

DENNIS WATER DISTRICT

Board of Water Commissioners

Minutes of Meeting held

March 2, 2017

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 3:46 PM. Water Commissioners Peter L. McDowell and Alan Tuttle were present. Also in attendance was David Larkowski, Superintendent, Sheryl A McMahon, Treasurer, Pamela Marsh and Daniel Chamberlain

A motion was made by Peter L McDowell *that the Board conduct an Executive Session in accordance with MGL Ch. 30A §21A: Reason #3: To discuss strategy with respect to litigation that the Chair having declared that an open meeting may have a detrimental effect on the bargaining or litigating position of the public body on the following land damage cases:*

- a) William J. Brann v Dennis Water District – Land Court Case No.: 15-MISC-000388-HPS*
- b) Judith Galle v Dennis Water District – Land Court Case No.: 15-MISC-000021-RBF*
- c) Brenda Summerlin v Dennis Water District – Land Court Case No.: 16-MISC-000400-HPS*
- d) Katherine B. Fisher v Dennis Water District – Land Court Case No.: 16-MISC-000122-HPS*
- e) Linda M. Cowart v. Dennis Water District – Land Court Case No.:*

and further to conduct an Executive Session in accordance with MGL Ch. 30A Section 21A Reason #6: to consider the purchase, exchange, taking, lease, or value of real property regarding a proposed gift of land by Peter J. Nyberg located off Rena's Way, South Dennis

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 5:00 PM at which time the meeting was recorded.

Public Information:

Chairman Prue announced his candidacy as water commissioner for the coming election.

Consider Appointment of Clerk & Treasurer

On a motion made by Alan Tuttle and duly seconded, the Board ***UNANIMOUSLY VOTED: to appoint Sheryl A McMahon and Clerk and Treasurer for a term to expire March 31, 2020.***

Consider Creating Other Post-Employment Benefits Liability Trust Fund – Chapter 32B, Section 20 (c).

Ms. McMahon noted that the Board has had several previous discussions regarding the creation of in OPEB trust fund. The town of Dennis has established its own OPEC trust fund by town meeting vote

a couple of years ago. To date the town has appropriated nearly \$300,000 to the trust fund. It was noted that bond rating agencies view the creation of the trust fund and subsequently deposits made to that trust fund as being fiscally prudent and a financial benefit to the town. Mr. McDowell requested verification of the District's acceptance of Chapter 32B. This is the statute which would allow the District to establish an OPEB trust fund. On a motion made by Peter L McDowell and duly seconded, the Board **UNANIMOUSLY VOTED:** in accordance with Chapter 32B, Section 20 (c) to create an OPEC trust fund subject to verification by the Clerk of the District's acceptance of Chapter 32B.

Consider FY 2018 Budget:

a) Operating & Maintenance - the Board reviewed the individual line items contained within the operating and maintenance. A reduction in the postage expense by \$4000 was proposed by the Treasurer. The changes reduced the overall total. The O and M budget is 1% more than the current fiscal year. On a motion made by Alan Tuttle and duly seconded the Board **UNANIMOUSLY VOTED: to recommend an Operating and Maintenance Budget for FY 2018 of \$3,220,728.**

b) General Expenditures - the Board reviewed the general expenditure budget with changes having been made to reduce the interest cost on loans from \$149,967 to \$134,551 for a total budget of \$1,079,418. On a motion made by Peter L McDowell and duly seconded, the Board **UNANIMOUSLY VOTED: to recommend a general expenditure budget for fiscal 2017 of \$1,079,418.**

c) Capital Expenditures - Mr. Larkowski proposed that the amount for new trucks and equipment be increased by \$8,500. This will allow the district to purchase a new one ton truck and pay the full bid price while allowing the district to auction the existing truck for cash. He believes he will get a better price by selling it directly then by using it as a trade. Mr. Larkowski further advised that he had forgotten to add the plow packaged to the 1 ton truck. It will now bring the total of that line item to \$96,000. Mr. Larkowski advised that the miscellaneous equipment budget, in particular for leak detection equipment, would require an additional \$2500. Bring the total to \$13,600. The treasurer advised that to fund these capital expenditures of \$566,600 the Board should vote a recommendation of \$292,513 from free cash and a transfer of \$273,787 from water revenue. On a motion made by Alan Tuttle and duly seconded the Board **UNANIMOUSLY VOTED: to recommend a capital expenditures budget for 2018 in the amount of \$566,600 to be funded by a transfer from free cash of \$292,513 and 273,787 from water revenues.**

d) Elected Officials - on a motion made by Peter L McDowell and duly seconded the Board **UNANIMOUSLY VOTED: to recommend the salary of elected officials of the district for fiscal year 2018 in the amount of \$7,956.**

e) Special Articles

i) New West Dennis Tank – Appropriate and Transfer \$1million from Free Cash was a recommendation that has been discussed previously by the Board.

