell them that some of the schools are very old and several of the elementary schools have 20 year old roofs, beyond their reasonable lifespan. The Mt. Vernon report stated that utilities in most of the schools are beyond their normal life expectancy. I could choose to take out that priority, but it seems to me that if attention isn't given soon to our schools, that will apply. I'd rather exaggerate slightly than leave the MSBA with the impression that our schools are OK. As I said in my opening remarks, our schools are safe and healthy but unless we are able to do something fairly soon that condition could change.

Councilor Grow said that it's important to recognize here that the MSBA is clearly saying that if you do not ask us explicitly, we do not give to you. And therefore, it is imperative that you have to ask slightly more than you might need in the hopes they give you some of that coming forward. These schools need a lot of work. We have to ask in the way the MSBA asks for it to go to them. It is not an actual reflection on the safety of our schools and day-to-day health of these buildings.

MOTION: On motion of Councilor Grow, seconded by Councilor Ciolino, the City Council voted by Roll Call 6 In Favor, 0 Opposed to adopt in accordance with its charter, by-laws and ordinances to authorize the Superintendent of Schools to submit to the Massachusetts School Building Authority (MSBA) the Statement of Interest dated October 2009 for the Beeman Memorial Elementary School located at 138 Cherry Street, Gloucester, Massachusetts 01930, which describes and explains the following deficiencies and priority category(s) for which Gloucester may be invited to apply to the MSBA in the future:

Priority 1: Replacement or renovation of a building which is structurally unsound or otherwise in a condition seriously jeopardizing the health and safety of school children, where no alternative exists.

Priority 5: Replacement, renovation or modernization of the heating system in a schoolhouse to increase energy conservation and decrease energy related costs in the schoolhouse.

Priority 7: Replacement or addition to obsolete buildings in order to provide for a full range of programs consistent with state and approved local requirements.

and hereby further specifically acknowledges that by submitting this Statement of Interest, MSBA in no way guarantees the acceptance or the approval of an

application, the awarding of a grant or any other funding commitment from the MSBA, or commits the Gloucester Public School District to filling an application for funding with the MSBA.

MOTION: On motion of Councilor Grow, seconded by Councilor Ciolino , the City Council voted by Roll Call 6 In Favor, 0 Opposed, to adopt in accordance with its charter, by-laws and ordinances to authorize the Superintendent of Schools to submit to the Massachusetts School Building Authority (MSBA) the Statement of Interest dated October 2009 for the East Gloucester Elementary School located at 8 Davis Street Extension, Gloucester, Massachusetts 01930, which describes and explains the following deficiencies and priority category(s) for which Gloucester may be invited to apply to the MSBA in the future:

- Priority 1: Replacement or renovation of a building which is structurally unsound or otherwise in a condition seriously jeopardizing the health and safety of school children, where no alternative exists.**
- Priority 5: Replacement, renovation or modernization of the heating system in a schoolhouse to increase energy conservation and decrease energy related costs in the schoolhouse.**
- Priority 7: Replacement or addition to obsolete buildings in order to provide for a full range of programs consistent with state and approved local requirements.**

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MOTION: On motion of Councilor Grow, seconded by Councilor Ciolino, the City Council voted by Roll Call 6 In Favor, 0 Opposed, to adopt in accordance with its charter, by-laws and ordinances to authorize the Superintendent of Schools to submit to the Massachusetts School Building Authority (MSBA) the Statement of Interest dated October 2009 for the Plum Cove Elementary School located at 15 Hickory Street, Gloucester, Massachusetts 01930, which describes and explains the following deficiencies and priority category(s) for which Gloucester may be invited to apply to the MSBA in the future:

- Priority 1: Replacement or renovation of a building which is structurally unsound or otherwise in a condition seriously jeopardizing the health and safety of school children, where no alternative exists.**
- Priority 7: Replacement or addition to obsolete buildings in order to provide for a full range of programs consistent with state and approved local requirements.**

