

Village District of Eastman
Commissioners' Meeting, May 16, 2012
Final Minutes

In attendance: Commissioners Duncan Wood, William Sullivan and Robert Fairweather, Deputy Treasurer Bernard Conroy, District Manager William Weber, Office Manager Amy Lewis and Water Operator Neil Perez.

The meeting was opened at 8:01AM by Commissioner Sullivan.

Commissioner Wood shared that the two trees at Pioneer Point will be coming down Monday, May 21.

MINUTES:

There were minor edits requested to both sets of minutes. The minutes were approved as changed and unanimously accepted.

FIELD:

1. Operator Perez reported that three of four gate valves in need of repair from last year have been attended to. One valve on Hidden Lane will need attention in the near future.
2. Operator Josh Worthen arrived; DM Weber asked if there was an issue that needed immediate attention, and the meeting was briefly suspended to deal with a personnel issue. Operator Worthen excused himself after and the meeting resumed.
3. The flushing is going well and the operators are about one-quarter done. There are two valves that will need to be replaced because of age; the area will need to be isolated in order to remove and replace the gate valve. We are using up the valve inventory but these are common items that can be ordered off the shelf for quick delivery. New valves can come with stainless-steel bolts to avoid rusting. Commissioner Wood would like a record begun to track when and where valves are replaced and how the budget reflects the replacement of inventory. There is a spreadsheet available showing the locations of the mains, valves etc.
4. Repairs will wait until we have the appropriate manpower to do it safely.
5. There is a leak in the wellfield that was noticed late on May 15; it is believed to be the pitless adapter on Source 5. Barrie Miller has been called and the District is waiting to hear back. There is the concern that something was not sealed correctly. The check valve to Source 5 needs to be replaced because it leaks in the pump house; this is something that Halliday will need to repair, and it will be an item on the contract punch list. DM Weber asked that the operators keep him informed in regard to what Barrie Miller says in order to go forward with the check valve issue. Commissioner Wood asked if there was data showing that the aquifer levels had come up because of all the rain; DM Weber passed out graphs he created to show the current static levels compared to last year's. Operator Perez agreed that the water table had come up.
6. The Venturi meter has been shut down and will need to be separated from the line.

7. DM Weber said that we have successfully backwashed at night, with the only issue being the possibility of the operator on call receiving a "low tank" alarm depending on what level the tanks are at while backwashing. The operators did log in to the system to make sure there was nothing else wrong with the system. Commissioner Fairweather asked if the high-pressure switch had been installed – Operator Perez said yes, but the blow-off valve is not yet installed.
8. Commissioner Fairweather inquired about the amount of water used for this last backwash as it was a higher amount than last; the reason was because of the system flushing. More water had to be pumped than usual to accommodate both operations. Operator Perez added that the new media is of a very good quality.
9. Tom Allen of LCS reprogrammed the transducers on the Source 1 wells; the operators can now know how much water is above the pumps.

FINANCIAL REPORT:

1. DM Weber said that the Lake Sunapee Bank loan payment due at the end of June will reflect the interest rate modification.
2. Commissioner Fairweather asked for the number of gallons billed with the spring billing cycle just completed. DM Weber created a chart showing the breakout of gallons pumped vs. gallons billed and shared this with the Commissioners. Last year's November-April usage billed in 2011 was approximately 18 million gallons; this year's is 16 million.

MANAGER'S REPORT:

1. Unaccounted-for water is down due to leak detection and repair; the water loss is 13% for the last 6 months, compared to 20% for the previous 6-month cycle. Commissioner Wood said this was excellent news and a combination of leak repair and staying on top of the system.
2. The new water rates have not been questioned by any residents.
3. On the Operations Report, the "Average Home" number was changed from 1344 to 1100 to reflect the seasonal homes/"0" reads.
4. The District is waiting to hear back from the state regarding the Bog Brook culvert repair. DM Weber had asked that the state classify the repair as an emergency in order to speed up the process. Quotes for the work have been received; the total repair will cost between \$11,000 and \$14,000. The District will have the work performed once the permit has been received and there is low flow to the area.
5. Operator Perez asked why we couldn't replace the two old culverts with one; with the accumulation of debris it would be easier to clean one. Commissioner Wood said that it would be much more expensive to install one culvert with the same amount of flow as two culverts would divert. An open culvert also requires engineering, which would incur costs between \$30,000-\$40,000. DM Weber said the state requires that a culvert be replaced "like and kind", meaning that if we have two culverts in need of replacing, we must replace them with two culverts. Commissioner Wood agreed. There is a power feed running under the brook to Source 6 that the contractor will need to know about when the culverts are replaced.

