

DENNIS WATER DISTRICT

Board of Water Commissioners

Minutes of Meeting held

December 22, 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 Commissioners Peter L. McDowell and Alan Tuttle were present. Also in attendance was Sheryl A McMahon, Treasurer.

Public Comment - Welcome New Water Commissioner – Consider Board Organization.

Chairman Prue introduced newly elected Water Commissioner Alan Tuttle. Mr. Tuttle was elected on December 6, 2016 to fill the unexpired term of the late Charles F. Crowell. Mr. McDowell also welcomed Mr. Tuttle. Mr. Tuttle expressed his appreciation to the voters and is looking forward to serving on the Board.

Chairman Prue stated that this would be the time for the Board to consider the positions of Chair and Vice Chair. He stated that he has served on the Board for many years and as Chairman for the last several and even though he is not totally versed in Roberts Rules of Order he would very much like to continue as Chair. On a motion made by Peter L. McDowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to elect Paul F. Prue to continue to serve as Chairman.***

On a motion made by Alan Tuttle, and duly seconded, the Board ***UNANIMOUSLY VOTED: to elect Peter L. McDowell to serve as Vice Chairman.***

Mr. McDowell noted that he is plans to attend the annual Massachusetts Municipal Association next month as a member of the Town of Dennis Finance Committee. As with past years, the Town pays for his registration and all other expenses are covered by the District. Chairman Prue announced that he would be attending as well.

Review Audit for FY 2015 and FY 2016 with Joseph McGee, Sanders Walsh & Eaton.

Chairman Prue acknowledged the Treasurer who introduced Mr. McGee, with the firm of Sanders Walsh & Eaton, as the principal auditor for the District. Two fiscal years were audited back-to-back and the complete Financial Statements for FY 2015 and FY 2016 were provided to the Board. The auditor's report included the Independent Auditor's Report on Financial Statements, Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information and the Independent Auditor's report on Internal Control Over Financial Reporting and on Compliance and Other Matters. Also provided under separate cover was a letter dated November 22, 2016 addressed to the Board of Water Commissioners which addressed Significant Audit Findings and other topics. Also included were the auditor's Comments and Recommendations as it relates to these audits. Mr. McGee noted that the District is doing very well financially with a strong Balance Sheet.

Mr. McGee stated that following the audit process he was pleased to report that the firm considered it a "clean opinion" meaning that there the financial statements were prepared and finalized without reservation or condition. He had also provided the Board with an audit summary which included a five-year comparison of financial results and cash flow. He noted again, the strong financial position of the District despite a 20% increase in debt which is attributable to the OPEB and the Net Pension Liability.

Mr. McGee noted that there were no issues or disagreements with management and that internal controls were sufficiently identified and in place to ensure that there are no misstatements that would have a material impact on the financial statements. He further noted the two most significant impacts to the financial statements. One is the GASB Statement 67 & 68 which require the recording of the net pension liability on the balance sheet. The other is GASB Statements 74 and 75 as they pertain to including Other Post-Employment Benefits (OPEB) as an accumulated liability. The OPEB liability under previous GASB requirements was included as a "Note to the Financial Statements". As of June 30, 2016 the District's liability is approximately \$1,269,000 is included. Mr. McGee noted that there is nothing currently under GASB or state law that mandates any funding of that liability. There was some discussion regarding what other municipalities are doing regarding this funding. It was noted that the Town of Dennis has established an OPEB Trust Fund and has made some appropriations. Mr. McDowell asked if it is time to consider backing away from this commitment, not the funding part but, by creating it and maintaining it.

There being no additional questions, Chairman Prue thanked Mr. McGee for attending the meeting. Mr. McGee responded in kind and said that any time the Board members had any questions to please feel free to contact him.

Postponed: Review Request for Proposals for Lease to Cellular Carrier on West Dennis Tank.

Ms. McMahon advised that the deadline for submitting responses to the District's Request for Proposals for leasing of space on the existing tank in West Dennis (including the transfer to the new tank) was postponed from December 6th to January 10th. The request for an extension was from a carrier who is likely to be the only responder. It will be available for the January Board meeting.

Reserve Fund Transfer Requests:

Ms. McMahon reminded the Board that it had agreed to share one-half the cost of the Special Election held December 6 with the Town of Dennis as the Town had a debt exclusion question on the same ballot. She stated that the Reserve Fund appropriation is \$50,000. There had been one transfer authorized of \$3,200 for unemployment benefits in July. With the two transfers as approved tonight, the balance would be \$26,761 for the remainder of the year. On a motion made by Peter L. McDowell and duly seconded, the Board ***UNANIMOUSLY VOTED: to transfer the sum of \$6,328.97 for the District's share of the Special Election held 12/6/2016.***

Ms. McMahon explained that the District does not pay unemployment insurance premiums. Instead, it is self-insured for the payment of unemployment claims. The maximum benefit for the current claim is \$13,710. Ms. McMahon requested that the Board vote to authorize a transfer of up to \$13,710 for this expense. The reason for an authorization to transfer up to a limit was because sometimes claimants stop collecting due to receiving pension benefits or new employment. On a motion made by Alan Tuttle and duly seconded, the Board ***UNANIMOUSLY VOTED: to authorize a Reserve Fund transfer of up to \$13,710 for the payment of unemployment insurance benefits as they become due and payable.***

Review and Vote 2017 Meeting Schedule.

Ms. McMahon advised that the schedule, as proposed, is one that follows past Board scheduling of its regular monthly meetings. The availability of this room has been confirmed with the Police Department and has been scheduled with the Town's IT department for cable broadcast and recording. On a motion made by Peter L. McDowell and duly seconded the Board **UNANIMOUSLY VOTED: to adopt the meeting schedule for 2017 as presented.**

Treasurer's Report

Ms. McMahon advised the Board that the Water Lien Commitment was finalized and turned over to the Town Assessors in early December. The total number of water accounts committed was 41 for a total of \$13,106.98. Fiscal Year 2016 was \$21,799.67. The amount committed represents .28% of the total amount billed to water customers in FY 2016. The average committed bill is \$319.69. If the largest bill of \$1,872.64 was not on the list the average commitment would be \$280.85.

Minutes of November 17, 2016

On a motion made by Peter L. McDowell, and duly seconded, the Board VOTED: 2-0-1 (AT) to accept the minutes of November 17, 2016 as presented.

Peter L. McDowell moved that the Board enter in to 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 discussion in open session may have a detrimental effect on the negotiating position of the District and not to return to open session. The motion was seconded by Alan Tuttle. The Chairman called for the roll call vote which is recorded as follows:

Alan Tuttle "aye"
Peter McDowell "aye"
Paul Prue "aye"

The open session was thereby adjourned at 6:34PM.

Respectfully submitted,

Sheryl A McMahon, Clerk