

Budget Recommendations Advisory Committee
DPW - Water & Sewer
November 12, 2020, 6:30 PM
Draft Minutes

Members Present: Bob Kelly, Chair; Corey Stevens, Christine Soutter, Don Clement, Judy Rowan, Nancy Belanger, Anthony Zwaan, Amy Farnham, Christopher Zigmont, Kathy Corson, Kaley Briden, Enna Grazier, and Liz Canada

Members Absent: None

Others Present: Doreen Chester, Matthew Berube and Jennifer Perry of the DPW, and Niko Papkonstantis

Mr. Kelly called the meeting to order at 6:30 PM and read a statement:

As Chair of the Budget Recommendations Committee, I find that due to the State of Emergency declared by the Governor as a result of the COVID-19 pandemic and in accordance with the Governor's Emergency Order #12 this public body is authorized to meet electronically.

Public notice of this meeting was posted on the town website and on the bulletin board of the town offices at 10 Front Street. As provided in that public notice, the public may access the meeting online and via phone.

Please note that all votes taken during this meeting shall be done by roll call vote. Let's start the meeting by taking a roll call attendance. When each member states their presence, please also state whether there is anyone in the room with you during this meeting and who that person is (son, daughter, spouse, etc...), which is required under the Right-to-Know law.

1. Water

Matthew Berube and Jennifer Perry were present to discuss the DPW budget.

Mr. Kelly first discussed Water Administration. The subcommittee recommended reducing line item 55158, Insurance Reimbursed Repairs, to \$1. Line item 55170, Legal Expenses, sometimes doesn't get used, so they want to reduce that to \$1 as well. For Education and Training, the Department said that a slight reduction is acceptable. Mr. Clement said that Legal does vary. What are the fees that they could incur? Ms. Perry said historically this is used during water rights acquisitions and land acquisitions, as in wellhead negotiations, work with PEA on the Stadium Wellhead, etc. They do anticipate having some negotiations this year. Dr. Zwaan asked if the legal costs for groundwater development would be encompassed in the groundwater project, rather than in this line. Ms. Perry said yes, but it's important to continue to work with whatever property is the most promising. They wouldn't necessarily wait until that project is ready to go forward.

Ms. Chester said the new Water Administrative total is \$400,816.

MOTION: Mr. Kelly moved to approve the Water Administrative total of \$400,816. Dr. Zwaan seconded. By a roll call vote, all were in favor.

Mr. Kelly discussed Water Billing next. He said that regarding line item 55055, Consulting Services, they are assessing new software. The MUNIS software from a few years ago was not a good fit. They're eliminating that part of the budget, at \$4,500. Line item 55270, Software Agreement, stays the same, since they do anticipate getting different software. Mr. Berube said they're still assessing platforms; they're looking for a way for the customer to have a user-friendly portal to pay bills online and track usage.

Ms. Chester said the new Water Billing total is \$171,147.

Ms. Briden asked why line item 55308, Travel Reimbursement, did not even have a \$1 placeholder. Mr. Kelly said that's just for the Billing component, there's still money in the Admin part. Ms. Perry said that the billing software is very user friendly and doesn't require much training.

MOTION: Mr. Kelly moved to approve the Water Billing budget of \$171,147. Dr. Zwaan seconded. By a roll call vote, all were in favor.

Mr. Kelly next discussed Water Distribution. Regarding line item 55022, Building Maintenance, there are new regulations that require the town to dispose of overflow. Some pumping equipment needs to be rehabbed or upgraded at a cost of \$25,000, but the subcommittee recommends this as a CIP. Dr. Zwaan said the Lary Lane Well building itself is in disrepair, not the new water plant. Mr. Berube said they came up with a creative way to rehab that building. Mr. Kelly said he prefers to give them \$500,000 in capital projects to do any projects in 2021. Mr. Clement said last year it was \$100,000. Ms. Rowan asked for the threshold for a project to go on the warrant, and Mr. Kelly said ideally \$25,000, but they want to avoid having essential projects and equipment being voted down. Mr. Stevens said these are mostly repairs and maintaining assets.

Mr. Kelly said that regarding line item 55252, Road Repairs, the Department had reduced that, but it's used every year for water main breaks and system upgrades. The subcommittee restored the \$10,000. Regarding line item 55188, Metering and Backflow, a few years ago there was a \$750,000 bond issue to replace half the meters in town, but they still need to replace 1,700 or so, at a cost of \$250 - 300 each. Many are over 10 years old. These are the department's cash registers; as they get older, they slow down and the town loses money. They level funded in 2020 and ran out of money for replacements by September. Ms. Perry said they've been underfunding this for several years and have a backlog. They'd like to get to the point where they only need to replace 10% per year. They want to ramp up over the next three years, not do them all next year. Mr. Kelly said if this gets the budget to a place that's uncomfortable, they can take money out of reserves instead.'

Ms. Chester said the new Water Distribution total is \$872,786.

