

BOARD OF WATER COMMISSIONERS
MINUTES FOR THE MEETING OF
January 5, 2021

The statutory requirements as to notice having been complied with, the meeting was convened at 5:15 PM.

Members Present: Chairman Joshua M. Fox, Commissioner Robert H. Sheldon and Commissioner Robert E. Boyd Jr.

Members Absent: None

Others Present: Treasurer Thomas S. Travers, Executive Director Vincent J. Roy, Customer Service Manager Renee Adams
Chairman Fox called the meeting to order.

1. REVIEW MEETING MINUTES

The Commissioners approved the Minutes for the Meeting of December 15, 2020 as amended. The motion for approval was made, duly seconded, and approved by roll call:

Joshua M. Fox, Chairman - Yes

Robert H. Sheldon, Commissioner - Yes

Robert E. Boyd, Jr., Commissioner - Yes

2. REVIEW DIRECTOR'S DECEMBER 31st REPORT

Director Roy presented his bi-weekly report to the Board and addressed questions regarding several topics, as follows:

REVELOPMENT OF WELLS 2A AND 8A:

Commissioner Sheldon asked Mr. Roy how long it would take to clean the wells and if they would be cleaned simultaneously or consecutively. Mr. Roy responded that the process usually takes about 30 days to complete and that the wells were being cleaned consecutively to avoid having to simultaneously take two water sources off line. Mr. Roy also stated that the District would be cleaning Well 2A first.

2020 FINANCIAL REPORT:

Treasurer Travers requested that Mr. Roy incorporate the two comments discussed at the previous meeting presentation by District Auditor Dick Hingston (Guisti Hingston, CPA) regarding the 2020 Financial Report: Deficiency with billing software regarding Credit Card Payments and Funding Schedule for Other Post-Employment Benefits (OPEB) Trust Fund. Mr. Roy agreed to add those comments to the Director's Report. *See attached letter from Mr. Hingston.*

136 Boston Post Road (Bear MT Sudbury, LLC) property lien:

Treasurer Travers requested an update from Mr. Roy on the property lien for 136 Boston Post Road, Mr. Roy stated that the District had not received a response from any of the responsible parties that were sent notification of the lien. Chairman Fox requested that Mr. Roy contact District Counsel Lawson Williams to inquire on the District's right to collect legal fees associated with the outstanding debt and to inquire as to the District's legal authority to collect outstanding debt. Mr. Roy concurred. Chairman Fox suggested that the District consider outsourcing the collection efforts to a debt collection agency, and he noted that a collection agency would charge a percentage of the uncollected debt which could be substantial.

Cold Brook Crossing (Quarry North/Melone Property):

Director Roy provided the Commissioners with a brief update on the proposed Cold Brook Crossing development (Melone Property). Mr. Roy stated that Quarry North had not yet submitted the ANR Plan to the Planning Board. Therefore, the Board could not vote to offer the Town the 3.7 acres of land at 16 North Road. Commissioner Sheldon asked Mr. Roy if he knew the reason for the delay, to which Mr. Roy stated that Quarry North was still working toward an agreement with the residents of Northwood regarding their appeal.

3. OFFER TO CONVEY CERTAIN PARCEL OF LAND (APPROX. 3.7 ACRES) LOCATED AT 16 NORTH ROAD TO THE BOARD OF SELECTMEN OF THE TOWN OF SUDBURY:

Director Roy informed the Commissioners that this item has been deferred to the next Commissioners Meeting.

4. 7 BABE RUTH DRIVE – APPEAL DECISION FOR REIMBURSEMENT AMOUNT:

Director Roy presented a draft response letter to the homeowner for comment by the Commissioners. Director Roy and the Commissioners stated that they had tried to scratch a piece of glass with a pen as the homeowner had suggested as the cause of the scratches, but none of the attempts resulted in any scratching. Based on that and insufficient evidence that the District was in any way responsible for the glass being scratched, the Commissioners agreed to reject the homeowner's request for appeal for reimbursement of the glass door. However, the Commissioners did agree to fulfill the \$100.00 obligation that Mr. Roy had previously committed to the homeowner as remediation.

