

Village District of Eastman  
Commissioners' Meeting, March 21, 2012  
Public Session, Final Minutes

In attendance: Commissioner Duncan Wood, Commissioner William Sullivan, Commissioner Robert Fairweather, Treasurer David Wright, Deputy Treasurer Bernard Conroy, Moderator David Miller, District Manager Bill Weber, Office Manager Amy Lewis, Water Operator Neil Perez and Water Operator Josh Worthen.

The meeting was called to order at 8:05.

The Commissioners reviewed the Warrant Article as written for the Annual Report to determine who was going to present each Article to the voters. Commissioner Wood expressed concern about there being no District Clerk on the ballot; current Clerk Lorie McClory will be taking the minutes of the Annual Meeting, and if there is no write-in candidate after the ballot vote, the Board of Commissioners could appoint a District Clerk if necessary.

Moderator David Miller asked for a list of the Supervisors of the Checklist so that those individuals could be acknowledged prior to the meeting.

Operators Neil Perez and Josh Worthen will be available to help in setting up the conference room at the South Cove Activity Center.

There was a brief discussion regarding the length of time required for the polls; they must stay open for two hours from the start of the meeting. The scheduled start is 7:00PM, so the polls will be closed no earlier than 9:00.

MINUTES:

Commissioner Wood indicated that he would like changes to be made to the public and non-public minutes from February 15, 2012; the non-public changes will be made in a non-public session. For clarification purposes, some language was changed in the draft minutes at the requests of Commissioners Wood and Fairweather. Commissioner Wood moved to accept the minutes as modified; Commissioner seconded. The motion was passed unanimously.

FIELD:

Operator Perez stated that there is an ongoing leak behind the plant which occurred with the first over-pressure problem. The operators would like to have the SRF contractor, Halliday Pipeline, dig down to the water lines to help detect the leak. The concern is that if the leak grows, all pressure from the wellfield will drop. DM Weber stated that there is not enough money left in the SRF fund to add any more work to the existing contract with Halliday, due to prior change orders. Commissioner Fairweather asked if it could be done outside of the SRF and be a contract solely between Halliday and the VDE. Commissioner Wood asked why we couldn't use the district's backhoe; the operators would like a third person assisting, plus Operator Perez does not believe the VDE's backhoe is large enough complete the job. The water line is about 6 feet deep. Based on the findings with the last leak fix, Operator Worthen would like to have a machine large enough to move a thrust box if necessary; does not think the District's backhoe would lift one. Commissioner Wood's concern is finding a major break instead of just a leak once a hole is opened; it is something that needs to be fixed sooner rather than

later. The frost should be out of the ground in the next couple of weeks, which will allow for easier access. The operators suggested Halliday because the equipment and personnel were on-site already, but the excavator no longer is there. DM Weber asked that the operators contact Brian Hastings to begin the repair. The operators know the general area of the leak and are fairly confident that the issue is with a joint. Commissioner Wood would like to ensure that any parts that could be needed be available on-hand so that the system is not down any longer than necessary. He would also like to not do anything in haste. In the case of a water emergency, it will be possible to bring in heavy equipment based on conversations between DM Weber and Tim Smith of the ECA Maintenance. The operators also brought up the possibility that the leak is under the building. As there is no water visible on the ground, they will begin detection at the last leak site and work outward from there. DM Weber would like the operators to contact Hastings to find out when the work can be done and he will make arrangements with Tim Smith.

Operator Worthen took a moment to thank DM Weber and Commissioner Fairweather for the procurement of the used golf cart, which will be used for the meter reads. He also shared that he and Operator Perez attended the Upper Valley/Lake Sunapee Planning Committee last Wednesday which was hosted by EPA and New England Region 1. This was an energy conference /round table discussion to share ideas on how to conserve energy and reduce consumption. The DM's idea of installing solar mounts on the decommissioned well heads could be used in a "buy-back" program offered by PSNH, where the utility purchases extra electricity from private suppliers.

#### FINANCIAL:

DM Weber explained that the VDE is in pretty good shape as far as Accounts Receivable.

The new check valve and static mixer have been installed; the costs for both came in less than what was originally estimated.

There is a trust fund reimbursement request that DM Weber would like to submit to the Trustees in time for the next meeting April 10. The attached spreadsheet, Exhibit A, outlines the amounts requested from the respective accounts and shows the balances remaining. The Commissioners reviewed the spreadsheet with minimal questions. Commissioner Wood moved that the Board request the Trustees of the Trust Fund to transfer funds from seven identified funds to our operating fund, for the amounts shown on Exhibit A, dated March 19, 2012, for the purpose of reimbursing the District for capital funds expended through the date shown on the spreadsheet, for a total request of \$32,503.38. The motion was seconded by Commissioner Sullivan and was unanimously approved.