MOTION: Mr. Kelly moved to approve the Water Distribution budget of \$872,786. Dr. Zwaan seconded. Mr. Clement voted nay and the motion passed 12-1.

Mr. Kelly next discussed Water Treatment. Line item 55368, lagoon cleaning at the water plant, must be done; it hasn't been cleaned in 10+ years and should be cleaned every 5. The budget for this in 2020 was \$30,000 which was eliminated due to Covid. There was a Capital Outlay of \$275,000 in 2021, not a budget item. Mr. Clement asked if they could encumber the \$30,000, but Mr. Kelly said he thinks that goes away. In 2018, they spent \$20,000 to clean out filtering material at groundwater plant. Due to increased regulations on disposal, they are asking for \$30,000 this year. The lagoon cleaning for the surfacewater plant hasn't been done in a number of years; it was a warrant article, but they put it in Capital Outlay. Ms. Chester said regarding budget deferrals, voters had already voted on that budget so they can't officially reduce it. Revenues have been stronger than anticipated, so the Town Manager has been allowing some very needed projects to go forward. It's possible that the \$30,000 could be encumbered.

Mr. Kelly said that line item 55034, Chemicals, is at \$115,000. Ms. Perry said this is for ferric chloride in the groundwater treatment plant. Exeter has arsenic in the water supply, and the standards have become more strict; the level of arsenic must be half of what it used to be at 5 parts per billion. They need to add ferric chloride to comply. The regulation takes effect July 1, 2021. Mr. Kelly said the arsenic standard has been reduced 90% in 20 years.

MOTION: Mr. Kelly moved to approve \$822,395 for Water Treatment. Dr. Zwaan seconded. By a roll call vote, all were in favor.

Mr. Kelly said that regarding the Debt Service budget, they have Groundwater Sources of \$109,000, but it's also proposed as a warrant article. Ms. Chester said this is debt they already established based on a previous warrant article.

MOTION: Mr. Kelly moved to approve a Water Debt Service Interest total of \$246,682. Dr. Zwaan seconded. By a roll call vote, all were in favor.

MOTION: Mr. Kelly moved to approve a Water Debt Service total of \$1,263,186. Dr. Zwaan seconded. By a roll call vote, all were in favor.

Mr. Kelly said that for Capital Outlay, the Surface Water Plant Lagoon Dredging, is at \$275,000, Lary Lane Rehab is at \$25,000, the Surface Water Treatment Plant pump drive is at \$85,000, etc, for a total above \$700,000. The subcommittee decided to cap it at \$500,000. With vehicle requests, the total is \$515,330.

MOTION: Mr. Kelly moved to approve the Water Capital Outlay budget of \$515,330. Dr. Zwaan seconded. In a roll call vote, Mr. Clement voted nay and the motion passed 12-1.

Mr. Kelly said that for Warrant Articles and CIP items, the subcommittee supports the Salem Street Area Utility Replacements and Groundwater Source Development. They will talk more about this next week.

Ms. Chester said the Water Fund total is \$4,045,659, a 13.9% increase over last year.

MOTION: Mr. Kelly moved to approve the Water Fund budget of \$4,045,659. Mr. Stevens seconded. Mr. Clement said the increase is too high. Ms. Corson said they haven't kept up with things. Mr. Kelly said in years past, the BRC has been limiting this budget. Ms. Corson asked how the information about reserves would appear on the warrant, and Mr. Kelly said he didn't know. If you look at line items, they're just trying to keep up. In a roll call vote, Mr. Clement voted nay, and the motion passed 12-1.

2. Sewer Fund

Mr. Kelly discussed the Sewer Budget. Aging equipment and new regulations are in play. The new plant has only been in operation for about a year. Some costs went way down from estimates, but some went up.

In Sewer Admin, line item 55055, Consulting Services, they plan to spend \$20,000 to do a capacity analysis on the piping. They're getting requests from areas of town that aren't sewered to tie into the system, but can't say whether the pipes can handle the additions. Ms. Perry said they know already they have areas that are insufficient; they're trying to determine exactly what the capacity is so they can plan for improvements.

Mr. Kelly said for line item 55158, Insurance Reimbursed Repairs, they'd like to reduce it to \$1 as in Water. Ms. Briden said there's nothing allocated to line item 55257, Safety Equipment, so should they put a couple hundred in? Ms. Perry said they moved safety equipment costs to Sewer Collections and Sewer Treatment. '

Ms. Chester said General Expenses is at \$125,243. Property insurance is \$75,713.

MOTION: Dr. Zwaan moved a Sewer Administration - General Expenses budget of \$125,243. Ms. Rowan seconded. By a roll call vote, all were in favor.

Ms. Chester said the new Administration total is \$454,515.

MOTION: Mr. Kelly moved to approve \$454,515 for the Sewer Administration total. Mr. Zigmont seconded. By a roll call vote, all were in favor.

