

# Exeter Water & Sewer Advisory Committee

## Final Minutes

January 8, 2014

### Call Meeting to Order

Chairman Bob Kelly called the meeting to order at 6:30 pm in the Nowak Room of the Exeter Town Offices building. Other members present were Vice Chairman Gene Lambert, Selectman Frank Ferraro, Jim Tanis, John Gilbert, and Boyd Allen. Paul Scafidi was absent.

### 1. Review and approve draft Minutes of 12/11/13 meeting

Selectman Ferraro had an amendment on Page 3, Paragraph 4, changing “120” to “120,000” and “170” to “170,000.”

Mr. Tanis had an amendment on Page 2, Paragraph 1, taking out the phrase “whittled down” and adding a new sentence. The sentence, to be dictated via email by Mr. Tanis, will be incorporated into the posted final minutes.

A Motion was made by Mr. Gilbert and seconded by Mr. Lambert to approve the minutes as amended. Motion carried – all in favor.

### 2. Water/Sewer Bill Abatement Requests and/or discussions with customers

No abatement requests.

### 3. Regular Business

#### **a. Projects Update: Mike Jeffers**

Mr. Jeffers was not at the meeting, but he had previously distributed the December operations report to Mr. Kelly. Projects noted over the past several months are on going. The meter replacements are due to be completed this Spring.

#### **b. Financial Reports**

As the January reports would reflect year end 2013 numbers, it takes a while longer to produce these. The reports were not available as of this meeting.

## **4. Old Business**

### **a. Planning for Rate Analysis in 2014**

Mr. Kelly said the 2014 budget has been approved by the Board of Selectmen as discussed at the Water and Sewer Committee meeting in November. He talked about the recommendation in December to take money out of the reserves in order to zero out the small projected budget increases for 2014. If this is approved by the Selectmen, there will be no pressing need to raise the rates in the next year or so. However, due to several large capital projects currently in the planning stages, some rate increases in the next five years will be necessary. He was looking to the Committee for input.

Selectman Ferraro said it might be fairer if they run the budget and rates based on what the budget is. Mr. Lambert said a large percentage of the ratepayers are homeowners and new buyers will be looking at rates. The rates should be more gradual as opposed to knowing three years down the road there will be a major rate increase. Selectman Ferraro said they will not be able to build a big enough bank account. He asked what kind of increase would be needed for the bank account. Mr. Lambert said he wasn't sure but it might make the incremental jump a little easier.

Mr. Kelly said they have never raised the rates when they didn't need to. Selectman Ferraro said no ratepayer wants to see the rates have doubled in a month's time.

Mr. Kelly said it is disingenuous to set the rate until the facilities plan comes in. Mr. Tanis said the new meter project should generate new revenue.

Mr. Kelly said he knows they voted to have \$500,000 in each fund (water and sewer), but he would hesitate to reduce rates until they have a handle on that cash flow.

There was discussion on the DPW projects coming up.

Mr. Kelly said Mr. Dean put together a rate scenario a couple years ago and he said he would resurrect that and send it around.

He went on to say it doesn't sound like credits are an issue, that they are getting the cash flow taken care of, and they are getting the delinquent accounts receivable taken care of. He said there is a lot of money coming in.

Selectman Ferraro asked to verify if fund balance includes the uncollected accounts receivable account. Chairman Kelly said he thinks it is in there. Mr. Lambert said don't write it off, but take it out since it has been outstanding for over a year. He said to take it out so they have accurate numbers. Chairman Kelly said by next month they will know the Board of Selectmen's take on it. Selectman Ferraro said the budget raises the rates, and then the fund balance is used to lower them. Mr. Kelly said people will feel better if they know there is a savings account.

Mr. Kelly said for the February meeting they will make sure there is a spreadsheet for what they anticipate over the next few years.

Selectman Ferraro said the impact fees were last adjusted in 1998 – 16 years ago. He thinks they should take a look at it and see if they need to be adjusted. Chairman Kelly said that is an excellent idea. He said at the last Water/Sewer meeting there was a resident who said there is a statute to this effect. He said he is going to ask Mr. Dean how the impact fees were developed.

#### **5. Other Business to be brought before the Committee**

No other business was discussed.

#### **6. Committee Calendar**

The next regular meeting is scheduled for Wednesday, February 12, 2014 at 6:30 pm in the Nowak Room at the Town Office.

Chairman Kelly adjourned the meeting at 7:15 pm.

Respectively submitted,

Nicole McCormack  
Recording Secretary