

**LACONIA WATER DEPARTMENT
BOARD OF COMMISSIONERS
JUNE 14, 2018**

Chairman Greg Page called the regular meeting of the Laconia Water Department Board of Commissioners to order at 8:00 a.m. on Thursday, June 14, 2018 in the conference room at the Water Treatment Facility at 117 Stark Street. Present were Commissioners Gregory Page, Dennis Bothamley and Joseph Driscoll; Superintendent Seth Nuttelman and Clerk Cheryl Hounsell. Absent was Ex-Officio member Public Works Director Wesley Anderson.

A motion was made by Dennis Bothamley seconded by Joseph Driscoll, to accept the minutes of May 24, 2018. The vote was unanimous.

A motion was made by Dennis Bothamley, seconded by Joseph Driscoll, to approve the accounts payables and the financial statement dated June 13, 2018. The vote was unanimous.

OLD BUSINESS:

PAUGUS BAY MILFOIL- Nothing new to report.

LANGLEY COVE- Seth stated that Langley Cove is still before the Planning Board. A possible approval will happen at the next Planning Board meeting.

2018/2019 BUDGET- Seth stated he is waiting for final word on the proposed budget from the City Council. Seth stated that the proposed budget includes the same medical insurance for the employees. Seth stated the information on our insurance has been sent to the city for informational purpose. Seth stated that the rates on the insurance went down by 6.6%. Seth further stated that over the last seven years the average increase for medical insurance has been .4% per year. The board agreed with keeping the same insurance coverage for the employees in the coming year. Seth will sign the insurance renewal for HealthTrust. Seth stated that the proposed budget include a 2% COLA and step increases for those employees not maxed out. The board members reviewed the wage rate schedule and the chairman signed it.

Water Main Replacement/Sewer Lateral Issues-Seth stated that he and Wes do not have a draft ready yet. He further stated that we have had an issue come up at 636 Union Avenue that goes back to when the water main was relayed in 2006. We are talking to Paul Busby to work out a solution to the problem.

Court Street Update- Seth stated that we are about half done the 30+ digs on Court Street. We are getting ready to shut down West Street at Court Street intersection for a night dig. Today we are looking at the shut off process for the Intersection of Fair Street at Court Street verifying that the gates work for when we have to shut down this intersection to do the water work.

NEW BUSINESS:

MAY FINANCIAL ANALYSIS-Seth stated that the domestic and commercial water sales are under by 4% or \$90,000. The municipal water sales are also down. The total income is under 4% or \$108,000. Overtime is over a small amount. Total salaries are under 4% or \$38,000. Total net expenses are under \$68,000 and total income is under \$108,000 so we are at a net loss of \$40,000. An analysis of changes to expense items was reviewed.

CONSUMER CONFIDENCE REPORT-Seth handed out a copy of the CCR for the Laconia Water Department dated 5/25/18 for the year 2017. Seth stated that we met all State and Federal requirements. The document is posted on the city website and was highlighted in the Laconia Links recently with a link to the website document. A press release was also sent out.

CITY MASTER PLAN-Seth distributed a copy of the City Master Plan and reviewed some of the information in the report. One of the guiding principles states "availability of the municipal water supply system should be expanded to areas of the city where service is now not provided to help spur desired development". One of the areas being looked at is from Hilliard Road to Peddle Pushers on Parade Road. Another area is the parcel across from Robbie Mills Park.

CITY COUNCIL LIAISON MEMBER TO THE WATER COMMISSION-Denny inquired if we have heard anything on a new appointment of a liaison member from the City Council to the Water Commission. Seth stated that he will check with Scott again and find out if there has been any progress on this issue.

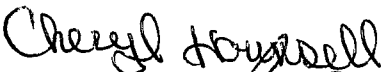
PUMP AT BASE- Seth stated that one of the pumps at base shut down yesterday so we are using the other pump. We are checking into what caused it to shut down.

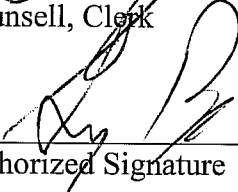
BACKWASH PUMP-Seth stated that the backwash pump motor at the treatment plant is leaking oil so we have switched over to the backup backwash pump. The pump is an original from when the plant was built so it is about 30 years old. Tom from Electric Motor will look at the pump.

WATER RATES-Seth distributed a packet of information pertaining to a water rate increase. He reviewed the information with the board members. A discussion followed. Seth stated that we have seen a decrease in pumping over time. At this point in time we need funds for capital projects that are scheduled to be done over the next few years. A rate increase that would generate \$350,000 would represent a 16.5% increase over current rates. A 14% increase would generate an estimated \$300,000 per year. Greg stated that the cost of doing business is going up and we are not seeing the sales from water due to decrease pumping. Seth stated that pumping is up this week but we are not sure if it will continue. Greg stated that maybe we should wait to see where the numbers go and if the pumping continues to be up. Seth stated that he is working on some talking points for when we decide to do a rate increase. Denny stated that he looked at our budget for the current year and determined that if we include depreciation we are looking at 80% fixed costs and 20% consumption driven costs. If we don't include depreciation in the numbers, we are looking at about 48% fixed and 52% consumption driven numbers.

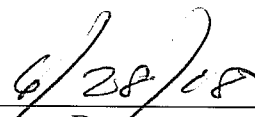
LEASE OF 1002 UNION AVENUE-Seth stated that we need the chairman to sign the lease for 1002 Union Avenue with Lakes Region Cupcakes featuring Mel's Creative Cakes, LLC. The lease will be effective July 1, 2018. Chairman Greg Page signed the lease agreement.

No further business, a motion was made by Dennis Bothamley, Seconded by Joseph Driscoll to adjourn the meeting at 9:10 a.m. The vote was unanimous.


Cheryl Hounsell, Clerk



Authorized Signature



Date