**Board of Selectmen's Meeting**
**Special Meeting to Review Engineering Report from CLD**
**September 30, 2010**

**Quorum noted**

**4:00 PM:** Meeting called to order by Chairman Fernald.

**Roll Call:** All present.

**Pledge of Allegiance recited** – not done tonight

**Moment of Silence observed** – not done tonight

## New Business

### 1. Review of CLD's Report (Draft) – Proposed Rt. 236 Sewer Extension Engineering Study

Mr. Fernald said that they would hear the presentation, first, then have a question and answer time after the presentation. He invited Joann Fryer and Heidi Marshall to speak.

Ms. Fryer, CLD Engineers, discussed that she and Ms. Marshall would be giving their presentation, with time for questions, and that they would be looking for some direction from the BOS to finalize the report. She then turned the presentation over to Ms. Marshall.

Ms. Marshall said that, generally, the format of their reviews is that they assume that many have seen, reviewed, or have a general idea of what the report is and she and Ms. Fryer are present to summarize and get questions so that they can get those questions answered. She added that it says draft for a reason, as they are here to get input, find out what kind of questions there are and make sure they were giving people the information they are looking for. She discussed the two options that came out of the directions they received from public input for getting sewer from Route 236 to Kittery. She said that the first option, which Kittery is most interested in, is whether Eliot will pursue an option, which will lead straight into Kittery through Route 236 and bring sewer up as far as their Martin Road intersection. She said that the second option that they looked at is to make some use of the existing Bolt Hill Road alignment and evaluate whether that would be a good idea for the Town or not and what would be the financial differences for both alternatives. Ms. Marshall said that the research showed pretty much what their reactions were to make the recommendation to continue new sewer down Route 236 into Kittery through that route. She commented that, at the last meeting, there were some inquiries as to whether it would be appropriate and cost-effective for the Town to make use of the existing private force main, which goes up Bolt Hill Road. She said that, for the reasons they suspected were valid at the last meeting, such as under-capacity, age of infrastructure, unknown construction/inspection records on the Town's behalf, were the some of the same reasons they did not consider having the Town acquire the private force main to use for the permanent sewer solution. She clarified that they tried to make the report easy for readers to understand and get the information from they needed without reading the whole report. She added that the key things are the figures, which are around page 20 in the report, and is what they were showing on the board. She said that the figures came down to two options, with a variation with one of the options. Ms. Marshall said that it became apparent that the funding that might be supported by the TIF likely would not support new sewer infrastructure to the end of the TIF. Based on those discussions with the Town, they went back and picked a point where we thought the limit of the construction of sewer would match the available funding, or perceived available funding, based upon the TIF capacity. She explained that the report tends to focus on new sewer construction from the Martin Road intersection in Kittery to the intersection up Beech Road. She said that the costs are outlined on page 31 and discussed their findings – how many high points where in each alignment, how many low points in each alignment, how many new pump station might they need, how many replacement pump stations, are there I-95 conflicts that would cost more money, are there

agreements needed with different people, is Kittery going to be cost-sharing in the chosen alignment – and then they looked at what was the cost that Eliot needed to come up with to actually build the piping and the pump stations. She commented that, in the table, they note that as a Phase I capital cost, which is the actual cost to do the construction, engineering, oversight, property acquisition, all the aspects involved to get the project into construction or listed as a Phase I capital cost. Ms. Marshall said that, looking at only Phase I and the Route 236 option, it would require about 3.6 million dollars in initial capital costs.

**4:05 PM** Ms. Fryer clarified that, in addition to the infrastructure that would be built in Eliot, that would also include Eliot's share of the infrastructure built in Kittery.

Ms. Marshall said that the next option was looking at the Bolt Hill alignment and what they found for a Phase I capital cost was 10.7 million dollars. She discussed that they anticipated that someone would say that their proposal replaces the existing private force main with new, twin force mains that would be public and, if the Town wanted to use the existing private force main as, maybe, a start-up gap measure, then it might have about $800,000 in savings. She added that, from their perspective, that was still not enough to bring the 10.7 million down to the 6.3 million. She added that, looking at all of the options, Martin Road's capital costs are substantially less than the Bolt Hill line. She clarified that other types of things they needed to look at were the operating costs to actually truly compare everything. She clarified that this situation was a bit tricky because the Bolt Hill alignment needs two pump station upgrades or replacements. She said that they looked at both options and they felt that the existing pump stations would not be able to carry the full build-out capacity where they are now. She clarified that the operating costs are for all of the pump stations that would be included for the Bolt Hill alignment, however, that might be refined down a little because the Town already has some operating costs for the two pump stations that are already there. She added that that seemed relatively insignificant to the overall picture. She explained that, for the Bolt Hill alignment, they have about 1.9 million dollars for a 25-year life cycle, including operation and maintenance costs they might expect. She said that, for the Route 236 alignment under Phase I, there is one pump station, which they figured was a $625,000, 25-year life cycle operation and maintenance cost. She commented that the Martin Road costs are still less than the Bolt Hill alignment. Discussing the Phase I Inter-municipal Agreement (IMA) costs, looking at report costs and flow costs, etc., those would be equal for both alignments and currently estimated around $825,000. She added that, while it might not be a big decision factor, it should be considered, as it is some of the up-front costs. Going back to page 30, which summarizes the entire sewer proposal to bring sewer to this point (Martin Road) in the TIF, not all the way to Marshwood, still. She emphasized that nothing in this report brings sewer to Marshwood but what it does do is consider capacity of flows from the densely populated neighborhood and from the Middle School and from Eliot Commons, who actually has their own allocation, but they have considered if Eliot Commons became part of the big picture – so they have considered flows to them but have not proposed sewer all the way to Marshwood Estates. Ms. Marshall said that page 30 shows that, if they add in the Phase II pieces, then the Martin Road alignment is around 11.5 million for a 25-year cost (includes all operating and up-front costs for 25 years) and the IMA costs if phased over 7 years, or lump sum, are included. She added that the Bolt Hill alignment would be around 17.25 million dollars. Ms. Marshall said that they worked very hard to give both alignments a fair shot and, early on they had a pre-disposed notion that Martin Road was the alignment and she thinks they were very surprised at how dramatically different the costs were, they thought they would be a little closer. She added that she thinks that shows, pretty strongly, that the Martin Road alignment is their recommendation and has a lot of benefits. She continued by saying that the benefit to the Bolt Hill alignment would be that the Town would have two new pump stations, which could be partially supported by money from the TIF because they are benefitting the flow from the TIF. She added that the Town could build two new pump stations for way less than 5 million dollars. She further added that the difference in the alignments

