



## **DEDHAM-WESTWOOD WATER DISTRICT General Business Meeting**

### **Hybrid Meeting**

**In person attendance: 50 Elm Street, Dedham, MA 02026**

**Tuesday, June 6, 2023 | 6:30 PM**

#### **Announcement of the Audio and/or Video Recording**

The Chair, Robert Lexander, called the meeting to order at 6:35p.m. and announced the meeting would be audio- and video-recorded.

#### **Attendance**

Robert Lexander, Chair

Eric Merithew, Clerk

Mark Phillips, Member

John Hickey, Member (remote)

Blake Lukis, Executive Director

Bob Marsh, Business Manager

Steve Locke, Operations Manager

#### **Also Present**

Scott McIntire - Marcum LLP Assurance Partner (remote)

Elissa Cohen - DWWD Accounting Supervisor (remote)

#### **Absence**

Gary Yessaillian, Vice-Chair; John Healy, Member; Pauline Donoghue, Treasurer

#### **Roll-Call Attendance**

Messrs. Lexander, Merithew, Phillips, and Hickey Present.

Mr. Lexander confirmed a quorum present.

#### **Approval of Minutes of May 16, 2023**

Mr. Lexander called for a motion to approve the meeting minutes of May 16, 2023. A motion was made by Mr. Merithew to approve the minutes as reviewed for May 16, 2023; the motion was seconded by Mr. Phillips. With no additional discussion necessary, a roll-call vote was taken.

Roll-Call: Messrs. Lexander, Merithew, and Phillips voted Aye; Mr. Hickey abstained.

Motion passed.

#### **Review of 2022 Audit**

##### Presentation of 2022 Audit by Marcum

Mr. Marsh introduced Mr. Scott McIntire, Assurance Partner with Marcum LLP. Mr. Marsh explained that Marcum Manager Ms. Laurie Garland worked on the year-end 2022 audit with additional staff but was unable to attend the meeting. Mr. McIntire thanked the Board for the invitation to audit the District's year-end 2022 financial statements.

Mr. McIntire stated Marcum LLP, a large National CPA firm, merged with Melanson, P.C., a large regional firm. He explained that the DWWD 12/31/2022 audit was issued as Melanson, where the next-year audit will be as Marcum since the merger took place in January 2023. The reasoning for this union was to add resources to provide to the Commonwealth's districts.

Mr. McIntire's screen was shared, displaying the Independent Auditor's Report. He began by stating the review went very well, issued timely at the end of May since the books and records were in good working order. Mr. McIntire confirmed no significant audit adjustments were needed, and there were no disagreements in the application of auditing principles. He acknowledged that several estimates were based on assumptions and that depreciation was applied to Capital assets. Mr. McIntire stated the result was a clean audit opinion, unmodified; this was not a new opinion for the District financial statement audits.

Referring to the statement of debt position, or the balance sheet, Mr. McIntire stated 2022 and 2021 balances were good, with a consistent cash position. The lease receivables – contracts in-place with a dedicated future income stream – are offset by liabilities – future years' expected income. The net pension liability was reduced since was measured as of 12/31/2021 when investment returns were robust, which drove down liability. Mr. McIntire stated the OPEB asset in 2021 is now a liability in 2022.

Mr. Merithew asked a question regarding the OPEB asset, and Mr. Marsh explained how the market influences its standing.

Mr. McIntire referred to the statement of revenue and expenses, where a total change in net position is seen, with consistency. The increase to the net position change is attributed to implementing the tier structure and increasing rates. Reviewing the statement of cash flows, the net cash from operating has increased, again attributed to using the tier structure and increasing rates. Mr. McIntire stated a Capital asset program could use District cash for acquisitions and construction, showing operation stability.

Mr. McIntire mentioned the footnote information with some disclosure of future payouts of long-term debt, etc. Some historical information is also within the footnotes.

Concluding, Mr. McIntire labeled his presentation as a walkthrough to show key account balances.

