Waterville Estates Village District Commission
Water and Roads Advisory Committee Minutes
April 14, 2022

The meeting was called to order by Chairman Oldmixon at 6:00 pm. The meeting was held at the Community Center, 562 Winterbrook Rd., Campton NH 03223.

Members Present: Jaime Oldmixon, John Herlihy, Terry Bennett
Members Absent: Stan Bujalski

Others Present: John Scruton (Zoom), Nick Sceggell (Zoom), Kyle McCammon (Zoom), Allison Smith, Steve Baert, Chris and Kathy Fagas, David Spinney, Harry Bertino, William Mitchell, Rick LeBlanc (Zoom), Maureen Patti (Zoom), Ralph Wilbur (Zoom).

Approval of the Minutes of March 29, 2022:
Motion by Bennett, seconded by Herlihy to approve the minutes dated March 29, 2022, correcting the minor typing error noted.

Motion carried: Yeas: Bennett, Herlihy, Oldmixon
Absent: Bujalski

Item 1 : Asset Management Plan Update:

Nick Sceggell presented the following information related to the Master Plan and Asset Management Plan format and content. The plan is in draft form. They are still in the process of collecting some information related to the final draft. Nick will send the draft Master Plan out to the Committee for a first review.

- Introduction section: This section covers the public system.
- History Information/ Great Brook Reservoir
- Responsibilities of the Commission.
- Water Department dedicated Staff/ Independent Contractor assistance
- Purpose of the Asset Management Plan
- Table summarizing Key Items
- Population determination summary
- Connection Information
- Water Supply Summary
  - Liberty Lane/ Single Source T- Wells and Pump Station
  - Ski Bowl Transfer Tank/ Treatment/ Pumping Station
  - Reservoir Pump Station
  - Sunset Tank/ Pump Station
  - Pegwood Tank/ Pump Station
  - Booster Pump/Tank Taylor Rd
- Distribution Summary
- Conclusion and Recommendations

Key information relates to daily average demand and key data for highest peak demand. It is important to have wells that produce for the daily average day and storage needs must meet peak day demands. WEVD's flow information is still incomplete.

Nick has looked at a similar Village with similar connection history to draw comparison information. Build out over growth of the District is considered

Conclusions and Recommendations

Source Development is a priority. Sand And Gravel Well Development is High Priority.
Bedrock wells will not support volume needs. Water quality was also an issue.
Address Pegwood - Its a matter of keeping a good asset, good.
Evaluate upgrades in terms of a strategic plan to improve the
system needs, Making decisions on how best to improve the system.
Evaluate treatment station relocation.
Distribution Line replacement/ upgrades considerations.

Additional Discussion:

Adding new connections on base map
Adding vacant lots owned by the Village District to base map
Adding vacant lots owned by the HOA to base map.

Discussion continued on relocation of Treatment Plant. It was noted that the Village District owns a lot across street from the Ski Lodge and this might be a possible treatment plant relocation area.

Word documents will be sent by Nick to the Committee for them to review the current draft.

Item 2: Educational Program Design

A very preliminary Power Point was presented. The point of the draft was to develop a program that will contain information from the Master Plan and Asset Management Plan. The hope is that this presentation will be able to be put on the new WEVD website.

Preliminary Slides Included:
History of the System
Ordinance Development
Water System Assets
Maintenance of the System
Water Meters Information
Current Budgeted Work for 2022

Level of Service Document Draft:

DRAFT Document

Waterville Estates Village District
Level of Service Document

1.0 Introduction:

A Level of Service Agreement (LOS) defines the way in which the WEVD water utility Owners, Commissioners, Managers and Operators want the system to perform over the long term. It is an important part of the asset management program. As part of the LOS, a asset evaluation chart will be included. The chart lists the WEVD assets, the current condition of the assets and an evaluation of the condition and life of the listed asset. This evaluation will be the fundamental piece of how the system will be operated, and how the assets are replaced and renewed. This important information will assist in creating an annual water budget and plan for major capital improvements to the system.

1.1 Level of Service Development

(Insert Final Asset Evaluation Chart Here)

1.2 Level of Service Goals for Waterville Estates Village District Water Utility

The proposed goals have been organized into the following priorities:

System Reliability

Operational Performance

Effective Resource Management

Employee Development

1.2.1 System Reliability/ Water

The objectives for WEVD are to provide a reliable water system that meet drinking water quality standards, DES operational, pressure and permitting standards.

