

DENNIS WATER DISTRICT

Board of Water Commissioners

Minutes of Meeting held

February 16, 2011

A meeting, having been duly posted, was held this date at the Dennis Police Station, 96 Bob Crowell Rd, S Dennis. The meeting was called to order by Paul F. Prue, Chairman at 6:02 PM. Also in attendance were Charles F. Crowell and Peter L. McDowell and the following District official:

Sheryl A McMahon, Clerk & Treasurer

David Larkowski, Superintendent

PUBLIC INFORMATION & COMMENT

CONSIDER REQUEST BY TOWN OF DENNIS BOARD OF SELECTMEN FOR TRANSFER OF EASEMENT

Joseph Rodricks, Town Engineer presented on behalf of the Selectmen an updated request for a conveyance of land from the District to the Town of Dennis. The request is for approximately one acre of land at the intersection of Route 134 and Airline Road. The Selectmen believe the land is necessary in order to make traffic safety improvements to the intersection. A proposed roundabout has the unanimous support of the Board of Selectmen. In a momentary lapse of humor, Mr. Rodricks displayed an election campaign poster of Mr. McDowell dating from 1974 and then gave it to him. While the original plan of the land is for an easement from the District to the Town, Mr. Larkowski and Ms. McMahon recommend that the District convey the property as opposed to an easement so as to clarify any future responsibility or liability for the property. Mr. Larkowski advised that the District will have to file an application for approval of the transfer of land with the Department of Environmental Protection. The article at District meeting will require a 2/3 majority in order to pass. On a motion made by Charles F. Crowell, and duly seconded, the Board ***VOTED 2-1-0 to place an article on the Annual District Meeting Warrant to authorize the Commissioners to file special legislation in accordance with Article 97 of the Massachusetts Constitution and to transfer a parcel of land at the intersection of Route 134 and Airline Road to the Town of Dennis.***

UPDATE ON O'HAIRE V DENNIS WATER DISTRICT AND LAMMERS V DENNIS WATER DISTRICT.

Ms. McMahon advised the Board that Attorney Morse, special counsel for the District in the matters of O'Hare vs Dennis Water District and Lammers vs Dennis Water District, has reported that she has received via fax the final judgments in these two land title dispute cases. The judgment was in favor of the District and it was anticipated based on the Master's decision which had found that the land that the two plaintiffs claimed had been taken by the District were not where they claimed them to be (in land taken by the District known as the Albert Crowell sand pit off Old Chatham Road). There will be an appeal period. Attorney Morse is very confident the matter will not be appealed because the plaintiffs did not appeal the Master's decision.

FEBRUARY 2011 WATER BILLING COMMITMENT

Ms. McMahon reported that, as predicted, the substantially higher demand experienced the previous summer yielded significantly higher water bills for customers this February. The previous July had the highest demand pumped on record. The summer was the fifth highest on record which means people used more water. Customers over all used 15% more than average. She reported that the call volume in the office is quite high as customers are surprised by the amount of their bills. She also explained that the overall usage and billing for the summer of 2009 (billed February 2010) was 15% below average. This created a nearly 30% swing in usage and billing from 2010 to 2011. Ms. McMahon also pointed out that the dollar amounts appear to be higher because this is the first time that customers have used higher than average water and have been billed at the new rates that went into affect two year ago. She reviewed additional statistics regarding water usage.

WIND FEASIBILITY STUDY

The Superintendent noted a letter that was being distributed in Dennis and Brewster regarding the possible construction of two wind turbines. He distributed a list of issues that need to be addressed in order to move forward with the project. The surveyor has completed the field work and is finalizing the report to be filed with the Federal Aviation Administration (FAA) for reconsideration of the Determination of Hazard. The sites are at the 59 to 60 foot above sea level elevation as originally estimated.

Discussion ensued regarding the placement of various articles on Annual District Meeting. One article would be to authorizing the Board of Water Commissioners to file legislation under Art. 97 for the purpose of constructing wind turbines for generating electricity. Mr. Larkowski suggested that the Town of Dennis consider placing a similar article on their Annual Meeting Warrant as well. Another step in the process, as with changing the use of any District land acquired for wells or well protection, DEP must approve the use of the land for wind turbines. Ms. McMahon reminded the Board that the land which is being considered for the siting of the turbines was originally acquired with approximately \$478,000 state grant for watershed protection purposes.

