Waterville Estates Village District

562 Winterbrook Road Campton, NH 03223
Phone: (603) 726-3082 | Fax: (603) 726-8611

Waterville Estates Village District

March 2, 2022 Commissioners Meeting APPROVED Minutes

Attendees: Commissioners Maureen Patti, Gerry Panuczak, and John Herlihy (arrived at approximately 6:10 PM), Interim General Manager John Scruton, Financial Administrative Assistant Allison Smith, Harry Bertino.

Attendees via Zoom: Assistant General Manager Judy Kinney, Clerk Ryan Timms, Treasurer Rob Diefenbach, Craig Engel

Call to order: Chair Patti called the meeting to order at 6:00 PM

Roll Call of Commissioners: Ms. Patti, Mr. Panuczak present at the Summit Lodge. Mr. Herlihy was on his way at the time of the beginning of the meeting and joined the meeting at approximately 6:10 PM.

Approval of the Agenda: Ms. Patti noted that there were two additions to the Agenda as follows: item 11.e – new hooks for locker rooms, and item 11.f regarding NHMA Training. Everyone else agreed with Ms. Patti.

Approval of Minutes February 16, 2022

Approval of minutes was tabled to March 16, 2022 meeting.

Commission signatures on Water Collection Policy and Lot Merger Policy

Ms. Patti noted that once Mr. Herlihy arrives, both policies will be signed.

Treasurer's Report

Mr. Scruton provided a brief summary, indicating the balances and current water invoices collection rates. Mr. Panuczak made a motion to approve the treasurer's report and Ms. Patti duly seconded and motion passed with a 2:0 vote in favor.

Interim GM's Report

Prior to Mr. Scruton's presentation of the IGM report, Ms. Patti read into the record a description of the proposed 2022 Municipal Operating Budget and the tax rate increase it will produce (Warrant Article 2) as follows:

"Dear Waterville Estates Owners:

Your Waterville Estates Village District Commissioners are taking this opportunity to describe the proposed 2022 Municipal Operating Budget and the TAX RATE INCREASE it will produce. (Article 2)

In the interest of transparency and candor, we have prepared this summary of how and why the proposed budget for maintaining & operating the amenities, conducting business as a small municipality, and keeping/improving the District roads has grown.

To begin, the budget format was changed to make it more readily understandable and to better reflect the costs of operating recreation for the community. The proposed budget reflects the contractual

relationship between the Waterville Estates Village District (District) and Waterville Estates Association (WEA) and corrects a practice of paying for WEA administrative services out of the Revolving Rec Fund. The District and the WEA Board have signed a new contract – the Administrative Services Agreement (ASA) – so that the Association reimburses the District for staff time, equipment and supplies used to support the administration of WEA from their operating funds and not from the Rec Fund. The Recreation Management Agreement (RMA) was also modified to provide more clarity as to the responsibilities of each entity in the provision of recreation services to our owners and guests. Please note, the changed budget format includes some items which were not included in the Municipal Operating Budget historically and are now included with anticipated offset (or revenue to the District pursuant to the RMA contract) from the Rec Fund.

Also, over the past 18 months or so, the impact of delayed and deferred maintenance of the community assets – the 36-year-old Community Center, Campton Mountain with a 60+-year-old ski lift, water infrastructure -- has been revealed as mechanical systems have failed, water service has been disrupted, and the facilities continue to decay with the passage of time and the reality of New England weather. The Commission has been openly discussing, in both newsletters and meetings, where resources need to be spent to preserve the assets, keep the water system operating, and have safe, passable roads – everything in our capacity to make Waterville Estates a special place to live.

As Commissioners, it is our responsibility to responsibly oversee/manage the expenditure of your tax revenues. Past decisions regarding spending to maintain/replace the community assets are just that, past decisions. At the 2022 Annual Meeting, the voters will be deciding on the direction of spending of tax revenue for this year. No one wants taxes to increase but we are proposing a budget which includes an increase in order to:

1. Hire and retain qualified, experienced personnel. Last year, we increased wages to be competitive and created additional full-time positions to meet the workload and make working for the WEVD an attractive career path.
2. Repair 11 secondary buildings/structures, some of which are part of the Community Center Complex, that are overdue for paint/stain/repairs to prolong their usefulness/life span.
3. Retain an environmental clean-up expert to determine how best to clean up the debris pile, winter salt/sand, and leaked diesel fuel at the Service Yard (which abuts a wetlands).
4. Clean up the Service Yard in compliance with NH DES requirements so we no longer have an illegal dumping site on District property.
5. Build and equip a Server Room and continue to replace aging computer equipment to increase both cyber security and employee efficiency.
6. Paint the ski lift towers for both maintenance and safety.
7. Replace the exterior doors on the rear, lower level of the Community Center for safety and to prevent weather and rodents from entering.
8. Continue to have pest control services to preserve our properties.
9. Repair and replace plumbing and heating lines in the Community Center to combat deterioration and deferred maintenance.
10. Upgrade our Community Center security system to reduce loss of and/or damage to District property.
11. Repair the water intrusion at the Fitness Room’s exterior door which has led to water entering a locker room.

12. Replace the outdoor freestanding hot tub.
13. Continue to replace worn furniture.
14. Replace kitchen equipment as needed.
15. Increase the funding for training and continuing education for WEVD staff including our Water Department Head securing and maintaining his water system operator licenses.
16. Increase the amount of funds needed for hiring consultants and securing legal advice/action.
17. Provide the necessary additional funds to secure/construct a Winter Sand Storage structure in light of the 3-fold increase in the cost of concrete and other building supplies.

These are some of the projects and needs which your WEVD employee Department Heads, Budget Advisory Committee, Interim General Manager, and Commissioners determined are priorities for 2022. The impact of this budget is approximately $2.03/$1,000 of assessed value. Village District voters, of course, have the authority to make modifications (by amendment) to Article 2.

When you review Article 2, it is important to note that the proposed Municipal Operating Budget includes some expenses which have historically been accounted for within the Rec Fund budget (cleaning staff, etc.). Through the newly modified RMA, there is a revenue offset coming from the Rec Fund for those expenses (75% of cleaning staff costs, 80% of trash removal for example) AND percentages of the costs for utilities to operate recreation. For example, earlier Rec Fund budgets showed a minus for recreation oversight services from the WEVD General Manager and Assistant General Manager (in 2021, $74,516). The 2022 Proposed Operating Budget (Article 2) puts the entire salary into the Operating Budget and offsets with RMA revenue to cover that portion of the GM & AGM time spent on recreation oversight.

This change in the budget format grew out of the work of the Budget Advisory Committee. The District and several of the Association Board of Directors members are engaged in discussions regarding this process. Please be advised that if the WEA Board of Directors refuses to pay the **any** of the assessments under the provisions of the newly modified RMA, the TAX RATE INCREASE could be an additional $3/$1,000 of assessed value.

Your Commission remains committed to use the funds entrusted to it wisely for the benefit of all the owners and residents of Waterville Estates. Thank you."

Then Ms. Patti answered Harry Bertino's questions about the budget and its description.

Next, Ms. Patti read into the record the explanation for Warrant Article 3 for the water budget as follows:

"Dear Waterville Estates Owners:

Your Waterville Estates Village District Commissioners are taking this opportunity to describe the proposed 2022 Water Department Budget. (Article 3) There is no impact on the TAX RATE as it is fully supported by fees.

The new Water Ordinance and rate schedule have restructured the Water Department. The 2022 water budget is designed to reflect the true costs of operation of the department with the exception of depreciation/capital improvements and administrative costs for water.

This move to funding water system operations through a rate schedule involved a great deal of time, energy, consultation with professionals, and hard work by the Water Master Plan & Roads Advisory

Committee as well as WEVD management and your Commissioners. Moving to funding the municipal Water Department through rates brought the District into compliance with NH law. Included in the Proposed Water Department Budget (Article 2) is $50,000 for the preparation of a Strategic Plan. This plan, in conjunction with the Water Master Plan, will serve as the basis for making application for grants/loans from the state and the federal funds administered by NH.
As the Water Master Plan is being developed, as our water delivery system experiences leaks, interruptions, temporary failures, etc., and as the District reviews NH DES reports regarding the needs of our residential water system, it has become clear that the WEVD Municipal Water System will need significant expenditures in the years to come. We need to expand to meet growing demand and to replace aging infrastructure. The estimated cost of these needs runs into the millions of dollars, much of it the result of years of neglect.
Four specific areas that require attention are:

1. A new well at a different location. (Our existing wells are, effectively side-by-side. A new location would reduce the risk of losing all our water if there is a problem with the source while providing greater capacity to meet increasing demand.)
2. Resolving issues with the location of the treatment plant (on the ski run at Campton Mountain which creates problems for both access and moving hazardous materials into the facility during 4 months of the year) and the corroding aeration tank as well as various pipes and valves located inside.
3. Replacing the aging Sunset Storage Tank with a new and larger tank as it acts to raise the water pressure to the southern side of Winterbrook area of the Estates.
4. Replacement of aging and failing waterlines.

