



EMERALD LAKE VILLAGE DISTRICT MINUTES FROM APRIL 7, 2006 MONTHLY MEETING

The meeting was called to order at 7:03 pm, with Commissioner Fred Sanborn and Co-Chairs Joseph Statkus and Deborah Gilbert present.

ADMINISTRATIVE BUSINESS:

The Board went over the payment manifest. Commissioner Statkus made a motion that the payment manifest be accepted; seconded by Commissioner Sanborn. There being no further discussion, it was approved 3–0. Commissioner Statkus read the items on the payment manifest to the residents.

The Clerk read the minutes from the March 3, 2006, monthly meeting. Commissioner Sanborn made a motion that the minutes be accepted as read; seconded by Commissioner Gilbert. Approved 3–0. Commissioner Statkus made a motion that the minutes of the March 9, 2006, and March 31, 2006, administrative meetings be accepted as written; seconded by Commissioner Gilbert. Approved 3–0.

Commissioner Statkus went over the District financial process. After the money is appropriated at the Annual Meeting, the Clerk prepares the minutes, which are sent to DRA to be checked and accepted. DRA then sets the District tax rate with the Town. The Town collects the property taxes for the District as well as the water payments and forwards the money to the District quarterly. The water receipts are sent to the District in May and October, and the property taxes are sent in July and December. This means that after the money is appropriated in January, the District must wait until May before receiving the first payment from the Town, which is the payment from the April water bills.

Commissioner Statkus explained that the reason the District is currently experiencing a budget shortfall was due to two items on the 2005 warrant that were originally thought to have passed but did not in fact receive enough votes. By the time DRA discovered the error, \$159,000 had been spent for the water filtration system and \$41,000 for two lots for the sanitary radius near the Hummingbird well. These expenditures had to be paid from the District's checking account, plus the payments of approximately \$2,300 per month on the lease-to-own agreement on the treatment center. When the new Board was sworn in at the end of January 2006, the District had fallen behind in paying the bills and the \$41,000 paid by FEMA to repair the bridge had been used. This must be replaced and deposited in a separate account by December 31, 2006. A resident asked for additional information about the \$18,000 overpayment on the lease last year. Commissioner Statkus will have the information by the next monthly meeting.

The Treasurer stated that as of March 31, 2006, there was a balance of \$5,225.45 in the District's checking account. Commissioner Statkus stated that at the very minimum the District needs \$12,000 per month for each of the next two months to meet expenses. Since the Town does not have the funds to advance tax monies to the District, Commissioner Statkus checked with the Sovereign Bank regarding a \$40,000 short-term, unsecured note to be repaid from tax monies not later than December 31, 2006. The interest rate is 4.95%, and there is a

\$400 loan-processing fee plus a \$600 legal fee. Commissioner Statkus asked the Board if there was any further discussion; there was none. He then opened the meeting to questions and comments from the floor. Discussion covered the following areas:

1. The Board is authorized to borrow in anticipation of taxes or water revenue.
2. The Town takes care of the entire process of collecting the water money, including collection of delinquent accounts, making the arrangement advantageous to the District.
3. The Board is looking at several lenders for the \$700,000 water bond in order to secure the best rate for the District.
4. The District should attempt to locate users who are not being billed.

Commissioner Sanborn made a motion that the contract for the \$40,000 loan be signed; seconded by Commissioner Statkus. Approved 3–0.

Commissioner Statkus discussed issuing three water permits contingent upon the outcome of whether the water moratorium is lifted in August, which is acceptable to the Town and will allow people to be put on the list for building permits. A citizen raised the point that we need to be sure that current residents have sufficient, drinkable water before ending the moratorium, and asked about having the District institute a growth management program, which would need to be voted on at the Annual Meeting. A question was asked about how the payments for water hookups would be handled with the contingency clause. The Treasurer suggested holding the money in a separate escrow account. Commissioner Gilbert presented her plan for a Water Task Force. She has sent ten invitations, with the goal of having a group of five to six people who would meet monthly and report to the Board. She distributed copies of the letter and task force proposal. There being no further discussion, Commissioner Statkus made a motion that water permits be issued to the three people on the list contingent upon the outcome of the water moratorium when it is reviewed in August; seconded by Commissioner Sanborn. Approved 3–0.

Commissioner Statkus spoke about enforcing the water ban by means of a written warning, followed by a \$500 fine for the second infraction. Jim Coffey gave him a list of water districts so that Commissioner Statkus can check their procedures; this will be done within a week. Commissioner Statkus made a motion that the water ban be instituted immediately as recommended by Water Systems Operators; seconded by Commissioner Gilbert. Approved 3–0.

AGENDA:

Sue Ireland reminded everyone that the roadside cleanup begins at 10:00 am tomorrow morning (Saturday, April 8). This event was organized by her daughter and a friend for their community service project. Sue extended their thanks to the Board and all volunteers for their help and support.

QUESTION-AND-ANSWER PERIOD:

There being no other business, Commissioner Statkus opened the meeting to questions and comments from residents.

A resident asked about the lawsuits against the District. Commissioner Statkus stated that former Commissioner Stankunas wants to be reinstated on the Board. Sharon Lindstrom, the former District secretary, has a five-year

contract that was signed in October 2005 and claims to have resigned due to a work environment that a reasonable person would deem intolerable ("constructive discharge"). The District has insurance coverage for this type of lawsuit.

There being no further business, Commissioner Sanborn made a motion that the meeting be adjourned; seconded by Commissioner Gilbert. Approved 3–0. The meeting was adjourned at 8:54 pm.

Respectfully submitted,
Nan McCarthy, District Clerk

Approved:

Deborah Gilbert, Co-Chair
(signature on original)

Joseph Statkus, Co Chair
(signature on original)

Fred Sanborn, Commissioner
(signature on original)

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