

WINNIPESAUKEE RIVER BASIN PROGRAM

ADVISORY BOARD MEETING MINUTES

May 4, 2017 – Belmont Corner Meeting House

Members Present: The meeting was called to order by Brian Sullivan (Franklin), chair, at 10:10 am. Sharon McMillin (NHDES), Gene Forbes (NHDES), Ray Korber (Bay District), Jeanne Beaudin (Belmont), Wes Anderson (Laconia), Steve Dolloff (Meredith), Glen Brown (Northfield), Katie Ambrose (Sanbornton), and Johanna Ames (Tilton) were present at that time. DAS and Gilford were absent.

Minutes: Brian noted at the March 16, 2017, meeting, the Advisory Board (AB) voted to table the approval of the February 16, 2017, meeting minutes in order to discuss Ray's proposed changes with Ray present. Brian asked Ray if he had changes to propose. Ray asked to make some clarifications to the February meeting minutes and read them aloud from a written statement he had prepared prior to the meeting. Brian asked if anyone else had changes to propose. Katie asked to add the words "with this to go forward" to the end of the first sentence in the third paragraph on page 4. Brian asked if everyone agreed with Ray's and Katie's changes. Sharon expressed concerns she had with Ray's changes. She did not recall Ray citing some of the specifics, including document dates, at February's meeting. Doing so adds depth and detail after the fact. Brian suggested tabling the approval of February's meeting minutes until the next meeting unless there were objections. No objections were made. He asked Ray to provide Sharon with a copy of his proposed changes. He asked Sharon to incorporate the proposed changes into a new draft for review at the next AB meeting. Glen moved, seconded by Wes, to approve the meeting minutes for March 16, 2017 without amendment. The motion passed.

Monthly Summary Report: Sharon provided the following updates based upon the *Monthly Summary Report* for March 2017 as previously submitted to the AB members by email.

- Flow metering services – The WRBP proposes extending the EST contract that ends on June 30th in order to continue flow data collection and perform a trial at three locations. See the discussion below.
- Asset Management/Collection System Evaluations Initiative – Cartegraph is completing its contract paperwork. It will cost approximately \$100K for the first year. See the discussion below.
- WRBP infrastructure ownership – See the discussion below.
- Rate assessment formula – See the discussion below.
- Governance Work Plan – See the Authority Go/No-Go Discussion section below.

Sharon said the WRBP was working with EST and W-P to determine some options for improving the accuracy of the flow metering results at the three locations. One of the options both EST and W-P favored was a trial using laser flow metering. This option might be expensive permanently because EST would need to purchase different equipment. Wes asked how laser flow metering would work and if the idea was to keep the existing meters, add the new meters, and then compare the results. Sharon affirmed that a concurrent trial was planned as long as both types of equipment worked correctly

when installed in the same manhole. Neither manufacturer will say definitively since site constraints may dictate performance. EST will evaluate whether they believe both meters can be installed simultaneously at these specific locations on their next site visit. EST will also assess the viability of other options such as flume inserts. Steve asked if the same level of work has been put into assessing the accuracy at the other locations. Sharon said as part of its third party review, W-P assessed all of the metering locations. During its review, W-P identified some locations where the WRBP needed to improve its data collection practices, which has been implemented. Steve said what EST was doing to improve the accuracy did not surprise him and he was thankful the AB had made the decision to hire an outside contractor to do this work. Brian agreed, noting very few firms had the skill set to do it. Sharon said EST has been very responsive. She is pleased with the service it was providing although they have had a couple of discussions regarding the turn-around time for some of EST's reports.

Wes asked what the WRBP's current timeline was and when the WRBP would have usable data to share. Sharon said the WRBP already had preliminary data but it would not be possible to provide anything beyond that until the data accuracy issue was resolved. It would also be difficult to determine the flow balance until that time. Gene said the WRBP was still attempting to determine where the problems were – to identify problems with the flow metering capacity and to understand accurately what flows from each community. The WRBP has been working very hard to provide the AB with accurate data as soon as possible. Wes thanked him but suggested that without dates the WRBP would be lacking the drive to meet those dates. He strongly recommended that the WRBP put together a timeline and expressed the difficulty he and some of the other AB members have had when talking with their communities about the WRBP without a schedule.

