

DENNIS WATER DISTRICT

Board of Water Commissioners

Minutes of Meeting held

February 12, 2020

A meeting, having been duly posted, was held this date at the Dennis Town Hall, Stone Hearing Room , 685 Route 134, South Dennis and called to order by Paul F. Prue, Chairman at approximately 10:00 AM. 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.

Public Information

Reserve Fund Transfer Request - \$13,000 for land acquisition costs

Ms. McMahon advised the Board that this request primarily provided for the payment of legal and associated costs off the potential purchase of seven plus acres on Old Bass River Road. She requested a Reserve Fund Transfer of \$13,000 as these costs were not anticipated during the budget process. On a motion made by Peter L McDowell and duly seconded, the Board ***UNANIMOUSLY VOTED to transfer \$13,000 from the Reserve Fund to pay for Land Acquisition Expenses.***

FY 2021 Budget Expenditures and Revenue Review

Payroll

Mr. Tuttle read from prepared remarks. He commented that the District is an outstanding entity and the administrators who work well together along with many dedicated employees. He further noted that he had requested a salary survey study be completed. Mr. Tuttle further stated that the Superintendent has saved the District money throughout the years by doing projects in-house. He noted that the Superintendent, with his many licenses and knowledge he is responsible for the water quality in Dennis. On a motion made by Alan Tuttle, and duly seconded, the Board ***UNANIMOUSLY VOTED: to set the salary of the Superintendent at \$125,000.*** During the Mr. McDowell provided additional comment in support of the salary recommendation. Chairman Prue noted that the Town of Dennis had recently been upgraded by the Insurance Services Office as a Class II system which is a combined community rating of the Water District and Fire Department.

Continuing on with the Payroll review for FY 2021, Mr. McDowell expressed a desire to have the Clerk/Treasurer's salary remain the same as it is currently. He said that the Board has been trying to get a job description for her responsibilities and he had not seen it. He said it had been requested since last September and for that reason he wanted the salary to remain the same. Mr. McDowell moved to have the salary of the Clerk/Treasurer remain at \$119,925.03. The motion was seconded by Mr. Tuttle. He further commented that unfortunately there had been an internal feud going on for quite some time and hoped that it could be resolved and then revisit the proposed salary. Chairman Prue stated that he had in front of him the Duties and Responsibilities of the Clerk Treasurer and the Superintendent that had been given to us. At this time Mr. Larkowski addressed the Board and said that although he appreciated the comments said about him, this was a team effort. He stated that the duties and responsibilities have been provided multiple times and that nothing was being held back. Mr. Larkowski confirmed that the job descriptions were provided by email the day before and that last month all of the job descriptions were provided in hard copy and picked up at the office. Ms. McMahon stated that the job descriptions have not modified since they were all formally adopted in January 2018. Additional discussion ensued. Mr. McDowell stated that in September the Board voted after discussion about the responsibilities, and he was not referring to the job description, but the responsibilities of what the Clerk/Treasurer is supposed to do. He stated that there were no responsibilities that the Board had listed by the

Clerk/Treasurer of what she is responsible for. Chairman Prue stated that the Superintendent and Clerk/Treasurer have had the same salary for many years. Ms. McMahon read back the motion as she understood it to be. A motion made by Peter L. McDowell, and duly seconded, *that the salary remain until further review of the Clerk/Treasurer \$119,925.03*. Mr. Tuttle suggested that if he withdrew his second that Mr. McDowell withdraw his motion and that the item be placed back on the next agenda. Mr. McDowell said he wanted a list of the Clerk/Treasurer's responsibilities and said the job description was not part of that. He claimed it had taken months to receive it from the Clerk/Treasurer as voted. Mr. Tuttle restated his desire to table the discussion until the next meeting.

