

DENNIS WATER DISTRICT
Minutes of the Board of Water Commissioners Meeting
Held in part jointly with the Finance Committee
March 21, 2011

A meeting, having been duly posted, was held this date at the Dennis Police Station, Martin Training Room, 90 Bob Crowell Rd., S Dennis. The meeting was scheduled as a joint meeting with the District Finance Committee. The meeting was called to order by Paul F. Prue, Chairman at 5:14 PM. Also in attendance were Charles F. Crowell and Peter L. McDowell.

Those in attendance were David Talbott, Greg Stone, James Plath and Peter J. Nyberg. Chairman Prue then turned the meeting over to District Finance Committee Chairman Talbott.

Also in attendance were David Larkowski, Superintendent and Sheryl McMahon, Treasurer.

Chairman Talbott introduced the members of the Finance Committee and particularly welcomed Richard Roy as the newest member to the Finance Committee. Chairman Prue mentioned that there will be a public hearing on wind power on April 11.

Chairman Talbott then called for the election of officers of the Finance Committee. The name of David Talbott was placed into nomination for the office of Chairman and without objection he was elected to serve for the ensuing year. The name of Greg Stone was placed in nomination for the office of Secretary and without objection he was elected to serve for the ensuing year.

On a motion made by Peter J. Nyberg, and duly seconded, the Finance Committee ***UNANIMOUSLY VOTED: to waive the reading of the minutes of March 25, 2010.*** On a motion made by James Plath, and duly seconded, the Finance Committee ***UNANIMOUSLY VOTED: to accept the minutes of March 25, 2010 with corrections.***

On a motion made by Greg Stone, and duly seconded, the Finance Committee ***UNANIMOUSLY VOTED: to accept the minutes of as amended.***

Public Comment: There were no public comments.

FY 2012 Budget Review and Recommendations:

Mr. Larkowski proceeded with a review of the Operating and Maintenance Budget. He began with line item 5000-01 Gasoline which has been increased by \$13,500 which is one of the largest increases in the budget this year. He estimated the District's usage for the ensuing year at \$4 per gallon. Most of the product is purchased from the Gulf station at Rte 134. Mr. Plath has looked into *Wright Card* which can be used at any station. The District uses approximately 11,000 gallons of gasoline per year.

Tractor Expense was level funded. Parts are very expensive. However, most of the maintenance work is performed in-house. Large scale and electronic repairs are contracted through John Deere.

Truck and Vehicle Expense item is level funded. Miscellaneous Equipment is level funded. The types of equipment are compressors, pipe finders, small hand held electronic devices, etc.

Electricity – Previously, the District paid approximately 10c per kWh. Recent negotiations lowered the price and the expected savings will be approximately \$12,000 for the year,

The District has its own diesel tank and the product is purchased at a substantial discount through the bid process. This expense is level funded. Heating Expense, which is natural gas, is level funded.

Sick Leave Buy Back line item is the estimated payment of unused sick time at the end of the fiscal year provided the employee has reached the maximum of 240 hours (30 sick days at 8 hours per day) in their personal sick bank. There is an option for an employee to increase the maximum to 60 days or 480 hours. However, it cannot be reset to the lower maximum (30 days) in the future.

The Treatment Chemicals line item was reviewed by Mr. Larkowski. Potassium Hydroxide is bid through County Purchasing. Approximately eight water departments participate Cape-wide. A slight increase is anticipated for the cost per gallon. Eleven Thousand (11,000 gallons) of chlorine are used annually. Chlorine is used as a disinfectant and a pre-oxidant for iron removal.

Propane gas is bid later in the year for the coming fiscal year. It is used to heat the pumping stations. The stations were converted from electric to propane a number of years ago. The new treatment plants are using much less than anticipated. The buildings contain 5,000 square feet and yet the temperature holds at approximately 50 degrees year round.

Treasurer's Expense, Technical Expense, Maintenance of Mains and Hydrants are also level funded.

Maintenance of mains and hydrants is level funded. This line item is used for materials for water main breaks and pays for traffic detail, stone, patching, etc.

Legal Expense was decreased due to the favorable judgment of a suit in Superior Court over the title of two parcels of land claimed to be within the District's taking (with the consent of the owner) of the gravel sand pit on Old Chatham Road.

