Meeting Minutes
Monthly Meeting of the Board of Commissioners
Emerald Lake Village District
November 6, 2014

Present: Denise DeForest, Commissioner (in person)
         Martha Caron, Commissioner (in person)
         John Dahood, Commissioner (in person)
         Scott Osgood as District Administrator

The regular District Meeting with the Board of Commissioners was duly convened at ap. 7:02 pm at the Town Offices as noticed, with all Commissioners present.

By Motion made, seconded and unanimously passed, the Minutes for the following meetings were approved: (1) October 2, 2014 Regular District Meeting as final, and (2) October 9 Commissioners’ Workshop as final.

All Minutes were regularly posted on the website.

1. FINANCIALS

   A. Financial Reports

   The Board provided as handouts, and reviewed Cash Balances, Income & Expenses October 2014 and YTD, Accounts Payable, Budget to Actual Reports.

   Discussion followed, regarding the fact that only water and roads exceed budgeted amounts. The budget is calendar year based as our fiscal year. For water, there was a large payment to Edmunds Contracting for Phase I construction invoices on January 7, 2014, plus Tata & Howard billings which appear as expenses in 2014 with no offsetting income. For roads, there was over $25,000 to correct the Manning Dawn Street situation.
B. Tata & Howard Engineers Unpaid Invoices Claim - Phase 2 Contract

A list was provided and the situation discussed. The invoices are for Phase 2 design work under the December 2013 Tata contract, and apparently billed January-April 2014. The District received a demand letter for payment, but there is no record of these invoices in the office files, and apparently the Treasurer has no knowledge of them either. It was noted that apparently the expectation was that any charges under this contract would be paid out of borrowed State Revolving Funds, which were not approved by the voters; and that Tata were aware of this since their representatives were present at all relevant meetings. However, the contract failed to be made subject to the District obtaining the necessary funds through state bond financing. Since there is no new state bond financing, there is no money to pay for design work that may not even be used.

C. Discussion re possible TAN and Balance of Operating Account

Last year, $36,600 was borrowed from Water Funds to make up what has been a chronic deficit in tax revenues. We actually have enough to pay normal operating costs including Skippy through the end of December constituting this fiscal year, although we will not be able to pay Henniker Sand & Gravel in full by then, and the situation will be explained to them. Previously, we had over $40,000 in tax revenues finally released by the Town in late January of this year; and another possibility to meet January 1, 2015 operating manifest expenses is to simply ask for a very short advance on the January 2015 tax revenues. At the same time, the Board is still negotiating a line of credit TAN but the documentation requirements have increased. We have declined to retain expensive bond counsel to meet them, but are hoping we can compromise on some borrowing capacity through our bank. The preference is that this would be a backup strategy. In fact, the expenses have been minimized sufficiently that we may not have to borrow at all.

This led to a discussion of the strategy of establishing a contingency fund reserve for operating expenses by warrant article at this year’s annual meeting, similar to the $50,000 we have for water. Bill Clohessey suggested that perhaps we re-purpose all or part of the meetinghouse reserve fund since it does not seem that we can get our own meetinghouse in the district any time soon, given the lack of cash flow. This will be checked with counsel to see if it is feasible.

2. NEW TAX RATE DISCUSSION

It was discussed that the new tax rate for 2015 is set by the Department of Revenue Administration, and that it will be probably be increasing from 2.13 to ap 2.60, as reported verbally to the Board although a formal notice is not yet received.. An explanation of the process followed with those present at the meeting.
District property tax revenues are computed by multiplying the tax rate against the total assessed value of properties in the District. This produces the total revenue number called a commitment.

The tax rate is computed based on expenditures as listed in the MS-34 report that must be provided to the DRA. The MS-34 is based on what was spent by the District in 2013 plus appropriations voted in at the April 2014 Annual Meeting. These components were fixed before this Board took over in May 2014, and therefore we have no control over them. (Similarly, 2014 expenses will be considered in establishing 2016 rates. In other words, the tax rate is always two years behind.)

The assessed value of properties within the District is reported by the Town of Hillsborough to the DRA in a form called an MS-1. It was discussed that the total valuation of non tax exempt property in the District has increased only slightly and will not affect anything. This was to be expected because property values have remained flat.