still isn't enough to sway the recommendation from Route 236. Ms. Marshall said that SEA is working on the Kittery portion and they gave CLD a table of costs, which they included as an attachment and that is where their numbers came from for Kittery's construction of infrastructure costs. She explained that, in their table, they has some of what CLD perceived to be Eliot construction items, such as one of the pump stations and some of the force main that CLD subtracted back out of their costs because CLD perceived it would be items that Eliot's contract would oversee, not necessarily Kittery's, because they would be owned by Eliot. He commented that, if one compares Kittery's table with what Eliot's numbers show, which is about 2.7 million, they don't match exactly and that is a difference why they took out a pump station and some force main and said that that would be part of Eliot's contract – so the costs are still included but they are included on the Eliot side versus the Kittery side. Ms. Marshall said that SEA and CLD have been working closely together with information, however, they each want to see each other's report. She clarified that they were not in a position that they thought they should be giving Kittery a copy of this report until CLD solicited input from the BOS and SEA hasn't given CLD a report until they get input, so, she thinks that they are at a point after this meeting and after they get input and depending on the magnitude of that input, then that is when they would be prepared to share the report with SEA. She commented that some of their information may change once they get detailed information from Kittery. She said that the cost to Eliot for the

**4:13 PM** Bolt Hill Road alignment and the upgrades – Kittery has not evaluated the upgrades that would be required in Kittery if Eliot went Bolt Hill Road – but they are quite comfortable that CLD is in the ballpark of Kittery's estimate.

Mr. Fernald clarified that two pump stations in the Bolt Hill alignment would have to be replaced but the rest of the costs for Bolt Hill does not come under the TIF.

Ms. Marshall clarified that the upgrades of the Bolt Hill alignment required because of the increased flow would, by her understanding, be eligible to be paid by TIF money because the upgrades are required to handle the capacity of the TIF.

Ms. Fryer clarified that it appears that the total cost is more than what would be available in the TIF. She said that if they looked at the costs for the Martin Road alignment, which means they would construct sewer in Eliot to Martin Road and then Kittery would pick up from that point, as that is the high point, then they would gravity flow or however they would do it, but the costs associated with the capital infrastructure and the IMA costs – the buy-in costs that Eliot has to pay to Kittery to get the additional 200,000 dollars appears to be within what a TIF could potentially generate. She added that they are not bonding experts and there is information included in the report, but one of their recommendations is that, once th3e decision is made to go forward, they do have a contact person the Board could work with who is an expert in municipal bonding.

**4:17 PM** Ms. Marshall said that, if the TIF were to support 8 million dollars, then the Martin Road alignment is currently showing about 7.8 million so that would fall within the reaches of what the TIF money is estimated to be. She added that the Bolt Hill alignment, at 13.5 million, falls short of funding capacity.

Ms. O'Donoghue, referencing page 12 - #3, it says that "no existing Bolt Hill Road sewer customers are planned to be reconnected to the proposed TIF District sewer system.", asked what happens to those residents hooked in now.

Ms. Marshall commented that those hooked in to the public sewer would stay on the public sewer and those who have agreements with Eliot Commons for private connections would need to work with Eliot Commons for their private work. She said that, if they go the Martin Road alignment, then they would not touch the infrastructure on Bolt Hill or Main or Pleasant, etc.

Ms. O'Donoghue clarified that that would basically be a gravity feed down through there.
Ms. Marshall confirmed that they would continue the way they normally do.

Ms. O'Donoghue, referencing page 18, said that the report indicates a disparity with SEA on the cost of a linear foot and asked for clarification.

Ms. Marshall said that they received an email from SEA this week so they are assuming they saw a copy of the draft report. She explained that this was about the Directional Drilling Cost and said that it is a very small amount impacted by Kittery but for Eliot and crossing Route 236, etc., it could be a much bigger impact. She added that they used a larger number than what SEA was using and SEA is currently reevaluating their number.

