

Budget Recommendations Advisory Committee  
Water/Sewer Budget  
Nowak Room  
Town Office Building  
November 7, 2019  
Draft Minutes

Members Present: Bob Kelly, Chair; Christine Soutter, Vice Chair; Corey Stevens, Dan Gray, Don Clement, Judy Rowan, Nancy Belanger, Enna Grazier, Dave Beavens, Anthony Zwaan and Liz Canada

Members Absent: Nicholas Gray, Tai Chin Tung

Others Present: Russ Dean, Doreen Chester, Niko Papkonstantis, and Julie Gilman

Mr. Kelly called the meeting to order at 6:30 PM.

1. Water Fund

Jennifer Perry, Public Works Director, and Matt Berube, Water/Sewer Manager, were present to discuss the Water/Sewer budget.

Mr. Stevens and Mr. Kelly comprised the subcommittee. Mr. Stevens read the Water Fund narrative:

The Water Fund is facing continued cost pressures associated with operating the town's drinking water system. As presented, the budget is a 15.6% increase over 2019. Increases in salary and wages are notable, and dictated primarily by union contracts. Costs to train department staff onto the new Munis billing software, along with software conversion costs, are also noted. The ongoing need to test the water supply in addition to a new directive this year from NHDES to begin testing for PFOA/PFAS has resulted in a cost increase to these budget lines as well. The most significant cost increases come from simply operating the town's water system: water testing, chemical supplies, equipment and parts repair/replacement, and general maintenance of the town's two drinking water treatment plants and associated infrastructure. The department is also proposing to reevaluate water (and sewer) impact fees in 2020, as they have not been updated for several years. The Subcommittee is concerned with the overall increase to the proposed Water budget for 2020. While many of the proposed expenditures are worthy, the Subcommittee felt the need to slow down the rate of increase and spread costs over future years.

Mr. Stevens said that in Water Administration, line item 55110, Salary/Wages, has a \$15,890 increase due to scheduled increases under contracts and the transition of one Technician to Engineer Assistant. Line item 55055, Consulting Services, has a proposed \$10,000 increase to hire a consultant to assess the impact fees, which were last updated in the early 2000s. At that time, it was done in-house by the Water/Sewer committee, and the subcommittee felt it could be done internally again. Mr. Kelly said it was done with a commercially available program. The rates were raised some but not a lot, to avoid stifling development. They need to be adjusted again, since the town has added over \$75 million in

capital costs. They can assess the fees in-house and determine whether they will need a professional review.

Mr. Clement agreed that they can do an in-house review, saying it's a standard template to which they would apply the town's needs and costs. Ms. Perry said the town is reviewing other impact fees in addition to Water/Sewer Development Charges, and they want to do a thorough review of all of those kinds of fees at this time. They want to make sure new development and new connections are paying their fair share. Dr. Zwaan asked if this assessment can be done in the next year. Mr. Kelly responded yes, they could have a preliminary review complete in the next six months, and decide where to go from there. Mr. Dean said he welcomes the offer of the subcommittee to work on this. The auditors have suggested that the town do a broad Impact Fee review; they want the town to keep up with the legally defensible impact fees.

Mr. Stevens said that line item 55158, Insurance Reimbursed Repairs, looks like it doesn't get spent, but it's there for expenses that come up in Water that get reimbursed by insurance. Mr. Dean clarified that it's to cover a \$1,000 deductible, which is what the department would have to pay out of pocket for one claim. Mr. Stevens said that line item 55170, Legal, looks underspent, but the department said it would be spent by the end of year.

In Water Billing, line item 55055, Consulting Services, will be spent. There's a \$3,000 increase for the scheduled implementation of the Munis software billing and collection module, which is a must-have. Line item 55308, Travel Reimbursement, is new. This is \$1,500 to have the Munis instructor come to Exeter and do training. Line item 55091, Education/Training, is up by \$5,375, which is the Munis training cost for Water.

In Water Distribution, Wages/Salary FT is up by \$8,476, due to scheduled increases under the union contract. Line item 55105, Equipment Maintenance, is underspent, but will be spent by year-end. Line item 55296, System Maintenance, has an updated number of \$38,000 spent of the \$44,000 budget. There's a new line item, Fire Alarm Communication; the estimate for this line is around \$30,000 between Water and Sewer. The Keltron alarm system that Water/Sewer uses is outdated, and can no longer be supported by the Fire Department. Public Works has not yet decided what product to use and which buildings would be covered. The subcommittee pulled the budget from the project for further vetting.

