

# **DENNIS WATER DISTRICT**

## *Board of Water Commissioners*

Minutes of Meeting held

February 2, 2023

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 Chair Paul F. Prue at approximately 10:00 AM. Water Commissioners Peter L. McDowell and Robert M. Perry were present. Also present were David Larkowski, Superintendent and Sheryl A McMahan, Treasurer.

**The Pledge of Allegiance was recited.**

### **Public Information**

#### **Attorney Chamberlain's response to Board's question on statutory authority to spend funds approved after an annual or special district meeting.**

Chair Prue acknowledged receipt of Attorney Chamberlain's response to the Board's question as noted above. Chair Prue read sections in which Attorney Chamberlain was unaware of any additional statutory requirements for the capital appropriations to be expended. However, he did state that the Board was free to establish any additional conditions or requirements on capital appropriations generally or with respect to specific appropriations. The Board may also apply conditions or requirements on capital appropriations for which the funds have yet to be spent. The capital expenditure in question at the last meeting, that being the

Mr. McDowell said he had a number of concerns. He said it was unclear to him, sitting in meetings, hearing what is being reported to the Board by the Superintendent and Treasurer, he is aware that it is very seldom that the Board takes votes concerning the control of monies. He suggested that the Board take this under consideration at a subsequent meeting. He suggested that there is not a parallel of how things that are done at the Town are done at the District. He expressed a concern that all monies at the end of the year be returned to the treasury and any exceptions be controlled by the Board. He wanted the Clerk/Treasurer to prepare, whatever may exist, relevant to the role of the Water Commissioners the control of the policies that are set or modified from time-to-time. He said that Massachusetts General Law is interesting to hear, but he wasn't sure it was relevant to the concern of the nuts and bolts that are set in place for the Water Commissioners to control the monies. He would like to see whatever regulations the Clerk/Treasurer can provide that is actually part of the Board's record, and to have it on a forthcoming meeting, that the Commissioners consider any modifications or additions to the bylaws relevant to the annually handling of funds.

Mr. Perry said he had only heard at this meeting, the Vice Chair's concerns. He noted that Mr. McDowell had been serving a long time, since 2008, and he hoped that the structure of the Commission and of the structure of the District and its bylaws would at least be adequately understood and if not, there would be work to do. He expressed his observations of the District's operations of the Commission. He said we do have a structure for securing funding and it is done every year. There have not been complaints. He said there is a budget in which the organization is tasked with staying within. Noting the Treasurer and Superintendent, in his observations, commented that it is almost miraculous that the expenditures are brought in under budget every year. He noted that we are coming into a time where there may be increased costs and it may mean that we need to keep a better sense of that going forward, but given the amount of work that is necessary to get this budget squared away, that Mr. McDowell's comments relate to procedures that may be necessary in the near future, but given Mr.

Chamberlain's responses regarding concerns of future expenditures, that it be deferred, except for possibly scheduling a workshop, which was already under consideration for discussing procurement, this could be added to that. He recommended taking this up after the annual meeting.

Mr. McDowell said that when it comes bylaws and handling regulations find out as soon as possible what actually exists in writing as to what authorities the Board has relevant to annual budgeting and control of the funds as opposed to the employees. He did not believe it would be responsible to delay that review.

Mr. Perry said he supported reviewing any bylaws that were attached to Chapter 277 of the Acts of 1945. He said that any reformation of the Commission's general operation should not conflict with the budgetary issues that are going on this year, but if it could be fit it in, he had no objection.

Chair Prue asked Ms. McMahon to provide a copy of the Act. Ms. McMahon asked for clarity of the request because some of the terminology, such as bylaws and policies were being used interchangeably. She noted that the District's Bylaws are posted on the District's website. She noted the Board's "Rules and Regulations" which she noted had not been reviewed comprehensively for quite some time. In addition, she noted that in the enabling act, it specifically authorizes the Board to issue rules and regulations, which are also readily available for download from the website. The Bylaws are adopted by the voters of the District. Then there are policies which the Board has adopted many policies over the years. She was not aware, in her 36 years as Clerk and Treasurer, of any policy the Board had adopted that governed the authority over expending any budgetary or capital item. Which is not to say the Board can't adopt them as Attorney Chamberlain expressed in his opinion letter. In her experience over the years, once the expenditures for capital and the operating budget are approved, it is inherent that the department head is authorized to proceed unless there are issues. She said that if it was just policies governing financial authority to expend funds, she would not have to do any searching as she was confident they did not exist. She said if they Board wanted a comprehensive search for such things as bylaws, rules and regulations and other policies she could do that. She said that if they the Board had more specificity, it would be helpful.

