

FINAL APPROVED

Water & Sewer Commission Minutes Wednesday, November 13, 2019

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

Also in attendance: Ben Jankowski, DPW Dave McGuckin.

Chair Houle opened the meeting at 3:00 PM.

1. **Public Questions: None.**
2. **Individual Applications/Petitions: None.**
3. **Approve Minutes of October 9, 2019.**

After review, Dick White made a Motion to Approve the October 9, 2019 minutes as amended. John Ireland seconded, and the Motion carried unanimously.

4. **Financials**
 - a. **Review, approve and sign checks.**

After review, Walter Liff made a Motion to Approve the checks as presented and read. Dick White seconded and the Motion carried unanimously.

During the check review Chair Houle asked about the status of generators, given the recent service charges for the generator at Steamboat Lane. Steve Tabbutt reported that there was not regular maintenance, but some old electricals, which needed replacement at Steamboat. With respect to the others, he stated that they are aging and wearing out. Dave Mc Guckin asked about the cost of a new generator. Dick White guessed that the cost of a replacement could be \$150,000. Dave suggested Steve ask if they could do an assessment during the annual maintenance checks.

- b. **Accountant's report.**

Christiane distributed her sheets on revenues and expenditures.

Water: Revenues as of the end of October: \$455.46
Expenditures: \$10,543.95
Checking Account:\$167,014.53

Trust Balance:\$145,936.28

Sewer: Revenues: \$381.83
Expenditures: \$41,750.46
Checking Account: \$221,950.78
Trust Balance: \$39,763.99

c. Audit issues:

i. Updated(audited) FY 19 financials.

Christiane distributed the FY 19 accrual basis accounting numbers alongside the 2019 FY19 End numbers. This covers an 11-month period of August 2018 until June 2019. She went on to explain to the Commission the differences in the way the updated financials reflect certain items. After her explanation Selectman Frampton asked if the rates were going to be affected in any way by the recommended changes of the auditors. Christiane feels that it may be rates could go down but there are many variables which could come into play.

Discussion ensued regarding the risks of rate based billing and how this affects the rates and costs. Chair Houle pointed out how are fund balance is our cushion. Dick White also expressed his views. Christiane stated that a positive development is that moving to an accrual basis, will result in the usage to meter rate will be the same time frame for easy comparison.

ii. Internal control procedures

Christiane reported on the auditors' findings and recommendations regarding the segregation of duties, and they are very specific about their recommendations. She went on to explain how their findings will result in changes with the Commission's procedures. Dave McGuckin stated that some of these recommended changes may be over the top in terms of the size of New Castle and ability to deliver. After discussion, Selectman Frampton stated that a new part time person can help out with implementing the suggested changes in concert with Accountant. During the course of this discussion the Commission worked out possible avenues of compliance with the auditor's recommendations. Dick White pointed out that the auditors could make their findings available in the annual Town report. Dick also asked about how the auditor's findings affect individual members of the Commission in terms of liability. He wants to make sure the members are bonded. Christiane assured Dick that members are covered under the Town's carriers. She stressed it is like a blanket bond. She said the Commissioners are covered.

After further discussion on how the Commission can comply and implement the recommended changes, it was agreed that Christiane will write up a policy and

procedures memo on implementation recommendations, including the sequence of steps, to be reviewed and adopted by the Commission.

5. Selectman's Report.

Damon Frampton reported that Selectman Stewart signed the Contract with Granese (Water Project). With respect to Evrocks, and the hangers, Steve stated there is no updated information. They were waiting for the signed contract. Chair Houle wants to know the specific work that will be done in Calendar 19. Steve Tabbutt indicated that work would include the water main hangers replacement, and inspection. This would include getting rid of the check valves. On the sewer side, Chair Houle hopes that Underwood Engineers will get together with Evrocks regarding the under the bridge inspection. He asked Steve if that has happened yet and Steve did not have a definitive answer. Chair Houle will send an Email to Andy Sharpe at Underwood and request a status report.

6. Continuing Business.

a. Northeast Integration Contract and status of River Road SCADA

Chair Houle agreed to sign the contract, and Mr. Kimmel will need to meet with Christiane to finalize the contract. Mr. Kimmel had been invited to this meeting this evening but did not appear. Chair Houle asked Steve and Ben from DPW about the status of the River Road station. Ben reported that all problems have been resolved, and Ben reported there will be accurate readings for November.

b. Monthly meeting schedule.

After discussion, it was decided to remain with Wednesday for the December meeting. There were rationales given for changing to other dates, however the decision remains to be made. Dick White pointed out that we are not going to be able to work our meeting schedule around meter readings, and recommendations from the auditors. The decision will be finalized at the next meeting, if possible.

7. New Business.

a. Ramifications of Wholesale Water Agreement

Christiane reported that the Wholesale Water Agreement was signed October 30 and there will be four bills per year, as opposed to the current three bills. She explained the ramifications of that billing change. Chair Houle and Christiane will work on a draft notice to go out to customers about the billing change.

8. Any other business for the Board.

a. Ben J. concerns.

Back flow prevention issues: Ben reported that New Castle is in need of someone certified to come and do inspections and report and certify to DES. There are approximately 9 buildings, which needs to have this done. The Town must assure that this inspection is done and certified and reported to DES. Its also applicable to all new construction in New Castle. Ben's specific question is: Does he and Steve go and get certified to do this function? Or do we rely on Portsmouth? Dick White stated there are third parties who provide this service. Discussion ensued and it seems the decision was to go to a third party provider. Ben feels the onus should be on the property owner to get the job done, including notification when it is complete. Chair Houle noted that there needs to be an amendment to our current ordinance, and asked Ben to draft amendment language and outline the process that needs to be established to fulfill the requirements.

Chair Houle asked to have a field trip to the River Road station to examine the SCADA system. He would like to also see the system at DPW.

b. Water update

Selectman Stewart came in to the meeting and reported on some recent developments. These included the possibility of an opportunity to have a new sewer pipe being installed between Pierce Island and the Sawtelle Bridge. This would depend on some updated information on financials and Portsmouth's cooperation. While it is not currently budgeted, he stated there are ways to do this. Dick White would like confirmation of the 10 feet apart between water and sewer prior to any agreement. All agreed it is an opportunity to be considered.

9. Adjourn.

John Ireland made a Motion to Adjourn, which was seconded by Dick White. Motion carried unanimously.