

Select Board Meeting
Monday September 26, 2022
6:50 PM
Nowak Room, Town Offices
Final Minutes

1. Call Meeting to Order

Members present: Julie Gilman, Molly Cowan, Niko Papakonstantis, Lovey Roundtree Oliff, Nancy Belanger, Town Manager Russ Dean, and Assistant Town Manager Melissa Roy were present at this meeting. The meeting was called to order by Mr. Papakonstantis at 6:50 PM. The Board went down to the Wheelwright Room to conduct an interview.

2. Board Interviews

a. Jared "Pat" Curtis for Trustees of Trust Funds

The Board reconvened in the Nowak Room at 7:02 PM. Ms. Oliff arrived at this time.

Mr. Papakonstantis recognized Bill Jordan's PEA class, which was present in the Nowak Room. Mr. Jordan spoke briefly about their attendance.

3. Bid Award: Squamscott River Sewer Siphons Construction Administration

MOTION: Ms. Belanger moved to enter into an agreement with Wright-Pierce for construction phase engineering services for the Squamscott River Sewer Siphons upgrade in the amount of \$274,000. Ms. Gilman seconded. The motion passed 5-0.

4. Public Comment

a. There was no public comment at this meeting.

5. Proclamations/Recognitions

a. There were no proclamations or recognitions at this meeting.

6. Approval of Minutes

a. Regular Meeting: September 19, 2022

MOTION: Ms. Belanger moved to approve the minutes of September 19, 2022 as presented. Ms. Gilman seconded. The motion passed 5-0.

7. Appointments

a. Budget Recommendations Committee

MOTION: Ms. Belanger moved to approve Chris Newport for the Budget Recommendations Committee for 2022. Ms. Gilman seconded. The motion passed 5-0.

b. Arts and Culture Commission

MOTION: Ms. Belanger moved to appoint Florence Ruffner as a full voting member of the Arts & Culture Commission, term to expire in April 2025. Ms. Oliff seconded. The motion passed 5-0.

c. Trustees of the Trust Fund

Mr. Papakonstantis said Corey Stevens was elected to the Trustees of the Trust Fund, but became our Finance Director, so he had to resign. The Select Board will appoint Jared “Pat” Curtis to serve out the vacant term.

MOTION: Ms. Belanger moved to appoint Jared “Pat” Curtis to the open Trustees spot with term expiring March 2025. Ms. Gilman seconded. The motion passed 5-0.

8. Discussion/Action Items

a. Poll Pads

Mr. Papakonstantis said at the last meeting, we heard about the need to purchase Poll Pads to expedite voting. It was recommended that we purchase them for the March 2023 election, as the town election has fewer voters than Presidential or Federal elections, and it would give staff and residents time to learn how the devices work. There was a question of funding. The cost of 10 polling pads is \$19,400. The Town Manager recommended using ARPA funds, but the Board has laid out how we want to use those funds. Poll Pads should be a line item in the budget. We will revisit this issue on Oct 11 to allow the Town Manager time to find money in the 2022 budget.

b. Solar Array Update

Town Planner Dave Sharples and Dan Weeks of Revision Energy gave an update on the solar array proposal at the landfill opposite Cross Road. Mr. Sharples said that in 2019, the NH Legislature passed a bill allowing net metering up to 5 Megawatts [MW]. We put out an RFP in Oct 2020, and received some responses, including one from Revision Energy. We asked for a land lease option in the RFP, where we’re only the landlord renting out the land. However, Revision also included the option for the town to be the owner of the system, and it proved to be an attractive alternative with more potential revenue. We decided to move forward with a \$3.62M proposal to own, and the voters approved a 1.3MW system 18 months ago.

When we created the estimates, we hadn’t done an interconnection study with Unitil, which is an expensive study. The result of the study is that the interconnection would cost over \$600,000, but we had only budgeted \$125,000. One component is the “Direct Transfer Trip” cost of \$240,000 which could possibly be reduced. We’re still discussing the costs with Unitil.

On Aug 16, 2022, the US President signed the Inflation Reduction Act which changed the whole situation. This bill provides an electricity investment credit of 30% on qualifying solar array projects, and we can meet those qualifications. There's a direct pay option on this, where they will cut the town a check when the system is up and running.

