

BOARD OF COMMISSIONERS MEETING

MINUTES OF

May 12, 2020

Buzzards Bay Water District 15 Wallace Ave. Buzzards Bay, MA 02532

MINUTES

Remotely Present:

Wendy Chapman, Chairperson

Robert Ethier, Vice Chair

Joe Carrara, Commissioner

Judith Flynn, Commissioner

Jennifer Kelson- Treasurer

Barry Woods, Admin. Support

Steven Souza – Superintendent

Jim Chapman - Resident

Louise Warren – billing clerk

Wayne Perkins- Crew Chief

Matt Hunt – Clifton Larson Allen

Dan Sullivan – Clifton Larson Allen

Meeting was held remotely thru Zoom.com and was recorded.

Minutes

The meeting was called to order by Wendy Chapman, Chairperson, at 4:00 pm

Approval of the Meeting Minutes dated 3/10/20

Joseph Carrara made a MOTION to approve the meeting minutes of 3/10/20. Seconded by Robert Ethier, and all in favor.

Approval of the Meeting Minutes dated 3/23/20

Wendy Chapman made a MOTION to approve the meeting minutes of 3/23/20. Seconded by Robert Ethier, and all in favor.

Approval of the Meeting Minutes dates 4/14/20.

Wendy Chapman made a MOTION to approve the meeting minutes of 4/14/20. Seconded by Joseph Carrara, and all in favor.

Anticipated guest: Dan Sullivan and Matt Hunt from the firm Clifton Larson Allen who provides Buzzards Bay Water District's financial audit and admin support when needed.

Dan Sullivan and Matt Hunt gave a presentation and discussion on Buzzards Bay Water District's (BBWD) internal control procedures. Their presentation is summarized as follows: BBWD has 3 major asset classes: cash (29%), receivables (34%), and plant assets (37%). BBWD has 3 major transaction types: billing, purchasing, and payroll. The internal controls over Revenues/cash/Accounts receivables include the yearly budget, billing commitments, and

segregation of duties. Additional controls put in place by BBWD include reconciliation of receivables, financial reviews by management/governance, and the annual audit

BBWD has the following internal controls over expenditures, accounts payable and cash disbursements: the budget, approval process by supervisors, dual signature requirement on checks, financial review by management/governance, and the annual audit.

BBWD has the following internal controls over payroll: payroll is budgeted for each employee of the district and salaries are voted on at annual meeting. Payroll is approved by both the superintendent and the treasurer. BBWD uses an outside payroll company and all payroll is thru direct deposit. Compensated absences are approved by both the superintendent and treasurer and tracked (by the treasurer) and reviewed periodically by Superintendent. Payroll is reported in QuickBooks by employee for transparency. The Superintendent and others periodically review the balance sheet and P&L. Starting May 2020, Governance will receive a monthly financial packet including balance sheet, P&L, and detail of expenditures. The annual audit is also an additional internal control over payroll.

BBWD also has internal controls over cash. These include monthly bank reconciliations done by the Treasurer. Per the suggestion of Clifton Larson Allen, an outside accounting firm (Glivinski and Associates) will be providing an extra level of security by reviewing monthly bank statements. This is to provide protection to the district and also to the Treasurer. Many communities use a firm such as Glivinski to provide this necessary control, especially in a case like BBWD where it is a small organization. The Treasurer and Billing clerk are also bonded. Dan explained other internal cash controls including dual signature on checks, financial review by management/governance, and the annual audit.

Dan went on to explain BBWD's internal controls over accounts receivable. BBWD segregates duties of water receivables. There is also segregation of duties as it pertains to tax receivables. Reconciliations of receivables are done monthly by both billing clerk and Treasurer. Reports are provided for financial review by management/governance, and the annual audit.

Dan continued to explain control procedures in place for plant assets. BBWD has a yearly budget which is approved at annual meeting. There is transparency and separate accounts are created on the general ledger, physical inventory is taken, and reports are provided for financial review by management/governance, and an annual audit done

Dan Sullivan then opened the meeting up to questions. Wendy said there was a question raised if we fall under Sarbanes Oxley Act (SOX). Matt said SOX does not apply to public organizations. It does not apply to government organization like BBWD.

Joseph Carrara asked CLA how "we stack up" compared to other districts. "How is the staff at BBWD?" Dan said that he has been involved (with BBWD) for 5 years and same with Matt. He feels that the staff is extremely competent, dedicated, and they really know what they are doing. Dan has spent time in the office both for audit and consulting purposes. He said that we take internal controls seriously. We are responsive to all management letter items, action is taken, etc.. Matt agreed with Dan's opinion. Matt added that the staff is more than competent. Matt said

that management has done a great job in implementing any recommendations. BBWD ranks pretty highly as compared to other organizations.

