

MINUTES OF THE WATER & SEWER COMMISSION MEETING
WEDNESDAY, AUGUST 9, 2017
3:00 P.M.

Members Present: Walter Liff, Chair, Damon Frampton, Ex-Officio Select Board, Steve Tabbutt, Supervisor of Public Works, John Ireland, Member, Chet Fessenden, Alternate, Clint Springer, Alternate

Members Absent: Richard White, Member, Normand Houle, Member

Also Present: Christiane McAllister, Accountant, Anne Miller, Secretary, Ben Jankowski, Assistant Superintendent of Public Works

Public Present: Mike Geanoulis, Dave McGuckin, Bill Stewart

Mr. Walter Liff called the meeting to order at 3:00 p.m.

1. Review Checks and Balances

Mr. Liff Water read the pending checks.

Water

Due to the Water & Sewer Commission's early-in-the-month meeting date, the water bill from the City of Portsmouth is outstanding.

Sewer

The City of Portsmouth's \$39,653.22 sewer invoice for July is the first reflection of the increased sewer rate (new rate = \$12.73 v. old rate = \$12.24). Mr. Tabbutt noted that the July volume includes a flush.

Mr. John Ireland motioned to accept the checks as written, Mr. Clint Springer seconded, and the motion was approved unanimously.

Ms. McAllister read the bank balances as of July 31, 2017:

Water \$114,432.01

Sewer \$337,881.49

Ms. McAllister recapped the final FY17 budget. After capitalization of the two major expenses--the recent P K Brown project and an earlier expense for the engineering study, both of which were covered by revenues that were transferred from the Trust Fund--the Sewer account closed the year with revenues as well as expenditures in excess of budget, with a net balance of -\$804.01.

The Water account also exceeded budgeted revenues and expenses, and ended the year with a net balance of -\$15,093.37.

FY17 year end balances:

Water account: (\$15,093.37)
Sewer account: (\$804.01)
Water Trust Fund: \$130,415.83
Sewer Trust Fund: \$39,233.85

Mr. Ireland asked, and Ms. McAllister explained, that the deficits will be managed using the fund balance. In this case, the amount available will be decreased to accommodate the negative year end balance.

2. Approve Minutes of the June 14, 2017 Meeting

Draft minutes were reviewed.

Mr. Springer questioned whether approval of the June minutes should be delayed to allow for comment from the absent members.

Referring to a City of Portsmouth invoice in the amount of \$2400 for the rental of twelve hydrants, discussed and approved at the June 14 meeting, Mr. Springer asked about the hydrants' status. Mr. Tabbutt answered that he was able to clarify the locations of the rented hydrants and confirmed that all twelve are operational.

Hearing no further comment, Mr. Springer moved to accept the minutes of the June 14, 2017 meeting as written and Mr. Ireland seconded the motion. Motion carried unanimously.

3. New Business

A. Update Water & Sewer Ordinance

Mr. Ireland passed out updated versions of the Water & Sewer Ordinance that await the Commission's approval, noting that Mr. Normand Houle had suggested Members take the time to review it in detail prior to their adoption. Mr. Ireland suggested that the Commission prepare to vote on the updated Ordinance in two months' time. Members agreed.

Copies for absent members, Mr. Houle and Mr. Richard White, will be left in the Public Works mail slot at Town Hall for their pick-up.

Mr. Springer indicated that he read through the Ordinance and had questions about control over and sources of income for the multiple water and sewer funds, which he plans to ask when the full Commission membership is present.

Ms. McAllister answered that the Water fund (a.k.a. Water checking account) and Sewer fund (a.k.a. Sewer checking account) are operating funds, controlled by the Water & Sewer Commission. Their revenues are generated through customer fees. The Water Trust Fund and Sewer Trust Fund are controlled by the Trustees of the Trust Fund, however the Select Board has legal authority over their expenditures. The Commission has authority over determining whether any funds should be moved to capital improvement accounts.

