

DENNIS WATER DISTRICT

Board of Water Commissioners

Minutes of Meeting held

February 28, 2013

A meeting, having been duly posted, was held this date at the Dennis Town Hall, 485 Main Street, South Dennis. The meeting was called to order by Paul F. Prue, Chairman at 6:00 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 Comment - None

Customer Issues:

Continuation of Discussion of Request from Dennis Housing Authority for granting an annual water allowance for its residences.

Juanita Donlin, Chairman of the Commissioners for the Dennis Housing Authority (DHA), stated that at the last meeting, she had asked that if the Water Commissioners had any questions they be forwarded to the DHA. She was not aware of any questions that had been submitted. Ms. McMahon said that she had prepared a couple of options for the Board's consideration in granting an allowance. For this meeting, she had also provided another option. She stated that other than four properties that are privately held by non-profit organizations (2 cemeteries and the Village Improvement Society) all the rest are municipally owned properties even though they might have been billed to non-profits such as a garden club, etc. The option was to consider billing the usage at the "production rate" as opposed to the "billable rate". She further explained that the Board currently uses the "production rate" as in the Board's Leak Abatement Policy. The rate is set by the Board of Water Commissioners. The production rate is based on the cost of producing water strictly based on the Operating & Maintenance Budget. The allowance as proposed by Ms. McMahon's calculation would be \$3,721 (credit applied to the DHA accounts). The allowance to Tony Kent Arena was approximately \$1,700.

Chairman Prue asked Chairman Donlin, if the allowance was granted would the DHA put those funds back into the capital maintenance of their infrastructure? Chairman Donlin stated that they would do that in the same manner as they do with the tax abatements they are granted by the Town of Dennis and will provide a report to the Board on how the funds were utilized. Mr. McDowell said that he had not been able to reach DHA Commissioner Paul Corcoran. He said that the Tony Kent Ice Arena does not cost the taxpayers of Dennis anything and he felt it was a reasonable contribution to the volunteers that run the Arena. Mr. McDowell said it was a quasi-state agency run under the Department of Community Affairs and was concerned about its subsidy. He said the allowances already granted were for approximately 7,300,000 gallons prior to the allowances to the Arena. He was concerned about continuing to grant allowances going forward. Mr. McDowell said that the DHA has had a history of problems and that the revenue subsidies come from the Commonwealth of Massachusetts and was concerned if the Dennis Water District should be a part of that. He suggested that the Water Commissioners develop a policy so that there will be no more allowances. He suggested that there should be a limit as to how much water is given away by the District. Chairman Prue agreed that it is something to be re-visited after the budget cycle is completed. However, he suggested that this allowance is for the benefit of approximately 250 people who are elderly, veterans, etc. He further

stated that not all the people using the Tony Kent Arena are from Dennis but, the residents of the DHA are. Mr. Crowell agreed that there should be a Board policy for the future granting of allowances but, he said it started because the Board was trying to do the right thing by granting an allowance to the Arena.

Ms. McMahon stated that the Board of Selectmen annual grants a waiver to the DHA for their Payment in Lieu of Taxes which is approximately \$8,000. She further stated that the granting of the approximate \$3,700 credit to the DHA by the District is equivalent to 1/10 of 1% of the total Water Revenue. Ms. McMahon stated that she and the Superintendent had spent some time investigating what this issue might involve when it first discussed. She stated that the granting of allowances historically by the Board was based on the customer being a non-profit and that the entity provided some sort of public service for disadvantaged persons, beautification of the Town and or that the services were being provided on a volunteer basis by civic groups. She said that this may be the sort of “backbone” of a policy the Board may want to consider. She further suggested that a policy based on billing at the “production rate” would give the Board consistency in how it granted the credits rather than trying to determine an appropriate amount of water to be given as an “allowance”.

