

**MINUTES OF THE WATER & SEWER COMMISSION MEETING**  
**WEDNESDAY, MARCH 8, 2017**  
**3:00 P.M.**

**Members Present:** Walter Liff, Chair, Dave McGuckin, Ex-Officio Select Board, Steve Tabbutt, Supervisor of Public Works, John Ireland, Member, Richard White, Member, Normand Houle, Member, Reg Whitehouse, Alternate, Chet Fessenden, Alternate

**Also Present:** Bill Stewart, Select Board, Christiane McAllister, Accountant, Anne Miller, Secretary

**Members Absent:** none

**Public Present:** Tom Smith, Ken McDonald

Mr. Walter Liff called the meeting to order at 3:05 p.m.

**1. Checks and Account Balances**

Mr. Liff read the checks for approval. Mr. Norm Houle noted that the sewer invoice, \$34,508.55, is more in line with expectations. The previous month's invoice for \$42,250 remains an aberration. Mr. Steve Tabbutt explained that the aberrant invoice was based on an accurate meter reading and a double-checked calculation.

Mr. Tabbutt explained that the remote sensor readings are used to monitor the flows but are not used for billing. Mr. Dave McGuckin intends to ask about the high reading that resulted in the aberrant invoice in an upcoming call with Portsmouth Deputy Director of Public Works, Brian Goetz.

Mr. John Ireland made a motion to accept the checks as written. Mr. Richard White seconded the motion. Motion carried unanimously.

Ms. Christiane McAllister read the account balances:

Checking Account balances as of February 28, 2017:

Water \$150,287

Sewer \$428,720

Trust Fund balances as of January 31, 2017:

Water \$129,905

Sewer \$170,618

## **2. Approve Minutes from the February 8, 2017 Water & Sewer Commission Meeting**

Draft minutes from the February 8, 2017 meeting were distributed.

Mr. Houle motioned to approve the minutes of the February 8, 2017 meeting as amended. Mr. Richard White seconded. Motion carried, unanimously.

## **3. Old Business**

### **a. Status of sewer pump station bypass/Underwood Engineering (UE)**

Referencing an email reflecting the discussion between UE and the town's attorney about the Request for Bids for pump station bypass work, Mr. McGuckin indicated that responses are expected by March 24, 2017 to allow for the approval and award of the contract by the Select Board at their April 3, 2017 meeting, in order for work to begin as the ground thaws. Target completion date is the end of April, or, worst case, the end of May.

### **b. Sewer improvement Plan B/Northeast Integration (NEI) plan**

Mr. McGuckin described a proposal from NEI that is priced at 20-25% of the estimated cost of the Woodard & Curran (W&C) estimate (\$2,000,000+). Mr. Stewart explained how the scopes of work differ. The W&C design removes everything from underground, moving all apparatus to above ground, housed in new cement buildings. The NEI proposal brings the electronics and controls above ground but the replacement pumps will be submersible and located underground within the existing vaults. Remote monitoring significantly reduces the need to go underground but it will be necessary if there is a problem.

#### *Design*

Mr. Stewart estimated the lifespan for the NEI solution at about 20 years, during which time the assets can be depreciated and the next phase -- replacement with above ground pumps for the three stations --can be addressed in an eight to twenty year timeframe. Unlike the more expensive W&C scope, the NEI plan can provide above ground monitoring funded, or nearly funded, using existing funds. Mr. Houle noted that the W&C plan called for two of the three pumps, River Road and Quarterdeck, to be replaced above ground, but for Steamboat Lane to be replaced with a submersible pump.

Mr. Tabbutt endorsed the idea as making fiscal sense. Operationally, Mr. Tabbutt indicated that any work below grade would require special licensing. While acknowledging that with new pumps underground and electronics above ground, there should be significantly less need to go underground, Mr. Tabbutt suggested that the town line up a service contractor for any necessary underground work.

