



Chelmsford Water District

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CHELMSFORD WATER DISTRICT EXECUTIVE SESSION JULY 21, 2021

PRESENT: Commissioners: John G. Harrington
Bill Martin
Ron Wetmore
Superintendent: Andy Reid
Business Director/Treasurer: Lisa Quatrale
Attorney James A. Hall
Recording Secretary: Ruth Anne Blair

Meeting opened at 12:17 – open session. Chairman Martin called for executive session – purpose #6 – to consider the purchase, exchange, lease or value of real property – Millstream Property

Commissioner Martin called Roll Call.

SUBJECT: Lease or Purchase of the Millstream Foundation Property at 97 -99 Mill Road, Chelmsford

Attorney Hall had reviewed Chelmsford Water District's charter and bylaws to make sure the lease or purchase of the Millstream Foundation Property would be covered under these documents.

INSURANCE COVERAGE – Insurance coverage would most likely have to be increased, due to the possible liability that could result from the failure of the dam. The insurance company would have to be willing to take on this type of risk. If they would not, then they would decline coverage. These types of dams are regulated by the State and are subject to their rules and regulations. The State is in the process of requiring the removal of this type of dam that could present a liability to the Commonwealth if they were to fail or rupture. The District would have to decide if it would want to take on the expense and liability if this should occur.

SUGGESTIONS – Attorney Hall suggested that before entering a Lease or Purchase Agreement a Hazardous Waste Consultant be hired to make sure the water in the dam is compatible with the District's water treatment processes.

FIDUCIARY ISSUE – Attorney Hall noted that the original owner's will contained an endowment for maintaining the dam. More research needs to be done to determine if there are any restrictions in the will that would prevent the District from managing/maintaining the property. The Property board has created two corporations from this endowment. One corporation covers the land and water, the

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second controls the endowment. He emphasized that the District should do due diligence prior to entering into any lease or purchase agreement.

LEASE/PURCHASE – funding to lease or purchase this property would have to be approved by the water takers at a Corporation Meeting. They would have to be convinced that the lease/purchase was appropriate, especially if it would not be a water source.

DISCUSSION – Commissioner Harrington supports pursuing the lease or purchase of this property. Commissioner Wetmore was not satisfied with some of the answers the Property Board supplied to our list of questions. They would not elaborate about what past maintenance costs were. He said if the District did gain control of this property, he would like to see it remain as it is. The District does not have any experience with maintaining a dam.

Commissioner Martin asked what the upside would be to the District to control this property. At this time, it is not a source of water. The Town and the Conservation Committee are not interested in purchasing this property.

Ms. Quatrala had financial concerns and whether it really is aligned with the District's Charter and Mission.

Commissioner Harrington felt that it could become a viable water source 50 years or so in the future, with changes in technology and science.

Commissioner Harrington made a motion, seconded by Commissioner Wetmore, that the Chelmsford Water District pursue either the lease or purchase of the Millstream Foundation Property. Commissioner Harrington voted AYE, Commissioner Wetmore voted NO, Commissioner Martin voted NO. Motion did NOT pass.

At 1:00PM Commissioner Martin declared the Executive Session adjourned.

Ruth Anne Blair
Recording Secretary