

WINNIPESAUKEE RIVER BASIN PROGRAM  
QUARTERLY ADVISORY BOARD MEETING MINUTES

April 9, 2013

Members present: Brian Sullivan, Ray Korber, Dan Leonard, Sheldon Morgan, Johanna Ames, Jeanne Beaudin, Paul Moynihan, Sharon McMillin and Steve Dolloff.

Brown & Caldwell (B&C) representatives present: Jonathan Keaney and John Salo.

**CIP Subcommittee Minutes:** Sheldon Morgan moved, seconded by Dan Leonard to accept the minutes of the January 23, 2013 CIP Subcommittee as read. Motion passed.

**MOM Study Update:** John Salo, Senior Manager, and Jonathan Keaney, Project Manager of the MOM Study, were introduced by Sharon McMillin. John Salo gave a brief introduction of B&C expertise and experience in waste water management nationwide.

A Steering Committee is needed to guide the direction of the MOM Study and for open communications. It was suggested to include staff members in order to keep the report open and transparent to employees and community representatives on the Advisory Board. Discussion followed relative to the appropriate size of the committee and the method of communication needed to inform all involved. It was agreed that email and a file sharing site for documents would be effective for communication and both face-to-face and possibly teleconference meetings would be required to review interim deliverables. The Steering Committee will not be involved with staff meetings with B&C, but Ray Korber suggested monthly Steering Committee meetings with minutes to be shared with the whole Board. He added that active engagement by the Advisory Board is necessary to ensure that the report goes in the direction expected. Brian Sullivan commented that a lot of WRBP's issues revolve around the MOM report so it is important to be involved. It was agreed that Dan Leonard, Brian Sullivan, Ray Korber and Jeanne Beaudin will be the Steering Committee members from the Board with Dan being the chairman and contact person with B&C. Two staff (one from each WRBP location) and 2 management members (Sharon and Steve) will also be on the committee. Ray Korber commented that B&C will need to educate this group since none of the participants has done governance and regionalization evaluations. He added that the Board is creating this report on behalf of the rate payers. John Salo suggested that the Steering Committee could probably alternate between face-to-face and teleconference meetings.

Jonathan Keaney reviewed the Project Schedule for task one which involves evaluating the current program and then will start on the governance tasks. He confirmed that the project was on schedule and will be completed by the end of the year. He has begun to meet with the WRBP staff and will use a tiered approach to review each location (e.g. meet with each section then with individual staff members from each section). Brian Sullivan emphasized that the staff has concerns about this study, and it is important to convey to them what the MOM is about and its basis in the MOU between DES-WRBP and the member communities. Answering to the rate payer is what is driving the study, and Brian urged B&C to make sure the staff understands why it is being done. It is important for the staff to be involved in the study and to understand how it works. Jonathan Keaney responded that he wants to get as much useful information as possible

from the staff. Mr. Salo added that since it is not a large organization, it will be possible to talk with all employees looking for ideas and information. Staff input will help B&C come up with a list of improvements and cost savings ideas. Mr. Salo commented that if the staff doesn't feel involved with creating these improvements, they won't be comfortable implementing the changes. Good communication is a key to making this study work. Brian Sullivan commented that having staff members included on the Steering Committee will help them to see the study from the Advisory Board and rate payers' point of view. Brian added that this study lays the groundwork for where WRBP will be in 20 years, how the program will stay together, and how the ratepayer can afford the sewer rates. He stated that it's almost like the program is starting over as the facilities have lived their useful life. Mr. Salo agreed and stated that there will be potentially new requirements linked to permit compliance. Communication during the study is important, but Mr. Salo wants to respect the current managerial structure to distribute communications and help schedule workshop meetings with staff and others.

**Flow Metering Program Update:** Sharon McMillin reported that after meeting with CDM to discuss the WRBP and Advisory Board's ideas for reducing costs the rebid cost estimate is about \$500,000 including temporary metering. CDM's estimate is about \$101,000 for their inspection and oversight. CDM is asking \$17,000 for creating the rebid documents and \$14,000 for the bidding process. Sharon asked the Board if they want CDM to rebid or have the WRBP do the rebid? Does the Board want CDM to do the required field inspections or Wright-Pierce under their as-needed engineering contract? What level of involvement does the Board want for CDM? Discussion followed relative to continuing with CDM, relying on staff to review the bids and whether to use Wright-Pierce for construction project support. Paul Moynihan asked if it wouldn't be best to stay with CDM since the Board has already made a major impact on the project budget, reducing the bid from \$1.3M to the current estimate of \$600,000. Ray Korber agreed that it is best to have the design engineer be the interpreter throughout the process but he questioned the budget amount estimated for the bidding process if the staff can conduct the pre-bid meeting and bid review. He suggested CDM's estimate could be reduced by 20% if staff is doing some of the work. Sharon McMillin replied that CDM would likely just reduce its inspection services if the overall budget price is reduced. Dan Leonard commented that, although he did not like the budget amounts for CDM, it is important to get the project done. There is room for reduction of the fees if staff can do some of the work. Ray Korber suggested that Sharon McMillin go to CDM and say she is getting push-back from the Advisory Board on the budget. Dan Leonard moved, seconded by Paul Moynihan to authorize CDM to proceed with the revision of the bid documents as well as rebidding the project, instrumentation SCADA support services and construction oversight/inspection services not to exceed \$101,000 and to allow DES staff to work on potential reduction of costs. Motion passed.

