

**Village District of Eidelweiss
Water Advisory Board
Minutes of 4/12/2010 Meeting**

The Water Advisory Board met April 12, 2010 in the District Office. In attendance were Board Members Mike Smith, Ralph Lutjen, CP Smith, Peter Craugh, and Art Tucker. Also attending was Commissioner Gloria Aspinall. The meeting was taped by videographer Tim Hughes.

At 5:00 pm Chairman Mike Smith called the meeting to order.

Agenda

Ralph Lutjen makes a motion to accept the agenda as distributed, CP Smith seconds the motion and the motion passed.

Minutes

The minutes of 3/22/10 were reviewed. **Art Tucker makes a motion to accept the minutes as presented, Art Tucker seconds the motion and the motion passed.**

Old Business

Mike Smith reminds the WAB that only one person should speak at a time. Multiple persons talking makes it difficult for those watching to follow. Please be mindful of each other.

Peter Craugh questions the status of the SCADA system. Mike Smith reports that the upgrades to the pump houses are approximately 60% complete. The water crew will be working 3 days a week for the next couple of weeks to complete. It is expected to take 6 weeks for the ICS team come in and install that portion. The transducers are in.

New Business

Art Tucker presents information and a slide show on assessing vacant lots. He opens the presentation with the statement that operational expenses are not to be included, the assessment is aimed at capital improvements and is an alternative finance option that he feels should be pursued. He broke down the vacant lots from the water users and based the presentation on 446 vacant lots on Class V roads currently in the District. He reviewed the 2005 Master Plan and came up with over 600 expenditures totaling over 1 million dollars of improvements that are needed. The tie in fee of \$8,000 was recommended, but he does not think it will gain the District the funds needed for the projects. His calculations show that the vacant lots have paid only 0.043%, or \$811. total. Peter Craugh informs Art that the two large lots within the District are under current use protection for taxes and would not have to pay the assessment. Art continues his presentation. Most lots are small and would not receive approval for a

well. Improvements must be done to the system and a fair and equitable manner of distributing costs needs to be found. Funding through the tax base 100% is not equitable; taxing raw land only is still disproportionate; the fee base to current users still falls disproportionately to homeowners. He has based his information on the conclusions that current users should pay for operational expenses and the landowners can contribute a reasonable share towards major improvements. A slide outlining a 50/50 split of the budget as operations v. capital improvements is shown. Ralph Lutjen questions justifying 50% of the budget as capital improvements when there have been no real capital improvements done in many years. Art Tucker responds that any improvement or repair expected to last more than 1 year can be considered a capital improvement. He continues with the statement that the water system exists, and therefore it is a benefit to the vacant lots and they should contribute. He sees it as allowing building upon these lots as most are too small for wells. Ralph Lutjen does not agree that 50% of the budget is capital improvements and reiterates that no capital improvements have been done in the last few years. He states that the slides are based on gross approximations, not factual data. Art Tucker responds that he is using the data available. He continues with the statement that the system is alright for current users. The upgrades in the Master Plan benefit the vacant lots that may use the system in the future more than the benefit the current users. Peter Craugh informs Art that the Master Plan was developed for current users to be adequately served, not for expansion. He also informs Art that an old data sheet was used and that more current information is available. Art Tucker completes the presentation with an outline of how he perceives the assessment would work: less than 2 acres \$100; 2-3 acres \$200; 3-4 acres \$300; 13-14 acres \$1,300; 25-26 acres \$2,500. He states he used the 2 acres as the beginning point to not penalize multi-lot owners and to encourage merging of lots where feasible. Gloria Aspinall questions if this has been reviewed by the attorney and is told no. The attorney will need to review. Peter Craugh questions Art on why vacant lots only and is told that the users have covered all costs for the last three years. All lots benefit, and therefore should contribute. Peter then asks about Class VI roads with water lines and is informed that Art was unsure which Class VI roads had lines and could or should be included. Mike Smith asks what would happen if a lot has paid this assessment and then is denied a hook up based on the available pressure. This would have to be looked into. Peter Craugh adds that whatever fund is built, it cannot be arbitrary for expenditures. Gloria Aspinall mentions a flat \$50 to all as an assessment and Art responds that he feels that would still leave the burden with the homeowners. He is looking for a legal build up of the capital reserve. CP Smith adds that lots on Class VI roads should be looked into and assessed as well because every house added increases the requirements of the system. He emphasizes the importance of the Master Plan. He states that he would not object to paying an extra \$100 for his extra lot, but does not want to see continual uncontrolled increases to the user fee. Peter Craugh states that many persons within the District own separate lots and have kept them separate intentionally. CP Smith advises that if he merged his lots, the tax base would be the same as adding the two separate bills. No motive to merge. Gloria Aspinall advises that she feels people may sell lots to not pay and green space would be lost. Peter Craugh agrees and advises that this proposal could have a back lash effect and cause selling off of lots, potentially to builders - or build themselves.

Peter Craugh asks if any investigation has been done on collection and is informed that the RSA would allow liens for non-payment, but billing would have to be done in this office. Ralph Lutjen points out that \$100 assessment on a small lot would be a very big increase in the current costs of owning that lot. From the beginning, the lots have paid in for services they don't use. The District has incurred no cost because these lots exist. CP Smith questions about when the lot is developed and hooks into the system. Ralph Lutjen responds that every hook up is calculated independently, if the hook up will cause degradation of service to another user on the line, or the pressure is not adequate at the sill of the house hooking up, then the request is denied. Mike Smith outlines last summer's denial for pressure reasons on Aspen Drive. Peter Craugh adds these calculations are done as if all houses on the line are occupied at all times.

Mike Smith suggests the information be reviewed by each member and discussed further at the next meeting. **CP Smith makes a motion to revisit the assessment option, Art Tucker seconds the motion and the motion passed.**

Mike Smith informs the Board that Laconia Savings Bank is an option for financing the bond for the Jung Frau to Reinach Forced Main Water Project. Dinah Reiss (Treasurer) was at the Commissioners meeting today with that information. An option as to available internal funding of the water portion of the payment has been developed just in case the bank denies the loan. He continues with an update on a discussion with Paul Fluet (engineer) on as built drawings. Paul has suggested contacting Ron Briggs to have these developed. Mike informs the Board that the budgets will have to be reviewed once a cost estimate is known. Paul suggested Briggs as someone who can GPS the lines and is a registered surveyor. Peter Craugh states that GPS may not help in the field as they would not have the equipment available to locate the coordinates. The number of feet from a telephone pole or a house number would be needed. Mike Smith continues summation of the call with Paul Fluet with the information that Paul has recommended to forego an energy audit and recommends insulating the pump houses and updating the heating. Mike Smith states that he would like to move forward with the design of the pump house upgrades and allow Paul to go forward with the engineering and the drawings at a cost of \$17,000. The money will come from this year's budget. **Ralph Lutjen makes a motion to recommend to the Commissioners to pursue the engineering, drawings and specifications for the pump house upgrades, CP Smith seconds the motion and the motion passed.** Gloria Aspinall questions if they are sure propane is cheaper to heat the stations than the current electric system and the answer is yes. Peter Craugh questions if it is possible to insulate the tanks as that area gets heated as well. Mike Smith responds that the tank at Reinach will be underground, there will be no need to insulate it. CP Smith adds that he has had discussions with the companies that do the directional drilling. Both would be willing to come to a meeting and discuss the options and possibilities.

At 6:45pm Peter Craugh makes a motion to adjourn, Art Tucker seconds the motion and the motion passed unanimously.

Respectfully submitted,
Nancy E. Cole