

Selectmen's Meeting Minutes
May 8, 2017

At the Selectmen's Meeting held on Monday, May 8, 2017 at 6:30 p.m. the following people were in attendance: Wendy Hersom, Peter Corey, and John Tholl; Selectpersons.

The following members of the public were in attendance: Martha Hardiman, Richard Harris, Sr., Richard Harris, Jr., David Scalley, Thomas Ladd, Ann & Bernard Thibeault, Sondra Brekke, Rick Wright, Carroll & Marion Rexford, Marsha Lombardi, Edie Worcester, and Fred Ingerson.

Chairperson Wendy Hersom called the public hearing to order at 6:31 p.m. on the proposed water and sewer rate increases for the second billing of 2017. Wendy explained that the rate structure incorporates both a minimum fee for connection to the town water and sewer based on meter size as well as a fee for the volume of usage. The connection fee is based on the size of the meter you have. We are also increasing the usage rates by .50 cents per 1,000 gallons used.

Sondra Brekke asked why was there no consideration of increasing the fee for the meter itself? Wendy said the Board felt by increasing the usage rates that people have the ability to control their bill by being conservative on their usage.

Dave Scalley asked what the rates are now and Wendy said \$3.65 for water (which will increase to \$4.15) and sewer is \$4.35 (which will increase to \$4.85) per 1,000 gallons actually used.

Edie said in the bond the Town of Whitefield is borrowing the money so why aren't the payments for the bond being put on the taxpayers rather than the users.

Wendy said the bond is in part based upon where the money is coming from. If the town as a whole pays for the project, we will not get the same amount of grant money. The rates on the users have to be within the median range for the entire state. The Town of Whitefield is not within the median for our water rates. If we are not in the median range, we don't get the grant money. If we put it on the taxpayers and don't put it on the users then we will lose the grant money. Wendy said getting us to the median rate gives us enough revenue to pay the bond. Wendy said it is about \$450 for the average water bill that we need to be at. We don't have to get there until we actually have to start paying the bond back. We have been working on raising the rates over the past 8 years or so, but what happens is all the other towns raise their rates as well. We are still not where we need to be. Sondra Brekke asked how many people are on the water and sewer? Wendy said the commercial customers use about 50% of the overall use in the Town so if we do it on usage they pick up most of the tab. Wendy said for the water, there are 550 residential total of 620 users. 70 non-residential, 550 residential. Sewer users are 344 residential and 71 non-residential. These are the number of connections, not people.

Edie said if the water users are paying for the whole thing, we also pay out of general taxation for water usage. The Town pays the water and sewer bills for the fire department, the town hall, the library so it is coming out of taxation. Edie asked if we are double taxed because of this?

The water bill is within the budgets of those departments. Each department has to account for what they spend and what they use. That money comes from the taxpayers so Edie said she is paying out of that pot and the water user pot as well. Edie asked who pays for the water that the Fire Department

uses to put out a brush or structure fire. The Fire Department pays for that water usage out of their budget. Wendy asked Edie if she wants us to charge people who have fires for the water we use? Edie said she lived in a town that did do that. Edie said the Town of Whitefield borrowed the money, there is nowhere that it says the water users are paying for it. Edie said she feels she is paying out of two pots of money, and she doesn't understand why the water users are paying it back because the bond was not worded that way. The Town is going to borrow all \$13 million and it is going on the users and we will pay for the entire amount of the bond costs.

Marion Rexford said she doesn't feel the taxpayers have to pay for the project because non-water users have already paid \$14,000 to put in their artesian wells. Wendy said once we learned we wouldn't qualify for the grant if we put it on the tax base then we didn't get past that point. It stopped making sense if the water and sewer rates didn't come up to what they had to be in order to qualify for the grant funds. Everyone would have seen a tax increase equal to what the water increase is, possibly more.

Dave Scalley said it doesn't make sense not to take the grant money. It is free money.

Rick Wright asked if this is going to get us to where we need to be, and Wendy said it will be close. The rates have to be at the median rate when the bond payments start. We have to report where we are with our user rates every year.

Edie said she thought the median rates were based on being a poor community.

Wendy explained that the first qualification they look at was a poor community and you have to be in the lower end and then they look at your water and sewer rates. This is money that gets redistributed to small towns. The government is also looking at we are giving you free money, but not if you are giving it the service away. They look at your income levels and rates we charge. Edie said 10% of the median income which was \$40,000, which was about \$400 average rate. Edie said she didn't realize that. The median rate has come up over and over again.

Martha Hardiman asked what is the commercial rate, and Wendy said there is not a different rate for commercial rate and residential rate. Wendy said she cannot recall, but we have been discouraged from doing that.

The commercial users usually have larger meters so they get charged for the meter size. They pay 50% of the department overall's operating expenses.

Dave Scalley asked in case we have a catastrophic water line break would the water department be able to pay for that. Wendy said the water department does have some money put aside. Anything from the water department comes out of the water budget.

Martha Hardiman asked if we have an accurate map of where all the pipes are and connections are. Fred said not for the private service lines.

Butch Rexford asked when these increases will be in effect, and Wendy said on their second bill. Will this increase prepare us to be in a better position for the next upgrade? Wendy said not entirely – the projected revenue pays the bond for this project. Wendy said she doesn't feel it will. The Sewer Department will have increased costs for operation with their proposed upgrades.

Marion asked about capital reserve funds for water and sewer departments. Wendy said we have discussed this in the past, and because the costs for water and sewer projects are so high, we didn't think it made a lot of sense to put money away for these large-cost projects.

Edie asked what are non-residential users, and Wendy said the commercial users like Mt. View Grand, etc.

Dave Scalley asked what is the life expectancy after we invest in these projects?