Postage Expense has been adjusted to reflect a more accurate bulk mailing weight. The February water bills include the Consumer Confidence Report, newsletter and return envelope. Apparently, the vendor for the bulk mailing has verified the total weight and additional postage is required. It is still less costly to include the CCR with the February water bills rather than a separate mailing.

Printing Expense was slightly reduced while Office Expense and Tool Expense were level funded.

Meters and Parts line item was level funded. The District is on a 20-year replacement schedule for water meters and replaces approximately 700 to 800 annually.

Superintendent's Expense was level funded.

Licenses, Dues and Training line item was increased by \$1,000 for licenses. To operate the water system the State requires drinking water licensed operators at certain levels as well as water treatment licenses. Licensed employees need to have a certain number of contact hours annually and be upgraded.

Safety Equipment was level funded.

Substance Abuse Free Work Place line item is necessary for compliance with federal testing regulations for Commercial Driver's License holders. The District also has a random testing policy for all employees that drive or operate District vehicles. The District belongs to a pool which is contracted through Massachusetts Interlocal Insurance Program. The line item is level funded.

Communication Expense pays for hosting the internet site, telephone, cellular phones and cable access. The line item has been increase by \$3,600 in anticipation of a request to partner with the Town of Dennis in a Reverse 911 program (R911). In the case of water emergencies, the District could use it as part of our Emergency Response Plan. Mr. Larkowski described an emergency due to an overfeed of treatment chemical into a water main. The District has two water systems. He gave the example of the E.coli warnings for COMM and Barnstable Fire Districts. He also described the benefit of being able to notify the inhabitants when water bans or boil water orders are lifted. With an R911 the District could send an "all clear" message to businesses because boil water orders are very expensive, especially for businesses that depend on water for their operations, such as restaurants. He noted that the county system does not allow "return to normal" messaging. Mr. Larkowski gave an example of repairing gate valves which may impact around 60 homes. With an R911, a call could be made to notify customers of the outage and when the event is over. Mr. McDowell noted that he was opposed to the increase and said it was not needed. He was of the opinion that the Sheriff's Office could meet our needs if we identified them. McDowell said the reason Barnstable had trouble is because it was a communications issue; that the message was too long. Mr. McDowell said that he wanted to sit down with the Sheriff's Office to make sure that the District receives the desired services.

FICA, Group Insurance, County Retirement, and Computer Expense were all explained by Ms. McMahon. She stated that the Retirement assessment has a savings component if it is paid all at one time on the first of July. It is normally split between July 1 and January 1. The savings was approximately \$5,000. The Group Insurance Expense is an estimate based on the new premium rates and an actual census of participants. However, open enrollment is in May, past the setting of the District's budget and she does include a small amount in the event an employee has a qualifying event and becomes eligible for coverage.

Uniforms & Cleanings, Rubbish Removal, General Supplies and Other Necessary Expenses were all level funded.

Water Quality Expense was increased from \$36,000 to \$45,000. Mr. Larkowski explained that the sampling schedule varies from year-to-year based on which types of contaminants are to be tested. Bacteria is tested every month. Synthetic organic compounds, inorganics, perchlorate, nitrates and nitrites are others that are routinely scheduled. Most contaminants are on a three-year schedule. In order to manage costs, he takes advantage of common entry points by combining wells as they enter the distribution system.

Payroll for Office & Administration. The 2% increase for employees with the exception of the Superintendent and Treasurer. The 2% is actually calculated by averaging the hourly wages and then applying the same hourly rate to all employees.

Payroll Labor. An explanation was provided regarding the cost differential between an across-board-the 2% COLA and one based on an average of the hourly wages. It is approximately a \$3,000 to \$4,000 difference.

Night Duty and Station Duty are line items for coverage during non-working hours. They are a function of payroll labor costs.

Overtime is a standard annual appropriation for a myriad of emergencies.

Deferred compensation is level funded. An explanation of the deferred compensation program was provided. It was noted that the program has been in effect for many years and is greatly appreciated by the employees.

Longevity was decreased by \$400. The annual \$100 increase per eligible employee was being offset by the retirement of a 20-plus year retiree.

Repairs and Maintenance of stations is level funded.

On a motion by Peter J. Nyberg, and duly seconded, the Finance Committee ***UNANIMOUSLY VOTED: to accept the O & M Budget in the amount \$3,026,168 and to fund the expenses from General Water Revenues.***

General Appropriations:

Chairman Talbott requested that the Finance Committee members make a motion regarding each budget item, have it seconded, and then open it up for discussion.