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MOTION: On motion of Councilor Grow, seconded by Councilor Ciolino, the City Council voted by Roll Call 6 In Favor, 0 Opposed, to adopt in accordance with its charter, by-laws and ordinances to authorize the Superintendent of Schools to submit to the Massachusetts School Building Authority (MSBA) the Statement of Interest dated October 2009 for the Veterans' Memorial Elementary School located at 11 Webster Street, Gloucester, Massachusetts 01930, which describes and explains the following deficiencies and priority category(s) for which Gloucester may be invited to apply to the MSBA in the future:

- Priority 1: Replacement or renovation of a building which is structurally unsound or otherwise in a condition seriously jeopardizing the health and safety of school children, where no alternative exists.**
- Priority 7: Replacement or addition to obsolete buildings in order to provide for a full range of programs consistent with state and approved local requirements.**

and hereby further specifically acknowledges that by submitting this Statement of Interest, MSBA in no way guarantees the acceptance or the approval of an application, the awarding of a grant or any other funding commitment from the MSBA, or commits the Gloucester Public School District to filling an application for funding with the MSBA.

Councilor Grow touched upon the issues facing West Parish School. He stated that in a message from Executive Director Craven of the MSBA is that this pool of money that is available is very time sensitive; and is given to communities that are ready to act. This represents \$25 million to \$30 million; 48-50% can be had from them, depending on considerations for design and the like. If this community turns this money down from them and turns down this opportunity, then this opportunity will not come around again in the near future. All of our elementary schools are Eisenhower administration aged. They are old. Our schools are going to need replacing. As many problems we have with the infrastructure, this is one of them. This is equally important because if you don't have schools where children can learn you will have an outflow of families or the perception of the need for outflow of students, families taking their children to be educated elsewhere, which will further exacerbate our school system problems. I seriously urge the City Council and the community to understand the importance of this application and to please support this application for the **new construction**.

Councilor Hardy asked Mr. Farmer about the item noted as Priority 4 as it relates to West Parish School. This is not noted on any other of the motions on any of the other schools. Overcrowding is the priority that is causing this one to be replaced.

Mr. Farmer says it's a mixture of things. The building is not in good condition. The heating system, while we have done work on the boilers, the heat is transferred through pipes set in concrete floors. They are deteriorating quickly. You'll notice some of the rooms were built by the community not so long ago. When you visit the school, it lacks the kind of facilities that should be in place to appropriately provide physical education, occupational therapy, speech therapy. Lunch rooms are inadequate. We have multiple lunches which affect the teaching and learning; and West Parish is the worst. The other argument that we make is that it's been experienced by other municipalities that where you replace schools, families who have choiced out come back to the schools. And clearly, we have an interest in the Magnolia area of attracting families back into Gloucester who maybe go over the border to Manchester/Essex for instance. We see that as part of the argument for keeping Gloucester students in Gloucester.

Councilor Hardy asked are you planning to rebuild on the current site or are we looking at another site?

Mr. Farmer said some work has been done looking for another site, but it doesn't look good. They don't think one of the alternative sites is buildable and for adequate green space. The alternative would be to rebuild at the current site with a multi-story school. They would move West Parish students into Fuller until the new building is built, if Fuller is not being used at the time. When the City of Beverly remodeled schools, they did exactly the same process and utilized another facility for one school after the other.

Councilor Hardy said if we were lucky enough to get the funding and the nod on this, how long would the reconstruction take on site?

Mr. Farmer said we don't know. We're at the start of a process, but it was encouraging that the MSBA Executive Director showed an interest in the site. This is probably a four or five year project.

MOTION: On motion of Councilor Grow, seconded by Councilor Ciolino, the City Council voted by Roll Call 6 In Favor, 0 Opposed, to adopt in accordance with its charter, by-laws and ordinances to authorize the Superintendent of Schools to submit to the Massachusetts School Building Authority (MSBA) the Statement of Interest dated October 2009 for the West Parish Elementary School located at 10 Concord Street, Gloucester, Massachusetts 01930, which describes and explains the following deficiencies and priority category(s) for which Gloucester may be invited to apply to the MSBA in the future:

Priority 1: Replacement or renovation of a building which is structurally unsound or otherwise in a condition seriously jeopardizing the health and safety of school children, where no alternative exists.

Priority 4: Prevention of severe overcrowding.