There was a discussion regarding new regulations being proposed by the Cape Cod Commission. Those include setbacks and noise studies. Also noted by the Superintendent was the approval by Old Kings Highway Regional District Committee (OKH). Mr. McDowell did not believe that an application before OKH would require a significant expenditure. Mr. Prue inquired about the balance remaining in the Feasibility Study appropriation. Approximately \$26,000 is unexpended and Ms. McMahon advised that the funds could be used for expenditures related to permitting.

Mr. Larkowski said that at some point, if the District was to move forward with a design project the District will need to hire a consultant which would require funding. He also inquired on whether or not the District should include public relations services.

There was a discussion relative to the financing of a wind turbine project. There was a question on the tax-exempt status of the bonds that might be issued. This is an IRS issue not

one for the voters. It was her understanding that the bonds would maintain their tax exempt status even though the District might “sell” excess electricity. There may be a number of interest subsidize loan programs available for Green Energy projects that the District may qualify.

Chairman Prue then opened the discussion to the public for comment. Mr. Christen, a Brewster resident and said that he did not believe the Board should proceed with the project under any circumstance. He described a situation in Brewster where the Town would have been required to replace the conservation land used for wind turbines with equivalent or better lands under Article 97. Mr. Christen also asked if the District had considered hiring a consultant to investigate other methods of generating green energy. There was a lengthy discussion regarding the opportunities for utilizing natural gas reserves for energy conservation projects which might be as passive as solar generations.

Selectman Wayne Bergeron said that this was a wonderful opportunity for the taxpayers and ratepayers to decrease their energy costs. This is in contrast to the projected rise in tipping fees (solid waste disposal) and the cost of future wastewater management. He stated that there was no scientific or empirical study that says that infra-sound causes any harm and that the decibel studies do not address the question of infra-sound. He does believe that there are legitimate issues for people living in close proximity to operating turbines and that we need to conduct appropriate studies. He warned against framing every issue based on the experiences of Falmouth’s wind turbines. There are no municipal projects that don’t impact some person in some way. The objective should be to do the very best we can to minimize the impact to as many of the people that may be affected.

On a motion made by Peter L. McDowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to place on the Annual District Meeting Warrant an appropriately worded article to petition the Massachusetts State Legislature to get the appropriate consent under Article 97 of the Constitution, to allow us to erect wind turbines on the parcel of land having been previously identified for this project.***

On a motion made by Peter L. McDowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to place on the Annual District Meeting Warrant an article to petition the Massachusetts Legislature to expand the District’s authorization to allow this District to generate and sell electricity from District lands.***

On a motion made by Peter L. McDowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to place on the Annual District Meeting Warrant to authorize the District to grant an easement to the Town of Dennis for the purpose of constructing and using a wind turbine.***

On a motion made by Peter L. McDowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to support the three articles just previously voted for placement on the Warrant.***

On a motion made by Peter L. McDowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to place on the Annual District Meeting Warrant an article to appropriate a sum of money for the purposes of developing a wind turbine project.***

The Chairman recessed the meeting at 7:37 for approximately 5 minutes.

