

**SHAFTSBURY SELECTBOARD
WATER BOARD MEETING
JULY 16, 2012
MINUTES**

ATTENDING: **Board Members present:** Lon McClintock, Karen Mellinger, Craig Bruder, Billy Obenauer, Carl Korman. Town Staff: Margy Becker, Town Administrator; Joe Herrmann, Water Superintendent; Town Officials: Bill Fisk, Treasurer; Visitors: Jeri Schoof,

1. Call to Order

Chairman McClintock called the water board meeting to order at 5:00pm.

2. Board Reorganization

Lon McClintock nominated Karen Mellinger as Chair of the Water Board. Carl Korman seconded. The motion carried 4-0. (Craig Bruder absent)

Lon McClintock nominated Billy Obenauer as Vice Chair of the Water Board. Carl Korman seconded. The motion carried 4-0.

2. Announcements

None.

3. Public Comments

None.

4. Conflict of Interest Statement

Chairman McClintock inquired if any Board member had a conflict of interest with any matter on the agenda. No conflict noted for the record.

5. FY13 Budget Review and Capital Improvement Plans

Karen Mellinger and Joe Herrmann presented the Water Department budget and CIP plans. Ms. Mellinger explained the budget is based on estimated usage of 13.5 million gallons by 300 users. The Water Department is proposing a \$1.00 increase in the water metered rate. This will mean the water metered rate increases from \$6.50 per thousand gallons to \$7.50 per thousand gallons usage. The income generated by this increase is proposed to be set aside into a reserve account for future water system improvements. Joe Herrmann noted that infrastructure dates back to 1939 in most places. The system is comprised of approximately 3 miles of pipes. The system supplies water for 38 hydrants.

Board member Craig Bruder joined the meeting at approximately 5:20pm.

The proposed budget totals \$137,966, inclusive of \$7,254 in capital improvement expenses for meter replacements, purchase of portable water pump and radio. \$2,000 is proposed for

purchase of a used truck for the department. \$10,555 is proposed to be set-aside into the reserve fund for future improvements.

Joe Herrmann explained the department faced water payment delinquencies of approximately \$27,000 back in March. He has succeeded in reducing this amount to \$12,000.

Treasurer Bill Fisk met with the Water Board to discuss ways in which system income, expenses, so-called 'surpluses' should be accounted for. Accounting standards require that the water department follow guidelines for reporting as a business enterprise account.

Karen Mellinger spoke about the final 2 years of a 5-year Capital Improvement Plan to replace water meters.

Joe Herrmann announced he will be retiring in December 2013. The Board discussed the need to begin recruitment for a new superintendent.

It was noted there is a \$27,000 surplus for the FY12 budget year, which ended June 30th. Selectboard members asked what happens to the surplus. Bill Fisk explained the \$27,000 is 'unrestricted cash', plus \$13,000 in accounts receivables = actual liquid assets of approximately \$40,000.

Craig Bruder made the motion to adopt the FY13 water department budget, inclusive of format changes proposed by the Treasurer. Billy Obenauer seconded. The motion carried 5-0.

Billy Obenauer made the motion to adjourn at 5:50p.m. Carl Korman seconded. The motion carried unanimously.

Submitted by:
Margy Becker