Ms. Perry said this line item is important. To lose the alarms at the pumping stations is a real concern. Water treatment facilities can catch fire, since they have electrical equipment. It's important to have a quick response. This issue came up quickly but Mr. Berube has developed a preliminary concept and they're asking for funding. Mr. Stevens asked what would happen if funds were short. Mr. Berube said currently, only 7 of 21 stations are covered by Keltron, which is alarming. If there were a fire, there's no other backup.

Mr. Kelly said the replacement of the Keltron system shows up in several different places in the budget, and he wants to see the real numbers. Mr. Berube said he estimates \$100 per site per month for coverage. They may not have to cover every building. Mr. Dean said they have several options. They're looking at a subscription service which would outsource the fire alarm capacity. He can talk to Primex to see if no coverage is an insurance issue. Dr. Zwaan said he's concerned about insurability. If the department has other communication/monitoring needs with these sites, he suggested they look at a hardwired communication system.

Mr. Kelly asked if the Fire Department is contributing to this work, but Mr. Berube said no, it's on him. Mr. Clement said there needs to be coordination with Fire Department and Public Works. They don't want to opt for something that will be outdated in a few years. Mr. Dean said it's not clear why Keltron is being phased out.

Mr. Kelly said the timing doesn't work with the budget cycle. They should get a better number and amend the budget at the Select Board level. It's an affordable expense if it's \$10,000- \$12,000. Mr. Clement said that's what the reserves are for. Mr. Dean said they would pay a subscription price each month, and he wanted to look at whether that's necessary. Daniel Gray asked if this would be more of a capital outlay item, but Mr. Kelly said it's probably an ongoing monthly charge.

Mr. Stevens said regarding line item 55188, Metering and Back Flow, 2019 was the last payment year on the Water Meter Bond, and the department wants to bring replacement of meters back into the operating budget. The subcommittee recommends level funding in 2020. Mr. Clement said it was a \$750,000 bond, and he thought it was supposed to replace all of the meters, but actually they replaced only half of them. He asked if all of the meters will have to be changed out. Mr. Kelly said half of the meters are left to replace, and that's what they're trying to do over the next 10 years. The \$750,000 was a jumpstart to get some of them on the new technology.

Mr. Clement asked about the driving force for having to change out the meters. Ms. Perry said it's important that the water meters are accurate. They are the cash registers for both Water and Sewer. As rates are going up, people are going to question their bills. They try to adhere to industry standards, which recommend all meters be changed on a 10 year basis. In 2014, they changed the registration heads so they could use an automated reading system, which gives very detailed information. However, the actual meter bodies weren't all replaced. They want to replace 10% of the meters every year. Mr. Dean said that's around 350 meters per year. When they did the meter replacement program for \$750,000, one of the driving forces was getting 20% back from NHDES. They had a five year payback at less than 1%. It was a great catch-up for the replacement project. Dr. Zwaan asked if they are replacing the whole meter now. Mr. Berube said yes; previously they got the heads all as a lot, but it wouldn't make sense to do them one by one now.

Mr. Stevens said that in line item 55235, Pump Station and Towers, the Stadium Well rehab was in the 2019 budget, but the work hasn't been performed yet. They've requested an additional \$17,500 for 2020, but unless they're going to get to Stadium Well this year, it may not make sense. Mr. Berube said they have a contractor lined up for Stadium Well in the next couple weeks. He asked that they change the note for next year's budget from Stadium Well to Yeoman Well, the third well. Then they will have them all done.

Mr. Stevens said that in Water Treatment, Wages are up by \$9,700, due to contract increases. Line item 55368 is for Basin/Lagoon cleaning at the Surface Water treatment plant. The last cleaning was in 2010, and it should happen every 3-5 years. They have buildups of aluminum in the lagoons. Mr. Kelly said the cleaning had last been done at \$28,000, and asked if they'd had a quote. Mr. Berube said he requested one, but they don't have it yet. They're looking for a placeholder in the budget on this. Ms. Perry said if they don't clean it, it could be pushing sludge out to the Wastewater treatment plant, which is inefficient and not ideal. Mr. Clement asked if DES has standards the town has to adhere to on this. Mr. Berube said

depending on the constituents of the sludge, DES regulations will determine where it can go. They're not sure if there's hazardous material or not. Mr. Kelly said they approved a budget of \$29,000 two years ago, so they could at least do that. They should make it \$30,000.

