

DENNIS WATER DISTRICT

Board of Water Commissioners

Minutes of Meeting held

February 27, 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 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 – None Presented

Postponed: Review Financial Statements for Audit Period Ending June 30, 2019, Joseph McGee, CPA, Sanders Walsh & Eaton, LLC

Reserve Fund Transfer Request - for land acquisition costs

Ms. McMahon advised that upon further review there was no need for an additional Reserve Fund Transfer at this time.

Review and Award Bid for Painting Rte. 134 tank.

Mr. Larkowski had distributed the canvas of bids for the Route 134 Tank painting project to the Board. The low bidder was Utility Services Company at \$598,100. He explained that Utility Services had also provided tank inspection services for a number of years. It is a large county-wide company. Merithew Inspection Service, out of Bridgewater, was purchased by Utility Services a number of years ago and has done tank inspection work for the District including the construction of the new Route 28 Tank. The second lowest bidder, Amstar, Inc. emailed Mr. Larkowski claiming that Utility Services should not have been allowed to bid on the project because they had conducted the inspection and therefore, had “inside information”. Mr. Larkowski explained that the inspection report was done by a division out of Bridgewater and that the painting bid was submitted by a division out of Georgia. Mrs. Anderson representing the Attorney General’s Office, concluded that in their opinion there was no issue with accepting the bid from Utility Services because the inspection report was given to each bidder. Amstar was provided that Attorney General’s Office response. Mr. Larkowski, to date, had not received a response to the recommendation provided. The work will not be done until the next Fall or Spring. The Superintendent said that he would be requesting \$600,000 for the contract and \$132,000 to be added to the Tank Maintenance Account. On a motion made by Alan Tuttle, and duly seconded, the Board **UNANIMOUSLY VOTED: to award the contract to Utility Service, Inc., of Perry, GA in the amount of \$598,100 appear to be the lowest and most reputable bidder.**

FY 2021 Budget Expenditures and Revenue – Continued Review and Consideration

Payroll

Mr. Larkowski noted that the only remaining item to be discussed was the setting of the FY 2021 salary of the Treasurer. Mr. Tuttle recommended a salary at \$121,475.03. The increase is \$1,550. Mr. Larkowski provided his opinion as to why he supported Ms. McMahon’s salary be set to the same amount as his, \$125,000. He said that he and Ms. McMahon have run it as a team for years. Mr. Tuttle suggested that when the two current administrators leave, there will be just one person that will report

to the Board. He said that Mr. Larkowski's job is just a little bit more responsible. Chairman Prue supported having the two managers maintain the same salary as they have for years as they work as a team. Mr. McDowell asked about the number of employees the Superintendent supervises. He said that in his opinion that the lion's share of the activities, and looking at the roles and responsibilities between the two, he saw that Mr. Larkowski and his family is entitled to a significant difference in the wages that are earned. Ms. McMahon expressed her disappointment, however, she appreciated how Mr. Tuttle came to his recommendation. She said that because at the last meeting the rationale for not awarding an increase was based on an internal conflict. She expressed her appreciation and noted that she puts in as many hours as the Superintendent and is as dedicated having spent more than half her life working for the District. Mr. Tuttle clarified that he had requested the survey before the internal conflict and that is not what he had based his recommendation on. He further suggested that when either the Treasurer or Superintendent leaves the District, their replacements would be hired for less money than is paid currently. Ms. McMahon reported that Mr. Tuttle had made a motion, but it had not been seconded. On a motion made by Alan Tuttle, and duly seconded, the Board **VOTED 2-1-0 (PFP): that the Clerk/Treasurer salary be increased to \$121,475.03.**

Operating and Maintenance Budget (O&M)

Mr. Larkowski noted changes that have been proposed to the O & M since the last meeting. Computer Expense was increased to \$29,000 due to needing to subscribe to certain software that can no longer be purchased on a disc. On a motion made by Peter L McDowell, and duly seconded, the Board **UNANIMOUSLY VOTED: to approve the proposed Operating and Maintenance Budget as submitted.**

Capital Purchases and Projects Review

Ms. McMahon reviewed the changes being proposed to the Capital Budget. There was a significant change because the awarded bid for painting the six-million gallon tank was significantly lower than the \$1.5 million original cost estimate. She proposed appropriating \$600,000 from Free Cash for the Painting Contract and this would eliminate any borrowing. It was proposed to appropriate \$132,000 to Tank Painting and Power Washing due to the elimination of \$180,000 to pay principal and interest on a bond anticipation note. This Capital Budget will leave approximately \$350,000 in Free Cash. The budgets proposed were balanced based on revenue to be generated by an increase in water rates.