Mr. McPherson said that he was a bit confused on the Bolt Hill route. He clarified that she said that the pump stations would need to be replaced and asked about the lines going in and coming out and whether they would need to be replaced, too.

Ms. Marshall said that, yes, some of them would need to be replaced. She added that they had not replaced them all because she thinks some of them are salvageable, however, a significant portion of them would be upgraded and/or replaced.

Mr. Fernald asked if the Sewer Committee had any questions.

**4:20 PM** Mr. Murphy said that he had two pages of questions and comments. He added that the comments come from Mr. Marchese, as well. He said that, on pages 2 and 6, the TIF supports 6.5 to 8 million (page 2) and, on page 6, he asked why mix in the future the trailer (Marshwood Estates) and school (Marshwood Middle School) connections and those costs with the existing. He commented that he did not think those should have been included because they must be included in a future phase and future costs. He added that he doesn't think they should be in the final report because they are not now planning to satisfy the Marshwood Imperial Estates or the school so he doesn't think their flow should be part of any consideration. Mr. Murphy said that they would like to see the data for flow amounts (page 10) in gallons per day rather than gallons per month to be able to instantly see if the gallonage is adding up right.

Ms. Marshall clarified that page 10 just represents the data that Eliot gave to them and they re-presented it just as they received it. She said that the reason they don't present that kind of data broken down by gallons per day is because it leads to a false sense of accuracy and would imply that they had actual data by day and they do not, they only have data by month. She explained that what they could say is that, next to the month this is the number they were given and this is what it would translate out to. Ms. Marshall said that they know, based on conversations and a lot of help from Mr. Sylvester, that the days are dramatically different in their flows.

Mr. Murphy asked if there was any way to record those numbers during the month.

Mr. Sylvester said that they record them every Friday morning.

Mr. Murphy said that, on page 19, there is a discrepancy. He explained that, on page 19, it shows a red line – a force main - from proposed station 183 going in to Kittery but it also talks about a gravity feed from Kittery back in to Eliot, so there should be a green line showing that flow back in to Eliot and paralleling the red line.

**4:25 PM** Ms. Marshall said that the green line that would parallel the red line would purely be Kittery infrastructure so there would be no Eliot costs associated for it because its' only piece would be carrying Kittery's customers in to Eliot. She added that, at the top of Martin Road down to the Kittery Wastewater Treatment Plant (KWWTP), there are Eliot costs associated with that green line and that is why it is shown.
Mr. Murphy said the red line was the force main.

Ms. Marshall said yes. She said that, if Kittery decides to build a gravity, then that is their choice and Eliot has no say.

Mr. Murphy said that CLD also includes the operating costs (page 30) over 25 years and he thinks they added that in to the total figure CLD was saying it would cost Eliot and asked if that wasn't a bit premature. He added that they were really more concerned with the capital costs for bonding and he didn't think they were bonding the operating costs out 25 years so why should that be included. He clarified that they could talk about it and reference it for future planning but the costs they are considering now is the amount of bonding that the TIF fund is going to support.

Ms. Marshall said that it is very important for the Town to know what those costs are. She asked what would happen if the costs for the Martin Road alignment came out at 6 million dollars and the operating costs for the Bolt Hill alignment came out at 500,000 dollars. She clarified that they were looking at what the total costs to the Town would be for each alignment. She added that it is their job to tell the Town what the total cost is and how the Town uses the data but CLD would not be giving the Town the whole picture if they didn't include the total operating costs.

Ms. Fryer said that, within that table, there is a subtotal that says the capital costs – that information is in there.

Mr. Murphy said that, in the summary at the bottom of the page, he got the impression that CLD was including the operating costs in the part that would be bonded.

Ms. Fryer said no. She added that they have presented what all the estimates are but how the Town funds it is for them to decide and reiterated that bonding was not their expertise. She added that they recommend Eliot meet with a bonding expert who will help the Town go through it and determine how the project would be financed. She discussed that, with operating costs, for year one the Town would have operating costs but probably not a lot of users, so how would the Town pay for that – is the TIF going to be expected to pay for some of the operating costs. She added that those detailed discussions need to happen but obviously, not at this point.

Mr. Murphy said that, on page 21, there is a Figure 3 on the Bolt Hill side showing it going in to Kittery with a green line going in to Kittery at the top of the force main where it crosses the marina and, down in Kittery, CLD neglects to show Pump Station #7, which is at the elbow of that green line, but is shown as a gravity feed all the way back up to the Kittery WWTP and that, he believes, is not the case. He clarified that he believes it is a force main to KWWTP.

Ms. Marshall agreed and said that they just simplified and clarified that it is a very short length and the force main is basically pumped from the end in to the treatment plant. She added that it is the same in both figures and that they didn't show the force main in either one.

Mr. Murphy said that, with the possibility of Eliot having to replace Pump Station #7, Eliot's costs would be significant.

Ms. Fryer said that their costs are including upgrade of Pump Station #7 under both scenarios.

Mr. Murphy commented that it would be nice to show that Pump Station #7 in the final version of this report.

Ms. Marshall said that they would consider that suggestion. She clarified that they didn't want to add confusion because the Pump Station #7 isn't an Eliot thing,

while Eliot is contributing costs to it, it is a Kittery thing. She added that, with Bolt Hill, the upgrades are 100% Eliot upgrades in Kittery.