Inspect water tanks and well equipment
Flush water pipes
Exercise and clean valves
Systematically evaluate and repair pipe leaks
Investigate/ Identify/ Permit new Water Source to meet the growth and recreational needs of WEVD
Investigate/ and manage water pressures

1.2.2 Operational Performance

Complete and Implement the Asset Management Plan
Develop a Strategic Plan in 2022 which includes a capital plan
Develop Strategies for Funding Capital projects
Comply with NHDES regulations and Permits
Maintenance plan implementation to limit preventable events.
Respond to water service requests in a timely manner
Budget adequate revenue to cover yearly operations
Seek Grant and Low Interest Options for major Capital Projects.

1.2.3 Effective Resource Management

Maintain updated Master Plan for Water Service
Develop and Maintain Water System Maintenance Records
Water Service, Water Pipe Break History, Flow Records etc.
Implement Water Meter Installation Options that will collect water data
Implement a water leak detection and repair program
Implement psi procedures

1.2.4 Employee Development

Maintain Employee Certifications for WEVD Water required Certification/s
Provide training for effective municipal management practices

2.0 Level of Service Agreement

The objectives and goals described above provide the basis for the proposed Waterville Estates Village District Level of Service Agreement. See attached Chart as exhibit to this agreement.

3.0 Recommendations

The WEVD will review annually and report on the level of service to determine the effectiveness of operation, maintenance and service of the public utility. This report will be made available to the customers of the utility in an annual report.

Mission Statement:

Waterville Estates Village District Water Mission Statement
Waterville Estates Village District Water System mission is to provide potable water the the Waterville Estates Village Community. This purpose will be guided by best practices for Water sourcing, treatment, and delivery to its users. These practices will be supported by a sustainable revenue structure of user fees, grants and possible Bonds for large capital projects. The System will be operated according the the New Hampshire Department of Environmental Services standards for safe driving water.

Approved by Committee: January 28, 2022 Meeting Minutes

Mr Sceggell stated the Level of Service will tie together the needs to be addressed in the system and the rates. He stated that there has been a very low rate structure. The rate structure will have to change to a higher rate. Lack of maintenance over the last 40 years makes the need for a higher rate.

Mr Herlihy presented questions related to the need of storage at the Pegwood site. Mr Sceggell said, the need will be re-evaluated when he gets a full year's statistical history. He does not have that yet. The peak or maximum gallon per day number has not yet been determined.

Leaks need to be included in the calculations. The installation of distribution meters will help identify water loss in the System. Mr. Herlihy is interested in being able to make grant applications in May 2022. Mr Sceggell believes we will have information to make pre-application by June 1, 2022. A number of the Committee members have participated in the Grant Workshops.

Item 3: Water Rates:

Letter read into the minutes from Mr. Ralph Wilbur by William Mitchell.

Its all About “Equity”

(Sent by Email April 13, 2022 and copied to the minutes.)

My name is Ralph Wilbur. I own vacation home property at 88 Pegwood. I also own six abutting undeveloped lots. My house water rate is $775.00 yearly. As a vacation home owner this house is used about 20% of the year. When I add the lot rates my total yearly water bill is $3,295 This is outrageous, inequitable and unacceptable. This ridiculous charge on vacant lots should be entirely removed.

N.H.RS 38:28 states "Rates may be based upon the consumption of water on the premises connected to the water system, or the number of persons served on the premises, or upon some other equitable basis".

The key word here is equitable. It is not equitable that a person who buys an undeveloped piece of property should be confronted by a Village District ordinance conceived months, or even years, after the fact, on the basis that, for many years before purchase, there was a water pipe in the street running by the property. It would be quite different if, when that person originally purchased the property, the water ordinance was in place, and the buyer was fully cognizant that purchase of the property would also include the yearly cost of paying for water that never would be delivered. The buyer would have factored in that cost as a part of the purchase price willing to be paid. Under the present situation, however, the buyer becomes blindsided by an expense that was never contemplated, an undisclosed cost that could not be predicted, an expense that is ongoing and cumulative, an expense that will diminish his property's value. This is not equitable. It is for situations like this that grandfathering provisions are established under the law. To be equitable, this ordinance should have incorporated such a provision. The full liabilities associated with this purchase were not disclosed. This unreasonable ordinance shifts water costs from those who use the most water to those who use less or none at all. This was done without any representation of the majority of the community that would be most adversely impacted by the new ordinance. This also is not equitable.

