

Board of Commissioners
Meeting Minutes
February 14, 2023

The Commission meeting convened at 10:00 a.m. in the meeting room at the North Conway Water Precinct 104 Sawmill Lane North Conway, NH. The following were present:

Commissioner Suzanne Nelson
Commissioner James Umberger
Superintendent Jason Gagnon
Fire Chief Chad McCarthy

Executive Assistant Alexis Wagoner
Dave Fox from Rafetelis
Recording Secretary Hannah Andersen

Call to Order

Meeting called to order at 10:00 AM by Commissioner Suzanne Nelson.

Minutes

Minutes are carried to the next meeting.

Fire Department

Membership:

37

Personnel:

One member on leave of absence.

Two new membership applications we're received last week.

Training:

Department Training: Oyster Stew.

Engine 1 Training: Search and Rescue evolutions.

Rescue Training: Team building with horses.

Department Activities:

Place of assembly inspections, rental and life safety inspection on going.

Tractor Supply open on Feb 10th.

2024 Fire Budget Draft #2.

Dale Hamilton's celebration of life was Feb 10th.

Emergency Calls:

Five year call average is 1,276 calls a year.

Five year monthly call average is 106 calls a month.

Five year daily call average is 3.49 calls a day.

The department has responded to 175 calls year to date for 2024

Monthly call average is 14.58 calls a month for 2024.

Daily call average is 0.43 calls a day for 2024.

Apparatus / Trucks:

No change on work to be done to Engine 3. Work will start ASAP.

Superintendent's Report

Annual Meeting Timeline and Key Dates

Candidate Filing

Two Commissioners (3-yr term, 1-yr term)

Clerk, Treasurer, Moderator (1-yr terms)

February 7 – February 16, 2024

Petitioned Article

No later than 4:00 PM February 27, 2024

Bond & Budget Hearing

February 28, 2024

Bond Hearing: 6 PM

Budget Hearing: Immediately Following Bond Hearing

Annual Meeting

March 27, 2024 @ 7:00 PM

Voting begins @ 4 PM

Asset Management – Traditional Asset Management

Presentation: Dave Fox *Vice President of Raftelis*

The Purpose of this rate study is to ensure the Long-term Sustainability of the Precinct; the District needs enough revenue to pay for current expenses and future planning. How much money needs to be collected annually?

Over the last 20 years, water and sewer rates as a whole have increased 5% to 6% each year. Recently there is extreme inflationary impact to industry budgets, in addition to the growing need for more staffing to accommodate the reporting requirements at the State and Federal level.

At the current rates, the Precinct is posed to see the Capital Reserve Funds going dry by 2027 if we do not raise rates. The target we are aiming for is 365 days of O&M in Reserve.

Raftelis recommends instituting a one-time bump to rates that will then be followed by a typical industry standard rate increase review yearly.

Water: 20% Rate increase ASAP in 2024 and 6% yearly there after

Sewer: 5% Rate increase - Maintain the financial health that we have in this fund now.

Rate Design Scenarios:

Option 1: 20% increase across the board.

Option 2: Volumetric increase of 52%

Option 3: Base Rate increase of 10% + Volumetric Rate increase of 36%

Smaller magnitude Increases enable the Precinct to keep the health of the cash balance of accounts healthy year to year in addition to being a more palatable option for customers.

Raftelis recommends that the Commissioners decide on a rate option and have that be the only one that is presented at the public hearing. In addition, not delaying the rate change until January. Institute the rates as soon as possible.

Bylaws & Term Limits

A question was raised recently about a 2015 warrant article in which voters passed an article to amend the bylaws to impose term limits upon commissioners. Specifically, the first amendment proposed in Article 24 stated: "(Amendment 1) Article IV, Section 1: The North Conway water Precinct Board of Commissioners shall be elected for three-year terms at the Annual Meeting. Terms shall be staggered so that one Commissioner is elected annually. ***No Commissioner shall serve more than three (3) full consecutive terms without at least a one (1) year break from said office.***" (emphasis added) This restriction shall apply to incumbents on the date of adoption of this Bylaw change."

After consultation with the Precinct's attorney, it has been determined that local municipalities have not been empowered by the State of NH to enact term limits and that specific provision of 2015 Warrant Article 24 is not enforceable.

Project Status

Asset Management – Energy Efficiency Grant

We have received some data back from ReVision about the allowable height of the panels. As it is right now, 7 ft above ground level is the max their racking system supports. We are still working to determine 1) if enough land exists out there that is high enough elevation to fit the proposed array; 2) if we determine sufficient land exists, does that revised layout work with the current landowner; and 3) if a new proposed layout works with the current land owner, what the compensation might be in order for the Precinct to acquire the property.

