

A meeting of the Town of Barnstable's Hyannis Water Board was held on November 9, 2010 at 3:15 PM in the Selectman's Conference Room, 367 Main Street, Hyannis, MA.

In attendance were Deb Krau, Skip Simpson, Tom Holmes, Peter Cross (late arrival). Joe Dunn was absent.

Staff present: Hans Keijser, Supervisor, Water Supply Division.

Also present: Ken Maltese and Mark Lavoie from United Water, David Hyder, Municipal and Financial Services Group, LLC.

A quorum being present, Chairman Krau called the meeting to order at 3:19 PM

The Agenda was approved with the additions of Capital Discussion, Hans adds "Lien Process" and #4-Abatement of 32 Paine Avenue-Hyannis has been moved to the December meeting.

The Minutes for the August 10, 2010 meeting were approved with changes.

Operations Report – Lavoie expresses that there has been no more discussions or inquiries regarding last months spill at the Hyannis Port well.

Several cycles of bills (since the rate change) have gone out. Lavoie expressed that there have been no major problems or complaints due to the rate changes.

Simpson requests that the reports show how revenues are tracking. Keijser will work with Maltese from United Water to produce this document. Keijser explains that this document may not be that accurate due to the recent rate structure change and predictions are based on historical data..

Collections: Simpson expresses his frustration at the large balance of the "Over 120 day Balance due". He adds that out of the \$810,669.77 balance due, half of that is from the "over 120 days". Maltese explains that the process of collections is working and results are displayed on this pie chart that he created however is not completely finished and available for the meeting. Maltese will complete the pie chart this week. Maltese also explains that there was an extra billing cycle on the report which also contributed to bumping the numbers up on the report. His pie chart is a more accurate tool. Shut offs are being done. Questions were raised if a Hardship Case can pay over 2 years. This would deter the use of "write-offs". If this is not an option, a new tactic may be suggested. The board requested up-to-date account information to rule on Hardship cases.

Keijser explains the Lien Process and that the sheet displaying the 4 properties to be liened need to be signed by the board. The board is concerned that is the "Amount Liened" is collected, do they give up the right to collect the full "Amount Owed". Keijser conveyed that after consultation with the Legal Department, the answer is no. The total amount owed can be collected.

A Motion was made and seconded to sign & process the Lien Form.

VOTE: Unanimous. The form is signed.

Water Withdrawal Permit Update – Keijser explains that the meeting went well. The DEP expresses cooperation in their discussion. The plan regarding water levels will benefit both Fish and Wildlife

and the water department. The Department of Environmental Protection stated that they will not stand in the way of this process but the plan needs to be received by September of 2011. The Permit is expiring at the end of November 2010. An application has already been filed for a new one; a temporary 12 month permit will be given. The new permit is expected to be in place by December 2011. Keijser does not see any problem receiving the temporary permit by the end of the month. Krau asks Keijser to double check.

An abatement request for Dawn Busias at 32 Paine Avenue –Hyannis has been rescheduled by Busias due to a scheduling discrepancy with the contractor for an inspection. It will be rescheduled for the December 14, 2010 meeting.

FY 2012 – Operating Budget – Keijser disburses the proposed budget expressing that not all of the numbers are firm. The Base Budget on the form is our approved FY '11 budget. The board requests that the \$74,485.00 3R Reserve figure from the Rate Model is added. This increases the Proposed Budget to \$3,171,626.00. The Service Priority Packages (requested increases) that are being requested are: (1) \$5000.00 to Personnel for a summer intern. Keijser expressed that a summer intern was furnished by DPW Administration last summer and this help proved beneficial with extensive work being completed along with support for our Project Manager and town GIS department. Krau asks what will be his tasks next year? Keijser responds: scanning of gate cards and hydrants into our database to enable our records to be electronic. (2) Increase of \$905.00 for the Airport Well Lease due to the Price Index increase. (3) Increase is needed in the amount of \$39,402.00 for next year funding of the United Water's basic operations contract. (4) Increase to Professional Services is needed to fund a Contract Amendment 2 in the amount of \$30,000.00 for maintenance costs of more generators, security camera's, Comcast fees for monitoring and maintenance of the new SCADA system. An increase to Professional Services, Other in the amount of \$25,000.00 is needed to fund engineering and consultant studies relative to water supply operations. Board is concerned with the amount proposed by United Water in the amount of \$55,620.00 for Contract Amendment 2. Keijser requests for board's involvement with negotiations. (5) Increase in gasoline costs due to Project Manager's position in the amount of \$180.00. Keijser states that the Debt Service amount is to the best of his knowledge based on the suggestions given to him by Mark Milne, Director of Finance.