This inequitable diminishment of property value is a potential cause for legal recourse based on its reckless confiscatory impact on personal property values resulting from the aforesaid ordinance. In the Campton sector of our District there are approximately 260 vacant lots. If you add in Thornton the count will be well over 300 vacant lots. If a low value of $15,000 is assigned to each lot, (a more accurate, likely higher value will be determined), the total value of property at issue is $4,500,000 based on 300 lots. The decrease in value of these lots resulting from adding a $420.00 yearly stream of cost on top of taxes can be computed. Already there are a more than normal number of W.E. lots for sale at reduced cost on the market. It is estimated that the damages that are being incurred by this inequitable loss of value will collectively exceed $1,200,000.00.

Please enter this document into the minutes of the Village District public hearing on water matters held on Thursday April 14.
By Ralph Wilbur 978 683 2766 email kariwilbur@yahoo.com

Comments by William Mitchell: 88 Donovan Farm

Mr. Mitchell stated there are a number of people who are unhappy with the water rate structure. Mr .Mitchell has the same concerns. He lacks understanding of why WEVD varied from the previous way of paying water rates in the taxes vs. going to a fees structure. Mr Mitchell objects to the statements that water can not be financed by using tax dollars.
Mr Oldmixon affirmed that it is “not illegal” to pay for water systems thru taxes. Mr Mitchell encourages a return to the tax based water billing method. Mr Mitchell says that people are not adverse to paying their fair share. The method of getting to a fair share is in question. The WEVD needs to go back to the way it always was done. He stated, we don’t need meters.
Mr Oldmixon explained the rationale related to development of the ordinance and thus a related designated water fund. He indicated NH DES is looking to apply these standards when evaluating the WEVD’s process for meeting its standard for providing water. WEVD is working toward meeting the standards that will allow WEVD to seek grants and low interest loans to help make the improvements in the system. Mr Mitchell acknowledged the difficulty in going thru the process of getting grant support.

Comments by Harry Bertino: 22 Condo Road

Mr. Bertino stated the budget for 2021 was 340,000.00. Budget voted on in 2022 was 530 some thousand. There was never a vote by the legislative body to approve the 450,000 budget that was billed in 2021. Mr Oldmixon clarified that the 450,000 amount to be collected was based upon the 340,000 budget plus an amount projected for uncollected revenue. That is how the 450,000 was determined. Mr Bertino said if doing a half year assessment should be half of that. Should be half of 340,000. Mr Oldmixon, indicated it was half of the 450,000. Mr Bertino returned to his concern of the collection time of 2021. Mr Oldmixon indicated that it was billed in 2021 but the funding was for 2022. It was needed to operate in 2022.

Ms Bennett, reviewed prior to the ordinance establishing a designated water fund, water rate taxes and the 200.00 fee was placed in the general fund. Any unspent funds at the end of the budget year became undesignated fund balance dollars in the following years budget. These undesignated fund balance dollars could be spent on that year’s determined priorities as approved by the Commissioner of the time. NO money was set aside to fund water improvements. The designated water fund as established by ordinance began in Jan 2022 with a zero fund balance. The collection of water rate for 2022 was the first collection to be placed in the Water fund. Water fund money can ONLY be used for operation of the water system.

Mr Bertino believes improper process was followed. He stated there was never a vote by the legislative body for the 450,000 water related bill sent in December of 2021. There was no petition to the Superior Court to raise this money. In his opinion, this collection should have not been collected until a year later. Mr Oldmixon clarified that there was an approved 2021 budget. The Water Department was funded by the unspecified fund balance and the 200.00 rate fee collected in 2021. Same budget number was used as an estimate for 2022 plus the number projected for uncollected water bills. The 450,000 is in the ordinance. Mr Bertino acknowledged he understood what the process was. He still believes the process was not correct.

Mr Scruton said the law allows for appropriations in the 2022 to be based upon the 2021 appropriations until the annual meeting sets the approved budget.
Mr. Bertino also has a disagreement with the value conclusion related to the studio one bedroom units used to create a rate structure. Not everyone one bedroom has the same value. He objects to the rate structure decisions and suggested it remain in the taxes with a transfer of funds from the fund balance to a water capital fund.

