

**VILLAGE OF LUDLOW
WATER COMMISSION**

**Regular Meeting
Tuesday, May 1, 2012
5:00 pm**

Board Present

David Rose, Robert Gilmore, Ronald Bixby

Staff Present

Frank Heald

Call to Order

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

Approve Minutes

- a. MOTION by Robert Gilmore and seconded by Ron Bixby to approve the minutes from April 3, 2012 as presented. All in favor and the motion passed.

Comments from Citizens

- a. No comments.

Consider and Approve Policies

- a. David Rose said they are considering two new employee policies. One for Fraud Prevention and one for Smoking & Tobacco.
- b. Frank Heald said a copy of each policy was included in the Trustees packet.
- c. MOTION by Robert Gilmore and seconded by Ron Bixby to approve and sign the Fraud Prevention Policy as presented. All in favor and the motion passed.
- d. MOTION by Robert Gilmore and seconded by Ron Bixby to approve and sign the Smoking & Tobacco Policy as presented. All in favor and the motion passed.
- e. Ron Bixby asked if the policies should be enforced by the Fire Department staff.
- f. Frank Heald said the policies are for all Town & Village departments and facilities.

Discuss Water Service Rate Increase

- a. Frank Heald reported that we are within one week of finishing the analysis of all water system users in the Village and Town. He said once the review is completed we will divide the users by the set budget and that will be the new water rate. He said he did not believe the increase would be as much as they had projected three years ago.
- b. Frank Heald said they would be able to set the rate at the June meeting.
- c. Ron Bixby asked if this would be a yearly increase.
- d. Frank Heald said that over the years the rates have been relatively stable.
- e. David Rose said the reason for the increase is to pay for the water project.
- f. Frank Heald said he anticipated the rate would increase about \$20 semi-annually.

Discuss State Loan for Hydrant Testing

- a. Frank Heald said they are in the midst of a debate on a variety of ways to map the existing water system. He said the goal management has set going forward is to turn on a laptop to access the maps and scroll down to see the size of the valve and which way it turns and to identify the ties that tells what shuts off and where it shuts off.
- b. Frank Heald said after all of the valves are identified, flow and pressure testing on the hydrants will need to be performed. He said the engineer has suggested we fund the cost of the mapping and analysis with a planning loan from the Water Supply Division.
- c. Frank Heald said the loan would be a 5-year term with 0% interest and no payback for 5 years. Frank said if there were no objections he would go ahead with the paperwork.

Discuss Repayment on ARRA Note

- a. Frank Heald said the financing of the Water Project is made up of two pieces. The first is a USDA Loan which has a face amount of \$1,974,800 with semi-annual payments over 40 years. The principal has been reduced by \$387,242 from money not used in the construction, so the term of the loan will be reduced but the payments will stay the same. Because we closed the loan prior to December 31, 2010 we qualified for an additional 35% reduction on the interest rate each year.
- b. Frank Heald said the second piece is the State of Vermont Revolving Loan Fund in the amount of \$2,000,000. ARRA grant funds of \$1,140,000 and additional green credits of \$116,000 reduced the payment to \$744,000. The Water Commission approved the additional payment of \$200,000 bringing the total payback to \$544,000. He added that we won't start paying interest until next year so the Water Commission won't need to use the \$200,000 until next year. It can continue to earn interest in our account.
- c. Frank Heald said the details of the financing for the Water Project are spelled out in a memo to file for the Treasurer and Administration so it can be tracked.

Other Business:

- a. David Rose asked if we are working on a valve exercise plan.
- b. Frank Heald said the work on the hydrants (stripping and painting) is almost done and then they will work on the valves.
- c. Frank Heald said that on Thursday, May 3rd Rural Water will honor Loran Greenslet with a 20-year pin and a lunch at Lake Morey.

Set Date for Next Meeting:

- a. Next meeting has been scheduled on Tuesday, June 5, 2012 at 5:00 pm.

Possible Executive Session/Personnel/Contracts

- b. David Rose said an Executive Session was not needed to approve Frank Heald's contract.
- c. MOTION by Robert Gilmore and seconded by Ron Bixby to approve and authorize the Chair to sign Frank Heald's contract. All in favor and the motion passed.

Adjourn:

- a. MOTION to adjourn by Ron Bixby and seconded by Robert Gilmore. All in favor and the motion passed.
- b. Meeting was adjourned at 5:36 pm.

Respectfully submitted,

Pam Cruickshank
Recording Secretary

David Rose, Chairman

Robert Gilmore, Vice Chair

Ronald Bixby, Clerk