

7MINUTES
HARWICH WATER DEPARTMENT
BOARD OF WATER/WASTEWATER COMMISSIONERS
MEETING
Friday, March 8, 2024
1:30 p.m.

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

OTHERS PRESENT: Superintendent Dan Pelletier, Administrative Assistant Tracey Alves

CALL TO ORDER

Chair Carreiro called the meeting to order at 1:34 p.m.

CONSENT AGENDA

- A. Minutes
 - 1. January 4, 2024

Chair Carreiro motioned to approve the minutes of January 4, 2024. Clerk Thompson moved to approve the motion with a second by Commissioner Donahue. A roll call vote was taken with all in favor; 5-0-0.

NEW BUSINESS

A. Budget Meeting Review

The reason for the meeting is after the joint meeting with BOS and Finance Committee, is to review the budgets with the changed amounts.

Chair Carreiro was hoping that the Finance Director was going to be joining this Board meeting today to explain and the Town Administrator also had a meeting booked and could not join.

The Board will come up with and agree upon our budgets for Water and Wastewater and then go back and meet with the Select Board and Finance Committee.

It is inappropriate for the numbers to change without a discussion with our Board.

B. FY25 Water/Wastewater Indirect Expenses

The water indirects have increased by approximately \$16,000. Why the indirects for the Treasurer/Collector has increased 31% with no explanation is a question? The Finance Director believes the Department had previously been undercharged.

Superintendent Pelletier commented that the only difference is that we will have to do some borrowing for the Route 28 Project but he can't imagine that there would be that significant of an increase.

The property and vehicle insurance increased by 15%. Chair Carreiro asked if that is that just our Department or if everyone's insurance costs are going up by 15% townwide? Superintendent Pelletier didn't have the answer to that.

Superintendent Pelletier had a discussion with the Finance Director and the Town Administrator yesterday over the phone in regards to the indirects for Water, Wastewater and debt for Water. He asked about the 15% increase on property & vehicle and received the response that the "property & vehicle went up a lot" but that doesn't tell if it was 10%, 15% or if there was a formula on which this was all based on?

As Superintendent Pelletier prepared FY16-FY25 indirect comparison he was able to locate in the old indirect expense sheets, the tables that were used to determine what our property and vehicle portion was.

Chair Carreiro would like to see the actual numbers to understand what these changes are and will not vote in favor on this budget without a discussion on it.

Chair Carreiro would be willing to go back to the old methodology used for the last 9 years, stick with that for now and present that budget when we do meet with BOS and Finance Committee. He would like to then have a company come out to do an Indirect audit. Then after an audit, follow up with BOS the Finance Committee to come to an understanding of where the Department's Indirects should be, but with increases of 31%, 23%, 15%...maybe they are accurate but with no explanation and no discussion, Chair Carreiro doesn't feel comfortable supporting it.

Vice Chair Donahue was willing to go ahead and approve the Wastewater budget based on numbers Dan got over the phone but as far as the water side goes, she is really perplexed on what to do.

When Dan spoke to the Finance Director yesterday she was of the opinion that, "We are too far along to make any substantial changes and that we pretty much have to deal with the \$886,099 that is currently in the budget" for Water Indirects.

Chair Underwood commented that she would push back on that to say the Town Meeting is not next week.

Chair Carreiro will amend the budget on Town Meeting floor, as we are not going to be told that we are too far along! Dan had the budget prepared early in December and got the indirect number at the end of December and discussed it on January 4th. That is when the conversation should have taken place.

Superintendent Pelletier recommended to push to go back to the old methodology for departmental chargebacks which would lower the water Indirects by \$16,000.

Superintendent Pelletier reproduced the topic of debt. We had discussed paying for a portion of the Pleasant Lake tank project out of retained earnings instead of bonding the entirety of it. We do have in the FY25 budget, a number included within the \$700,000 of debt, about \$35,000 of that that is attributed to the Pleasant Lake tank project. If we wanted to fund the majority from retained earnings we could lower the debt in that line item. The 2642 bottom line number would be reduced by the amount of debt we would be taking off.

Chair Donahue commented that whether the Board approves the budget or not it moves forward. The Town Meeting article would need to be edited to say "by request of the Board of Selectmen" and not "Board of Water & Wastewater Commissioners."

Chair Carreiro entertained a motion to approve the Water Department budget as presented for FY2025. Clerk Thompson moved to adopt the water budget as presented, 2025. Vice Chair Donahue seconded. Discussion took place. The budget being referenced has the total expense of \$4,891,659. A roll call vote was taken; 2-3-0. Two voted yes and three voted no.

Superintendent Pelletier will follow up with the Town Administrator to advise that the Board did not vote favorably on the budget as presented which reflects the \$886,099 Indirects and that this Board would like to

engage in a discussion with Town Hall about what that figure is going to be. Chair Carreiro commented that if that doesn't happen, the Board will make our own amendment on Town meeting floor and present our own budget.

Vice Chair Donahue added, given the shortness of time, if those things don't happen, the Town Meeting article would need to be edited to say "by request of the Select Board" and not reference the Board of Water & Wastewater Commissioners since we did not have a favorable vote.

C. FY25 Wastewater Enterprise Fund Subsidy

The main concern is using \$150,000 out of our retained earnings to help subsidize the general fund for wastewater debt, leaving \$30,000 in that line item.

Superintendent Pelletier commented that one thing that will impact that figure is the amount of Indirects. The Finance Director did agree to level fund the Indirects for Wastewater for FY25. This has a net impact on the overall budget.

Clerk Donahue motioned to approve the wastewater budget in the amount of \$700,432. That is what had been presented to this Board before with the indirect expenses put back in and level funded. Commissioner Gough seconded. Clerk Donahue amended the motion to include that the motion consists of us anticipating \$50,000 in revenue from customers, a subsidy from the Town of \$550,432 and retained earnings of \$100,000 even from the wastewater retained earnings fund. Clerk Thompson seconded the amended motion. A roll call vote was taken with all in favor; 5-0-0.

NEXT MEETING

The next Board meeting is scheduled to take place on Thursday, March 14, 2024 at 11:30 a.m.

ADJOURN

Chair Carreiro entertained a motion to adjourn at 2:35 p.m. Clerk Thompson moved the motion with a second by Commissioner Gough. All in favor; 5-0-0.



Gary Carreiro, Chairman



Dan Pelletier, Superintendent


Noreen Donahue, Vice Chair


Tracey Alves, Board Secretary


Allin Thompson, Clerk


Judith Underwood, Commissioner


John Gough, Commissioner