

2014 DEC 11 AM 9:39

A meeting of the Town of Barnstable's Hyannis Water Board was held on October 14, 2014 at 3:15 PM in the Selectman's Conference Room, 367 Main St 2nd floor, Hyannis.

In attendance: Steve O'Neil, Jonathan Jaxtimer, David Wood, Tom Holmes.

Staff: Hans Keijser, Supervisor, Water Supply Division, Mark Milne, Director, Finance

Also, Present: David Hyder, MFSG

A quorum being present Chair O'Neil called the meeting to order at 3:30PM

A motion made and seconded to approve the agenda.

VOTE: Unanimous in favor. The agenda approved

A motion made and seconded to approve the September 2014 Minutes.

VOTE: Unanimous in favor. The September 9, 2014 Minutes approved as written

Mark Lavoie, United Water – Operations Report
Staffing still an issue
Trouble getting a licensed water operator
Talk about headhunter
Admin position was filled but the individual went to Nassau County, NY to fill an open position within United Water.
Labor position interviewing candidates
Meantime asking staff to work overtime to fill deliverables
Also bringing in an additional worker
3 positions open currently
Real busy with projects

Have there been any problems with water in Hyannis?
Had brown water last week, Cleaning lining and cutting in a new valve was the reason.

Did you move pipe underground?
No, had to cut out and replace a large diameter pipe. This created the dirty water

The dirty water took about a day and half to clean up – working until eight or nine at night
Keijser states that the sixteen-inch pipe is such a critical part of our system that when you perform repair or maintenance it causes some dirty water for a large area

How are we doing on collections?
Overall the 30 through 60 days are down
120 through 360 days on page 22-trend line continually going down over time
Even the 360 going down which are the hardest to go down

The numbers on page 18 are a little off because we billed a lot in September
These next two months are strong months for billing due to summer water use.

Anything planned to dig up Folsome Avenue off Estey Avenue?
The only plans we have in that area is on Gosnold Street, to replace that water main in the future.

Keijser gives update on pumping numbers; see package
We pumped more than we projected, that is a good thing-Some may be due to flushing lines.
People are using more water in September
Billing looks good
Not a concern at this time

Mark Milne - Financial summary - hand out

Milne was asked to do a year end presentation for the Board to discuss the financial position of
the DPW Water Supply Division for fiscal year 2014.

Intergovernmental receivable a loan we entered into, we accepted loan and we draw down
against, corresponding liability. No other significant changes

Accounts payable went down as we continue to make loan payments

Fund Balance -

Reserved for expenditures - reserved for continuing appropriations. investment in your assets

Revenue and Expenditure - General Fund transfers. Net increase in fund equity, continual
increase in next statement

Operating Budget - expenditures came in on target; you generated surplus, positive variance

Capital Program - all active projects on books

- few projects go back to 2010

- would ask that you review and close where able to and return those funds to your surplus
water enterprise fund

Bond activity

Amortization schedule for remaining bonds

Carried out to year 2033

5 outstanding general obligation bonds

Free cash

Overall performing on a positive note and in a positive fashion so we will continue with this
process

When do we go to Town Council? Some time in April.

Ultimately, what is proposed is a five percent increase in water rates that would generate revenues of 4.7 million with expenditures of about 5 million so will be eating into reserves just a bit

See handout for all the rates as calculated with 5 percent increase

Ultimately, plan to go to total cash basis for pipe replacement program, minimize debt services associated with loans

Other highlight is the growth in commercial water usage of about 6 percent

Everything came in pretty close to what was projected

Improvement - much more accurate and much better performance
We are over halfway done with water meter replacements and we have much more accurate data to work with

Every year half the system is audited for leak detection
System getting tighter and tighter
Improvements we have been doing are paying off

Unless you can cut costs or grow customers you are going to have to raise rates to break even

Any questions, Hearing none

A motion made and seconded to accept the 2016 Operating Budget as presented.

VOTE: Unanimous in favor. The 2016 Operating Budget accepted as presented.

Capital improvements
Any discussion
Total of 5

1 - Well rehab \$200,000.

Continue with what we have been doing, Emergency generators upgrades, redo electrical systems, would like to bring down the amount of generators to one or two instead of three.

