

**Village District of Eastman
Commissioners' Meeting–Village District of Eastman Office
8 a.m. January 19, 2011
Minutes**

ATTENDING: Commissioners Bill Sullivan (chair), Bob Fairweather, Duncan Wood; Deputy Treasurer Ben Conroy; District Manager Bill Weber; Operator Josh Worthen; Clerk Lorie McClory; David Miller. Lake Sunapee Bank V.P. Dennis Driscoll arrived at 8:30.

INTERIM MODERATOR: Commissioners suspended the meeting agenda to appoint and swear in Dave Miller as the interim moderator.

Commissioner Wood made a motion to nominate David Miller, who is a registered voter in the district and resides in the district at 16 Pioneer Point, Grantham, to serve as temporary moderator for the 2011 Annual Meeting. Commissioner Sullivan seconded the motion. Unanimous approval.

Moderator Miller will meet with dm weber to go over the meeting format and other information.

FIELD: Operator Worthen said it has not been a quiet winter. There have been several service leaks, including one recently found under a paved driveway. The leak there is 2-3 gallons/minute, and the homeowner has agreed to take care of the problem as soon as possible in the spring. DM Weber said he would like to develop a policy to address leaks, notification of property owners and a process for ensuring the problem is fixed. Publicizing VDE policies can be done in a variety of ways, including putting information in ECA's new owner packets.

DM Weber said the water treatment plant valve (Dezurik) replacement project is ready to go but was put on hold because of the snow. It will take three days to pull it all together when the weather cooperates, hopefully by the end of January. Operator Worthen said they have to drain the tank, which will take approximately three hours, before work commences. It can probably be done in one long day, but work can stop if needed.

Operator Worthen said the district pumped a lot of water at the end of December, approximately 230,000 gallons each day on New Year's Eve and New Year's Day, but the district never hit its maximum daily demand.

OTHER: DM Weber distributed the MS-36 for signing.

MINUTES: *Commissioner Wood made a motion to approve the Dec. 14 minutes as written. Commissioner Fairweather seconded the motion. Unanimous approval.*

Action on December's non-public minutes was postponed until February.

MEETING WITH LAKE SUNAPEE BANK V.P. DENNIS DRISCOLL: DM weber said the resubmitted commitment letter includes specific dollars and dates. Mr. Driscoll said the loan amount changed from an estimated \$2.1 million to \$1,990,738.18 with a payoff as of Feb. 10,

2011. The loan is 15-year, unsecured, fixed rate of 3.65%. Payments will be semi-annual at a constant rate, with a lower total payment over the life of the loan. There is no prepayment penalty. Bank fees have been waived, but there will be attorney and filing costs.

Part of the agreement for the favorable loan rate is that all VDE operating accounts be moved to Lake Sunapee Bank, including a \$200,000 CD that is currently getting 0.77% interest. Lake Sunapee Bank will increase the interest rate on the CD to 0.85%.

Commissioner Wood made a motion to consolidate the district's long-term debt based on the terms of the commitment letter from Lake Sunapee Bank dated Jan. 18, 2011 and to authorize District Manager Bill Weber as agent to sign on behalf of the commissioners of the Village District of Eastman. Commissioner Fairweather seconded the motion. Unanimous approval.

Commissioners signed the commitment letter.

Commissioner Fairweather made a motion to withdraw the balance of the Water Mains and Valves Trust Fund CD from Sugar River Bank when it matures (expected 1/24/11) and authorize District Manager Bill Weber to request the trustees to invest the amount with Lake Sunapee Bank in a one-year CD at 0.85%. Commissioner Wood seconded the motion. Unanimous approval.

FINANCIAL REPORT: DM Weber reported:

1. All three towns have paid the taxes due VDE for 2010.
2. Current receivables are at \$21,000.
3. All CIP reimbursement requests, totaling \$46,000, were approved by the Grantham Trustees of Trust Fund as of 1/12/11.
4. Our note payments were paid for 2010 to both Lake Sunapee and Northway.
5. The current shutoffs for the season total approximately 50, or \$3,750 in "turn on" revenue in the spring. We have been telling the plumbers and owners as they schedule the work of the new fee schedule and will advertise wherever we can reach a majority of the customers. Four more people have come in as a result of the mass email concerning the 467,000 gallons of water that ran through a house after pipes burst. People are now seeing this as a real problem.
6. The SRF disbursement request has been paid by the state and has balanced our debit entries that we have tracked since the SRF inception on the financial report. Taken almost \$15,000 out of operating.
7. Revenue report: Enfield did not pay 2010 taxes and they've rolled into this year. \$14,000 below usage receivables, within 1%. Benefits spent more than budgeted, but they went down. The report will change a final bills and income are received.

