

Town of Exeter (NH) Water & Sewer Advisory Committee

DRAFT Meeting Minutes

For Meeting of May 5, 2021

1. Welcome and Introductions

The meeting was called to order via **Zoom** video conference by Chairman Bob Kelly on Wednesday May 5, 2021 at 6:30 pm. Other Committee members present on the video conference included Mr. Carl Wikstrom, Mr. Ben Mosher, Mr. Mark Fabian and Selectboard representative Ms. Molly Cowan.

Representatives of the public were also in attendance to discuss applicable rate abatement requests.

2. Water and Sewer Bill Abatement Requests

Nine abatement requests were discussed by the Committee.

- a. Nicole Reis, Hair Salon, 137 Portsmouth Ave. The customer, Ms. Reis, who was in video attendance, was seeking an abatement on her water and sewer bill for increased usage from an unknown source. The landlord presented her with a bill from October 2020 usage and she was not aware of a leak. The usage has returned to normal by November.

The Committee discussed the aspects of the request outlined in the application and assessed that some type of accidental usage had occurred, and the user should receive a 50% Water and Sewer bill abatement for usage in excess of their average annual quarterly usage. Mr. Kelly moved, and Mr. Wikstrom seconded, a motion to **recommend an ABATEMENT REQUEST** of \$2,232.53 based on DPW's calculations. The motion passed 5-0.

- b. Lorraine Busch, 103 Hayes Park. The customer, who was not in attendance, was seeking an abatement for an excessive water and sewer bill related to a leaky toilet. Reportedly, a home healthcare worker had used the toilet and did not

notice it ran for a few days until she returned. Ms. Busch is elderly and did not hear the toilet running.

The Committee discussed the aspects of the request outlined in the application and assessed that the user should receive an 80% Water and Sewer bill abatement for usage in excess of their average annual quarterly usage. Mr. Wikstrom moved, and Mr. Kelly seconded, a motion to **recommend an ABATEMENT REQUEST** of \$183.29 based on DPW's calculations. The motion passed 5-0.

- c. Molly Zirollo, Society of St. Vincent, 53 Lincoln Street. The customer, who was not in attendance, was seeking an abatement for an excessive water and sewer bill for an exterior connection to a dental van that froze during the winter and burst. Due to the dental van orientation, the broken pipe and leak were not immediately discovered. However, it was repaired immediately.

The Committee discussed the aspects of the request outlined in the application and assessed that the user should receive an 80% Water and Sewer bill abatement for usage in excess of their average annual quarterly usage. Mr. Wikstrom moved, and Mr. Mosher seconded, a motion to **recommend an ABATEMENT REQUEST** of \$91.47 based on DPW's calculations. The motion passed 5-0.

- d. John Adams, 208 Front Street. The customer, who was not in attendance, was seeking an abatement for an excessive water and sewer bill related to unexplained circumstances. The customer wrote a letter indicating he was not aware of any excessive usage during the timeframe noted. However, usage data indicates an extreme short-term spike in use, then a return to normal usage after one day.

The Committee discussed the occurrence details and felt that this excess usage was probably an accident though somewhat the ratepayer's responsibility under the Abatement Policy. The Committee discussed the aspects of the request outlined in the application and assessed that the user should receive an 50% Water and Sewer bill abatement for usage in excess of their average annual quarterly usage. Mr. Mosher moved, and Mr. Wikstrom seconded, a motion to

recommend an ABATEMENT REQUEST of \$64.53 based on DPW's calculations. The motion passed 5-0.

- e. Sally Leary/Bank Rock LLC, 1 Hampton Road. The customer, who was not in video attendance, was seeking an abatement for an excessive water and sewer bill related to a reported leaky toilet in a seldom used tenant space. The abatement request did not mention that a plumber had assessed a potential leak or conducted a repair to the toilet in question.

The Committee discussed the occurrence details and felt that this excess usage is currently the ratepayer's responsibility under the Abatement Policy and that requesting more information on leak closure should be done before rendering a decision. Mr. Wikstrom moved, and Mr. Fabian seconded, a motion to **TABLE the ABATEMENT REQUEST** with a request to document a plumber's assessment and repair of the problem. The motion passed 5-0.

- f. Rhonda Cohen, 1 Elm Street. The customer, who was not in video attendance, was seeking an abatement for an excessive water and sewer bill related to a reported leaky toilet in a seldom used space. The abatement request did not mention that a plumber had assessed a potential leak or conducted a repair to the toilet in question.

The Committee discussed the occurrence details and felt that this excess usage is currently the ratepayer's responsibility under the Abatement Policy and that requesting more information on leak closure should be done before rendering a decision. Mr. Kelly moved, and Mr. Fabian seconded, a motion to **TABLE the ABATEMENT REQUEST** with a request to document a plumber's assessment and repair of the problem. The motion passed 5-0.

