

Village District of Eastman
Commissioners' Meeting Minutes, August 15, 2012

In attendance: Commissioner Duncan Wood, Commissioner William Sullivan, Commissioner Robert Fairweather, Treasurer David Wright, District Manager Bill Weber, Office Manager Amy Lewis, Water Operator Neil Perez and Operator-in-Training John Fellows.

The meeting was called to order at 8:00AM by Commissioner Sullivan.

Minutes:

Commissioner Wood moved to approve the June minutes as amended. Commissioner Sullivan seconded and the motion passed unanimously. Minor edits for clarification were made to the minutes of the July meeting. Commissioner Wood moved to approve the July minutes as amended; Commissioner Sullivan seconded and the motion passed unanimously.

Field:

Regarding the watering of the front entrance gardens, Operator Perez said that we can get the usage amounts from a meter on Longwood Drive. Treasurer Wright explained that he would like to see sensors on the sprinklers so they would not run during the rain. The ECA has changed watering times to the evening hours.

The operators have been leak-detecting and are about one-half complete. Three leaks have been found on customers' service lines and repaired. The repairs have helped considerably with the ongoing conservation requirements.

The Anderson Pond radio needs to be upgraded. It was initially installed in 2005 but tree growth is impeding the signal to the treatment plant. The radio has to be programmed; we are waiting on LCS to submit an estimate for the work since it was not a budget item. District Manager Weber indicated that the next logical step from radio is to satellite and the industry is moving in that direction.

Financial:

Anything that can be applied to the trust funds as capital expenditures will keep unexpected expenses off the profit & loss, as long as those expenditures meet the capital improvement requirements. The financial report was reviewed for budgeted numbers vs. actual; the debt service is less than budgeted because of the money saved with the interest rate adjustment. Commissioner Wood asked if we still should ask the Department of Revenue for a tax adjustment. Commissioner Fairweather said that since we don't know what the revenue will be for the second half of the year we could end up with a shortfall. As we may not receive the estimated usage fees, he would like to ask the state for a \$20,000-adjustment to bring the actual revenues up to the budgeted revenues. Commissioner Wood is in favor of an adjustment as he is concerned that we may exceed expenditures. DM Weber said that the office can review what expenses can be legitimately applied to a CIP fund.

DM Weber will adjust the MS34 form to reflect the above and submit it to the Commissioners for approval. Commissioner Fairweather moved to accept the adjusted MS34 for DRA submission for a net assessment of \$565,136. Commissioner Wood seconded; the motion passed unanimously.

At 9:04 Commissioner Wood excused himself from the meeting.

Regarding the interest for the SRF loan, the rates offered by Lake Sunapee and the state of New Hampshire are very close. The VDE must finance the loan with the state, according to the way the initial warrant to borrow the funds was written. One option is to include a warrant with the 2013 annual meeting to authorize the board to refinance the loan with a commercial lender for the purpose of lowering the interest rate; the first payment on the SRF loan to the state is not due until May 2013, so there is time to review the article. Treasurer Wright would like to look at quarterly payments vs. semi-annual payments, given the fact that we will need to begin quarterly billing. He would also like to keep the monies borrowed from the PDIP available in the general fund until the loan term is determined.

Manager's:

Liens are static; there are two properties currently in foreclosure which are being sold, so the district will receive the outstanding balances on these accounts.

The draft of the audit has been reviewed, and the DM has prepared the Management Discussion. Commissioner Fairweather would like a copy of this for review. Commissioner Sullivan questioned the term "terminated employees" as shown on page 12 of the audit; DM Weber explained that this is for any employee who has left employment, willingly or not. DM Weber will verify or adjust language if needed. Commissioners Fairweather and Sullivan are satisfied with the audit as-is.

SRF:

The final number for the project is \$463,000; the budgeted amount was \$484,500. The district can hold the bond on the contractor for up to one year, as a warranty payment. We will wait on reseeding the well field until after the wells are decommissioned, to avoid doing it twice. Funding for the decommissioning could be put into a capital fund so that the expense is spread out over two years, rather than expense \$35,000-\$50,000 all at once. Some of this cost is due to the materials that we assume to be required; this will need to be verified. Operator Perez would like the wells closest to the new Source 1 to be filled in first.