Responding to Mr. Tabbutt's comment that the current pumps are not submersible, Members asked for clarification about how much immersion the NEI-proposed replacement pumps could withstand. Mr. White followed up to ask whether the new pumps were to occupy the dry portion of the wells or be submersed in wet wells. Submersible pumps may be used in a dry well, however, based on his reading of the proposal, Mr. White believes the plan is to locate the new

pumps within the wet wells. If located in the wet well, access for service would likely require rails, and a method will be needed to lift the submersible pump up and out for servicing. If located in the dry well, it is important to have good air exchange in the hole.

Additionally, Mr. White asked how the NEI design fits with the City of Portsmouth's expectations and requirements for a potential conveyance. Mr. McGuckin indicated that he doesn't yet know what reaction the City of Portsmouth would have to the NEI plan; their initial expectation was for the pumps to be relocated above ground. However, Mr. McGuckin observed that resident (voter) feedback is primarily focused on water infrastructure improvement for the purpose of protection rather than for conveyance. As a result, there is less focus on immediate accommodations for the City of Portsmouth. By moving forward with the NEI plan and then depreciating the costs, the town can be in a position to replace the pumps with a W&C-type design later on if Portsmouth makes that requirement. Because the price tag for the water infrastructure project is formidable, the opportunity to fix the sewer problem at a lower than expected cost is attractive.

Mr. McGuckin responded to Mr. White's concern that NEI only proposed to warranty the electronics, noting that the quote is preliminary and will be revisited after input is received from this commission and the town's engineering consultants. Mr. Stewart asked for feedback about the concept more generally.

Mr. White supported the idea of submersible pumps in the wet well as a significant step toward keeping Public Works crews out of the wells. And, if they are located within the dry well, then he supported the town's use of a contractor for service. Mr. Ireland wondered whether a dry well-located pump could be jacked up high enough to get it out of the well. Further, he noted the need to be sure there is compatibility between the imminent pump by-pass work and the NEI equipment to which Mr. Stewart answered that NEI has been made aware of the by-pass bid on the possibility that they may see economies in the combined projects.

### *Funding*

The NEI proposal includes the option to lease the Supervisory Control and Data Acquisition (SCADA) equipment electronics for \$700/month in exchange for an approximately \$100,000 price reduction from the electronics purchase option. Over twenty years, the costs are about even; leasing would include upgrades, but bind the town to NEI. The lease option is attractive because at the reduced cost, the price is nearer to the available funds. Costs, however, would increase by \$8400 annually. Based on recent history, Mr. Stewart believes the sewer account returns sufficient revenue without the need to increase rates to cover the lease cost. Mr. White questioned the details of the lease agreement including the issues of ownership, repairs, and application for a radio licence, especially in consideration of the high maintenance costs of SCADA systems.

Working with ballpark costs, Mr. Stewart noted the need for additional revenue to cover the \$470,000 cost for the equipment purchase option. However, the equipment lease option, at \$370,000, is very close to the sum of the Sewer Trust Fund balance of \$170,618 plus the Checking Account balance in excess of six months' expenses (roughly \$235,000 which

represents about 1.5 trimesters) of \$193,650, or approximately \$364,000.

Mr. Stewart, characterizing the project as a rate payer upgrade, asked for feedback about the use of the Trust Fund and Checking Account (minus working capital) balance to fund the work. Ms. McAllister noted that that direction will affect the way the budget is written, including an expense line to cover the lease, and the need for a transfer of the funds--either from Checking to Trust, or from Trust to Checking. Mr. White suggested that the first years' lease (which would probably not be a full year) be rolled into the contract cost in order avoid the lease line to expedite the process. While traditionally a capital expenditure would be thought of as a Trust Fund expense, the question is moot because either way the expense will be reflected in the Enterprise (Checking account) budget. Ms. McAllister concurred adding that the Accountant intends to capitalize the entire project with the result reflected as an increase in capital assets on the balance sheet.

Expressing a concern about the Trust Fund investments, Mr. Ireland noted his preference to keep funds out of the Trust Fund investments, which Mr. Stewart believed could be handled by mandating the earmarked funds be kept in cash.

Members discussed the approval process wondering whether town approval was required. Mr. Stewart indicated that although it doesn't require a vote, the Select Board intends to present the plan at a Public Information meeting. It would be too soon to include the information in April's sewer invoice.

