

DENNIS WATER DISTRICT

Board of Water Commissioners

Minutes of Meeting held

July 28, 2022

A meeting, having been duly posted, was held this date at the Stone Hearing Room, Dennis Town Hall, 685 Route 134, South Dennis and called to order by Paul F. Prue, Chairman at approximately 10:01 AM. Water Commissioners Peter L. McDowell and Robert M. Perry was present. Also present were David Larkowski, Superintendent and Sheryl A McMahon, Treasurer.

The Pledge of Allegiance was recited.

Public Information

Mr. McDowell noted that the Superintendent had provided a dump truck to Sesuit Harbor to collect trash. His concern was the Town's inability to provide the trash pickup as it was needed. Chair Prue said that he did not have an issue with it and relies on the Superintendent's judgement. He also noted that the citizens and ratepayers of the Town and District are the same. Mr. Larkowski explained that at a time of the request, the Harbor's dumpsters were overflowing and the Department of Public Works was unresponsive to assist. He further stated that over the years, when any Town department requests assistance, if able, he provides it and he expects that a Town department would reciprocate without hesitation if he asks for assistance. Mr. Perry said the cooperation among Town Departments and the District was important and would not consider it an issue unless it became frequent and was not a two-way-street.

Review and Consider Award of Audit Services Contract

Ms. McMahon (participating remotely) advised the Board that a response for the Request for Auditing Services Proposal (RFP) was received from Roselli. She noted that the firm had provided audits for a number of water utilities and recommended that the Board award the contract to Roselli after reviewing the price proposal to insure that it fits within the budget. She further noted that they were the only responder out of six that she sent. The firms she sent the RFP to were the same ones that were provided on a list to the Board last January. A matrix of which firms had been solicited, which ones had acknowledged receipt and the reasons provided from several of those that did not submit a proposal. Chairman Prue noted that the firm has done quite a number of audits on the Cape. Mr. Larkowski distributed copies of the price proposal to the Board.

Mr. McDowell noted that for a very long time, the auditing firm had been selected by the Clerk/Treasurer. He said that you usually do not have the individual or department being audited choose the auditor that will be evaluating their performance. He reminded the Board that it was the Commissioners that voted to make the selection. He said he would like to pause and not make the decision today. He said if the Commissioners have only one firm to select, then we don't have a choice. He asked that the Board not rush into a decision. Ms. McMahon confirmed that the District is not a member of MMA [Mass. Municipal Assoc.].

Ms. McMahon responded by saying that the discussion regarding the selection of an auditor has gone on for at least 18 months to two years. She noted that the audit for FY 2021 has not been done and that FY 2022 is getting ready for closing entries. Ms. McMahon reminded the Board that the selection of an auditing firm is exempt from procurement law. Previously, Ms. McMahon would simply solicit quotations from auditing firms. This solicitation had a formal RFP that was approved by the Board was

sent to a list of firms that had also been provided to the Board. Ms. McMahon advised that CliftonLarson is the auditing firm for the Town of Dennis which she noted has not formally solicited proposals in at least six to eight years. She further advised that in procurement law, just because only one response was received, it does not dismiss the process. If the one responder is dismissed and they are otherwise qualified, they may have recourse against the District for unfair treatment. Ms. McMahon reminded the Board that the District has short-term notes outstanding and the market is asking for copies of the audit. She recommended that, if the prices submitted are within a budgeted range, then she would highly recommend that the Board award the contract to Roselli. Chairman Prue saw no reason not to award the contract.

Mr. McDowell said he believed that the Commissioners are not making the decision and he will vote “no” because having only one firm is not a choice and it is not the Board’s decision. Mr. Perry said he appreciated Mr. McDowell’s concerns and he also understood and had a number of questions concerning the proposal. He noted that, unlike many instances of procurement, there is not the benefit of licensure and considered CPAs a special breed. He believed that the procurement of a CPA is exempt because they are bound to the licensure standards. Mr. Perry advised that he had not reviewed the RFP because he was not on the Board at the time and he did not know the qualifications of companies that did not submit a proposal. He said he was impressed with the Roselli Clark proposal as it reflects their experience with many other similar financial entities. He said given that we have the ethics of a CPA firm that is bound by law and the Government Accounting Standards Board to deliver an audit, that there is some safety in that. He said it would be important to make the decision based on the price quoted being on parity. He understood the urgency to move on this today because we are already behind. He asked about the urgency of getting the FY 2021 done. Ms. McMahon stated that this was a list of the most prevalent, well-respected firms. She noted that the rating houses have been requesting a copy of the FY 2021 audit as it is late. She further advised that these firms conduct most of the municipal audits and, if they are not already under contract, they will be responding to larger entities and may not be available to conduct the District’s audit. She agreed with Mr. Perry that these firms are professionally bound to provide the financial statements in accordance with government accounting standards and that these reports are filed with the Department of Revenue. She further advised that the audit is for providing financial statements that the markets can rely on as being a true reflection of the financial position of the Dennis Water District. She recommended that the Board open the price proposal. She suggested that if the price was, for example, \$50,000, well that is not a price the District can afford. She recommended that if the price was under \$20,000, award the contract and the Board can review the process again when it is time to solicit for the next three-year contract.

A motion was made by Robert M. Perry and duly seconded that the Board open the price proposal. Mr. McDowell commented that he would vote no because he believed that we have not complied with the lawful practice and asked for a delay.

