



WATER RATE COMMITTEE

Rate Committee meeting Tuesday, February 5, 2013. Meeting was called to order at 7:00 PM by Robert Stevens.

Present: Merle Prentice, Robert Stevens; James Tornatore. Kathy McCall, secretary.

Absent: Thomas Evans, William Foster

Guest: Joseph Onofrio, Village resident.

No quorum to accept January 2, 2013 minutes.

R. Stevens reviewed two-part debt service plan: (1) \$98,000 collected yearly for the bond; amortization of the bond shows generally 81,000 (82,000 at highest) needs to be collected. If 84,000 yearly collected to match payments, this would keep the 4% buffer as required by USDA. (2) With approximately \$110,000 in debt service account; if some of that amount (i.e. 80,000) can be applied to principal, this would give approximately \$54,000 savings in interest over life of bond; balance of \$30,000 left in account would offer buffer money and would grow.

R. Stevens stated the bottom line is that revenue has to come in as expected; if income doesn't cover, Village will have one year or so to adjust accordingly. In another ten years, action again could be taken to apply monies once again to principal, and/or decrease water billing. R. Stevens desires to prevent a rate increase, even though mentors say to incorporate rate increase into future thinking; R. Stevens admitted 'dragging his feet on this for some time as does not want to pass rate increase onto customers if can be avoided.

After careful review of figures, Rate Committee will recommend at the February 12th Village Board meeting that the debt service charges for all customers could be reduced \$8.50 per quarter effective with the next quarterly billing, which would occur March 1st.

Regarding water loss rate, R. Stevens stated loss rate is not at the number expected to see, but now that the construction for water project complete, overall loss is expected to decrease.

Regarding water selling issue, R. Stevens stated that one-million gallons per day can be pumped, but the Village uses approximately one-hundred thousand gallons per day. Need to find another customer to sell water to, without the Village needing to put more capital in the system, and without traffic issues (i.e. trucks). There are sites that could potentially be used as staging area, i.e. field next to NV Fire Dept; Goodrich property that was old restaurant site; NV Village garage (the "barn"), and at Silk Street. The current soft market would need to change.

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J. Tornatore spoke about the old ladder factory site. Moody & Associates will be present at the Village February board meeting to discuss their initial report; as part of their report, Moody & Associates also reviewed history of EPA info, in addition to their physical review of site. Fire marshall also to tour property. Hunt Engineers will discuss potential environmental clean up costs, and will also be present at the Village February board meeting. Monies have been earmarked for Moody report, and for Hunt assessment (\$2500 and 27,000 respectively).

Meeting closed at 8:30 PM.

Kathy McCall
Account Clerk Typist

****** NEXT MEETING TUESDAY, MARCH 5, 2013 ******