

Town of Barnstable Hyannis Water Board Meeting

Present: Deb Krau, Chair, Skip Simpson, Vice Chair, Tom Holmes, Rebecca Baxter

Also Present: Mark Ells, DPW Director and Hans Keijser, WSD Supervisor

Public: Ken Maltese, United Water, Gene Brown, United Water, Oleh Dzydzora, United Water, David Still, Barnstable Patriot Richard Andres, Centerville, and Lisa M Zitomer & David A. Hyder, Municipal and Financial Services Group

A quorum being declared this convened at 3:20 PM on Sept. 8, 2009.

The August meeting minutes were presented. Hearing no comments, a motion to accept the minutes was made by Tom Holmes and seconded by Rebecca Baxter. Minutes were approved by unanimous vote.

Chair Deb Krau reviewed the lien information and requirements. Hans indicated a couple of more days will be necessary. It was noted that the operations report was included in the packet. Ken Maltese presented a report for the month.

August is the second month on site. There were transitional issues. Reports are being produced. The lock box is being addressed. Three vehicles are done and in RI waiting to be picked up. The other two will be ready in two weeks. Uniforms have been issued and handed out. The computer maintenance management system will be installed within 90 days.

Graphics included in the packet were reviewed. There are two forms: dashboard & calendar. Tweaking for desired key elements is proposed.

Financial Summary

Questions regarding the numbers. Is the inflated number due to the billing delay?

Affirmative. It was noted that July's billing overlapped into August by 12 days.

Chair Krau asked if the cash receipts are down or if the difference is a delay in posting.

The response indicated that hand posting is necessary until the lock box is operational.

Skip Simpson discussed the lag in billing. It was noted that this issue should be resolved by Oct. It was also determined that a solid baseline is necessary. Efforts are being made to get everything current. Gaps need to be filled in order to correctly analyze the data. This also ties into the lien list issue. 100% accuracy is necessary. The drop dead date to resolve this is Oct. 1st.

In order to implement the lien process, information would have to be reviewed by Oct. 1. The Board must review the list for consideration on or before Oct 1st or otherwise miss out on the opportunity to impose liens.

Skip stated that the delay in billing is a disturbing trend that is getting worse. Deb Krau added the receivables must be tied out, receivables can't be carried forever.

Hans Keijser noted that according to Maureen Niemi, Tax Collector, only FY 09 could be liened. It was suggested that the Board consult with Mark Milne regarding this matter.

Health & Safety

It was reported that Beth Murphy performed a chemical inventory, security IDs were issued, uniforms distributed, lab equipment & supplies ordered. There have been no personal injuries, accidents or losses in August. Stocking occurs as needed. The phone carrier was also switched to Verizon.

The following issues relative to coliform sampling & testing were identified and briefly reviewed:

Coliform sampling procedures

Staff for auditing

Procedures and locations

Performance Management Specialist

Another set of eyes and ears

16 Locations to be upgraded

Separate report to be submitted.

Three different labs were used to insure the accuracy of the results.

Chair Krau offered personal thanks to United Water for accessing all resources and jumping on issues right away. She noted that the three labs were utilized voluntarily at the expense of United Water.

In response to the Vice Chair's question concerning contaminated locations, United Water declared that the inconsistently in contaminated locations may be due to a variety of reasons including inconsistent use, high temperatures, and coarse threading on pipe (which serves to shield bacteria and subsequently are flushed into the system).

United Water identified a proposal to install auto controls that will inject chlorine in certain areas of concern including at the Mary Dunn 3 location.

Ensuing discussion noted that the schools have flushed all pipes thereby reducing the contamination odds but the visiting residential population must be educated regarding stagnant water as houses closed for the winter may harbor bacteria. A starer to be enclosed with water bills was suggested. A continuation of upgrades to both equipment and procedures will serve as a safeguard for improvement.

United Water's responding comments reiterated that the coliform issue is not limited to Barnstable. The accounts receivable issue is at a point where individual accounts will be reviewed. Coding may be an issue. The number is being whittled down and is currently \$1,500.00. This should be resolved by the next meeting.

Municipal & Financial Services Group Presentation

The agenda was reviewed and it was noted that the meeting may have to be rescheduled from the 22nd to the 29th.

A presentation was made reviewing the following:

Identification of objective

True cost,

Allocating costs to clients

Designing rate structure

Implementation

Rate Discussion

Rates can be on meter size. Rate based on size is monthly but the billing blocks are quarterly. Discussion included monthly usage and seasonal use as it impacts billing blocks.

The projection of new accounts resulting from new construction was discussed. The current economic trends resulted in very different account numbers when comparing 2006 and 2007. It was suggested that building permits should be looked at for additional insight.

Revenue

Assumed Construction Cost Price Index in all spreadsheets must be confirmed. Mark Ells offered additional detailed information to insure all assumptions are accurate. He noted that local costs are higher here and it would be easy to underestimate some costs.

Hans discussed long term maintenance projections included in the assumptions noting that for example that tanks are painted every 10 - 15 years.

Cost and Distribution

Discussion focused on customer service, residential, commercial, fire protection (public) and fire protection (private).

The private hydrant fees are potentially half of what they should be. Discussion regarding allocation resulted in the declaration that fire protection overhead will be a policy decision.

Structure Rates

Fixed and variable rates based on monthly or quarterly cycles were discussed. Debate over how to figure the application of the rates ensued. Improved square footage was identified as an option. It was also debated as to whether or not the fire protection charge should be reflected as a new line item on the bill or be factored into the fee structure.

Subsequently, it was determined that an option based on meter size will not differentiate between a 5 room house and a 10 room house.

Other rate structure options for consideration were identified as:

- Variable
- Residential vs. commercial
- Unit seasonal vs. peak
- Incline block - seasonal vs. peak
- Combination of any and all of the above.

It was agreed that a rate based on the number of bedrooms and bathrooms would be difficult to apply to commercial property and using the assessed value may be construed to be a tax. Rates based on peak usage is not likely to work due to a high seasonal use and as many locations would be dormant for the winter months.

An inclining block rate is better with a unit rate for commercial.

A flat fee was also discussed.

The existing blocks were reviewed. It was noted that 10% are in Block 3 and 76% of existing accounts are in Block 1. Available data will be reviewed as received.

Amended options are now - meter size & fire service based on square footage. A recommendation for private protection fees to be based on line size was made in order to simplify the matter.

Chair Krau remarked how pleased she is with the efforts of United Water.

It was decided that the blocks shall be amended and definitively defined.

Hans stated that the rules and regulations are almost done. There are slight changes. The Town Manager will have a public hearing for the rate setting. Board members will receive information by email. Hans also informed the Board that in a couple of weeks the Scudder Ave repairs will commence in addition to locations at West Main Street & Betty's Pond.

A motion to adjourn was made by Tom Holmes and seconded by Skip Simpson

This meeting adjourned at 5:45

Respectfully submitted,

Robin C. Anderson, Recorder