

Minutes: MPCA BOARD MEETING
Monday, July 13th, 2009
7:30 PM

The Board of Directors of the MPCA met on Monday, July 13th, at Don MacKinnon's home. Present were: Dave Contarino, Bruce Johnson (substituting for Cari Moorhead), Dick Ormrod, Don MacKinnon, Peter Roy, Russ Simon and Jim Fitzpatrick, presiding. Guests included Bill Kath to provide a Water System's Capital Reserve Analysis update to the Board and Tod Rodger.

The meeting was called to order at 7:29 PM.

1. Minutes of the June 8th, 2009 MPCA Board meeting:

- Motion to approve the minutes was made by Dave Contarino and seconded by Dick Ormrod - approved unanimously.

2. Capital Reserve Analysis Update

- Presented by Bill Kath
- Bill presented a 2009 update to the 2007 Water System's Capital Reserve Analysis. This update and the original analysis just dealt with the Water and Sewer System's Capital Assets with an estimated replacement cost of \$532,000, an average useful life of 26 years, a current average age of 13 years and an annual depreciation of \$20,500. This analysis did not include the replacement costs or reserves for the water and sewer distribution lines which is roughly estimated to cost about \$1,500,000.
- Based on standard Capital Reserve planning, our Water System's Reserves should be equal to the accumulated depreciation on our assets or currently about half of the replacement cost (assets average age of 13 years and average useful life of 26 years). We should have a target Reserve of \$270,000. Our current Capital Reserve is about \$80,000, giving us a reserve shortfall of about \$190,000. In order to close the reserve shortfall gap over time, the WSC is recommending that we budget annual Capital reserve contributions to be at least \$33,000 per year to cover our annual depreciation plus about \$12,500 of the gap.
- Russ Simon asked that the report be further updated for the addition of the Cistern. Bill Kath said he would include it in the next update by the Annual Meeting, but that the Cistern would roughly add \$100,000+ to the overall replacement cost and that as a 40 year asset would add only \$2000 to \$3000 per year of depreciation expense.
- In addition, the Board felt that the Capital Reserve Analysis should be expanded next year to include other Lot #4 and Lot #11 Capital Assets like the Screenhouse, deck, dock, bridge, gates, etc.
- The Board thanked Bill for his good work and the refresher course on Capital Planning and Analysis.

3. Treasurer's Report:

- Presented by Don MacKinnon
- As expected, operating expenses are catching up with the budget and we are about \$3,000 under budget as of year to date, June 30th.
- It was recommended by EC that a tree, damaged by lightning behind 137 Cushing Road, be removed as soon as possible for the lowest bid of \$1,000. After discussion, a motion was made by Peter Roy, seconded by Dave Contarino to delay the trees removal until the next regularly scheduled Lot #4 maintenance cutting, which would also hopefully reduce to cost. The motion passed unanimously.
- The Board was also requested by the Waterfront to reimburse them for additional, unapproved Lot #4 drainage repair work of \$6,000, which had to be done in

August/September 2008 to fix drainage issues affecting basements and the land behind 365 to 368 Cushing Road. The original Lot #4 portion of repair work, which had been approved by the Board, had to be exceeded in order to fix the drainage problems. This was not known until the work began in August and occurred after the August MPCA Board Meeting and before the next official MPCA Board Meeting in October. Though the President of the Board was notified in August, a formal vote to approve the additional expenses was never taken. After much discussion and debate, a motion was made by Don MacKinnon, seconded by Dave Contarino to reimburse the Waterfront for up to half of the additional, unapproved \$6,000 of Lot #4 drainage repair work from any Operating Reserves in excess of \$30,000 at fiscal year end 7/31/09. The motion was approved with a vote of 6 in favor and 1 abstention.

- The Board reviewed the proposed Operating Budget for the 2009-2010 fiscal year. A motion was made by Don MacKinnon, seconded by Dave Contarino to approve the 2009-2010 Operating Budget of \$124,400 as presented. The motion was approved unanimously and saves close to \$4,000 from this year's budget.
- The Capital Budget and Project List were not ready for review at the meeting, as requested. The Board will review the Capital Budget and Project list at the 8/3/09 Board meeting and vote on the Capital Budget at that time.