Mr. Oldmixon presented three scenarios submitted by community members. The scenarios ease financial burden on one bedroom units and vacant lots. A Medium Home Sales options was also presented using standard fee percentage value of 0.33 percent.
Mr. Oldmixon indicated he is not sure what to advance to the WEVD Commissioners. He is not sure what the best option is. The Commissioners can evaluate the advisory board recommendation, accept, change, or return it to us the committee again. Meters have not been purchased by the District yet. The recommendation of the Committee is not going to be a recommendation to return to a tax collection for water department. The ordinance passed in 2018 clearly stated that the 200.00 water fee would go into a water fund. That did not happen, thus 330,000 was not placed in water fund. This money went into the general fund and was carved up for other uses. The 2021 Water Ordinance passed establishes a dedicated water fund for water department use only.

Mr Bertino, restated WEVD should petition the Superior Court and get permission to set a special meeting to reconsider Article #3 of the Annual meeting. Allow residents to speak on the issue and vote on the structure for setting water rates. He prefers a tax based system that establishes a capital fund for water. Money from the fund balance would have to be transferred to the capital fund yearly by vote of the Commissioners.

Mr. Bertino argues the value of each one bedroom is not equal. Same is true for two bedrooms, or three bedrooms, etc. Value of the property should be used.

Mr. MItchell argues rates should be based on value.

Mr Oldmixon shared several scenarios that were brought to him by community members.

Scenarios submitted:

#1: Undeveloped lots/ pay half payment on availability charge.
#2: Eliminate the population factor and just charge on number of bedrooms. This reduces charge for smaller bedroom residences. burden moved to larger homes.
#3 This scenario is based upon Median Home Sales for each category of property. (Undeveloped one bedroom, 2 bedroom, three bedroom sales. He found no sales data for 4 or 5 bedroom homes). This data shows a higher percentage burden on undeveloped lots and one bed rooms. So in order to even out the percentage burden the resident proposed and used the median home sales and a percentage of 0.33 to develop a rate range that is applied to each median sales number for each class of property. (undeveloped, 1 BR, 2BR, etc)

Mr Oldmixon spoke to the desire of the State DES for water utilities to have a designated water fund/ ordinance. It is the hope that working toward State standards will help WEVD qualify for low interest and or grant dollars to help us lessen the burden of cost of repairs.

Assessed Value could be used to develop a rate. Mr. Oldmixon cannot commit his time away from his business to develop this model.

Mr Scruton noted that an assessment based system is very close to going to a tax based system. He objects to the proposed rate structure based upon median sales assessment. He suggested there could be a tax based system with a plan to vote at the following Annual Meeting to transfer unexpended funds at year end to the water capital fund. Mr Oldmixon noted that this is not likely to happen this year.

Motion by Oldmixon, seconded by Herlihy, to send forward the recommendation to the WEVD Commissioners, the "2022 Water Rate Based Scenario using Median Home Sales Values with the proportional .033 multiplier. This standardizes based on number of bedrooms.

Motion carried: Yeas: Oldmixon, Herlihy, Bennett
Nays: None
Absent: Bujalski

Ms. Bennett made the recommendation to the WEVD Commissioners to contract for a Professional Rate Study.

Mr Fagas made the comment; when he was on the HOA board a number of lots were purchased for recreational purposes such as expanding parking lots etc. There may be an opportunity for water and this intention to be partnered.

Mr. LeBlanc thanked the Committee for the hard work.

Short discussion followed on the need for an Income Survey. This may be needed for grant application submittal in June.

Next meeting discussion: May 9, 2022 5:30 pm

Adjournment:

Motion by Bennett, seconded by Herlihy to adjourn the meeting at 8:03 pm.
Motion carried by all members present.

Attachments to the minutes:

1. Mission statement
2. Draft Level of Service Document
3. Draft Educational Power Point

Water Rate Scenarios

4. Undeveloped Lots/ Half Payment
5. Undeveloped Lots/ Bedrooms
6. Medium Home Values with .0.33 Multiplier
7. 2022 Current Rate Calculation

8. Printed copy of Mr. Wilbur Letter read into the record

Approved:_____

Approved Chair:_____