Priority 5: Replacement, renovation or modernization of the heating system in a schoolhouse to increase energy conservation and decrease energy related costs in the schoolhouse.

Priority 7: Replacement or addition to obsolete buildings in order to provide for a full range of programs consistent with state and approved local requirements.

and hereby further specifically acknowledges that by submitting this Statement of Interest, MSBA in no way guarantees the acceptance or the approval of an application, the awarding of a grant or any other funding commitment from the MSBA, or commits the Gloucester Public School District to filling an application for funding with the MSBA.

MOTION: On motion of Councilor Grow, seconded by Councilor Ciolino, the City Council voted by Roll Call 6 In Favor, 0 Opposed, to adopt in accordance with its charter, by-laws and ordinances to authorize the Superintendent of Schools to submit to the Massachusetts School Building Authority (MSBA) the Statement of Interest dated October 2009 for the O'Maley Middle School located at 32 Cherry Street, Gloucester, Massachusetts 01930, which describes and explains the following deficiencies and priority category(s) for which Gloucester may be invited to apply to the MSBA in the future:

Priority 1: Replacement or renovation of a building which is structurally unsound or otherwise in a condition seriously jeopardizing the health and safety of school children, where no alternative exists.

Priority 5: Replacement, renovation or modernization of the heating system in a schoolhouse to increase energy conservation and decrease energy related costs in the schoolhouse.

Priority 7: Replacement or addition to obsolete buildings in order to provide for a full range of programs consistent with state and approved local requirements.

and hereby further specifically acknowledges that by submitting this Statement of Interest, MSBA in no way guarantees the acceptance or the approval of an application, the awarding of a grant or any other funding commitment from the MSBA, or commits the Gloucester Public School District to filling an application for funding with the MSBA.

In reference to the Gloucester High School, as well as the others, **Councilor Foote** asked Mr. Farmer that after all this is done, if nothing is coming from the MSBA, what happens?

Mr. Farmer said not a lot. While the School Committee has a capital program, the reality is as you've been hearing this evening, the water system is in crisis. His assumption is that we will continue to do in the future. We occasionally have problems at the High School at the lowest levels of penetration of water which is a problem. The field house has a floor coming up which we've known about for some time. You authorized a while back \$1 million to replace part of the roof, but we didn't replace the whole of the roof. While the high school looks to be in good order, it is in fact, not.

Councilor Ciolino asked how would this effect the vocational school? Would this affect the expansion of it?

Mr. Farmer said you have to look at the commitments you have over time. You have the charter school issue, the regional vocational membership issue, the potential for expansion the vocational high school program. Room usage is way beyond what it should be. His expectation is that down the line some opportunities may come and some of those opportunities may cause some difficult choices about priorities.

MOTION: On motion of Councilor Grow, seconded by Councilor Ciolino, the City Council voted by Roll Call 6 In Favor, 0 Opposed, to adopt in accordance with its charter, by-laws and ordinances to authorize the Superintendent of Schools to submit to the Massachusetts School Building Authority (MSBA) the Statement of Interest dated October 2009 for the Gloucester High School located at 32 Leslie O. Johnson Road, Gloucester, Massachusetts 01930, which describes and explains the following deficiencies and priority category(s) for which Gloucester may be invited to apply to the MSBA in the future:

Priority 1: Replacement or renovation of a building which is structurally unsound or otherwise in a condition seriously jeopardizing the health and safety of school children, where no alternative exists.

Priority 7: Replacement or addition to obsolete buildings in order to provide for a full range of programs consistent with state and approved local requirements.

and hereby further specifically acknowledges that by submitting this Statement of Interest, MSBA in no way guarantees the acceptance or the approval of an application, the awarding of a grant or any other funding commitment from the MSBA, or commits the Gloucester Public School District to filling an application for funding with the MSBA.

Councilors Request to the Mayor. None

Condolences were again extended by Councilor Romeo-Theken and the City Council to the families of Kathy Legendre and Crowningshield.

ADJOURNMENT

MOTION: It was moved, seconded and voted UNANIMOUSLY to adjourn the Special City Council Meeting at 8:40 p.m.

Respectfully submitted,

**Dana C. Jorgensson
Clerk of the Committees**