Mr. Murphy said that included Pump Station #7 so that would be part of Eliot's cost.

Ms. Marshall clarified that the Pump Station #7 cost upgrades are the same for the Martin Road and Bolt Hill alignments. She said that the infrastructure, or piping costs, for the Bolt Hill alignment are solely born by Eliot because Kittery doesn't need the upgrade, Eliot does.

Mr. Murphy clarified that the Martin Road plan will go to Pump Station #7 – it will by-pass the station, go to Pump Station #7 and be pumped back to the station.

Ms. Marshall said yes. She explained that all of the flow would go through Pump Station #7, which essentially takes Kittery's flows and lifts it in to the treatment plant.

Mr. Murphy commented that he thought there was an alternative version in which they were going to take it directly to the Pump Station rather than go to Pump Station #7 and overloading that.

Ms. Marshall said that it was her understanding that SEA said that Pump Station #7 was being upgraded to take Eliot's flow.

Ms. Fryer commented that one of the things that she thinks came out this week where they are looking at the Directional costs, which would go under I-95, would be, if the costs go up, then they were looking at an alternative to potentially put a new pump station before one gets to the highway because it is easier to directional drill a small force main that doesn't have to hit an exact slope that one would need on a gravity feed and, then, that force main would potentially go directly to the plant before going to Pump Station #7.

Mr. Murphy asked if that seemed like a reasonable thing.

Ms. Fryer said that they have not evaluated anything they have gotten because they haven't received any information, except that one table.

Ms. Marshall reiterated the email they received from SEA defending why the difference in Directional Drilling costs and what CLD's research had shown was that their price allowed for a very accurate drilling slope and SEA's costs allowed for substantial variance, which Eliot could not afford – they needed the slopes to be very steady and flat.

Ms. Fryer said that, currently, the way the costs are now in the report as Kittery has it designed to-date includes, for both alternatives, an upgrade to Pump Station #7 and all the flows would go there regardless how it gets there.

Shirley Jacques, talking to the Martin Road plan, asked Ms. Marshall who would own the force main.

Ms. Marshall explained that the Town would determine how they wanted to set it up and there are a number of options, one of which would be that the Town could set up a sewer district. She added that it would be within Eliot's control and Kittery would not own infrastructure in Eliot.

Ms. Fryer said that the force main from this last pump station would go through Kittery to the Martin Road summit manhole, so there needs to be some further discussion between the towns as to how that would be operated and maintained. Ms. Marshall said that, for infrastructure in Kittery, the question is the force main from Eliot's pump station in to Kittery – CLD recommends that Eliot own that

force main in Kittery with an agreement to Kittery that that's their force main. She explained that when a pump station and discharging force main are owned by two separate entities it usually isn't in anyone's best interest because a badly managed pump station can cause issues with the force main and a badly managed force main can cause issues with the pump station. She added that it was her professional opinion that it was in everyone's best interest to have ownership of the force main and pump station by the same entity.

A member of the audience said that he recognized that they could not use money for the high school under the TIF program but without the major flows is the Town going to have enough to justify the costs of putting this in for the businesses the Town has without the high school and Marshwood Estates.

Ms. Marshall said that, at this point, the Town is requesting 200,000 gallons of additional flow from Kittery. She added that the properties within the TIF District, alone, if everyone in the TIF District requested flows up to their parcel allowance it would be far in excess of 200,000 gallons for only those TIF parcels based on the current sewer use ordinance and the outflow allocations given.

Mr. Sinden had a question addressing Phase I and Phase II for the Martin Road option. He said that the total cost would be 11.5 million and asked if that included anything for the water.

Ms. Marshall said no and explained that Phase I would not require water because there is water within the Phase I limits. She said that, in the very last paragraph of the report summary says Phase I doesn't need water. She added that Phase II would need water, however, it is not their recommendation that Eliot can support a Phase II now and they did not investigate the costs for water.

Mr. Sinden clarified that, in terms of the cost paid to Kittery or the cost to build in Kittery on the Martin Road option, the capital costs shown in the report would be it. He asked if there were any other costs not shown.

Ms. Marshall said that the 2.7 million is the capital cost, to the best of their ability to determine, of what Kittery's upgraded infrastructure will be. She added that the operating costs are part of the inter-municipal agreement (IMA) situation, which is based on flows, so, the IMA has the upfront costs then the traditional operating costs of what one pays for the volume used, which is pretty much what Eliot does now. She added that the new monthly/quarterly numbers would be based on Eliot's new flows and the new formula.

Mr. Sinden clarified that she mentioned capital costs for Phase I from Beech Road to Martin Road as 6.3 million.

Ms. Fryer said that that 6.3 million includes 2.7 million that the Town would be paying to Kittery for Eliot's share of the infrastructure in Kittery.

Mr. Sinden clarified that that 2.7 million is it.

Ms. Marshall said that it was to the best of their knowledge without the SEA report.

Mr. Sinden asked when the SEA report would be available.

Ms. Marshall said that they were waiting for CLD's report.

**4:38 PM** Ms. Fryer said that the other cost is the IMA cost, which are the "buy-in" costs and those are summarized in the report, explained in the report and detailed in the IMA. She added that, based upon the latest draft of the IMA, that value is $669,000, which would include a buy-in for 200,000 additional gallons, so Eliot would be paying the value of the asset that's there – both the wastewater treatment plant and the conveyance system Eliot would be going through.

