

Village District of Eastman
Commissioners' Meeting Minutes, October 17, 2012

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

The meeting was called to order at 8:01 by Commissioner Sullivan.

Field:

There are no major issues with the field. The earthquake on 10/14 triggered a VFD alarm which was easily reset.

Barrie Miller is on-site surging Source 6 to clear out excess manganese. Commissioner Wood explained that during the purging, silt in the water is pushed and pulled through the well screen and sand filter. We should see an improvement in well performance. OIT Fellows also stated that the screens and filters on the master meters have been cleaned as well.

OIT Fellows noticed that the pressure gauge before the check valve in the pump house has fallen to about 30psi over a few days. This is being monitored by the operators. The drop may be indicating a leak between Source 1 and the valve.

The Anderson Pond usage is down approximately 75k gallons; there may have been a toilet leak that was discovered and fixed.

Minutes:

Minor edits for clarification to the minutes of September 26 were made. Commissioner Fairweather moved to approve the minutes as adjusted. Commissioner Wood seconded and approval was unanimous. There were no changes to the non-public minutes; Commissioner Fairweather moved to approve the non-public minutes as given, and that the minutes be sealed. Commissioner Wood seconded and approval was unanimous.

As a note to the approved minutes, Commissioner Wood inquired about the test wells and metering the levels. He suggested testing the transducers after a couple of days to ensure correct data capture.

Financial:

The usual budget form needs to be adjusted for end-of-year activity; a budget worksheet direct from the accounting software was provided for review.

The MS34 adjustment request was approved; the increased tax adjustment is \$0.052 per thousand to Grantham, and \$0.06 per thousand to Springfield and Enfield.

Accounts Receivable monies continue to be collected. Of the liens filed last month, the largest amount was collected within a couple days of the lien being filed.

The cash flow worksheet was reviewed. OM Lewis explained that the amounts shown as cash on hand reflect what is immediately available as liquid assets. This amount does not include the savings account balance in the NHPDIP account.

Budgeting has begun for 2013. The operators have been given their line items to budget for the coming year. The DM and OM will work on the administrative lines.

Commissioner Wood asked that the staff continue to find ways to cut back on expenses through the rest of the year, and to the next budget hearing.

ESC:

At 8:24, Brian Harding, Brad Moses, Jim Donahue, Jim Coffey and John Walters, all representatives of the Eastman Sewer Company, joined the meeting.

DM Weber explained that he and Commissioner Wood attended the ESC Board meeting on October 16. The issue has been raised again about the possibility of the VDE acquiring the ESC. Mr. Moses gave a quick summation of that discussion; he believes the next step is to have DM Weber and Mr. Harding continue their work outlining the process. Commissioner Wood took time to further explain the information gained from the 10/16 meeting. It is clear that there is a major financial need – the ESC has an infrastructure that must be maintained. Money has to be raised to make these capital improvements; how to do that is the issue at hand, as it can be done through user fees or an additional precinct tax/special assessment collected by the Town of Grantham. It appears that this can be done. The original charter of the VDE states that it has the authority to act as a wastewater treatment facility as well as treating potable water.

DM Weber said that if nobody were to show up at a posted meeting for the discussion of this acquisition, it would be up to the VDE Commissioners to vote on the decision. Commissioner Fairweather said that it would be an informational meeting only; no discussion of funds, although a budget can be presented. The VDE board would then make the decision to take on the assets and liabilities of the ESC. Commissioner Wood added that a letter could be sent to the Public Utilities Commission at this time, stating that contingent upon the release of the ESC by the PUC, the Village District would be absorbing the assets and operations of the ESC. In the event that the general feeling by the voters was overwhelmingly negative, the ESC would then go to the town to form a second municipality. Commissioner Fairweather believes that an active discussion with the community needs to be a responsibility of the sewer commission. If this were accomplished prior to the VDE's Annual Meeting, it could be presented as a warrant article.

Mr. Moses said that the DES will give a 5-year permit for spray irrigation if they are given a plan for correcting wastewater disposal of the ESC, showing a solution to the current problems. DES is aware that any repairs to the infrastructure would not begin until 2014.

Commissioner Fairweather said that as a resident of the broader community, if something happened to the wastewater system, the ultimate burden would fall on the ECA and therefore the community for financial recovery. The capital requirements can be potentially met through a special assessment or by user fees; operational funds can be established through user fees and taxes. If taxation is used, separate taxation can be done under a second precinct tax which would exclude the water users. A second precinct under the current municipality would provide the means to raise the appropriate funding without taxing the non-users. The VDE annual meeting would show warrant articles specific to each entity; both would need to be represented at the meeting.

Commissioner Wood said that the ESC is essentially asking the VDE board to reconsider the decision made earlier to not take on the responsibility of the ESC operations; based on the initial work done previously by DM Weber and Mr. Harding, and the subsequent conversations and analyses, the VDE needs to get an answer to the ESC within a short period of time.

Commissioner Sullivan asked if the ESC's current loan with the ECA is transferrable; DM Weber said yes, he has already spoken with a bank representative.