Under General Appropriations, Gregg Stone moved that the Finance Committee recommend \$1,200,936. The motion was duly seconded. Discussion ensued regarding the individual appropriations within this budget grouping:

Reserve Fund - \$50,000. This has been the annual appropriation for many years. It is difficult to estimate an amount because it is for extraordinary and unforeseen expenses. The \$50,000 has been sufficient to cover such requests for many years.

District Officials Salaries was level funded.

Principal on Loans was level funded. There are two long term borrowings outstanding for the District. Interest and Services on Loans is requested at \$242,000.

On a motion made by James Plath, and duly seconded, the Finance Committee ***UNANIMOUSLY VOTED: to recommend \$1,200,936 for General Appropriations as presented and that the funds be transferred from General Water Revenues.***

Capital Budget:

The Capital Budget was reviewed. For New Trucks with Equipment the request is for \$20,000. It will replace one 2-wheel drive, ½ ton pick up truck with an 8-foot bed which will be traded. Mr. Larkowski explained that he issues the bids because the District receives better prices than on the state contract. He will issue the bid in the Fall of 2011.

Under Miscellaneous Equipment the purchase of new pipe finders (metal locators) was requested at \$4,500.

Maintenance and Power Washing of Water Tanks. Mr. Larkowski reported that a professional inspection was completed and a report provided. Currently, there is no need for a major rehabilitation of any of the water tanks. Power washing will get rid of mold and it will require some power tooling of bruises (stones thrown at the tank) and touch-up painting. The Board has been working on a multi-year plan for funding and completing the scope of work outlined in the report. Each year the District has been appropriating \$100,000 towards the project and it will take approximately five years to complete. It is Mr. Larkowski's intention to work on the Old Bass River Tank this Fall.

Replacement of Chemical Tanks. This is a multi-year project for the replacement of bulk chemical storage tanks located in 13 chemical feed stations. In 1993 the tanks were installed and are original. The plastic tanks do not last forever. This was discovered when a tank began leaking. It is expensive to replace them on an emergency basis and there is a price break when five or more are purchased at one time. All of the labor is done in-house. This is the final year of the replacement program at the requested amount of \$33,500.

Master Meter Upgrades - \$80,000. These are the meters at the wells which record how much enters the distribution system. That is the beginning of the water accounting process. There is new technology that records the water more accurately and need less calibration. The question was asked if the old meters have any salvage or resale value. Mr. Larkowski was not certain. The mag meters were installed in the new treatment plants and work very well.

Consulting and Technical Services. The amount of \$20,000 is being requested primarily for a water audit. Mr. Larkowski has been with the District for 27 years and has never had a water audit. He reports annually to the State on where he believes the water went that was not billed to customers. He wants to be sure that the District is accounting for the water in all the right places? The funds will be used to hire a professional consultant to ensure that everything is being taken into consideration, properly accounted for as well as appropriate methods of estimating. This is a one year expenditure.

Emergency Generators. The funding request for this item is \$180,000. The Superintendent provided background on the need for this request. A few days before the forecasted hurricane (Earl), the District staff went through emergency procedures for continuing to provide water to customers during prolonged power outages. Mr. Larkowski described the differences between what has to be done with today's electronics, radio communications and what was involved just a few years ago. In order to accommodate the loss of power, it necessitated the disabling of certain safety features which he felt was not acceptable. He proposed a two-year program in order to fund and install these emergency generators, conduit, etc. The appropriation is only for materials as the work will be done with an in-house electrician and others who will assist with the work. He stated that natural gas is not really practical. Chairman Prue said that he was aware of another water district that has appropriated \$285,000 to do the same work. Mr. Larkowski explained that during prolonged outages, customers use much less water because their daily routines are so drastically altered. Of course, lawn irrigation would be prohibited during prolonged outages. It is anticipated that the District would not have to pump every well every day. A lot of the demand would, of course, depend on the time of year. He estimated that the District could probably run a full week at full operation.

Pump Station Heaters. This request is for the replacement of heaters because they are getting older, parts are unavailable and the chambers are failing. \$10,400 is requested and it is only for materials as the labor will be done with in-house personnel.