Any such state awarded grants/loans are not part of the 2022 Water Department Budget. We expect to submit applications and hope to have grants/bonds for the 2023 Annual Meeting.
The proposed budget in Article 3 also includes some money for waterline upgrades.
Thank you."

1. Then Mr. Scruton went over the items in the IGM Report as follows;
   Descriptions proposed for the remaining Warrant Articles as follows:
   - WA 4 for $100,000 for various needs for heating, cooling and air exchange at the Community Center that will have the tax rate impact of this article is approximately 98 cents/$1000 of assessment;
   - WA 5 for 120,000 for the purchase of a highway truck, which does not have an impact on the tax rate;
   - WA 6 for $25,000 for Americans with Disability Act (ADA) compliance , which should have a tax rate increase of approximately 25 cents/$1000 assessment;
   - WA 7 for formal acceptance of roads by the District or Commissioners;
   - WA 8 for establishment of fees;
   - WA 9 to set the number of Planning Board members at 7;
   - WA 10 for ending a meeting; and
   - WA 1 for the election of officers, a Commissioner, a Clerk and a Moderator.

   Mr. Scruton said that these descriptions are posted in various public places as required.
2. Explanation of tax rate increase calculations.

3. Some of the hardware in the New Locker Rooms is failing and in need of replacement and some areas are not compliant with ADA code. They do not meet air exchange standards. It is important that the Commission oversee any future capital projects from beginning to end, including oversight of specifications and award to an outside vendor that agrees on being ADA Compliant. Mr. Scruton also noted that it is very important that the relevant Department heads are involved in the project at the design stages for any potential issues when they have to maintain the equipment. Ms. Patti added that the District also adopted a policy that requires that capital projects and repairs which impact accessibility for owners and guests at the community facilities must be designed in consultation with someone who is either knowledgeable or certified in the ADA compliance field. Mr. Scruton agreed and said that he just wanted to make sure that the situation where replacing a sand filter is impossible without moving the furnace does not happen in the future.
4. The heating system for this building needs serious work as supported within the budget with the $30,000 for heating maintenance. The heat went off for a day last week. The problem is accumulated sludge and air locks in the heating loops.
5. There are serious problems with the snow groomer, as it is 40 years old, and was purchased used, and is showing its age. The management estimates a used replacement is over $100,000, perhaps $200,000, but continues to make repairs, although new parts are hard to find. This is one more old item in need of significant investment to continue using the ski area.
6. Mr. Scruton said that the Proposed Sign Ordinance is on the Agenda as an item so it will be discussed then.
7. Mr. Scruton said that the Commission received a letter from the WEA Board Chair Mike Herring regarding the fact that the WEA Board would like to take over all of recreation from the District. Mr. Scruton suggested that before responding the Commissioners should request that the WEA Board provide a detailed business plan, including expenditures and revenue, to demonstrate how this proposed change in ownership of the buildings would save money.

Commission members discussed that fact that when the WEA transferred the facility to the District in 1986 by Warrant Article, it came with a significant mortgage and so far, there has not been any offer made by WEA regarding the value of the facilities. It was also noted that in recent meetings between the WEA Board representatives, WEVD Commission representative and the management, it was verbally asked of the WEA Board to provide more information besides that letter to the Commission to facilitate further discussion. There has been no such request made in writing, therefore, the Commissioners agreed by consensus that they would delegate Mr. Scruton to respond to WEA in writing, expressing concerns about a business plan and the transfer of the facility that is community owned. It was also noted that the business plan should not only show how the shortfall in revenues would be met, but also address the maintenance items that the Commission have been identified in the warrant articles discussed earlier that need to be fixed. It was noted that another consideration should be given to the fact that clarification is needed to the fact that the transfer of the facilities may trigger a change in their tax free status. Ms. Patti noted that some WEA Board members did state that there will not be any tax implications if the assets are transferred to WEA, however, she is not sure if this was based on the consultation with WEA counsel or not.

