

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43

Water and Sewer Commission

Meeting Minutes

Wednesday, July 13, 2016 at 3 PM

Present: Chair Walter Liff, Ex Officio David McGuckin, Superintendant of Public Works
Stephen Tabbutt, Accountant Debra Knowles

Members: Vice Chair John Ireland, Normand Houle

Alternate Members (not Present): Chet Fessenden, Reg Whitehouse

Secretary: Gary Dozier

Chairman Liff called the meeting to order at 3 p.m. and gave the floor to New Castle Select Board Chair David McGuckin, who proceeded to explain the significance of the meeting.

Select Board Chair David McGuckin explained that the *sewer rate* in New Castle will increase on July 1, 2016, by 4%, and the *water rate* will increase on January 1, 2017, by 300%. The August bill will reflect the *new sewer rate* and the *old water rate*. Discussion ensued on the way to implement public awareness of the radical water rate change.

The software require that every individual account be uniquely setup. Tables would not change, but rate change can be implemented (yearly). The New Castle model for water and sewer billing is not sophisticated.

Walter Liff suggested that every household have one rate, then supplement that with a usage factor. John Ireland mentioned that he would like to see an overhead billing system with no minimum. He felt it would not be fair to drop the minimum charge in households with little usage...without an overhead charge. Debra Knowles asked if the minimum usage would be for both water and sewer. It was noted that the Wentworth by the Sea has four accounts with a sewer base charge.

Normand Houle asked how would the town's usage (that is, water NOT used by customers) be addressed. Specifically, he referred to water used in knocking down fires, in flushing the hydrants and any other usage attributable to town operating expense. There is a possible supplemental charge that could be rendered to cover the town's usage. Maybe that would be worth considering next year.

Select Board Chair David McGuckin commented that **Lorn's** understanding of finance was way above others. David McGuckin asked that the Water and Sewer Board develop a plan

1 to go to the Select Board. He emphasized that the billing plan must be fair to customers, but
2 that the town cannot lose money.

3
4 In addressing synchronizing the billing cycle and charges from Portsmouth with the billing
5 cycle from New Castle, it will be challenging to adjust water loss and sewer profit for this
6 current fiscal year.

7
8 A discussion arose about Debra Knowles' replacement when she retires in March 2017. That
9 would be happening just as this billing rate transition was getting under way. It was
10 suggested that overlapping Debra Knowles' work schedule with her replacement might
11 provide for a smoother transition.

12
13 John Ireland suggested that New Castle might hire a subject matter expert (SME) for a
14 month or two to work on water and sewer fiscal year alignment.

15
16 Debra Knowles said that New Castle's fiscal year runs from July to June. Ideally, she said,
17 would be from June to May. This would result in one odd billing cycle, making the
18 adjustment synchronized. The change, however, may confuse the customer base.

19
20 Select Board Chair David McGuckin asked if one month over budget OK with the state.
21 Debra Knowles responded that the DRA (Department of Revenue Administration) may not
22 be happy with that.

23
24 SB Chair McGuckin said that, going forward, we need to make the New Castle water and
25 sewer billing charges more equitable, more like Portsmouth's billing system. He then added
26 that 20 units minimum charge will go away. Finally, he said that this issue won't be
27 resolved today, but at least the effort has been started to do so. He asked the Water and
28 Sewer Board members if "we" are in agreement: stick with the water charge as it has been
29 proposed and address the new sewer rates as they evolve.

30
31 Normand Houle asked when we would transition to "zero-based billing?" Select Board
32 Chair David McGuckin suggested that to lessen the shock to transitioning to the higher
33 rated, he proposed the use of a step-up plan. Normand Houle suggested billing in August
34 using the old rates and system and in April, 2017, begin charging the "Portsmouth rate" for
35 four months. It was suggested that an explanation for this new billing be provided to all
36 customers. SB Chair McGuckin said the next billing cycle (August) should be like the past 20
37 years. Charge at the old rates.

38
39
40
41
42

1 It was noted that the December billing would reflect \$.81 per unit of water usage with \$12.24
2 per unit as the new sewer rate. In April the water rate would increase to \$3.35 per unit of
3 water and remain at the \$12.24 per unit of sewage.

4

4 Normand Houle asked that fire fighting and fire hydrant flushing line items be added to the
5 budget for fiscal year 2018. The terms need to be defined accurately when introduced to the
6 budget.

7

8 The meeting was adjourned at 3:48 p.m.

9

10 The next meeting of the Water & Sewer Commission is scheduled for August 10, 2016 at 3
11 p.m. in the New Castle Town Hall meeting room.

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41