CONSIDER AND VOTE RECOMMENDED CHANGES TO FY 2012 BUDGET PROPOSAL

Ms. McMahon had previously distributed to the Commissioners a line item detail of the Operating & Maintenance Budget for FY 2012. Revisions included the Board's vote to include the costs of participating with the Town of Dennis in a Reverse 911 calling service. An increase was made in the Communication Expense of \$3,607. Under Group Insurance Benefits the line item was increased due the increase in the number of retirees, a change in single to family plan by an employee and having received the final premium figures. The line item was increased by approximately \$11,000 over FY 2011. The first draft budget total was a decrease of 1.37% from the previous year. The budget as projected, including an average hourly wage increase of approximately 2%, is an increase of .17%. Ms. McMahon suggested that the Board adjourn to an Executive Session at the conclusion of the regular meeting to review and vote on the proposed wages for FY 2012. In the Commissioners packet included a breakdown of the times of plans, the number of enrollees and the cost to the District for its share of the premiums. Mr. McDowell commented on the "robo calls" (reverse 911 calling) by saying that the County Sheriff's free service was not at fault for the long delay the occurred in calling customers about a boil water order in one of the districts. His opposition is that if the Sheriff's free service can do the same thing then why should the District pay \$3,600 per year. Chairman Prue said that years ago the chances of having a problem were very slim; today the regulations are much more stringent. He believed that there is value in having a calling system not only for advising customers of the problem but it is nearly as equally important to let the customers know that the problem has been abated. He felt it was especially important that businesses be notified of the all clear so that they can resume operations and not have to expend money for bottled water which is very expensive. Mr. Larkowski said that in order to use the system you have to have the Sheriff's authorization. A person in the Sheriff's office had confirmed that an "all clear" message, such as one for the lifting of a boil water order, would not be sent out. Chairman Prue stated that the District ratepayers and the Town taxpayers are the same people and if the District can assist in some way that benefits everyone he would be supportive. Mr. McDowell said that he was not interested in spending a penny of water district revenue on anything except that which enhances our water situation. Mr. Larkowski said that he supported the District's participation in the Code Red system and that it will help the District get out the information to the public as fast as possible and he believes it would be appreciated. Chairman Prue stated that the recent ISO rating for the town's fire protection system was in large part due to the excellent rating that the water district receives and it is because we have continued to do enhancements that make us a Class I system.

Ms. McMahon advised that the Massachusetts Interlocal Insurance Association has provided her with a revised projection of premiums for FY 2012. In addition, there are previously unapplied participation credits as well as worker's compensation premium audit returns. These are to be taken against next year's premiums. A summary sheet was provided to the Commissioners. She projected a budget of \$134,890 which is reflected in the General Expenditures Budget for FY 2012. She also directed their attention to the updates being reflected in the Budget Summary which is based on a projected 2% increase in hourly wage based employees. The Free Cash balance is approximately \$891,000. Less what is needed to fund all items for FY 2012 the District would need to use \$478,000 of Free Cash. Generally the amounts of Free Cash are applied to the Capital Expenditures Budget. The anticipated unappropriated Free Cash

balance would be \$413,000 after the Annual District Meeting. She reminded the Board that the MTBE settlement was \$518,970 and if all of the Free Cash transfers are made at the annual meeting the District is essentially tapping into those funds which were not generated from District operations.

A discussion ensued regarding the estimated revenues versus actual revenues. Ms. McMahon explained that the water charges are based on the annualized water usage over a period of years and then the water rates are applied to generate a total revenue estimate. Because the average usage has been consistent there would be no change in the estimated revenue unless the water rate structure changes. There were some minor adjustments downward in the overall estimate due to reduced water service activity.

At approximately 8:15 PM, on a motion made by Charles F. Crowell, and seconded by Peter L. McDowell the Board ***UNANIMOUSLY VOTED: to adjourn their open session in order to conduct an Executive Session in accordance with Chapter 30A, Section 21, subsection (a)2 in order to discuss strategy sessions in preparation for negotiations with non-union personnel because an open meeting may have a detrimental effect on the bargaining position of the District and to reconvene in open session upon its conclusion. The roll call vote was as follows:***

Peter L. McDowell – “aye”

Charles F. Crowell – “aye”

Paul F. Prue - “aye”

The Chair declared the meeting open again at 8:57 PM.

On a motion made by Charles F. Crowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to approve an Operating & Maintenance Budget for FY 2012 of \$3,024,944.***

On a motion made by Peter L. McDowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to approve a General Appropriations Budget for FY 2012 of \$1,200,936.***

On a motion made by Peter L. McDowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to approve a Capital Expenditures Budget for FY 2012 of \$538,250.***

On a motion made by Peter L. McDowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to adopt the Revenue Budget for FY 2012 in the amount of \$4,278,205 and a transfer from Free Cash in the amount of \$487,150 to fund the budget..***

On a motion made by Peter L. McDowell, and duly seconded the Board ***UNANIMOUSLY VOTED: to adjourn the meeting at 9:01 PM.***

Respectfully submitted,

Sheryl A McMahon, Clerk