

# **DENNIS WATER DISTRICT**

## *Board of Water Commissioners*

Minutes of Meeting held

January 26, 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 5:45 PM. Water Commissioners Peter L. McDowell and Alan Tuttle were present. Also in attendance was David Larkowski, Superintendent and Sheryl A McMahon, Treasurer.

A motion was made by Peter L McDowell *that the Board conduct an Executive Session in accordance with MGL Chapter 30A, Section 21A, Reason #2, in order to consider discuss payroll cost of living adjustment for Fiscal Year 2018 for non-union personnel as the Chairman has determined that an open meeting might have a detrimental effect on the negotiating position of the Board and to return to open session upon its completion.* Alan Tuttle seconded the Motion. The Chair then called for the roll call vote as follows:

Alan Tuttle – “Aye”

Peter L. McDowell – “Aye”

Paul F. Prue – “Aye”

The Board returned to open session at approximately 6:15 PM.

***Public Information*** - None

***Consider Leak Abatement Request by Homestead Condominiums, Acct No. 06914, 777 Route 6A, Dennis.***

Mr. Larkowski reviewed the application of Homestead Condominiums for a credit in accordance with the Board’s Leak Abatement Policy. He noted that this location has had several losses over the years because the service terminates in a pit and the buildings are served by privately installed water lines. The property was developed in the late 1970’s and the pipes need to be replaced. Three representatives from the Association were present. They collectively agreed that the Association would be pursuing the replacement of the lines and are also considering eliminating the meter pit and bringing the water into each of the buildings. This would eliminate future underground leaks that would be captured by the meter.

On a motion made by Peter L McDowell and duly seconded, the Board ***UNANIMOUSLY VOTED: to grant a credit of \$1,250.85 in accordance with the Board’s Leak Abatement Policy to Account No. 06914, Homestead Condominiums, at 777 Route 6A, Dennis.***

***Consider awarding lease to Verizon as sole respondent to Request for Proposals for available space on West Dennis Tank.***

Mr. Larkowski reviewed the proposal from Verizon to enter into a lease agreement for space on the current West Dennis water tank and to move the equipment to the new tank once it is completed. The first year’s annual lease payment would be \$ 51,504 with an annual escalator of 3%. The Superintendent explained that the engineers had originally thought that three carriers would be able to fit on the rail on the new tank. However, it is now believed that only two can fit. The engineers for the

cellular carriers cannot use an additional rail at the very top of the tank because it would create too much 'shadow' for the radio frequency below. Mr. Larkowski has advised that our consulting engineer is recommending that the third carrier go just below the tank on to the concrete. They are certain that there will be no impacts to the structural integrity of the tank. On a motion made by Peter L McDowell and duly seconded, the Board ***UNANIMOUSLY VOTED: to award a 20-year lease agreement to Verizon at the proposed price as presented in the proposal submitted.***

### ***Consider change in Water Conservation Status***

Mr. Larkowski distributed and reviewed a graph of the USGS monitoring tank in Brewster. He reminded the Board about the serious drought that occurred off-Cape last summer. He explained that we are normally in the "green" stratus on the graph. In fact, last winter we were above the green. In January 2017 we have almost dipped out of the green and into the orange. He reported that in terms of precipitation we are a little behind. Under normal conditions, about a month and half ago we should have seen the levels in the Brewster well start recovering. That is not happening and he is concerned that the precipitation will not sufficient to recover the water table to normal condition. He suggested that the Board may want to consider changing the status from "Normal" to "Advisory" for the purpose of educating the public. That it is not necessary to water lawns every day. Get the Town engaged in less watering along with other customers that have large irrigated areas. He reminded the Board that the District is in a different lens of the aquifer than the upper cape towns. He said that he will update the Board in March.

### ***Review Draft FY 2018 Budget***

The Superintendent and Treasurer reviewed the proposed Operating and Maintenance Budget for FY 2018.