Consider adopting new wage rate scale, Consider employee wage adjustments, Consider Cost of Living Adjustment

Ms. McMahon proposed that two employees on the administrative staff are under compensated when considering the wage scale as presented in the report that was prepared by Mr. Lawton, having been contracted by the Board to conduct the analysis. Mr. Tuttle suggested that, instead of going through each employee as presented for the FY 2021 payroll, and by his motion made, and duly seconded. Ms. McMahon noted to the Board that the pay scale as proposed took into consideration, with the exception of employees that were noted, includes a cost-of-living adjustment of \$.75 per hour. It was noted that Mr. McDowell had spent considerable time with the Superintendent reviewing the wage schedule. He expressed that the Board should have complete control over the wages paid and that when an employee obtains and additional license an acknowledgment of that achievement should be part of their meeting. On a motion made by Alan Tuttle, and duly seconded, the Board **UNANIMOUSLY VOTED: to adopt the pay rates as proposed for FY 2021 with the exception of the Clerk/Treasurer.**

Mr. McDowell requested that any employee achieving a new license and before receiving it, should be added to an agenda. For clarification, Ms. McMahon requested that the Wage Premium for Occupational Licenses be voted on by the Board. Mr. Larkowski explained that the Board has already voted the payroll for FY 2021 and that if someone obtains a license as outlined in the proposal, there is a line item budget to pay for it. On a motion made by Alan Tuttle, and duly seconded, the Board **UNANIMOUSLY VOTED: to adopt the wage scale and the wage premium occupational license program as presented.**

Operating and Maintenance Budget Line-Item Review (O & M)

Mr. Larkowski reviewed the revised O & M Budget as provided to the Board. It was noted that the changes were made to the Sick Leave Buy Back. There was discussion about what had been reviewed previously, but Mr. Larkowski stated that the Board has not reviewed the budget by line-item to date. The Superintendent and Clerk/Treasurer reviewed the changes made in the FY 2021 budget proposal compared to what had been appropriated for the current fiscal year. Sick Leave Buy-Back an increase of \$1,285 (which is a function of payroll); Licenses Dues and Training an increase of \$5,000; FICA a function of payroll; County Retirement Assessment is a mandatory fixed cost.

Other Post-Employment Benefits (OPEB) cost is proposed to be newly added to the Operating Budget at \$66,695 (is has been funded from free cash) representing the "normal" actuarial cost. Mr. McDowell asked for an explanation of what exactly OPEB provides for and if it provides for any beneficiaries of employees. Ms. McMahon explained that the OPEB Liability Trust Fund was established to accumulate funds in order to pay the future costs of the District's share of insurance for retirees and their survivors. She clarified that retired employees age 65 and older are required by law to subscribe to Medicare which in turn reduces the District's cost share. Currently there are no retired employees that have any dependent children. The District covers dependent children until twenty-six years of age. Mr. McDowell asked for written clarification on what dependents of a retired employee would be covered by the OPEB Liability Trust Fund. Chairman Prue said that the District participates with the Town on OPEB. Ms. McMahon stated that the District's OPEB Liability Trust Fund is now being managed with the Town's through an agreement with Rockland Trust Investment Group and

that she would be attending the Town's OPEB Trustee meeting at the end of the month to review the investment performance.

Ms. McMahon continued with an increase in Computer Expense slightly to \$28,000; Rubbish Removal increased by \$175; Household Hazardous Waste Collection Day used to be under General Appropriations but has been moved to the O & M budget this year at \$15,000; all payroll line items were based on what had been approved but will be subject to further review; Regrades was increased in order to accommodate for those employees who obtain licenses; Group Insurance – the premiums established by the Cape Cod Municipal Health Group will remain the same as the prior fiscal year; Debt Service has been increased significantly due to land acquisitions in which there is an outstanding bond-anticipation note and the Clerk/Treasurer did not anticipate issuing permanent notes in addition the Board is in negotiations to acquire land on Old Bass River Road. She further advised that even when rolling over notes, the Department of Revenue requires that a ten percent of the principal be paid down at a minimum. At this time, based on anticipated costs, she anticipated that a borrowing would be necessary to fund the painting inside and outside of the Six-Million Gallon tank. Ms. McMahon reviewed the Financial Reporting line item which includes the required OPEB Liability Actuarial Valuation which is done collaboratively through the County. An estimated \$140,000 was projected for the Property & Casualty, Auto and other liability insurance premiums.

