

DENNIS WATER DISTRICT

Board of Water Commissioners

Minutes of Meeting held

March 26, 2015

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

Public Comment

Chairman Prue advised that he, Superintendent Larkowski, Treasurer McMahon and Katherine Garofoli attended a meeting of the Massachusetts Water Works Association last week. He, Ms. McMahon and Ms. Garofoli had been invited to speak on partnering for water protection and land preservation.

Review and Finalize FY 2016 Budget – Superintendent requests modification to Construction Equipment capital purchase.

Mr. Larkowski explained that last week a vendor delivered a skid steer demonstrator to the District yard. The staff operated the machine for several days and determined that it was not suitable for their purposes. Therefore, the Superintendent is requesting that the Board modify its original recommendation to trade a backhoe for the skid steer and just purchase a new mini-excavator and new generator to replace existing equipment. Ms. McMahon has prepared revised budget sheets to reflect the Board's vote. On a motion made by Peter L. McDowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to eliminate the proposed trade-in of an existing backhoe for the purchase of a new skid steer and reduce the amount requested by \$45,000.***

Leak Abatement Request - Acct. 5514, Edward Coppinger, 23 Windward Rd, E Dennis

Mr. Larkowski explained the circumstances involving the property at 23 Windward Road. The property is served by a pit. There are several other buildings on the property (cottages) and one of the lines was leaking after the pit. The repairs have been made and the application for abatement has been signed and received. On a motion made by Peter L. McDowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to grant the leak abatement to Edward Coppinger, Account 5514, 23 Windward Rd, East Dennis, in the amount of \$202.30 in accordance with the Board's Leak Abatement Policy.***

Superintendent's Report

The Superintendent has begun initial reviews with the engineers, paint manufacturer and the inspector with regards to the painting and maintenance project for the West Dennis Tank. He anticipates a bid package will be ready this summer, award the contract in the fall with a work to begin as soon as the weather breaks in early spring. When asked, he did not believe it would be possible to pinpoint the exact cause of some of the paint failure that has occurred since the last painting. He noted that there were significant issues with the containment of the tank during the prior painting project. Well 5 is scheduled to be diverted to the south side treatment plant. It has been off-line for piping. As it is high in manganese it is also being cleaned. After the summer, he will begin another round of well cleanings and pump repairs.

Treasurer's Report

Ms. McMahon said that since the last meeting staff has been primarily focusing on customer phone calls regarding questions on their water bills and for the re-installation of seasonal meter. Staff is also current on posting receipts received by mail. She said that by the time the past due notices go out, the receivables are about 90% collected. By the time the Demand Notices are processed and mailed there is generally between 200 and 250. Of those, perhaps a couple dozen actually are turned-off for non-payment.

Minutes

On a motion made by Charles F. Crowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to accept the minutes of February 24, 2015 as presented.***

On a motion made by Charles F. Crowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to accept the minutes of February 26, 2015 (4:00 set) as presented.***

On a motion made by Charles F. Crowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to accept the minutes of February 26, 2015 (6:00 set) as corrected.***

On a motion made by Charles F. Crowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to accept the minutes of March 12, 2015 as presented.***

At approximately 6:17 PM and on a motion made by Charles F. Crowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to recess the meeting until the Finance Committee convenes their meeting posted for 6:30 PM.***

DISTRICT FINANCE COMMITTEE CONVENES

At 6:32 PM, Chairman Prue called the meeting to order. He welcomed the District Finance Committee and turned the meeting over to Chairman David Talbott. The District Finance Committee meeting, having been duly posted, held at Dennis Police Department, 90 Bob Crowell Road, South Dennis was called to order by David Talbott, Chairman. Finance Committee Members Richard Roy, Greg Stone, Peter Nyberg and James Plath were present. Also attending were Water Commissioners Paul F. Prue, Chairman, Charles F. Crowell and Peter L. McDowell along with David Larkowski, Superintendent and Sheryl A McMahon, Treasurer.

Public Comment

Ms. McMahon was recognized by Chairman Talbott. As a sitting Selectman, Ms. McMahon announced that the 2014 Annual Town Report had been dedicated to brothers Charles F. Crowell and William E. Crowell, Jr. for their years of service to the Town and the community.

