

A meeting of the Town of Barnstable's Hyannis Water Board was held on June 9, 2009 at 3:15 PM in the Growth Management Conference Room, 367 Main Street, Hyannis, MA.

In attendance were Deb Krau, Skip Simpson, Tom Holmes, Rebecca Baxter, and Peter Cross.

Staff present were Hans Keijser, Supervisor, Water Supply Division and Dale Saad, Ph.D., Special Projects Manager.

Also present were Mark Philips of United Water and Rob Steen of Wright Pierce Engineering.

A quorum being present, Chair Krau called the meeting to order at 3:25 PM.

The Agenda was approved.

The May 12, 2009 minutes were approved as amended.

Operations transition – Mark Phillips from United Water spoke and said the transition to new management is progressing well, transfer of the billing system is underway. The proposed project manager is being replaced due to a personal situation, a new person should be brought before the Board for their approval soon. A subcommittee of Krau and Holmes will meet the candidate. Phillips assured the Board that the original project manager's outlook and approach will be continued in the new person.

United staff, Whitewater-Pennichuck staff, and Keijser will meet Wednesday about the transfer, personnel will also be meeting with Town Finance and it is anticipated that with the next billing cycle, the new water service provider will be identified to customers. Cross asked if any of the Whitewater staff is remaining. Phillips said they offered a position to everyone, Condrey and Judy have opted to stay with Whitewater. A new customer service person will be hired prior to the startup date. All other staff are staying on board.

Krau will write a thank you note to Whitewater-Pennichuck for all their help in the past three years.

Phillips said he will be attending Board meetings until the new manager is on board. Krau and Holmes will meet monthly for a short time to monitor progress of the change over.

Monthly Report – United is working to get the report compiled by the 2nd Tuesday of each month and it will be emailed to members in the future. The Board may change its meeting date to accommodate receiving more current data.

Cost of System Survey. The contract was let to Municipal and Financial Services Group. Works should be completed within 75 days of the notice to proceed, in September. A milestone payment schedule was distributed.

Krau asked Board members - What percent of annual revenues should be in placed in reserve? How fast do we want to get there? Should we have 6 months of operating in reserve? Is 50% of

operating in reserve our goal? Cross asked what is the standard? Simpson said it drives budget and affects rates. He suggested starting at 3 months and move up, but it is impossible to prioritize it today, it would be a low priority, more of a long term objective. Krau said we have to make sure we have enough money to get through a year – conservation, a rainy year or a huge break could jeopardize revenues that are needed for covering operations. Krau suggested 6 months over ten years? Simpson proposed keeping the reserve lower and increase over time, 3 months over ten years.

A Motion was made by Krau to set aside 3 months in reserve over 5 years.

VOTE: In favor by Holmes, Simpson, Baxter, Cross.

The model will be used to run out 3 months over 5 years and 10 years to see the effect on revenues.

Cost of System work plan – Krau will send the work plan to the other Board members for their review. Additional meetings may be necessary, to be determined later. Anticipated meetings include a kick off meeting, structure meeting, working with the model.

Capital. The State has made a ruling on the MTBE money that if the Town can't encumber it for an actual project by June 30, it must go into the general fund. Krau has asked more than once to transfer this money into the reserve fund, but that is not allowed according to DOR. A Town Council late file has been made to move uncommitted funds into the stabilization fund to be accounted for separately by Finance. \$2.68 million remains of the MTBE funds. General funds can be moved to the capital trust fund, also known as the stabilization fund, according to DOR, but you cannot transfer from the general fund to an enterprise account.

Cross said we don't have much choice except to impress on the Town Council that it goes to the water district, don't let it sit there too long. Simpson suggested a further resolve to explain why and what this money is to be used for. This is our documentation and we should hog tie the money or a majority of 7 councilors could abscond with the money. Krau agrees this is a good idea. Suggested uses of the money include spending it on the tower or use it for design money.

Appropriation for SCADA, well rehabs, air stripper, designs - The Town Council will be asked to approve borrowing to be ready for the stimulus package. Can it all be done by August? We don't want to lose it by asking for a larger amount if we are not ready by August, but we can under spend the appropriation. Krau will draft the rationale. Cross said a sales point is the ability to accelerate the plan without cost to ratepayers, payments are already in the budget, we can get better rates for a loan, and loan forgiveness – all at a lower cost.

The Board will change the financing on the pipe replacement to use Stimulus funds, \$1.7 million, plus \$1.14 million for SCADA, the air stripper and well rehabs. Board members should call their assigned councilors and see that there are no issues.

Policy and Procedure Manual. Krau has learned that the problem getting the manual approved by Legal is in two areas. Our references in the Manual are for different authority structures – elected water boards. Legal is trying to untangle it and make it work.

Project manager will be hired for \$50,000, part time. Status – Keijser said a job description has been developed, he is looking for leads on qualified persons.

Operations – flushing should be completed this month. There have been no major issues.

Keijser will ask Tom Cambareri from Barnstable County for an update on the perchlorate remediation for next meeting, and get test results.

Safe Water America community activity to promote water conservation will be held on August 8 starting at 8 am on the Hyannis Green. United and Keijser will be there.

There being no further business, the meeting was adjourned at 4:30 PM.

Respectfully submitted,

Denise Geoffrion