5. REVIEW DRAFT WATER MANAGEMENT ACT PERMIT:

Director Roy presented the draft Water Management Act (WMA) Permit to the Commissioners. Mr. Roy highlighted the differences between the existing WMA permit and the proposed new permit and expressed his concerns regarding the proposed changes. Mr. Roy also stated that the District had contracted the services of the engineering firm, Environmental Partners, Inc., to provide analysis to challenge the proposed withdrawal limits by MassDEP. Mr. Roy stated that MassDEP increased the withdrawal limits originally proposed for the new permit as a result of the analysis provided by the District. Mr. Roy also stated that the WMA permit would require more stringent non-essential outdoor water restrictions from May 1st thru September 30th. Commissioner Sheldon asked Mr. Roy how he would communicate these new stringent water restrictions to the public. Mr. Roy responded that he would use the typical means of communication such as bill inserts, posting a notice on the District's website and use of strategically placed sign boards throughout Town. Mr. Roy reminded the Commissioners that this was still just a draft permit and that the restrictions on the final permit may be different.

6. REVIEW REVISED SWD REGULATIONS AND STANDARDS AND SPECIFICATIONS:

Director Roy informed the Commissioners that this item has been deferred to the next Commissioners Meeting scheduled TBD.

7. DISCUSSION ON MITIGATION REQUEST BY TOWN FOR PROPOSED AMENDMENT TO WIRELESS COMMUNICATION OVERLAY DISTRICT ZONING BY-LAW:

Mr. Roy provided a brief summary of two separate conversations regarding the proposed amendment to the wireless overlay district zoning by-law.

- *12/28 - Phone conference between SWD (Chairman Fox and Mr. Roy) and Planning Board (PB) representatives (Adam Duchesneau, Director of Planning and Steve Garvin, PB Chairman).*

Chairman Garvin asked following questions:

- Is AT&T flexible to a height other than 150'?
- Can AT&T provide more of a contribution to the Town?
- Would the District be willing to submit a citizens' petition to amend the Wireless Overlay District Zoning bylaw at the Annual Town Meeting?

Chairman Fox responded that based on his many years of attending Town Meeting in several different capacities, "The Planning Board should sponsor the article to provide the most likely chance of passage."

- *12/29 - Phone conference between SWD (Chairman Fox and Mr. Roy) and AT&T representatives (Michael Dolan and April Grasso).*

AT&T response to the 12/28 questions from the PB Chairman:

- What is the reasoning the Tower needs to be 150'? Is AT&T flexible to a height other than 100'? April would inquire from the experts within AT&T and get back to Director Roy.
- Can AT&T provide more of a contribution? No, this was a hard number. AT&T feels that it's already obligated a premium amount when compared to other lease agreements.

Mr. Dolan provided a follow-up email after the phone conference on 12/29 – "If the Planning Board fails to support the proposed by-law amendment AT&T may file a zoning application for a use variance pursuant to the 1996 Telecommunications Act ("TCA") on the grounds that the by-law and the related limitations of the Wireless Communications Overlay District have the effect of prohibiting personal wireless service to AT&T in this area of Sudbury in violation of the TCA. In short, a denial of our application would have the effect of materially inhibiting

the buildout of wireless services in this area which would be the grounds for a possible appeal to the Federal District Court. AT&T may also decide to not take any action and withdraw pursuit of the tower.”

The Commissioners unanimously agreed that their position to the PB remains unchanged, with a contribution to the Town of no more than \$50,000. A motion was made and duly seconded to reject the request to contribute any proposed rental co-locators income and to not sponsor an article to amend the By-law at the Annual Town Meeting (ATM). That motion was approved unanimously. Mr. Roy stated that he would relay the Commissioners’ position to Adam Duchesneau. Mr. Roy also stated that he planned on attending the Planning Board meeting scheduled for the 1/6.