Attached is a handout at the meeting which is a partial history being compiled by the Board of historical tax rates, valuations and commitments. This was discussed with note of the fact that the tax rate has varied widely, and so has the amount of revenue generated which was, for example, much greater in 2010 than today, even though prices are increasing as well as need. This explains why the operating revenue, which is solely tax based, has been chronically short. This is particularly acute because the cycle of borrowing from the water funds has been stopped by the current Board. (And yet, as noted above, the District hopes to meet operating expenses for the first time without borrowing).

3. **REVIEW OF POLICIES, RULES AND REGULATIONS**

It was discussed that the policies including rules and regulations of the District have not been updated since 1994, except for a couple of more recent amendments on meeting rules in 2004 and 2006. Since the District adopted Finance Policies on August 8, 2014 as recommended by the auditors (there were none in existence), further policies and rules are being developed in writing.


As approved by the Board preliminarily and recommended for adoption, they will be posted for public comment on the ELVD website.

The Board is proposing to use the time allotted for a workshop meeting on the third Thursday, November 20, as a noticed Public Hearing, for consideration of the proposed policies which are ready at that time.
The goal is that all policies and rules will be made available on the ELVD Website, with permit application forms available online as well.

4. **REPORT ON REDESIGNED WEBSITE**

   The new website is nearly ready to be posted. It will be a cross-program platform so that the website can be accessed from ipads and phones as well. It is designed as an historical archive, as well as the “go-to” place for current information. The use of simplified navigation tabs is featured.

5. **PLANNING ISSUES**

   The Hillsborough Planning Board last night (November 5) conceptually approved the proposal to establish an Emerald Lake Residential Zoning District for zoning purposes, with the same boundaries. The next step is to get a formal proposed Warrant Article to the Planning Board for approval. The Article would then go with Planning Board Recommendation for adoption to the Selectmen, for posting on the Town ballot for Town meeting in March.

   It is doubtful we will be able to implement different zoning standards by this year’s town annual meeting as they will require Town voter approval by amendment of the zoning ordinance; and, any proposed adaptations should be carefully studied by the District first. However, we can take the important first step of establishing the separate zoning district.

6. **DATABASE**

   It was discussed that information is available from the Town which would allow us to start a database on Excel of our own District properties, with some supplementary input, and through which we plan to incorporate a distressed property assessment. This work was apparently started by our former planning board last year. Bill Clohessey gave us that database, which will need to be brought current but which establishes a series of fields useful to us. It was noted that this is a more longterm project. It will include Map/Lot number, property address, owner contact information, occupant information, and status of taxes and water payments.

   Scott Osgood is also working on a maps inventory for the ELVD.

7. **GOULD POND MAILBOXES**

   Report was made on the status of the request by Chris Lovell, Postmaster of the Hillsborough Post Office, at the last meeting, to replace the Gould Pond mailbox cluster at the corner of Autumn Road, and instead install additional mailboxes at the Emerald Drive mail building. It was reported that additional boxes supplied by the Post office were installed by John Dahood and Warren Fleck on November 5 at the Emerald Lake mail building. Thank you to both, and especially to Warren Fleck, as this was a volunteer project which took about over five hours.
The Gould Pond cluster will eventually be taken down as unsafe and deteriorated by the Post Office, hopefully before winter plowing begins, which contributed to their damaged condition. USPO has yet to rekey the replacement boxes and hopefully will also consecutively re:number everything, but ELVD has met its commitment to their request to combine everything at the Emerald Drive mail building. Until the Post Office completes rekeying, the Gould Pond cluster mailboxes will continue to be used.

8. **WATER SYSTEM FINANCING**

Although we have been approved for using the “leftover” $600,000 borrowing capacity from Phase I to continue working on installing new lines and mains on branch roads, the Board is considering not taking these funds. To do the work requires employment of expensive oversight engineers, adherence to federal standards including prevailing wage laws, use of approved contractors, and a host of restrictions which substantially increases the cost. In addition, even with principal forgiveness, given additional mandated administrative costs charged on the loan to the District, there is not much of a net savings for a loan which must remain on the books for 20 to 30 years.

