

WINNIPESAUKEE RIVER BASIN PROGRAM

ADVISORY BOARD MEETING AGENDA

September 15, 2021

10:00 am

Belmont Mill 4th Floor -14 Mill Street

Due to the expiration of the Governor's Emergency Order, the WRBP Advisory Board must have a physical quorum at a meeting site that is open to the public.

The public has access to listen to and participate in this meeting by using the following link:

<https://us02web.zoom.us/j/81724353761?pwd=d1h2ZTZNVFo4c0JNSjZoNUY3RU5kdz09>

Meeting ID: 817 2435 3761

Passcode: 813546

1. August 19 15, 2021 Meeting Minutes for review and approval –
2. WRBP Monthly Summary Report – August 2021 (TBP)
3. Citizen Comments for items on the agenda
4. Governance Guidelines, MOA and possible By-Laws
5. Rate Assessment Update:

Board Review and Decision on the implementing instructions the new Rate Allocation Assessment Model for O & M costs. Includes schedule for future reviews.

6. Review of the escrow account, No change from last month
7. Replacement Fund

Review of the AG's changes to the proposed language for the replacement fund

Target Date for submission: September 2021

8. Election of Officers:

Chairperson – Wesley Anderson

Vice Chairperson – Meghan Theriault

Ray Korber

Capital Improvements Program Subcommittee;

Current members:

Laconia
Bay District
Meredith
Franklin

Chair's Recommendation:

Laconia
Bay District
Gilford
Franklin

9. Other Business:

- a. Next Advisory Board Meeting Thursday, October 21, 2021
- b.

10. Adjournment

Item # 1

Minutes

WINNIPESAUKEE RIVER BASIN PROGRAM

ADVISORY BOARD MEETING MINUTES

August 19, 2021 – Conducted Electronically

Members Present: The meeting was called to order by Wes Anderson (Laconia), chair, at 10:07 am. Sharon McMillin (DES), Rene Pelletier (DES), Johanna Ames (Tilton), Jeanne Beaudin (Belmont), Glen Brown (Northfield), Justin Hanscom (Franklin), Ray Korber (Bay District), Brian Sullivan (Franklin), Meghan Theriault (Gilford), and Phil Warren (Meredith) were present at that time either in person or via Zoom. A quorum was present.

Wes announced that it was Brian's last meeting due to his upcoming retirement. Brian has been on the Advisory Board for almost 20 years, and Wes and the other Advisory Board members thanked him for his many years of service and his contributions to the program. He will be greatly missed.

Minutes: Ray moved, seconded by Brian, to approve the July 15, 2021 meeting minutes, as written. A roll call vote was taken and the motion carried.

Citizens Comments for Agenda Items: Wes asked if there were any guests from the member communities, and if they had any questions, comments, or concerns regarding the agenda items. As there were no guests, he moved on to the next agenda item.

Monthly Summary Report: Sharon distributed the *Monthly Summary Report* for July 2021 by email prior to the meeting.

- Energy Efficiency Upgrades – No updates at this time.
- Solids Handling Process Upgrades – The kick-off meeting was held virtually on July 29th. Alternative analyses are underway for sludge thickening with site visits being scheduled with consultant, which will take place in September. The WRBP Capital Budget was approved as requested and is sufficient to fund Phase I followed by CWSRF reimbursements to the WRBP.
- WRBP Infrastructure O&M Responsibilities – No updates at this time. Discussions will continue with the five member communities that are still finalizing their MOAs.
- Replacement Fund – A review of the draft legislation received from the AG's office review will be discussed at today's meeting.
- Rate Assessment Formula – The basis of the new rate assessment formula with a 3-year phase in period was approved by the Advisory Board on July 15th and it will be discussed at today's meeting.
- WRBP CIP Update – The CIP Sub-Committee met on July 29th to discuss the draft version of the CIP update that was prepared by WRBP staff. Recommendations were made for some modification and will be incorporated in a revised draft. The next CIP Sub-Committee meeting will be held immediately following this Advisory Board meeting. Nine CWSRF pre-applications and SAG applications were submitted for WRBP equipment and infrastructure projects. These are included in the CIP. Priority projects will be selected to move forward based on CWSRF funding rankings, principal forgiveness percentage, potential, additional federal funding, and the ability to execute without any completion time restrictions. SAG funding for these new projects or previously submitted applications will require future legislative approval.

Governance Guidelines, MOA, and By-Laws Update: Wes announced that there were no updates. Bria recommended the WRBP MOA be updated to reflect that the Independent Authority is no longer being pursued. Wes agreed but recommended waiting until other on-going efforts such as the CIP and draft Replacement Fund legislation were completed.

