

SELECTMEN'S WORKSHOP
Minutes of 04-06-09
4:00 p.m.

Selectmen:

Peter F. Brothers, Chairman
Miller C. Lovett, Vice Chairman
Robert C. Flanders
Charles G. Palm
Colette Worsman

Co-Interim Town Managers:

John C. Edgar
Brenda L. Vittner

Recording Clerk:

Karin Landry

Call to Order: Chairman Peter Brothers called the meeting to order at 4:00 p.m. He introduced the Board, Co-Interim Town Managers, and the Recording Clerk.

Due to an unexpected event, Agenda item 09-15A - Sewer System Evaluation Survey, and Agenda item 09-15C - Assessment and Prioritization of the Water Distribution System Improvements, will be rescheduled.

09-15B WRBP (Winnepesaukee River Basin Project)

Co-Interim Town Manager John Edgar introduced the matter. Mr. Edgar and Water & Sewer Superintendent Brian Carroll participate in the WRBP meetings, and invited Sharon McMillan, Project Administrator, and Steve Dolloff to give the Board an overview of the Project.

Ms. McMillan provided the Board with a pamphlet that includes information on the Project. The Franklin treatment system, and the collection system that spans ten communities, is a collaborative effort to bring communities into a state-operated system under the auspices of cleaning up lakes and discharges into lakes. Efforts to maintain and upgrade the 30-year old infrastructure have been undertaken, but are becoming increasingly critical as the system and treatment plant age.

Mr. Dolloff reviewed the history of the Basin Project. It was formed in 1972 by the State legislature and has operated since that time. The Project includes 70 miles of major interceptor and a secondary treatment plant located in Franklin. The plant came on line in 1979 and is 30 years old. All accomplishments envisioned under the Project have been attained. The last part of the Project was completed in 1993 when the Gunstock interceptor was connected to the system. The WRBP has 27 employees including mechanical, maintenance, electrical, administrative, operations, and laboratory staff. The upgrades to the treatment plant that began in the 1990's were reviewed. The Project's Advisory Board requested a long-range capital improvements plan for the facilities.

Selectman Palm posed questions regarding the responsibilities of the Bay District (Center Harbor) and the Town of Meredith related to the system. The Bay District owns the pipe from Center Harbor to the site of the old Meredith Harley Davidson shop. In the event of an emergency, the Project would repair the line and recoup its costs from the Bay District. Meredith's responsibility is to operate and maintain the local collection system. The Project provides the discharge point for the pumping station and any other sewer lines that tie into that pipe to carry sewage. There is tremendous capacity in the gravity system that runs along the railroad tracks to Laconia. The treatment plant is designed to handle 11.5M gallons per day, and is treating approximately 6.25M gallons per day at this time.

Dialogue ensued regarding tertiary treatment. Although, the current permit does not require tertiary treatment, it will be required at the federal level at some point in the future. The costs associated with tertiary treatment are difficult to forecast because they will be affected by advances in technology that are unknown at this time. The capital improvements plan is based on present technology and costs throughout the Northeast and New Hampshire.

Dialogue ensued regarding capacity levels. The peak demands are in the summer when the flows are the lowest because the ground water is low and there is less leakage into the system. The highest flow of the year takes place during the present season, when the permanent population determines the background flow and there is a lot of inflow and infiltration in the system. Inflow and infiltration can account for 2-3 times the average daily flow. As permits are renewed throughout the country, there will be an emphasis for co-permittees to put together a continuing operations, maintenance, and inspection plan that will identify excessive infiltration. The Advisory Board will be working with communities to identify excessive flow rate. With better monitoring methods, future billing will be based on the flow produced as opposed to the number of units connected.

The categories of billing were reviewed:

An administrative charge is apportioned to each community reflecting the amount of capacity they originally purchased at the treatment plant based on future projections. Meredith pays approximately 6.76% of the administrative costs, which are comprised of salaries, benefits, a portion of retiree healthcare, and miscellaneous support services from various state agencies.

An operations and maintenance charge is apportioned to each community. Meredith's responsibility is for 9.25% of the total charge. The charge accounts for the communities flow into the system, and the number of times the flow must be pumped or lifted through the system to reach the treatment plant. The charge recoups costs associated with operating the plant and pumping stations. Meredith is charged a portion of the costs for operating each pumping station. The percentages haven't been changed since the formula was originally developed in the 1980's. Steps will be taken this summer to engage an engineering firm to assist with collecting metering and cost apportionment data that is user friendly. The data will be used to do rate evaluations in communities that will

be presented to the Project Advisory Board. The data will not be 100% accurate unless the private entities that tie into the system are accounted for. The Board acknowledges the importance of the periodic reassessment of flows. The goal is for the apportionment of costs to be more data driven.

Dialogue ensued regarding incentives for communities to identify infiltration and inflow. One of the objectives of the cost recovery assessment process is for communities to benefit from the I & I work that they perform. Flow reduction efforts will be reflected in lower costs once the metering system is optimized, which will be in approximately three years. Selectman Worsman expressed concerns with not having a standard to begin with if work to the system has been completed prior to the optimization of the metering system. Nonetheless, the Town would benefit from reductions in power costs for running the downtown pumping station.

The Board reviewed the capital improvement plan. Phase I includes an aeration blower upgrade that qualifies for stimulus funding. The \$2M project will be completed for \$1M. The new blower will reduce energy consumption by estimates of 16 – 18%. Phase I also includes a centrifuge water program. The loan papers for the project have been completed. The loan interest rate will be based on current rates.

The second phase of the capital improvements plan is \$8.13M. Although it was submitted for stimulus money, it was not ranked high enough to be awarded funds. A grant application was submitted for Public Utilities Commission funds. As a result of the efforts of Senator Gregg and Congresswoman Shea Porter, \$200,000 in earmarks for energy efficiency programs will be utilized for Phase II. Dialogue ensued regarding non-traditional funding sources.

The third phase of the capital improvements plan will focus on the cost recovery assessment process.

The Advisory Board is comprised of a representative from each community. The City of Laconia's representative usually serves as Chair. Mr. Dolloff and Ms. McMillan develop the agendas and supply the information. The Board meets on a quarterly basis.

W 09-16 First Quarter Revenue Update

Due to time constraints, the first quarter revenue update was postponed to the Board meeting following the Workshop.

Selectman Flanders moved to adjourn the meeting at 4:25 p.m. Seconded by Selectman Palm. 5-0. All in favor. Motion passed unanimously.

Respectfully submitted,

John C. Edgar, Co-Interim Town Mgr.

Peter F. Brothers, Chairman

Brenda L. Vittner, Co-Interim Town Mgr.

Miller C. Lovett, Vice Chairman

Karin Landry, Recording Clerk

Robert C. Flanders

Charles G. Palm

Colette Worsman