B. Sewer Pump Rehabilitation Project- Contractor on Call

With the pump by-pass work complete, Mr. Liff asked Mr. Tabbutt to identify an on-call contractor to respond to a potential sewer pump failure with the installation of a portable pump. During the period of the sewer pump upgrade work, that contractor will take responsibility for lining up a response plan in case of emergency but in the interim period, the town will need to be prepared with their own on-call contractor. Mr. Damon Frampton suggested that a list of potential contractors, that was provided to the town by UE a few years ago, could serve as a starting point.

Mr. Tabbutt reported that the pump upgrade start date was contingent on a permit that was being held up by NH DES. Mr. Frampton added that the NH DES objection was over the pump selection. A new, approved pump has been selected (at an added expense of approximately \$9,000) and ordered for delivery in approximately 14 weeks. Accordingly, the anticipated start date will be in November, 2017.

C. Update on Water Discussion with the City of Portsmouth

Mr. Frampton reported that the Select Board met with Portsmouth representatives, John Bohenko, City Manager, Peter Rice, Director of Public Works, Brian Goetz, Deputy Director of Public Works. The Select Board had hoped to elicit a commitment from the City of Portsmouth to undertake the necessary work on their end contingent on the Town of New Castle's pledge to undertake its portion of the project in order to present a level of certainty at Town Meeting. However, the City of Portsmouth indicated they would not offer any such commitment, but instead outlined the process: First New Castle must secure town approval, after which the City will, perhaps, be able to push their side of the work through the Capital Improvement Planning committee and then, subsequently, seek City Council approval.

The Select Board has decided that the Special Town Meeting will move forward to provide the information and opportunity to the town, despite the lack of commitment on Portsmouth's part. David McGuckin added that timing-wise, it is essential that the town indicate its intention, via Town Meeting vote, before the City begins their capital budgeting process next year. Mr. Frampton stated that, while the situation with Portsmouth is disappointing, this is the only way that an upgrade will be possible.

Further, Mr. Frampton described that the City is reluctant to bring any more construction vehicles through Portsmouth's South End, making the fate and timing of the water project contingent on the status of the Sagamore Wentworth Road bridge.

Mr. Tabbutt described that the Portsmouth-side priority should be the section of water main from Marcy Street, across Pierce Island and Shapleigh Island into New Castle. Because that section of waterline exclusively benefits the town, the worst case scenario is that New Castle will need to cover the cost to upgrade that feeder line as well.

Mr. Springer asked how much water will be delivered to the town of New Castle via the causeway. Mr. Tabbutt responded that the report answers that question with models that anticipate how many gallons will flow to each hydrant. David McGuckin and Mr. Tabbutt recalled that the UE report indicates anticipated flows at the Shapleigh meter, upon entry to New Castle.

Mr. Springer opined that the water problem can't be solved without replacing the main on Wentworth Road, which is contingent on determining who will bear that cost.

Mike Geanoulis, 78 Portsmouth Avenue, requested clarification, and Mr. Frampton responded that the purpose of the Special Town Meeting would be to commit to move forward with the water project, either as a simple vote of intent, or in the form of a funding approval.

4. New Business

A. Sewer Billing for 17 Walton Road

Mr. Springer suggested the issue of sewer billing for 17 Walton Road be tabled until the return of the absent members. Ms. McAllister asked for direction in order to accurately bill the current meter readings. Mr. Ireland indicated that, absent a change in policy, billing should proceed as normal and that any potential changes in policy can be adjusted later. Mr. Liff noted, for the record, that both absent members, Mr. Houle and Mr. White, communicated that they favored no change to the current policy. Mr. Frampton and Mr. Tabbutt indicated that they support a change in policy, as did Mr. Ireland, who qualified that his support is based on the presumption that the policy doesn't affect more than two or three properties.

Mr. Springer reiterated the genesis of the current policy: in 1976, a fee was levied on all properties past which the sewer line was installed. The fee was paid until such time as the customer elected to tie in to the sewer. The customer at 17 Walton Road, who has not tied into the sewer line, is a vestige of that policy. Mr. Springer proposes the continuation of the policy as well as a lien on the property that requires the property be connected to the sewer within 30 days of its sale. David McGuckin thought that might open the town up for litigation.

