

Franconia Water Department Work Session

Tuesday January 21, 2020

Town Hall Meeting Room 5:30pm

In Attendance: Water Commissioners Darrel Dietlein, Joan Hartford and Dan Walker; Meaghan Caron, Water Department Secretary

Public in Attendance: Kevin Johnson

Meeting is opened at 5:42pm. Darrel opens the meeting, Joan seconds and all are in favor.

The purpose of the work session is to finalize 2020 budget numbers to be submitted to Holly and to confirm what is stated in our Rules and Regulations for new customers on our water system.

A letter was received from Garnet Hill regarding the fire hydrants. They state that they do not support decommissioning the fire hydrants. We believe there will need to be public hearings during the next year to get the discussion going so that both customers and townspeople can discuss what the entire town wants to do with the hydrants. Currently, the rate payers are taking on the cost of maintaining the hydrants.

The commissioners have agreed that a rate increase on the usage for our customers is necessary in order to cover the cost of maintaining the fire hydrants and to meet the needs of the expenses for the department.

At a \$.10 increase the revenue would be approximately \$10,396.58. That covers the \$9600 for maintenance for the hydrants. The additional \$796.58 will go into the Mittersill parts and materials line because we are projecting work to get started in Mittersill during the summer of 2020. Joan motions to raise the water usage rate from \$1.20 per 100 gallons to \$1.30 per 100 gallons. Darrel seconds and Dan is in favor. All are in favor.

Darrel makes an official statement: "Due to increased fire hydrant system maintenance costs, a rate increase was necessary to bridge the gap between revenue and cost. Therefore, effective for the second billing of 2020 there will be a \$.10 rate increase per 100 gallons used making the rate \$1.30 per 100 gallons."

By raising the usage rate the budget is finalized with a bottom line for Income set at \$309,347.00 and Expenses line set at \$309,346.58. This budget is motioned for approval by Joan and seconded by Darrel. Dan approves, all are in favor.

We will look into Granite State Rural Water's assistance with a possible study to be done on the fire hydrant system as a whole.

Questions to be answered:

What is the viability of the hydrant system at this time? A professional study needs to be completed.

What is the potential liability of a non functioning hydrant in our system?

What are the decommissioning costs?

What are the costs of bringing the hydrants up to par? What ideas and different costs are our options?

The commissioners begin the discussion for amending the new customer connection fee paragraph in our Rules and Regulations. Currently, our Rules state:

“New services will be installed by the Franconia Water Department with all charges billed to the customer. The Franconia Water Department may, at its discretion, require any new customer to have the work done by a private installer under the guidelines of the department.”

The commissioners would like to have it stated in the Rules that a deposit is required and full payment is due at the end of the project. Dan reiterates that the goal is to cover the expense of making the connection to the system, not to make money.

Darrel proposes an amended paragraph:

New water supply services will be installed by the Franconia Water Department through its water system maintenance company and all charges shall be billed to the customer. The water system company under contract at the time of the customer’s installation request shall provide a cost estimate for the installation, from which the customer will pay a 50% pre-installation deposit. Final payment of the remaining balance will be due at the completion of work and paid to the Franconia Water Department. The Franconia Water Department may, at its discretion, permit any new customer to have the work done by a private installer under the guidelines and direction of the Department.

This amendment is agreed upon. Meg will make the change in the Rules and Regulations to have printed and ready at our February 13th meeting. The commissioners will vote to approve the amendment first thing at the February 13th meeting.

With no further business to attend to Joan motions to adjourn the work session at 6:34pm. Darrel seconds and all are in favor.

These minutes of the Franconia Water Department have been recorded by its Secretary. Though believed to be accurate and correct they are subject to additions, deletions and corrections by the Board of Commissioners of the Water Department at its next meeting when the Board votes its final approval of the minutes. They are being made available at this time to conform to the requirements of New Hampshire RSA 91-A:2.

