

Water & Sewer Commission Minutes

Thursday, June 18, 2020

Members Present: Normand Houle, Chair, Damon Frampton (Selectman Officio), John Ireland, Walter Liff, Richard White, Steve Tabbutt (PW Supr.), Carl Roediger(Alt)

Also, in attendance: William Stewart (Selectman), Christiane McAllister (Town Accountant), Dave McGuckin, Ann Miller.

Chair Houle opened the meeting at 3:00 PM.

- 1. Public Questions: None.**
- 2. Individual Applications/Petitions: None.**
- 3. Selectman Stewart**

Chairman Houle adjusted the agenda so that Selectman Stewart could speak to the Water Project status prior to the committee discussing other business.

Selectman Stewart stated that it was his understanding that Mr. White had a few questions regarding the project and he felt that it would be better for him to just answer direct questions the committee may have versus speaking in generalities about the project.

Selectman Stewart asked if the committee had visited the site earlier that day.

Chairman Houle confirmed that some members of the committee had visited the Wentworth Rd. and Main St. junction shortly before the meeting to actually see the work being performed. They saw that the check valve had been removed and replaced with new equipment. During this visit, Steve Tabbutt had pointed out that there is a by-pass valve that connects at another location to the Portsmouth/New Castle systems and that valve is open to allow water to flow.

Chairman Houle stated that the members understood the work that was being performed.

Selectman Stewart informed those present that he plans to make a presentation regarding the Water Project at Town Hall or the Rec Building sometime in the near future.

Chairman Houle stated that Selectman Stewart had provided the committee with an exhaustive summary of what has gone on to date and he further stated that he presumed that everyone has read it. If something was not clear, now was the opportunity to ask questions.

Mr. Ireland stated that it was his understanding that the latest contract included 3 loops and questioned if Selectman Stewart knew which 3 loops.

Selectman Stewart responded that the Underwood contract has design work of 3 loops which are not specified. The Underwood contract was signed after we got the bids back and we knew we were going to be short money for the number of loops

we could potentially do. So, we signed the Underwood contract for a lesser amount to include 3 loops. There was no delineation as to what loops those would be.

Mr. Ireland stated the reason he asked is that some loops are smaller than others.

Selectman Stewart responded "yes".

Chairman Houle stated that there are 4 loops in the north and 3 in south.

Mr. Ireland sought confirmation from Selectman Stewart that the Town would not be taking any funds from the allotted \$450,000 for private roads.

Selectman Stewart responded "correct".

Selectman Stewart stated that there is about \$260,000 allotted for construction of the loops and we have money in the contract to design 3.

Mr. Ireland stated in the form of a question that the Town has funds for engineering and management of the loops, but no money allocated for construction?

Selectman Stewart reiterated that there is approximately \$260,000 allocated for construction, but based on cost the smallest loop might cost the Town that much.

He further stated that the current plan is to repackage the loops section and try to get a better handle on the costs. At this point, it is its own entity. Selectman Stewart informed the committee that the Town has submitted for additional SRF funding and that a warrant Article would have to be submitted next May. Also, there is potential for bond or bank funding, which have a shorter time line than SRF, but no matter what the source of funding is utilized, the loop construction would not start to take place until 2021.

Mr. Liff asked if Selectman Stewart could describe a loop.

Selectman Stewart said loops connect dead end pipes. The Town has 7.

Mr. Roediger asked who did the engineering of the original loop proposal.

Selectman Stewart responded that it was Underwood Engineering.

Mr. Roediger asked how they could mess up the figures so badly.

Selectman Stewart responded that that was a valid question. He stated that one explanation was that originally 1.1 million was estimated for cost and now it is 2 million. Underwood has claimed that construction costs have gone through the roof and there have been huge overruns on all estimates. Another explanation was that he didn't know how much diligence actually went into the first quote. He further stated that in his mind's eye this was not a great reflection of Underwood and he had the conversation with them informing them he was not happy.

Mr. Roediger expressed his opinion that including the loops would benefit the Town in two ways. First, better flow and those on the peripheries would get better water flow and water quality. He further opined that the only way the Town can move forward is to fulfill its obligation and complete the project 100%.

Chairman Houle offered a reminder that the Commission set a memo to the Select Board stating that the Commission believed everything should be delivered. The memo stated that if we need more money, we should ask for more money and explain to residents the costs were more than what we expected. Chairman Houle returned to the issue of the \$4500, 00 set aside for privates. He questioned if it turns out that none of the privates are interested in tapping into that money to be able to do whatever they could do to improve their service, is there a possibility that the State could be approached with a request to use those monies to take care of the shortfalls of the primary project?

Selectman Stewart responded that he would have to call the State for that answer, but SRF knows that we have 5.5 million approved in funding, so there is some wiggle room there and there are some questions if we can lock down a portion of that, and can we spend it differently. We would still have to do a Warrant Article because of the way we had the Warrant Article worded, but that's still a discussion that needs to take place. He further stated that the rates are about half what we are currently paying. They are approximately 1.3% or 1.4% with SRF now. He stated that he will see if the Town can take advantage of that.

Mrs. Miller asked if it was feasible to see if all the loops are necessary.

Selectman Stewart stated he was not certain if the cost benefit would be worth it for some of the loops and that there will need to be a little more engineering to ascertain that. Currently, there is a priority list of loops, but until some flow testing is completed, that list cannot be definitive.

Mrs. Miller questioned if the 12" pipe is done on Wentworth as well as on the New Castle side would it be necessary to do the loops.

Selectman Stewart stated that the biggest benefit of the looping is water quality as opposed to water flow.

Mr. Roediger asked if the \$450,000 would even cover the construction costs for all the privates.

Selectman Stewart responded that the loops are different because they have the potential for ledge as the area has never been dug up. A street like Beach Road, with an existing line, would be less expensive than areas that have remained untouched. He further stated that Beach Road residents have indicated in the past that they would like to apply for part of the \$450,000 and reasonably all that money could be absorbed before all the work is done.

Chairman Houle thanked Selectman Stewart for coming and for answering the Committee's questions.

4. Approve Minutes of February 20, 2020.

After review, Mr. White made a Motion to Approve the minutes of February 20, 2020 as amended. Mr. Ireland seconded, and the Motion carried.

5. Financials.

a. Review, approve and sign checks.

After review, Mr. White made a Motion to Accept the checks as presented and read. Mr. Ireland seconded, and the Motion carried.

b. Accountant's Report:

Christiane reported on end of month figures as of June 17, 2020.

Water:

Revenue: \$214.56

Expenditures: \$9,475.76

Checking Acct Balance: \$197,432.58

Trust Bal: \$147,286.62

Cap Res Bal: \$15,266.32

Sewer:

Revenue: \$56,395.98

Expenditures: \$8,890.43

Checking Acct Bal: \$307,152.91

Trust Bal: \$39,891.39

Cap Res Bal: \$30,532.60

Ms. McAllister stated that the budget is still only about 30% outside what was predicted. She stated the mitigating factors were, Covid, multiple cycle changes and Portsmouth is currently so behind on bulk billing that the Town has not even been billed. Ms. McAllister presented a spread sheet and stated that the estimates for June were indicated in red.

Ms. McAllister further pointed out that there is a remaining available balance for the Bulk Water lines of the budget that is in the neighborhood of \$16,000 and there is still 3 months left of bulk water to pay for. In the past, the average cost of that has been between \$6,500 and \$7,000, so it is likely that the Commission may exceed what they have budgeted.

Given these factors, she did not recommend additional funds for the Capital Reserve. Ms. McAllister explained that there will still be a small budget remaining in regards to the full budget given revenues have exceeded expenditures.

Chairman Houle sought to confirm that there is no need to transfer money given the Commission budgeted \$12,500 for Water and \$15,000 for Sewer and there is nothing to vote on.

Ms. McAllister responded "correct".

i. Setting Rates: Requirement for Public Hearing?

Ms. McAllister stated that one of the objectives that the auditors have been asking the Town to accomplish since 2011 is to eventually have a fully assembled Accounting Policies and Procedures Book. Last year, the Capital Asset Depreciation Policy was adopted. Next week, the Select Board will vote to adopt the Schedule of Fees per RSA 41:9-a. Every time a new fee is established or amended it needs a public hearing for public input. Ms. McAllister further stated that the requirement of a public hearing to establish fees has led to Chairman Houle question whether a public hearing is required to change the water/sewer rates as well.

Ms. McAllister reported that NHMA has informed her that neither RSA 38 or RSA 149i require a public hearing. NHMA stated it may be a good idea to have a hearing. If the Commission has had public hearings in the past it should probably continue to do so. But there is no requirement for the water and Sewer Commission to conduct a public hearing for the purpose of rate changes.

Chairman Houle opined that there is a difference between rates and fees. The Commission charges rates for water and sewer. Fees are charged for installing meters, readings, second meters, etc. In the past, the Select Board was the final authority for setting the rates. Chairman Houle opined that according to the RSA, the Select Board could authorize the Commission to establish rates.

Ms. McAllister stated that Chairman Houle was correct in the that there are several types of charges that the RSA gives the Select Board the authority to establish and modify, but NHMA has confirmed that if there is a separate Water/Sewer Commission, that Commission has the authority to set the rates. Chairman Houle asked Ms. McAllister to confirm his understanding that the Commission has authority over setting rates and fees. Ms. McAllister responded "correct".

6. Selectmen's Report

Select Officio, Damon Frampton, asked if there were any questions from the public regarding the Water project. Hearing none, Mr. Frampton stated that there will be a full discussion regarding the project at the upcoming Town Meeting.

Mr. Ireland questioned whether the Select Board has attempted to get more money from the SRF.

Mr. Frampton responded, "as of right now, no".

Ms. McAllister clarified that the SRF loan is accessed by applying directly to the State and that it does require a warrant article. And if the Town borrows from a bank or a municipal bond bank, multiple things have to happen. Any money in excess of \$100,000 can never be borrowed without going through the municipal bond bank's attorney. The attorney would need to assure every one of the process steps had taken place, i.e. was the warrant article approved, were there public hearings, etc. So if the Town decides it would like to start looking at another provider for additional money, it will need to get it ducks in a row.

Mr. Ireland expressed his upset that there will not be a warrant article at Town Meeting for additional funds.

Mr. Frampton explained that Mr. Stewart had just learned of the million-dollar cost increase approximately two weeks ago.

Ms. McAllister also explained that a warrant article would have to have had a public hearing for the exact amount back in March, prior to the April budget hearings. She further stated that when Andy Sharpe presented the updated budget to Bill Stewart he still believed there would be approximately \$600,000 for the loops.

Mr. White opined that the Town gave up a lot because we did not have enough for this project and that it is a shame.

7. Continuing Business.

a. WSC Trust Fund End of Year Plus-Up.

b. Sawtelle Bridge Sewer Line: What's Next?

Chairman Houle stated that he sent out an email on June 15, 2020 from Andy Sharpe with a subject line of "New Castle Force Main: Follow up questions". This email was in regards to where do we stand with the U bolt pull down rods, air release valves,

and non-destructive testing. Chairman Houle informed those present that Mr. Sharpe has tried to push Evokes for two estimates. One being how much it would cost to replace the U bolts entirely. The other being what it would cost (hourly or daily) to have under the bridge inspection equipment with an operator tell us what it would cost to replace only those in poor shape. Mr. Sharpe has not heard back from Evokes to date. In his email, he recommended using the current construction project to assess the condition and functionality of the air release valve on the bridge rather than committing funds to replace the air release valves. Chairman Houle further stated lead time for a generic air vacuum release valve is 3 to 4 weeks and currently there are 2 valves.

Mr. White stated that he was totally disappointed with Underwood Engineering and that the initial report did not even require looking under the bridge.

c. Backflow Prevention.

Chairman Houle stated that he met with Jim Siegal and Brian Goetz back in January. The essence of the meeting was that they are willing to provide us with testers. Last week, Chairman Houle created a draft letter that could be sent out to customers who would end up being identified as having a back-flow prevention device.

Chairman Houle referred to, and agreed with, an earlier email from Mr. White in which Mr. White stated that New Castle should be in sync with Portsmouth.

Chairman Houle further opined that the question is “how far is Portsmouth willing to go to support us”? They are under no obligation to help us.

Chairman Houle stated it is his view that as it stands now the Commission will give Portsmouth a list of who has a back-flow prevention device. Hopefully, Portsmouth could then integrate the list into their database and schedule inspections. Chairman Houle stated he further hoped that Portsmouth would then send out a letter to each individual listed informing them that they have a device that needs to be inspected and when that inspection would take place. The customer does not need to be home if it is readily available. Those who fail would be advised to get the device replaced. If the customer does not want to pay to have it inspected again, replacement would have to take place within a certain time frame.

Chairman Houle stated that he asked Portsmouth if New Castle could be part of Portsmouth’s report to DES. Portsmouth responded “no, annual reporting would have to be completed by New Castle”.

Chairman Houle requested that during their meter readings DPW compile the data with regards to what customers have back-flow prevention devices as well as highlight where one should be installed.

Chairman Houle further stated that he did not know if an administrative cost would be associated with inspections but believed it reasonable to expect one.

Ms. McAllister informed those present that the new software currently being used does offer a field that could be used to enter if a customer needs a back-flow prevention device inspection. This would enable New Castle to run a report for Portsmouth that would include all the information that they would need, including the customer’s name, location and even the meter number.

Chairman Houle stated that more work needs to be done to define a process between the Water and Sewer Commission, DPW and Portsmouth. He requested that a letter be sent out with the July water bills to customers who have back-flow prevention devices.

Mr. Roediger suggested notifying customers that one entity will do the testing vs. offering independent testing as well.

Chairman Houle agreed, stating he did not want to complicate the system by offering independent testing.

Mr. Ireland questioned whether the Commission could legally mandate using Portsmouth.

Chairman Houle responded that Portsmouth would be our agent.

Mr. Frampton asked if it is certain that Portsmouth is New Castle's agent.

Chairman Houle confirmed that Portsmouth is willing to be the agent and they are willing to do the testing. Portsmouth only declined including New Castle's results in their report to DES.

d. Chairmanship:

Mr. White made a Motion to accept Normand Houle as the Chair for the coming year. Mr. Frampton seconded, and the Motion carried.

8. Any other Business.

There being no further business to come before the Commission, Mr. Liff made a Motion to Adjourn, which was seconded by Mr. White. Motion carried.

Meeting Adjourned at 4:50 PM.

Respectfully submitted,

Jennifer Smith
Recording Secretary