[17 mins into meeting] Mr. McDowell said that the Clerk/Treasurer's comments relevant to policies was not relevant to what he was talking about. He said the Board need to know the bylaws, if there are any, that handle the conduct specifically of their authority. He noted that there have been amendments to Chapter 277 of the Acts of 1945 a number of times. He noted that the boundaries of the District have been amended. His concern is what is in writing now in expressed authority that has been voted on by the Water Commissioners. He said he wanted to define the authority the Board had and make it as sophisticated and as close as possible to other municipalities and the Town of Dennis. He noted the expansion of the District over the years and that the Clerk no longer conducts the elections of the District. He said there were many things the Clerk/Treasurer did that is no longer responsible for. He wanted to see what was in writing and to address any shortfalls as necessary and to do so as soon as possible. He said that we might, for the first time, discover what we are supposed to be doing.

[23 minutes into meeting] Mr. Perry said he agreed with Mr. McDowell via what Attorney Chamberlain had stated in his opinion from which he read that the Board would be well within its rights to add certain conditions or requirements to capital appropriations generally or with respect to specific appropriations. They may also add conditions and or requirements to previously voted appropriations so long as they have not yet been expended. With respect to the Clerk/Treasurer, as he had served on the District Finance Committee for a number of years, he realized that no longer having the Clerk conduct the elections was one less task required of the Clerk while at the same time the operations of the District was exploding. This was also at the same time the technology that we use is every

changing, there is turn over in staff, that basically the current Clerk/Treasurer is a human resources person for the entire District employment, she is the web designer and not just those tasks such as office manager for several people as well as the procurement officer for the District. He said it is not a small job and she has been in this position for many years and we have nobody that he could think of that would be more experienced. He thought the trade-off of losing a couple of tasks to the Town considering the growth that the position must have endured and in particular the transfer to the Muni-Link system for billing, is a tremendous undertaking for a system of 13,000 ratepayers. He said that, personally and professionally, he had no problem with our two leaders at the staff level and he wanted to go on the record with that.

Ms. McMahon advised the Board that a discussion about her position was becoming off-topic considering the agenda item was concerning the Board's authority over expenditures. Again, Ms. McMahon asked for clarification of what exactly is to be her assignment from the Board. She said that, in regards to Attorney Chamberlain's letter and the Board's policies concerning authority to spend capital appropriations once approved at the annual district meeting, in her 36 years as Clerk/Treasurer she assured the Board that there were no policies. There are many other Board's policies. She said that all of the Board policies should be assembled together in one place, but asked for at least 30 days to produce it. She said in terms of the Bylaws she noted that they are printed in the back of every annual report, but would print a copy if so requested. Mr. Perry noted that it seemed to him that the issue is limited to Commissioner involvement regarding expenditures.

Mr. McDowell asked if there were any bylaws, anything in writing defining the role and responsibilities of what we are doing outside the law that was passed by the legislature. He said that we can record and pass bylaws. He said that there has been or should be further clarifications that should be in writing. He asked, "Do we have any?" He said from the conversation expended so far, he claimed we really aren't sure. He was specifically asking if any voter, or any citizen of the Town of Dennis, might have a question relevant to this, and they ask and we don't do it today or as soon as we can, he thought it was irresponsible. He would like to see what is in writing. Not a policy, not a practice but what is required by vote of the Water Commissioners and maybe the Water District. He asked, what is our role, he wanted to know and said he had been here long enough and it was time to find that out. He said that in the next 30-day period, between now and the next meeting that the Clerk/Treasurer should be able to provide what is in writing to the Board. If it isn't, then the Board may take steps to appropriately define what the Board believes should be their authority. He asked that the Board vote to request that the Clerk/Treasurer provide to the Board a set of policies that are in fact in writing and binding upon employees or the authority that the Board has and then, if necessary, the Board can discuss what we have and if she had any suggestions of what might be appropriate, he would welcome that as well. He would like to have the Clerk/Treasurer tell the Board whatever exists in rules and regulations relevant to bylaws and authority dealing with this Water District and maybe any others that may be in there.

