

Village District of Eastman
Commissioners' Meeting–Village District of Eastman Office
May 18th, 2011
Minutes

ATTENDANCE: Commissioners Sullivan, Fairweather and Wood; District Manager Bill Weber; Treasurer David Wright; Clerk Lorie McClory; Operator Josh Worthen. Jenna Rzasa of Tata & Howard arrived at 8:30.

MINUTES: Commissioner's to sign, edit, and correct, if necessary, any outstanding meeting minutes, including non-public, or documents.

Commissioners made several amendments to the draft minutes of April 20.

Commissioner Wood made a motion to accept the minutes as amended. Commissioner Fairweather seconded. Unanimous approval.

SRF UPDATE : Jenna Rzasa of Tata & Howard said the pump test on the new well is complete. It began on Monday, May 2 and ended Saturday, May 7, which was longer than expected because the district's supply wells had to be turned on to refill the storage tanks due to usage. The pump test stabilized at 150 gallons/minute on Friday, May 6. All necessary data was collected by May 13. The data analysis and draft report should be ready in June, when discussion of the preliminary design and pump systems (submersible or vacuum) will be discussed, including the on-going maintenance required for each type. Approval is anticipated for August and installation for fall. It is possible to use the new water source on an emergency basis if anything happens to the dug well field prior to final approval.

The dug wells must be decommissioned and a licensed well driller must oversee the closure.

They don't all have to be closed at once, but can be phased out as staff has time to do the work. Completing the work in-house could save more than \$70,000.

Ms. Rzasa will return for the June 15 meeting, but will send a PDF summary of the report prior.

FIELD: Operator Worthen said they are continuing to look for a small leak in the area of the Snow Hill booster.

FINANCIAL REPORT:

1. The second SRF disbursement has been submitted for \$54,000, which will replace operating money used for the project. The funds usually take two to four weeks to process. Current balance is \$36,000.
2. The annual audit is 70% complete. Still pending are the trustee balance reconciliation and the addition of the repaired Anderson Pond Booster Station money from 2007. The next DRA required form is the MS-35 (balance sheet) due on Sept. 1.
3. Expenses are ahead of revenue this early in the fiscal year, though things will balance out at the end of June with the billing and upcoming tax money. The billing was \$124,000, and to date VDE has received \$32,000.
4. DM Weber will send by June 1 the tax payment request letter for approximately \$240,000 to the Town of Grantham.

5. Bills have been sent and DM Weber will have a report on collections at the June meeting. VDE carried \$2,800 into May, which is 0.1% of the annual water usage revenue.
6. From March through May 12, 45 seasonal service connections have been turned on, which is in line with the 62 estimated.
7. Fuel costs are up. It appears that VDE has used more than half the gasoline budget in first quarter, but DM Weber explained that he pre-paid \$400 to get ahead of Irving's billing cycle. Also contributing to the fuel usage was vehicle idling during cold weather work; plowing and use of the backhoe to push back snow; and mileage for attending classes.
8. Mains were fixed on Fernwood in January and Shore Drive in February.
9. Fifty-five percent of the propane budget has been spent, which was attributed to a \$900 expenditure for a power outage, unusually cold temperatures this winter, and a lack of insulation in the building at the well field. VDE prebuys propane but bills it to the budget as it's used.

MANAGER'S REPORT:

1. Overall water pumped for April is higher than the same time a year ago. However, after adjusting for the bleeds and the two leaks repaired in the middle of the month, the rate is below average.
2. During the pump test, the Hilltop tank was filled to overflowing and it was noted that the seal between the top of the wall and the concrete roof leaked water out at a fairly high rate. The seam/joint area will be pressure washed and sealed from external intrusion at an estimated cost of \$500. The tank is not leaking under normal usage. The CIP started for the maintenance of the tanks this year will probably be used for a liner system in the future. The divers filmed the tank at the last cleaning and a comprehensive report did not indicate any structural issues, but a core sample of the concrete may need to be taken to make sure. DM Weber noted that, in the event of an emergency, the district does not have enough water storage to meet the average daily demand for 48 hours.
3. The replacement of two 80-gallon pneumatic tanks at Anderson Booster station and the repair of the leak on Forest Road have decreased the run times on the pumps by nearly half. These were not budgeted items, but the payback will take only two years. The cost of the tanks was \$1,100 and in-house labor was used to install them.
4. All reports have been submitted for April.
5. There was some discussion on the specific yield on well 6. Operator Worthen said it was surged April 2010 and is due to be done again. Well 6 has a problem with clay. DM Weber will check the diminution from prior years to see if it is in line or decreasing faster.

