

# DENNIS WATER DISTRICT

## *Board of Water Commissioners*

Minutes of Meeting held

December 27, 2018

A meeting, having been duly posted, was held this date at the Dennis Police Station, 90 Bob Crowell Rd., S Dennis and called to order by Paul F. Prue, Chairman at 6:00 PM. Water Commissioners Peter L. McDowell and Alan Tuttle was present. Also in attendance were David Larkowski, Superintendent and Sheryl A McMahon, Treasurer.

The Pledge of Allegiance was recited.

### **West Dennis Tank Project - Updates:**

**Punch List** – Mr. Larkowski advised that the pitch of the pavement surrounding the new tank is not correct and when there is a sufficient amount of rain the water runs into the tank. It will be fixed in the spring. The demolition of old tank went very well. He was pleased with the contractor and said they took great measures to protect the surrounding properties. He will complete the site work in the spring.

**AT&T Antenna Upgrade Request** – The Superintendent noted that the contracts with AT&T have been renewed for an additional twenty years a while back. The carrier is requesting a fourth antenna array on the West Dennis Tank. This upgrade was done on the Hokum Rock Tank last year. The contract increase was \$5,400 annually. He estimated that the contract is nearly \$70,000. At the end of the twenty-year lease it will be nearly \$100,000. Mr. McDowell wanted to know if what the District was getting the best value for the contracts. Mr. Larkowski advised that a couple of years ago, Ms. McMahon made contact with a company at the Mass Municipal Conference that negotiates cellular lease contracts on behalf of municipalities and others. Mr. Larkowski and she reviewed the contracts with this consultant and he was amazed of the amounts the District was receiving and in particular the escalation percentages. He advised that his firm could not do any better than the District was already receiving. On a motion made by Peter L. McDowell, and duly seconded, the Board **UNANIMOUSLY VOTED: to authorize the Superintendent to sign the fourth amendment to the AT&T contract for leasing space on the West Dennis Tank.**

### **Land Court Cases – Updates**

Mr. Larkowski advised the Board that Attorney Pamela Marsh was contacted by the attorney representing the six land damage suits filed against the District nearly two years ago. She advised that the attorney intends to file for closure of five of the cases with prejudice (meaning they cannot be reopened). She advised that the six one also intends to be closed but, the attorney is waiting on a sign-off from one of the alleged owners.

### **Power Line Pesticide Analysis – Preliminary Results**

The Superintendent provided the preliminary results to the Board. The spraying of herbicides and pesticides in the electric right-of-way has had much media attention over the last several years. The District is cooperating with the Massachusetts Department of Agriculture to take water samples from public wells in the right-of-ways to determine if these pesticides are present. This first report did not find any presence. Glyphosate which has been mentioned in media articles was not detected.

**Group Insurance Commission** – Mr. Tuttle requested this item be placed on the agenda. He noted that the cost of health insurance is getting so expensive and he was interested in having the District look into what are the possibilities of joining the Group Insurance Commission in terms of pricing and plans. The GIC is the agency that oversees the group health insurance for state employees and retirees and

some municipalities. Ms. McMahon said she would investigate the pros and cons and report back to the Board.

## **FY 2020 Budget Review**

**Payroll** – Mr. Larkowski explained that the payroll presented to the Board included a cost of living increase proposal for all wage based employees. He advised that, over many years, the District has developed a cost of living policy that takes the average of all hourly paid employees and then applies a percentage to that average to arrive at a per-hour rate increase to be applied uniformly to all hourly paid employees. This year the percent used was the same cost of living awarded to Social Security recipients – 2.7%. That calculated to a flat \$0.79 per hour increase. He further noted that there were a few employees that he felt should receive an additional increase due to the work responsibilities. Ms. McMahon noted that she was proposing an additional hourly increase for two staff employees. She reported that they are relatively new, work very well together as a team and are always willing to learn and take on more roles and responsibilities. In addition, she had recently seen a hiring for a similar sized water department and their starting wage was more than what these staff member are getting currently. Mr. McDowell asked several questions concerning the apparent percentage increase from the current fiscal year to FY 2020. Ms. McMahon explained that there is one extra payday in the year which accounts for some of the increase. It was noted that the actual proposed cost-of-living is a flat per hour increase so for some it is a slightly higher increase while for others the percentage will be slightly lower. The Board did not take any action on the proposed payroll.