Brian said they were doing the same thing in Franklin right now, and Franklin was having issues with its flow metering, too. In short, Franklin was also working to address unanticipated idiosyncrasies, and because of that, its timeline was also still up in the air. Gene agreed unanticipated idiosyncrasies were a problem, and often a chronic one. In the past when the WRBP put together timelines, unanticipated idiosyncrasies affected those timelines. Brian acknowledged accurate data was important. Gene agreed, noting the member communities wanted to know whether their bills were based upon accurate data. Brian agreed, noting the data also needed to be defensible. He explained to Wes this is why EST was hired back when the AB made the decision to hire an outside contractor to do this work. Everybody was getting questions about the flow metering and, when asked about it, he told folks the flow metering equipment was in the ground and the WRBP was working on it. He asked Sharon and Gene if a reasonable goal was three months. Gene said it would depend upon the current evaluation. If there was a simple solution, then three months would be a reasonable goal, perhaps even a date in between now and three months would be reasonable. If the WRBP had to build some additional structures, as doing so would require construction and there was a real possibility of it being necessary to build some permanent metering vaults to provide accurate data, then it might take longer.

Wes asked again if some type of timeline could be put together. Sharon said this month she should have the options EST and W-P would be proposing for the three locations. From that point, it would be a matter of determining which option(s) to move forward. Again, the first option was a laser flow metering trial. Gene said the WRBP could put together a timeline with its assumptions – the forks in the road Sharon has been discussing – if the AB would like to see something like that. Wes agreed that would be helpful. Brian asked how much a single laser flow meter would cost if bought outright.

Sharon said a single laser flow meter would cost approximately \$37K, although there was no way to tell if laser flow meters would provide useful (accurate) data without conducting the trial. She said the WRBP could put this type of fork in the road on the timeline.

Johanna said it was her understanding the AB had agreed to develop an assessment formula prior to reviewing the data. Brian said this had been the case, but noted at the last meeting it was decided the data should be made available before the assessment formula was developed. Johanna suggested instead of jumping all over DES, perhaps the AB should stick to its own timeline and continue developing an assessment formula. Brian said if he remembered correctly, the assessment formula was to be worked on prior or paralleling, although he would have to look back on the MOU to confirm this. He noted the MOU has changed over time. There have been several discussions about this and Gene came up with three basic concepts which were flow, strength, and capacity. He said while he agreed with Johanna, without accurate data it might be difficult to make some determinations. For example, 1.3 million gallons per day flowed through the River Street pumping station according to a recent flow meter study. His concern now was with the accuracy of this data as well as how it would impact his individual rate. He acknowledged it was an ongoing process and there would likely be winners and losers and growth would be a major factor for some of the member communities.

Jeanne agreed about growth. She said her capacity never took into consideration the expansion down along the lake or James Town Road, and was based on the village only. Gene noted the cost of service analysis Sharon put together provided excellent information with regard to cost as it relates to flow, strength, and capacity. DES did not plan to change its billing allocation practices until it had a way to do so it was confident in and until flow and strength data was more meaningful. At the moment, there was no consensus regarding how meaningful strength data should be used. There was uniformity across most of the member communities, Bay District notwithstanding, because it pumped a lagoon effluent. Overall, the cost of service would be the foundation for a billing allocation. Before it could be adopted, there would be a need to be able to measure flow confidently. Strength would also have to be measured confidently. Ray asked when the cost of service analysis was put together. Gene said it was the one presented at a meeting a few months ago. Sharon noted the title of the document was not cost of services analysis but presented a breakdown of costs associated with capacity (overhead), flow, and strength.

Ray asked if the contract with Cartegraph would have to go through G&C and whether it would require the AB's recommendation. Sharon said it was a purchase, and generally only service contracts and capital projects went through G&C. She was getting confirmation as to whether this would be a service contract or just a purchase. Capital projects require the AB's recommendation letter. Purchases do not go through G&C and so would not need a letter, per the MOU and legislation. Wes asked when the paperwork would be going to G&C. Sharon said the paperwork would most likely be submitted for approvals during the second or third week of June. Gene said while the AB's recommendations were not required, the WRBP valued them. He asked if the AB members had any concerns. Ray asked if they had anything in writing. Sharon said the WRBP had a quote from Cartegraph, but it was not in final contract form yet. Because major changes have been made to the asset management program since Cartegraph has come on board, Ray said he would like to take a look at it. Gene said he would email the AB members a copy when finalized.