OLD BUSINESS:

1. DM Weber said the initial "worst case" estimates for install a radio read system for meters is approximately \$308,000. Commissioners need to look at how the project

would be financed and phased in if the district proceeds. Commissioner Fairweather, Treasurer Wright and DM Weber will meet to do financial planning, including metering, new building/office space and the Fernwood water main. They will take into account money that is in the various trust funds.

Old business will continue later in the meeting.

NEW BUSINESS:

1. A customer has formally requested a reduction in his bill, which was much higher than normal because his water heater failed. The bill total was \$1,700. The home was vacant and the issue was found by a VDE operator. The commissioners said the water should have been turned off prior to the homeowner leaving. Forgiving a water bill caused by a leak has not been done and doing so now would set a precedent. The commissioners agreed to allow the customer to pay off the bill over 18 months. DM Weber will send a letter.
2. DM Weber said there are several customers who still do not have backflow devices installed in their homes as required by the state. Most are either in foreclosure or the homes are shut up and not actively used. However, one customer who lives in her Eastman home has received a certified letter indicating she needs to have a backflow device installed, and, although she has called the office to ask questions, she has not taken action.

Commissioner Wood made a motion that the commissioners direct District Manager Weber to send a return-receipt, registered letter to the customer who is resisting the installation of a backflow preventer, and within 30 days of proof of receipt of the letter, the customer must provide evidence that the backflow preventer has been installed. If proof is not received, the district will turn off the customer's water at the curb. Water service will be restored following receipt of such evidence. Commissioner Fairweather seconded the motion. Unanimous approval.

3. Treasurer Wright and DM Weber have updated and edited the emergency response binder. Treasurer Wright offered some recommendations. Everyone will bring their binders to the meeting in June or July to have updated pages inserted.
Treasurer Wright said the emergency response plan does not address any type of emergencies at the main office. There are some fireproof and fire retardant filing cabinets, but what files or information stored in the office are required to keep the office operating? Are there backup files outside the office, one a website or a server in a different location? Commissioners suggested having billing records, the ability to send bills and basic financial ledgers backed up. DM Weber said he is starting the process of scanning documents. Any reports or information sent to the state is obviously available off site.
4. The final phase of the valve replacement project has not been started as planned because of the pump test. DM Weber said he is trying to tie the work in with ECA projects. Valve replacement will begin again May 31, starting with the paved roads.

5. In response to continued comments from plumbers about prior water quality issues, DM Weber will send letters to a half dozen plumbers about the improved quality of water being distributed by VDE.

OLD BUSINESS (continued)

1. Distributed chart with operating expenses. Large number of truly unaccounted for water.
2. Commissioner again began discussion of the rate structure and possible restructuring. The current breakpoint for the higher rate is 60,000. The last rate increase was approved in Feb. 2009 and was effective on the Nov. 2009 bills. DM Weber presented a spreadsheet of water usage data for the past five years. Commissioners said they would like to change the rate structure so usage fees are more related to the day-to-day operations and costs of providing water, while the taxes collected were related to capital costs and needs. Currently, usage pays only 40% of the operating budget. Commissioners said usage fees should be shifted to those who use more water, but commissioners also noted that they have to take into account the demographics of each household and how large families may be affected by an increase. They also noted that the state's impetus for rate increases is to encourage conservation, in which case higher water fees tied with increased water conservation would total less revenue. Discussion of this issue will continue at future meetings.

The meeting was adjourned at 10:13 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lorie McClory". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Lorie McClory, Clerk