Pump Station Building Maintenance. Last year, the carpeting and windows were replaced in the main office at the District. \$15,000 is requested to replace more windows in other areas of the same building as well as for some trim work, replace cupolas, etc. on some pumping stations. This is over and above the \$80,000 regular Repairs & Maintenance line item in the O & M Budget. This is just for materials.

Power Line Maintenance. There are 22 wells with some being fairly remote. Above ground power lines need to have maintenance. In order to perform the tree maintenance NSTAR needs to shut down the power. Some of the trees that need to be trimmed are at least forty feet in the air. The District does not have the equipment to safely do the trim work. Mr. Larkowski said that he has received a price estimate. It was asked if there is a plan to move the lines underground. He said it hasn't been seriously considered. However, for new stations it would be. After the first pole is set into a well site, the District owns the rest of the poles. Approximately, 80 to 90 percent of the power to the stations is above ground.

Green Sand Replacement. The filter medium in the treatment plants has a projected useful life of 15 years. The estimate to replace is approximately \$250,000. This appropriation request will begin to fund its replacement.

On a motion made by James Plath, and duly seconded, the Finance Committee ***UNANIMOUSLY VOTED: to recommend the budget Capital Expenditures Budget and to fund the items with a transfer of \$478,252 from Free Cash and \$59,998 from General Water Revenues.***

Revenue Budget and Available Funds:

The Treasurer and Superintendent reviewed the Revenue Budget and Transfers from Available Funds as well as the Long Range Forecast. The Revenues are projected based on a five-year average of billed water consumption. An increase in the water rates is not anticipated for the foreseeable future. Mr. McDowell noted that awhile back the water rates were projected to increase significantly. However, the most recent projections indicate that there will not be any increase over the next several years.

The Finance Committee and Board of Water Commissioners then began a review warrant articles:

Mr. Prue read Article into the record A. The article seeks to authorize the Board to convey land to Town of Dennis at Airline Road and Rte 134 and to seek special legislation under Article 97 of the state constitution. Mr. Joseph Rodricks, Town Engineer, explained that the Road Safety Task Force identified the intersection as one of a major safety concern. The engineers hired by the Town have designed and recommended the construction for a round-about. Mr. Rodricks explained the conflict points that are reduced by constructing a roundabout versus a traditional traffic signal. Traffic conflicts occur mostly at signaled intersections. The signals reduce the severity of the accidents but there is significant increase in the number of incidences as people become less sensitive to the intersections. Roundabouts work 24/7 even without electricity to run signals. It also saves motorist time and money due to the lack of waiting in line. Insurance institute for highway safety found delays at ten roundabouts studied reduced waiting by 62% to 74% over a year. That translates into approximately 32,500 hours and 23,500 gallons of fuel saved per location. Another benefit is the reduction of emissions by having cars idle

Another significant benefit of the roundabout design is the traffic calming. The problem with Rte 134 and Airline Road intersection is the speed on Rte 134. It won't make you have to always stop. Roundabouts need land and more lighting. The Town needs the land in order to implement the roundabout design. The vote by Town was tabled. There was consent among the Selectmen that the congestion and speeds warrant their request to the District for the transfer of land.

On a motion made by Greg Stone, and duly seconded, the Finance Committee ***VOTED 4-1-0 (J. Plath): to recommend that the District transfer the approximate one-acre parcel at the intersection of Rte. 134 and Airline Road to the Town of Dennis for traffic mitigation and to file the necessary legislation for Article 97 approval.***

Chairman Prue read draft Article B. The next article discussed seeks authorization to file special legislation to amend the District's enabling act for the purposes of generating, maintaining and selling excess electrical power resulting from the construction of alternative renewable energy resources. Discussion ensued. The feasibility study provided the basis for concluding that the development of two industrial sized turbines was possible and economically beneficial. On a motion made by Greg Stone, and duly seconded, the Finance Committee ***UNANIMOUSLY VOTED: to recommend that the District seek special legislation to amend the District's enabling act in order to develop renewable energy resources and use the revenue generated for the benefit of the District (recommend the article as proposed).***

