

## **Newington Sewer Commission 11/18/15 APPROVED MINUTES**

**Meeting** called to order at 9:04am

**Present:** T. Cole Chairman, T.Field, J.Richardson. D.Messier Plant Operator and S.Bullard Utility Partners. E. Leonard, Wright-Pierce Engineers.

**Minutes:** Minutes from 10/21/15 reviewed. Motion by J.Richardson to approve, seconded by T.Field. Approved.

**Treasurer's report:** No Treasurer's report. Treasurer will be present at the next meeting. Review of Capital Repair and Maintenance Budget.

Discussion on the names and terminology of the different accounts that make up the Sewer budget. While we have called just one account the Enterprise Fund, in actuality that is the broad name for all the accounts the Sewer Commission oversees. Funds will need to be transferred to cover the Engineering line in the operating budget. The Sewer Commission oversees two accounts that are all handled by the Town Treasurer. Up to now the Commission has been maintained a rainy day account (formerly called the Enterprise account) to cover unanticipated emergencies or problems with the plant, these were funds saved up over the years. However, we can only expend within our appropriation unless we create a Capital Reserve Accounts. RSA 149-I:10,III states we can put all or part of a surplus from Sewer payments into a Capital Reserve Account to be held by the Trustees of the Trust Funds. RSA 35:15 states the Commission can expend from this account. Once established the Trustees of the Trust Funds will expend or transfer monies on behalf of the Sewer Commission as the Town Treasurer can only expend what has been appropriated at Town Meeting. The Sewer fund will also be reimbursed from bond proceeds once the project has begun. An historical discussion on how the accounts were created and how other municipalities handle them ensued. RSA's 35, 28 and 49 cover how the Legislature organizes Sewer accounts and moving forward the Commission will set up a Capital Reserve account to cover major unplanned expenditures for the benefit of the Waste Water Treatment Plant. RSA 35:7 states the creation of the fund can be done by unanimous vote of the body charge with the administration of the Waste Water Treatment Plant, therefore the Sewer Commission. There will be two funds; the Sewer Fund and the Surplus Fund. Any monies raised through Sewer income can only be disbursed by vote of the Sewer Commission.

In the interim, plant improvement engineering has over-expended its line.

J.Richardson made a motion to transfer \$300,000 from the Enterprise Fund to the Sewer Operating Budget for the reimbursement of Engineering expenses incurred in 2015 related to the expansion of the wastewater facility (Line 02-4326-90-325), seconded by T.Field. Motion approved.

J.Richardson moved to have McEachern work with D.Messier to establish a surplus fund in accordance with RSA 35:7; T.Field 2<sup>nd</sup>. Motion approved

**Manifest Approval:** Motion made to approve the 11/18/15 manifest by J. Richardson in the amount of \$100,541.02, seconded by T.Field. Approved & signed.

**Budget 2016:**

Review of draft budget for 2016. Sewer clerk now contracted and budgeted in outside services, expenses moved to that line. Change wording of payment lines for Sewer A/P, Sewer Treasurer, Sewer Audit to Town as we are reimbursing the Town Hall for their services.

Leaving Legal line as planned

Do we need a warrant article for the surplus capital reserve fund?

Engineering – Will take 2 months to draw reimbursal funds from bond, after that it will take less than 30 days.

Money is available now. Will begin making bond payments soon.

Draw from bond principal should equal only what is needed each month. There should not be any carryover or over-expenditure each month. This is a capital account, not an operating account. We need to know what #'s to put on PO so that it does not come out of operating budget.

We are making sure our accounting system is set up correctly.

Engineering line item – how big of a rainy day account do we need? Project is more than bond – have to be able to fund. Can be finalized in Jan/Feb. May have to make another transfer. Want to make sure we have enough.

Insurance – when will insurance increase? Will know better after bid process.

Vehicle insurance – increase to add tractor on insurance

Testing fees combined into 1 line instead of 2.

J.Richardson comfortable with the budget as proposed at \$861,054 as shown on 11/16 worksheet as presented by D. Messier. T.Field seconded. Motion approved.

**Plant operators report:** Flows are the same as this time last year, sludge amounts are also the same.

Preventative maintenance is going well. The well pump downstairs is making noise, but getting by for now until the plant upgrades begin. Plant upgrade – at 90% drawings. Several visits from engineers to finalize bid documents. Waiting on responses from Wright-Pierce and McEachern. D. Messier met with Planning Board and plant upgrade project was accepted. Also met with the Selectmen this past Monday for Budget Review

#### **Old Business:**

S. Bullard – Utility Partners contract extension. Proposal to extend current contract presented at last Commission meeting. 5 year contract extension so that the Commission will not need to send out to bid or negotiate a contract during plant upgrade construction.

Per RSA 91-A:3 II(d) Commission went into non-public session to discuss the contract extension with Engineer E.Leonard in attendance for technical advice. Roll call vote to enter non-public session; J.Richardson – yes, T.Field – yes, T.D.Cole – yes. Entered non-public session at 10:28 am

*J.Richardson moved to unseal the minutes of the nonpublic session 11/18/15. Roll call vote taken: J.Richardson – yes, T.Field – yes, T.D.Cole – yes. 11/18/15 10:40am*

The Commission discussed the proposed contract extension with Engineer E.Leonard. Costs to operate our plant are in line with the costs and practices of similar Waste Water Treatment Plants. Further it is normal practice to extend a contract during construction. Can extend to full 5 year term or less, but minimum should be through construction plus 1 year. This way there is at least 1 year of utilities so better grasp of prices for future RFP's for the plant. Construction will begin March 2016 and continue through January 2018. This contract extension is through April 2022.

Commission exited non-public session at 10:34 am. Roll call vote: ; J.Richardson – yes, T.Field – yes, T.D.Cole – yes.

J. Richardson stated that the Proposal from Utility Partners was reviewed and deemed reasonable. Minutes of non-public meeting will not be sealed.

J. Richardson motion to approve Contract Amendment #1 dated November 18, 2015. Seconded by T.Field. All approved. T.D.Cole will sign Amendment representing the board as Chairman.

E.Leonard, Wright-Pierce Engineers - Construction Phase Engineering Agreement. DES standard form contract. Full time inspections and services during construction and the 1 year warrantee period. Will include callbacks, development of an operations and maintenance manual. This is an eligible expense in the SRF loan. Total amount of agreement is \$869,970, broken down into different tasks and components for the work required by the DES. Wright-Pierce has a senior engineer they will be putting on our project. They will subcontract a Geotech Engineer. Materials testing is not included in agreement, but they will provide recommendations for materials testing firms. Will not need testing firms until March or April and that is also an SRF loan covered expense. Draft of agreement will be sent to the DES. Commission can discuss further or sign in December. Under this agreement Wright-Pierce will act on behalf of the Commission and Plant for all issues with construction and contractors. Agreement is written as a 'not-to-exceed' figure which is advantageous to the Commission. D.Messier checked into the background of the proposed project engineer and he is highly recommended. Project Engineer can be changed if the Commission desires.

J. Richardson moved to accept the proposal from Wright-Pierce, seconded by T.Fields. Motion carries. Does not need to be signed today and Chairman can sign on behalf of the board.

**New Business: none**

**Old Business that may come before the board: none**

**Adjournment 10:47pm**