

## **APPROVED MINUTES**

### **Newington Sewer Commission meeting with Newington Board of Selectmen 12/9/2019 Newington Town Hall**

Meeting called to order at 6:04 pm.

**Present:** T. Cole Chairman, R.Stern, T.Hazelton, Commissioners. D.Messier, Utility Partners. T.Connors, M.Marconi, K.Latchaw, Newington Board of Selectmen. M.Roy, E.Boy, Newington Town Offices. D.Stern, resident.

M.Roy began the meeting stating that the Mall, Stoneface, and other businesses have been complaining to the town hall about the raise in Sewer rates and not enough notice to budget for the increase. T.Connors added that the businesses were caught short this year. Their income is down, and this impacted their budgets. The businesses are contacting the Town Hall and thus the Selectmen are contacting the Sewer Commission.

D.Messier advised businesses are contacting him as well. He will be starting on the flow readings from Portsmouth water shortly to begin working on the Sewer rate for next year. He added that there are some communities that budget fixed annual increases. This will be the second year of the high rate, but some have conserved on their flow which will lower their rate. He is cognizant of the facts and is working to minimize expenses.

T.Connors stated that the Economic Development Committee is looking at businesses and attracting more. Our Sewer rates are high, but our tax rate is lower. R.Stern advised that historically Newington has had higher sewer rates than most surrounding towns. M.Marconi added that we have expansion coming into town that will help. T.Connors concurred that we have hotels and restaurants coming in.

M.Marconi asked if there are different Sewer rates for higher flow users, D.Messier advised that Sewer does not use a tiered system, rates are the same no matter the volume of flow.

D.Messier explained that he receives the volume of water used the previous year from Portsmouth Water, those flows are used to calculate Sewer rates. For Stoneface, water used to produce beer is deducted from their water rate as is water with yeast that they truck elsewhere for disposal. Their rate is not based on all the water they used from Portsmouth Water. D.Messier receives calls from the small number of residential users requesting that industrial users pay a higher rate than residential users. Portsmouth sends out water/sewer bills quarterly but will not provide us with a monthly usage amount. Newington Wastewater bills are sent out twice a year and users can pay monthly, quarterly, biannual, annually or can set up a payment plan. R.Stern confirmed that 2 bills are sent out each year, just like the Town property tax bills.

K.Latchaw noted that in the housing market, many are refinancing to a lower rate. Would refinancing the Sewer bond be possible? D.Messier explained that we have a State Revolving Fund (SRF) loan with a 1-million-dollar debt reduction over 20 years at an interest rate of 2.67%. If we refinance, we may lose that debt reduction. T.Connors asked for further clarification of that that meant. D.Messier explained that the town approved an 8.8 million SRF bond. Through that the State gave us a 1-million-dollar debt reduction of the 20 years of the bond. This is no different than the 1-million-dollar bond that we'll have to complete the Foremain project which will have approximately \$100,000 in debt reduction. The Sewer Commission has applied for State Grants to receive \$111,000 for 20 years for that first bond. All of this is contingent on Federal monies, and the Governor's budget. They are always looking for grants to minimize costs.

K.Latchaw asked about the Foremain project – will this mean another bond? Will this mean rates will go up? T.Cole advised that there have been 2 breaks in the remaining section of the Foremain, the replacement needs to happen. D.Messier confirmed that the Sewer rate will go up, but the payment on the first bond is approximately \$486,000, this second bond will be much lower. R.Stern added that the first part of the Foremain project on Woodbury Ave was funded completely from the Sewer Enterprise fund at a cost of \$267,000.

T.Cole explained that with the Sequencing Batch Reactor (SBR) system we can decant for a week, but have no storage at the plant. We can't dump it into the river, it's trucked out. When the centrifuge was down for bearing work, it was all trucked out and the repair was funded through the Sewer Enterprise Fund. We're currently putting in steel to move and repair the centrifuge more quickly and less expensively.

M.Roy asked to clarify that the budget is going down, but hearing that the rates are going up.

D.Messier explained that the rate formula is based in total gallons in and treated, the amount of money that needs to be generated to cover plant costs, and then a budget is created. If flows are up that will help the rates to go down. R.Stern added that every year a surcharge is added to the Sewer bills, because of the increase in rates the surcharge was lowered to offset rates. The upgrade project was to meet EPA requirements for Nitrogen. Other towns fought having to upgrade but are now upgrading their plants. Their users have not paid for those upgrades yet. D.Messier advised that Portsmouth is reaching substantial completion on their 148-million-dollar upgrade. Manchester, Hampton, and many other communities are looking at the costs of the plant completions and rate increases. We have been ahead of the curve on updating our plant.

T.Connors noted that Stoneface might not realize that rates in other towns will be going up. He shared that they have learned a lot tonight.

K.Latchaw stated that the best thing to do is to maintain Newington's tax advantage, these businesses can't operate at their current tax rate elsewhere. We work hard to maintain our tax advantage. D.Messier added that he works hard to maintain the rates for all Sewer users.

T.Cole shared that Stoneface has chemicals that cannot be released into the Wastewater System. D.Messier worked with Stoneface to find a solution for them.

D.Messier advised that we all must worry about PFOA's in our sludge. Durham's sludge is now being hauled to Canada at a 20% rate increase due to PFOA's. If we have ground digging and water that needs to be treated, it will need to be handled like what Eversource is doing on the Seacoast Reliability Project (SRP).

T.Connors noted that the Sewer Commissions took a burden and used it to make income from the Eversource SRP. That's being entrepreneurial. D.Messier added that Eversource is cleaning their fracking equipment and water is coming in below the state limits. DES documents specifically spell out where they can discharge.

Next meeting will be December 18, 2019 at 9 am at the Newington Wastewater Treatment Plant.

**Adjournment:** 6:25 pm.

Respectfully submitted,

Gail Klanchesser