Old Business:

Radio-read meters are not cost-effective; to replace the entire system with these meters would cost approximately \$350,000. The state requires that we test and/or replace 10% of the meters per year; we could begin testing the older meters and work up to the newest. Test kits for the meters can be purchased for minimal investment. There are two local systems currently using the remote reads, and neither entity cares for them. Commissioner Fairweather would like to have Commissioner Wood's input on this as well, since it is more of a technical issue.

Commissioner Fairweather asked if we are absolutely required to examine 10% of the meters currently in use; DM Weber said yes. To replace a meter before its useful life is up does not make sense. The meters can be tested without swapping out one in use; if it is good we can tag it as tested and move on to the next. If the meter is bad, we can replace it, toss the faulty meter and continue with the testing, only replacing what is bad. Since the operators prefer to be together when entering a home, we would only need to purchase one test kit. DM Weber will find out if our operators need to be specifically certified to test the meters; it is required on commercial meters but generally not on residential.

An idea for the next billing is to have a test-group of residents do meter reads themselves and mail the information back on a postcard. Any numbers that are off would balance out with the next read cycle. This could potentially save time and resources for the district.

Office Manager Lewis asked if a formal letter needed to be drafted to the Eastman Sewer Company regarding the July 18 meeting; Commissioner Fairweather said that the minutes from the meeting will suffice.

New Business:

OM Lewis prepared a spreadsheet showing the most recent reimbursement request from the capital improvement funds, labeled as Exhibit A. Commissioner Fairweather moved to authorize the District Manager to request from the Trustees of the Trust Funds the amount of \$16,181.99, for the purpose of reimbursing the district for capital expenditures from the operating budget, as detailed in Exhibit A of the August 15, 2012 meeting minutes. Commissioner Sullivan seconded; unanimous approval.

Commissioner Fairweather asked that a quarterly billing proposal be tabled until the September 26 meeting, when Commissioner Wood could be present.

Copies of the Management Discussion were given to Commissioners Fairweather and Sullivan; a copy will be mailed to Commissioner Wood.

Static levels are trending up, with both conservation and new rainfall.

On the operations report, the pump house hours for Source 1 combine all three pumps. LCS Controls will be correcting this so the three Source 1 pumps are recorded individually. Source 5 is taking a while to recover but is doing well. Operator Perez said that finding the three leaks has helped and asked if the restrictions were to stay in place. Commissioner Fairweather would like the restrictions to remain in place until after Labor Day. Some residents have called the office regarding maintenance issues; the office is handling these on a case-by-case basis. Operator Perez mentioned that the owners were happy to see the leak detecting.

The usage on Snow Hill was reviewed as it is higher than in previous months. Leaks were found on the gravity side of the boosted area.

Other:

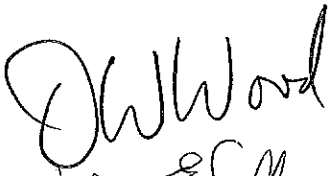

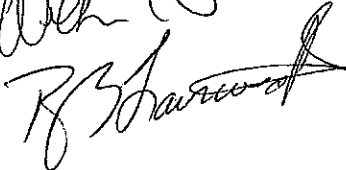
Commissioner Fairweather asked how the issues with Catamount Road were going. DM Weber explained that the property owner in question had been deeded tennis courts by the ECA; these courts had been abandoned. DM Weber suggested that the individual have his attorney contact the VDE should there be any more abatement issues. The owner needs to provide a viable argument to be removed from the tax roll. The district has a liability because the property is legally within the boundaries of the district; ideally the boundaries should be redrawn. If there are other properties within Eastman this may be something to look at. DM Weber will follow up with the property owner before the September 26 meeting.

With nothing further, Commissioner Sullivan moved that the meeting adjourn. Commissioner Fairweather seconded; unanimous approval.

The meeting closed at 10:28.

Respectfully submitted,


Amy Lewis
Office Manager

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