

**VILLAGE OF LUDLOW  
BOARD OF WATER COMMISSIONERS**

**REGULAR MEETING MINUTES**

**June 3, 2008  
5:00 PM**

**Board Present:**

David Rose, Chair, John Murphy, Sr., Richard Strong

**Staff Present:**

Frank Heald, Municipal Manager, Pam Cruickshank

**Call to Order**

Chairman David Rose called the meeting to order at 5:00 pm.

**Approve Minutes**

*Motion to approve minutes from May 19, 2008 meeting made by John Murphy, seconded by Richard Strong. All in favor and the motion carried.*

**Comments From Citizens:**

There were none present.

**Water Project Update**

Frank Heald reported that a meeting took place with Rural Development and the Water Project was pleasantly received. The program that was laid out is essentially what was in the Water Project - 40 year loan.

David Rose asked if there was any grant money. Frank responded there was not from Rural Development.

Rural Development (table #16) said that the average water rate for a single unit runs \$258 per year. The current water rate is \$140 (\$70 every six months). Frank Heald noted that there was approximately \$50,000-\$60,000 in the Capital Fund and Rural Development agreed that the money could be used to buy down the cost of the water rate increase to under \$200 per year. He estimated the increase would be about \$30 every six months.

The absence of Water Meters was discussed and would not be justified with the current system. Frank Heald was of the opinion that the waiver would be granted.

Frank Heald said they discussed the reserve of \$500,000. Rural Development indicated that money could be kept to buy down the loan amount. A project like this could be spread over 40 years @ approximately 2.65%.

Frank Heald noted that the project would require money spent long before the Bond proceeds come in. He felt there were two ways to do it:

1. Use our own money
2. Take the State money and keep our existing money (continue to earn interest)

John Murphy asked how much money the State was going to give. Frank Heald said \$50,000.

Loran Greenslet added that the money would help to pay engineering costs.

Frank Heald added that the preliminary costs could be rolled into the Bond amount (referring to the pre-construction costs).

David Rose asked if the loan from the State would be available soon. Frank Heald it had been applied for and should be available soon.

Frank Heald mentioned that they discussed (Rural Development) to be sure they were in full Federal compliance in terms of the engineering contract for final design. Frank added that the same firm could be used for the construction design without having to go out for a re-bid. He has asked Mark Youngstrom to put together a proposal for the Water Commission's review within two weeks and meet again. He added that they will need to begin a public informational process in July/August and prepare for a Bond vote in September/October. Frank Heald said that Rural Development can't commit (Fiscal 2009), but Federal fiscal year starts 10/1. The first of October they can commit, which is what they are looking for in terms of the Bond rate (projected 2.65-2.68). If the Bond closes and the interest rate is lower, they will lower the rate – the upside is a fixed rate. On that schedule, there will be no problem going out to bid in February

Richard Strong asked if the \$50,000 would need to be paid back if the vote did not pass. Frank Heald said yes.

Loran Greenslet added that if the vote goes through, the water rate will not be raised by an enormous amount. Even if the vote doesn't go through, the engineering is "sitting on the shelf" for a future time.

Frank Heald said that the Select Board was enthusiastic about the project and see the value to the community.

David Rose reintegrated that the project needs to be done as the transmission line is 100 years old. David and Frank discussed the need for informational meetings and press information from both Otter Creek and Municipal staff that would help the community

understand the need and the cost of the project. A public relations program (direct mail and meetings) will take place so rate payers will clearly understand the need and cost. He added that the engineers can be available for evening meetings with residents.

Richard Strong asked how far the main line would go. Frank and David said to Benson's Chevrolet.

Frank Heald reported that the preliminary pipe work at the Brooks Road Bridge Project cost (from the engineers) would be roughly \$20,000 and could be rolled into the construction costs. David Rose asked if a stream alteration permit was necessary. Frank Heald said yes. He added that the pieces have been cast (are finished) and Belden Construction projects a June 16 start date.

David Rose asked what was the next step? Frank Heald replied that the pipe would be installed for the bridge crossing.

*John Murphy made a motion to permit Frank Heald to install a new 150' pipe under the new construction on the Brooks Road Bridge project. Motion was seconded by Richard Strong. All in favor and the motion carried.*

Frank Heald said that a funding application has been made to the state and ground controls need to start. David Rose said that Frank was given the "go ahead" on ground controls at the May 19<sup>th</sup> meeting and to talk with the engineer, get a proposal and meet again in two weeks.

Richard Strong asked Loran Greenslet how much water was being used per day. Loran replied between 250-260,000 gallons per day. Richard reiterated that this project would allow for more.

A discussion took place about the development at the Weston Mountain Road and the water quality/safety. John Murphy felt that the Water Board should be updated. Frank Heald said that the State and DRB take an interest in anything that occurs in the Aquafir and must be done according to standards. Frank Heald thought it would be helpful for Rosemary Goings and the Zoning staff to review the actions that are being taken with the Water Board at the next meeting. Frank will talk to Rosemary. Loran Greenslet said he would make copies of the Water Source Protection plan for the Commission's review for the next meeting.

### **Other Business**

Frank Heald said a Water Board representative needs to negotiate his contract.

### **Adjourn**

Motion to adjourn by John Murphy, seconded by Richard Strong. All in favor and the motion carried. Meeting adjourned at 5:36 pm.

Respectfully submitted,

Pam Cruickshank  
Acting Clerk

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David Rose, Chairman

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John Murphy, Sr.

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Richard Strong