Ms. Marshall said that, to be conservative, their report shows that $669,000 number at $820,000, which includes the finance (interest) charges, if Eliot were to choose the 7-year plan option. She added that they have no way of knowing, but is based on a 4.5% interest rate, and they don't want the Town to be short money.

Mr. Sinden asked what the operating cost would be over 25 years for Phase I.

Ms. Marshall said that the estimated amount of the Phase I Martin Road alignment would be $625,000.

A member of the audience asked if there was a difference in the Phase I infrastructure costs whether they include the school and Marshwood Estates or not – is CLD using the same size pumping, lines, etc. as far as that's concerned.

Ms. Marshall said that she believed it was a subtle amount but she would have to go back and check.

This same member commented that he thought it was a good idea to overbuild it from that standpoint because they have the capacity to, at some point in time, to go out there. He asked what it would cost in the future if they decided to go out there and then had to reinvest in the line again.

Ms. Marshall said that their approach uses a parallel force main system, which allows for the extreme variances in flow that they would anticipate. She added that many people are familiar with what happens if not enough flow is pushed through a force main, as it sits in the main and causes challenges, so their proposal is to have parallel force mains with alternating pumps so that both force mains would only be used simultaneously when they got to the higher flows.

A member of the audience said that there is a 2.7 million dollar infrastructure cost that Kittery seems to have and asked them if they were anticipating the connection of Phase II.

Ms. Marshall said that, at this point, Eliot is only requesting 200,000 additional. She added that SEA told them that, if Eliot wanted to reserve additional capacity beyond 200,000 then the 2.7 million would go up. She clarified that, based on the Memo from the Selectmen, they went back to the SEA and told them that all they were asking for was 200,000 gallons and CLD knows that, at some time in the future Eliot might exceed that and SEA said to tell SEA that Eliot was asking for 200,000 or 500,000 and Kittery would upsize their pipes accordingly, and Eliot would pay accordingly. Ms. Marshall said that the consensus was that 200,000 was all that Eliot was asking for, all they would pay for, so 2.7 million is not necessarily sized for the increased flows.

**4:43 PM** Ms. Fryer added – if Eliot had a full build-out in the entire TIF.

This same member suggested assuming it would take care of Phase II and asked how they would prevent Kittery from using that excess capacity, then Phase II comes online and, all of a sudden, what Eliot thought they had as excess capacity is gone.

Ms. Marshall said that they don't and that is what they had to clearly say to Kittery was that they were only asking for 200,000 and, unless they pay for more flow, they have no grounds to hold any in reserve.

This same member suggested assuming that Eliot does this and a sewer line is put in to Route 236 and it is in front of all the properties on Route 236 that can't connect now because economically it doesn't make sense to them as they can't get lending, have no plans so not going to improve their property, but the properties now have a sewer line in front of them. He asked if those properties have a different value, now, than when they didn't have a sewer line and do they have

increased in taxes as a result of the sewer line being there, which they can't tap in to because, economically, they can't do that.

**4:44 PM** Mr. Blanchette said that, in theory, that would happen. He clarified that he said in theory because what one has to do is go with history. He added that, once properties out there sold with a sewer line in front of them, then that would provide the basis for changing their property value. Mr. Blanchette said that one would have to have some sales out there with the sewer line in order to generate the data that would give an assessor the history that, yes, the properties out there with sewer sells for more than prior to that.

Mr. Moynahan said that, typically, properties that have municipal sewer on them are valued more than those without sewer.

The same member of the audience discussed his concern for property owners who can't develop right now because of the economy could be hit with a larger tax bill.

Mr. Murphy said that, on page 25, it talks about the need for construction easements and quoted that "temporary construction easements will be needed if Maine DOT requires micro-tunneling or direction drilling procedures for sewer service crossings. These would be needed to accommodate drill rig geometry and allow removal of drill spoil." He asked if they were going to wait until they get the actual system design in order to know at which point along Route 236 these drillings would be needed.

Ms. Marshall said that the drillings would be needed for services or they will have open trenches. She explained that the least expensive way to install services is an open-cut run a pipe across the road. She added that, if Maine DOT doesn't let the Town do open cuts…

Mr. Murphy asked if CLD had asked them.

Ms. Marshall said that they have asked and there have been some discussions and it comes down to when they are closer to doing the project. She added that they suspect, for everyone's best interest, it will be directional drilling, however, that gets to be challenging when one has adjacent wetlands or [properties one cannot get in to. She clarified that a directional drilling pit takes a substantial length on both sides of where one is actually getting the pipe in order to feed in the drill and get it through to the other side.

Mr. Murphy discussed the IMA costs on page 29. He said that, in paragraph 5, CLD includes as subsections, three bullets, and on the last paragraph on that page, CLD refers to details under items one and three above and he assumed CLD meant bullet #1 and #3.

Ms. Marshall clarified that that sites back to G1 and G2 on page 25.

Mr. Murphy discussed CLD's summary schedule page, which stops at December 2011, but talks about the construction item until the end of 2013. He added that it would be nice to include 2013 so that people could see, visually, that it would be that long to get out there in light of the 5-year timetable this project is under.
Ms. Fryer said that they were trying to fit it on 11 x 17 in a size people could physically read.

