

Village District of Eastman
Commissioners' Meeting, December 19, 2012
Final Minutes

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

Guests present: Phil Schaeffer, resident; Robert LaGassa, resident.

The meeting was called to order by Commissioner Sullivan at 7:58AM.

Commissioner Sullivan spoke briefly with DM Weber about a hardpan sample and possible suitability for the well field decommissioning.

Minutes:

The minutes from the Commissioners' Meeting on November 14 were edited for clarity. Commissioner Wood moved to accept the minutes as edited and Commissioner Fairweather seconded; unanimous approval.

There were no suggested changes to the minutes from the special Commissioners' Meeting on December 10. Commissioner Fairweather moved to accept the minutes as submitted and Commissioner Wood seconded; unanimous approval.

DM Weber asked Moderator Miller about being available for the January 9 meeting; Moderator Miller will be at the meeting.

Field:

OIT Fellows said that both operators met with a representative from Stiles Meter to discuss the meter replacement program and the best way to incorporate the procedure. The office does have a list of meters with serial numbers from the previous replacement program. We will need to test 135 meters per year; this can be done during the winter months when the operators are slow in the field. We also need to make sure we have new meters in stock should replacements need to be made. The oldest meters in the system at present were installed in 2004. It would be a good idea to bring the residential meters to the plant for testing, as it would create a controlled environment. Properly-working meters can be re-installed. Commissioner Sullivan said that his water meter is 12 years old, and is willing to check the serial number and to look for the "NL" stamp indicating the lack of lead.

There may be a minor leak between the Source 1 check valve and the pump house, as the pressure gauge is fluctuating. This has been discussed in staff meetings; it is an issue the contractor is aware of as it relates to the SRF project.

Anderson Pond has a SCADA programming glitch in the reported gallons per day; LCS is aware of the issue and is working on a fix.

At 8:18, Auditor Gregg Colby of Plodzik & Sanderson joined the meeting to discuss the GASB-45 issue with the district's last audited statement. Mr. Colby explained why the district received a qualified audit report based on the individuals on the health insurance; because there are retirees on the plan who pay

their own premiums, those retirees are still pooled with the rest of the group when setting the insurance premiums for the other employees. Basically, older individuals are pooled with younger employees, which affects the insurance rates for all. Commissioner Wood asked what the consequences were of having the statement attached to the audit. Mr. Colby said that he knew of none. The district's ability to bond is not affected by the qualified audit. If and when it becomes an issue, it will be addressed professionally. This is something that affects more municipalities.

Financial:

Commissioner Fairweather asked about the remaining outstanding accounts receivable. OM Lewis explained that while the balance of outstanding accounts is higher than this time last year, we also billed out more than expected. Proportionally, it is comparable. The accounts that are still open are chronic late-pays.

There has been one lien collected. We have received the second tax payment from Grantham; Enfield and Springfield are usually received in late December.

Manager's:

DM Weber asked OIT Fellows the status of pump 6; DM Weber expected it to be installed by now. OIT Fellows said that Barrie Miller will be on-site to set up on Thursday, 12/20 and will install the pump Friday, 12/21.

Patriot Power has sent a new contract for 2013; energy savings were fair for the last six months.

The quality assurance manual update has been reviewed and approved by the NH DES. Copies will be available in the office and at the treatment plant.

A representative from the NH DES was on-site Monday, 12/17 to perform a scheduled sanitary survey, which ensures that paperwork is in order both at the office and the plant.

A quote was provided for the GIS mapping, which will eventually become a joint effort between the VDE and the ECA with each entity having specific layers on the map. All data pertaining to pipes, mains and service locations can be incorporated into the layers. Cost will need to be built into the 2013 budget if we move forward. Commissioner Wood is concerned that we will spend money to begin the program, but will not be able to maintain the information to keep the database updated. He is in favor of the project but there must be a plan in place for maintenance before moving ahead. The planning committee performing the work offers on-site training of the program, in which the district would participate.

SRF:

Dan Dudley, our NH DES contact for the SRF project, has been told of the communication issues with the contractor, who is currently out of compliance with the contract because we have not received the as-builts. Mr. Dudley will attempt to make contact with the contractor; Mr. Dudley is happy with what has been done to-date. The district is still holding performance bonds on the contractor and a final contract payment. OM Lewis contacted the state regarding the initial payment against the SRF loan as indicated on the 2012 budget; the first payment of \$10,000 is scheduled for 12/20 and will be applied to principal, which will reduce the amount of the loan once it is finalized next May.

Old Business:

The budget was reviewed; changes from the previous meeting were explained by Commissioner Fairweather and DM Weber. There will be ten CIP accounts funded, with \$20,000 from the general fund set aside to offset taxes, similar to what was proposed for 2012. The budget was saved as a final draft, subject to review at the regular January Commissioners' Meeting.