Members discussed minimum account balances noting that minor maintenance comes from the Checking account, major maintenance from the Trust Fund. Mr. McGuckin wondered whether Mr. Tabbutt could estimate the cost of a typical pipe break. Ms. McAllister indicated that the funds could be left in the operating account.

At the end of the year, if all goes as planned, the projected sewer surplus will accrue through the year so that approximately \$50,000 will be available for future emergencies, in addition to the working capital of \$235,000.

Ms. McAllister suggested relooking at the timing of redistributing the service fee as a unit rate surcharge for more equitable revenue from the Wentworth by the Sea (WWBTS) Resort. Mr. White suggested modeling the projected budget to verify the suppositions.

#### *Next Steps*

Mr. Stewart will collect members' questions by Friday, March 10, and forward them to NEI and/or UE.

Ms. McAllister will run the scenario as an alternate budget for distribution to and review by members.

**c. Status of the control issues at the Steamboat Lane pump station**

Mr. Tabbutt explained that the pump is stabilized with no new problems since the previous meeting.

**d. Status of water/sewer warrants by Select Board**

Mr. McGuckin updated the Commission, indicating the Select Board plans to offer a warrant but they are still working through the specifics. Based on the earlier discussion, it may be a warrant for the water project only. If the sewer project requires a warrant, it would likely need to be separate, affecting only ratepayers.

**4. New business**

**a. Implication of Accessory Dwelling Units (ADU) on billing**

Mr. Houle requested the agenda item at the prompting of a neighbor who proposed that the presence of a second residence on a property, begs the question of whether an additional service charge be levied.

Mr. Tom Smith indicated that the Planning Board is discussing an ordinance revision for May, 2017 approval. A second Public Hearing on the ordinance is scheduled for the March 22, 2017 meeting. Members believed that the anticipated new unit fees-- that include a proportionate surcharge for overhead--will resolve the concern over whether ADUs are billed equitably.

**b. 4 Quarterdeck Lane: sewer agreement with town**

The house next to the Quarterdeck pump station, owned by Ms. Dustin Knight, had an agreement with the town that exchanged the land for the pumping station for free sewer service as long as the home is inhabited by an heir. Now with the house on the market, Mr. McGuckin will ask the Select Board Secretary, Pam Cullen, to confirm details of the agreement as written on the deed.

**c. Charging customers for meter costs**

Currently, the town charges for meters on new construction and when a broken meter is the fault of the customer, but routine meter replacement is at no charge to the customer. Mr. Houle believes that the RSA allows the town to determine whether to charge for meters. Ms. McAllister explained that the town may manage meter costs as it sees fit and that meters should be replaced every ten years. Mr. White noted that the City of Portsmouth owns its meters and with the conversion to Fire Fly, replaced meters without a discrete charge. The additional meter overhead was offset, in part, by the elimination of two meter readers.

Given the number of current budget issues, Mr. Houle and Mr. McGuckin agreed to table the question of meter charges until sometime in the future.

**d. Town Report 2016**

Mr. Houle addressed the draft report that was circulated via email. Members unanimously approved of the report including their endorsement of the statement that the Commission endorses the immediate system upgrades and replacement.

**5. Any other business to come before the board**

**a. Water Test**

Mr. Tabbutt explained that although the town distributed a required public notice, the Total Trihalomethane (TTHM) levels in the most recent water test, January, 2017, were approximately .063 mg/L, below the threshold level of .080 mg/L, but the regulation cites a 12-month rolling average which remained above the threshold. Mr. Houle wondered whether there is an opportunity to customize the notice to clarify that the most recent reading was below the threshold. Mr. McGuckin responded that the notice can be edited, however it is too late for the current mailing.

Noting that cold weather has a positive effect on test readings, Mr. Tabbutt is hoping that the acceptable TTHM levels hold once the water temperatures begin to warm.

**6. Adjourn**

There being no further business, Mr. White moved to adjourn the meeting. Mr. Ireland seconded. The motion to adjourn passed unanimously.

The meeting adjourned at 4:49 p.m.