Mr. Kelly said that in Billing, line item 55055, Consulting, is at \$500 for GASB compliance. They left Software as-is for a future platform (not MUNISmart). The total is \$167,922.

MOTION: Dr. Zwaan moved to approve the Sewer Billing total of \$167,922. Ms. Soutter seconded. By a roll call vote, all were in favor.

Mr. Kelly discussed Sewer Collection next. Line item 55252, Road Repairs, is not yet spent, but most of this is done at the end of the year. Mr. Berube said they usually spend this line. For line item 55153, I/I Abatement, and line item 55369, Pipe Relining, they encumbered \$40,000 in funds from last year, and did \$140,000 of work this year. This work has saved them from doing another \$40M bond issue to prevent I/I incidents. Mr. Kelly said line item 55543, CSO monitoring, includes \$75,000 for the dredging of Clemson Pond, which hasn't been fully cleaned in many years. Mr. Clement asked if there's a future where they no longer use Clemson Pond for overflow. Mr. Berube said

the State will probably eventually say they can't have any CSO. They're trying to reduce I/I. The town invested in the main pump station and two forcemains. Ms. Perry said the new wastewater treatment is a great improvement, but they haven't been challenged with high flows since this is a drought year. Mr. Kelly said there are other items of maintenance, which the subcommittee recommends level funding.

Ms. Briden line item 55003, Drug/Alcohol testing, averages \$340 minus the high years, so can they bring it down from \$800? Ms. Perry said this is completely random testing. All CDL holders are randomly tested by the US Department of Labor.

Mr. Kelly discussed line item 55136, GIS software. Mr. Berube said as they gain SRF funding for projects, there's a requirement to do asset management, and they work with People GIS to customize the software for this purpose. They will be able to grade and value their assets more consistently moving forward.

MOTION: Ms. Briden moved to reduce Sewer Collection line item 55003, Drug/Alcohol Testing, down to \$500. Mr. Kelly seconded. In a roll call vote, Ms. Soutter voted nay, and the motion passed 12-1.

Ms. Chester said the new Sewer Collection total is \$732,111.

MOTION: Dr. Zwaan moved to approve a Sewer Collection total of \$732,111. Mr. Kelly seconded. By a roll call vote, Mr. Clement abstained and the motion passed 12-0-1.

Mr. Kelly next discussed Sewer Treatment. They're still fine-tuning the numbers for the new facility. Regarding line item 55154, Industrial Pre-Treat, inspections have been limited due to Covid. Dr. Zwaan asked if the budget for line item 55220, Pond/Lagoon Maintenance, is still warranted, as they are phasing the lagoons out. Ms. Perry said yes, they use the lagoons for flow equalization. At some point, if the treatment plant prevents large flows during rain events or high groundwater levels, they may be able to decrease or phase out the lagoon use entirely.

Ms. Chester said the new Sewer Treatment total is \$1,330,179.

MOTION: Mr. Kelly moved to approve \$1,330,179 for Sewer Treatment. Ms. Belanger seconded. By a roll call vote, all were in favor.

Mr. Kelly said that regarding Debt Service, they removed some debt for the Wastewater Plant, so the payment has gone down for this year.

MOTION: Mr. Kelly moved to approve \$4,140,032 for Sewer Debt Service. Dr. Zwaan seconded. By a roll call vote, all were in favor.

Mr. Kelly said that for Line item 57010, Capital Outlay, the Department is asking for 110K, including an \$80,000 inspection camera to stay ahead of maintenance. In the past, they were able to lose some backwash at the groundwater plant on the ground, but regulations now prohibit that. They can buy a pump truck to go to the treatment plant each day, or put in a sewer line from Lary Lane to the plant for around \$60,000. The subcommittee capped the Capital Outlay at \$200,000. Mr. Berube said this is related to the ferric chloride being used to treat arsenic. They can't dump it on the ground because

it may infiltrate. They're proposing an in-house project to put a 4" sewer line along the edge of the road with minimal pavement disturbance.

MOTION: Mr. Kelly moved to approve \$215,331 for Sewer Capital Outlay. Ms. Soutter seconded. By a roll call vote, all were in favor.

Mr. Kelly mentioned the Sewer Warrant Articles: Westside Drive Engineering, the Squamscott River project, Folsom Street Pump Station Rehab, Salem Street Utility Replacements, and Lagoon Sludge Removal.

Ms. Chester said the new Sewer Fund total is \$7,040,090, an 8.4% reduction.

MOTION: Mr. Kelly moved to approve the \$7,040,090 Sewer Fund budget. Dr. Zwaan seconded. By a roll call vote, all were in favor.

3. Minutes
 - a. There were no minutes approved at this meeting.
4. Review Calendar
 - a. Tuesday November 17th is the CIP meeting.
5. Adjournment

Mr. Kelly adjourned the meeting at 9:10 PM.

Respectfully Submitted,
Joanna Bartell
Recording Secretary