We asked Revision to prepare a cash flow summary for a 1.77 MW system, as opposed to the 1.3 MW system originally presented to the voters. Both systems would be cashflow positive from year 1. By Year 25, the end of

warranty, the 1.3MW system would be \$2,968,050 cash positive, while the 1.77 MW system would be \$3,845,124 cash positive. These numbers are based on the assumption that utility costs are going to go up 2.5 percent annually, and the estimate of Renewable Energy Credits [RECs] at \$35 each. As of today, RECs are selling at \$40 in the Massachusetts market, which we can access. There's not a robust market in NH. The Inflation Reduction Act could affect REC prices, but we don't know. We recommend hiring a third party review on Revision's numbers.

We can't do the 1.77 MW system without voter approval, but we can do the 1.3 MW system without it, and it would be over \$1M cheaper with the new tax credit. We would like to review and negotiate a contract with Revision Energy for the 1.3 MW system, but also explore a warrant article to increase the bonding authority to pay for the 1.77 MW system. The 1.77 MW system would get us \$30,000 more from the tax credit than if we build the 1.3 MW system.

Ms. Cowan asked Mr. Sharples to explain net metering. Mr. Sharples said when you have a project that generates electricity, you have to assign accounts that will be credited for the electricity generated. You have to have enough users to exceed that in order to get the full credit. This will offset about 92% of our costs. Then you get a credit on your bill. Once a year you can ask Unitil for a check. Mr. Weeks said that net metering is the mechanism in NH and other states by which customers can be generators of power. Net metering allows smaller systems to not account for the power generated, up to 100 KW. We can sell their power directly to the grid.

Ms. Gilman asked about Community Power Aggregation. Mr. Weeks said it's related but on a separate track.

Mr. Weeks said the signing of the Inflation Reduction Act is a game changer, and there is now an opportunity to provide better financial value and environmental impact. To build on a landfill is a 6-8 month permitting process. Between now and Town meeting, we could get down the road toward obtaining those permits and finalizing the scope of environmental measures. We could build the system over the course of next year. Going under contract would be the most straightforward way to continue this work, or we could renew the Letter of Intent. If the Board was committed to the larger size, there's the possibility to explore construction financing to move forward with the full system prior to getting the credit. The larger size would offset nearly 100% of the town's energy demand.

Mr. Sharples said Revision Energy is willing to finance the difference between the 1.3 MW and the 1.77 MW contingent upon receiving the credit to pay them back, but this could impact our ability to get the credit. The cleaner option would be to sign a contract for the 1.3 MW system and put up a warrant article for the 1.7 MW. The design and permitting process is lengthy enough that we could upgrade our plans later, following voter approval.

c. Drought Update

Jennifer Perry, the DPW Director, gave an update on the drought. Since her last update 2 months ago, water resources have degraded to a severe drought condition, even though we're getting some rainfall. We're not ready to remove the level 4 restriction. Even though Exeter River Flow is back to normal for this time of year, that's only in the last week. Groundwater continues to be at a record-setting low in this region. We're still in a 5" rainfall deficit for the year. We need to give it time to make sure that the weather pattern has changed and we're restoring our groundwater. The three month precipitation outlook is an equal chance of more or less rain, while the temperature outlook is continuing to be high. It's possible that DES will take us out of "severe drought" in the next week or two, but they're urging caution because of groundwater conditions.

Mr. Papakonstantis asked Ms. Perry to explain the effect of snow on groundwater. Ms. Perry said the groundwater supply is best recharged when the ground is not frozen. If the ground is frozen, precipitation will freeze or run off into the river. Not until spring will we see a recharge of groundwater. Once the ground freezes, the drought conditions will stay in the same status through spring, but winter is not a time that's critical for consumers on outside watering.

d. FY23 Preliminary Budget

Mr. Papakonstantis briefly explained the town budget process for the PEA students present.