Rate Assessment Formula Update: Wes distributed handouts prior to the meeting by email that were entitled *Rate Allocation Answer Tracking Sheet* and *Draft 1 Version – August 14, 2021* and announced that he just added Sanbornton to the tracking sheet as supporting the new, proposed model. There was a brief discussion regarding the Advisory Board’s review and decision on the implementation instructions for the new rate allocation model for O&M costs, including the schedule for future reviews and the timing of the reviews.

Sharon asked to clarify if the rate reset implementation plan would use the previous 3 or 5 calendar years of data like this first rate change versus a rolling average. There was concern expressed about the amount of work that each of the four southern member communities might have to expend especially if the reset was a period of time less than 5 years. Sharon suggested that it would not be a heavy lift every 5 years but that data could be submitted routinely each year. She also suggested that a 5 year reset might offer advantages for forecasting and budgeting purposes. There was discussion regarding using 3 years versus 5 years as the reset schedule with potential problems forecasting the calendar year budgets for some members.

Phil asked what type of data was being collected. Sharon explained that water data would be collected from the drinking water utilities, sewer flow data from installed meters, and water use and differences in the non-metered properties and collection system data would be collected from the four southernmost member communities. Jeanne suggested a “plug and play” type data collection form (spreadsheet) to simplify the process. Wes suggested that the escrow money could be used to have Underwood Engineering create a template. Ray suggested adding a deadline in the instructions indicating when the data would be due, because meeting that date was essential in order to meet the July 1, 2026 date which had been proposed as the first date for implementing any future changes. Wes will edit the draft and redistribute it based on member comments.

Review of the Escrow Account: Wes announced that there have been no changes.

Replacement Fund: Wes distributed a copy of the AG office’s review of the draft legislation and the AG office’s recommended changes. The target date is in September – due to the legislative calendar. Sharon asked if the member communities had acquired legislative sponsors yet. Jeanne noted that the legislative sponsors should be reps (not senators), and agreed to speak with hers. Sharon offered to send out clean and edited versions. Wes asked if anyone had any comments regarding the proposed language. Sharon noted at the AG’s letter recommended a letter from the Advisory Board stating the Advisory Board’s unanimous approval be provided when the legislation came up for action. Wes noted that the official vote on the draft would be at next month’s meeting.

Nomination of Officers: Wes announced that he had been nominated for chairperson; and Meghan, for vice chairperson. He asked if there were any other nominations. Glen nominated Ray Korber as another option for vice chairperson. The member communities currently seated on the CIP Sub-Committee were Laconia, Bay District, Meredith, and Franklin. The chair recommended nominating Laconia, Bay

District, Gilford, and Franklin to sit on the CIP Sub-Committee this year. There were no comments regarding the proposed change. Voting will be held at next month's meeting.

Other Business: The meeting adjourned at 11:20 am. The next meeting will be held on **Wednesday, September 15, 2021** at 10:00 am at Belmont Mill (4th floor) which is located at 14 Mill Street in Belmont. The minutes were prepared by Pro-Temp Staffing.

Item #2

August Monthly Summary
Report

NOT Available

Item # 5

Version #3 of
Implementing Instructions

Implementation Plan for the Rate Allocation Assessment Model for Operation & Maintenance (O&M) Assessments adopted by the WRBP Advisory Board on August 19, 2021, and scheduled re-look reviews of the Rate Allocation Assessment Model.

The new rate allocation assessment model approved by the WRBP Advisory Board on August 19, 2021 will begin on July 1, 2022 (FY23) for the Quarterly O&M Assessments. Nothing in this adjusted assessment model affects the statutory requirements of RSA 485-A:45-54.

The State's fiscal year begins on that date so the first bill under the new model will be the 1st quarter of FY23.

The change in O&M assessment will be phased in over 3 years starting on July 1, 2022, as follows:

July 1, 2022 for FY23) 33% of the Total Change

July 1, 2023 (for FY24) 33% of the Total Change

July 1, 2024 (for FY25) 34% of the Total Change such that the assessment for FY25 equals the final adjusted change adopted on August 19, 2021

July 1, 2024 begin review of rate allocation model to adjust rates for July 1, 2025 (FY26). Any adjustments to the rates for FY26 must be established by the end of the first quarter of calendar year 2025 (March 31st 2025).

The WRBP and the Advisory Board will regularly review the member organizations' respective flows to adjust the O&M Assessment using the adopted Rate Allocation Assessment Model based on changes in the member organizations' metered flow or flow equivalents.

The review will occur every three years with the first review target date to implementing any new changes on July 1, 2025 for FY26.

All subsequent reviews will be scheduled for every 3 FYs thereafter (implementing changes for FY29, FY32, etc.). Any adjustments to the rate formula itself must be established by October of the year before the adjustment is scheduled to take effect.

All subsequent adjustments will not be phased in. Any changes will be fully applied to the appropriate fiscal years.

