

**MINUTES
HARWICH WATER DEPARTMENT
BOARD OF WATER/WASTEWATER COMMISSIONERS
MEETING**

Thursday, January 4, 2024

11:30 a.m.

WATER COMMISSIONER'S PRESENT: Chair Gary Carreiro, Vice Chair Noreen Donahue, Clerk Allin Thompson, Commissioner John Gough

OTHERS PRESENT: Superintendent Dan Pelletier, Administrative Assistant Tracey Alves

CALL TO ORDER

Chair Carreiro called the meeting to order at 11:30 a.m.

CONSENT AGENDA

A. Minutes

1. November 2, 2023
2. November 16, 2023
3. December 7, 2023

Clerk Thompson moved to approve the minutes of November 2, 2023, November 16, 2023 and December 7, 2023 as presented. Commissioner Gough seconded. Vice Chair Donahue requested amendments be made to both the minutes of November 2, 2023 as well as December 7, 2023. Chair Carreiro motioned to approve the minutes as amended. Clerk Thompson seconded; 4-0-0.

OLD BUSINESS

A. Town Report

An updated version of the Town Report is in the packet. The report is due to be submitted tomorrow by the end of the day.

B. FY25 Water & Wastewater Operating Budget

Superintendent Pelletier discussed the FY25 Wastewater budget first. He is expecting to receive a copy of Chatham's FY25 budget tomorrow. There is a copy of the budget in the packet but the next one should hopefully be final draft form.

Superintendent Pelletier reviewed the FY25 Water budget with the Board.

When reviewing the Indirects, Chair Carreiro questioned why the indirect charge for the Treasurer Collector has gone up by \$12,000? Superintendent Pelletier believes it is part of a bigger discussion that needs to be had. The Department has not changed anything that we do from a billing/finance perspective. We will have a borrowing for the Route 28 project but beyond that, nothing has changed.

Vice Chair Donahue commented that if the Town is changing their methodology when calculating Indirects, then there should be a discussion had between the Finance Director and the Board.

If there is a major change in methodology that affects our customers, our rates and our expenses, then the Board can't just sit idling by.

Chair Carreiro also asked about the charge for Finance/Accounting? We had worked hard to get these charges reasonable and now they are starting to increase again. What has changed?

Superintendent Pelletier also took issue with the Property & Liability Insurance. It was originally at 25-28%. The reason given to Dan is that it was because the Department was purchasing two new vehicles. The Department has purchased new vehicles numerous times in the past 8 years and have never seen an increase of 25%. We didn't increase valuations or ask for change in coverage when we did our annual insurance review.

Superintendent Pelletier commented on the formulas, if you go back in the workbook and look at our prior year's calculations of Indirects, for example, Property & Liability, it was a calculation based on the valuation of the assets. This year is just a blanket % increase, which is a change in methodology.

Chair Carreiro will extend an invitation to the Finance Director to attend a Board meeting.

NEW BUSINESS

A. New Source Exploration Update

Superintendent Pelletier provided the Board with an update on the new source exploration project on North Westgate Rd.

B. Route 28 Water & Sewer Project Update

In the packet is an updated cost estimate for the portion of the Route 28 project between the Dennis town line and the Herring River. If we combine the 50% design cost that we had last summer when GHD presented, that section of project was \$9.7 million and now that we've gone through the DOT collaborative process for both water and sewer, the updated cost estimate is \$2.6 million dollars.

Chair Carreiro asked if we had everything we needed for this project? Superintendent Pelletier answered that we have a document that was provided by Bond Council that details the legal requirements needed to borrow. Cash flow, schedules for projects, loan commitment letter and a host of other borrow related items, one, is a 2023 audit of the town.

There are items that Dan owes and items that others owe that do have the potential to hold the project up, which is ultimately what is happening right now.

The Finance Department is saying they might not be ready to borrow until June.

For the Route 28 project, the Department needs to buy an insertion machine, which we can't do, until the Town is capable and has submitted all of the legal requirements to borrow. Dan will meet tomorrow with GHD and will be getting an update on cash flow.

Technically, it is the Treasurer Collector who does this in which the position is vacant. The Finance Director has been trying to spearhead these efforts and is aware but responded by saying we may need to explore other funding sources if we need to do this before June.

There are bigger implications that Superintendent Pelletier is trying to work through because the Department has a lot that needs to be done before June and these are things that have already started, like the Cold Brook project.

Superintendent Pelletier is primarily concerned about Phase 3 if we can't borrow by June because the contract has to be signed by June 30, 2024.

Vice Chair Donahue recommends that we communicate with our Select Board liaison about this and recommend that the Town hires an independent person to start an audit immediately.

C. FY25 Indirect Expenses

The topic of FY25 Indirect Expenses was covered when talking about the water and wastewater budgets.

D. 2023 Campaign Finance Reporting

The Board members discussed documents they did and did not sign and steps taken when they ran for election.

E. 2024 Draft Intended Use Plan

The Clean Water Trust new list was just released and we are still at the top of it.

SUPERINTENDENT'S REPORT

The BOH requested the Board's attendance at the joint meeting on January 17, 2024 at 6:30pm in the Griffin Room to discuss extensions to the Order to Connect for Phase 2 sewer.

The Drought Task Force met and declared a drought for the Cape and Islands last month. The groundwater level in Harwich is slightly below where we were at last year at this time.

COMMISSIONER'S REPORT

Chair Carreiro asked for an update on the Assistant Superintendent Wastewater position. There has only been one applicant for the Assistant Superintendent Wastewater position so far.

Chair Carreiro will reach out to the Select Board regarding the Indirects and meeting with the Finance Director.

NEXT MEETING

The next Board meeting is scheduled to take place on Tuesday, January 23, 2024 at 11:30 a.m.

ADJOURN

Chair Carreiro entertained a motion to adjourn at 12:28p.m. Clerk Thompson moved the motion with a second by Vice Chair Donahue. All in favor; 4-0-0.



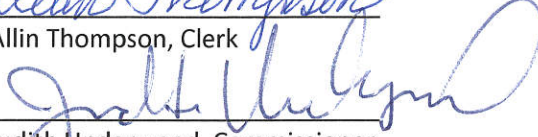
Gary Carreiro, Chairman



Noreen Donahue, Vice Chair



Allin Thompson, Clerk



Judith Underwood, Commissioner

John Gough, Commissioner



Dan Pelletier, Superintendent



Tracey Alves, Board Secretary