Wendy said the sewer system is expandable. The water department – this is not a fix all. We still have other problems with the water system, but this will solve the major problems. The sewer project is actually the more imperative project, but they decided to do the water first. We did get approval for that. The sewer is still out there waiting for USDA approval in Washington and whether they would continue to fund those projects.

The Public Hearing portion of the Water/Sewer Rates closed at 7:02 p.m.

Brad Lufkin attended the meeting to discuss the abatement on the sewer bill the town has given on the laundromat. Brad said it goes back to the early 70's, and he has never had a problem with it and no one questioned it until Peter Corey. Brad thinks it is a worthy thing. There is no toilet in the laundromat or disposal going in the system. There is a lot of water and the water is left in the clothes and out the dryers. Brad said he feels it is still worth of the abatement.

Peter said as Brad stated, Peter wouldn't sign the abatement and Mark could not sign the abatement so it needed two signatures to be approved, and that is why Brad is here tonight. Peter said he learned early on his military career not to sign things blindly but to question and look in to things. Peter said he spoke with Joyce McGee about the abatement, and she didn't have an answer on why it was granted, there was no written agreement, but that it had been going on for a very long time. There was no written agreement like the one Mr. Harris received, which a legally binding agreement, which binds the town for an abatement for a long period of time. It was explained it had been going on for a very long time because supposedly 25% of the water was remaining in the clothes and being removed in the drying process. Peter reached out to neighboring communities and asked if they gave similar abatements and nobody does. They were surprised to hear that 25% of the water was remaining in the clothes. Peter went into the laundromat and got the make and model of the machines and went on line and looked up the technical aspects to try to determine how much water stays in the clothes. He called up the company and asked the technical person and they had a long conversation and it depends on loads, fabrics, so Peter asked if 25% was reasonable, and they replied that no, it is between 1 to 3%, and Peter came back to the Board that there is no legal document that binds us to grant this abatement, and he has no technical information proving 25%. Peter said in a lot of communities, they actually charge laundromats an extra fee because of detergents going in to the system, and they have been forced to install a pre-treatment filter system. Peter has not seen any documentation to support it. Peter said if we do it for Brad, we would need to grant it to others like Mountain View, Morrison, or any business with a commercial laundry. Peter said he feels there is no supporting reason to grant the 25% abatement. Peter said he doesn't understand why the Board has not questioned it before he did. Peter does not feel the abatement is justified. Peter doesn't think there is a rationale to grant it.

John had one question, how is the gallonage determined? Wendy said It mirrors the water bill. Brad said there is no toilet in the building, it all just gray water and rinse water. Brad felt it was more of a personal attack than anything. Peter said it is not a personal attack, and he tried to find a reason to support it. Brad said it is not a lot of money. Peter said he was trying to find a reason to do it, and he did not find it. Peter said what is fair for one user is fair for other users. Peter said he feels it is unfair to grant this abatement. Brad said it has been going on since the 1970's. There have been a lot of selectmen before Peter who felt it was worthy to grant the abatement.

John said he feels it sets a precedent for others, like the Morrison, the Mt. View Grand, the development across the street could say he gets a discount then we should get a discount, anyone with a commercial laundry could get a discount.

Peter and John both felt no on the issue. Wendy said she feels it is a valid argument that it could develop into something further with Mt. View and the Morrison. Abatements are a year to year decision. Edie asked if there was a gray water rate, and the answer was no the rate is the rate.

The Board voted unanimously to adopt the Drug and Alcohol Policies and Procedures for Federal Motor Carrier Safety Regulated Drivers, which was prepared by Onsite Drug Testing of New England, LLC. Wendy said that under the policy statement that one of the regulations should be Part 382.207 rather than 382.205. Judy will check with Onsite and if this needs to be changed, we will change it.

The Board spoke with Jon Warzocha on the telephone in reference to a request by USDA to use some capital reserve funds to work on completing additional water priority projects outlined in the PER but not included in the project. Jon said he has been speaking with Eric Law and Anne Getchell about this a few times. It has something to do with the underwriting needs. Jon said we don't have to commit to any time line.

Wendy made a motion for the town to commit to use capital reserve funds in the amount of \$244,000 of water system improvements that may include the Lancaster Road water main replacement from Main Street to about 220' north of Brown Street, and/or other priority projects identified in the USDA-approved Preliminary Engineering Report and supplement or as approved by the USDA. This work would be after the close-out of the USDA funded project, and priorities may be revisited following completion of the current project. The motion was seconded by John Tholl. All in favor 3-0. Motion passed.

A motion was made by Peter Corey to approve the minutes of the April 24, 2017 Selectmen's Meeting. The motion was seconded by John Tholl. All in favor 3-0. Motion passed.

The Board discussed the Qualifications-Based Selection Process (QBS) for the engineering for the water and sewer projects. Wendy said after the last meeting she spoke with Ed Betz and Phil Beaulieu and somebody else and she would say on the sewer she would be completely in agreement for the QBS. With respect to the water, Wendy thinks if we can get a commitment from Steve Lafrance that he will be here to work with the Town on the water project, she just as soon we go with Horizons for the water project, with the caveat that Steve is going to be around. Ed was pretty clear we are not going to find anyone who would know the system better than Horizons because our water system is so convoluted and having someone else come in on a QBS they are going to spend so much time learning our system cost wise it could be become problematic. We could end up spending tons more money and lose parts of the project, but on the sewer it is a whole new project and Wendy is thinking some fresh ideas and

new ideas makes a lot of sense. Judy will schedule an appointment with Horizons Engineering for Friday morning to come in and meet with the Selectmen to discuss this. Peter said he would also like to understand the depth of the engineering staff who is going to do be doing the design work.

The meeting adjourned at 8:00 p.m.