The review will be based on a 3-year (calendar year) rolling average of flows or flow equivalents in the adopted rate system model. The annual flow data used will be based on a calendar year. Thus, the information for establishing the new rates in FY26 will include the rolling average flow for calendar years 2024, 2023 and 2022.

The four member communities whose flow is all or partially calculated based on parameters other than metered sewer or metered water flows will update any changes to the number and type of properties in the unmetered areas as well as any changes to the sewer infrastructure in the same areas. This information will be submitted no later than March 31st of the review year to the WRBP (i.e. March 31st 2025 for the FY26 reset). Information should be submitted on an annual basis to minimize impacts on the four member communities.

The four member communities whose flow is all or partially calculated by metered water flows will, no later than the end of the 1st quarter after the end of each calendar year, provide water consumption data for the water metered-only areas to the WRBP.

The four communities will update pipe idm (length and diameter), material, and condition for I/I analysis with any significant changes occurring since the last reset by no later than the first quarter of the reset year (i.e. March 31st 2025 for FY 26 reset).

The WRBP will continue to collect sewer meter data for the six Northern members and those portions of the four southern communities which use this data in the adopted rate model. The WRBP will also continue to collect quarterly water use data used in the model from the Tilton Northfield Aquifer company for the 2 commercial locations in Tilton.

Item # 6

Escrow Account

As of August 1, 2021

Rath, Young & Pignatelli Road Map Study

Budget Tracking sheets

Funds Available \$ 51,900.00

Invoice #	Date of Invoice		Invoice Amount	Funds remaining
Road Map Development				
Invoice # 1	5/22/2018		\$ 2,858.00	\$ 49,042.00
Invoice # 2	6/20/2018		\$ 6,890.18	\$ 42,151.82
Invoice #3	6/30//2018		\$ 6,958.00	\$ 35,193.82
Invoice #4	8/20/2018		\$ 2,656.00	\$ 32,537.82
Road Map Phase 1				
<i>Carry Over from Previous Phase</i>				\$ 32,537.82
<i>Escrow for this phase</i>				\$ 65,000.00
<i>Total Available</i>				\$ 97,537.82
Invoice #1-1	20-Sep-18	79111	\$ 800.00	\$ 96,737.82
Invoice# 1-2	18-Oct-18	79407	\$ 896.00	\$ 95,841.82
Invoice #1-3	15-Feb-19	80548	\$ 924.00	\$ 94,917.82
Invoice #1-4	15-Mar-19	80800	\$ 759.00	\$ 94,158.82
Invoice #1-5	6/10/2019	81583	\$ 396.00	\$ 93,762.82
Invoice #1-6	7/18/2019	82002	\$ 330.00	\$ 93,432.82
Invoice #1-7	8/15/2019	82241	\$ 66.00	\$ 93,366.82
Invoice #1-8	9/17/2019	82524	\$ 1,584.00	\$ 91,782.82
Invoice 1-9	10/28/2019	82912	\$ 396.00	\$ 91,386.82

Invoice #	Date of Invoice		Invoice Amount	Funds remaining
Invoice 1-10	5/11/2020	84667	\$ 1,224.00	\$ 90,162.82
Invoice 1-11	6/19/2020	85172	\$ 782.00	\$ 89,380.82
Invoice 1-12	9/23/2020	85982	\$ 2,550.00	\$ 86,830.82
Invoice 1-13	10/23/2020	86266	\$ 1,394.00	\$ 85,436.82
Invoice 1-14	11/13/2020	86449	\$ 525.00	\$ 84,911.82
Invoice 1-15	12/15/2020	86722	\$ 1,480.00	\$ 83,431.82

Item # 7

Replacement fund

Proposed Legislative changes to the WRBP – Replacement Fund

As of August 25, 2021

485-A:51 Replacement Fund Established. –

I. There is established a nonlapsing, revolving fund to provide capital for repair and replacement of major components of the water pollution control facilities administered under this subdivision which cannot be absorbed as regular budgetary items. The replacement fund is to be capitalized by contributions from the members served by the facilities based on each member's projected usage of the facilities.

II. The fund shall be capitalized at an amount equal to 5 percent of the value of the equipment and other depreciable assets of the treatment facilities. The value of the equipment and other depreciable assets shall be computed every 5 years, beginning in 1990, and shall be based on current replacement costs.

III. Each member's share of the total fund capital shall be contributed over a period of 10 years after the initial establishment of the fund and shall be paid as a yearly surcharge to the member's operating charges. Thereafter, each member's surcharge shall be prorated as membership and design changes require.