- g. Eric and Litsa Maskwa, 11 Gill Street. The customer, who was not in attendance, was seeking an abatement for an excessive water and sewer bill related to unexplained circumstances. The owners were renovating the house and had not yet moved in at the time of the occurrence.

The Committee discussed the occurrence details and felt that this excess usage was probably an accident, possibly due to a contractor's use of the toilet during renovations, though still somewhat the ratepayer's responsibility under the Abatement Policy. The Committee discussed the aspects of the request outlined

in the application and assessed that the user should receive an 50% Water and Sewer bill abatement for usage in excess of their average annual quarterly usage. Mr. Kelly moved, and Mr. Wikstrom seconded, a motion to **recommend an ABATEMENT REQUEST** of \$272.73 based on DPW's calculations. The motion passed 5-0.

- h. Rebecca and John Giannini, 126 Front Street. The customer, who was not in attendance, was seeking an abatement for an excessive water and sewer bill related to unexplained circumstances. The owner had contacted a plumber and due to work that was recommended, the problem resolved itself.

The Committee discussed the occurrence details and felt that this excess usage was probably an accident though somewhat the ratepayer's responsibility under the Abatement Policy. The Committee discussed the aspects of the request outlined in the application and assessed that the user should receive an 50% Water and Sewer bill abatement for usage in excess of their average annual quarterly usage. Mr. Kelly moved, and Mr. Wikstrom seconded, a motion to **recommend an ABATEMENT REQUEST** of \$209.97 based on DPW's calculations. The motion passed 5-0.

- i. Cheryl Gilman, 142 Court Street. The customer, who was not in video attendance, was seeking an abatement for an excessive water bill related to a plumber working on an unoccupied home who mistakenly did not turn off the water after they left.

The Committee discussed the occurrence details and felt that this excess usage was unavoidable and an accident, though still somewhat the ratepayer's responsibility under the Abatement Policy. The Committee discussed the aspects of the request outlined in the application and assessed that the user should receive an 80% Water bill abatement for usage in excess of their average annual quarterly usage. Mr. Wikstrom moved, and Mr. Fabian seconded, a motion to **recommend the ABATEMENT REQUEST** of \$786.52 based on DPW's calculations. The motion passed 5-0.

3. Regular Business

a. Utility Operations

No change from previous reporting. DPW will be getting in touch with the Committee in June to discuss final resolution of the siphon issue originally discussed in March 2021.

b. Utility Financial Reports

Mr. Kelly discussed reports that had been previously distributed to the Committee by the Town Finance Department. Continued note was made of a large Sewer bond payment at the end of 2021. Town Manager Russ Dean and Mr. Kelly are monitoring cash flow in the Sewer account to assess impacts on rates as the year progresses.

4. New Business

Review and Discuss Water and Sewer Rate Adjustment for 2021/2022.

A PowerPoint discussion and handout were shared with the committee and those on videoconference. The handout is attached to these minutes.

The current rates were implemented in October 2019 and were not reviewed last year due to the COVID-19 pandemic. Water rate increases are required to cover Capital Outlay additions to the budget involving facility upgrades and rising treatment costs. A Sewer rate increase is needed to continue to fund debt payment on new WWTF, an annual debt payment in excess of \$3.5M. In addition, the Town has not received SAG (State Aid Grant) funding to offset portion of WWTF resulting in a loss of \$800K +/- per year so far.

Water Projects that have or will be added since 2019, adding to utility debt service, include Groundwater/Surface Water Assessment, ongoing Groundwater development program, and Westside Drive rehabilitation.

Sewer Projects that have or will be added since 2019, adding to utility debt service, include Salem Street Utilities Project, Westside Drive Sewer project, and the Siphons replacement project.

By the end of 2021, the Water Fund is projected to have a deficit of approximately \$282,678 and the Sewer fund deficit is projected at

approximately \$865,717. Four rate scenarios were reviewed to alleviate these projected deficits. Based on an average household quarterly usage of 12,000 gallons, the following quarterly bill impacts were presented:

Rate Option	Average	Average	Total
Average Quarterly Bill	Water Bill	Sewer Bill	Bill (\$)
Current Rate Structure (10/19)	142.56	204.56	347.12
1. Use 2016 MFSG Rate Model Recs	148.84	260.72	409.56
2. Increases to eliminate both deficits	153.64	230.72	384.36
3. Uniform 10% increases, both rates	153.64	220.88	374.52
4. Increases to provide \$100K surplus in Water Fund and \$250K surplus in Sewer Fund.	154.84	237.08	391.92

Assessing the above options, it was determined that for Option 1, the MFSG rate calculation for 2021 was not sufficient to eliminate the Water Fund deficit. Option 2 eliminated the deficits but does not allow for future planning or needs by zeroing out the fund balance. Option 3 was not sufficient to eliminate the Sewer Fund deficit. Option 4 eliminates the deficits as well as provides a small fund balance cushion for short term planning and emergency needs.