Chairman Prue read Article C. This article seeks authorization to file special legislation under Article 97 of the Massachusetts Constitution to change the use of land acquired for water supply protection purposes and to allow the construction of one wind turbine for the District and another one for the Town of Dennis. Mr. Plath proposed that the Commissioners consider changing their request so that, if for some reason, the Town did not seek to build one of the turbines, the District would still be able to construct the second for its own purposes. There was discussion on whether or not to accept suggested language to the recommended article. On a motion made by James Plath, and duly seconded, the Finance Committee ***UNANIMOUSLY VOTED: to make the recommendation on the proposed article (to be modified by Commissioners) at the Annual District Meeting.***

Chairman Prue read Article D. This article seeks authorization to grant an easement to the Town of Dennis for the construction of a wind turbine on District property. On a motion made by James Plath, and duly seconded, the Finance Committee ***UNANIMOUSLY VOTED: to recommend that the District grant a lease to the Town of Dennis for the construction of a wind turbine on District land (recommend the article as printed).***

Chairman Prue announced that the Board of Water Commissioners has scheduled a Public Hearing on the Wind Feasibility Study for Monday, April 11 at 6:00 PM, at a location yet to be determined.

On a motion made by James Plath, and duly seconded, the Finance Committee ***UNANIMOUSLY VOTED: to adjourn at approximately 8:19 PM.***

Chairman Prue announced a recess.

Board of Water Commissioners Business Meeting Resumed at 8:35 PM:

Public Comment:

A member of the audience addressed the Water Commissioners as asked if, in terms of siting a wind turbine on watershed land, would the District be required to purchase other land of similar size to replace what will be used. Ms. McMahon explained that, although the state legislature has the ultimate power to authorize the change in purpose of the watershed property, the legislature will ask a supervising agency, in the case of a public water supplier it would be the Department of Environmental Protection (DEP), their opinion on the appropriateness of such a change of use of otherwise protected land. She further explained that the Executive Office of Environmental Affairs (oversees DEP).

Customer Issues:

Ms. McMahon reviewed a request from Dr. H. H. Shuman, 57 Hope Lane, Acct. 04558 that met the requirements of the Board of Water Commissioners Leak Abatement Policy. On a motion made by Peter L. McDowell, and duly seconded, the Board ***UNANIMOULSY VOTED: to grant a leak abatement in the amount of \$1,134.90 in accordance with the Commissioners Leak Abatement Policy.***

Ms. McMahon reviewed a request from William and Carol Sim, 340 Hokum Rock Road, Acct. 04558 that met the requirements of the Board of Water Commissioners Leak Abatement Policy. On a motion made by Peter L. McDowell, and duly seconded, the Board ***UNANIMOULSY VOTED: to grant a leak abatement in the amount of \$822.00 in accordance with the Commissioners Leak Abatement Policy.***

Ms. McMahon reviewed a request from James Harrington for a reduction in water bill charges at 102 Merchant Ave, W Dennis, Acct 02973. The leak did not meet the requirements for consideration within the Leak Abatement Policy. The Superintendent did not recommend the granting of the abatement. On a motion made by Peter L. McDowell, and duly seconded, the Board ***UNANIMOULSY VOTED: to deny the request for a reduction of water bill charges on the account of James Harrington, 102 Merchant Ave, Acct 02973.***

Wind Power Feasibility:

Mr. Larkowski announced that the Federal Aviation Administration has made a revised determination for the wind turbine siting for the Water District and it has been approved. It is dependent on strict adherence to the surveyed location in the application.

As was discussed earlier in the evening with the Finance Committee, considering the amount of public interest in the development of wind power by the Water District, the Board discussed setting a date for a public hearing. On a motion made by Peter L. McDowell, and duly seconded, the Board ***UNANIMOULSY VOTED: to conduct a public hearing on the development of renewable wind energy on District land for the benefit of the Dennis Water District and the Town of Dennis on Monday, April 11 at 6:00 PM; the location to be determined.***

Ms. McMahon inquired of the Board how they would be drafting the Water Commissioners report for inclusion in the Annual Report. She said that historically the Chairman of the Board drafted the report and shared it with the other members. She said that if they were going to discuss the contents of the report, it would require a public meeting. Chairman Prue assured the Board members that his draft would be distributed before being incorporated into the report so that if additional input was needed it could be incorporated.

With no further business before the Commissioners, and on a motion made by Peter L. McDowell, and duly seconded, the Board ***UNANIMOULSY VOTED: to adjourn at approximately 8:53 PM.***

Respectfully submitted,

Sheryl A McMahon, Clerk