A Motion was made and seconded to put the amount of \$74,485.00 into the Transfer to Water 3R Reserve line in the FY '12 Proposed Operating Budget.

VOTE: Unanimous in favor. The amount of \$74,485.00 will be added to the Transfer to Water 3R Reserve line in the FY'12 Proposed Operating Budget.

A Motion was made and seconded for board's involvement in contract negotiations with United Water.

VOTE: Unanimous in favor. The board will be involved with contract negotiations.

A Motion was made and seconded for the addition of \$5,000.00 to the Personnel section of the FY '12 Proposed Operating Budget for a summer intern.

VOTE: Unanimous in favor. The \$5,000.00 will be added to Personnel in the FY '12 Proposed Operating Budget.

Review of Rate Model – The Rate Model is built on the figures out of the Capital Projects document and the Operating Budget. The new data in the rate model also reflects the updated actual square footage, fire line sizes and meter sizes. The rates also reflect the loss of the fire department's revenue in year 2012. The rate model is also based on FY '09 consumption rates, not FY '10. The Rate Model is based on the Cost of System Service Study and includes a 7% increase in rates.

Simpson asks if rate increase can be lowered in future years due to the total estimated cash reserve by year 2016 in the amount of 2.4 million. Cross is comfortable with the 7% rate increase with consideration of any catastrophic failure that could arise due to the 100+ year old system. Cross expresses that it is good to have money reserved. Hyder adds that normally it is common to have at least 90 days of Operating Expenses (approx. \$ 690,875.00) available in a cash reserve.

The board was concerned that consumption was down in FY '10 and FY '10 consumption data was not yet loaded into the model. The board agreed that the data needs to be loaded into the model and that ALL water rates for FY '12 need to be raised by 7%. The board agreed to apply no changes to the service fees for FY '12.

A motion was made and seconded to increase ALL water rates for FY '12 by 7% and apply no changes to the service fees for FY '12.

VOTE: Unanimous in favor. All water rates will increase by 7% and no changes to service fees for FY '12.

The board is in agreement that all water rates and fees become effective 7/1/2011 and water usage rates will be based on whether all water in the billing period has been delivered since the new rates went into effect. Cross asks if expenses vs. labor are the same. The answer is no, which poses the question if these fees should be increased? Hyder adds that most people do not increase these fees yearly but may be good to do so.

New Business –no new business.

Meeting was adjourned at 5:05 PM.

Respectfully submitted,

*Marcia Sellitto
DPW, Water Supply Division -Administrative Assistant*

Materials presented at meeting:

- Meeting Agenda November 9, 2010 (*presented by:* T.O.B.-DPW, Water Supply Div.)
- Meeting Minutes for approval 10/26/10 (*presented by:* T.O.B.-DPW, Water Supply Div.)
- H.W.B. Monthly Report, October 2010 (*presented by:* United Water)
- Capital Projects –Hyannis Water Department as of November 9, 2010 (*presented by:* Chair Krau)
- Proposed Operating Budget Fiscal Year 2012 (*presented by:* Hans Keijser)
- Certification of Water Supply Division Accounts to be Liened signature sheet (*presented by:* Hans Keijser)
- County of Barnstable Treasurer's Annual Report for Fiscal Year 2010 (*presented by:* Hans Keijser)
- Rate Model by Management & Financial Services Group, LLC (located on t:\ drive, TOB server)