

**LACONIA WATER DEPARTMENT
BOARD OF COMMISSIONERS
JANUARY 25, 2018**

Chairman Gregory Page called the regular meeting of the Laconia Water Department Board of Commissioners to order at 8:00 a.m. on Thursday, January 25, 2018 in the conference room at the Water Treatment Facility at 117 Stark Street. Present were Commissioners Gregory Page, Dennis Bothamley, Joseph Driscoll; Ex-Officio members Councilman Armand Bolduc and Public Works Director Wes Anderson; Superintendent Seth Nuttelman and Clerk Stacey Pate.

A motion was made by Armand Bolduc, seconded by Joe Driscoll, to accept the minutes of January 11, 2018. The vote was unanimous.

A motion was made by Armand Bolduc, seconded by Wes Anderson, to approve the accounts payables and the financial statement dated January 24, 2018. The vote was unanimous.

OLD BUSINESS:

PAUGUS BAY MILFOIL- Seth stated that there was nothing new with this item.

LANGLEY COVE-Seth stated that the draft contract has been sent to Mark Pinard and we are waiting for his comments. Once we receive the "revised" contract we will review and send it to Attorney Dyer for his review. Planning board approval is anticipated for March. Greg Page stated that he would like to see the contract as soon as it is available. Joe Driscoll reiterated the need for a policy to cover getting a deposit for legal fees so that these legal fees are not getting absorbed by the rate payers.

METER READING UPDATE-Seth stated that Wes Anderson has approved a \$25,000 contribution, to be matched by the Water Department towards the cost of MXUs. The Water Department's contribution would come from the remaining funds in the Capital Mains budget line which will be carried over and transferred to the Meter Maintenance Fund. A motion was made by Dennis Bothamley, seconded by Joe Driscoll to reallocate \$25,000 from the Capital Mains budget line to the Capital Purchases Meter Reading/Upgrade budget line. The vote was unanimous.

2018/2019 BUDGET-Seth stated that we should have a draft budget at the next meeting with an approximately 2% increase. He also stated that he met with Wes to review the streets to be paved in the next budget year. The plan is to relay Bowman Street in the spring, Merrimac Street in the fall and Union Ave from Main St to Gilford Ave in the spring of 2019. Seth estimated that the Union Ave relay would cost approximately \$600,000 due to its length (approximately 3000 feet), and horizontal boring under the stream bed at Jewett Brook. Seth brought up the question of funding this project, bond vs rate increase.

Water Main Replacement/Sewer Lateral Issues-Seth stated that no decision has been made regarding the Neil and Karen Trindade sewer lateral issue at 200 South Main Street. Seth stated he called Mr. Trindade to further discuss the issue. He has e-mailed the information to Attorney Dyer. Joe Driscoll stated that he had researched this issue of "construction warranty." He stated that the 1-year warranty does not exist, it is rather the time the contractor has to make good on repairs. However, some work should last longer than one year, i.e. foundations, etc. He stated that he thinks we do share responsibility. Seth stated that there are a lot of variables that determine the life of a piece of pipe such as heavy truck traffic, landscaping, frost depth, compaction, etc.

NEW BUSINESS:

Auditors Report 2017-Seth reviewed the Side Letter from Melanson-Heath. The first recommendation was regarding the controller having a great deal of access to many aspects of the office. He stated that some of the work load has been turned over to Wendy and that checks and balances are in place. Seth stated that we have asked for recommendations from the auditors but have not received them. Greg Page asked how we could be at

risk with this. Seth stated that the chance of fraud is slim given our checks and balances with our accounts payable procedures. Seth also stated that an issue could be someone creating a false vendor or accessing the computer system and changing pay rates. The second recommendation was regarding purchasing. State and federal regulations state that if a purchase is over \$5000 it has to be put out to bid and advertised. We are currently following this recommendation, but have not always advertised material bids. We have just sent them to the primary suppliers in the state. Seth stated he has advertised the latest spring bid and will do so in the future. The City's Management Letter discussed computer security and access. We have made some changes and restrictions based on each individual's need for access. Cheryl has some employee's personal information and access to this information is restricted to her alone. The City is planning a Risk Assessment in March for IT. This will be done by an independent company and all departments will be assessed. Seth suggested we wait until the Risk Assessment is complete before we change anything else. Seth then reviewed the auditor's report. He stated that the State of NH is no longer helping to fund our retirement system and that there is a bill to try and get the state to start funding this again. Operating revenues are up mostly due to the retirement liability. Greg Page stated that it looked like a pretty good report and asked the Board to review it before the next meeting.

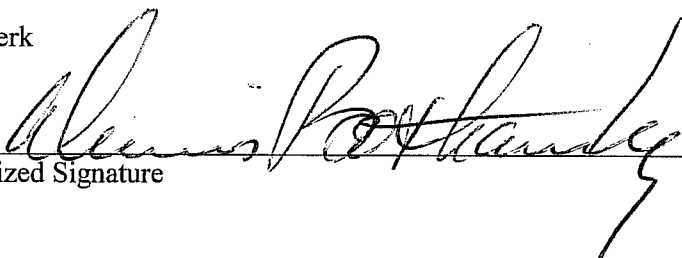
DECEMBER FINANCIALS-Seth reviewed the December numbers. He stated income was over by 0.85% or \$23,000. Expenses were under by 4.5% or \$126,000. When you back out contingency we are to the good by \$134,000.

DEPARTMENT UPDATE-Seth reviewed the water main break on New Salem Street where we replaced the bonnet bolts. Two of the three gates do not work and we plan to fix the entire intersection. The Meadow Street break was due to an iron plug in a brass tee. Seth stated that Cheryl will be out for 2 weeks in February and that some of the work load has been redistributed.

Joe Driscoll and Greg Page will be away for the February 8th meeting, everyone else will be here.

No further business, a motion was made by Armand Bolduc, seconded by Wes Anderson, to adjourn the meeting at 9:10 a.m. The vote was unanimous.

Stacey Pate, Clerk


Authorized Signature


Date