**UV Project Update:** Ozonia is back on site doing some testing and should be back next week to do performance testing. There are some contractual issues and DES is being an arbiter for completion but this is not expected to impact the overall project budget. There are some design issues which was not discovered the contractor tried to start-up the flood pumps and they would not operate. The goal is to complete the project and get the UV system operating soon. The third part energy efficiency inspector (under the Wright-Pierce contract) has conducted an initial walk through and provided a minor punch list. The inspector will return for a final walk through.

**Wright-Pierce Task Order Contract update:** W-P is working on the first phase of the Gabion wall drainage project; checking the force mains with CCTV to see their condition. Their field

evaluations will help determine the scope of the repair project. The plan is to do force main cleaning first and then camera inspection to determine if there is any compromise (deflection or sagging) in the force mains. Each line is 800 feet which is farther than some equipment can inspect by camera. None of the member communities have CCTV equipment that would reach this distance so an outside firm will be used. If there is deflection, there is more of an issue than simply stabilizing the wall so it is important to determine what is happening with the force mains first.

**FY12 Actual & Updated Budget Forecasts for FY13 and FY14:** Steve Dolloff presented FY12 actual expenditures which showed a \$440,000 credit. The O&M FY13/14 budgets are pretty much status quo. The WRBP is also waiting for the MOM study recommendations before making any significant changes. The Admin budget is based upon the same staffing and not filling currently open positions. The FY13 budget is higher because of fringe benefits and indirect costs. There are no proposed changes to the Sinking Fund assessment until there is supporting flow data from the metering project and a revised formula is implemented. Sharon McMillin presented the Capital Cost Recovery schedule which shows repayment of all loans through 2033, some of which are estimates until projects are completed. Sharon emphasized that this schedule reflects a conservative approach with the loan repayments starting in the fiscal year after the project is completed. However, she noted that she has no control over when the first payment is actually due for a project since the repayment schedule is set by the SRF/ARRA funding groups in Concord. The billing summary presented shows the grand totals from all four billing categories from 2011 to 2014; which Brian Sullivan noted shows an increase of \$1M. This major increase in costs is due to debt service for capital projects and is one of the reasons for the MOM study. Brown and Caldwell needs to look at these costs and how long rate payers can afford the rates necessary to pay these debt services.

#### **Other Business:**

Dan Leonard asked if the Governor's budget would allow tapping into the WRBP Sinking Fund. Sharon McMillin is keeping track of this legislation but believes that the language in the budget protects this fund as this is a separate, legislatively-created fund. She has been advised that the fund is not likely to be affected, but she will watch the process and asked that member communities do likewise since they would be more likely to affect any pending legislation affecting WRBP funding.

Brian Sullivan will send another letter to Rep. Frank Tilton giving a status report including approval of the MOM study; stating that the Board is still considering his concerns and again asking Rep. Tilton to hold off on legislature until the MOM and Flow Metering/Rate studies are completed.

Jeanne Beaudin thanked Steve Dolloff for his help with private sewer groups and for his information on the force main break under the Railroad tracks in Belmont. She added that Belmont's new pump stations should be on-line by May.

Sharon McMillin reported that the court has awarded WRBP summary judgment for the Town of Northfield to pay for the 3 fiscal years of debt service that were in arrears. The dispute stems from the Town and District each claiming that the other was responsible for these capital cost recovery assessments. The WRBP governing statute reads that the communities are liable for the capital improvements for the Basin; and the court further ruled that the District and Town were

jointly and severally liable for the payments. The court also awarded a \$5,000 penalty against the Town of Northfield which covered legal costs for the AG office's supporting the WRBP. The Northfield Sewer District and Town of Northfield will determine what proportion each will pay.

Ray Korber announced that the Bay District had a force main break and that the ownership of that line is in question. The Bay District would like reimbursement for the repair work. Sharon McMillin agreed that the ownership of this line needs to be determined. The WRBP needs to get the AG's office to assist in developing a method to resolve any disputed or "grey" areas of infrastructure ownership or responsibility and then help draft documents to clearly delineate ownership in all the communities. She added that the Bay District has paid for repairs in the past and that may influence the decision of whether they should be reimbursed for the recent repairs. Steve Dolloff commented that the break is in an area of a particular soil type that interacts with the pipe and has caused failures in the past.

The CIP Subcommittee will meet on May 7<sup>th</sup> at 9am in Gilford.

The Advisory Board will meet on July 9<sup>th</sup> for the regularly schedule Quarterly meeting, unless decisions are needed for the flow metering bid. The proposed target date for bidding is June 1st.

Meeting adjourned at 11:50 am.

*Minutes prepared by Eliza Conde*