Saco River Erosion

No change – next project meeting is this coming Friday. NHDES Natural Heritage Bureau representatives will be in attendance to discuss the potential presence of a “globally rare” plant community within the project area.

WWTF Aeration Upgrades

No change. Design is moving right along and we are on schedule to bid late spring / early summer. 90% design plans have been submitted to NHDES for review.

Cell Tower

The Precinct met with representatives from the cellular company and it appears the Seavey Street location may be a good alternative for the temporary tower. We will continue working with them to see what the process entails and will provide updates as we have them.

Water Quality

I’m happy to report that the majority of our first quarter water test results are back and we again had no detectable levels of VOCs, SOCs, or PFAS in our water. Our overall water quality remains excellent.

2024 Proposed Budgets

No new updates – I’m happy to answer any specific questions.

General Trends

Property/Liability:	+17.8%
Health Trust:	+15.6%
CBA (wages):	+3.5%

All budgets presented today use the same approach the Precinct has used for decades: present the true cost of operating and maintaining our systems to the standard our customers expect. Over the past 7+ years, NCWP has been fortunate that growth within the service area has outpaced rising costs and rates have therefore been able to hold steady. With recent inflationary pressures and the workload in the office requiring additional staff to keep up with it all, we’re no longer at a point where Precinct growth can keep up with the rising costs. You’ll note that the water and sewer draft budgets each show a deficit which reflects this. At our next Commission meeting, I hope to have recommendations from Raftelis for potential increases to our water and sewer rates.

Sewer

Costs continue to rise for just about everything. For 2024, the draft sewer operating budget increase is 5.7%. The biggest drivers are personnel costs – specifically, the hiring of

a wastewater operator 5 months before the retirement of the Chief Operator for training purposes and the inclusion of ½ of our new full-time administrative position.

Water

For 2024, the draft water operating budget increase is 8.2%. The largest drivers of cost increase in 2024 are again personnel costs – although the increase looks higher than it should be because the 2023 budget only included 4.5 water operators (due to the hiring timeline to replace an operator who left) and in 2024 we're back at full-strength of 5 operators for the full year. 2024 also adds in ½ of the new full-time administrative position. In my first draft budget, I tried to scale back a bit more than I would like on the repairs/maintenance lines – I didn't feel great about that, however, and bumped them back to 2023 levels (an additional \$25K or so) in this draft for the sake of our water rate discussion. 2024 again does not include any contribution to Water Capital Reserve, other than the buy-in fees.

Commissioners (General Fund)

For 2024, this is one area where we don't anticipate any large increases – the current draft 2024 budget is up 2.5% for operating expenses and down 0.9% for total expenses (including long term debt payments). The increase in the operating budget is due to a small bump in Annual Meeting Expenses to improve outreach about meeting dates/times, and the additional \$2K for Valley Vision and funding for the Fire Department's Oyster Stew event in Community Activities. One thing to note is that the tax levy shown is most likely wrong due to the recent revaluation in Conway. The numbers shown are based on 2023 valuation and 2022 equalization ratios (the latest data published by DRA). The new data won't be officially released until September so we're hoping to get updated "unofficial" numbers so that we can project tax levy and tax rates with some semblance of accuracy in time for budget hearing.

Warrant Articles

2024 Warrant Articles have been drafted and uploaded to the NH DRA portal for review. We do have one bond article this year – the additional funding for the Skimobile-Artist Falls Water Main project – that will require a Bond Hearing at Budget Hearing. That article has been sent to Precinct Bond Counsel for review.

A copy of the DRAFT Warrant has been attached to this report.

Signing of Checks

Motion of Commissioner Umberger and seconded by Commissioner Nelson to ratify checks signed out of session:

- a. Accounts Payable checks dated 02/15/2024
- b. Payroll checks dated 02/15/2024
- c. January Callfire Payroll Checks dated 2/7/2024

Motion carried by a 2-0 voice vote.

Non-Public

At 11:45AM Motion of Commissioner Umberger and seconded by Commissioner Fauver to enter into non-public session per RSA 91-A:3, II(a) The dismissal, promotion, or compensation of any public employee or the disciplining of such employee, or the investigation of any charges against him or her, unless the employee affected (1) has a right to a meeting and (2) requests that the meeting be open, in which case the request shall be granted.

Motion carried by a 2-0 roll call vote.

Sue	Yes
Jim	Yes

Commissioners Returned to Public Session at 12:15PM.

Motion of Commissioner Umberger and seconded by Commissioner Nelson to seal the minutes, as it was determined that divulgence would render a proposed action ineffective.

Motion carried by a 2-0 voice vote.

Having nothing further to come before this public meeting, motion of Commissioner Nelson and seconded by Commissioner Umberger to adjourn this public meeting at 12:16PM.

Motion carried by a 2-0 voice vote.

Minutes recorded by:

