

TOWN OF NORTH HAMPTON
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Water Commission

Henry Fuller, Co- Chair
Robert Landman, Co-Chair
Tim Harned, Secretary
Richard Bettcher
Craig Salomon, Selectman Representative

Approved 5/26/2009

Minutes of North Hampton Water Commission Meeting
28-AUG-2008

Call to Order:

The meeting was called to order at 7:04 PM in the North Hampton Heritage Commission Conference Room. Present were Henry Fuller, Robert Landman, Richard Bettcher, Craig Salomon and Larry Bingaman and Paul Whittemore representing Aquarion Water Company. Commissioner and Secretary Tim Harned was unable to attend. Jenifer Landman was present as Secretary Pro-Tem to record the minutes.

Aquarion Water Company Updates/Water Rates Discussion:

Mr. Bingaman informed the commission that Aquarion filed a Letter of Intent July 29th and will be filing the proposed 21.8% rate increase Friday, August 29th with the NH PUC to cover debt and equity incurred over the past three years. Aquarion will be meeting with the Hampton Select Board September 8th and with the North Hampton Select Board at their next meeting, September 10th, to discuss the proposed increase which includes water conservation incentive rates, system development charge (impact fee), water balance plan and a new rate-making process. The PUC has advised Aquarion that it is a 10-12 month process from the date of application to date of approval, so they will be asking for a "step-increase", historically half of the proposed rate increase, to help cover Aquarion's debt and equity costs and increased costs of insurance and other administrative costs.

Aquarion has increased its customer base by 70 households/businesses within the past year and has added 1-1/2 miles of distribution mains. The main that was proposed to run on Mill from the south northerly to Atlantic, was diverted from Mill to north on Pine to Atlantic, which saved Aquarion over \$200,000.

The new brewery in Hampton will provide their own fire-protection, but will be using several-thousand gallons of water per day to start. (The brewery will implement water conservation methods, but may use 7 to 8 gallons of water per 1 gallon of beer because of the production process.)

The new well, 13B, is on-line. The replacement storage tank on Mill Road will be completed this fall, increasing capacity from 300-thousand gallons to 1-million gallons (the previous tank being the oldest in the system.) Aquarion may be willing to consider a communication antenna on top of the tank, if the Select Board advises that it would be necessary to service the community.

The North Hampton Water Commission agreed to write letters endorsing several aspects of the proposed rate increase:

1) In response to encouragement by DES to develop an incentive plan for water conservation, Aquarion is proposing a block rate, which will not apply to seasonal customers (already paying a seasonal higher rate) or industrial customers, but is designed for residential, commercial and public authorities. The plan has a lower rate, based on the average winter usage (no outdoor watering), with a higher rate applying for amounts of water used over the base average of 11,250 gallons.

Mr. Fuller made a motion for Mr. Landman to write a letter to the DES, with a copy to the NH PUC and Aquarion, supporting the Block Rate as an incentive plan for water conservation. Mr. Bettcher seconded the motion, and it carried by unanimous vote.

2) Aquarion is proposing a System Development Charge (impact fee) to offset the investment costs for water system improvements related to growth in demand (new hook-ups only.)

Mr. Fuller made a motion for Mr. Landman to write a letter to the NH PUC, with a copy to Aquarion, supporting the System Development Charge. Mr. Bettcher seconded the motion, and it carried by unanimous vote.

3) Aquarion proposes a Water Balance Plan to Offset the Use of Water for commercial/industrial purposes and in new housing developments. This would encourage the use of low-flow toilets, system audits to save water, and/or a contribution to "water banks" to subsidize existing households in water conservation efforts, as offsetting the costs to install low-flow toilets. The DES is in favor of such a system; however, Selectman Salomon voiced concerned that this would add to the developers' expense to build, and that the cost would be added to the cost of new housing or development would be discouraged.

Mr. Fuller made a motion for Mr. Landman to write a letter to the DES showing support for the proposal of a Water Balance Plan, copying the NH PUC and Aquarion. Mr. Bettcher seconded the motion; the motion carried with 3 votes in favor and Selectman Salomon voting against the motion.

Aquarion includes in its proposal, a new rate-making mechanism to mitigate increases with PUC approval of pipe and other replacements, a pay-as-you-go method with annual increases, as used in several states, to keep the system upgraded. A proposed Public Fire Protection fee increase would cover costs for improving the system for more gallons per minute (GPM) delivery of water for fire-fighting. This would enable towns to use as much water we needed for fire-fighting (no volumetric fee.) The temporary fee could go in effect as early as November.

All questions, regarding the proposed rate increase, being satisfactorily addressed by Aquarion representatives, Mr. Landman asked that Mr. Whittemore to visit the South Road cut in the road after Aquarion laid a new main, as the road is very uneven. Mr. Whittemore said he would look at the situation. The Water Commissioners thanked the gentlemen for their presentation as they departed at 8:15 pm.

General Business:

Minutes were approved for September 27, 2007 by motion made by Mr. Fuller, seconded by Mr. Bettcher and 3-0 vote. (Selectman Salomon not voting, as he was not in attendance for that meeting.)

Mr. Landman requested that Secretary Harned be responsible for giving hard-copies of historical and current minutes to the Town Clerk and sending electronic copies of minutes to the TA for posting on the town web site.

In compliance with the town's effort to organize and inventory records of all boards, commissions and official committees, Mr. Landman requested 1) that the Water Commissioners organize any and all Water Commission files held at their residences; 2) for the commissioners to complete the provided forms cataloging these files as soon as possible; 3) that these files be combined, eliminating any duplications; 4) that non-active files be stored in an area designated by the Select Board; and 5) that active files be stored in the Heritage Conference Room, file cabinet #2, drawer #2 labeled Water Commission.

Adjournment:

There being no other business, Mr. Fuller moved to adjourn at 8:52 pm.

Respectfully submitted,

Jenifer Landman
Secretary Pro-Tem