



WATER DIVISION

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John M. Driscoll, *General Manager*

**Water Commissioners' Meeting
May 10, 2016**

Members present were: Dana Blais, Gregg Edwards, Chris Stewart

Employees present were: John Driscoll, Ron Davan

The meeting was called to order at 6:00 p.m. by Dana.

The agenda was approved on a motion by Gregg, seconded by Chris, 3-0 in favor.

Old Business:

The Manager updated the Board on the status of the USDA funding process thru Tighe & Bond. At this time he had been given a list of items from the USDA representative that he needed to provide to them; some items to come from Ferriter Law and some to come from Tighe and Bond. The terms of the loan had been set at 20 years for just 2.25%, so the Manager reported this as good news to the Board. Also, the amount of granted funds would now be \$289,000 instead of the \$247,000 initially planned for; more good news.

At this time the Water Plant was seeking some short-term borrowing thru First Southwest Bank and was waiting for an acceptance letter from them so that the USDA knew we could get the \$950,000 needed to begin to award construction to a qualified bidder. There were only two bids submitted for the demolition and reconstruction of the Johnson Avenue Water Storage Tank, one from *DN Tanks* for \$1,009,555 and another from *Preload Tank* for \$1,088,600. At this time Tighe & Bond was recommending to both the Water Plant and the USDA that this bid get awarded to DN Tanks, as they were the lower of the two bids and met all bid qualifications.

New Business:

The Manager informed the Board about a meeting he had with Laborers' Local 39, the union representing the 4 water employees here in operations. He said that it was a short meeting; the Manager informed them of some of the turmoil present with the other union, IBEW Local 104, representing 6 (now 5) light employees in operations and

2 in the light and water office. The Union had not yet prepared a formal proposal for the TMLWP, and at this time they opted to wait a month and see how things would pan out with the negotiations between IBEW Local 104 and the TMLWP. The Manager expected that these 4 Local 39 employees would likely settle for whatever 3-year wage increase that the 7 Local 104 employees end up with, as in years past, and would not be interested in proposing anything further.

The Manager presented the Board with his proposed operating budget of **\$1,573,442** for FY 2017, an increase of **9%** over that of FY 2016's water operating budget of \$1,443,525. He stated that the increase in water rates of 9% in November 2015 would easily cover the expense of both the new full-time water employee and the coming debt service payments for the new water tank project (short-term and long-term loans). The Manager was projecting water sales of **117,000,000** Gal resulting in **\$1,405,971** in water sales. The remaining **\$167,471** necessary to totally fund the FY 2017 water operating budget would come from connection fees, interest income, miscellaneous income and refunds from the closed USDA Loan for consulting and legal expenses.

The two most notable budget increases were the principal and interest expenses for the new USDA Loan, **\$58,000**, and the new employee payroll and benefit expenses, **\$64,000**. At this time a vote was taken as follows:

"On a motion by Gregg, seconded by Chris, 3-0 in favor the Board voted to accept the Manager's proposed water operating budget for FY 2017 of \$1,573,442."

Dana – Aye

Gregg – Aye

Chris – Aye

The Superintendent gave the Board a quick synopsis of a water main break on Elm Street from the previous week.

There being no other Open Session business to discuss, on a motion by Chris, seconded by Gregg, 3-0 in favor the Water Commissioners' Meeting adjourned at 6:45 p.m.

Respectfully Submitted,

John M. Driscoll



General Manager