

**MINUTES OF THE
SPECIAL MEETING OF OCTOBER 28, 2011**

WATER COMMISSIONERS PRESENT:

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

EWD STAFF PRESENT:

Mr. Shane A. Ben David, Foreman
Mr. Fred R. Domont, Water Superintendent
Mr. Thomas W. Hermann, Water Operator II
Mrs. Pia Webster, Administrative Assistant

MEETING CALLED TO ORDER:

The Board of Water Commissioners of the Town of Edgartown held a Special Meeting on Friday, October 28, 2011, at 11:00 a.m. at the Edgartown Water Department Office, Fifty-Eight Kavanagh Way, Edgartown, Mass. At 11:00 a.m., Chairman Robert L. Burnham called the meeting to order.

DISCUSSION: USDA LOAN EXPENDITURE DISCREPANCIES.

Superintendent Fred R. Domont related that there appeared to be some discrepancies between financial records that the Department had and records kept by Town Accountant Kimberly G. Kane. He and Ms. Kane had been working with two lists, the first being one he had compiled from a spreadsheet developed by Tata & Howard Incorporated. This list showed expenditures from the second phase of the USDA loan totaling \$1.6 million. The second list, drawn up by the Town Accountant, contained what Ms. Kane considered invoices that had not been included with those already submitted to the USDA for reimbursement.

Mr. Domont backtracked a bit. First of all, he said, the Board of Selectmen wanted to meet with EWD Staff and the Water Commissioners at 4:15 on Monday, October 31, to discuss this matter. Chairman Burnham reported that he had spoken to Ms. Kane, who had told him that about \$150,000 in paid bills had not be submitted to the USDA. Mr.

Domont responded, “*Every* bill related to this project has been submitted to the Accountant’s office.” The only one withheld, he added, was a single \$6,000 invoice.

Administrative Assistant Pia Webster said that a perusal of the QuickBooks and MUNIS records had led her to conclude that, in fact, not all of the invoices had been submitted to the USDA. According to her reports, expenditures in the second phase of the loan had come to about \$1.8 million, plus about \$423,000 in grant money transferred from the first phase account. “Not true!” responded the Superintendent. “The Town works with the USDA... Paul [Cote] told me to spend twelve thousand dollars more. One and a half weeks later, *this* happens... I was overwhelmed!”

A general discussion of the structuring of the loans followed. Responding to a request from Water Commissioner William R. Erickson, Mrs. Webster produced a series of QuickBooks reports showing all transactions in the so-called 6502 account since its inception. Mr. Domont cautioned that one had to look at “the big picture” when considering any aspect of the loan, because, in essence, phases one and two were a single loan, just one that had been split and spread out over two fiscal years.

If we have overspent, how do we deal with it? asked Chairman Burnham. Mr. Domont replied that if the Department came up with the invoices and the USDA deemed them eligible, reimbursement would follow. The Superintendent noted that he had spoken recently with Ronald M. Koontz, Area Loan Manager at the USDA’s West Wareham office. Mr. Koontz, he reported, had told him that to date the agency had given the Town every penny in loans and grants coming to it, based on the invoices submitted.

But what would happen if there *was* a shortfall? Mr. Erickson wanted to know. “If we find out there is [a] shortfall,” answered Mr. Domont, “we’re going to have to go to Town Meeting and go to the Surplus Account.” Responding to a query from the Chairman, the Superintendent clarified what he had said earlier: “The USDA believes they’ve given us all the loans and grants we’re entitled to.”

The discussion wound down. “It’s going to take a little while to resolve,” noted Mr. Domont. He reminded the Commissioners that they were to meet with the Selectmen at 4:15 p.m. the following Monday. Water Commissioner John S. Lovewell had a question about an e-mail regarding the shortfall sent by the Town Accountant. Chairman Burnham emphasized that “the key thing is the spending from Free Cash.”

ROLL CALL VOTE: MOTION TO GO INTO EXECUTIVE SESSION.

Next, the Commissioners considered going into Executive Session to discuss the disciplining of an employee. First, said the Superintendent, both parties – that is, the employee and the Board – had to agree to the Executive Session. Mr. Erickson wanted to know if anyone else, for example, the Administrative Assistant, could attend the Executive Session. Yes, said Chairman Burnham, unless the party involved, that is, the

employee, requested otherwise. The Chairman then asked EWD Operator II Thomas W. Hermann if he wished to go into Executive Session. "Yes," replied Mr. Hermann.

The Chairman had a question about when the minutes of the Executive Session would be made public, if ever. Mr. Domont explained that once the matter being discussed had been resolved, the Commissioners could vote to release the minutes as public information. Mr. Erickson pointed to the example of the Martha's Vineyard Land Bank, which kept Executive Session minutes private until after a land sale had gone through. "We won't necessarily resolve it today," said Chairman Burnham.

Mr. Erickson made a motion to go into Executive Session to discuss the disciplining of an employee, not to reconvene in open session. The Chairman provided a second, and Administrative Assistant Pia Webster conducted a roll call vote.

Mr. Burnham:	Aye
Mr. Erickson:	Aye
Mr. Lovewell:	Nay

The Board entered Executive Session at 11:19 a.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