Mr. Stevens said that line item 55105, Equipment Maintenance, was \$23,000 of \$46,000 spent when the subcommittee met, but the line will be spent. They're getting a better idea of what maintenance the Groundwater Treatment Plant will require now that it's three years old. Ms. Perry said the most significant work is the cleaning of the clearwell at the SWTP. There's accumulation and corrosion in the tank. That's where the finished water pumps draw from. Mr. Berube showed a picture of the state of the clearwell. Mr. Kelly said this is a onetime add-on, and the budget should go back down next year.

Mr. Stevens said that line item 55294, Supplies Labor and Equipment, is up by \$11,000. Chemical reagents are up \$8,000; they are needed in both plants. They're doing more testing of distribution points. Mr. Kelly said they spent \$1.2 million and fixed the issues with the water. They're now using a whole different set of chemicals. There are no more disinfection byproducts, but there's different testing. Mr. Clement asked if they are meeting the standards, and Ms. Perry said yes, they're now in compliance.

Mr. Stevens said that for line item 55270, Software Equipment/Contracted Services, the department agreed to reduce that line by \$5,000. Mr. Berube said they haven't spent it. At one point, it was elevated for the new plant to come online. Mr. Stevens said that in Treatment, Fire Alarm Communication had a \$2,400 reduction. Line item 55161, Lab Testing, is up by \$7,500, mostly due to quarterly testing for PFOA/PFAS. They had a notice from the state that they must do quarterly testing. Line item 55034, Chemicals, has a one-time increase of \$15,000 related to replacing the filter media at the Groundwater Treatment Plant. It should be replaced every five years, but the subcommittee thought it could wait one more year. Ms. Perry said these are pressure greensand filters. It's a closed vessel that contains the filter media. When they do a backwash, a small amount of filter media comes out. Over time, they have to top off that vessel. They've been doing that regularly, and have gone through a pallet of material. They need to get another pallet. They're not going to need it every year. Mr. Berube said they need it to be full to function properly. Mr. Berube said they will need \$105,700 just for chemicals, not including this \$15,000.

Mr. Beavens left at this time.

Mr. Kelly said the subcommittee didn't realize this was for replacement of material, so they recommend keeping the budget at \$105,000 as requested.

Ms. Perry said they were asked at the last meeting to update the Fuel numbers. In Water Treatment they requested \$2,000 for fuel, but that can be reduced to \$1,860. In Distribution, line item 55128 can be reduced from \$10,000 to \$9,300. The YTD spent is \$8,945.

Mr. Stevens moved to Capital Outlay. In line item 57009, Vehicles, there were two or three vehicles they're looking to replace. The subcommittee recommended one replacement for this department and one for Sewer. \$42,000 was the average cost of one of the vehicles. Line item 57015, Water System Capital, had a few small \$50,000 projects. The subcommittee suggested doing a couple this year and slowing down the pace. One project that could save money overall is a modulating valve for \$50,000, which is an attempt to address the water pressure issues on Hampton Road. Doing this could save \$100,000 for a new booster station.

Mr. Berube said that \$15,000 of this line is inspections of the clearwell intake. This is recoating the metal inside the clearwell. Mr. Kelly said that \$100,000 has worked for years. They could do a lot more but they have to draw the line somewhere. They have the safety net of reserves if there's an issue. The Water Reserve Fund is at \$1.2 million. The Water/Sewer Advisory Committee set a floor of \$500,000, but they like to keep it around \$1 million.

Mr. Kelly said at this time they would go back to the beginning of the budget.

Mr. Stevens said that in line item 55055, Consulting Services, they would instead do the impact fee assessment in-house. This would be a \$10,000 decrease, to \$5,000.

**MOTION:** Mr. Clement moved to reduce line item 55055, Consulting Services, to \$5,000. Mr. Kelly seconded. All were in favor.