Annual Re-organization of Committee

In accordance with the Finance Committee agenda, Chairman Talbott called for the Election of Officers. On a motion made by James Plath, and duly seconded, the Finance Committee ***UNANIMOUSLY VOTED: to elect David Talbott to serve as Chairman and Greg Stone to serve as Secretary for the ensuing year.***

Minutes: March 27, 2014, April 9, 2014 and February 24, 2015

On a motion made by Peter J. Nyberg, and duly seconded, the Finance Committee **UNANIMOUSLY VOTED: to approve the minutes of March 27, 2014.**

On a motion made by Peter J. Nyberg, and duly seconded, the Finance Committee **UNANIMOUSLY VOTED: to approve the minutes of April 9, 2014.**

On a motion made by Peter J. Nyberg, and duly seconded, the Finance Committee **UNANIMOUSLY VOTED: to approve the minutes of February 24, 2015.**

JOINT WITH BOARD OF WATER COMMISSIONERS

FY 2016 Budget Recommendations

The Superintendent suggested that the budget overview be discussed near the end of the budget discussion and suggested that they begin with the Operating & Maintenance Budget.

Operating & Maintenance Budget – \$3,157,519 –The Superintendent suggested that he would review those line items that had a change from the prior fiscal year and provided an explanation and encouraged anyone to stop him and ask about any other line item:

- **Miscellaneous Equipment** – Requested increase of \$3,500 because it is consistently over budget. There are many miscellaneous pieces of equipment such as mowers, finders, drills, etc. that are in constant need of replacement parts and maintenance.
- **Electricity** – Despite the Inter-Municipal agreement with the Town of Dennis for the purchase of 1 MW of net metering credits from the Solar Farm, the District must still contract with a power supplier to obtain the best direct billed rate possible. Currently, it is with Power Provider at 10.4 per kWh. The anticipated net metering credit cash payment from the Town is \$125,000 annually.
- **Printing and Advertising** – a new bulk mailing service contract yielded a \$2,000 annual savings.
- **Meters and Parts** – request for \$10,000 for additional meters to replace the ABBs now in service due to incompatibility with new meter reading equipment. The useful life of a meter for the District is about 20 years.
- **County Retirement Assessment** – The Retirement Association recently had their actuarial study completed. Their returns are better now that they are invested with the PRIT Fund. It is yielding less of an annual increase in the assessments than has been historically noted.
- **Water Quality Expense** – Line item is being decreased by \$18,000. The Unregulated Contaminant Role requires sampling for contaminants that may be detected in the water supply. This occurs every five years. In addition, other types of sampling vary in their testing frequency and this causes swings in the appropriation on a year-to-year basis.
- **Payroll & Benefits** – COLA was based on the same percentage being used by Social Security for 2015 at 1.7%. This percentage is applied to the average hourly wage for all hourly-wage employees. The COLA is then derived by applying the 1.7% to that hourly rate and that per-hour-adjustment is given to all hourly employees. It was noted that the Superintendent and Treasurer did not receive a salary increase last year. A proposed merit/incentive pay increase of 50 cents per hour is proposed for three employees for having obtained their state backflow tester and backflow surveyor licenses. It was also noted that there is an additional pay day (leap year) in 2016. Mr. Larkowski provided his explanation for requesting a one-time merit pay to the part-time electrician. Although he only works 25 hours per week, this employee has been extremely helpful and creative in applying his electrical and computer skills to develop systems that otherwise would have cost the District tens-of-thousands of dollars in contractor and vendor costs. The Water Commissioners supported this item.

Mr. Stone asked if there has been consideration given to emailing the water bills to save on printing and postage. Ms. McMahon said that it is something that she can look into. She said the most frequent request regarding electronic bills is automatic withdrawal for the payment of the bill. Since the water bills are issued only twice a year, she is reluctant to withdraw the amounts which can be dramatically different between the winter and summer and year-to-year.

Mr. Larkowski confirmed that the merit pay line item was for one employee and that it was a one-time payment and will not increase that employee's annual compensation.