Chairman Prue said that he supported the DHA should be granted the allowance based on the “production rate”. Chairman Donlin said that the water bills are paid by the DHA. Mr. McDowell said that the policy should come first and be addressed at the next meeting. Maureen Linehan, DHA Commissioner, stated that the residents of the DHA are children, low –income, elderly and veterans and they are our neighbors. She asked that we are taking care of the flowers and we are taking care of the ice but, we are not taking care of our neighbors? Mr. McDowell said he was concerned about the leakage of assets of the District and that one more month to set a policy and discuss it and come to an agreement. On a motion made by Charles F. Crowell, and duly seconded, the Board **VOTED 2-1-0 (PLM): to grant an abatement to the Dennis Housing Authority of \$3,721.**

February Water Bills

Ms. McMahon announced that the February water bills were mailed on or about February 20. She had provided the Board with a summary of the billing with their agenda packet. Chairman Prue reminded the public that an article in the newsletter advised customers that the pumping demand 94 million gallons more than the previous year. It is expected that more people will see an increase in their February water bill due to increase usage. Ms. McMahon advised that the estimated revenue for FY 2013 was \$3,820,000 and that the revenue billed year-to-date was \$3,997,000 resulting in a 4.6% excess or \$176,000.

Transmission Main Project

Mr. Larkowski advised that Attorney Perrino has completed his title examination of a parcel of land of unknown owners near the Dennis Harwich town line. The District is seeking easements in order to install water main from Eagle Pond Nursing Home southerly to Great Western Road as part of a transmission main project to bring an additional water supply to Dennisport. Attorney Perrino recommends taking an easement in the parcel by eminent domain. Mr. Larkowski further stated that an appraisal will also need to be done and a plan for recording the easement is being prepared in preparation for the annual meeting. The District will need easements across this property plus three others; two are on private property and another across Town property. There will be approximately

one-mile worth of pipe to be installed. This will complete the second phase of the project as outlined by the Superintendent. The exact location of the third phase, to connect this main at Great Western Road to Center Street, has yet to be finalized and the proper easements acquired. On a motion made by, and duly seconded, the Board ***UNANIMOUSLY VOTED: to place an article on the Annual District Meeting Warrant to take an easement in a parcel of land of unknown owners by eminent domain.*** On a motion made by Peter L McDowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to place an article on the Annual District Meeting Warrant to take an easement in a parcel of land of unknown owners by eminent domain for the installation of transmission main.*** On a motion made by Peter L McDowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to request from the Town of Dennis an easement on a certain parcel of land for the installation of transmission main.***

Finalize FY 2014 Budget

Ms. McMahon reviewed the changes that had been made to the draft budget since the Board met on January 31, 2013.

- a. Operating & Maintenance – Revised \$3,086,812 – Ms. McMahon advised that the estimate for Group Insurance decrease from \$405,744 to \$390,000. Water Quality Sampling was increased from \$32,500 to \$48,500. The net increase to this budget is \$256.
- b. General Expenditures – Unchanged at \$1,088,037
- c. Capital Expenditures – Revised \$1,272,500
- d. Revenue Budget – Revised Water Revenues \$4,375,388 and \$1,071,962 from “Free Cash”
- e. Summary for FY 2014 Preliminary Budget - Revised \$5,447,349

On a motion made by Peter L. McDowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to adopt the budget estimates for FY 2014 as presented by the Treasurer.***

Minutes:

Mr. McDowell requested that the minutes of March 22, 2013 be deferred so that he could prepare some edits for the Board’s consideration relative to the net metering credits.

On a motion made by Charles F. Crowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to accept the minutes of May 17, 2012 a minor correction.***

On a motion made by Peter L. McDowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to accept the minutes of November 29, 2012, including striking a hanging sentence on Page 1.***

EXECUTIVE SESSION – Chairman Prue then declared that he had determined that a discussion in open meeting may have a detrimental effect on the negotiating position of the Board of Water Commissioners with the owner or owners of a certain parcel of land in Dennis and therefore, requested a motion to enter into Executive Session in accordance with Chapter 30A, Section 21(a)(6) for the purposes of considering the purchase, exchange, lease or value of real property and not to return to open session. The motion was made by Peter L. McDowell and duly seconded. The roll call vote was as follows:

Peter L. McDowell Aye
Charles F. Crowell Aye
Paul F. Prue Aye

The Board members then adjourned at approximately 6:52 PM.

Respectfully submitted,

Sheryl A McMahon, Clerk