

DENNIS WATER DISTRICT

Board of Water Commissioners

Minutes of Meeting held

October 27, 2016

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 Commissioner Peter L. McDowell were present. Also in attendance was David Larkowski, Superintendent and Sheryl A McMahon, Treasurer.

Public Comment

Sheryl McMahon, District Clerk announced that the Special District Election to fill the unexpired term of Charles F. Crowell will be held on December 6, 2016. Because the Town will also be conducting a Special Town Election on the same day, the polling hours will be as they traditionally are, from 7:00 AM until 8:00 PM and the polling places will be the same as regular town elections.

Review and Award Construction Bid for New West Dennis Tank

Chairman Prue introduced Kristin Berger and Michael Ohl of Comprehensive Environmental, Inc. (CEI) to the Board members present. Also present was Kevin Gallagher of Caldwell Tank, Inc. Mr. Larkowski explained that once the bids were received he, Ms. Berger and Mr. Ohl reviewed the bids to ensure they were compliant with the specifications and the tank that was being proposed, including the construction methods were what would be aesthetically and structurally to the satisfaction of the District. The four bids were from a low of \$3,337,000 to a high of \$3,917,000. The lowest bidder, Caldwell Tank did not propose to construct the tank by the method specified in the specifications. Originally, there was concern that Caldwell might not be able to provide the aesthetic or architectural look that the District would want for such a large structure. Mr. Larkowski and representatives from CEI conducted interviews and site visits in which different methods of construction of the concrete pedestal were employed. Ms. Berger said that the evaluation was comprehensive and that upon further review it was determined that Caldwell would produce a tank that would meet the aesthetic needs of the District and it was CEI's recommendation to award the contract to Caldwell Tank.

On a motion made by Peter L. McDowell, and duly seconded, the Board ***VOTED: to accept the bid from Caldwell Tank, Inc. at \$3,337,000.*** Chairman Prue expressed his appreciation to the engineers, contractors and Mr. Larkowski for putting together a team that he expected would complete a good project.

Ms. McMahon considered this a good opportunity to advise the Board that she expects the estimated "Free Cash" as of 7/1/2016 to be certified by the Department of Revenue at approximately \$1.77 million. She reminded the Board that the District has authorized the project at \$4 million and has appropriated \$2 million in cash from various sources along with a \$2 million borrowing authorization. Ms. McMahon reviewed the sources that contributed to the amount of surplus available. She anticipates that the Board might consider a transfer from "Free Cash" of at least \$1 to \$1.3 million to further fund the tank's construction. Since the project is expected to be completed in about 18 months, she anticipates, given the amount of water pumped this past summer, that there will be additional "Free Cash" available in the subsequent fiscal year to fully fund the project with cash and there will likely not be a need for any permanent borrowing. Ms. McMahon said that as the construction schedule is

developed a cash flow requirement will be as well which will indicate if any short-term borrowing will be needed and will advise the Board as the information is available.

Consider signing Cape Cod Municipal Health Group Joint Purchase Agreement.

Ms. McMahon presented for the Board's consideration the Cape Cod Municipal Health Group (CCMHG) Agreement for Joint Negotiation & Purchase of Health Coverage as most recently amended on October 19, 2016. This is the agreement by which the Dennis Water District, along with the Town of Dennis and nearly all other municipal entities in Barnstable County purchase group health and dental benefit insurance for employees and retirees. Ms. McMahon took the opportunity to advise the Board that at a future date she will bring forward for the Board's consideration a new type of plan offering Health Savings Account based on a high deductible plan. The plan is being offered in response to the pending "Cadillac Tax" on high premium plans offered by employers which will go into effect in a few years. She further explained that the agreement binds the District, as a member of the CCMHG to abide by the decisions, rules and regulations as determined by the Board of Trustees. One person represents each participating municipal entity on the Board of Trustees. Ms. McMahon is the District's trustee. On a motion made by Peter L. McDowell, and duly seconded the Board ***VOTED: to sign the Agreement for Joint Negotiation & Purchase of Health Coverage by the Cape Cod Municipal Health Group as most recently amended October 19, 2016.***

Superintendent's Report

Iron Removal Plants – Mr. Larkowski advised that they have completed the annual preventative maintenance. This year samples were taken of the green sand and anthracite which has not been done previously. Still getting great removal but, it is time to check on the condition. Sample results should be anthracite be back next month. About three years ago, additional treatment vessels were added to each plant. At that time the District entered into an agreement with Roberts Filter for annual maintenance. Beginning FY 2018, the annual maintenance cost will need to be funded in the budget. It takes about one week to do the inspection and review. He noted that the District has been funding an appropriation of about \$50,000 per year in order to provide for the replacement of the media when it became necessary.

Tank Maintenance – Earlier this year, the Hokum Rock Tank was painted at a contracted cost of \$233,000. Earlier this fall, the Route 134 tank was power washed as preventative maintenance. The maintenance program is power wash these tanks every other year. While the equipment was available, the exterior of the Old Bass River Tank was power washed as well. Upon further inspection, it was noticed that under the catwalk there was rust forming. The areas were power tooled, primed and painted and is in great condition. This week the Old Bass River tank was drained (out of service for the winter) for interior inspection and cleaned.

South Side Flushing – It is not possible to flush the entire town in one season. Flushing the south side began last spring and crews recently resumed flushing that side to is finishing up in Dennis Port and West Dennis. Northside will start again next spring.

Treasurer's Report

FY 2015 & 2016 Audit Review - Ms. McMahon advised that auditor was nearly complete for both years and the Board's review Audit Review have been scheduled for December 22, 2016. Ms.

McMahon noted that she had provided copies of the FY 2016 Balance Sheet as of June 30, 2016 and the Treasurer's Receipts and Expenditures Report. She also provided a FY 16 Revenue Estimate.

Solar Revenue FY 2016 and FY Year-To-Date - Ms. McMahon provided a spreadsheet for the FY 2016 total revenue received from the Town of Dennis for the net metering credits remitted under the solar revenue agreement. She noted the percentage of power and the percentage of amounts paid for all power costs and just the power generation. She reported that the revenue received so far this fiscal year was just under \$60,000. The amount estimated for budget purposes is \$100,000. Currently the net meter credit is approximately 15 cents per kWh and the power purchasing cost is about 6 cents per kWh.

Minutes

On a motion made by Peter L. McDowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to accept the minutes of July 14, 2016.***

On a motion made by Peter L. McDowell,, and duly seconded, the Board ***UNANIMOUSLY VOTED: to accept the minutes of July 28, 2016.***

The minutes of August 25, 2016 were deferred to a future meeting.

Adjournment

On a motion made by Peter L. McDowell, and duly seconded, ***the Board UNANIMOUSLY VOTED: to adjourn the meeting at approximately 6:52 PM.***

Respectfully submitted,

Sheryl A McMahon, Clerk