As Clerk, Ms. McMahon clarified that the motion was to open the price proposal and there was not action pending to award the contract. Mr. Perry said that earlier he considered opening the price proposal because it was only fair to Roselli & Clark and to reject it. However, if the price was not reasonable the Board should consider postponing the decision. He said this was a tough decision, but because we are dealing with licensed CPAs, we are reasonably safe from being taken advantage of by a single bid. The Board **VOTED: 2-0-1 (PLM abstaining) to open the price proposal.** Ms. McMahon recalled the last price paid to Sanders, Walsh and Eaton to be around \$14,000. Chairman Prue announced the price quoted as: FY 2021 - \$15,000, FY 2022 - \$15,500 and FY 2023 - \$16,000. Mr. Perry said that if the price is on par with past experiences, it is good to change accountants. Mr. Perry asked if during the course of the contract could it be cancelled? Ms. McMahon said that if there was a legal reason to in accordance with the contract. She confirmed that if the conditions of the contract were not being met, it could be terminated. The Board took a few minutes to review the price proposal.

On a motion made by Robert M. Perry and duly seconded, the Board **VOTED: 2-1-0 (PLM) to award the contract for three years.** Ms. McMahon said she would advise when the contract was available to sign.

Chairman Prue asked the Treasurer to provide her report.

Treasurer's Report

Ms. McMahon advised that water bill preparation is in the last week of obtaining reads from meters we were unable to read during the regular cycle. She anticipated that the bill file will be sent to GlobeDirect on Monday with a billing date of August 8. Ms. McMahon expressed her appreciation for all the efforts made by her staff and the water works staff that go out to read. She noted that the weather was very hot and dry while reading and that the water works staff often times endured some rude remarks while they are out reading despite being in bright yellow shirts clearly identified as Dennis Water District.

Update: Old Bass River Tank Painting Project

Mr. Larkowski is a capital project for this year and was estimated at \$1.4 million for painting. The specifications are complete and the advertisement for bids will be August 3. A non-mandatory pre-bid site visit is scheduled for August 24. The bids are due August 31 at 2:00 PM. The project requires sandblasting down to bare metal, Class 1A containment and the site is tight. He said the District will be cutting down some trees and moving the electric service. For this project, the pole will be relocated and then put the electric service underground to the tank to mitigate the risk. Mr. Perry asked if there will be a structural inspection once the blasting is done. Mr. Larkowski explained that that was conducted when the tank was taken out of service to do an evaluation. He noted that an inspector will be on-site during the project and look for any work that needs to be added while the painting is underway. The Superintendent responded that this is the last tank to have the electrical service addressed.

Update: Water Levels and Water Conservation Restriction

Mr. Larkowski noted that the State declared a Level 1 drought for the Cape despite already knowing this condition earlier this year. Groundwater levels started out low for the season. We are not even in the normal area for the groundwater monitoring USGS well in Brewster. He said we are about where we were last year. He said there are wells still not pumping at capacity. He said that there are customers helping out by watering every other day and some that are still watering everyday. He advised that they are very busy and still short-staffed. He said that they are in somewhat of a "pickle" right now as they have had some mechanical issues with some wells and low water tank alarms on the north side of town. He said there have been some pump failures and it has been tough. He said it is this way for all Cape water departments. He said the odd/even watering by customers has helped and we could also use a couple more wells, but that takes years. Mr. Larkowski noted a number of wells that were "spun back" because of low water levels.

Continued Discussion Regarding Water Rates, Fees and Billable Rates. .

Mr. Larkowski said that he and Ms. McMahon have been busy lately and wanted to keep this on as a discussion place-holder. He said they have not done any new work on the topic, but shared that in the future they would like to present something to the Board in more detail as a budget item.

Superintendent's Report

The Superintendent noted past PFAS testing at the District and had a detection at the South Treatment Plant (STP). The STP is an entry point for five wells. The maximum contaminant level (MCL) for PFAS is 20 parts per trillion (ppt). The first detection was at 2.4ppt at STP. Further testing confirmed it was from Well 5 and 16. Because of the dilution as the water with non-detection is blended with Well 5 and 16 it lowered the overall detection to the 2.4ppt. Samples taken this third quarter had Zero (0) detection of PFAS at the STP or any other entry points. Due to the detection, the District will continue to test as required. The zero detection will be reported in the newsletter that will be going out with the water bills in August. Mr. Perry asked if the two wells could be tested independently to ascertain their detection levels. The Superintendent said that the State required the District to go back and test the individual wells that go into the STP. Their detections were below the MCL. Future testing will begin only at the entry points, unless a detection is found. It was noted how small the detection level was considering parts-per-trillion.

Mr. Larkowski reminded the Board of their request for ARPA [American Rescue Plan Act] funds of \$74,062 from the Select Board. The funds are available to distribute to qualified projects in the town. The District's request is for cleaning wells. He reported that the Select Board discussed it the other night, but postponed further discussion until August 22. He advised that the County also has ARPA funds. Apparently, during a Select Board discussion it was suggested that the request be moved over to ARPA funds the Town would be receiving from the County.

Minutes of June 30, 2022

On a motion made by Peter L. McDowell, and duly seconded the Board **UNANIMOUSLY VOTED: to approve the minutes of June 30, 2022.**

Adjournment

There was a brief discussion on approving the minutes of a previous Executive Session. Ms. McMahon advised that the Board should consider accepting the Executive Session minutes in Executive Session. Pertaining to these Executive Session minutes, she said that there was protected employee information that should not become public.

On a motion made by Robert M. Perry, and duly seconded, the Board **UNANIMOUSLY VOTED: to adjourn the meeting at approximately 11:05 AM.**

Respectfully submitted,

Sheryl A McMahon, Clerk