Mr. Murphy said that there are also time periods on that chart, like a month or a month and a half, in which nothing gets done.

Ms. Marshall clarified that that would be when snow is on the ground and they can't get survey work done. She said that winter messes with some aspects – figuring the full survey, by the time they make it through the process this year there will be snow on the ground and they won't be able to get out and start

surveying and, then, they are likely to have some winter shutdowns and such, so those are the gaps that show in the schedule.

Mr. Murphy said that, on that timeline, the bottom green line showing construction, starts a month and a half before the construction contract is let.

Ms. Marshall said that they would look at that.

Mr. Murphy said that "infrastructure complete" is a single date.

**4:50 PM** Ms. Marshall said that the completion of the construction needs to happen with enough time for the final invoicing to be submitted for the TIF, such that the five-year deadline is met. She added that, not knowing all the details of how the funding and reimbursements and bonding will work – those are some fine details.

Mr. Murphy clarified that Ms. Marshall was saying that there would be several months in which there would be clean-up activity…

Ms. Marshall added that they may need to be done construction so that they meet all the other terms of the TIF prior to the end of the TIF as they could not build right up to the day before.

Mr. Murphy suggested that it might be good to describe that milestone in those terms because the meaning is significant.

Ms. Marshall agreed.

Mr. McPherson revisited the future capacity question related to the school and Marshwood Estates. He clarified that CLD said that, once the flow gets to Kittery, there is no guarantee they would take it.

Ms. Marshall said that 200,000 gallons is what CLD was designing for.

Ms. Fryer said that how Eliot allocates that is up to Eliot as the Town proceeds. She added that, if Eliot thinks that is something that is going to happen, then Eliot could reserve X number of gallons out of that.

Mr. McPherson commented that those are the worst two offenders in Town.

**4:53 PM** Ms. Marshall commented that that is why she was surprised to hear Mr. Murphy wanted them written out of the report because all the early Sewer Committee meetings, etc., emphasized the importance of making sure there was some consideration of those properties. She added that the fine-tuning of their design pretty much stopped when the consensus came back that 200,000 gallons was it, so that is what CLD designed for. She said that CLD talked with Mr. Blanchette and Mr. White about upsizing gravity and force mains, and such, to accommodate all of the flows, however, it was an enormous amount of flow and the consensus was that it would be beyond the life cycle of 25 years or 50 years, whatever they were looking at, before it was likely that Eliot would exceed that 200,000 gallons. Ms. Marshall said that they then stepped back to 200,000 gallons and Mr. Blanchette, CLD and SEA all discussed the implications. She explained that, at first, they were designing so that every TIF property could have their full amount of flow and that other properties couldn't necessarily have flow and Mr. Blanchette said that the design of the TIF was strategically done so that all of the properties would have capacity available to them, however, some of them would benefit the TIF from increased revenues and, with others, the tax would go back to the Town. She commented that her concern, early on with the TIF, would be that the Town would actually have reduced taxes going to them to support their regular needs. She said that, if they had all the increases, then they gain the benefit of the improvement. Ms. Marshall commented that she thought Mr. Blanchette handled it very nicely

with the discussions to accommodate parcels in and out of the TIF so that the tax base would be balanced.

Mr. Fernald asked Mr. Blanchette if that was accurate.

Mr. Blanchette said yes. He said that, when the TIF Committee designed the TIF, they looked at that as some properties would be within the TIF and some properties would be outside the TIF and that was specifically part of their rational. He explained that properties that would be built on that were in the TIF would have those tax revenues go towards the TIF but then there would be some built on outside the TIF and those revenues would go into the general fund and, thus, the Town would have some business growth outside the TIF that would help with general taxes. He commented that that was his understanding of what the TIF Committee put forward – that there would be a blend of revenues.

Mr. Moulton said that it appears that, looking at flows, etc., that there may be a rapid infiltration issue in certain areas of Town. He asked if they had taken into consideration any upgrade to the sewer lines that would reduce the flows per day.

Ms. Marshall said no. She said that the scope in their report clearly says that they did not do any II studies or evaluations. She added that, clearly, the money being spent on Bolt Hill, Main Street and Pleasant Street (that route) would certainly improve some of that situation, however, the cost difference between the two alternatives was just far too great to come back and say that the Town would reduce this II by building this new line over here – it just probably isn't enough to make a difference in the cost differential.

**4:55 PM** A member of the audience clarified that, in determining the 200,000 gallons for the TIF District, each parcel was allotted a certain amount.

Ms. Marshall said that the TIF District supports far more than 200,000 gallons.

Ms. Fryer said that the 200,000 gallons was a number that was reached by the Sewer Committee and the TIF Committee basically saying this was a reasonable amount of flow that they could expect over the life cycle of the infrastructure.

The same member clarified that that was based on present zoning.

Ms. Fryer said no, that it was the Sewer Use Ordinance and zoning.

The same member said, so zoning was the change, and it became more intense.

Ms. Marshall said that Eliot still has 200,000 gallons no matter how they use it.

The same member agreed but said that some properties might be detrimentally impacted if intensification of use was permitted on certain other properties.

