**Minutes of Gunstock Acres Village Water District Board Meeting**

Date and Time of Meeting: February 17, 2021 5:32pm Call to Order

Location of Meeting: Gilford Town Hall & Zoom

Board members attending: commissioners, Jack Kelley, Howard Epstein, Joe Geraci (via Zoom); treasurer, Nick Sceggell

System operator personnel attending: Peter Hilton (LRW); Tom Mason (LRW)

Names of members and public attending: Gary Lantner (2 Huntress Circle)

Topics discussed:

1. **Public Hearing: Application for Low Interest Loan from State Revolving Fund (term of 20 years) via Warrant**: Vote at Annual Meeting, March 16, 2021. (see Attachment A)

Commissioner Kelley explained why loan needed, what would be used for and why SRF more cost advantageous than straight public loan. Kelley noted the advantageous rate of 1.296% expected, term of 20 years, the construction period vs amortization period interest rate accrual.

No questions/comments from the Public were received.

Public Hearing portion of meeting was adjourned.

1. **Sanitary Survey** andnext steps were discussed including response from Jack to NH DES’s Randy Suozzo within the 30 day response period.
2. **LRW Operator Report** waspresented by Peter Hilton, Tom Mason. Focus was leak repair and detection efforts, and on-going issues requiring operator action (see operator’s report for month).
3. **Town 2021-2025 Road Improvement Plan** was discussed. LRW to review and make recommendations to coordinate with Town plan.
4. **Alert System** was discussed. Only about 170 names are registered. Jack to contact GACPT to provide their list of about 350 names.
5. **Treasurer’s Report** was discussed. 2020 Precinct Tax of $232,000 was received.
6. **Annual Meeting:** Discussed warrants, warrant posting, voting procedures for Zoom attendees and in-person attendees. Attorney to be consulted.
7. **GAVWD Office:** File cabinet acquisition and layout discussed. Office 365 shared plan and Cloud storage discussed.
8. **Decisions Made**:

Approved payment of LRW invoice # 102725, dated 2/16/21: $35,408.39.

Approved sending 15 Briarcliff Road homeowner repair invoice: $4,985.00

Approved Treasurer’s Report and Payables.

Approved Mitchell Muni Group participation at Annual Meeting

Time Meeting Finished: 7.12pm

**GAVWD 2-17-21 Meeting Minutes Appendix – Commissioner Kelley Transcript of Public Hearing remarks on State Revolving Fund loan application**

We have a quorum, so let’s call the February 17, 2021 Monthly meeting of the GAVWD to order.

First, since this meeting serves both as our monthly board meeting and the public hearing for the State Revolving Fund loan which the board has pre-applied for let’s take a roll call of all public attendees and the board & operator personnel in attendance.

So let’s open with the public hearing portion of the tonight’s meeting.

The Drinking Water & Groundwater Bureau of the NH Dept Environmental Svc has a “Drinking Water SRF”, which, depending on a municipal water system’s needs, offers sub-market rate loans to support the ongoing maintenance and capital improvement of water systems in order to facilitate the ongoing safety & quality of service of the States various water systems.

Given the dire need for capital improvement after years of under-investment, the State made clear that we, the GAVWD, had moved to the top of the priority list for fund allocation, so the board began the pre-application process in 2020. In order to move through the final parts of the application process and receive final approval we will need eligible voters in GAVWD approve the loan via a warrant vote at our annual meeting on March 16th, 2021. So that voters have a chance to become better informed about the loan, we are required to hold a public meeting to explain the why & what of the loan, which we’re here to do tonight.

We began the application process because our water system needs millions in capital improvements and refurbishment over the next decade. In particular, we have some pump stations that are in dire need of improvements with respect to both the water system equipment and the actual buildings, which do not meet current safety codes. We also are reaching the rated life expectancy of many of our well pumps and water mains. We don’t have any choice but to make these investments. So the real question became how to fund the spending. Without the loan, we would be forced to raise water fees meaningfully for a number of years until we accumulated enough of a capital reserve sufficient to meet capital improvement needs. The other option was to seek a loan. Because the loan rate of the SRF is so attractive relative to regular commercial rates (1.296% vs the Prime loan rate of 3-3.25%) we elected to use the SRF.

This loan will be for $1mm and is a 20 year repayment term. We can draw the funds for approved projects as needed, and we don’t have to begin paying back the principal until 1 year after the project for which we drew down funds is substantially completed. Further, while in the construction phase, interest accrues at 1%, and only steps up to 1.296% during the loan amortization period.

Are there any questions?