Commissioner Wood inquired about Item 6 on the agenda: the potential of the VDE accepting credit cards as a payment form. Office Manager Lewis outlined the rates and provided examples of potential costs incurred should the payment form be accepted. Exhibit B attached outlines the process and shows the pros and cons about implementing such a program. Accounting for a new payment procedure would be no different than what is currently in place. There was discussion over how to recoup some of the costs that would be incurred by accepting credit card payments. Commissioner Fairweather believes it to be a forward-looking idea and asked for more time to entertain the pros and cons. The Commissioners asked that the issue be tabled and readdressed at the next meeting.

On the Summary sheet, Commissioner Wood asked about the jump in wages against the budget. DM Weber explained that there was an unscheduled payroll for the previous office manager's vacation buyout. Commissioner Sullivan asked for an explanation to the Office Expense line, to which DM Weber answered with a small list of capital purchases for the office as well as the fluctuation of general office

supply needs. Regarding the line item referencing the Potassium Permanganate, the purchase shown is greater than the budgeted amount but the District will not need to replenish supply for approximately four years.

Treasurer Wright mentioned that he and DM had spoken about power wholesalers; buying electricity from a private source rather than from PSNH would save the district electricity costs. He asked that the Commissioners give the go-ahead to do further research. DM Weber will put together some rough numbers for analysis and would like to move forward on the project.

#### MANAGER'S REPORT:

The filter media will be topped off on Tuesday, March 27.

Tata & Howard have received the pump curves as requested, and they are reviewing the data on the unattended backwash procedures performed at night.

The control upgrade for the communications software has been set up with LCS Controls, and will be part of the SRF project.

#### SRF UPDATE:

The bacteria sampling came back negative.

The site needs to be cleaned up; Halliday has left the site for 2-3 weeks but will return for the final stage of the project. Trenches need to be put in around the building for the lightning protection, and the field needs to be loamed and seeded.

Tata & Howard want the VFD installed on 1B and new tests run. They have concerns about how the data was collected with last Friday's tests and would like the well installer to perform new tests once the VFD is installed. The new pumps work fine as a stand-alone source, but once flow from Sources 5 and 6 are introduced, the flow decreases to below specifications. Tata & Howard engineers are researching.

Operator Worthen asked for permission to work as a sub-contractor to Halliday on a Saturday in order to complete the landscape raking requirements as outlined in the contract. Commissioner Fairweather did not see any issue as long as there is no conflict with his primary employment at the Village District.

#### OLD BUSINESS:

Commissioner Wood asked for a draft of the letter intended as a response for the NHDES as the language of the letter must be crafted carefully. DM Weber has a draft partially created and will forward it to Commissioner Wood for review.

The VDE is currently at \$363,000 to date with the SRF funding; the projections are \$478,000.

#### NEW BUSINESS:

DM Weber will provide Commissioner Wood with a draft of the letter to the NHDES (above).

The contract between the VDE and Tata & Howard for the project oversight was never signed. Commissioner Wood would like the contract signed with the caveat that the Commissioners are very concerned about the problem with the pumps, and would like the issue resolved immediately to set minds at ease. Commissioner Sullivan indicated that he would like to get more information regarding

the pump before signing an additional contract; the scope of work covered by this contract would have been completed regardless of the pump issue. Commissioner Wood asked that the contract be signed as-is as long as the Board's concern was relayed to the engineers, and that payment on the contract will be deferred until the ongoing issues are resolved. The contract was signed by all Commissioners.

Commissioner Fairweather commented favorably about the redesigned website, stating that it was very easy to maneuver through and provided a good amount of information.

Discussion was begun on the Report to the Commissioners regarding the Eastman Sewer Company (ESC) evaluation. Treasurer Wright asked if the idea of the potential transfer of responsibility had been publicized; DM Weber said that the ESC is waiting on the VDE's decision before moving forward on any activity. Treasurer Wright would like the ESC/ECA to go public with the problem in order to determine the best solution; input needs to come from the community. DM Weber asked about the possibility of there being a co-op formed specifically for the condo association. Commissioner Wood stated that the advantage of going to a municipality is the funding/bonding options that become available. He also would like the ESC to provide an explanation as to why an individual district would not work before the VDE expands its scope to encompass the sewer company. There is no financial benefit to the VDE to absorb the ESC. Commissioner Sullivan added that the problems facing the ESC did not happen overnight. Commissioner Fairweather made the motion to instruct the DM to inform the ESC that they need to demonstrate why a separate district/municipality is not a viable option; furthermore the ESC and the ECA need to involve the community in the solution, with all alternatives being considered. The motion was seconded by Commissioner Wood and was unanimously approved.

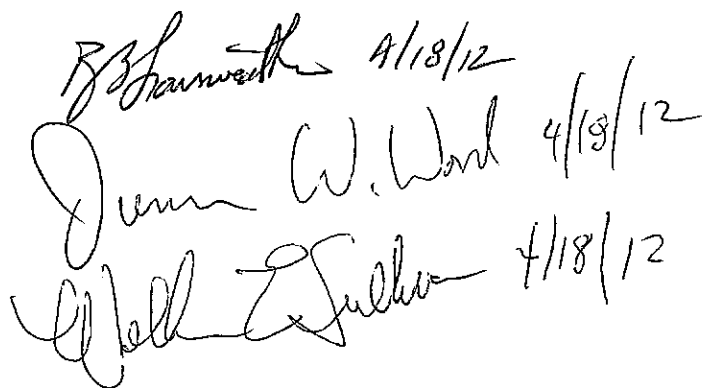
A quick break was taken, and the Commissioners moved to go to a non-public session at 10:15.

