

**Village District of Eidelweiss  
Water Advisory Board  
Minutes of 5/17/2010 Meeting**

The Water Advisory Board met May 17, 2010 in the District Office. In attendance were Board Members Mike Smith, Ralph Lutjen, CP Smith and Peter Craugh. Also attending were Commissioners Gloria Aspinall and Art Tucker. The Board of Commissioners were in joint session. 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 4/12/10 were reviewed. Ralph Lutjen deletes an irrelevant line from page 2. **Peter Craugh makes a motion to accept the minutes as amended, CP Smith seconds the motion and the motion passed.**

**Old Business**

Mike Smith informs the Board that the water rate for 2010 has been set at \$415.00. Mike discusses the Reinach Tank Project. Paul Fluett was requested by Rick Skarinka of NH DES to add a disinfection line. This has been done and the drawings are being resubmitted and approval is expected from the State. The pump house upgrades are going good, only the DPW yard is left. Peter Craugh questions how operations will be handled once the SCADA system is installed. He discusses the need for procedures and responsibilities to be outlined. Mike Smith adds that Scott Hayes, water system operator, should be involved. Peter Craugh agrees that Scott should be involved and discusses the need for alarm protocols to also be established. Who gets first call will need to be determined. Ralph Lutjen questions the alarms and Peter outlines that certain items will be alarmed for early notification of potential issues. Peter outlines the coupling failure at Muddy Beach of last week. Ralph Lutjen questions if this will be programmed into the software and Peter responds that this needs to be looked into further and discussed. Mike Smith adds that the pump house temperatures, float status, on/off status of pumps, tank level, and number of gallons will all be measured with the new system. Some will be alarmed as indicative of a potential leak. Peter Craugh adds that the procedures will need to be developed prior to final installation. Mike adds that this will be discussed further and a protocol developed. Peter questions the lack of meter readers to be used in the future. Sometimes, the physical check gives the answer to certain possible issues. Gloria Aspinall adds that the sodium bicarbonate will still need to be checked and filled, and that the pump houses may need to be checked on weekends when no one is reading the system. Mike Smith adds that the

Board of Commissioners will determine those needs. Mike informs the Board that the Jung Frau to Reinach Forced Main Water Project has been funded. The bond was obtained from Laconia Savings Bank. The contracts for the pump house upgrades have been signed and sent to Paul Fluet. Ralph Lutjen questions if a bid package has been produced for the Reinach Tank and is informed that the specifications will be developed once State approval has been received. Ralph questions if when the Reinach Tank will be going out for bid. Mike Smith responds that he would like to bid the pump house upgrades first to establish the cost. He would like to have only one major project at a time. CP Smith adds that it could be put to bid to establish the price estimate. Mike reiterates that the pump house upgrades need to be done first. Ralph Lutjen cautions that if the bid package waits, there may be a time constraint. CP Smith discusses the projects being done together, the pump houses and the tank. It could be made into one bid package. Ralph Lutjen adds that since one is dependent upon the other it could be considered the same project.

### **New Business**

Mike Smith announces that Art Tucker has resigned from the Water Advisory Board. A new member has been advertised for.

Ralph Lutjen reviews a financial plan. He discusses the feasibility of the District to consider borrowing over 1 million dollars. Data can be used to calculate out the dollar amount of capital projects to be considered. He has tables which are set out to show the exact dollar amount the payments would be each year. He suggests going to the State for financing to avoid the cycle of getting a project worked on, approved, and then denied for failure to finance. Financing from the State could lock in the money so that the District has the approval. Future users hooking in pay for approximately 20 years of water usage fees via the hook up charge. Peter Craugh adds that this could protect people who move out as well by not charging them large water fees to cover a bank loan payment. The State could be applied to first, funding authorized and then the voter approval for the project would happen at the annual meeting. Peter questions if you can get a large dollar commitment from the State and draw from it over a few years. He discusses the need to not have too many projects at once. Peter also asks if the State has rescheduled the meeting cancelled last winter and is informed the last update was the State would schedule within one month. Mike Smith questions at what point would the District go to the State. The State requirements are as stringent for project approval as the Federal requirements. Ralph Lutjen adds that he does not know if the Reinach Tank Project specifications are being drafted in a manner accepted by the State. He suggests taking the highest priority projects, grouping them together, and go to the State for funding. Group projects in that manner going forward as well. The Master Plan should be revisited, projects grouped and proceed. Too much time is being spent on back and forth with no progress. Gloria Aspinall mentions that on June 4, the Commissioners will hold a public forum to gain input from the people on water system financing. Ralph Lutjen states that the Commissioners should have a position on the proposals prior to the meeting. He objects to the plan by Art Tucker and knows others who do as well. Gloria Aspinall responds that she would like to see all