He addressed those line items that had a variance from the current year's budget. Of particular note was a change in Maintenance of Mains and Hydrants. It is proposed to reduce this account \$18,000 to \$10,000. The rational is due to the fact that it can sometimes be very volatile based on how often there are significant water main breaks. However, there is an existing continuing appropriation account known as Water Main Rehabilitation. The account was first established in the 1990's to provide funding for the replacement of 2" mains with at least 6" so that fire hydrants could be installed. Over the years, the original purpose of this account has morphed into a multi-purpose account for installing extensions of different sized mains, repairing water mains and replacing smaller diameter with larger mains. The proposal is to decrease the O & M line item by \$8,000 and to discontinue the Water Main Rehab account by creating a new account entitled Water Distribution System Maintenance and Extensions. Chairman Prue suggested that the O & M line item 5000-15 be renamed as just Maintenance of Hydrants as is the intention going forward. Mr. Larkowski noted the increase in Water Quality expense because of the different types of water samples that are taken from year to year. Ms. McMahon reviewed the Group Insurance Line Item as there is a 10% increase in premiums for the next fiscal year. It was noted that the O & M budget was increasing overall by 1.2%.

Ms. McMahon reviewed the General Appropriations. It was noted that the Interest on Loans should have decreased and she would revise. A new line item of \$50,000 was identified to pay the on-going legal costs associated with five land damage cases now pending against the District.

Mr. Larkowski began the review of the Capital Appropriations. A \$200,000 recommendation is being made for Cleaning Wells and Pump Repairs. The current balance of approximately \$155,000 will be expended by the end of Fiscal Year 2017. Mr. Larkowski reviewed with the Board which specific wells he will be scheduling to be cleaned. Ms. McMahon reviewed again the rational for eliminating

the Water Main Rehabilitation Account and transfer the unexpended balance to a new account for Water Distribution System Maintenance and Extensions. The Superintendent is recommending the replacement of three pickup trucks. One van with approximately 90,000 miles will be traded for a smaller van; a one-ton dump truck with plow to be replaced with same as it has mechanical problems and another 1/2 –ton pick up to be replaced with same. He also is recommending to trade in a John Deere backhoe/loader for a larger mini-excavator. He explained that the larger backhoe/loaders are not as useful as they once were and the smaller excavators can work in tighter spaces. Mr. Larkowski reviewed the smaller Miscellaneous Equipment that is being requested. Ms. McMahon said that she was expecting the “Free Cash” to be certified at approximately \$1.5 million. She is recommending that the Board vote an article to transfer \$1 million from Surplus to the construction of the New West Denis Tank. She anticipated that the entire cost of \$3.5 million and believes that given the pumping demand this past summer, there may be sufficient excess revenues at the close of FY 2017 to transfer additional funds next year and pay cash for the new tank. Ms. McMahon recommended that the Board consider an article to begin funding the Other Post-Employment Costs by transferring \$50,000 from “Free Cash” to an OPEB Trust Fund. Ms. McMahon provided the most recent actuarial table to the Board. The 2018 Normal Cost is \$67,178. While this amount would not mitigate the accumulated unfunded liability, it would demonstrate an effort to recognize the current liability and begin funding for the future.

The Treasurer reviewed the Revenue Budget for the ensuring year. There were no water rate changes proposed and they are anticipated to remain stable for the next several years. Small adjustments were made in the other revenue estimates to account for fluctuations when compared with prior year actuals. Total budget appropriations as proposed at this meeting were just under \$6 million. This would require a transfer from “Free Cash” of slightly more than \$1.3 million. The current budget would leave a cash balance in “Free Cash” of about \$417,000.

Ms. McMahon had distributed the Solar Revenue report for fiscal year-to-date. The District has collected just under \$90,000 from the Town. The report shows the amount of power the revenue represents from the solar farm as well as how much power is used by the District on a monthly basis. She is recommending a conservative estimate of \$100,000 from the Solar Revenue.

***Superintendent’s Report*** – Nothing Additional

### ***Treasurer’s Report***

Staff is preparing the reports to review and verify the billing data. Currently there are only 57 accounts that we were not able to get readings for this billing cycle. She complemented Louise McInnis for her tenacity in obtaining the readings and for the meter readers that work out in some very uncomfortable weather conditions to collect the readings. She wanted to remind those in the listening audience that the District pumped a record amount of water during the summer season and it will surely be reflected in the bills that will be issued shortly. She anticipated that the bills will in the mail on or about February 10.

***Minutes of December 22, 2016*** - Deferred

### ***Adjournment***

On a motion made by Peter L McDowell and duly seconded, the Board ***UNANIMOUSLY VOTED: to adjourn the meeting at approximately 7:45 PM.***

Respectfully submitted,

Sheryl A McMahon, Clerk