The total O & M Budget as proposed during this meeting is \$5,019,906 and a vote was not expected as there are some changes that will likely be considered at a subsequent meeting.

Capital Purchases and Projects Review

Minutes of January 16, 2020 and January 29, 2020

It was noted that the minutes of January 16, 2020 were not available.

Review and consider authorizing the forwarding of a Purchase and Sales Agreement for 635, 635A and 636 Old Bass River Road to the realtor representative of the owner Katie Clancy

When posting the agenda, Ms. McMahon had anticipated that the draft Purchase and Sales Agreement for 635, 635A and 636 Old Bass River Road would have been received in sufficient time for the Board to review. It has not been received and therefore, the item was deferred.

On a motion made by Alan Tuttle, and duly seconded, the Board ***UNANIMOUSLY VOTED: to adopt the minutes of January 29, 2020, as written.***

Consider Revenue Budget - Including Proposed Changes to Account Charge and Water Usage Rates

Ms. McMahon reviewed with the Board the Long Range Projection as most recently revised. Mr. Larkowski advised the Board about the amount requested for Cleaning Wells and Pump Repairs. He reviewed which wells were being cleaned and pumps replaced and those that may be proposed for the ensuing year. He is proposing one half-ton pickup truck be replaced along. He was going to proposed that a 10-wheeler be replaced, but decided to postpone. Miscellaneous Equipment was proposed at \$20,000; a tapping machine, new landscape trailer, tamper, tablets (iPads). The Superintendent explained the Risk & Resilience Assessment requested at \$15,000 which is being mandated and is built from the Emergency Response Plan. It was proposed to continue with funding the Green Sand Replacement Appropriation with an additional \$50,000 bringing the total to \$425,000. The phone system at the District is about twenty years old and should be replaced at an estimated cost of \$8,500. Also reviewed was replacing the Versa Probes – an essential component of meter reading – at a cost of \$16,000. He advised that the older type Versa Probes that the District has are outdated and cannot read the

meters that are currently being installed. Chlorine Analyzer Upgrades is being proposed in order to install recorders so that the chlorine being delivered can be recorded to provide data to station operators about the dosage over the past 24 hours. They will be installed at a cost of \$50,000. An additional \$132,000 is requested for Tank Power Washing and Maintenance which will provide for doing Hokum Rock and Old Bass River Road tanks. Total for Capital is \$385,500 as proposed.

Debt service is presented in detail in the Long Range Projection so that the Board could see the financial impact of the debt issuance, particularly for a recent land acquisition and that of one being anticipated for the upcoming Annual District Meeting. The amount projected, including the \$7,956 for elected salaries, brings total to just over \$5 million. As seen on previously submitted Long Range Projections, the current water rate structure is insufficient to meet the current and future budgets. Ms. McMahon noted the fiscal structural revenue deficit of just under \$50,000 that was funded from free cash. She proposed an increase in the water rates of \$.50 for each tiered rate. She noted that the last rate adjustment was made effective July 1, 2009. The leases for the cellular companies on the tanks was discussed. It was noted that Sprint and T-Mobile have merged, however, their antennas are not on the same tower and Mr. Larkowski did not believe they would be discontinuing any of the leasing arrangements. Ms. McMahon noted that it may be possible to do a transfer to the Stabilization Fund when asked, advised that there was a little over \$200,000 in the fund. Ms. McMahon said she will provide responses to questions about customer impacts for the next meeting. She advised the Board that her water rate recommendations included an increase in the semi-annual Account Charge from \$42 to \$48.

Consider voting as authorized under Article 1 of the Special District Meeting held October 24, 2019, to acquire by purchase and to record this purchase by eminent domain with the consent of the supposed owner P.T.P.T., LLC, for watershed protection purposes, two (2) parcels of land, now combined and shown as Lot 5, Land Court Plan No. 42092-B, located in East Dennis, and on such terms and conditions as the Board of Water Commissioners deems in the best interests of the District, said property to be under the care, custody, management and control of the Board of Water Commissioners and to enter into all agreements and execute any and all instruments as may be necessary or convenient on behalf of the District to effect said acquisition.