Brian asked Gene if he could facilitate another rate development formula workshop. Gene agreed to do so. Brian noted the three factors have been discussed a lot lately and asked what else might be involved. Gene said there were several nuances that were significant in terms of the rights of each community. If a community was, or has been paying its proportional share, then it owned that capacity – in theory. If a community expected growth and needed more capacity, what would be the best way to accommodate for that? Some of the member communities may wish to sell. Others may not. Brian agreed these were complex concerns. Jeanne said it would be difficult to discuss the capacity piece right now without the billing formula. Brian agreed but suggested coming up with an outline of the steps that could be taken to address priority concerns such as those Gene had raised. He suggested allocating time at future meetings for this purpose. Regardless of the unknowns, he thought it would still be possible to come up with a basic outline. In order to do this, Gene suggested planning as if perfectly accurate flow metering data was available, as doing so might make it easier to evaluate capacity and operating costs, and how each community might feel about these things moving forward. Jeanne asked if there was enough flow data to get started. She said she may have asked for it at a previous meeting as well. Gene said there should be enough to get started, although the WRBP was still working to improve the accuracy of some of the data. Ray asked if the data available was good enough for planning purposes even if it was not yet good enough for billing purposes. Gene said he believed so and could provide some information for next month's meeting.

Regarding the WRBP infrastructure ownership project, Jeanne asked when a schedule for meetings with the other member communities would be developed. She was under the impression this project would tie into the asset management plan. Sharon said she could reprioritize this project. Jeanne said she would appreciate that, because there may be assets the member communities were looking at that may not belong to the State. Sharon said in Laconia, the overall process has been a somewhat difficult one. In other member communities, like Belmont and Sanbornton, the overall process should be a lot simpler. She plans to send out MOA paperwork to the other member communities later this month.

Authority Go/No-Go Discussion: Brian recalled at the last meeting, the AB members agreed to go back to their governing agencies to see if there was support for the go or the no-go. Wes issued a letter on the AB's behalf and there has been a good response to that letter. Tilton announced prior to the meeting it will wait for a report before making a decision. Gilford (not present) had previously voted yes last year. Brian asked if he could take a roll call vote. Sanbornton voted yes. Tilton voted no. Northfield voted yes. Meredith voted yes. Belmont voted yes. Franklin voted yes. Laconia voted yes. Bay District voted yes.

Brian suggested putting together a group, the CIP subcommittee perhaps, to organize this effort – unless the AB as a whole wished to do so. Wes expressed his concern about the November deadline for legislative actions. He asked how quickly the other AB members wished to get the RFP out, to award the contract, to get a report back, and to submit any legislative actions which might be required. Any timeline that was put together should take this deadline into account. Brian agreed. Ray said it might normally take nine months to get an RFP out and suggested meeting twice a week until it was done. Brian noted the CIP subcommittee currently consisted of himself, Ray, Wes, and Steve. Steve said he could commit to one day per week but two might be difficult. Brian said he would be putting together a CIP subcommittee meeting schedule and anyone on the AB was welcome to attend the meetings. Meetings will be held at the Belmont Meeting House or Wes' office. Katie asked if the CIP

subcommittee would be able to put together a draft RFP by June's meeting for review. Ray said this was a reasonable goal.

Ray asked what the CIP subcommittee would be tasked to do. Brian suggested the resulting report should be of use to both the State and the AB because, in his opinion, any changes that were made would need to go through a legal and a legislative process, not an engineering one. The bigger issue as he saw it was the content, because the member communities would have to put a business plan together with a financial and organizational structure, which in turn would involve putting together a board of directors and obtaining insurance. The member communities would also have to determine how best to meet their banking, payroll, permitting, billing, delinquencies, cash flow, and engineering contracts needs. There would also be a lot of politics involved. Wes said as he saw it, the priority at this point was putting together the RFP and meeting the deadline for legislative actions. If the State legislature approved any legislative actions, they likely would not take effect for at least two or three years, during which time the member communities could address the content. Brian said he planned to keep the NHDES informed. Gene indicated that the communities need to demonstrate their capacity to manage the system.

Other Business: Brian announced he had some serious concerns about an issue he wished to discuss with everybody. A couple of years ago, the AB met with the Governance Committee to begin discussing the possibility of regionalization. He, along with Sharon, Steve, and Harry Stewart attended that meeting. To this day, Brian still cannot believe he heard one of the managers make the comment he made. That comment was: "To h*** with the unions." That was clearly the wrong thing to say, and it got back to the rank and file quickly, as statements like that always do. It and statements like it caused a lot of controversies, and because of that, Harry later asked Brian to accompany him on a visit to the WWTP to talk with the employees about what was going on.