Ms. McMahon asked for clarity of the stated motion. Mr. McDowell said he was not talking about policy or practice, but asking what is in writing that defines the authority of the these Water Commissioners in the Water District. Ms. McMahon stated the motion with the assistance of Mr. McDowell to be: ***Find what is in writing to define the Dennis Water District Board of Water Commissioners' authority and control.*** Ms. McMahon asked the Chair if there was to be a second. Mr. Perry was hesitant to second the motion because he did not want it to be an over burden and asked if it could be limited to finance or are we discussing every authority. Mr. Perry gathered that Chapter 277 of the Acts of 1945 and its amendments are all that is in writing that would give the Commissioners their authority. If the motion is to seek out absolute written authorizations of the Water District Commissioners, then he would second it because it thought it would be a relatively simple search. **Mr.**

**Perry seconded the motion.** Mr. McDowell wanted to clarify that it was to be what is currently existing in writing. The Chair called for a vote which was **UNANIMOUS**. [38 mins into the meeting]

There was some continuing discussion regarding statutes that authorize the Board to do certain things. Mr. McDowell clarified that it is to be what is in the District bylaws or what is in writing that is binding upon the players in the Water District relevant to the Board's authority. He said it shouldn't take more than an hour. Mr. Larkowski asked Ms. McMahon if it would only be the Article of legislation that created the District, the bylaws and the rules and regulations. He said these were already in writing. There was some discussion relevant to bylaws. Mr. McDowell said they were looking for bylaws in writing relevant to the authority of the Commissioners.

(42 minutes into the meeting)

**Discuss setting date and scope of discussion for workshop on procuring auditing services.**

Ms. McMahon shared that she felt she had perhaps gotten ahead of herself regarding the next procurement process for selecting an auditor. She noted that the current contract with Roselli & Clark was for three fiscal years. Fiscal years 2021 and 2022 have been completed and she expected that FY 2023 would be in the fall of 2023. She said that the Independent Financial Reporting line item in the Operating budget for FY 2024 will pay for the FY 2023 audit and the OPEB actuarial valuation. It was here recommendation to defer the workshop on this topic until about this time next year. Mr. Perry agreed that the discussion for procuring auditing services could wait. It was noted that the matrix provided to the Board by the Treasurer indicated that most did not have a formal procurement process. It was further noted that procuring auditing services is exempt from procurement law. Mr. Perry moved that the discussion for procuring auditing services be indefinitely postponed until the Board decided to bring the topic back to the floor. Chair Prue seconded it. Mr. McDowell said that this was a good example of what this District was not doing soundly. He said that there was not a choice and the Commissioners did not participate in a discussion from a selection of available auditors to do the work. Ms. McMahon said that there was only one response to the Request for Proposals (RFP), but the Board did have a choice. She said they could have re-issued the RFP or they could have awarded the contract to the single bidder. Mr. McDowell brought up the fact that the contract with Roselli & Clark was signed by Chairman Prue. Mr. McDowell said that the Board did not get to vote among a selection of auditors. He said it was now too late to rectify it. He said that the Chair signed it in 2022 and the audit was done before that time. Mr. McDowell said that just his signature was not sufficient to determine the Commissioners voted to do such a thing. It was his believe that whatever is done, it needs to be done in writing, and if we find out what is in writing now as far as regulations and authority that we Commissioners have, that might be clarified; depending on the quality of the work we choose to do, in structuring to the extent that might be necessary, we don't know that until the Clerk/Treasurer comes in with it. He continued to say that in our decisions and in our authority it should be clearly defined and if in fact there is going to be a vote selecting the auditors, we would be voting on that particular person, making a choice from a variety of applicants that would be participating. If there is only once available, he thought it a separate issue. Ms. McMahon summarized the solicitation process that occurred for selecting an auditor. The audit proposal received was opened and reviewed. The Board opened the price proposal during a public meeting and because the prices was within the budget, by majority vote the contract was awarded. When the contract was received from Roselli Clark, the Chair signed it. To be clear, she further noted that there was no legal impediment to having the Chair sign a contract that the Board specifically authorized. She advised the Board that Attorney Chamberlain said that the question of who signed the contract is irrelevant considering that the contract is substantially completed by both parties. Ms. McMahon reminded the Chair that there was a motion and second outstanding that was to indefinitely postpone discussion regarding auditing services procurement. The Chair then called for the vote which passed the motion by majority vote: 2-1-0 (PLM negative).