**Operating & Maintenance (O&M)** - Mr. Larkowski reviewed those line items in the proposed O&M.

Electricity – it was noted that the default rate is going from 10.6 cents per kilowatt hour to more than 13 cents. An increase is not proposed at this time until Mr. Larkowski could confirm the rate he is anticipating. He further noted that the increase in the default rate should mean an increase in revenue from the net metering credits received from the Town of Dennis solar farm.

Propane Gas – is anticipated to increase due to the high demand for it on the Cape due to the natural gas hookup moratorium. There is not anticipated date currently known for lifting that moratorium.

Postage Increase – There is a significant increase in postage being proposed even for first class presort mail. Ms. McMahon advised that she anticipates that customers will be able to view and print their February 2019 water bills on-line through our third-party presenter (Unibank) will be available through the District's "Pay Online" webpage.

Communication Expense - \$2,400 increase to pay for the monthly data connections for the tablets now used by some field personnel for mark-outs and work orders. The tablets require a "cloud" connection to view the asbuilts for water infrastructure as well as customer information and their water service ties. This is the cell (Verizon) connection for the tablets that was previously being paid out of the account while the programs were in development.

FICA/Medicare/UHI Tax – decreased due to decrease in payroll from previous year – it is a function of payroll.

County Retirement Assessment – approximate \$13,000 increase is due to absorbing (smoothing out) investment losses of prior years plus any increase in the unfunded liability funding schedule.

Computer Expense – increase of \$1,200 for updating Microsoft Office 2013 which will no longer be supported.

Water Quality Expense - \$2,000 decrease due to fewer samples. This year unregulated contaminant monitoring rule #4 will require samples to be taken.

Building Maintenance - \$15,000 increase for essentially materials to do repairs and maintenance for all facilities such as pumping stations, office building, garages, treatment stations, corrosion stations. Mr. Larkowski showed the Board members a simple filter cartridge for all treatment facilities. In 2018, he bought more than 600 cartridges. He generally buys them from Amazon in bulk.

Group Insurance – \$32,000 increase anticipating a 12% increase. Last year, an 11% increase was originally anticipated and it turned out to only be 6%. Increases are due to the increase in actual medical procedures and then there is the pool's experience [utilization by participants]. Ms. McMahon noted that there were four employees who selected the high deductible – health savings qualified plans and found them to be satisfactory.

It was noted that the current projected to increase 3.5%. Ms. McMahon pointed out that there is a column on the O&M sheet that indicates what percentage of the total increase is attributable to any line-item that has an increase or decrease. The staff will be adjusting the budget numbers for the next month as a result of their further review.

### **Superintendent's Report**

Mr. Larkowski reported that an evaluation of wells has been completed. It appears that only two wells need to be cleaned this year; Well 15 and Well 21. Well 15 is cleaned regularly along with Well 21 that has iron in it. He will be doing further analysis to see which pumps need to be repaired or replaced.

Capital requests will be presented next month.

### **Treasurer's Report**

**a) Solar Revenue** – Ms. McMahon had distributed the solar revenue received for the fiscal year to date. (Inaudible).

**b) Tax Rate – Zero** – Ms. McMahon stated that the required financial data has been reported to the Department of Revenue to set the tax rate; which is zero. She noted that there is a quirk in their online software that does not allow the setting of a Zero rate. Therefore, there is no official documentation that certifies the District tax rate.

**Executive Session: Mass. General Law Ch. 30A, Sec. 21(a) Reason #6: to discuss the purchase, exchange, lease or value of real estate for the purpose of watershed protection. The Chair declares that an open meeting may have a detrimental effect on the negotiating position of the District. Executive Session Minutes of 11/15 and 12/18/2018.**

At approximately 7:36 PM, a motion was made by Alan Tuttle to conduct an Executive Session in accordance with Mass. General Law Chapter 30A Section 21(a) Reason #6 to consider the purchase, exchange, taking, lease, or value of real property as such discussions in open session on it may have a detrimental effect on the bargaining or litigating position of the of the District and to not to open session upon its conclusion. Peter L McDowell seconded the motion. The Chairman then called for a vote which was as follows:

Alan Tuttle “aye”

Peter L McDowell “aye”

Paul F Prue “aye”

It is noted for the record that Mr. McDowell stated that due to a conflict he would not be attending the Executive Session and immediately left the meeting.

Respectfully submitted,

Sheryl A McMahon, Clerk