Recently, there was an article in one of the local papers. Wes was quoted in this article. His comment was along the lines of "We will move forward one way or another." Brian was really surprised the press was not at the meeting today because of the controversy this article stirred up. Member communities may be pitted against one another now or in the future and other problems may develop. The WRBP employees have a lot of questions because of this article. An employee, not Sharon or Gene, has suggested another meeting with WRBP staff because of the article. People in the member communities have been asking them what was going on and they appear to have no idea.

It was hard enough to retain quality WWTP employees before the article published, operators especially. Brian felt it was in the AB's best interest for him to visit the WWTP again and to talk with them about what was going on. He wanted to go. He wanted them to know they were valued and did an excellent job. As chair, he also wanted anything said publicly on the AB's behalf to come directly from him moving forward. The union has not called him yet but he could get another call, just as he did before when the controversies first began to stir a couple of years ago. His goal was to maintain harmony and to maintain a good working relationship with the WWTP employees. The employees run the WWTP. They were valued and they do an excellent job. They've won awards for their work. He asked if anyone had any questions or concerns.

Glen said he understood the concerns the WWTP employees might have, and he wanted to express that. Gene said he was already planning to visit the WWTP employees because of the rumors which have been flying around. They had no clear idea what was going on. One of the rumors which has been

flying around was the DES did not appreciate them, and wanted to get rid of the WRBP entirely, which was not the case. He said he felt as their employer it was his responsibility to let them know where things were at and it would be helpful to have Brian accompany him to help clear the air. Ray said as he saw it the message should be coming from Gene, and Gene should be paying them a visit because they were his employees. Brian said the point of his visit would be to support Gene, just as he did for Harry back when Harry asked. It was up to the AB board though, and if the other members did not want him to go, he wanted to hear about it now. None of the other members objected to Brian's plan to accompany Gene.

Steve said he hoped this time around that DES would honestly express how it felt, because Harry may have painted too rosy a picture a couple of years ago and one which did not entirely match up with comments he made at AB meetings. Steve expected the union to have concerns. He also expected the DES to be on the front lines with this, and said perhaps the DES should have spoken with the WWTP employees sooner. In Harry's defense, Brian said regardless of how Harry may have felt, he had done his best not to stand in the AB's way. Steve acknowledged that might have been the case and he hoped the DES would more accurately convey how it felt this time around. Gene agreed it could be difficult to convey. Regardless, the DES would do its best to convey its intention to continue supporting the AB, the WWTP employees, and the WRBP. The fate of the facility was in the State legislature's hands.

Sharon reported interviews have been conducted with the three solar companies which were short-listed for their draft RFPs for the Franklin WWTP solar panels. Each of them was planning to revise their proposals. Karen Rantamaki at the NH Office of Energy and Planning has been helping out with this effort. The DES was hosting an energy fair tomorrow. It was not too late to register to attend. In addition to managing the WWTP and doing this RFP, the WRBP has other projects it has been working on. One of them was to assist member communities with their trail programs. Another pending project is to help facilitate the proposed expansion of the Spaulding Youth Center. This expansion would significantly affect Northfield's capacity and flows.

Brian asked Sharon if she could provide an update on the reduction in project loan interest rates. After some negotiations with the CWSRF staff, Sharon said the WRBP has renegotiated the UV plant water construction project loan and the UV equipment project loan. The rates for both have been readjusted down to 2%. The first was originally at 3.168% and the latter was at 2.95%. In her projections, these reductions will result in a savings of approximately \$600,850 over the 20-year life of these loans. The reduction in interest rates reminded her about something else, which is the purchasing power the State has. The WRBP enjoyed a 7.8 cent electricity supply rate. This rate was arranged by Karen's group through a third party contract because the WRBP is a state entity. The power supply rate for Eversource is 11 cents. There was a \$2.5M difference between the two rates over a 20-year period. The goal for the solar project was to improve upon the third party's rate. The PUC's current net metering rule would require the WRBP to purchase overage through Eversource, which would have to be taken into consideration when evaluating the solar RFPs.

The meeting was adjourned at 11:37 am. The minutes were prepared by Pro-Temp Staffing. The next meeting will be held at the Corner Meeting House in Belmont on June 15th at 10:00 am.