Chairman Fox moved to conclude the open meeting and to move into executive session to review minutes from Executive Sessions held on the December 1st and 15th Commissioners Meetings. The motion was seconded by Commissioner Sheldon and approved by unanimous roll call:

Joshua M. Fox, Chairman

Robert H. Sheldon, Commissioner

Robert E. Boyd Jr. Commissioner

There being no further discussions the meeting adjourned at 7:20 PM

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November 20, 2020

Board of Water Commissioners
Sudbury Water District
P.O. Box 111
Sudbury, MA 01776

Dear Board of Water Commissioners:

In planning and performing our audit of the financial statements of the Sudbury Water District as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Sudbury Water District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sudbury Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sudbury Water District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

The comments below are not material weaknesses or significant deficiencies. However, they are issues we believe deserve your attention.

Credit card payments

The District implemented new software that provides ratepayers with the option to pay their bills on-line by way of credit cards or ACH payments. The option is being utilized by a number of ratepayers and we expect that there will be considerably more who use the option in the future.

When someone pays by way of a credit card or an ACH payment, the software creates a transaction on the date the customer initiated the transaction. Customer payments made by credit cards do not get deposited into the District's bank account until at least two days later. When a transaction is initiated at month end (i.e. May 31), the customer's account is credited in May and a deposit is recorded in the general ledger in May. In a typical situation, the deposit (made in June) will simply be a deposit in transit when reconciling the District's bank accounts.

However, when a month end coincides within the proximity of a weekend, the actual bank deposit may be “combined” with a credit card payment made over the weekend. As a result, it is difficult to identify the “in transit” portion of the deposit made in the prior month. The banking deposit consists of general ledger entries that occurred in two different months.

If this were a problem only associated with months that ended within the proximity of a weekend, the District could find a way of working through it. However, the same thing happens for transactions that are initiated every weekend. A single deposit can be made up of several general ledger transaction dates.

In addition, in the early stages of implementing the new system, a batching “switch” in program was not “turned on.” As a result, the bank deposits and associated general ledger transactions were even more difficult to reconcile.

These issues caused what has, in the past, been a relatively simple bank reconciliation/accounts receivable reconciliation process to be much more difficult and time consuming.

The District has consulted with the software provider to discuss possible solutions to the problem. The software provider is aware of the difficulties in reconciling under the current model. The District was advised that there is a “fix” currently being tested that will, hopefully, be available within a couple months.

We recommend that the District remain in communication with the software provider to ensure that the District receives the program update as soon as it is available. Once the update is received, the District should test it by reconciling on a daily basis until all types of transactions have occurred and you feel comfortable that the reconciling problems have been resolved.

Status of Prior Year’s Findings

Funding Schedule Other Post-Employment Benefits Trust Fund

The actuarial reports that are issued with the implementation of GASB Statement #75 *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions* are considerably different than the reports issued under the previous guidance. Since the entire liability is reported in the District’s financial statements, the new reports will provide the “normal cost” of providing OPEB benefits for the current year. The normal cost is the cost of a single year for current employees. That cost will not include an amount that will be required to eliminate the “unfunded liability” over a period of time. The actuarial reports will no longer include the “forecast” schedule that the District utilized to determine its future contributions to the OPEB trust fund.

Since the District has been funding its OPEB liability with the intent of having a fully funded OPEB trust at some point, we recommend that the District work with the actuary to develop a funding schedule that meets that goal. The District should consider asking the actuary to project a closed funding schedule over a few different time periods (i.e. 20 years, 23 years, 25 years...) in order to see what would fall within a manageable funding plan for the District.

Current Status

The District continued to fund the OPEB liability, however, an actuarially determined “closed” amortization schedule for a specified number of years has not been utilized.

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This communication is intended solely for the information and use of management, those charged with governance, and others within the organization, and is not intended to be and should not be used by anyone other than those specified parties.

After you have had an opportunity to consider our findings and recommendations, we shall be pleased to discuss them further with you. We would like to thank you for the cooperation and courtesy extended to us during the course of the engagement.

Sincerely yours,

Giusti, Hingston and Company

Giusti, Hingston and Company
Certified Public Accountants