Jim Chapman commended Dan and Matt on a great job. Jim also praised the staff, and said they were highly professional and always helpful.

With the presentation being over and no further questions, Dan and Matt exited the Zoom meeting.

Discussion on the Recall

Wendy said she is a proponent of a recall provision. She said she had brought it up before. She explained that she believes the residents should have the ability to recall any commissioner or moderator who is not working in the best interest of the district. She has seen cases where after being voted into office, the person moved to another state or county. Wendy explained that residents should be able to recall offices in the same manner in which they are elected, by a vote of the district. Wendy modeled BBWD's proposed recall on Wareham Fire District's bylaw. She stated that "We may never use the provision, but it is a safeguard." Joe agreed with Wendy's statements.

Jim Chapman, resident, said that it needs to be part of our bylaw. Jim explained that without a recall provision there is still an area of Robert's Rules of Order where there are provisions to sensor people and take a vote of no confidence. Jim explained that the bylaw can only be presented at the annual meeting as written and that we need to address any changes before it is presented at the annual meeting. Jim offered to help the commissioners write the bylaw. Jennifer Kelson, Treasurer, explained that the District needs to be aware that we need to tweak the presented bylaw draft and make changes to meet the needs of the District. Jennifer Kelson explained that Wareham Fire has a voter population of over 13,000 while BBWD has a voter population of approx. 2,400. The commissioners need to decide how many registered voters need to initiate a recall and vote on a recall, etc. Wareham requires 30 voters in a voter population of 13,000. We only have 2,400 voters in Buzzards Bay. Judith Flynn asked if we have 2,400 voters or services in BBay. Louise Warren, billing clerk, provided clarification that Buzzards Bay Water District has approx. 2,400 voters.

Wendy asked the board to come up with recommendations regarding the number of required voters in the bylaw and to bring those recommendations to the next meeting for discussion and review.

Discussion on the "Basic Training" for Drinking Water Board Members Reference Guide as it relates to the District

Judy asked questions about the commissioner handbook. She referenced the Basic Training manual (located in the back of the commissioner's handbook/binder) and compared the manual to the elected commissioner's handbook which was created by the District. She stated that BBWD's handbook says there is going to be a five-member board, and the handbook says that the five positions will be chair, vice, clerk, treasurer, commissioner 1 and commissioner 2. She asked if any of the other commissioners have "actually read the handbook?"

There was discussion amongst the Board that the Board does not have a clerk or a treasurer position. Judy asked if one of the water commissioners is going to be a clerk?

Jim Chapman asked the Chair for permission to speak. He stated that the guidebook is just a guidebook. BBWD made their own rules regarding the board of officers, and we have an organizational chart. Jim explained that Steve and Jennifer are not part of the board. They report to the board. Jim suggested that we update the handbook to say that the board consists of the following positions: chairperson, vice chairperson, commissioner 1, 2, and 3.

Barry Woods, Administrative Support and prior water superintendent, explained that the book is a basic book that addresses many different types of water districts. The book is just a basic guideline and every board is set up differently. Joe Carrara, Commissioner, stated that Barry put a lot of effort into creating the commissioner's binder and handbook. Joe stated Barry has over 40 years of experience. "If you stop to pick up every pebble, you will never get home."

Wendy made a **MOTION** to modify the part of the handbook to read the five-member board will consist of Chairperson, vice-chairperson, commissioner, 1, commissioner 2, commissioner 3. Judy seconded that motion, and roll call was taken.

Bob replied, "aye."

Joe replied, "aye."

Judy replied, "aye."

Wendy replied, "aye."

The Motion passed.

Judy thanked Barry for all of his ingenuity and knowledge.

Superintendent's Report

Superintendents report was presented by Steven Souza.

There was discussion on the postponement of flushing.

Bob Ethier stated it is a good move to postpone flushing. Steve said the postponement was due to Covid and the staff's on and off schedule. Sometimes flushing leads to water main breaks or dirty water calls, etc. Therefore, it would not make sense to do it now when we are not fully staffed.

Steve discussed Kendall Rae place – looking for water for new development. He stated a quick calculation of 47,000 gallons of sewer is needed per day. 17 million gallons of sewer a year doesn't include irrigation or a pool. At this time, the district is unable to supply the water needed for that development. Judy asks if we need to contact the town about this. Wendy said that according to the Town Admin, the development hasn't been approved yet. This development would put us well over our limit, per Steve. In 2018 we were only 8 million gallons away from our limit. Jim asked, if it is automatic to get approval to pump more water and how will it affect our future use. Steve said the wells have capacity to pump more, but the state limits the amount of water we can pump. Wendy asked how can we raise the limit? Steve said the last meeting with DEP was in 2012, and at the time, they said we did not have the growth to increase our number. Judy asked how we can get the number increased. Barry said that a meeting with the state doesn't help unless we have the commitment from the town. We need documentation to provide

DEP if we want to request more. We did put in the new well, and we have the additional gallonage of the new well, but we can't pump more until we get a change in the permit. In order to increase our permit, we need full documentation from the Town. We need hard documentation from the Town. It's very hard to get a permit on your own. People usually need to use a consultant. There was a lot of discussion and emphasis on documentation from the Town.