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

Ms. McMahon had distributed an analysis of the impact the proposed rate increases would have on customers based on various water usage scenarios. She said the increase was absolutely necessary to fund the operating budget. Mr. McDowell asked why the rates couldn't be addressed each year. Ms. McMahon suggested that these rates, if voted, should remain effected for at least three years, if not five. The proposed rate structure also included the semi-annual Account Charge increasing from \$42 to \$48. On a motion made by Alan Tuttle, and duly seconded, the Board **UNANIMOUSLY VOTED: to increase the water rates from \$2.50, \$3.50 and \$.00 to \$3.00, \$3.50 and \$4.50.** On motion made by Alan Tuttle, and duly seconded, the Board **UNANIMOUSLY VOTED: to increase the semi-annual Account Charge from \$42 to \$48.**

There was a brief discussion about \$125,000 the Treasurer reported as being unallocated during this budget process and still leave approximately \$350,000 in Free Cash. She recommended that the Board consider an article to transfer \$100,000 from Free Cash to the Stabilization Fund. On a motion made

by Alan Tuttle, and duly seconded, the Board **UNANIMOUSLY VOTED: to transfer \$100,000 from Free Cash to the Stabilization Account.**

Superintendent's Report

Mr. Larkowski reported that normally that the Consumer Confidence Report was not mailed with the water bills in February. It was not available because it is supposed to list all of the water samples taken during the previous calendar year. The Unregulated Contaminant Monitoring Rule IV (UCMR) contaminants, not having previously been sampled for, were taken in November. The results have not yet been received. So far there were no new findings although manganese is one that the District already reports and removes from its water supply. It is anticipated that Manganese will be a regulated contaminant in the future.

He was hopeful that the Route 134 Tank painting project will begin in the fall, if not, then it will be next Spring.

Updates on Well Cleanings: Wells 21, 11 and 15 have already or will have their pumps pulled and the cleaning process will begin shortly.

The Superintendent said that he will begin, likely within a week or so, flushing water mains in the south system which begins in the South Dennis area near Airline and Old Bass River Road eventually heading into Dennis Port and West Dennis. He asked for customers to watch for signs in their area.

Seasonal meter install scheduling has already begun for the spring season. Mr. Larkowski further advised that a certain type of meter that was purchases years ago, because they were cheaper in the bid process, as it turns out were cheaper for a reason, they were cheap meters. A huge push was made to change them out of the system and he was pleased to report that there was just a dozen or so left. Replacing meters twenty-years old and more would start to resume, some still going back to 1994. Approximately 3,700 of the Amco meters were replaced over a number of years.

Clerk/Treasurer's Report - None

Minutes of October 8, October 17, 2019 and January 16, 2020

Mr. McDowell requested that it be noted in the minutes of October 8, 2019, that he had not attend the meeting due to a conflict of interest due the matter of the meeting pertained to a family member. On a motion made by Alan Tuttle, and duly seconded, the Board **VOTED 2-0-1 (PLM abstain): to accept the minutes of October 8, 2020, as amended.**

On a motion made by Alan Tuttle, and duly seconded, the Board **UNANIMOUSLY VOTED: to accept the minutes of October 17, 2020, as amended.**

The minutes of January 16, 2020, were deferred.

Adjournment

On a motion made by Peter L. McDowell, and duly seconded, the Board UNANIMOUSLY VOTED: to adjourn the meeting at approximately 11:13 AM.

Respectfully submitted,

Sheryl A McMahon, Clerk