On a motion made by Peter J. Nyberg, and duly second, the Finance Committee ***UNANIMOUSLY VOTED: to recommend \$3,157,519 for the FY 2016 Operating and Maintenance Budget and that it be funded with General Water Revenues of the Fiscal Year 2016.***

Elected Officials Salaries - \$7,956

On a motion made by James Plath, and duly seconded, the Finance Committee ***UNANIMOUSLY VOTED: to recommend the sum of \$7,956 for Elected Officials' Salaries as presented and that the amount be funded from the General Water Revenues of the Fiscal Year 2016***

General Appropriations - \$1,035,251

- Mr. Larkowski noted that there are not many changes to this budget. He noted that because of some available funds in the Household Hazardous Waste Collection Day Account, the annual request is being decreased by \$2,000.
- Ms. McMahon stated that most of these budget items were standard annual costs. Principal on Loans will remain steady for at least another five years until the \$2.5 note is retired. Ms. McMahon further noted that the Independent Financial Reporting is being decreased by \$1,000 in anticipation of having done the biennial Other Post-Employment Benefit actuarial valuation completed in this current year. When asked, Ms. McMahon reported that original borrowing of \$2.5 million has not been callable, yet. She will be contacting the Financial Advisor to see if the timing is now appropriate to refinance this loan. When asked, she further noted that the Independent Financial Reporting is primarily for the annual fiscal audit. She has generally obtained three quotes, however, she is considering putting out a request for proposals for a 3-year contract.
- Ms. McMahon reported that over several months, the Board of Water Commissioners concluded that it would be in the District's best interest to have the Treasurer draft a set of policies and procedures for the District. She did admit that it would be a slow process but, felt that being involved directly was an opportunity to also observe the actual execution of the procedures and be pro-active in developing other related policies as well as evaluate applied software, etc.

On a motion made by Peter J. Nyberg, and duly second, the Finance Committee ***UNANIMOUSLY VOTED: to recommend \$1,035,251 for the FY 2016 Operating and Maintenance Budget and that it be funded with General Water Revenues of the Fiscal Year 2016.***

Capital Expenditures – \$864,800 (as identified in the agenda)

- Cleaning Wells & Pump Repairs - Mr. Larkowski noted an increase of \$20,000 in Cleaning Wells and Pump Repairs. He reported that Wells 21, 20 and 5 will be completed this fiscal year. Wells are monitored for loss of production capacity as well as the useful life of the pumps.

- Mr. Larkowski began the review by discussing the Water Management Act Permit Renewal and the request for \$10,000 for consulting services in order to get the best result for the District from the process.
- New Trucks with Equipment – One ¾ ton, 4-wheel drive with plow is proposed to be replaced with new as well as replacing a standard van with a utility van to provide more space for the Stations Maintenance employees.
- Construction equipment – The original request was recently reviewed by the Water Commissioners and based on the Superintendent’s recommendation, the trade-in of a backhoe for a skid steer machine has been withdrawn. The original request has been decreased by \$45,000 to \$70,000. The request is to replace a mini-excavator and an air compressor, both now in use, for new.
- Miscellaneous Equipment - \$19,800 is requested to purchase new portable handheld radios, new moles, new rock drills and to replace a nearly-ten-year-old Savin printer with new for the office.
- Maintenance & Power Washing Water Tanks – The District has undertaken several tank projects for painting and maintenance. Originally, it was thought the West Dennis Tank was in decent shape however, five years later, an inspection report indicates a higher level of maintenance is necessary. There are areas of paint failure, and metal degradation on sway bars and supports. Due to the height of the tank and the close proximity of the neighborhood, a private contractor will have to be hired. The project will require the tank to be contained. The cost of containment is approximately \$125,000 to \$150,000. To fund the \$700,000 appropriation will require a transfer of \$299,247 from “Free Cash”, a transfer of \$207,753 from General Water Revenues and a borrowing authorization of \$200,000. Ms. McMahon explained that in order for the Treasurer to sign a bid award, the total appropriation for the contract must be authorized. Mr. Larkowski had explained that he anticipated the bid award to be issued in the fall with a project start date as soon as the weather breaks in March. It is not anticipated that the borrowing will be accessed because the project will be underway in the spring. At that time, the final cost of the project will be known and the borrowing authorization can be rescinded and the final costs can be appropriated from available funds at the 2016 Annual District Meeting.
- Green Sand Replacement – The annual appropriation was increased last year from \$25,000 to \$50,000 with the total current balance of \$125,000.
- Transmission Main Extension – A review of the multi-year project was provided by the Superintendent. The final phase will require an easement across private property to connect the transmission main from Great Western Road to Center Street. The terms of the easement has been negotiated and is awaiting signature by the property owner. The \$30,000 is to compensate the owner for having to make the property accessible, repave and install replacement fencing. Ms. McMahon advised that acquisition of the easement will be in a separate article. The recommended funding is a transfer of \$20,000 from the Transmission Main Account and a transfer of \$10,000 from “Free Cash”. An appraisal of the property has been requested and should be available shortly. However, it was noted that this is a unique situation as there are costs to be incurred by the owner for making the property available to the District and for the restoration of the pavement and fencing. The article requires a 2/3 vote of District Meeting.