The Option 4 rate structure would add less than \$42 per quarter to the average user's bill. The Committee discussed the options and voted 5-0 to accept Option 4 as the best way to plan for the upcoming year. The Committee also recommended that the first billing under the new rates be conducted at the beginning of the 3-district split, assumed to be July 1.

With this adjustment, Water Rates for Tier 1 users would go from \$8.38/1000 gallons water used to \$9.32/1000 gallons. Sewer Rates for Tier 1 users would go from \$13.63/1000 gallons water used to \$16.34/1000 gallons.

Mr. Kelly indicated he would pass this along to Russ Dean and Option 4 would be presented to the Selectboard on Monday May 10 at a Rate Hearing.

5. Other Business

None at this time.

6. Committee Calendar

The Committee tentatively scheduled their next meeting for the summer at some point. The actual date will depend on abatement request volume and some members' time constraints. If the Town Office has not reopened due to continued protocols associated with the COVID-19 pandemic, then the meeting will be conducted as a Zoom video conference. The agenda will reflect how the meeting will be conducted.

Mr. Kelly adjourned the meeting at approximately 7:45 pm.

Respectively submitted,

Bob Kelly
Chair and Recording Secretary
May 7, 2021

TOWN OF EXETER - WATER/SEWER BILL SAMPLE - 2020 CURRENT RATES					
	Water	Sewer	Total Qtrly Bill	Total Yrly Cost	YOY Increase
Usage/Gallons per quarter	12,000	12,000			
Divided/1000 (to get per 1,000 rate)	12.00	12.00			
Rate (per 1,000 gallons)	<u>8.38</u>	<u>13.63</u>			
Total Usage Charge	100.56	163.56			
Total Quarterly Service Fee	<u>42.00</u>	<u>41.00</u>			
Total Fee (Water/Sewer)	142.56	204.56	347.12	1,388.48	

TOWN OF EXETER - WATER/SEWER BILL SAMPLE - 2021 SUGGESTED RATES PER RATE STUDY					
	Water	Sewer	Total Qtrly Bill	Total Yrly Cost	
Usage/Gallons per quarter	12,000	12,000			
Divided/1000 (to get per 1,000 rate)	12.00	12.00			
Rate (per 1,000 gallons)	<u>8.82</u>	<u>18.31</u>			
Total Usage Charge	105.84	219.72			
Total Quarterly Service Fee	<u>43.00</u>	<u>41.00</u>			
Total Fee (Water/Sewer)	148.84	260.72	409.56	1,638.24	249.76

TOWN OF EXETER - WATER/SEWER BILL SAMPLE - 2021 ESTIMATED RATES TO ELIMINATE DEFICIT					
	Water	Sewer	Total Qtrly Bill	Total Yrly Cost	
Usage/Gallons per quarter	12,000	12,000			
Divided/1000 (to get per 1,000 rate)	12.00	12.00			
Rate (per 1,000 gallons)	<u>9.22</u>	<u>15.81</u>			
Total Usage Charge	110.64	189.72			
Total Quarterly Service Fee	<u>43.00</u>	<u>41.00</u>			
Total Fee (Water/Sewer)	153.64	230.72	384.36	1,537.44	148.96

TOWN OF EXETER - WATER/SEWER BILL SAMPLE - 2021 10% INCREASE					
	Water	Sewer	Total Qtrly Bill	Total Yrly Cost	
Usage/Gallons per quarter	12,000	12,000			
Divided/1000 (to get per 1,000 rate)	12.00	12.00			
Rate (per 1,000 gallons)	<u>9.22</u>	<u>14.99</u>			
Total Usage Charge	110.64	179.88			
Total Quarterly Service Fee	<u>43.00</u>	<u>41.00</u>			
Total Fee (Water/Sewer)	153.64	220.88	374.52	1,498.08	109.60

TOWN OF EXETER - WATER/SEWER BILL SAMPLE - 2021 ESTIMATED RATES FOR \$100K SURPLUS in WATER; \$250K SUPRLUS in SEWER					
	Water	Sewer	Total Qtrly Bill	Total Yrly Cost	
Usage/Gallons per quarter	12,000	12,000			
Divided/1000 (to get per 1,000 rate)	12.00	12.00			
Rate (per 1,000 gallons)	<u>9.32</u>	<u>16.34</u>			
Total Usage Charge	111.84	196.08			
Total Quarterly Service Fee	<u>43.00</u>	<u>41.00</u>			
Total Fee (Water/Sewer)	154.84	237.08	391.92	1,567.68	179.20