

SPECIAL FINANCIAL MEETING
NEW SHOREHAM WATER DISTRICT
March 25, 2008 Minutes

Present were Sewer Commission members Ann Cunningham, Frank Leslie, Steve McQueeney, Cliff McGinnes, Rally Migliaccio, Howie Rice, Don Thimble and District Clerk Janet Ziegler.

Also present were Public Works Director Nancy Dodge, Finance Director Amy Lewis, Superintendents Ray Boucher and Dave Simmons, Counsel Elliot Taubman and Canvasser Bonny Ryan

Chair S. McQueeney called the meeting to order at 4:39 P.M.

The New Shoreham Water District's proposal to expend reserves was posted on March 4 for public review at three town locations and copies were available at the Town Hall, Island Free Library and Sewer District's Office during regular business hours. Notice of the Special Financial Meeting and Eligibility of Voters was posted on February 22, 2008 and published in weekly issues of the Block Island Times newspaper on March 8, 15 and 22. The canvass of New Shoreham's registered voters as of February 23, 2008 was posted at three town locations.

Attorney E. Taubman announced that ten (10) electors would make a quorum for the Water District; B. Ryan canvassed the public as they arrived. The Water Balance Sheet as of February 29, 2008 and the Debt Service Schedule Fiscal Year Ended June 30, 2008 were made available to the public.

B. Ryan reported that eighteen (18) electors of the New Shoreham Water District registered at the meeting.

A. Lewis presented the financial picture. Cash reserves were ~ \$536K and the net assets as of June 30, 2007 were ~\$3.6 million. The first request on the agenda was the same as that considered at the Special Sewer Financial Meeting preceding this meeting. The second request is to pay off a USDA loan; the interest saved with this action would provide substantial savings for the Water District.

The Water Superintendent summarized developments to the water infrastructure. The distribution mains were upgraded through a USDA 75% grant 25% loan. The generous grant part was awarded because of the safety aspects of the project to provide higher quantity/quality service for the sprinkler systems in the downtown area.

MOTION: by H. Rice to authorize the expenditure of \$75,000 by the New Shoreham Water District for construction of affordable apartments above service building, such funds to come from reserves. The motion was seconded and a quorum was present. The motion was opened for discussion.

Responding to a question regarding revenue from the apartments, the Commission contemplated that the smaller unit would likely be rented at ~\$800 per month and include the cost of all utilities; affordable guidelines would be followed. There being no further questions, a vote was called for.

The vote by Water District electors' to authorize the expenditure from reserves was:

AYE: 16

NAY: 2

The motion carried.

To a customer's statement that water rates were even more expensive than sewer's, and a question regarding the possibility of water rate increases, S. McQueeney responded that a Rate Design committee had been appointed and has met several times over the winter. D. Simmons, a committee member, reported that the Design group was

especially looking at ways to moderate rates for year-round users as they form the basis of customer demand and are a benefit to both plants. The current financial software, however, is complicated.

E. Taubman added that the water plant produces plenty of good water and a larger customer base would also work to alleviate the high user fees. S. McQueeney added that the Water Board was looking into regulations pertaining to the use of private wells by commercial establishments.

One customer commented that they would rather have cheap water and orange sheets, like in the old days, than expensive clear water.

MOTION: H. Rice to authorize the discharge of USDA water loan 91-50, \$109,000 issued on November 11, 2005 with a balance remaining of \$106,791, such funds to come from reserves. The motion was seconded, a quorum of electors was present and the vote to authorize was:

Vote: 18 Oppose 0

The motion carried.

S. McQueeney thanked the voters for coming.

Adjourn.

MOTION: by H. Rice to adjourn the meeting. The motion was seconded, a quorum was present and the vote to adjourn was approved unanimously by all members present.

The meeting adjourned at 4:53 PM.

Respectfully submitted,
Janet Ziegler
District Clerk

Approved: April 8, 2008

The New Shoreham Sewer Commission and Water Board are an equal opportunity providers and employers.