

**WINNIPESAUKEE RIVER BASIN PROGRAM
ADVISORY BOARD MEETING MINUTES**

September 20, 2018 – Belmont Corner Meeting House

Members Present: The meeting was called to order by Wes Anderson (Laconia), assistant chair, at 10:15 am. Ron White (DAS), Sharon McMillin (NHDES), Katie Ambrose (Sanbornton), Johanna Ames (Tilton), Scott Dunn (Gilford), and Courtney Mitchell (Meredith) were present at that time.

Minutes: Scott moved, seconded by Johanna, to approve the August 16, 2018, meeting minutes. The motion passed with Katie abstaining.

Monthly Summary Report: Sharon provided the following updates. They were based on the *Monthly Summary Report* for August 2018.

- Flow Metering Services Study – There are no updates at this time.
- Asset Management/Collection System Evaluations Initiative – There are no updates at this time.
- WRBP Infrastructure Ownership – There are no updates at this time.
- CIP Sub-Committee’s Governance Work Plan – The legal firm presented their roadmap at the July meeting and the Advisory Board approved the Phase I efforts pending funding authorization. There will be a kickoff meeting on September 26th. The DES Commissioner and AG’s Office will attend.
- Rate Assessment Formula – Updated flow and capacity information prepared by DES was presented to the Rate Assessment Workgroup on August 16th. The Workgroup had planned to present its recommendations today, but chose to defer their presentation until Jeanne and Ray were present. Jeanne is still collecting data from the member communities. She has received the requested information from all members except Bay District and expects to receive their information shortly. She has the information she needs from everybody else. See the Rate Assessment Workgroup Update section below for further discussion.
- Replacement Fund (Reserve Account) Legislation – The Advisory Board has been working with the DES to amend RSA:485-A:51 during the 2018-2019 session. Alternatives may be further discussed today. Sponsors are being sought to get a placeholder LSR. An interim study working session was held on September 13th for SB468 that Wes attended. See the Replacement Fund Legislation Discussion section below for further discussion.
- Commercial Discharge Permit (CDP) – There are no updates at this time.
- WRBP Rules Update – The draft is still under review by the DES legal team. In order to meet the October renewal deadline, the rules will be adopted as—is with the ability to amend later. An initial public hearing will be held concerning the re-adoption of the rules. A second public hearing will then need to be held to review proposed amendments.

Rate Assessment Workgroup Update: Wes announced that the Rate Assessment Workgroup (he and Ray) have a conference call with Wright-Pierce on September 26th to answer some technical

questions about their flow metering memos. After the conference call, he plans to schedule another Workgroup meeting in October.

Replacement Fund (Fund) Legislation Discussion: Wes handed out a 2-page document with some background and questions to be answered regarding Fund decisions that the member communities will need to make. The second page was financial information about the current Fund and possible options to consider. Sharon handed out a spreadsheet entitled *WRBP – Replacement Fund Estimated Assessment Projections*.

Wes noted that annually there are four separate assessments for O&M, Administration, the Replacement Fund, and Capital Costs. He suggested that general member community goals were to stabilize rates for the rate payers and to maintain the integrity of the system. He asked if there were any other goals that should be added. Scott proposed adding “other uses” to the uses that could be funded such as management or governance studies. Wes agreed to add this suggestion to the goals.

Wes’ first question was how much the member communities wanted to have in the Fund. Sharon noted that the current statute specified the number to be set at 5% of the replacement cost of all depreciable assets collected over a 10-year period of time; although historically it had been assessed only on aboveground assets. Wes asked if the full Fund value would approximate \$5.4M; Sharon affirmed that it would. Members generally affirmed that this was an appropriate level of available funding.

Wes’ next question was related to how the Fund should be used. He asked if it should be used for emergency and/or larger project planning. The UV disinfectant project cost @\$6M; the aeration system upgrades cost @ \$2M; and the switchgear replacement cost @\$1M. He asked how much should be designated for emergencies and/or larger projects. The Fund acts similarly to a no-interest loan and currently contains @\$2M. He asked if there was any interest in bonding over a certain dollar level and, if so, what that dollar level would be. He noted that member payments would increase in order to collect the 5% when underground assets were included in the valuation.

Johanna expressed her concern about dedicating the Fund for WWTP emergencies and/or larger projects rather than it being available for member community emergencies and/or larger projects. She was not sure if doing so would be in the best interest of the member communities. Scott agreed that the Fund should be used for un-planned emergency situations. Johanna expressed concern that the Fund would be used up for large projects and then other unforeseen events would arise where the funds would also be needed. Sharon indicated that there were other sources of funding available, including the WRBP’s O&M or capital accounts and NHDES SRF loans could also be used. Wes agreed that this was one of many points (of policy) to consider as the Statute was being amended. Scott expressed his belief that the Fund should be used for emergencies only. Wes acknowledged Scott’s concern, raising the question regarding what dollar level the member communities wished to see in the Fund and whether it should remain at 5% or should change either the percentage or the timeframe to collect the funds. He also asked how high (or low) payments should be in order to be sustainable by the members.

Wes asked everybody to think about what assessments their member communities could afford to make. This would largely dictate the answers to the basic questions: (1) what the value of the Fund should be; (2) over what period of time the payments to reach the full value should be made; and (3) how the Fund should be used. He suggested each advisory board member talk with their

respective decision-makers regarding what would work best for their individual communities. His spreadsheet proposed some dollar level goals, while Sharon's spreadsheet presented what each members payments might look like under a couple of different scenarios. He requested that members have these answer by next month's meeting. The legislative proposal needs to be drafted by December, if not earlier, to meet the legislative session calendar. He also indicated that one sponsor had been found but another was being sought. Johanna asked how the vote on the Fund language would be taken – unanimous or majority. Members agreed that such concurrence should be by majority vote.

Authority Discussion & Update: Wes announced that the roadmap kickoff meeting with the NHDES Commissioner and AG's Office was scheduled on September 26th. This meeting will be the first of several with various State agencies. Wes, Ray, and their attorney will attend this meeting on behalf of the Workgroup and Advisory Board to explain the goals of the Phase I efforts.

Other Business: The meeting was adjourned at 11:15 am. The next meeting will be held at the Corner Meeting House in Belmont on October 18, 2018, at 10:00 am. The November meeting was moved to November 13th at 10am (location TBD).

The minutes were prepared by Pro-Temp Staffing.