As previously noted, Mr Coffey had the contract signed with Tata which submitted a budget of $1,115,000 to replace lines on three roads only. We now have the possibility of only $600,000 in funding. Mr Coffey apparently proposed to honor the $96,500 contract with Tata out of the total borrowed funds. In addition, we have to complete datalogger installation or find other means satisfactory to DES for leak detection for Phase I which did not occur, estimated at another $100,000. There will also be further overhead items reducing available funds even more, and there may not be enough left to realistically do even one road. This result will also probably violate the State Revolving Fund limits on percentage of overhead.

In lieu, a Capital Improvement Plan for step by step self-funded improvements was developed with DES and WSO in 2012. We are reviewing it to see if we can use this model and save money. We believe that Skippy and Joe could be the main contractors and engineering involvement minimized. We also avoid the cost and complexities of state financing.

The Board discussed that we should consider starting to set aside reserves now, funded by warrant articles, and do a road every couple of years from our own savings. We will still have to increase the water bill but the amount should not be as much. It will take more time. But it may make more economic sense. The total expenditures YTD have been about $16,000 for leak repairs, so that should be budgeted annually at around $20,000-$25,000 in repairs budget, while the District undergoes phased replacement of old water mains.
The Board noted that the District should also save our borrowing power for the metering, which will still be required, and for which we would have to apply again, but separately, to the State Revolving Fund, supplemented by grants if we can find them. That project cost is estimated to exceed $1 million, which will constitute additional borrowing. The Board does not feel that this should all be sustained with simply increasing water bills to cover borrowing costs.

9. **WORK WEEKEND AND FUTURE PROJECTS**

Comr Dahood still has a work day scheduled for 10 am on this Saturday, November 8, at the Patten Hill location. A dumpster has been ordered. Comr Dahood explained that the objective was to tear down the building that has been targeted for destruction for some time, and to inventory the accumulated fixtures and junk kept at this main water system location. And - to finally get rid of it. It was reported that WSO has cleaned up the interior of the pumphouse and fixed the remote access, so all is looking much better and more operational.

In addition, the Board is bringing in Irish Electric to ground the last three wellsite generators that were not grounded on installation, and to erect pole lights where needed at wellsite control panels so WSO can see what they are doing in the early dark hours we now have. The heaters at both Meetinghouse and the Pumphouse facility just underwent maintenance. In fact, at Meetinghouse which houses all the treatment chemicals, the propane heater was leaking and there was a scary moment or two but now all is fixed. The heater at the Pumphouse was not working at all. It was suggested by a resident at the meeting, that heater maintenance should become a yearly item.

Any further work on Patten Hill or the water infrastructure will be deferred to spring.

In the meantime, it was suggested by residents and discussed, that we should start planning and purchasing this winter to get the beaches restored to the attractive sites and gathering places which they were under Jerry Burnham. This year only 30% of the allocations for the beaches was spent, as other issues overtook this effort. The Board agreed that plans should be made including construction of kiosks, updating signage, evaluating equipment condition and necessary replacement, possible importation of further sand, landscaping, and if possible, fixing the basketball court at Eastman beach. It was also suggested that in good weather we should start to have meetings at Eastman and enhance attendance by being in the District.

10. **BUDGET AND ANNUAL MEETING**

It was observed that that time of year will be approaching fast. The Board has discussed April 25 as an Annual Meeting date and will publish that when confirmed, as they will be meeting in workshop session to review scheduling for budget and the annual meeting. The Board has also proposed establishing a Budget Committee to include some residents in the review of our needs and proposed warrant articles.
It was observed that with Quickbooks now in place as accounting for 2014, we are able to easily and quickly generate any information needed as to 2014 expenditures in formulating a budget for 2015.

11. **PUBLIC COMMENTS**

There followed an open discussion period with residents present. No new issues were raised.

12. **MOTION TO ADJOURN**

Motion was made and passed to adjourn the meeting at 8:05 pm.

Submitted for the Board by:

Martha Caron, Commissioner
### ELVD TAX RATES

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