With no questions presented to Mr. McIntire by the Commissioners, Mr. Lukis requested any future questions be posed to Mr. Marsh or himself. Mr. Marsh stated that the audit will be posted on the District website and distributed elsewhere, if no questions.

Mr. Lukis voiced appreciation to Ms. Elissa Cohen, the District's Accounting Supervisor, for keeping records in good order, to provide to the audit team; the Commissioners concurred, adding thanks to Mr. Marsh for his involvement. In return, Mr. Marsh thanked the Marcum audit team, including Ms. Garland; Ms. Cohen added that the Marcum audit team was pleasant and knowledgeable.

Mr. McIntire and Ms. Cohen exited the meeting.

## **Financials and Warrant**

### Treasurer's Report

In Ms. Donoghue's absence, Mr. Marsh presented Warrants 35-39, for May 15<sup>th</sup> to June 1<sup>st</sup> activity, which are posted to Basecamp. Mr. Marsh informed that Messrs. Yessaillian and Hickey have not yet signed the warrants. One of the three large payments included in the warrants, was to Norfolk County Refinement; by paying in-full in advance for the next year's funding, \$12K was saved.

Mr. Marsh reported the monthly cash report, posted to Basecamp, is reduced from the previous month. He referred to the Veribanc LLC. Bank Report, which are bank financial statements published by the FDIC, places Eastern Bank, where the District's lockbox is kept, in a yellow category. Mr. Marsh notes this issue may have been brought on by Century Bank's purchase of Eastern. The situation will be monitored for reporting to the Board, but no risk to the District is posed.

Referring to the previously discussed funds' security during transfers, Mr. Marsh confirmed Dedham Savings Bank is the District's primary institution. Mr. Marsh relayed that Ms. Donoghue recommends transferring some funds to a second bank, that she is researching the best avenue and will report her recommendation to the Board.

## **Business Manager Report**

### Business Operating Report

Mr. Lukis displayed Mr. Marsh's operating results for April YTD, also published on Basecamp. Mr. Marsh referred to the current year actual revenue over expenses, showing the MWRA purchase the largest over-budget variance, attributed to dealing with THMs.

Mr. Phillips asked about MWRA projected purchases; Mr. Marsh responded that the question is difficult to answer because of the THMs effect.

Mr. Marsh referred to the under-budget at YTD April billed water revenue as disappointing; and stated the year's first four months' volume was reviewed. Mr. Lukis further explained that lower volume of water sales was the driving factor to the reduced billed water revenue.

Mr. Marsh informed that the flash report is favorable to budget at YTD May. Mr. Lexander further explained resident usage.

Mr. Marsh stated the original budget versus the forecast budget is holding at breakeven.

Mr. Merithew asked about the YTD variance for Capital equipment maintenance. Mr. Marsh explained the variance, and Mr. Lukis added that the issue is the spread of the budget.

Mr. Lukis stated the Bridge Street and White Lodge plants' electrical usage costs are locked-in; and locking in 2025 and beyond is being reviewed for using a bridge contract to reduce electrical costs. Mr. Lexander asked about delivery, and Mr. Lukis answered that there is no opportunity for negotiation.

## **Operations Manager Report**

### Pumping and Operational Report

Mr. Locke reported usage for the past three weeks as 4.9, 5.2, and 5.5 million gallons per day. The largest usage day of the year, over 6.3 million gallons, was attributed to residents watering lawns.

Flushing, later than usual, used 700-1M gallons a day.

### Water Main & Service Lines

Two breaks have been found since the last meeting.

### Veterans Road Water Main

The contractor is completing the project this week. Mr. Lukis informed that redoing services is being combined, with meters being placed, noting that even with a change order, the contract is at or below bid price.

### Update on New & Existing Projects

Mr. Locke reported on new and existing projects:

- Customer Service  
In May, 119 meter replacements and 220 backflow devices

One tech will be out during July.

- The Everett Street apartment buildings were discussed with Developer, and Options A & B were presented.