Ms. McAllister, at the direction of the Commission, sought counsel on the issue from the attorney at the New Hampshire Municipal Association. The attorney's position was that the RSAs do not support charging for a service that has not been received. That position remained unchanged even after review of an article forwarded from Mr. White.

Mr. Ireland reminded Members of Mr. White's viewpoint, that without the ability to penalize non-users, sewer customers are free to exit the sewer system in favor of private septic in the event of a substantial sewer rate increase, a practice that would exacerbate the cost increase to the smaller pool of remaining sewer users.

Mr. Tabbutt doesn't believe that any other residences currently have access to but are not using the town sewer system.

Mr. Ireland, noting that the original policy supported the cost to install the original sewer system, asked whether now that the system now faces the need for an upgrade, the cost should be borne by the users or by those who are served by the sewer system's proximity to their residence.

Mr. Liff stated that the current policy is in line with the Ordinance.

Mr. Frampton contended that because the town voted last year for only the ratepayers to upgrade and repair the sewer, non-users, including the property at 17 Walton Road, should no longer continue to bear that cost, noting that it is a matter of principle. Mr. Springer described that the initial installation cost was spread over the taxpayers, but that the user fees were assessed to those who had the opportunity to connect. A decision to not connect, triggered a minimum sewer usage charge which would remain in place until connection. Now, Mr. Frampton explained, because there is no longer a minimum sewer charge, an unconnected resident within 150 feet of the sewer line will be charged the full rate for sewer usage equivalent based on their water usage.

After discussion, Members agreed to table the discussion until the next meeting. Mr. Liff directed Ms. McAllister to issue the bill based on current policy. Mr. Frampton will inform the customer to hold off payment until the issue is resolved at the September 13, 2017 meeting, inside the 30-day payment window.

Mr. Frampton asked for, and the Commission committed to, resolution of this issue at the September 13, 2017 meeting.

David McGuckin asked that the decision, when made, additionally record whether the town has any obligation based on past monies collected.

B. Violation Levels

Mr. Tabbutt described that the total trihalomethane (TTHM) levels of the recent water reading were below threshold, but that the running average remained above threshold as a result of higher TTHM levels in earlier quarters, triggering the requirement for user notifications and reports.

In preparation for the most recent sample, the DPW flushed aggressively. Readings are pending. Mr. Tabbutt speculated that the warm weather may cause the TTHM readings to increase, but hopes that the level will remain below threshold.

An additional flush was undertaken at the end of June to address the concern over a zero chlorine residual reading at the MHT Elementary School location. No explanation for the zero reading was forthcoming, but Mr. Tabbutt suspects a problem with the chlorinator at Pierce Island.

Coupled with the summer month flushings, the DPW also began the practice of flowing water from the MHT School's garden hose to expunge the stagnant water and replace with new water.

Mr. Springer asked, and Mr. Tabbutt answered, that hasn't had much feedback about the Water Quality Notices from residents. Mr. Tabbutt explained that there is a significant difference between the TTHM contaminant and PPOA contaminant that is getting attention in the press.

Mr. Frampton reported that Ms. McAllister received a promising response from the City of Portsmouth, to her request that the 87,500 gallons of flushed water from 30 hydrants on July 23rd be rebated. For

comparison, typical town water consumption is about 40,000 gallons per day. Ms. McAllister will provide the requested details to Portsmouth.

C. Annual Water Quality Report

Mr. Ireland noted that the annual Water Quality Report from Portsmouth was interesting and thorough.

Mike Geanoulis commented that he would like to see the Water Quality document report on the contaminant, methyl tertiary-butyl ether (MTBE), as it did a few years ago, even if the presence is zero.

