



LYNNFIELD CENTER WATER DISTRICT WARRANT
The Commonwealth of Massachusetts
Regular Board Meeting
3:00 pm May 18, 2020

Date, time, place: The regular meeting of the Board was held on Monday, May 18, 2020 at 3:00 PM via Virtual Zoom Meeting.

Present via Virtual: Commissioners Robert Almy, Anders Youngren and Joseph Maney, Superintendent John Scenna, Treasurer James Alexander and Clerk of the Board Christine Smallenberger

Absent: none

Also attending virtual: Dick Hingston - District Auditor, Linda Bournival from KMS Actuaries, Stefan Taschner, and Patricia Campbell

Additional attachments: Agenda, incorporated into the minutes hereto.

Next Regular Meeting: Monday June 1, 2020 at 3:00 PM Virtual Zoom Meeting.

Adjourn: 5:18 PM

The meeting was called to order at 3:06 pm and is being recorded for the purpose of minutes.

Chairman Maney read the following statement:

Pursuant to Governor Baker's March 12, 2020 Order Suspending Certain Provisions of the Open Meeting Law, G.L. c.30A, §18, and the Governor's March 15, 2020 Order imposing strict limitation on the number of people that may gather in one place, this meeting of the LCWD Board of Commissioners will be conducted via remote participation. Specific information and the general guidelines for remote participation by members of the public and/or parties with a right and/or requirement to attend this meeting can be found within this posting below. No in-person attendance of members of the public will be permitted, but every effort will be made to ensure that the public can adequately access the proceedings in

real time, via technological means. In the event that we are unable to do so, despite best efforts, we will post minutes of proceedings as soon as possible after the meeting.

Motion: a motion was made to take Item #4 out of order.

Seconded: the motion was seconded, and the motion was passed with all saying aye by a unanimous vote.

4. Financial Update

- a. **GASB Actuary Report and Summary update from KMS.** Linda Bournival presented the KMS actuary report to the board. This is not part of the pension plan but is for medical health insurance per the agreement in place with employees to provide retirees health insurance benefits. GASB requires certain standards. Every time they remeasure there will be assumptions. The District currently reimburse 50% of a retired employees' health insurance costs. The District is 63% funded and significantly higher than most entities in the entire country. In a few years we may be 100% funded and can start using the benefits. Their unfunded liability is very low (about \$85,000). The actuary report is required for municipalities. The actuary is a great tool for making sure the District is preparing for the future. We are in a position of strength for post-employment benefits and may look to expanding this benefit in the future by covering additional portions for future retirees. .
- b. **2019 Audit and Summary from Giusti & Hingston CPA.** Giusti & Hingston CPA (G&H) does risk assessment and internal controls. G&H assess the risk for statement and fraud and look at major cycles, expenditures, revenue and cash. G&H does internal control narrative to identify internal control processes. They test them to make sure they work. G&H prepares financial statements. The status of FY19 audit is complete with financial statements. FY19 was not a great year, free cash went down from \$550,000 to \$206,000 this year. It was primarily based on the rescinding water rate increase that was planned for and budgeted and we needed to use free cash this year as well. Currently, revenue is tracking well and appears \$238,000 over budget with another bill being sent out in June. The District's budget is forecasted to look strong this year. The District intends to use approximately \$200,000 of free cash at the Special District Meeting. This money will be put into a stabilization fund is essentially viewed as free cash. This is a good recommendation for long term planning since the District is exploring several projects. The recommended number for free cash is around \$500,000. It is good for the Districts' bond rating and emergencies. Dick Hingston and Superintendent Scenna will meet with Raftelis to begin reviewing the model for the tax levy within the next 3-4 months with discussion on free cash and tax

levy scheduled to take place this Fall. When volumetric rates were passed by the Board, the intent was to revisit the tax levy in the Fall of 2020.

1. **COVID State of Emergency and Operations Planning/Impacts.** Operations is phasing back to regular operation hours. The office is closed to the public but are back to monitoring phones on the regular schedule. All operators are back to a 40 hour week with segregation. One crew is working on flushing with significant progress on day 1 of flushing. The crew was assisted by a Weston and Sampson operator. The other 2 operators handle daily maintenance and sampling. Our target is June 1st for reopening the office and to bring entire staff back together. The Fire chief will train us to use PPE amongst our own staff. We are working with KP Law to see what other people are doing and a formal re-entry plan will be put in place and shared with the Board of Health and Emergency Management group. It may model the phased re-opening approach within the Commonwealth. We are meeting our timelines and moving forward completing daily items and tasks.

2. **Annual and Special District Meeting at 4:20 pm**

a. **Close Warrants**

Motion: a motion was made to accept and close the Annual District Meeting warrant as presented by Superintendent Scenna with a minor change to article #10 for the Annual District Meeting.

Seconded: the motion was seconded, and the motion was passed with all saying aye by a unanimous vote.

Motion: a motion was made to accept and close the Special District Meeting warrant as presented by Superintendent Scenna.

Seconded: the motion was seconded, and the motion was passed with all saying aye by a unanimous vote.

b. **Discuss Plans and Options for Conducting 6/15 ADM & SDM,** We will do our best to have a live meeting; all options are being considered. We can't push it back again and need to post the meeting location 7 days prior to the meeting. Superintendent Scenna and Chairman Maney will review options with Moderator Joe Markey. Superintendent Scenna will also carefully monitor the FY20 budget salary lines and it's impact on the bottom line of the budget.