IV. Once a member has fully funded its share of the replacement fund capital, the member shall make no further contributions until the fund is utilized for repair or replacement of a facility used by that member or the asset valuation increases such that the fund capitalization increases as established in RSA 485-A:51 II and III. Following any expenditure from the fund, fifty percent of the expenditure shall be replenished by contributions from those members that utilize the facilities receiving funding based on each member's proportional usage of said facilities, and fifty percent of the expenditure shall be shared among all members using their respective percentage assessment for replacement fund contributions pursuant to RSA 485-A:51 III. The expenditures will be reimbursed by the members over a ten-year period in addition to the members' yearly contribution to the fund, until the members' share of the fund is fully restored.

V. If a repair or replacement cost exceeds the value of the fund established for that particular facility, the repair cost shall be paid out of the portion of the fund established for other facilities; however, reimbursement to the fund shall always be assessed back to members in accordance with the apportionment set forth in Paragraph IV.

VI. As new facilities, if any, are added to the system, additional assessments shall be made to the members benefiting from these facilities, prorated on the basis of projected use.

VII. If a new member joins the system, the assessments shall be modified to reflect the new member's proportional benefit from the facilities, and excess prior payments made by other members, if any, shall be credited to their accounts.

VIII. All contracts paid for using the fund shall be submitted to the governor and council for approval.

IX. This nonlapsing, revolving special purpose fund is continually appropriated to be used by the department in accordance with this subdivision. All moneys shall be deposited with the state treasurer

who shall keep this money in a separate fund, notwithstanding RSA 6:12. The state treasurer shall invest the moneys deposited with him as provided by law. Interest received on investments made by the state treasurer shall also be credited to the fund. All such interest shall be added to each member's share of the fund based on each member's contribution to it.

Source. 1989, 339:1. 1996, 228:106, eff. July 1, 1996.

Proposed Legislative changes to the WRBP – Replacement Fund

As of August 25, 2021

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I. There is established a nonlapsing, revolving fund to provide capital for repair and replacement of major components of the water pollution control facilities administered under this subdivision which cannot be absorbed as regular budgetary items. The replacement fund is to be capitalized by contributions from the members served by the facilities based on each member's projected usage of the facilities.

II. The fund shall be capitalized at an amount equal to 5 percent of the value of the equipment and other depreciable assets of the treatment facilities. The value of the equipment and other depreciable assets shall be computed every 5 years, beginning in 1990, and shall be based on current replacement costs.

III. Each member's share of the total fund capital shall be contributed over a period of 10 years after the initial establishment of the fund and shall be paid as a yearly surcharge to the member's operating charges. Thereafter, each member's surcharge shall be prorated as membership and design changes require.

IV. Once a member has fully funded its share of the replacement fund capital, the member shall make no further contributions until the fund is utilized for repair or replacement of a facility used by that member or the asset valuation increases such that the fund capitalization balance increases as per established in RSA 485-A:51 II and III. Expenses for which the fund is used shall be proportionally charged against each member's contributions to the fund for the facilities utilizing the fund, which will subsequently be reimbursed by the member in successive years in addition to the member's yearly contribution to the fund, until the member's share of the fund is fully restored. ~~Following any expenditure from the fund, fifty percent of the expenditure shall be replenished by contributions from those members that utilize the facilities receiving funding based on each member's proportional usage of said facilities; the members shall replenish the replacement fund with fifty percent of the project's expenses for which the fund is used proportionally charged against each member's contributions to the fund for the facilities utilizing the fund, and fifty percent of the expenditure shall~~ **will be shared among all members using their respective percentage distribution of assessment for replacement fund contributions pursuant to RSA 485-A:51 III. The expenditures will be reimbursed by the members over a ten-year periods in addition to the members' yearly contribution to the fund, until the members' share of the fund is fully restored.**

V. If a repair or replacement cost exceeds the value of the fund established for that particular facility, the repair cost shall be paid out of the portion of the fund established for other facilities; ~~but reimbursement to the fund shall always be assessed back to members based on their projected usage of the facilities needing repair.~~ **However, reimbursement to the fund shall always be assessed back to members based in accordance with the distribution apportionment listed set forth in Paragraph IV.**

VI. As new facilities, if any, are added to the system, additional assessments shall be made to the members benefiting from these facilities, prorated on the basis of projected use.

VII. If a new member joins the system, the assessments shall be modified to reflect the new member's proportional benefit from the facilities, and excess prior payments made by other members, if any, shall be credited to their accounts.

VIII. All contracts paid for using the fund shall be submitted to the governor and council for approval.

IX. This nonlapsing, revolving special purpose fund is continually appropriated to be used by the department in accordance with this subdivision. All moneys shall be deposited with the state treasurer who shall keep this money in a separate fund, notwithstanding RSA 6:12. The state treasurer shall invest the moneys deposited with him as provided by law. Interest received on investments made by the state treasurer shall also be credited to the fund. All such interest shall be added to each member's share of the fund based on each member's contribution to it.

Source. 1989, 339:1. 1996, 228:106, eff. July 1, 1996.