

**MINUTES OF THE
SPECIAL MEETING OF DECEMBER 30, 2010**

WATER COMMISSIONERS PRESENT:

Mr. Robert L. Burnham, Chairman
Mr. William R. Erickson, Water Commissioner
Mr. John S. Lovewell, Water Commissioner

EWD STAFF PRESENT:

Mr. Fred R. Domont, Water Superintendent
Mrs. Pia Webster, Administrative Assistant

MEETING CALLED TO ORDER:

The Board of Water Commissioners of the Town of Edgartown held a Special Meeting on Thursday, December 30, 2010, at 2:00 p.m. at the offices of the Water Department located at 24 Machacket Road, Edgartown, Mass. At 2:00 p.m., Chairman Robert L. Burnham called the meeting to order.

NEW BUSINESS:

VOTE/SIGNATURE: USDA – RURAL DEVELOPMENT LOAN.

The first order of business was a document before the Board of Water Commissioners that, if signed, would certify that (a) an open, duly posted meeting of the Board was held that day; (b) a quorum was present; (c) the results of the vote in question were unanimous; and (d) the Board approved the sale of a \$631,742 water bond at rate of 4.125 percent, payable in annual installments of \$33,995 in each of the years 2012 through 2046 and \$33,714.98 in 2047.

For the purpose of being the signatory on the certificate, Chairman Burnham was appointed Clerk of the Board. Commissioner William R. Erickson moved to appoint Chairman Burnham as the Clerk temporarily, seconded by Commissioner John S. Lovewell. Said motion carried unanimously by voice vote.

In forming the motion to approve the loan, Clerk Burnham then read aloud into the record from the aforementioned document as follows: *“[T]hat with respect to the sale of the following 4.125 percent bond of the Town dated January 12, 2011 (the “Bond”) – \$631,742 Water Bond payable on January 12th of each year in annual installments of principal and interest combined in the amount of \$33,995 in each of the years 2012 through 2046 and \$33,714.98 in 2047 (the “Bond”) – to the United State of America, acting through the Rural Utilities Service, USDA, the board hereby covenants with the registered owner from time to time of the Bond that the Town shall maintain rates and*

charges for the use of the Town's water system in an amount sufficient, with other income of the Town's water works, to pay all costs of operating the system and the entire principal of and interest on the Bond and all other indebtedness of the Town incurred for municipal water purposes as they become due. The Bond shall nevertheless be a general obligation of the Town, payable from any of its available revenues, including revenues derived from ad valorem taxes levied in accordance with the law upon all property within the Town which is lawfully subject to such taxes."

Mr. Erickson made said motion, and Mr. Lovewell provided a second. The motion carried unanimously by voice vote. Chairman Burnham then signed the document as Clerk of the Board of Water Commissioners.

DISCUSSION/VOTE: FISCAL YEAR 2012 OPERATING BUDGET.

Next, the Commissioners went over two documents, the first a printout of the proposed FY12 Operating Budget as presented on the MUNIS system and the second, much of the same information in a spreadsheet format devised by Superintendent Fred R. Domont. Also included in the meeting packet was a QuickBooks report organized by expense account that showed total spending in each account for Fiscal Year 2010.

The Superintendent quickly pointed out that there was a \$10,000 discrepancy in the debt service interest figures, something he would fix promptly after talking to Town Treasurer Sharon M. Willoughby. Chairman Burnham wondered if adequate funds were allotted for utilities in view of the imminent move to a much larger center of operations. The Superintendent replied that in fact he had already figured in the necessary increases when formulating the FY11 Operating Budget; so the FY12 numbers were right where they ought to be.

What about the medical insurance line? asked the Chairman. Mr. Domont explained that each year he automatically increased the amount assigned to that item by 10 percent, which over the years had worked out to be a safe enough rate of growth. Were there any loans coming due? inquired Chairman Burnham. No, answered the Superintendent.

Mr. Domont pointed out that the budget included a pickup truck for \$30,000, which the Town Accountant included under Capital Outlay – New Equipment instead of right there in the Operating Budget.

"It looks like we're \$40,000 under last year in terms of revenue," observed Chairman Burnham. The Superintendent related that according to a member of the Financial Advisory Committee, the Department of Revenue had been "upset" that the Water Department had overestimated its expected revenue the previous year. "It happened only once," he added. "Should we *underestimate* the revenue?" wondered the Chairman. Mr. Domont simply shrugged.

Mr. Lovewell had a question about the Interest/Penalties section of the Final Receipts Statement for FY10. What penalties had been paid? he asked. Administrative Assistant

Pia Webster said that no penalties had been paid in fiscal 2010, only interest on late water bills. The section called Interest/Penalties, she added, was just a standard receipts category used by accountants.

Chairman Burnham wanted to know if the Department was on target to meet its budget expense requirements in FY11. In answering, Mrs. Webster printed out copies of a chart she had prepared for the Board for their November 9, 2010 Regular Meeting showing the totals of base fees and usage charges for each semiannual billing period since metered billing began on October 15, 2004. *[See also page 5 of the minutes of that meeting for specific figures.]* At the bottom of the chart were calculations demonstrating that given the results of the October 15, 2010 billing and the revenue generated in FY10 thus far, the prospects of meeting the budget expense requirements looked good.

ADJOURNMENT:

There being no further business, Chairman Burnham asked for a motion to adjourn. Mr. Lovewell made a motion to adjourn, seconded by Mr. Erickson. The motion carried unanimously by voice vote, and Chairman Burnham adjourned the Special Meeting at 2:26 p.m.

Respectfully submitted,

Pia Webster
Administrative Assistant

APPROVED:

**BOARD OF WATER COMMISSIONERS
TOWN OF EDGARTOWN**

Robert L. Burnham, Chairman

William R. Erickson, Water Commissioner

John S. Lovewell, Water Commissioner