Mr. Dean presented a draft budget for 2023. It has a \$21,404,372 starting point, a 3.65% increase over the adjusted budget from 2022, which was \$20,650,723. This year's budget is impacted by inflation. Three collective bargaining agreements are coming into full year funding: Public Works, Police, and Fire. The Select Board budget is up 1.6%. The Town Manager budget is at \$263,743, an increase of \$7,360. Human Resources is at \$180,343, an increase of \$22,507 or 14.62%. They have an additional personnel request, for a part time HR Assistant to support that office, at a cost of \$7,777. Tax Collection has an increase, which includes \$35 for Conference/Rooms/Meals and \$1,500 more for postage. The Police budget has an increase of 4.39%, which reflects the full time funding of 29 personnel. The Second Lieutenant position is in its first full year, and there's a new collective bargaining agreement. Parks is down 12%, primarily due to changes in benefits. Benefits and Taxes is up because we budget the Health Insurance program in that budget; when we get the rate, it's re-allocated to the Departments.

There are three proposed Bond Articles: a new Police Station with Fire Substation, the Westside Drive Reconstruction, and the Intersection Improvements program. There is one warrant article for non Fund Balance, Linden Street Bridge repairs, for which we're expecting \$300,000 in bridge aid from the State. Warrant articles proposed to come from fund balance include a study of downtown traffic parking and pedestrian flow analysis, the Conservation Fund appropriation, Public Works Facility Planning, the Parks Improvement Fund appropriation of \$100,000, the creation of a capital reserve fund for ADA

improvements, the Fire Inspector vehicle replacement at \$49,313, and the Public Works Highway Department Truck Replacement at \$53,500. Total of those is \$377,871. There are also a number of deferrals. The recommendation is to fund the \$377,871 from Fund Balance. We currently have a \$7M fund balance.

Mr. Papakonstantis asked if projected revenue is down, but Mr. Dean said no, our revenue streams are pretty consistent.

Mr. Dean said the Water Fund is up 9.06%, due to increases in water treatment, chemicals, and electricity. The Sewer fund is up 0.66%, mostly due to fixed costs, chemicals, and electricity. There are payments on the groundwater exploration project and the Westside Drive engineering. There's a reduction in Sewer debt service. Sewer Treatment is a big issue, with building maintenance for the Wastewater Treatment Plant, outfall dredging, industrial pre-treatment, lab testing, and chemicals all up.

Mr. Papakonstantis said Mr. Dean will go through the budget closely with the BRC Wednesday night. He suggested the Board attend with any questions after reviewing the budget.

9. Regular Business

- a. Tax Abatements, Veterans Credits and Exemptions
 - i. There were no tax abatements or exemptions considered at this meeting.
- b. Permits & Approvals
 - i. There were no permits or approvals considered at this meeting.
- c. Town Manager's Report
 - i. Mr. Dean said he was in Columbus for the ICMA Conference and did not have a further report. At the meeting, he heard good information on Public Safety Facilities.
- d. Select Board Committee Reports
 - i. Ms. Belanger had a Planning Board meeting where they heard one application, on subdividing a 57.23 acre parcel on Hampton Falls Road. The Rose Farm project was looking for an extension for another year, since the State approvals are taking some time. There will be a Master Plan meeting with RPC on Thursday morning. She mentioned that she will miss the next four Conservation Commission meetings due to timing of voting and Select Board meetings.
 - ii. Ms. Gilman had an Energy Committee meeting, but she said that Mr. Sharples already gave that update. The Electric Vehicle event on Sunday was well-attended. The Heritage Commission had a work session about different projects.
 - iii. Ms. Cowan had no report.
 - iv. Ms. Oliff had no report.

v. Mr. Papakonstantis attended the Swasey Park Trustee meeting, where they continued the “no dog” signage conversation. He talked to the Police Department about patrolling Swasey Park and whether they would enforce the no dogs policy. They will have a site walk at the next meeting. In November, they will open bidding for work on the Parkway. There was public comment asking for an update on Swasey Park closing, and we walked him through what’s happened since voting. Attorney Mitchell has a meeting tomorrow.

e. Correspondence

i. There was no correspondence reviewed at this meeting.

10. Review Board Calendar

a. The next meetings are Tuesday October 11 and Monday October 24th.

11. Non-Public Session

a. There was no non-public session at this meeting.

12. Other business

The Board encouraged the PEA students to volunteer with the town or at the voting sessions. Ms. Gilman said the Energy Committee has had a student liaison in the past, but the position is vacant. This role could be served by two people.

13. Adjournment

MOTION: Ms. Belanger moved to adjourn. Ms. Oliff seconded. The motion passed 5-0 and the meeting was adjourned at 8:34 PM.

Respectfully Submitted,
Joanna Bartell
Recording Secretary