MANAGER'S REPORT:

1. Billing waiver has been granted for an additional 3 years due to the decreased unaccounted for water. However, this is the last waiver the state will grant VDE. Anticipating multiple billings per year, the new software is capable of handling as frequently as monthly billings. May have to move to remote read meters. The state

- recommends four quarters, but DM Weber will check with state if readings have to be evenly spaced. VDE would prefer to do three readings: April, August and December.
2. Overall water use for 2010 is 3.2 million gallons lower than 2009. Although based on a number of variables, almost 1 million was repaired leaks. During December 2010 the pumps ran 110 hours longer, which translates into higher electric, etc.
 3. All reports, 4th quarter water use, DMR, and 4-log have been submitted for December.
 4. As of 12/29/10 all six of the freeze protection bleeds are open and running. About 1 million gallons/winter.
 5. I have coordinated with ECA and took their apparent vacant property list and compared it to ours to proactively address potential home freeze ups. I have also contacted the local banks to verify foreclosure property that may need to be shut off. Further discussion stated water to homes with boilers cannot be shut off unless the boiler has been winterized. DM weber said the average house holds 180 gallons in the pipes.
 6. The Supervisors of the Checklist Letters went out Jan. 7 for the annual meeting.

OLD BUSINESS:

1. Open House date: tabled until next month
3. Commissioners to consider a conservation easement acquisition donation for the ECA charitable fund. The purchase would increase our well head protection area significantly. Pending.
4. Trust balance reports have not been received as of 1/11/11. Commissioner Fairweather to update the board as to the trust issues. Postponed to later in the meeting.

NEW BUSINESS:

1. Handling water leak issues between the curb stop and the meter, discussion, policy, precedent, and history. Draft outline where think should go during different seasons. After a bit of general discussion, Commissioner Wood suggested that leaks of less than 5 gallons be addressed as soon as reasonable depending on the season but greater than 5 gallons addressed immediately. He suggested contacting other districts for their policies rather than starting from scratch. Also, the district needs to determine legally what process is for our employees to do the work if homeowner refuses to cooperate. DM Weber said state officials say these are usually handled on a case-by-case basis. DM Weber would like to have a policy with a flow chart that includes the option to shut off at curb.
2. Discuss DES letter to Tata & Howard regarding pump test proposal for well field project. Forwarded a copy to commissioners. DM Weber said it was sloppy and he contacted Tata & Howard, who agreed. Got permission from state as of Friday can drill three gravel pack wells for the pump test. The state will deal with Tata & Howard on the deficiencies. VDE should be able to get the yield needed from three wells.
3. Discuss how the VDE can help the Grantham Trustee of Trust Funds with our requests and their lack of resources. Commissioner Fairweather said he and DM Weber went to a selectmen's meeting in December to voice displeasure at the way things are being handled by the trustees. Selectmen agreed that it is reasonable to get year-end balances, timely transfer of funds, and more frequent bank statements. Wrote letter to T/TF saying these are reasonable things we'd like to have and be happy to meet with them. Found out

there has been a temporary appointment. Went to trustees meeting in January, and found it productive and gracious. They explained their problems and we ironed things out. Found out that the trustees are elected and they handle town, school, water dept., and have little support from any of those entities, either financial or otherwise. Commissioner Fairweather said the town has put an item in the budget proposal for some support, and he would like to do the same in the VDE budget. It is in our best interests to improve their operating capability. DM Weber will put this as a continuing business item under old business. Commissioner Wood asked if they Commissioner Fairweather should be reaching out to school committee as well.

4. Commissioner Fairweather handed out CIP summary for this year with scheduling for various projects, priority level, goal, current balance and cost per year to get to the goal. He said this is his best guess for long-range funding model for the next 10 years. It is subject to annual reevaluation. Commissioner Sullivan said the calculations for the meter replacement program to begin in 2012 don't work. Commissioner Fairweather said all meters were replaced between 2004 and 2006 and meters tend to last more than 10 years. Not committed in starting absolutely in 2012. DES recommends not exceeding 20 years. Put on future agenda this year. Find the oldest and check them.

Discussion ensued about the benefits of installing equipment that can be used for remote radio reads, which would help if the state requires winter readings. On the question of meter recalibration, DM Weber said technology is such that the cost to replace is lower than the cost to recalibrate. Commissioner Wood said he questions the efficiency of remote reads in relation to the topography of the district. DM Weber said the estimate for replacing meters and having two receivers (including one at the office) is \$230,000.

Commissioner Fairweather said the district's generators and pumps are in good shape right now.

Links to the CIP summary will be put on the website, and a few printed copies will be made available in the office.

ADJOURNMENT: The meeting was adjourned at 9:50 a.m.

Respectfully submitted,



Lorie McClory