Ms. Fryer said that, if tomorrow every single property in the TIF District was developed to its' full potential, Eliot would far exceed the 200,000 gallons.

The same member said that he understood that but some people get variances and get a better use or more intense use. He clarified that the Town needed to be careful to just allow variances for intensification of use.

Ms. Marshall said that CLD has worked with the Sewer Committee a little on the other side trying to say that, maybe, Eliot needs to look at some water reduction use policies and some reuse and some other things, along with the II situation. She added that there are other ways to gain capacity back from good environmental, conscientious planning. She said that all those things were being considered but the magnitude of flow – the 200,000 is this much and the properties can support this much.

Mr. Murphy commented that, in a practical sense, everyone had to realize they could not write the complete future of the world, therefore, this system will fail and would have to replace it at some time in the future, depending on how many use it and over a period of time and acts of God. He said that they don't have the final answer on this system for anyone, forever, but it looks like CLD has designed it for a 25-year use.

Ms. Marshall added that, hopefully, Eliot would get more use than that since the Town has more infrastructure.

Mr. Murphy said that 15 years from now, if Eliot has had an enormous amount of building, then they might need to throw in another line or pump station and a renegotiation with Kittery.

**5:01 PM** Mr. Sinden said that the sewer contract that is currently under consideration, the one that is about 1½ years old, asked if that didn't anticipate a higher request for an increase than 200,000. He asked what that amount was.

Mr. Murphy said the amount was 400,000.

Ms. Fryer said that it was not an increase of 400,000 but an existing 200,000 plus the new 200,000 to make a total of 400,000.

Mr. Sinden clarified that that equals what was in that contract.

Ms. Fryer said yes.

Mr. Moynahan said that it was mentioned that, if every property got developed in the TIF District, then what would happen to revenue at that point and he commented that the revenue estimates would be off the chart. He added that they still had the funds to offset any increased sewer line allocation.

Ms. Fryer said that the TIF is set up for a certain number of years. She added that, if Eliot gets out that far, they may renegotiate the TIF and make changes that would be the most beneficial to the Town – that could be something that would happen in the future.

Mr. Sinden asked if there was any timeframe when the Town might know how the Town would pay for it – when could the Town talk with the bonding people – when can the Town get some idea.

Mr. Fernald said that he thought that is probably the next step after they decide which option the Town would go with – Bolt Hill or Martin Road – and then the next step would be to go out to see what the bond would be for that amount.

There was discussion regarding the timeline, with the timeline proposing October of 2011 for bonding, and concern for pushing that close to the five-year deadline.

Ms. Fryer agreed but added that, with the way the schedule is set up, there is a little bit of time because they are coming in to winter. She added that the Town would want to have a design started in February so that, if they don't have a vote in October or November, if it's more like December and they have a vote to move forward, then that would most likely not affect the beginning of the actual design. Ms. Fryer said that one thing the Town did need to consider was that, when they were doing the Town vote, there were a number of things they would need to consider and vote on – accepting the IMA and the costs associated with that, vote to accept the study and the route the Town wanted to go with, vote to authorize the Selectmen to proceed with the project, decide how to go out for engineering for the project and, if the Town splits that up in to separate votes, then that would add a lot

of time to the process. She said that they might want to consider how they would condense that to be able to get the fastest schedule possible.

Ms. Marshall said that might be delegating authority to the Selectmen to make certain decisions within certain funding parameters, which might minimize there number of public votes and Town Meetings.

Mr. Fernald asked if CLD was looking for something from the Selectmen tonight.

Ms. Fryer said yes. She said that, first, they wanted to verify that the Selectmen have received the information that they need to proceed or if they feel there is anything missing from the report besides the comments that were heard today. She added that it would be very helpful to get a written copy of Mr. Murphy's notes.

Ms. Marshall asked if there were any significant things that were omitted that the Selectmen perceive should have been in the report.

The Selectmen said no.

Ms. Fryer said that the second thing was that, if the Selectmen were ready to make a decision on the Bolt Hill Route versus the Martin Road Route, SEA was waiting very expectantly to know that answer because that obviously affects their recommendation to Kittery on how they should proceed. She added that Kittery may decide to build that route, anyway, but they would have to pay 100% of the costs. She clarified that infrastructure for them would be less because it would only be in Kittery and the schedule implications would be different. Ms. Fryer said that Kittery has been asking for several months which way Eliot was going to go and that is not a decision that CLD could make. She added that CLD has made a recommendation to Eliot based on the study they have done, the technical information and the costs, and it is now Eliot's decision to make. Ms. Fryer said that the other input would be where Eliot wanted to proceed with the IMA.

Ms. Marshall said that SEA perceived, no matter how many times Mr. Blanchette told them no, that the Town of Eliot was going to vote in the spring or early summer on the IMA. She added that they tried to get them to look at the timeline and the September presentation of the report to Eliot, Eliot needs time to digest and understand the report and, then, they would vote after that. She added that, however, Ms. Fryer receives an email at least once a week that asks when Eliot is going to vote on the IMA.

Mr. Fernald asked if the Board had enough information to vote on the two proposals.

Mr. Moynahan said that he was the one who insisted on looking at both options to put in front of people so that they weren't limiting themselves to one. He added that this was proving to be a bit more cost-prohibitive than he thought that it would be and that is unfortunate because it would serve a good purpose. He said that he thought that, from a cost standpoint for what that TIF generates, the Martin Road Route is the most logical approach to take. He said that he thought they had enough information to move forward with a vote on that.
The Board agreed.