(53 minutes into the meeting)  
**FY 2024 Budget Review:**

**Payroll** Mr. Larkowski went through the proposed payroll. A memo describing the proposed payroll was distributed to the Board prior to the meeting. He advised the Board that last year he was having difficulty attracting candidates for employment at the entry level and believed it was due to the competitive pay rates. By raising the entry level rate from \$18 per hour (ph) to \$21 it would have created inequity in the payrates being paid to current employees who have achieved licenses, etc. A \$3.00ph increase was awarded to employees earning less than \$30 ph and \$1.50 was awarded to those individuals earning more than \$30ph with the promise that the additional \$1.50ph would be given in the next fiscal year (2024). A cost of living adjustment would be decided for all employees as well. He noted that the line item for Labor was down by 7% due to a turnover of employees. Administration payroll only went up by 1% primarily due to the retirement of a staff member.

Mr. Larkowski said someone left that was being paid \$29ph. Mr. McDowell said that one individual on the upper scale could have left for different reasons. He said that the issue is hiring at the lower level and it is not solved by giving everyone else raises as there are still two vacancies. He suggested that we focus on the laborer positions. Mr. Perry said that the across-the-board cost of living adjustment will hopefully help retain more senior staff and that the entry level rate may need to be reconsidered. Mr. McDowell said he would like to address the Laborer position vacancies separately. Mr. Perry asked Mr. Larkowski about the hiring people and bring them through the ranks in order to have experienced people. There was some discussion regarding increasing the per hour rate for entry level positions and the implied impact on those making only a few dollars more than that after being with District for years. Mr. Perry noted that is known as salary compression. He said that given future capital costs for infrastructure and that of operating and maintenance, the sooner labor costs are addressed the better and the sooner we will have an excellent workforce in perpetuity, but it's tough and we should know where we stand in regards to the market, which fluctuates. Ms. McMahan commented that there a number of higher-paid employees that have a lot of institutional knowledge that will be retiring over the course of the next five or six years. She reminded the Board that the District is seen by other water departments as one that gets things done. She said that looking down the road, the Board should be thinking about developing a succession plan for its more tenured employees as they approach retirement. Mr. Larkowski sees employment at the District as a career path, but it takes time. He felt that they should stay with the current plan and if he can't fill the position he will re-evaluate the strategy. Mr. Perry asked if he had considered advertising for more qualified positions. Mr. McDowell suggested that the lines be left blank and if Mr. Larkowski finds someone to hire, the Board could meet quickly and take whatever action necessary to secure a solution. He said he didn't think there was anyone more highly regarded in this Water District than Mr. Larkowski; that he does whatever is necessary and there isn't anything that Mr. Larkowski doesn't do and he has respect for him. He said no one understands what the parameters are for hiring to fill the positions and the Board could meet quickly to hear him and make a decision. Mr. Perry asked how employees are recruited. Mr. Larkowski says we are on Indeed and yard signs around Town. He said that the mid-level people need to be trained in order to assume the senior level positions when those people start to retire. He recommended that the payroll be approved as it is proposed because it helped all the different pay ranges. He said if he can't fill the two entry level positions in a few months he will come back to the Board. Ms. McMahan noted for the Board that advertising to fill vacancies is not a legal requirement. She recommended that the Board vote the Payroll as it impacts so many other line items.

## Operating & Maintenance

Mr. Larkowski said he was only going to discuss line items that have a proposed a change. Tractor line item is proposed to increase by \$10,000 due to keeping the equipment longer they require more maintenance, and some have had extensive repairs. The current year-to-date expenditure is mor than \$17,000. One tire for a backhoe is \$1,000.