Commissioner Fairweather said that the downside of creating a separate municipality is duplication of what is currently in place with the VDE; i.e. creation of a board and contracted services such as legal and audit. It would be a relatively easy step to absorb the ESC operations into the current VDE. This would place more responsibility on the VDE and the Board of Commissioners but he stated he is willing to move forward with the VDE acquisition

of the ESC, and asked for a new budget outline complete with user fees/assessment income. Capital improvement accounts can be funded specific to wastewater operations; as long as there is a process in place to set up a special assessment to keep the sewer costs separate from the water system needs, the project is feasible. The VDE Commissioners would like budget information by the November 14 meeting, which would allow enough time to call a special meeting for community input. The Commissioners asked the ESC to schedule a public forum in order to begin informing the sewer users.

DM Weber asked for direction from the VDE Commissioners regarding the actions to be taken in the immediate future for notifications; Commissioner Wood would like the forum scheduled ASAP, and to hold a VDE special meeting prior to the annual meeting, possibly in January.

Commissioner Sullivan is of the opinion that the ESC should continue to push for becoming a separate municipality, as there is no clear benefit to the VDE.

Commissioner Wood moved that the Village District of Eastman Board of Commissioners agree to enter into discussions with the Eastman Sewer Company about the potential acquisition of the assets and liabilities of the ESC by the VDE. Commissioner Fairweather seconded. The motion passed with two in favor and one dissent.

Commissioner Wood asked that the VDE special meeting be tentatively scheduled for January 9, 2013 at 7:00PM at South Cove, with the assumption that the feedback at the forum demonstrates support for the acquisition. Discussions would include the creation of a sewer sub-committee under the existing VDE board, capital funding options and possible user fees and/or precinct taxes.

Commissioner Fairweather asked DM Weber to update the original VDE/ESC proposal created earlier this year with the additional information gathered to date, along with the updated budget projections.

Information regarding this issue can be put out to the community's non-residents in a newsletter sent with the fall bills. Community input can be requested at the same time.

Manager's:

Water use in general is down, although there may be a problem with one of the master meters. The mag meter is reading off from the source meters; DM Weber made the recommendation that the two meters in the treatment plant be rebuilt and calibrated. Other commercial meters in the system may also need to be checked, specifically Snow Hill and Anderson Pond.

All VDE facilities are now being monitored by ECA Security in addition to Tasco Communications. Commissioner Fairweather asked that DM Weber send a letter to the ECA thanking them for providing the additional security.

Reports for the beginning of the month have been submitted to the proper entities.

The security/source protection grant for 2013 has been submitted to DES. Copies of the grant application are available for the commissioners to read.

SRF:

Tata & Howard now have the as-builts. The district is still holding funds for the balance of the contract as well as the bond; Halliday Construction has not yet applied for final payment.

Old Business:

The grant application was briefly discussed. The reasoning behind the application was to add additional gates and fencing to the District properties, impeding public access. If the VDE is awarded the grant, construction would begin in the spring.

The SRF loan rates went down .11% and are now lower than Lake Sunapee Bank.

Regarding the GASB 45 issue there are two options. One is to put a letter with the audit explaining the reasoning behind not having the actuarial audit performed. The second is the purchase a "self-help" style program to draft the assessment in-house. Given the fact that the VDE board was not made aware by the auditors of the GASB 45 requirement until after the final audit was received, Commissioner Wood stated he would like a letter put with the audit as a retort to the auditor's report. DM Weber will draft and send to the commissioners for review.

New Business:

DM Weber shared a draft policy regarding class attendance, as some confusion ensued earlier this month with courses taken after-hours. There was a brief discussion to clarify specific points in the draft. Commissioner Fairweather moved to adopt the policy on continuing education and training, and incorporate it into the personnel and policies manuals. Commissioner Sullivan seconded; the motion passed unanimously.

DM Weber asked that the commissioners review the first draft of the self-read meter card, in anticipation of asking that the community perform two of the four meter reading cycles proposed for next year. The card would be preprinted with the property owner's name, address and account number, and would direct the owner to record the current meter read using a picture of an actual meter as a guide. The cards would be postage-paid; residents could either mail them back or drop them into the night box at the office. If the card is not received back then the operators would do a manual read. Minor adjustments to the card layout were suggested, and a second draft will be prepared. Logically the quarterly reads would follow the payments required through the year; the receipts would support the bank payments. Commissioner Wood suggested adding the self-read issue to the fall newsletter, which would go out with the bills. The newsletter will also include information regarding the ongoing ESC discussions and moving to quarterly billing.

Other:

The spreadsheet showing the PSNH electric charges in comparison to the charges under Patriot Power were reviewed. Charting the last three months has shown a decrease in electrical expense of roughly \$700. Treasurer Wright would like to continue the program, as the annual savings could be around \$3,000.

With no other business to discuss, Commissioner Fairweather moved that the meeting adjourn. Commissioner Sullivan seconded; unanimous approval. The meeting closed at 10:15AM.

The next regularly scheduled Commissioners' Meeting will be November 14 at 8:00AM.

Respectfully submitted,



Amy Lewis

Office Manager