SRF UPDATE:

1. The project is down to a small amount of punch list items. The issue with the Source 1 static levels seemed to be due to the transducers not being set properly. This has been rectified.
2. The pump test needs to be scheduled with Halliday and Jenna Rzasa of Tata & Howard, possibly on Friday the 25th. The District is currently holding the bond and retainage on Halliday; the final payment will be for completion. The existing punch list will be reviewed and items completed will be removed, with new requirements added if necessary. There is still some concern about being able to run pump 1A because of the static level; 1B and 1C are running at 100% and 1A is at 80%. Commissioner Wood said this could be a matter of different media – 1A is not accessing the same aquifer as the other two. He also asked if the District is getting what it paid for with the source replacement; the energy savings has not been noted yet but the water quality is higher. There is more manganese than iron, but it is treatable. We are also getting more water than expected.
3. Commissioner Sullivan asked about water on the floor of the pump house; Operator Perez said that the left side of the house does not drain. He added that there is no flood alarm in the pump house, so that if a main breaks inside there is no way to tell when it happened, nor is there a way to clear the water out. DM Weber added that there is a leak in the roof hatch; a contractor has been contacted for a quote to turn the hatch roof into a standard shingled roof since the roof access is no longer needed.

NEW BUSINESS:

1. A resident of Grantham with a parcel of property within the boundaries of the District has asked to be removed from the tax rolls in order to abate the precinct tax currently assessed on his town property taxes. The District concern is that the property could be subdivided, and any easement granted to the individual would not necessarily follow the property. The property is off of Catamount Road, which is maintained by the ECA; there are other residents on the road with private wells who have opted not to hook on to the District's water supply. Commissioner Wood's concern is that if this individual is granted the abatement, how many other residents in the community could argue the same? DM Weber suggested that a covenant be drafted for attorney review that would prohibit future owners of that property from requesting District services. Commissioner Wood would like the covenant to show that the VDE is under no obligation to provide water to the property; if the current or subsequent owner wants public water it will be a billable service and the owner will be returned to the tax roll.
2. A representative from Patriot Power met with DM Weber, Treasurer Wright and OM Lewis to review power usage and cost. The District can lock into a 12-month contract with Patriot to receive the current low energy rates. The rep did not recommend going any longer than one year as the rates would be a bit higher. The District can also opt for month-to-month service. A budget can be created on the 12-month quote. If we opt into the contract with Patriot and decide to revert back to PSNH, we would incur fees equal to the amount that would have been saved over the length of the contract. There is no effect on service/usage on peak/off-peak times. PSNH would still be responsible for line maintenance; the billing would be reflective of the Patriot Power discounts. Deputy Treasurer Conroy agreed that the savings are there, but that we would be off for the next budget/fiscal year. Commissioner Wood suggested beginning a 6-month contract beginning July 1, if allowed, to test the program and to get in sync with our fiscal budget year. Commissioner Wood motioned that the District authorize DM Weber to enter into agreement with Patriot Power if a 6-month contract can be provided, and is

advantageous to the District. Commissioner Sullivan seconded and the motion passed unanimously.

3. The credit card policy drafted by DM Weber was at the request of the auditors, who would like to see one permanently in place. Minor adjustments were made to clarify meanings in the document. Commissioner Wood moved to adopt the credit card policy as set forth; Commissioner Sullivan seconded and the motion passed unanimously. This policy will be added to the current personnel policy manual.

OTHER:

Loan modification:

Lake Sunapee Bank has dropped the interest rate from 3.65% to 2.65%. At the recommendation of the District's attorney, a hearing must be noticed in order to approve the rate change. OM Lewis will print paper notices and update the website for a hearing to take place Wednesday, May 23, at 8:00AM at the District office. The lower rate will be in effect for the June 2012 payment.

Capitalization vs. expense:

The auditors had asked if the District had a policy in place to capitalize purchases over a specific amount. The District is already depreciating the water system and valve replacement, vehicles and some office equipment. The Commissioners directed DM Weber to draft a purchase policy with a capitalization cap set at \$2,000.

Water Operator:


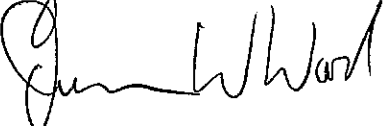
Commissioner Wood started discussion on how to begin searching for a new water operator. Operator Perez would like to be part of the hiring process, as he and the individual ultimately hired would be working in close capacity. A detailed, updated job description is needed; the operators will meet with DM Weber and OM Lewis to create the document. The commissioners agreed to take Operator Perez's opinions into consideration before making a final decision on an applicant. Operator Perez asked if a local contractor could be used over the next couple of weeks to help do simple repairs in the interim. Commissioner Fairweather asked that once the flushing is complete, the operators go through the maintenance schedule turned in earlier to the office and prioritize what needs to be done.

At DM Weber's request, he and the commissioners entered a non-public session at 10:32. The meeting returned to public session at 10:38.

Commissioner Fairweather moved to adjourn, which was seconded by Commissioner Wood. The motion passed unanimously and the meeting closed at 10:39AM.

Respectfully submitted,


Amy Lewis
Office Manager

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