The warrant for the special meeting was reviewed with minor language adjustments by Commissioner Wood. There was a brief discussion over the make-up of a sewer advisory panel, should the VDE acquire the ESC. Rather than have the panel comprised of solely sewer users, it may make sense to allow Eastman residents who are not sewer users to serve on the panel. Commissioner Wood gave the example that having an individual with a wastewater or engineering background would be a benefit to the panel and therefore the District. The appointed panel would be made up of volunteers who are residents of the Village District; this panel would report directly to the VDE Board of Commissioners. In order to not limit the pool of volunteers available to serve as appointees to the panel, the positions would be open to the District at large. Information pertaining to the special meeting, i.e. warrant, RSA links, will be posted on the VDE website.

The warrant was signed by the Commissioners; hard copies of the warrant will be available at the VDE office as well as at South Cove and the Grantham Town Hall. OM Lewis will work with former Clerk Lorie McClory to ensure the information regarding the special meeting is readily available by several different formats.

Duties for the special meeting on January 9 were discussed. Moderator Miller had asked for and received an outline for the opening remarks prior to introducing the discussion. The lower level of the Grantham town hall will be available after 3:00PM on the 9th; chairs and tables will be set up. Other materials needed will be brought down and set up prior to the commencement of the meeting. All three Commissioners have interest in speaking after the Moderator opens the meeting. Paper ballots will be available with the Supervisors of the Checklists; only those residents registered to vote in any of the three towns will receive the ballots. The order of the meeting will follow Robert's Rules, similar to the annual meetings.

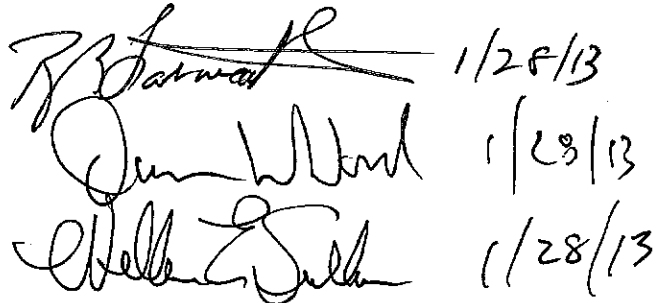
Commissioner Wood acknowledged the two guests to the meeting, reiterating that the point of the January special meeting is not to solve the problems with the sewer company; it is to decide if there should be two municipalities rather than one. He asked if either individual had a specific statement to make. Mr. LaGassa read a prepared statement (see copy attached).

At 9:53 Commissioner Wood moved to go into non-public session; Commissioner Fairweather seconded. The non-public session was adjourned at 10:12. The meeting closed at 10:13.

Respectfully submitted,



Amy Lewis
Office Manager, Village District of Eastman



Statement by Robert LaGassa, presented at the December 19, 2012 Commissioners' Meeting, transcribed from audio recording:

Eastman Community Association acquired the sewer company from Controlled Environment Corporation in about 2001 in conjunction with the need to obtain the dam and water rights to support the golf course irrigation system. At the time there was a movement among the Village District membership to intervene with the acquisition to have the Village District acquire it instead. The Village District [of] Eastman's commissioners rejected that effort because it could not be shown that the acquisition of the sewer company would be to the benefit of the Village District [of] Eastman membership. If it is for the current movement to transition the ESC to the Village District, based upon information the ECA management has provided to its membership is that there are problems of an immediate nature that will limit or eliminate the discharge of [ESC] effluent to the golf course and put the system at hazard. They maintain these problems are beyond their capability and require the Village District [of] Eastman to acquire that system. They have also argued that the operation of the sewer company would be most efficient if the Village District acquired the ESC. Immediacy for the acquisition appears to be [the] ECA's need to buy time by showing to the Public Utilities Commission that they are making progress in remedying their situation. Despite the ECA's stated problem there is no evidence that the sewer system cannot continue to operate as it has since it was built, discharging the treated effluent into the polishing fields where it is evaporated or dissipated into the soil. There have been no overflows from the system into the adjacent Bog Brook.

The ESC is a forty-year-old deteriorating system that may require significant unknown capital improvements. Such an acquisition would commit the Village District to significant future capital requirements that seem not well understood or defined, and more importantly, expose it to risks or liabilities that it should not take on. It appears that sufficient due diligence has not been done for an acquisition. Notwithstanding the problems of the ESC, operating the sewer system is not the problem or the business of the Village District [of] Eastman. The commissioners took an oath to serve the best interests of the membership of the Village District [of] Eastman, not the membership of the ECA, which is a responsibility of its elected leadership with a different set of responsibilities. It has not been shown as required in the Village District [of] Eastman mission that acquisition of the ESC would contribute to its mission of providing water for the most affordable cost to its membership. There is an appropriate immediate remedy to the ESC's problem that they conform a solid waste management district in accordance with New Hampshire RSA 53.1. Should the commissioners proceed with this acquisition and put it to the vote of the membership, the potential defeat of the warrant would significantly undermine the confidence of the membership in the VDE leadership. It is an axiom of business that those who do not remain focused on their core competency of business usually fail. The Village District [of] Eastman has done an excellent job in delivering on its stated mission. Do not lose sight of that responsibility.