Mr. Diefenbach also corroborated that in the discussions with WEA about the transfer of assets WEA representatives never mentioned anything about buying those assets.

Mr. Panuczak made a motion that the Commission authorizes Mr. Scruton to pen the response to the WEA Board 2/21/2022 letter based on the discussion Commissioners just had. Ms. Patti duly seconded the motion and it passed unanimously by a roll call vote.

Committee / Board Reports
Ms. Patti noted that there are no written reports to review.
Planning Board.
Mr. Panuczak said the usually the Planning Board meets each third Thursday of the month, however, this March this date falls on March 17th; therefore the March Planning Board meeting will take place on the forth Thursday.
Water Master Plan and Roads Committee.
Mr. Herlihy said that the Committee met last week and that there is a pending order for the water meters. The Committee also agreed to order storage trailers for storing the water meters. Mr. Herlihy also spoke about the Committee's discussion about the next round of applications for ARPA funds for water infrastructure and its decision to retract the application, as the District is not yet ready in terms of having a list of projects that are clearly defined and prioritized. Mr. Herlihy said that after consulting with NHDES it was decided that setting those priorities is important in order to move forward. He also explained the process of how the application would be made for ARPA funds and the community would take part in the process by voting on the warrant article that would be associated with that application.
Outdoor Courts Committee.
Ms. Patti said that the Committee is working together with Vermont Recreational to schedule a walk through.
ADA Accessibility Committee.
Ms. Patti said that the Committee received the report from the consultant which related to the earlier discussed warrant article.
Budget Advisory Committee.
Ms. Patti said that the BAC had voted on each of the warrant articles discussed earlier and Mr. Scruton said that all the votes were 3:0 in support and it will be printed on the warrant to be distributed.

CONSENT CALENDAR

a) Manifests

Ms. Patti made a motion to approve the manifests, Mr. Panuczak duly seconded and the manifests were approved by unanimous roll call vote.

GENERAL CALENDAR ITEMS

a. Appoint Deputy Moderator, Jack Letvinchuk

Ms. Patti said that Jack Letvinchuk agreed to serve as the Deputy Moderator for the 2022 Annual District Meeting. *Ms. Patti made a motion to appoint Jack Letvinchuk as the Deputy Moderator for the 2022 Annual Meeting. Mr. Panuczak duly seconded and motion passed by a unanimous roll call vote.*
Ms. Patti answered a question from the public about the swearing in process and that it does not require a public meeting.
b. District Sign Ordinance

Mr. Scruton read in the proposed Sign Ordinance as follows:
"The Village District Board of Commissioners adopts the following sign regulation for District Property. The purpose of this policy is to prevent visual clutter and promote the aesthetics of District property. The placement of signs by any entity other than the District on District Property is forbidden. Only the District shall have authority to post signs and they shall only be for District business. Signs not posted by the District will be removed and kept for two weeks before being destroyed, however signs related to an election or the annual meeting will be kept until one week after the election/Annual Meeting at a place designated by the District so that the person posting the sign/candidate may retrieve the items."
Ms. Patti made a motion to adopt the Sign Ordinance as included in the meeting handout. Mr. Panuczak duly seconded.
Discussion ensued about regulating signs and being consistent and how it would only apply to the ones on district property as WEA also has its own sign regulations. The main focus of this ordinance would be on the three parcels that the District owns where the facilities are and the spots with water pump stations. The road right of way would remain in the jurisdiction of WEA or respective towns.
The vote was called and motion carries with a unanimous roll call vote in favor.

c. Response to WEA Board letter dated

Discussed earlier as part of the IGM Report.

e. Hooks for the locker rooms.

Ms. Patti said that she wanted to ask the other Commissioners what their thoughts were on asking WEA to reimburse the cost of the new hooks for the locker rooms in the amount of $200. Consensus was that the Commission has no interest in pursuing reimbursement for the hooks from WEA.

f. NHMA Training

Ms. Patti said that she had requested that Mr. Scruton sign her up for the training and Mr. Scruton said that it was free and that he already did.

d. GM position – deadline extension?