4. Committee Reports:

Water Systems Committee

- Presented by Jim Fitzpatrick.
- Mandated State Water Quality Testing continues. Though the water quality is fine for consumption, the WSC will continue to temporarily use a chlorinator in the tanks to meet water quality. Additional sampling will continue until we meet all State standards.
- As part of the particulate research and inspection of our Water System, the WSC has found that one of our well's casings may be the primary source of the increased particulate problem and that this well's pump also needs to be inspected for possible repair or replacement. The Board approved up to \$15,000 as an emergency Capital expenditure for this project at its June meeting. Initial work has begun and unfortunately, as usual with much of our water and sewer system, the size of the casing used in the well was not the standard size. As a result the expected fix will not work and, the WSC and our Water System's experts are now in the process of developing an alternate fix to the problem.
- The "Road to the Lift Station" project is completed with the exception of replacing the landscaping around the new road. EC will be working with the Board to complete this task by this fall.
- We were notified on the evening of June 28th by Water System's staff that our Lift Station pumps were not operating. WSC member's responded immediately and started the pumps manually to clear the sewer lines, which took some time. The system's controller, which failed, has been replaced. Subsequently, a week after this event, we were notified by a member that sewage had backed up into the basement of their home and caused some damage. The Board requested that the event be further investigated and to check on our insurance coverage. Russ Simon suggested that Gordy Rehnborg, a Waterfront member who specializes in insurance related issues, may be of some assistance in reviewing our Insurance Policies and coverage for this event. The Board concurred and authorized Russ to approach Gordy to see if he could be of some help in educating the Board on our coverage, if any and to educate the Board on the issues by the next meeting.

Environmental Committee Report

- Presented by written report
- The next scheduled EC meeting is on August 17th (Monday) at 7pm at Debby Grubbs house.
- The bridge by the Fire Pond is being repaired as approved by the Board, weather permitting.

- A landscaping plan is being developed for the area around the new lift station road, at the request of the Board.
- Despite numerous requests by EC to the Town not to clear cut Lubberland Circle, it was clear cut by the Town. Jim Fitzpatrick will investigate why with Rick Malasky, Newmarket's Public Works Department Head.
- Protective staining of the dock and Screenhouse deck and painting of the Screenhouse and Lift Station are approved by the Board and will be done between now and fall, as appropriate.

Community Life Committee:

- Summer BYO's at the Screenhouse will continue through the early fall, weather permitting.
- The next Quarterly MPCA Community Get Together in early fall is being planned with a Halloween theme – dates and particulars will be announced as soon as they are firmed up.

Drainage Issue Report and Update

- Presented by Russ Simon.
- The Water Council met in June and denied Cheney's request to dismiss the drainage case and vacate the Administrative Order. We are waiting for the rescheduling of our pre-hearing conference with the Water Council.
- As a new twist, though DES has denied building permits to Cheney on his Wetlands-Classified Building Lots located in the Meadow Association, Cheney has now requested DES to review his plans to build on these lots in only the non-wetlands portions of the these lots, presumably without impacting the existing wetlands. Stay tuned.
- As always, we will continue to monitor the situation closely and keep you informed.

5. Property Manager's Report

- None presented

6. Other Business

- **Lot #13 Issues and Update:**
 - We and the Court are awaiting a Court ordered response from Cheney to our lawsuit's claim of MPCA ownership of Lot #13 by 8/6/09.
 - We will continue to monitor the situation closely and keep you informed.
- **MPCA Annual Meeting Date:**
 - **Please mark your calendars - The MPCA Annual Meeting will be held on Saturday, September 12th, 2009, starting at 9 AM in the basement level of Newmarket's Town Hall.** Coffee will be available starting at 8:30 AM. More info to follow.
 - **FYI – Newmarket has recently instituted a rental fee (\$30) and Cleanup refundable deposit fee (\$100) for using Town space for meetings.**
- **MPCA Board Transitions - Repeat:**
 - Jim Fitzpatrick's term as "Member at Large" will end at this year's annual meeting. He plans on retiring from the MPCA Board. A new "Member at Large" will have to be elected at the Annual Meeting.

- Russ Simon will also be retiring from the MPCA Board at this year's annual meeting. The new Waterfront Association's MPCA Board representative will be John Badger.

The Board Meeting was adjourned at 9:45 PM.

The next regular MPCA Board Meeting will be held at Jim Fitzpatrick's home on Monday, August 3rd, 2009 starting at 7:30 PM.

Respectfully submitted,

Russ Simon
Secretary