D. Portsmouth Sewer Rate Increase

Ms. McAllister reported that the City of Portsmouth raised their sewer rate by \$.49 from \$12.24 to \$12.73, effective July 1, 2017. The current billing cycle, due to be mailed mid-August, reflects usage for the months of April, May, June, and July, 2017; only the July usage is subject to the higher Portsmouth rate. Ms. McAllister, using last years' same-cycle flow volume, calculated the net revenue differential to be \$4,484, depending on whether the April-July customer bills reflect the +\$.49 gross billing rate of \$17.49, or remain at the originally planned \$17.00 for the cycle. Mr. Ireland questioned why the customer increase would be contemplated for all four months since the increased cost only affects one of those months. Ms. McAllister indicated that her calculation focused on the revenue. It would be difficult for her to determine the cost of the July-only increase, not having a basis to project the usage levels for the single month period. She focused on the revenue from the four-month cycle because she needs to bill the entire cycle's usage at a single rate. Further, she believes that the budget has enough "wiggle room" to forego the rate increase until the next (August-November) cycle.

Mr. Ireland recalled a similar situation last year; the Commission decided to forego the rate increase for the April-July cycle, believing they could absorb the one-month cost increase.

Ms. McAllister noted that Mr. Houle was in favor of passing the rate increase to the customers, given that the rate structure relies on recouping the entire cost of sewer usage purchased from Portsmouth. While Ms. McAllister supports that approach, she also believes the budget can accommodate delaying the increase until the August-November cycle.

Bill Stewart observed that there is indication that Portsmouth's sewer rates will increase at about 4% annually so that it makes sense to think about a policy for managing the increases. One suggestion is to increase the April- July cycle rate by 1/4th of the Portsmouth increase, or \$.12, in recognition of the cost increase for only one of the four months. Ms. McAllister objected because it isn't possible to separate July usage. Bill Stewart maintained that it would be close.

Mr. Ireland suggested that future increases be built into the budget in future years.

Mr. Ireland made a motion to keep the current rate for the April-July billing cycle and increase the rate by \$.49 to \$17.49 in the next billing cycle. Mr. Chet Fessenden seconded the motion. Motion carried unanimously.

Mr. Springer asked, and Ms. McAllister answered, that Portsmouth sells water to the town at a wholesale rate (\$3.35), but sewer usage is charged at the lowest tier residential rate rather than a wholesale rate.

Mr. Springer wondered why, if the town is using more water than it's billing, the unbilled excess should be billed to the taxpayers as opposed to the ratepayers. Mr. Ireland believed that the question is worth discussion but noted that there would be some legitimate pushback from those taxpayers who are Portsmouth water customers.

Mike Geanoulis asked if and how he could access the details, including number of water and sewer units, of the Portsmouth bills, possibly made public on the website. Mr. Liff suggested that might be an excess amount of work. After discussing possible solutions, Mr. Liff proposed that Mr. Geanoulis request copies from Ms. McAllister, but that they won't be posted online.

E. 83 Piscataqua Street Sump Pump

Mr. Tabbutt described that while installing a second meter at the residence at 83 Piscataqua Street, he saw a sump pump that was draining into the sewer. When he informed the resident that the practice was illegal, she wasn't responsive. The Secretary to the Select Board agreed to write a letter to the resident. Ultimately, the situation will trigger fines.

Members agreed to immediately send a certified, dated, violation letter that explains the situation and notes what Mr. Tabbutt observed, and setting a timetable for correction, after which the \$500/day fine will be levied. Upon follow up re-inspection, if the problem is not corrected, the fines will begin.

Mr. Ireland motioned to have a registered letter sent to the offender stating the offense and fines, establishing a timeline for correction, and a date for re-inspection. Mr. Frampton seconded the motion and the motion carried unanimously.

Mr. Fessenden observed that this violation was only observed by chance. Members agreed that the DPW should undertake spot inspections as their workload allows.

Bill Stewart suggested that the Commission begin with a public notice explaining why draining into the sewer is a violation and that spot compliance inspections will occur. The notice, in the form of a bill-stuffer, may prompt self-correction and serve as a heads up. Members agreed to provide notice in the upcoming customer mailing.

F. Sewer Pump Upgrades

Mr. Ireland asked, and Mr. Tabbutt responded, that the sewer pump upgrade project quote does not include replacement generators.

Hearing no further business, Mr. Frampton, seconded by Mr. Ireland, motioned to adjourn.

Mr. Liff adjourned the meeting at 4:38 p.m.