information put out without preconceived notions of approval. She would like to know if the Water Advisory Board recommends the proposal or not. Ralph Lutjen reiterates that he believes the Board of Commissioners should have a position and reasons for that position and then have public dialogue. **Ralph Lutjen makes a motion that the Water Advisory Board reject Art Tucker's proposal, Peter Craugh seconds the motion.** Mike Smith opens the motion for discussion. Discussion ensues, for and against the proposal. Mike Smith adds that at the June 4 meeting it should be made known that all proposals are in exploratory stages. Additional discussion ensues. **The motion is called to the floor for a vote: 2 for, 2 against. Motion fails.**

Mike Smith discusses a 50/50 option - taxes/water fees. This is based on the split determined at the Annual Meeting. He would like to earmark monies for the capital reserve fund and then match that amount with a deposit from taxes. Monies collected from the water billing above the budget amount and unexpended budget dollars at year end would be the water user fees deposit, and then match it via warrant article from taxes. Peter Craugh questions additional monies billed above the water budget is informed that late fees, bank interest, and an administrative charge added to cover delinquencies. He questions if this money would come be in the General Fund at year end and is informed it will remain in the Special Revenue Fund when established next year. For this year, it will be in the Restricted General Fund and only eligible for use on the water system - it does not mix with the tax money within the General Fund. Ralph Lutjen questions if the intent is to build the water system crf with a mix of water user fees and taxes. Mike Smith responds that the voters wanted this split and this accounts for it. Art Tucker questions if this will quickly build reserves and Peter Craugh states that it will if the money is allocated. Gloria Aspinall outlines the establishment of the water usage fee and the administrative charge added. CP Smith adds that if the water rate had been left at \$450, the build up could already be starting. Peter Craugh discusses adding a Capital Reserve Fund deposit as a line item on the water budget, however is informed that the DRA requires a warrant article for Capital Reserve Fund deposits. Discussion turns back to the payment schedules provided by Ralph Lutjen earlier this evening. CP Smith questions if a better interest rate can be obtained with a larger dollar amount requested. Ralph Lutjen adds that it is not just the interest rate, but number of years the financing is for which determines the payments. He adds that the projects need to be defined via the Master Plan in order to truly determine what is on the table for money needs. The plan should be able to be described and funding options should be outlined. Art Tucker suggests that an option may be to make the bond payments from the Capital Reserve Fund to get the projects done. The reserve could be built up, even if slowly. Gloria Aspinall adds that on June 4 education should be emphasized so as to avoid changes on the floor to warrant article funding. Ralph Lutjen questions what will be presented by the Commissioners at this meeting. Gloria responds that an agenda has not been developed yet. Ralph questions if Art's proposal will be discussed and Mike Smith responds that all proposals should be put forth. Ralph Lutjen informs the Commissioners that he believes that the Board should have a position before going to the voters as they did the evaluations of the proposals. Gloria Aspinall adds that the Board is willing to have the open forum for discussion and input from the voters before making a determination.

The next meeting will be Monday June 14, 2010 at 5pm.

**At 6:30pm Peter Craugh makes a motion to adjourn the meeting, Ralph Lutjen seconds the motion and the motion passed.**

Respectfully submitted,

Nancy E. Cole