ii) OPEB Trust Fund - Ms. McMahon had previously recommended \$50,000 to be deposited into the trust fund. After reviewing the actuarial report for the accrued liability she is now recommending \$67,168 to be transferred from free cash to the trust fund. This essentially represents the normal cost for postemployment benefits. This does not address the accumulated unfunded liability. Given the district's financial condition she was of the opinion that at least funding the normal cost going forward will help address and alleviate the burden of OPEB costs in the future. Discussion ensued as to how the trust funds would be invested. She said that in accordance with the

trust agreement the trustees would have that responsibility which could be the Board of Water Commissioners as the Board of Trustees.

iii) Employee Mitigation Fund Account – 25% of Savings from Change in Benefits –Authorized by Chapter 32B, Sections 21 – 23 From Free Cash - Ms. McMahon reviewed for the Board the changes being made in the level of deductibles and co-pays for the regular health plans offered. Although the district does not have bargaining units, the Board previously agreed to and supported the funding of an employee mitigation fund. The statute allows up to 25% of the estimated savings from the changes in the plan design to be set aside and used for the benefit of covered employees for the first year. The estimated savings for the district is \$6968. Twenty-five percent is \$1742. Chairman Prue agreed that he would not be eligible to participate in the mitigation fund. The distribution of the fund is based on whether an employee has single coverage or family. On a motion made by Alan Tuttle and duly seconded the Board ***VOTED 2-01 (PFP): to recommend the creation of an employee mitigation insurance fund and appropriate \$1742.***

Ms. McMahon advised that in consideration of all transfers from free cash to support capital expenditures in the special articles, it would leave approximately \$410,000 in free cash. This would include the \$1 million put towards the new tank construction. The estimated total cost of the tank construction is \$3.5 million of which the district will have funded \$3 million in cash. Ms. McMahon anticipated that there would be sufficient free cash next year to completely pay for the tank with cash.

iii) Accept a gift of land from Peter J. Nyberg of 12 acres (+/-) by eminent domain with the consent of the owner. Ms. McMahon advised that Atty. Marsh has reviewed and revised the article for this acquisition. No appropriation is necessary for this article. All preliminary expenses are being paid from an existing appropriation. On a motion made by Peter L McDowell and duly seconded the Board ***UNANIMOUSLY VOTED: to place in article on the district warrant to acquire by gift and/or eminent domain the parcels of land off Rena's way being gifted by Peter J Nyberg.***

Discuss Offering New Health Savings Account Plans for Employees

Ms. McMahon reviewed with the Board materials that had been distributed in their packets regarding the addition of High Deductible - Health Savings Account plans to the menu of plans offered by the district through the Cape Cod Municipal Health Group. According to the estimated changes in premiums, and including the district's share to the employee's health savings account, the district would save more than \$26,000 if all employees participated. There was a lengthy discussion on how the plan worked and what the benefits were to the employee in terms of potential savings. The Board was desirous of more time to review the material and understand the concept before making a decision. Ms. McMahon would make more material available for the Board's next meeting scheduled for March 23. Ms. McMahon did request that the Board consider making a decision by April 1 which would provide her with additional time to educate employees about the new plans.

Superintendent's Report:

Water tank – not too much work has been undertaken lately. Geotech work was done in February. Sonic monitors were used and the foundation plans are due tomorrow. Mr. Larkowski reported that it is an aggressive schedule but, he did not expect them to be in the ground until April. He did advise that the contactor still needs a building permit.

Eversource - Mr. Larkowski advised that their yearly operating plan (YOP) for last year was never done. The YOP for 2017 will be done in the right-of-way coming from Yarmouth to Brewster. The

YOP includes spot maintenance on their brush cutting and herbicides. They are not allowed to use chemicals within 400 feet of a well or 100 feet of private well. Mr. Larkowski advised that he has an updated plan and he works with them when they actually do it.

Water conservation – Mr. Larkowski advised that the monitoring well has not recovered as it should. It is lagging where it should be. If nothing changes he make recommend a move from a “watch”. This would mean asking customers to restrict watering to a voluntary odd-even watering outside. When we don’t get enough water we have to back down the shallower wells during times of heavy demand.

Treasurer’s Report:

Ms. McMahon advised the one that she had received a phone call from a representative from Standard & Poors. She had believed that the call was in reference to the 2015 and 2016 audits and they were just updating their records. She further advised that Standard & Poors has reaffirmed the District’s bond rating at AA+.

Minutes:

On a motion made by Peter L McDowell and duly seconded, the Board ***UNANIMOUSLY VOTED: to accept the minutes of December 22, 2016 and January 26, 2017, as presented.***

Adjournment:

On a motion made by Peter L McDowell and duly seconded the Board ***UNANIMOUSLY VOTED: to adjourn the meeting at 6:15 PM.***

Respectfully submitted,

Sheryl A McMahon, Clerk