Electricity default rate for supply went to 22 cents. The District's current contract through November 2023 is 9.9 cents per kilowatt hour. He signed a contract for purchased power at 11.6 cents per kilowatt. That is a 10% on the supply rate. With his best guess at the distribution rate by Eversource he is seeking at \$40,000 increase in this line item.

Diesel fuel has increased and is seeking a \$2,000 line item increase. Sick leave buy back is a function of how many people have maximized their sick leave bank. Mr. McDowell asked if Mr. Larkowski tells candidates about the District's benefits.

Last year there was a huge increase in chemical costs last year. The cost went from 26 cents per pound to 46 cents per pound which related to a last minute increase in that line item to \$485,000. The District participates in co-operative purchase pool for chemicals through Barnstable County. He said he has not heard any rumblings about any dramatic increase as he did last year and is hopeful the bids will be reasonable so he will keep the budget level funded for now.

The price for propane has dropped due to bid results. It went from \$2.70 per gallon to \$2.15 so he is proposing a \$5,000 decrease in that line item. The FICA line item is a direct function of payroll. County Retirement Assessment is a fixed cost. Dennis Water District is a member unit of the Retirement Association. The cost is apportioned as a percent of the total aggregated regular payrolls of all the member units. Dennis Water's share is approximately 4.5% of the total assessment. She noted that the funding of the Barnstable County Retirement Association's unfunded pension liability is included in the annual assessment. Ms. McMahan had distributed a hand-written recommended funding for the OPEB Liability Trust Fund. The District is required to complete an annual actuarial valuation of its OPEB liability. That valuation includes the projected cost of paying the District's share of health insurance for its retirees as well as the currently unfunded liability for employees currently accruing that future benefit. It is only for the District's OPEB liability. Segal Company is the firm that does the actual actuarial valuation for Barnstable County and quite a number of other units. Based on an updated funding schedule, what would have been recommended was \$89,975 but \$70,984 what was actually budgeted. Ms. McMahan was recommending that the delta of \$18,991 be added to what was being recommended for funding in FY 2024 for a total line item for the OPEB Trust Fund of \$100,547. The District's OPEB unfunded liability is \$2.6 million. She said that there is no funding requirement, but did say that the bond rating agencies look very favorably on efforts made by entities to fund their unfunded liabilities. Mr. Perry could see no reason to disagree with Ms. McMahan's recommendation.

A brief discussion ensued regarding a Capital request to conduct a water and service rate study. Mr. Perry asked that the discussion be deferred until the Capital Budget review.

Barnstable County conducts the bid process for the hazardous waste material contractor. The cost went up last year but was absorbed within the operating budget. The District does one collection day and the Town sponsors two dates. Mr. Larkowski is recommending the line item be increase by \$9,000 to \$24,000. In regards to the Water Quality line item, the District receives its schedule of sampling requirements from the Department of Environmental Protection. This year the cost is being decreased slightly.

The Administrative staff payroll went up by \$4,758 or 1%. The Water works staff went down by \$69,890 by 7%. Nightly Duty went up by about \$1,400 to respond to emergency calls. Station went up by \$8,000. Station Duty includes an 8 hour shift on Saturday and Sunday plus a helper for about 4 hours also on the weekends during the high-demand weeks. It was recommended to increase the overtime by \$25,000 to \$75,000 due to shortage of staff and trying to keep up with water service work and for water main and serve breaks.

Deferred Compensation is an employer-matched \$25 weekly contribution. The plan is sponsored by the State. Mr. Larkowski said that potential employment candidates ask why the contribution is so low. He felt that it be something the Board should consider. Ms. McMahan said that a \$5 per-week increase for approximately 20 employees would cost about \$,5200 annually. Longevity went down because of a loss of longer-serving employees. Ms. McMahan suggested that the Board may want to consider a longevity plan that starts earlier while grandfathering those in the current longevity plan. Longevity is subject to Barnstable County retirement deductions.