Ms. McMahon advised that one of the two parcels was voted by a majority of the Board to acquire by eminent domain last November. This vote is to acquire two one-acre parcels on Hokum Rock Road. She advised that the Board should vote to take by eminent domain because the Board only has thirty (30) days to record it. Attorney Marsh advised that the closing is scheduled for March 9th and a vote today provides for sufficient time. The delay in obtaining the plan approval was due to a request for additional certification of Board votes.

On a motion made by Alan Tuttle, and duly seconded, the Board **VOTED 2-0-1 (PLM abstaining): that the Board of Water Commissioners authorize the purchase of two parcels of land, now combined and shown as Lot 5, Land Court Plan No. 42092-B, located in East Dennis, as authorized under Article 1 of the Special District Meeting held October 24, 2019, and to record this purchase by eminent domain, with the consent of the supposed owner P.T.P.T., LLC, for watershed protection purposes on such terms and conditions as the Board of Water Commissioners deems in the best interests of the District, said property to be under the care, custody, management and control of the Board of Water Commissioners and to enter into all agreements and execute any and all instruments as may be necessary or convenient on behalf of the District to effect said acquisition.**

Consider granting a Limited Power of Attorney to Pamela B. Marsh, Esquire, to execute and record any and all documents necessary to effectuate the purchase of and taking by Eminent Domain of the property located Off Amber Way, East Dennis from the owner, P.T.P.T., LLC.

A motion was made by Alan Tuttle, and duly seconded, to grant a Limited Power of Attorney to Pamela B. Marsh, for the acquisition of property located Off Amber Way, East Dennis from the owner. Chairman Prue seconded. Mr. McDowell said he had never heard of an elected official passing a power of attorney and he was curious that why this is not possible for the two commissioners in town to go and sign their own names rather than having an attorney just act and sign in place of an elected person with public responsibilities. Ms. McMahon read from the document which would grant the attorney authority to sign and record any and all documents necessary to effectual the purchase. Discussion ensued. Ms. McMahon advised that a Limited Power of Attorney was authorized for the previous closing and said that it expedites the process of the closing. Mr. McDowell objected to the Limited Power of Attorney being authorized and wanted to know what the documents were that she would be authorized to sign. Ms. McMahon asked if the Board does not authorize the Limited Power of Attorney will they be available to attend the closing to sign the documents. No final vote was taken regarding the previous motion.

Consider and vote the Buyer's Certificate of Representation and Warranties for the acquisition of property Off Amber Way (Lot 5, Land Court Plan No. 42092-B) East Dennis, MA as prepared by Attorney Pamela B. Marsh.

Ms. McMahon advised that the document to be voted upon by the Board based on it being prepared by Attorney Marsh and that the seller is also required to submit a representation and warranties for the sale of the properties. Ms. McMahon advised the Board that she has noted that regarding the power of attorney, Mr. McDowell raised his issues and that she was of the understanding that there was a consensus to delay this until the next Board meeting and that she would obtain a list of the documents that Attorney Marsh would be signing on behalf of the Board. Mr. Tuttle withdrew is motion noting that the Board could always have a special meeting.

On a motion made by Alan Tuttle, and duly seconded, the Board ***VOTED 2-0-1 (PLM abstaining) to approve the Buyer's Certificate of Representation and Warranties, as prepared by Attorney Pamela B. Marsh, for the acquisition of property Off Amber Way (Lot 5, Land Court Plan No. 42092-B) East Dennis, MA.***

Adjournment

On a motion made by Alan Tuttle, and duly seconded, the Board ***UNANIMOUSLY VOTED: to adjourn their meeting at approximately 12:01 PM.***

Respectfully submitted,

Sheryl A McMahon, Clerk