The Commissioners returned to public session at 10:25, and the meeting was adjourned.

Respectfully submitted,



Amy Lewis  
Office Manager  
Village District of Eastman



B. Fairweather 4/18/12  
James W. Wood 4/19/12  
Walt E. Sullivan 4/18/12

The Board of Commissioners was presented with the following spreadsheet, Exhibit A, which summarizes the total reimbursement request for the Trustees of the Trust Funds for the Village District of Eastman, the total amount of which is indicated in bold. The motion was made and seconded to submit the reimbursement request.

Exhibit A

Request Submittal Date: 3/19/2012			
Fund Name	Capital Amount Requested	Balance of Capital Account	Capital Remaining
Inventory	1,852.68	7,609.27	5,756.59
Alternative Energy Audit	0.00	2,503.63	2,503.63
Building Maintenance	1,795.82	3,748.16	1,952.34
Computer Software Upgrades	4,384.55	4,309.05	-75.50
Filter Media Fund	6,788.04	30,199.27	23,411.23
Generators and Pump Fund	8,076.09	16,238.51	8,162.42
Meter Replacement Fund	0.00	2,379.84	2,379.84
Office Building Fund	0.00	28,315.02	28,315.02
Office Equipment Fund	1,154.93	15,279.13	14,124.20
Security Improvements	0.00	8,632.45	8,632.45
Storage Tank Repairs	0.00	5,001.41	5,001.41
Vehicle Replacement	0.00	26,269.06	26,269.06
Water Audit/Leak Survey	0.00	10,029.02	10,029.02
Water Mains & Valves Fund	15,518.25	36,127.34	20,609.09
Water Treatment Operations	0.00	9,027.15	9,027.15
Well Explore/Development	0.00	8,058.89	8,058.89
Well Renovation Fund	0.00	3,247.13	3,247.13
Total:	<b>\$39,570.36</b>	\$216,974.33	\$177,403.97

CD & Savings Amounts			
Water Mains & Valves, LSB CD			150,000.00
Meter Replacement & Backflow, SRB CD			10,326.02
Vehicle & Equipment Replacement, SRB			10,291.62
Well Renovation, SRB CD			5,162.99
Allen's Drive Upgrade, SRB			1,005.02
Total:			176,785.65
Grand Total, Funds & Savings, after Disbursement:			<b>\$354,189.62</b>

## Exhibit B

### Potential Credit Card Processing for the Village District of Eastman

East Commerce Solutions, Inc. via Lake Sunapee Bank

#### Rates:

- Per each qualified transaction, 2.15% plus .19 transaction fee
- Monthly fees: Customer Service Fee and PCI Compliance (security) Fee, \$18.50
  - Monthly minimum fee of \$25 waived; we will only pay the transaction fees plus the \$18.50
- There is no charge to reprogram the credit card machine in the office.

#### Examples:

From January 16 to present, 5 customers have asked about cc processing for bill payment. The average bill for this time frame is \$119.18. Five charges of \$119.18 would incur a cost to the District of \$2.56 plus .19 each, which would be a cost of \$2.75 for each of the 5 transactions, \$13.75 total. We would receive \$582.15 rather than \$595.90.

The AR received from 1/16 through 3/20/12 is \$6,078.23; \$595.90 is 9.8% of monies received. The total amount billed out in November 2011 was \$156,854.93; 9.8% is \$15,371.78. The cost to the VDE would be \$330.49. If 9.8% of the total customer count was taken, 143 customers could potentially take advantage of the cc payment option. This count multiplied by the per-transaction would add approximately \$28 to the initial cost, for a total charge to the District of \$358.49.

The 2012 projected non-tax revenue is \$336,800; 9.8% of this figure is \$33,006.40. The cost to the VDE would be \$709.63. This is an average of \$59.13 per month in fees. If the customer count from above was factored in, and figuring on two payments each, the transaction fee added to the initial fee would be \$56. The annual total for the service and PCI fees would be \$222; the grand total including the transaction and associated fees would be approximately \$988.

#### Pros:

- Collect money faster
- Fewer liens?
- Would provide a base to start accepting payments via the website or PayPal; demographic in the community would drift toward this.
- Based on the quantity of transactions, the rate could change in our favor after 1 year
- No monthly bank charge because the VDE is already a LSB customer

#### Cons:

- Cost: this is a non-budgeted expense for 2012; where will the \$1000 come from?
- Cancellation fee: within 1 year, the fee is \$100 to East Commerce and \$295 to Elavon, which is the actual processor. Between 2-3 years, the cancellation fee to Elavon is \$195. The District would be locked into the program for at least 3 years.