Mrs. Campbell: wants to talk about Level 2 for irrigation and is concerned that people have a 10-hour window to irrigate and would require operator overtime to monitor. The town is going to be irrigating all the parks and field at taxpayers' expense and wants to know what irrigation restrictions will be imposed on the town. Chairman Maney responded the vast majority of town fields are on wells and the only 2 areas they would be watering is Huckleberry and town common. Superintendent Scenna noted that construction at both those locations had not commenced and it is highly unlikely either site would be watering this season. Mrs. Campbell is concerned with wasting water and wants to know if there are restrictions for these two locations. There is an agreement between the Town and the LCWD with conditions that allowed for connections at these locations and states the reasons. The restrictions were based on standards put out by the DEP. In general, Superintendent Scenna explained that sometimes restriction windows are adjusted when the Ipswich River Basin levels start to drop. Level 3 only allows watering 2 nights a week. We have a by-law that requires a rain sensor on irrigation systems. Superintendent also mentioned that the shared services agreement between the District and the town that requires conservation plumbing fixtures, rain sensors, meters and backflows and in return the District gets various services from the town.

3. Update on Operations

- a. **Software Demos.** The District is working to increase customer service and gain efficiencies with billing, looking at consumption and inconsistent usage. We will bring to the board 2 finalists on June 1st. The funding for this new software isn't available until July 1st pending passage successful funding article we are targeting the September bill run to be up and running where customers can go online, review their account and pay online.
- b. **Update on Work at Station 3, Wells 9a and 9b,** Work continues on station 3. Well 9a is redeveloped and back in the system running with 100% increase yet we are only getting 45 gpm as opposed to the Main Street well just because of the size of original construction. It is a huge improvement in quality, efficiency and quantity and is in the North Coastal watershed where restrictions are less stringent. We moved on to performing some work on well 9b where the water quality caused us to shut it down with pump and motor issues in early winter. Funding is becoming an issue and we need to keep this well shut down until the end of June. Tom Hydro from Weston & Sampson wants to take samples to try and develop trends, there could be consistency issues at each fracture point in the well that this approach might identify. 9b well is currently off but Superintendent wants to get all resources back in place going into the summer when demand will be going up.
- c. **Flushing Program Update.** Flushing began today with a massive run of social media, Facebook, newspapers, and Code Reds to the entire district and to

the area flushed. We will follow up on Tuesday with another phone call. We will continue to flush this week and next week. Water volume is always a concern, our consumption is up 10-12% consistently because more people are home and using water consistently throughout the day. This, in conjunction with flushing and the introduction of consistent outdoor watering is a balance that has to be looked at daily and once that the operators will need to balance throughout the program. If storage capacity reduces, the program will have to stop.

- d. **Update on Upcoming Service Contract Procurements.** Superintendent Scenna hopes to have them in place by the start of the new fiscal year. Superintendent Scenna and Commissioner Youngren will look at varying levels of insurance requirement that balance protecting the District and allowing for competitive bidding and interest.
- e. **Approval of FY21 Street Opening Permit.** The street opening permit will be circulated one last time and will need a vote by the board on June 1st to have standard conditions and provide us with more leverage with some contractors. This permit process is a good way to reign that in. The permit will go into effect at the beginning of the new fiscal year.
- f. **Update on Verizon Cell Tower Proposal for Knoll Road Tank.** There will be a walkthrough tomorrow with their subcontractors. Verizon will go before the ZBA at their June 2, 2020 virtual meeting. Superintendent Scenna will participate to see what comes from the meeting. Commissioner Youngren will recuse himself at this ZBA meeting but continue to monitor the situation on behalf of the District. The District may want to consider doing a joint letter to the neighborhood and school district once this project moves forward.

The District is waiting for LWD with regard to the scenarios discussed for providing supplemental water and we hope to get information next week so CDM and Superintendent Scenna can present the 5 scenarios at the regular board meeting after the Annual District Meeting on June 15th. Commissioner Youngren reached out to the clerk of the board at LWD to introduce himself.

5. Other Board Items:

- a. **Review Schedule for Upcoming Board meetings.** The next meetings are June 1st and June 15th. The board will wait for the new commissioner to schedule meeting dates for the balance of the year.
- b. **Approve Prior Meeting Minutes.**

Motion: a motion was made to approve the minutes from the May 4, 2020 regular board meeting.

Seconded: the motion was seconded, and the motion was passed with all saying aye by a unanimous vote.

- c. **Approve A/P and Payroll.** The board approved A/P warrants and payroll via email.
- d. **Execution of Documents (CDM Task Orders; W&S Station Work; W&S On Call Operator; FY21 Actuary Services; Lease for Billing Machines).** There are documents that need to be executed with board signature.
- e. **Any other unanticipated items by the Board.** Superintendent asked Treasurer Alexander about the District's Bond rating; Treasurer Alexander said the District's Standard & Poor rating is AA+, a positive outlook. Treasurer Alexander and Superintendent Scenna are researching the CARES act for expenditures due to COVID. The expenditures are not astronomical, but they are adding up.

Motion: a motion was made to move to executive session at 5:18 PM.

Seconded: the motion was seconded, and the motion was passed with all saying aye by a unanimous vote.

The treasurer and clerk took leave of the meeting.

The Executive session adjourned at approximately 6:30 PM

Respectfully Submitted,