Barry said the board needs to be strong and not allow any underground utilities go in until all system development fees are paid. The developer needs to pay the fees before the pipe goes in. Jim brought up the parcel by the post office and that possible development. Wendy suggested that we need to contact the town and ask that we are included in any new projects. She suggested we send a formal letter requesting that BBWD is included in any discussions on future development.

Wendy asked that the Treasurer and Superintendent work together to draft a letter to the Town requesting that we be included in any discussion about any projects involving water. Bob made a comment that all departments should be included in new projects and that every dept should have to sign off on the plans and okay the project. He said that someone is eventually going to end up with a finished product and no water. Bob suggested we talk to the new town admin and Bob offered to speak with him about the importance of including the District. Wendy explained that the other departments do not want a sign off. Bob stated that no one knows what's happening in town because there is no approval or sign off process. It's a dangerous proposition for a contractor to not know if they will have water for their project.

Wendy suggested inviting sewer and town admin and board of selectman to a meeting. Jim reminded us that Peter Meier was supposed to work on getting us included on routing list. Jim stated that Peter may be able to provide insight.

Wendy made a **MOTION** to invite the town to a meeting and to also send a letter to the Town.

Bob "aye"

Joe "aye"

Wendy "aye"

Judy "aye"

Treasurer's report was submitted by Jennifer Kelson.

Jennifer provided an explanation of the payroll process. Treasurer included an overview of payroll in the commissioners packet. She explained that the timecard was recently revised to include a section for management signoff and make it more official.

Jennifer stated that it had been brought up that Judy thought that Steve was being paid for 40 hours regular time plus paid for 30 hours of sick time. Judy said that that is what the timecard looked like. Jennifer explained the timecard and how the rows clearly state Hours to pay and Sick/Vacation/PT Hours to record in employee file. Jennifer asked that the board refer to the documents in their packet for further reference. She stated that employees would never be compensated for 40 hour plus sick time. There is just no way for that to happen. Barry explained to the board that the first column of the timecard is the most important. It is the column that states Hours to be Paid. Jenn explained that she recently highlighted that column in Red so that it

is very obvious to the reader. Jenn explained that the only way anyone is paid over 40 hours is if the guys work overtime.

The next item discussed by Jennifer was the outside Accounting firm that she would like to hire to provide monthly reconciliation review. The firm is Glivinski and Associates out of Yarmouth and was referred by Clifton Larson Allen. Glivinski provided many references and does work for many non-profits and gov't agencies. They charge \$120 per hour for this service and estimate that it would only take about 1-2 hours per month. Joe stated that it is just another bit of insurance to protect the district. Jenn explained that not only will it protect the district, but it would also protect her.

Barry stated that he previously reviewed the bank recs for 12-18 months, and he agrees that it would be beneficial to the district to hire this firm. As Wendy stated, this would be allowing an extra layer of protection.

Wendy asked if we needed a vote. Jenn asked they they take a vote.

Wendy asked if everyone was in favor of hiring the outside firm to review reconciliations.

Unanimous vote Jenn explained the renewal of the BAN. The winning bid was Newburyport bank at a 1.44%.

Jenn stated she is working on the annual meeting warrant. Jenn mentioned that the district should hold a regular commissioner's meeting May 26 and tentatively holding June 16th both at the Pavilion at Bourne Scenic Park. Everything is up in the air until we find out if they will open.

Judy asked if Jenn has started working on the financial information for the meeting. Jenn answered not yet, that she definitely will once we know when the meeting is scheduled.

Jennifer explained to the commissioners that going forward, she would be providing them with a financial packet at every monthly meeting which will include a balance sheet, P&L, and detailed report of expenses. She stated that they should let her know if they are looking for any additional information. Jenn offered to print out the reports monthly in addition to sending them out as email attachments. The reports are lengthy.

Wendy asked about availability on future meeting dates. The next commissioner meeting was decided for May 26th at 4:00. There was talk about possibly holding annual meeting on June 16th, but nothing was officially decided yet. The board is waiting to hear on the governor's recommendations.

Judy made a **MOTION** to adjourn at 5:25 pm. Joe seconded that meeting and all in favor.