

WATER SYSTEM COMMITTEE

MINUTES OF August 20, 2009

Town Hall Annex
5 Highland Street
Main Conference Room

Meeting Opened: 5:00PM

Members Present: John Edgar, Brian Carroll, Tim Goodheart, Dan Cornelissen, Paul Anderson, Chuck Palm (Selectmen's Representative), Miller Lovett (Alternate Selectmen's Representative) and Dave Thorpe, Chairperson.

Absent: Jonathan James

Others Present: None

Approval of Minutes: Minutes of the July 16, 2009 meeting were approved as presented on a motion by Tim Goodheart and seconded by John Edgar.

Brian Carroll gave a brief update on the water treatment plant and water consumption. Daily consumption in August has averaged about 380,000 gallons which is normal but about 45,000 less than the same period last year. Notable is the reduction in maximum day demand (peak days) which is excellent news. Plant run time to provide this flow is about 10 hours per day which allows significant reserve capacity to exist. Two raw water pumps are scheduled for replacement next week, finished water pumps about 3 weeks following and waste water pumps in October. These upgrades will bring the plant up to rated capacity of 1M gpd input and 900,000 gpd finished water output.

The meeting again focused on Access Fees and the process of determining these fees. There is an urgent need to bring the system up to date to allow reasonable fees to be assessed to new development projects.

Miller Lovett asked whether the Water Department had the legal right to set rates and fees which will generate higher income than required for operation and maintenance only. John Edgar will research this.

A table comparing the current Meredith unit equivalent schedule to the current DES administrative rules for water and sewer system design was reviewed by the committee with several unexplainable deviations noted. The advantages of the unit equivalent system and using the DES system-design table as a reference for typical usage rates were discussed. With DES maintaining their tables over time, the Meredith WUO would be changed/updated each time DES changed their table.*

At the request of the committee in the July 16, 2009 meeting, a hypothetical model of development activity was generated to simulate 7 years of development activity. This was then used to compare access fee revenue with the current unit equivalent schedule and access fees to the revenue generated with an updated unit equivalent table based on DES usage rates and various access fees.

After discussion, Brian Carroll made a motion to recommend a single-tier access fee thus eliminating the present two-tier fee. Tim Goodheart seconded the motion and it was passed unanimously.

After discussion Chuck Palm made a motion with Tim Goodheart seconding, to recommend:

- A. Retaining the present “unit equivalent” access fee assessment system.
- B. Referencing DES Administrative rule Env-Wq-1008.03, February 2008 to generate the Meredith unit equivalent table.
- C. Updating the Meredith Unit Equivalent table to have identical use categories and unit equivalents based on the DES usage rates.
- D. **When the ordinance is updated, it is suggested that the reference to the DES table be followed by wording such as “as herein after as amended”, so as to eliminate the need to have a revision to the water ordinance should DES update their table.

After discussion, the motion passed unanimously.*

John Edgar asked to have the Laundromat category added to the hypothetical model. Dave Thorpe will do this.

It was suggested that Brenda Vittner be consulted to determine the basic rationale for access fees and therefore what factors should determine the fees assessed. Dave Thorpe will do this.

The discussion then focused on additional fees which the committee feels should be updated at the same time as access fees (for both water and sewer). The connection fee generated much discussion and it was noted that the definition on page 2, ¶ 115 was not consistent with the definition on page 9, ¶ 235.

A motion by Dave Thorpe recommended that:

- A. The term “Connection Fee” be retained.
- B. ¶115, page 2 be expanded to include “inspection costs”.
- C. ¶235, page 9, alter the second sentence to read “One fee shall be charged in instances where it is necessary to install a service to the water main and shall cover cost incurred by the Town for administration and inspection.”

Tim Goodheart seconded the motion and it was passed unanimously.

Although not voted on, the discussion favored a flat fee of \$100 for a connection and inspection fee. Because this will result in a significant reduction in revenue, it was suggested that Dave should add tables to the hypothetical model for water and sewer to show the affect of the reduced connection fee. It was suggested that access fees be set high enough to (at least) recover the revenue lost by the change in connection fees.

Dave will meet with Brian to get his recommendation on other fees and communicate the results with the committee by email.

Dave will also meet with Brenda to determine the “loaded” labor rate which should be charged to labor services such as call outs and inspections. He will also, in preparation

for meeting with the Board of Selectmen, get a summary of the status of reserves and the expenditures from them over the past year.

Meeting Adjourned: 7:15 p.m.

Next Regular Meeting: September 17, 2009, 5:00-7:00PM, Town Hall Annex

Respectfully submitted,
David Thorpe

* Added per suggestion from Miller Lovett 8/22/09.

** Added per suggestion from Chuck Palm 8/23/09.