Licenses and Regards is not being changed. Mr. Larkowski said that with some people having left there is a shortage of Class 2 drivers. Repairs and Maintenance of Stations is being recommended for a \$20,000 increase. This is generally for materials and equipment and the labor is done in-house. A lot of the equipment has seen prices escalate. In the Group Insurance line item, Ms. McMahan has a placeholder of 10% as the actual premium rates have not yet been set by the Cape Cod Municipal Health Group.

Principal on Loans went down by \$165,000 due to the last payment of a \$2.5 million 20-year bond. The interest went up due to the rollover of the one-year BAN last September. The interest rate was 1% and the new note was at 3.3%. She reminded the Board of the discussion with Lynn Welsh regarding the issuance of bonds and that cost of issuance is about \$40,000. She suggested that the Board will review the BAN and possible permanent bonding after the Annual District Meeting. Not anticipating any borrowing for the Painting of the Old Bass River Tank the only amounts to consider for a bonding would be the BAN that is coming due in September. Mr. McDowell asked for a copy of the debt schedule.

The insurance for property and casualty, auto, public officials and worker's compensation line item was reviewed. Ms. McMahan is proposing a 10% increase. The District is a member of the Massachusetts Interlocal Insurance Association which is a self-insurance municipal pool comprised of over 100 units of government. The result of the last workers' compensation audit resulted in a credit of \$2,600.

Mr. McDowell asked about the administrative service fee included in the interest on loans line item. Ms. McMahan explained that that is assessed by Massachusetts Clean Water Fund as a cost of issuing and managing the bonds. It is based as a percentage of the outstanding principal. This is based on the borrowing for the treatment plants. Mass Clean Water administers pooled bonds. She confirmed that service fee declines over time and can be seen on the debt schedule.

Water Services has seen dramatic increases in the cost of materials, which is mostly brass. Mr. Larkowski is proposing an increase of \$20,000 to \$150,000 for the next fiscal year. The line item also includes the cost of paying for detail police. He said that it is sometimes taking nine-months for an order. Budget total was \$5,298,823 which is an increase of 1.15% above the FY 2023 budget.

## Capital Items

Ms. McMahon referred the Board members to a ‘corrected’ Capital Appropriations page that she left at their seats. She advised that the corrected version includes the \$375,000 recommended “Free Cash” transfer to complete the funding for the Old Bass River Tank painting project. The Total of the recommended Capital requests is \$805,000. Her recommendation would also include the rescinding of the \$725,000 borrowing authorization. Mr. Perry asked if the rescinding should wait until the project is completed. Ms. McMahon said that if the cost were to exceed the funding, the difference could be paid from the Tank Power Washing and Maintenance Account.

Mr. Larkowski was requesting \$250,000 for Cleaning Wells and Pump Repairs. There is currently \$342,996 that he intends to use for wells 6, 11, 15, 23, and 12 this year. This is one of the capital accounts that continue on by adding funds in a subsequent.

Chair Prue asked a question about the Reserve Fund that had a year-to-date expenditure of \$2,500.

Water Distribution System Maintenance and Extension currently has \$304,000 available. Mr. Larkowski says he doesn’t have any immediate plans for that type of work, but it does get used for valve replacement and emergency maintenance work.

Tank Power Washing and Maintenance \$370,000 available and he is not asking for any additional funds at this time. However, he did say that he will likely have to power wash the Route 28 Tank and the Six-Million Tank. Every tank has condensation and grows mold.

Mr. Larkowski is requesting \$40,000 to replace a two-wheel pickup truck. Hopefully, General Motors will be producing these trucks. This year he ordered two trucks and one has just been delivered. That truck was \$32,700. Mr. Larkowski advised that the truck being replaced is a 2013 Chevrolet 2-wheel drive, 6-cylinder with approximately 72,000 miles on it.