In reference to the Water Permit Withdrawal Renewal, Mr. McDowell noted that there is a well that can be monitored via the internet in terms of the water level.

On a motion made by Peter J. Nyberg, and duly seconded, the Finance *Committee* **UNANIMOUSLY VOTED: to recommend that the District transfer and appropriate the sum of \$259,800 from Free Cash for the following capital expenditures:**

<i>Cleaning Wells & Pump Repairs</i>	<i>80,000</i>
<i>Water Management Act Permit Renewal</i>	<i>10,000</i>

<i>New Truck w/Equipment</i>	<i>80,000</i>
<i>Construction Equipment</i>	<i>70,000</i>
<i>Miscellaneous Equipment</i>	<i>19,800</i>

And to transfer and appropriate \$50,000 from the General Water District Revenues of the Fiscal Year 2016 for Green Sand Replacement for a total of \$309,800 for these appropriations.

On a motion made by Peter J. Nyberg, and duly seconded, the Finance Committee ***UNANIMOUSLY VOTED: to recommend that the District transfer and appropriate the sum of \$200,753 from the General Water District Revenues of the Fiscal Year 2016, to transfer and appropriate from Free Cash \$299,247 and to borrow \$200,000 for a total of \$700,000 for Maintenance and Power Washing of Water Tanks.***

On a motion made by Peter J. Nyberg, and duly seconded, the Finance Committee ***UNANIMOUSLY VOTED: To recommend that the District authorize the Board of Water Commissioners to acquire by purchase, gift or eminent domain, for water distribution purposes, an easement area containing .36 acres more or less, in a parcel of land of Robert Childs, shown on a plan of land entitled "Easement Plan of Land in South Dennis, Massachusetts, prepared for Dennis Water District, Scale 1" = 60', March 12, 2015, Demarest Land Surveying" for the sum of \$30,000 and to meet this appropriation transfer \$20,000 from Article 6 [sic] of the Annual District Meeting held April 22, 2014 (Transmission Main Extensions) together with a transfer of \$10,000 from "Free Cash".***

Clerk's Note: Due to a typographical error, the funds to be transferred from the Transmission Main Extension were from Article "5" of the ADM not Article 6 as voted.

Chairman Prue thanked the Finance Committee for supporting the District's budget while trying to maintain reasonable water rates and at the same time ensure that the integrity of the system itself is maintained.

Chairman Talbott thanked the Water Commissioners, the Superintendent and the Clerk/Treasurer for the fine job in preparing the budget for the Finance Committee's review.

The Treasurer noted the budget summary which indicates all of the budgets and their funding sources. She further noted that the certified "Free Cash" was \$989,632. If every article were to pass at the District Meeting, the available balance would then be \$420,585. She felt this was an appropriate balance for the District to end the fiscal year.

In response to a question by Mr. Plath, Ms. McMahon stated that there were no outstanding legal claims against the District.

On a motion made by Richard Roy, and duly seconded, the Finance Committee ***UNANIMOUSLY VOTED to adjourn the meeting at 8:01 PM.***

On a motion made by Peter L. McDowell, and duly second, the Board ***UNANIMOUSLY VOTED: to adjourn the meeting at 8:02 PM.***

Respectfully submitted,

Sheryl A McMahon, Clerk