

BOARD OF WATER COMMISSIONERS  
REGULAR & JOINT MEETING OF JUNE 19, 2014

JOINT MEETING: The joint meeting of the Board of Water Commissioners with the Prudential Committee was held at the 144 Newton Street, Fire Station on Thursday, June 19, 2014. Chairman Kevin Taugher called the meeting to order at 7:00 p.m.

ATTENDANCE	Chairman	John A. Mikuszewski
	Clerk	William L. Schenker
	Associate Member	David T. Daly
	Office Manager	Jennifer Fernandes
	PRUDENTIAL COMMITTEE	
	Chairman	Kevin Taugher
	Clerk	Gregory Sheehan
	Associate Member	Raymond Miner
	Fire Chief	Robert Authier
	Captain	Kurt Schenker
	Treasurer	Monica Walton

APPROVAL OF WARRANTS: The weekly warrants were signed by all Board Members.

APPROVAL OF MINUTES: David T. Daly made a motion to approve the minutes of June 5, 2014. This motion was seconded by William L. Schenker. Motion Carried

REPORT, DISCUSSION AND VOTE  
ON RECOMMENDATIONS FROM  
DISTRICT AUDITOR, SCANLON  
AND ASSOCIATES:

Kevin Taugher opened up the discussion by introducing Tom Scanlon from Scanlon & Associates to all the Board members and thanked him for coming. Monica Walton requested permission to all parties to record the meeting. There were no objections. Tom Scanlon stated he sent the Prudential Committee & Monica Walton on May 13<sup>th</sup> the 38 pg. Report on the Examination of Basic Financial Statements (See Note 1) and the Management Letter of Recommendations (See Note 2). Tom Scanlon noted that he and his company performed an audit and determined a number of deficiencies in internal controls and recommends there be better control in all areas. Kevin Taugher asked if Tom Scanlon would go through the Management Letter of Recommendations with them. Tom Scanlon referred to page 4 of the Management Letter of Recommendations that lists the specific comments and recommendations. Tom Scanlon started with the first bullet of page 4 and emphasized the importance of bank account reconciliation to the check register and the need for it to be done monthly, as this is the cash in and out. Tom Scanlon noted that the cash needs to be in constant balance. Tom Scanlon also noted that it has not been done to its entirety for FY 2013. Chairman Kevin Taugher asked Monica Walton if she agreed with this finding and Monica Walton stated she has attempted the reconciliation but never completed a month. Kevin Taugher moved on to the second bullet on page 4, asking Tom Scanlon to elaborate. Tom Scanlon noted that receivable reconciliations were not performed between the Town Collector's records and recorded in the general ledger in FY 2013. Tom Scanlon mentioned turnovers that were missed from the Town were found. Tom Scanlon remarked the expenditure report is ok just the revenue was not recorded correctly. As a

result Tom Scanlon noted that adjustments to the accounts receivable will most likely have to be done. Tom Scanlon also noted that a balance of the general ledger & Water Department receipts have not been done and should be done going forward, therefore adjustments to the general ledger will most likely be needed. Again Chairman Kevin Taugher asked if Monica Walton dispute these findings. Monica Walton answered; no she did not dispute them. Tom Scanlon went on to explain the fourth and final bullet on page 4. Reconciliations were not completed for ambulance activity between the general ledger and the third party billing reports. Tom Scanlon noted as a result of this the District looked like it had a lot more outstanding. Tom Scanlon remarked there is still some disconnect with entries. Monica Walton was asked by Kevin Taugher if she disputed the findings. Monica answered no she does not dispute the findings. Tom Scanlon stated that as a District we are at risk of having just one individual doing everything and recommended to Monica Walton to report monthly to the Board until she gets things under control and then she can report to them quarterly. Tom noted he will show the Committee after they perform an audit in August the kind of report(s) they should expect to see. Tom also noted that he did show Monica how to set up the Revenue & Expenditures in the SoftRight program. Tom Scanlon stated he did not want to be an S.O.B. but if you can't balance your cash you shouldn't be in this position. Tom Scanlon noted that the Committee should expect to get their free cash amount by September and be certified by October if Monica has things up to speed.

#### DENTAL INSURANCE DISCUSSION AND RECOMMENDATION FOR MONICA WALTON:

Monica Walton presented to the Committee & Board members a breakdown of our current Dental Insurance plan, Sun Life and compared the costs and coverages to Guardian & Humana (See Note 3). Monica's research so far found that Guardian has almost the same coverages as our current Sun Life plan and is significantly less in costs. Monica Walton stated that the retirees have Guardian and she has not heard any complaints from any of them. Monica Walton expressed frustration when having to recently deal with Sun Life. Monica Walton stated she called Sun Life after they sent an invoice with both District No. 1 and District No. 2 on the bill. Monica was told by Sun Life that they have recently converted to Canada and that is how the Districts had to be billed now. Monica Walton was able to finally get someone to separate the two Districts invoices, but was told we were still considered one entity and the only administrator able to make changes is the treasurer in District No. 2, Sandy Selkirk. Kevin Taugher suggested Monica Walton put together a letter that he or the Committee could sign & send to Sun Life or the President of Sun Life; he also suggested that we could reach out to our State Representatives for help to straighten out this administrative mistake. Monica Walton stated that if a decision to change was to be made it had to be before July 1, 2014. After a brief discussion of the plans, it was suggested that Monica get more specific differences and present to the employees in enough time so they could be sure their current dentists were covered and reschedule appointments if necessary. Kevin Taugher requested a copy of the meeting recording from Monica Walton

- MOTION TO ADJOURN  
MEETING WITH  
PRUDENTIAL COMMITTEE: William L. Schenker made a motion to adjourn their portion of the meeting, which was seconded by David T. Daly. Motion carried
- ADJOURNMENT FROM  
PRUDENTIAL COMMITTEE: Meeting with Prudential Committee adjourned at 8:40 p.m.
- REGULAR MEETING: The regular meeting of the Board of Water Commissioners continued at 8:45 p.m.
- WATER RATE  
DISCUSSION: John A. Mikuszewski opened up the discussion of increasing the water rates after reviewing the consumption for this first quarter of FY 15 (See Note 4). The water consumption of 9,630,600 Cubic Feet and is the lowest it has ever been for this 1<sup>st</sup> Quarter going back to FY 2003. Jeff Cyr put together some rate setting materials for the Board showing historical consumption, collections and potential revenue from various rate increases. After a brief discussion William L. Schenker made a motion to increase the water rate 6% to \$3.59 per 100 cubic feet for 0 to 2.5 million effective with water used from the September 2014 reading. This motion was seconded by David T. Daly. Motion carried  
The notice will be mailed to customers in the July 1, 2014 bills.
- MOTION TO ADJOURN: David T. Daly made a motion to adjourn, which was seconded by William L. Schenker. Motion carried
- ADJOURNMENT: Meeting adjourned at 8:55 p.m.

BOARD OF WATER COMMISSIONERS

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William L. Schenker, Clerk