Miscellaneous Equipment at \$10,000. Mr. Larkowski is recommending a Rate Study at a cost of \$30,000. Mr. Perry commented that the Board is not bound to what a rate study tells us. He said that in the few months he has been here he has become aware that we are definitely in an inflationary time and this Water District will need a documented rational, professional reason for any rate increase of significance and a rate study would take care of how much is charged for services, for pieces of equipment and for water rates. He didn’t think it would cost \$30,000, but didn’t disagree with budgeting that amount. Mr. Larkowski said he arrived at the \$30,000 by talking to people and the cost will be contingent on if it is a bare-bones one or not. It will be dependent on what the scope of work includes for the study. One of his recommendations is to change the rate structure in order to promote water conservation. He said we have voluntary restrictions and mandatory and there are still people that ignore it. He believed that a rate structure that would promote conservation is also relevant to the fact that we have a set amount of water that the District is allowed to pump according to its permit and we continue to bump-up against it. The Town continues to grow and with it comes increased demands and we need to cut that off because it is all going on the grass. He said that this is just one thing that the study would look at. Ms. McMahon recommended that since it is solely the Board’s responsibility to set water rates, that the Board review the scope of work for the RFP so that the Board will be comfortable with what the deliverable is going to be. Although, she said she has done rate recommendations to the Board, she does not know the industry standards by which to do a professional job. This is a tool for the Board to use and to make their decision.

For a Pumping and Treatment System Maintenance appropriation, Mr. Larkowski was requesting \$40,000. He explained that there are many systems in these facilities like water level probes and tank probes, etc. that need to be replaced or upgraded. This line item is all for materials as the work will be done in-house.

Mr. Larkowski is recommending a \$50,000 appropriation for replacing the Green Sand in the Treatment Plants. There is currently \$500,000 available for this purpose. The media doesn't last forever and over the past few years we have been taking samples and having it tested. This month they will be taking samples. The report from 2021 says that it is wearing out and will need to be replaced in three to five years. They have recommended annual testing. The price to change this media is now about \$1.4 million. It is a future project that will have to be done in another one or two years. Despite annual funding, we did not put nearly enough money to pay cash for the replacement. There are two plants each with seven filters. They will have to be drained and a vacuum truck will be brought in to take out the media. He said he will have to get an approved site to dispose of the media. Wells that do not go through the treatment plants are 18, 14, 10, Main Station, 6, 12 and 23.

The \$375,000 appropriation for the Old Bass River Tank Painting Project had already been discussed.

Mr. Larkowski is recommending an appropriation of \$10,000 to be added to existing funds for Land Acquisition Costs. That brings the Capital Appropriation requests to \$805,000.

Ms. McMahon reviewed a corrected Long Range Projection. The debt service is included in the Operational Budget. For the Board's attention, she noted that there is a question on the bottom of that page that asks Does the revenue cover the Operational Budget? The amount for 2024 was in the black by about \$149,000. Ms. McMahon said that this tells the Board how close the estimated revenue is to the Operating and Maintenance Budget which she believed makes this relevant to conducting a Rate Study. This means that there is only \$149,000 available for capital and that once the budget is set, the Board may want to take \$100,000 to \$150,000 from Free Cash and put it in the Stabilization Fund.

Ms. McMahon recommended that the meeting was now approaching three hours long and perhaps the Board would consider rescheduling the balance of the meeting.

### **Minutes of November 17 and December 22, 2022**

Mr. Perry moved to accept the minutes of November 17, 2022 and December 22, 2022. Chair Prue seconded. Mr. McDowell said he had not thoroughly read them so he would be abstaining from the vote. The Chair then called for the vote which was found to be: 2-0-1 (PLM abstaining).

**Consider EXECUTIVE SESSION in accordance with M.G.L. Chapter 39, Section 23B, Reason #6: to consider the purchase, exchange, taking, lease, or value of real property as the Chair has declared that an open meeting may have a detrimental effect on the District's bargaining position and not to return to open session.**

At approximately 12:53, Mr. McDowell moved to conduct an EXECUTIVE SESSION in accordance with M.G.L. Chapter 39, Section 23B, Reason #6: to consider the purchase, exchange, taking, lease, or value of real property as the Chair has declared that an open meeting may have a detrimental effect on the District's bargaining position and will not to return to open session. Mr. Perry seconded. The Chair then called for the roll call vote which was found to be UNANIMOUS as follows:

Robert M. Perry “aye”  
Paul F. Prue “aye”  
Peter L. McDowell “aye”

Respectfully submitted,

Sheryl A McMahon, Clerk