Mr. Phillips asked about rules and regulations. Mr. Lukis responded regarding alternate payment, and some discussion was held.

- Mixers Installation -  
A preconstruction meeting was held  
Installation of electrical conduit and wiring is about complete  
Timing was reported for the FoxHill tanks
- Bids going out:
  - June 9 - Ortho Polyblended Phosphate for White Lodge supply 7/1/2023-6/30/2024

Mr. Lukis explained why a one-chemical bid: The ortho polyblended phosphate is a bulk line item. Discussion of details followed.

- June 28 – Installation coating for MWRA and High Rock Booster pumping stations
- New Toyota Forklift received for White Lodge

#### Discussion on Dedham Country Polo Club

Mr. Locke reported that there has been an ongoing discussion, and an easement agreement has now been written and needs signing. He explained how the day was saved! District employees found that the service-line issue was a valve not fully open. Mr. Lukis confirmed nothing was found in the system on Friday, but was resolved onsite with an idea which allowed the almost-closed valve to be found.

Details of the easement were discussed, and a drawing was displayed. The Club proposal will be drawn up for the next meeting.

#### Action on Brookfield & Beacon Water Main Replacement

Mr. Locke informed that bids have been received and reviewed; the bids list was displayed. Decision is needed on whether to accept the base bid or include the Washington Street bid using reappropriated funds.

Mr. Locke suggests the alternative bid, based on:

- The main is 1930 cast iron
- Westwood is paving next year
- The Everett Street apartments need fire flows up
- Paving/pounding can cause main breaks, a 25% chance

Discussion was held regarding pipes purchased, pipe length & size, location, budget breakdown (LY/TY), bidders' details & references, and Options A & B.

Mr. Phillips read Option A motion – Award of Base Bid and Bid Alternate: The Dedham-Westwood Water Commissioners vote to approve the Base Bid and Bid Alternate 1 for the water main replacement project on Brookfield Road & Beacon Street in Westwood with RFS Corp. of Brockton, MA in the amount of \$1,327,192.91. Further, that the Executive Director be authorized to execute the contract.

Mr. Merithew seconded the motion, and a roll-call vote was taken.

Roll-Call: Messrs. Lexander, Merithew, Phillips, and Hickey voted Aye.

Motion passed unanimously.

## **Executive Director Report**

### Contracts Signed by Executive Director

Mr. Lukis informed that no contracts have been signed since the last meeting.

### Update on RFQ for Vehicle Storage

Mr. Lukis reported that five proposals were received for the vehicle storage project. Four top-ranking firms will be interviewed, then firms will be ranked again and then contract negotiating will commence with highest rated firm. The chosen firm will then be recommended to the Board. Details of the negotiation and design were discussed.

### Update on Customer Service Rep Search

Mr. Lukis informed that a Customer Service position candidate second interview took place. The position was offered, with a background contingency, to begin at the end of the month. Details of the applicants, candidate, salary, billing services, software, etc. were discussed.

### **Old/New Business\***

No additional business was brought before the Board.

### **Next Meeting**

The next meeting will be held Tuesday, June 20th, at 6:30pm.

Discussion of having one July Meeting on Tuesday, July 11th, and have it be virtual. Mr. Lukis will confirm with all Board Members on the date.

Mr. Lexander requested a motion to adjourn the public meeting to enter into Executive Session; Mr. Lukis added that the public meeting would not reconvene after Executive Session. A motion was made by Mr. Merithew to adjourn the public meeting and was seconded by Mr. Phillips. A roll-call vote was taken.

Roll-Call: Messrs. Lexander, Merithew, Phillips, and Hickey voted Aye.

Motion passes unanimously.

The public meeting was adjourned at 8:00 p.m.

### **Executive Session**

Pursuant to MGL c.30A Sec. 21(a) Exemption 3 - To discuss strategy with respect to litigation if an open meeting may have a detrimental effect on the bargaining or litigating position of the public body and the chair so declares.

Respectfully Submitted,  
Kathy Travers Reynolds  
Recording Secretary