Ms. Chester stated that the new benefits total for Water Administration is \$97,048.

**MOTION:** Ms. Belanger moved the Water Administration Benefits of \$97,048. Mr. Stevens seconded. All were in favor.

Daniel Gray asked why they would continue to level fund Conference Rooms and Meals when it was not historically spent. Ms. Perry said it has been underspent in the past, but they have two new managers who want to attend a national conference. It will be spent.

Ms. Chester stated that the new Water Administration total is \$393,870.

**MOTION:** Ms. Belanger moved the new Water Administration total of \$393,870. Ms. Canada seconded. All were in favor.

Ms. Chester stated the benefits for Water Billing are \$44,364.

**MOTION:** Ms. Belanger moved the benefits for Water Billing of \$44,364. Ms. Canada seconded. All were in favor.

Ms. Chester stated that the Water Billing total is \$179,408.

**MOTION:** Ms. Belanger moved the Water Billing total of \$179,408. Ms. Canada seconded. All were in favor.

Ms. Chester stated that the Water Distribution benefits are \$135,011.

**MOTION:** Ms. Belanger moved the Water Distribution benefits total of \$135,011. Ms. Canada seconded. All were in favor.

Mr. Stevens said that the subcommittee proposed zeroing out Fire Alarm Communication until they had better numbers.

**MOTION:** Ms. Belanger moved to reduce Fire Alarm Communication to zero. Daniel Gray seconded. Dr. Zwaan asked if they should put \$1 as a placeholder. Ms. Belanger withdrew her motion, and Daniel Gray withdrew his second. [Not voted]

**MOTION:** Ms. Belanger moved to reduce Fire Alarm Communication to \$1. Daniel Gray seconded. Daniel Gray said he would like to hear Fire Department input on this issue. All were in favor.

Mr. Stevens said that for line item 55188, Metering and Back Flow, the subcommittee recommended level funding at \$80,000.

**MOTION:** Daniel Gray moved to fund line item 55188, Metering and Back Flow, at \$80,000. Ms. Belanger seconded. All were in favor.

**MOTION:** Dr. Zwaan moved to reduce line item 55128, Fuel, to \$9,300. Daniel Gray seconded. Mr. Stevens said they'd discussed leaving the Fuel budget alone, since the numbers were negligible. Mr. Kelly said they'd made a motion. Mr. Kelly voted nay and the motion passed 9-1-0.

Ms. Chester stated that the new Water Distribution total is \$845,402.

**MOTION:** Ms. Belanger moved the new Water Distribution total of \$845,402. Ms. Canada seconded. All were in favor.

Mr. Stevens said that in Water Treatment, they'd discussed reducing line item 55368, Basin/Lagoon Cleaning, to \$30,000.

**MOTION:** Mr. Clement moved to reduce line item 55368, Basin/Lagoon Cleaning, to \$30,000. Ms. Belanger seconded. Dr. Zwaan abstained as he had stepped out of the room and the motion passed 9-0-1.

Ms. Chester stated that the new benefits total for Water Treatment is \$156,554.

**MOTION:** Ms. Belanger moved the new benefits total for Water Treatment of \$156,554. Daniel Gray seconded. All were in favor.

Mr. Stevens said that for line item 55270, Software Contracted Services, the subcommittee recommended a decrease of \$5,000 to \$5,000.

**MOTION:** Mr. Clement moved to reduce line item 55270, Software Contracted Services, to \$5,000. Ms. Belanger seconded. All were in favor.

Mr. Stevens said they'd discussed reducing Fire Alarm Communication to \$1.

**MOTION:** Ms. Belanger moved to reduce Fire Alarm Communication to \$1. Ms. Canada seconded. All were in favor.

**MOTION:** Daniel Gray moved to change the Fuel budget to \$1,860. Mr. Clement seconded. All were in favor.

Ms. Chester stated that the new Water Treatment total is \$813,283.

**MOTION:** Ms. Belanger moved the Water Treatment total of \$813,283. Ms. Canada seconded. All were in favor.

Dr. Zwaan asked for the percentage increase. Ms. Chester said there was a 9.4% increase for Water Treatment.

Mr. Stevens said that Debt Service incorporated the principal and interest first year payment for the work on TTHMs. Mr. Dean said the Salem Street and TTHM debt were incorporated into the 2020 budget.

**MOTION:** Ms. Belanger moved to approve the Debt Service total of \$1,164,650. Mr. Gray seconded. All were in favor.

Mr. Stevens said that in line item 57015, Water System Capital, they'd recommended level funding at \$100,000.

**MOTION:** Ms. Belanger moved to fund line item 57015, Water System Capital, at \$100,000. Ms. Canada seconded. All were in favor.

Mr. Stevens moved on to Vehicles. Ms. Chester asked that he be specific about which vehicle the subcommittee was recommending. Mr. Stevens said whichever vehicle the department felt was most necessary. Mr. Kelly suggested making the line item \$48,000 to align with the actual numbers. Ms. Perry said if they can only get one vehicle for Water, they would replace truck 14.

**MOTION:** Mr. Stevens moved \$48,000 for the replacement of truck 14. Ms. Belanger seconded. Dr. Zwaan asked if they should move the exact number. Mr. Stevens amended his motion to \$48,059. Ms. Belanger seconded. All were in favor.

Ms. Chester stated that the new Capital Outlay total is \$170,652.

**MOTION:** Ms. Belanger moved the new Capital Outlay total of \$170,652. Ms. Canada seconded. All were in favor.

Ms. Chester said the Water Fund total is \$3,567,264, an 8.7% increase.

**MOTION:** Ms. Belanger moved the Water Fund total of \$3,567,264. Ms. Canada seconded. All were in favor.

Dr. Zwaan said that ensuring water quality is the most important thing they do as a town, and the department has done a great job. The water tastes and looks great. It was worth the expense.

Ms. Grazier left at this time.

## 2. Sewer Fund

Mr. Stevens read the summary report:

As presented, the preliminary 2020 budget for the Sewer Fund is an increase of 48.6% over 2019. Several factors are contributing to the increase including: Wages (scheduled increases, promotions, the full year impact of a 5th plant operator); Software Implementation and Training; Impact Fee Analysis; and Upgrades to the Alarm Communications system. On top of these increases, the Sewer budget is heavily impacted by the projected costs of operating the new sewer treatment plant in its first full year. Chemicals, electricity and solids handling are significantly higher as a result and are representative of the new cost of doing business for sewer treatment in Exeter. The town will also begin repayment of the sewer plan bond in 2020, adding over \$310,000 in P&I payments to Debt Service.

Mr. Stevens said that line item 51110, Wages, has an increase due to union contracts, and a transition. Line item 55055 will be reduced by \$10,000, since they talked about doing the in-house impact fee study.

**MOTION:** Ms. Belanger moved to reduce line item 55055 to \$12,000. Ms. Canada seconded. All were in favor.

Ms. Chester stated that the new benefits total for Sewer Administration is \$97,048.

**MOTION:** Ms. Belanger moved the benefits total for Sewer Administration of \$97,048. Daniel Gray seconded. All were in favor.

Ms. Chester stated that the new Administration total for Sewer is \$418,944.

**MOTION:** Ms. Belanger moved the new Administration total for Sewer of \$418,944. Ms. Canada seconded. All were in favor.

Mr. Stevens said that in Sewer Billing, nothing was noted that was not similar to Water. The Consulting Services line will be spent. There's a \$3,000 increase for the implementation of the Munis collection software. Line item 55091, Education and Training, has an increase related to Munis.

Ms. Chester stated that the new benefits total for Sewer Billing is \$44,364.

**MOTION:** Ms. Belanger moved the Sewer Billing benefits total of \$44,364. Daniel Gray seconded. All were in favor.

Ms. Chester stated that the new Sewer Billing total is \$176,183.

**MOTION:** Ms. Belanger moved the Sewer Billing total of \$176,183. Ms. Canada seconded. All were in favor.

Mr. Stevens moved to Sewer Collection. Some line items had a low YTD, but 55153 and 55369 will be spent. Mr. Kelly said these line items, which include pipe relining and I/I abatement, allow them to avoid big improvements.

Mr. Stevens said that line item 55319, Vehicle Maintenance, has a \$3,000 increase, due to more aging vehicles and more use. There's a new line for CSO [Combined Sewer Overflow] Monitoring. Previously, they weren't charged a maintenance fee for this monitoring, but this amount is what they can expect to spend going forward. Ms. Perry they've had this monitoring done for four years without billing, but the company has new owners who did some auditing and realized the town hadn't been paying. This monitoring is important to state reporting in the event of a combined overflow occurrence; they must report on how much stormwater and sewer combined went to Clemson Pond.

**MOTION:** Mr. Stevens moved to reduce Fire Alarm Communication to \$1. Mr. Kelly seconded. All were in favor.

Ms. Chester stated the new benefits total in Sewer Collection is \$135,011.

**MOTION:** Ms. Belanger moved the Sewer Collection benefits total of \$135,011. Ms. Canada seconded. All were in favor.

Daniel Gray said that line item 55319, Vehicle Maintenance, has a proposed \$3,000 increase, but they were overbudget this year and they're not replacing all three vehicles. He asked if they should consider increasing this line. Mr. Kelly said they should leave it as-is and circle back after the vehicle discussion.

Ms. Perry said the Fuel number is \$9,300, not \$10,000.

**MOTION:** Dr. Zwaan moved to change line item 55128, Sewer Collection: Fuel, to \$9,300. Ms. Canada seconded. All were in favor.

Ms. Chester stated that the new Sewer Collection total is \$716,779.

**MOTION:** Ms. Belanger moved the Sewer Collection total of \$716,779. Dr. Zwaan seconded. All were in favor.

Mr. Stevens moved on to Sewer Treatment. Line item 55022, Building Maintenance, has an increase to account for the new Sewer Plant Buildings. Line item 55154 has an increase to deal with industrial pretreatment; there are more industry facilities in town, as well as silver nitrate and mercury from dentists. Ms. Perry said there's an amalgam separator used in dentistry that removes the mercury and silver nitrate used in dental practices. The department has to make sure those separation units are operating properly and this hazardous material is not getting to the treatment facility. There are also two new breweries coming to town. Dr. Zwaan asked if the costs are being passed on to those businesses. Ms. Perry said they charge five of their larger industrial clients a fee associated with their permits, but do not charge dentists extra. Mr. Stevens said the YTD was exceeded by \$5,000. Line item 55190, Mobile Communications, is up by \$5,000, as they're bringing new internet connections into the Sewer Plant. The subcommittee recommended reducing Alarm Communications to \$1.

**MOTION:** Mr. Stevens moved to reduce Alarm Communications to \$1. Ms. Belanger seconded. All were in favor.

Mr. Stevens said that for line item 55260, SCADA Software/Hardware, the department agreed to reduce this to \$5,000.

**MOTION:** Mr. Kelly moved to reduce line item 55260, SCADA Software/Hardware, to \$5,000. Daniel Gray seconded. All were in favor.

Mr. Stevens said that line item 55034, Chemicals, is up by \$45,000. This is the cost of doing business for the Sewer Plant. Mr. Berube said they could reduce the Chemicals line by \$20,000 to \$100,000.

**MOTION:** Mr. Kelly moved to reduce line item 55034, Chemicals, to \$100,000. Ms. Belanger seconded. All were in favor.

Ms. Chester stated that the benefits total for Sewer Treatment is \$193,048.

**MOTION:** Ms. Belanger moved the benefits total for Sewer Treatment of \$193,048. Dr. Zwaan seconded. All were in favor.

Daniel Gray asked if there were a new Fuel number. Ms. Perry said it's \$4,200, down by \$300.

**MOTION:** Daniel Gray moved the new Fuel number of \$4,200. Dr. Zwaan seconded. All were in favor.

Ms. Chester stated that the Sewer Treatment total is \$1,415,245, a 53.1% increase.

**MOTION:** Ms. Belanger moved the Sewer Treatment budget of \$1,415,245. Daniel Gray seconded. All were in favor.

Mr. Clement said that the new Sewer Treatment plant will clean up Great Bay. It costs the rate payers three times as much to treat wastewater. Mr. Kelly said the old system was not just outdated, it was developed in the 60s. It was far past upgrading. Mr. Clement asked if Newmarket and Portsmouth had the same sewer treatment costs as Exeter. Ms. Perry said those towns didn't have as much of a differential. Their energy costs have gone up similarly to Exeter's, but the Solids are in a different ballpark.

Mr. Dean said that for Debt Service, they are in the final phase of working out the repayment schedule for the NHDES Clean Water Revolving Fund Debt. If they pay the first payment on 12/1/19, they can take advantage of a 20% reimbursement of that initial payment. 12/1/20 is the first large payment for the facility. The budget number is \$53,580,000, but they will only pay \$50,871,000 after the debt forgiveness and State aid grant amounts.

Mr. Kelly said they raised the rates a few years ago, and have accumulated a savings of \$3.4 million. Mr. Dean said that for the first payment, they will tap into the Sewer Fund balance, but even the new rates won't cover the payments, and they'll likely have to make another rate adjustment. Mr. Stevens asked if over the life of the project, they could see \$12 million in reimbursements from the state. Mr. Dean said yes, but they have to advocate for this state program to continue.

Ms. Chester stated that the Debt Service total is \$4,848,995. This is a \$4 million increase.

**MOTION:** Ms. Belanger moved the Debt Service total of \$4,848,995. Mr. Kelly seconded. All were in favor.

Mr. Stevens moved on to Capital Outlay. In line item 57017, Capital Outlay - WWTP, they will do one project, the work on the aerators. The department agreed to a drop to \$30,000.

**MOTION:** Mr. Stevens moved to reduce line item 57017, Capital Outlay - WWTP, to \$30,000. Ms. Belanger seconded. All were in favor.

Mr. Stevens said that for line item 57009, Vehicles, the subcommittee recommended \$48,059. Ms. Perry said that two of the vehicles are contingent and don't stand alone. Mr. Berube said they want to repurpose the cab and chassis of truck 16 and purchase a new body for it, and replace Truck 11. For Truck 13, they want to get rid of an old Crown Victoria. They would go with the bigger vehicles if they had to choose. He asked for \$73,060. Mr. Stevens said they have to plow out the Public Works campus, which is not the first priority for Highway.

**MOTION:** Mr. Stevens moved \$73,060 for line item 57009, Capital Outlay - Vehicles. Ms. Belanger seconded. All were in favor.

Mr. Stevens said there is a new line item of Lagoon Sludge Removal. When costing out the WWTP, some costs were deferred through value engineering. Cleaning sludge out of the existing lagoons was one of the deferred projects. It will cost \$4 million over a 10 year period. The subcommittee tried to brainstorm other ways to deal with this project, and recommended holding off for the moment. Ms. Perry said she wanted something on the radar for next year. They're trying to look at ways to do this efficiently and at reasonable cost and not get the town into trouble with sludge. They have to keep aerators running as long as the sludge is in there, which have electricity costs and maintenance costs. Mr. Berube said that there's a new memo from Wright Pierce, who have gone through project and found line items that might come in under budget, by \$1.5 million. They could spend \$1 million out of the project money to begin the process of lagoon cleaning, and that way they won't have to ask for a budget on this for a couple of years. It would be cheaper to do now than it will be in the future. If new standards come out that they have to test what's in the sludge, there may not even be a place for the sludge to go. Mr. Dean said it's important not to disrupt the repayment schedule and state aid grant schedule. Mr. Kelly asked if they could look to other towns to work together on the sludge issue. Ms. Perry said there were discussions about a regional biosolids facility 10 years ago, but they didn't gain momentum. Exeter is in a unique situation with lagoons full of sludge, no one else has that.

**MOTION:** Mr. Stevens moved to reduce Capital Outlay - Lagoon Sludge Removal to \$1. Ms. Belanger seconded. All were in favor.

Ms. Chester stated that the Capital Outlay total is \$125,653.

**MOTION:** Ms. Belanger moved the Capital Outlay total of \$125,653. Dr. Zwaan seconded. All were in favor.

Ms. Chester stated that the Sewer Fund total is \$7,701,799, a 170.5% increase.

**MOTION:** Ms. Belanger moved the Sewer Fund total of \$7,701,799. Dr. Zwaan seconded. All were in favor.

3. Minutes

a. There were no minutes approved at this meeting.

4. Review Calendar

a. The next meeting is Wednesday, November 13th.

5. Adjournment

a. Mr. Kelly said the meeting stands adjourned at 9:54 PM.

Respectfully Submitted,  
Joanna Bartell  
Recording Secretary