

## **Newington Sewer Commission Special Meeting 9/27/2017 APPROVED MINUTES**

Special meeting called to order at 9:06 am to discuss Shattuck Way Forced Main, Fiscal Sustainability Plan, and SRF Loan Repayment Options.

**Present:** T. Cole Chairman, T.Field , R.Stern, D.Messier, Utility Partners, L.Shields, Wright-Pierce Engineers.

### Paul Brook Pumping Station Forcemain

The Paul Brook Pumping Station Forcemain has had 2 expensive breaks in the past few years. A replacement alternatives proposal was presented by L.Shields to the Commissioners. Summarization and cost estimates in the proposal were discussed. Four options were researched. Option 1 to pipe burst the existing forcemain was deemed to be cost prohibitive and was not included in the preliminary cost estimate options.

2. Replace by open-cut, same pipe alignment \$890,000. Existing line cuts through 2 wetlands areas and will need wetlands permits. Not likely permits would be denied as the new pipe will be next to existing pipes.
3. Replace by open-cut, new alignment \$900,000. New pipe alignment would require easements through private property.
4. Replace by HDD, new alignment Piscataqua Drive \$1,090,000. New alignment along Shattuck Way may be impacted by the State paving schedule and uses horizontal directional drilling. The drill bores and pulls the pipe through the alignment.

The existing main is approximately 3,500 feet. New alignment length can vary depending upon the path, could be between 3,500-4,000 depending upon the option. Will replace the steel pipe with High Density Polyethylene (HDPE) which will not degrade over time. If a new alignment is created the existing steel pipe will be left in place.

Discussion ensued over the need for wetlands permits, easements, and the legal aspects involved. Option 2 is the least expensive and will involve environmental permits. Options 3 & 4 will cost more, but the line would be more accessible if future repairs need to be made. The current pipe cannot be relined as it will reduce it from a 10" main to an 8" which would be too much pressure on the new pumps at the Paul Brook Pump Station. Also discussed if the pipe elevations could be changed. Wright-Pierce has a copy of the existing as-built drawings from the original installation and can use those to create a profile to adjust the elevation.

Meeting today is to look at the estimates for budgeting purposes. The larger impact financially will not be felt this year or next. D.Messier advised the SRF loan process has been done and a pre-application has already been submitted in the amount of 3 million. This is just an initial proposal, adjustments and sub options can be added and considered. The alternatives just provide a baseline estimate for budgeting purposes, keeping in mind that legal costs may fluctuate. L.Shields advised to budget \$125,000 for Engineering for Option 2. High end for Option 3 would be \$150,000. Engineering expenses can be covered under an SRF Loan.

Commissioners picked option 2 for Wright-Pierce to begin the forcemain engineering plan.

### Fiscal Sustainability Plan

As part of the SRF loan, Wright-Pierce must complete a Fiscal Sustainability Plan for portions of the facility that were upgraded. It will cover assets at the WWTP and Pump Stations, the reliability and performance of the equipment and the life span of the equipment. This is a document that will be useful for the Sewer Commission in planning for Capital Improvements and is a requirement of the SRF Loan. The creation of this plan was not covered under the contract between the Sewer Commission and Wright-Pierce.

L.Shields advised that during the plant upgrade they found they did not need to have an engineer on site full-time, only part time. Wright-Pierce will be able to move unused engineering monies to cover the expense of the Fiscal Sustainability Plan. She also advised she had an email this morning from NH DES that advised that they must review the amendment as it is part of the upgrade project. The Sewer Commission also has the option to fund an Asset Management Program, which would have principal forgiveness with it. The lesser expensive option is to sign Contract Amendment with Wright-Pierce. An Amendment to the contract was presented to the Sewer Commission to move the unused monies for the on-site engineer to cover the costs involved.

Motion by R.Stern, seconded by T.Field to sign the Amendment to move unused engineering funds to create the Fiscal Sustainability Plan. All approved. Chairman T.Cole to sign.

### 2018 Budget

L.Shields presented a project cost spreadsheet that detailed total project cost, projected costs including change orders and contingency, and projected costs for October, November and through November 2018.

SRF Loan was in the amount of \$8.1 million. By November project expenses will exceed loan by \$169,000. By November 2018 project expenses will exceed the loan by \$330,000. These figures are high estimates and the actual cost could be lower. The Sewer Commission will use funds from the Sewer Enterprise Fund to cover the remaining project costs.

The contractor will be substantially completed within the next month or two. At that point their contract is paid in full. Expenses over the next 11 months will cover record drawings, manuals, Fiscal Sustainability Plan, and 1-year warranty plans. In addition, \$30-40,000 was spent from the undesignated fund to cover a leak.

Monies needed from the Trust Fund would be \$350,000 to be conservative

Motion made to withdraw \$250,000 from the Sewer Enterprise Fund for Pump Station Expenses and Unexpected Forcemain Repair by R. Stern, seconded by T. Field. All Approved. In addition the Sewer Commissioners authorized Chairman T.Cole to sign for the \$250,000 on behalf of the Sewer Commission from the Sewer Enterprise Fund to make payments for the Sewer Upgrade Project.

L.Shields presented two 20-year amortization schedules from the NH DES for paying the SRF Loan.

1. Level annual payments. Payment is the same each year, easier for budgeting. Will create a level increase for sewer billing.
2. Level principal payments. Will save money in interest payments, but larger upfront payments that decrease over time. Payments would not level to below option 1 until 2026. May be a hardship to sewer users if their bill could increase almost 100%.

Discussion impacts to the sewer rates vs. having surcharge fees. Also discussed the impact of budgeting for the upcoming forcemain replacement. There are funds in the Sewer Enterprises Fund to help offset the costs to rate payers. With either option there will be an increase in sewer rates. The Sewer Commission is allowed to carry over monies, so any surcharges can be applied to the next year's billing to offset rates or put in the Sewer Enterprise Fund.

Motion to repay the SRF Loan with Option 1 – Level Payment Plan by R.Stern, Second by T.Field. All in favor, approved.

Wright-Pierce will begin engineering work on the forcemain and will review the profile for changes to elevation.

D.Messier will provide the meeting minutes and request withdrawal of funds from the Trustees of the Trust Funds.

Denis to give minutes of meeting to TOTF and request withdrawal of funds.

**Adjournment:** 10:30 am.

Respectfully submitted,

Gail Klanchesser