2 - Pipe replacement \$1.05 million

Working on cleaning and lining

Cleaning and lining on Ocean Avenue from Gosnold to Scudder from Main to South and over Stewarts creek all the way thru Hyannis port and tie into the new water main that will be installed next spring

3 - \$650,600. Construction work; painting of Mary Dunn 2 water tank, repair foundation, security fence and entry road.

4 - \$1.037 million

Barnstable Road water main, this project consists of a new 12 inch water main that goes from Main Street to the Airport Rotary. This project will create new opportunity for businesses on that strip – big opportunity for development relative to fire flows.

5 – Phase 3 of the New Well Exploration Program, designing and permitting of two new wells and all appurtenances in the amount of \$555,500

A motion made and seconded to accept the proposed Capital Improvement Projects for FY16 as presented.

VOTE: Unanimous in favor. The FY2016 Capital Improvement Projects are accepted as presented.

Rate increases

Rate Increases are tied to budget; they are consistent with what we have done every year
Motion to accept for rate increase for FY2016

When do we stop increase? The rate increase was lowered in FY2015

In FY2025 the rate increase is planned to go to 3 percent and in FY2028 it could be zero.
Any plan for going back to original rates? That depends on costs / expenses.
What we are doing now it is avoid major rate increases for our grandchildren
The issue is that we have so much deferred maintenance that we need to catch up.

A motion made and seconded to accept the five percent rate increase.

VOTE: Unanimous in favor. A five percent rate increase for FY2016.

Lien review of uncollectible accounts -Must review every year

We have more aggressive collection efforts; we are lien-ing water accounts that are shut off and still not paid. What we lien is FY 14 charges only. When you look at spreadsheet and see owed and what is being leaned that there is quite a discrepancy, eventually what happens when property sells the Town will get payment in full. There is movement, it is slow
This process is working

There is one person that has a renter and we cannot shut of the water

A motion made and seconded transfer liens to tax collector.

VOTE: Unanimous in favor. Liens, as listed shall be transferred to Tax Collector .

Cook Circle - Update

Camp Street is now cement lining the second piece on Camp Street and the piece that is closest to Main Street will be cleaned and lined next.

Related to that is prep for the lining of some old 12 inch pipe on Yarmouth Road, there will be traffic congestion so the DPW is working with police to re route traffic.

After that the project will move across the Route 28 intersection and then under the airport and to Mary Dunn Road.

NSTAR update

The Water Supply Division had a meeting with NSTAR relative to their electric conduit crossing 2 water mains using directional drilling; have not heard anything from the Legal Department re the Cape Wind / NSTAR DPU case.

SRF submittals sent in overnight today, Saad will expand on this next month.

Operational issues; Silent Spring's presentation talked about more testing or sampling they want to do.

Other update - Relative to the Suomi Road property in Hyannis

Right now one of the United Water personnel is living there.

3 months ago, the Barnstable Housing Authority looked at the place and they are interested.

There is a revenue impact of \$12,000 per year on the water budget

If we lose the asset, how will the Hyannis Water System be compensated for that asset?

It was bought because it had so much land that fell within the zone 1 for the Straightway Well.

How does it fall in our long-range plans of protecting zone 1?

Keijser would like to change from oil heat to something else to get rid of oil tank

A motion made and seconded to adjourn.

VOTE: Unanimous in favor. The October 14, 2014 Meeting of the Hyannis Water Board adjourned at 4:42 PM.

Reminder that the Board meets on a Wednesday next month

Third Floor, Growth Management Conference Room

Materials presented at meeting:

- Meeting Agenda October 14, 2014 (*presented by:* T.O.B.-DPW, Water Supply Div.)
- Meeting Minutes for approval 9/9/14 (*presented by:* T.O.B.-DPW, Water Supply Div.)
- H.W.B. Monthly Report, September 2014 (*presented by:* United Water)
- FY '15 Pumping and Revenue Projection spreadsheets, dated 10/9/2014 (*presented by:* Hans Keijser)
- Finance Sheets Packet-Enterprise Fund, (*presented by:* Mark Milne)
- Copy of Model Output sheet (*presented by:* Hans Keijser)
- Copy of Water Supply Accounts to be Leined, dated 10/14/14 (*presented by:* Hans Keijser)
- Copy of email from Mark Milne RE: Freecash Approval Notification for Barnstable, dated 10/10/14 (*presented by:* Hans Keijser)
- Newspaper clippings (*presented by:* Hans Keijser)