Mr. Scruton said that the deadline has passed and that there were four candidates who applied for the position. He suggested that the Commission could either extend the application deadline or proceed on the received four applicants but only after the Annual Meeting, as there may be a significant change in either the Commission membership or in the budget that may affect the desire of these applicants to come. He said that the ad for the position would then remain on the free of charge media resources and the four applicants would be informed of the reasons for extension. Consensus was that the Commission would extend the deadline but only through keeping the advertising via the free sources and send the note to the existing four applicants explaining the rationale behind the extension.

Upcoming WEVD Commission Meeting: Wednesday, March 16, 2022 @ 9 AM.
ANNUAL MEETING – SATURDAY MARCH 19, 2022 @ 9 AM.

Public Comment Period

Harry Bertino was present in person and asked if the buildings were to be sold to WEA would that be done before or after the defects are fixed?
Mr. Panuczak said that currently there is no plans to sell, but if that were to happen, the amount of existing issues and defects would prevent the District from selling the buildings with all repairs completed. Mr. Scruton also added that this could not occur without a vote at the Town Meeting, the earliest would be in

2023. He added that it would not make sense to defer the improvements until there is such a vote (if it were to happen) but any improvements will increase the value of the building, which would be reflected in the sale. Mr. Scruton also noted that this seems to be the beginning of a long conversation that may continue throughout this year and that nothing can happen until after the 2023 Annual Meeting.
Mr. Diefenbach added that any plans to transfer the assets will have no effect on the District's Asset Management Plan. Mr. Diefenbach also answered Mr. Bertino's question about the availability of such plan and that the recent Reserve Study has always been there, however, maintenance kept getting deferred in order to keep the taxes low and Rec Fund funded.
Mr. Bertino asked if he could look at that plan and Ms. Patti answered that it had been posted on the website and that it will be sent to Mr. Bertino.
Mr. Bertino also asked for copies of the Water Collection Policy and Lot Merger Policy, which Ms. Patti confirmed were part of the packet and there were no changes made to them as they were only on the agenda to be signed.
Mr. Bertino continued to talk about the funding of recreation, in which in his opinion, the Commission was missing a key point, and that is to allow to raise revenues by charging a fee for the use of this building.
Craig Engel (via Zoom) introduced himself and said that he is running for the Town of Campton Select Board and he shared some information about himself and why he is running. He also said that the candidate night will be held on March 6th at 3:00 PM sponsored by Campton Forward and advertised on their Facebook page. The elections are on March 8th and the Campton Town Meeting is on March 9th.
Mr. Bertino had another question about the Water Collection Policy and the $200 fee it set and whether it was compliant with RSA 38.
In the course of Mr. Scruton's explanation of the fee, it was discovered that the fee that Mr. Bertino was referring to was based on the 2017 Water Ordinance and it was for those who have not paid it yet and that collecting taxes in addition to that fee was deemed questionable. After a brief discussion of an email Mr. Bertino received that stated that there was no proper procedure followed while the switch was made from using taxes to pay for water to user based funding and the fee being illegitimate, Commissioners noted that answering this question may require a consultation with legal counsel. Mr. Bertino stated that this $200 bill would remain an issue for the residents and Mr. Scruton noted that in his opinion this was a legal bill and the District has the right to go after those people who have not paid, otherwise everyone who had paid would have to be reimbursed. Commissioners agreed to hold off any action for two weeks until they can consult with legal.

Non-Public Session
Ms. Patti motioned to enter non-public session for the purposes described in RSA 91A:3, II (a),(l), and (c). Mr. Panuczak duly seconded and the motion passed at 7:30 PM by a unanimous roll call vote.
Non-public session was entered at 7:32 PM. Commissioners Patti, Panuczak, and Herlihy were present in person as well as IGM Scruton (who left at 7:54 PM).

Resumption of Public Session
Ms. Patti motioned to re-enter public session, Mr. Panuczak duly seconded and the motion passed by unanimous roll call vote at 8:10 PM.
Public session was entered at 8:11 PM. Commissioners Patti, Panuczak, and Herlihy were present in person.

The nonpublic session minutes were sealed by a motion from Ms. Patti, a second by Mr. Panuczak, as divulgence of the minutes would adversely affect the reputation of someone other than a Commissioner. The motion passed by a unanimous roll call vote.

Adjournment: *Mr. Herlihy made a motion to adjourn the meeting; Mr. Panuczak duly seconded. Motion passed with a unanimous roll call vote in favor.*

Meeting adjourned at 8:12 PM.

Prepared by Alvina Snegach