Mr. Fernald said that he would entertain a motion.

5:08 PM Mr. Moynahan moved, second by Ms. O'Donoghue, to approve the Martin Road Alignment Route.

DISCUSSION:

Mr. McPherson said that he would most likely vote against it because they have a system down there in South Eliot that has a lot of problems and it seems like, when

he was Road Commissioner, that they were down there every week for something – that storms would lift covers off the manholes. He said that the four major problem areas as he sees it in Town are Marshwood Estates, the Middle School, Riverview Estates and the Elementary School. Mr. McPherson said that it seems like a lot of money for a wish or a hope that somebody is going to bring development to Route 236. He added that, with the tax structure in the State of Maine, they would never have any big industry out there until that changes.

Mr. Fernald asked if they could justify the additional costs for the Bolt Hill structure.

Mr. McPherson said that, if they were going to go anywhere, then go Martin Road, but that still leaves the problems hanging there.

There was no more discussion.

**5:11 PM**

**VOTE**
**3 for – 1 opposed**
**Chair concurs with the majority**

Mr. Fernald said that the next step was the IMA and to go forward. Addressing Mr. Blanchette, Mr. Fernald clarified that they needed to determine where the bonds would come from.

**5:12 PM** Mr. Blanchette no, not at this time but that would happen further down the line. He said that one of the largest sources is the Maine Bond Bank. He explained that, for towns that have less than 15 million in bonds (he would have to check that figure), then it wasn't worth it to go out on their own to do it and the Maine Bond Bank does a very good job. He said that one of the situations with the Maine Bond Bank that the Board has to consider is that they only go out twice a year – once in the spring and once in the fall. He said that this last spring, their general obligation bond for a 20 to 25-year bond was 3.5%. Mr. Blanchette discussed two other things with the Board. He said that he received yesterday from Maine Option (Town's electrical supplier for higher use) a notification of the contract extension. He said that the current contract expires in December 2011 but they were adding on to the existing contract because the prices are lower right now than they have ever been. He explained that, in the past, the Board has authorized the Chairman of the Board and himself to look at these and to sign the agreement if it is advantageous for the Town. He added that they usually get one or two days notice.

Mr. Fernald asked for the pleasure of the Board.

**5:14 PM** Mr. McPherson moved, second by Ms. O'Donoghue, that Chairman Fernald and Mr. Blanchette be authorized to review and sign the Maine Option contract extension.

**VOTE**
**4-0,**
**Chair concurs**

Mr. Blanchette discussed the voting delegation for the Maine Municipal Association Convention, which is before the Board's next meeting. He said that he thought it was October 12th and 13th and generally in the past the Board had appointed him (Mr. Blanchette) as the delegate for that.

**5:15 PM** It was the consensus of the Board to appoint Mr. Blanchette the delegate for the MMA Convention.

Mr. Moynahan asked the CLD engineers when they would like to see bonding for the design ready.

Ms. Fryer said that, if the Board wants to begin design, then they should have it begin in February. She added that they would want a contract signed in February so they could get all the upfront coordination to be out collecting data in March, if the weather is good, or April 1st at the latest. She said that the Board needs to thinks about how they want to pay for that. She explained that, in this phase, they paid directly from the TIF for those contracts of $220,000, which included money for their contract for the study and Eliot's share of the Kittery study and included $17,000 for legal and administrative costs. Ms. Fryer said that they could do that again if they wanted to.

Mr. Moynahan clarified that it was a practical approach to take it out of the TIF revenues the Town has.

Ms. Fryer said that, from the TIF revenues per year, she thinks it was 470 for 2010. She added that they would have to look at the cost of the design contract, the cash flow and, if the bonding starts in year four instead of year two because of just gone for construction, then how does that affect everything. She added that there is also the question of whether the Town wanted to pay the $669,000 IMA cost directly to Kittery and include that amount in the bond or pay for it over the seven years, which has been offered in the contract. Ms. Fryer said that she thought the yearly cost was 117 and that would leave only 300 left for the design and that may be enough if the Town spans it over two years then go on from there. She said that someone needs to do a year-by-year cash flow.

Mr. Moynahan said that they would need a cost for those designs in order to make those decisions. He asked if that was something CLD would do or would the Town go out to solicit bids.

Ms. Fryer said that they would be more than happy to provide that for the Town.

Mr. Moynahan said that they have four months until February and they don't have a price in front of them for any designs in order for the Town to move forward with this in order to answer the questions. He added that this Board needed to do something fairly quickly as far as generating proposals on all these items.

Ms. Fryer said that they might have an estimate of what the design was going to be so they would pull that out and provide it to the Board. She reiterated that she would pull out the information and work with Mr. Blanchette to come up with an overall chart of all the different expenditures and when they need to be done. She added that that would then help the Board to decide how they want to do the funding.

The Board agreed.

**F. Other Business as Needed**

There was no other business tonight.

**G. Adjourn**

**5:20 PM** Ms. Place moved, second by Mr. McPherson, to adjourn.

**VOTE**
**4-0, Chair concurs**

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**DATE** **Roberta Place, Secretary**