

SEWERCOM Jan 15, 2014 MINUTES

Attending: Rich Russell, Nancy Shapleigh, Mike Dupuis, Steve Beckert, Grant Hirst, Richard Dionne

Others: Joel Moulton, Jack Murphy, Bob Long, Mark Patterson

Meeting opened at 4:17PM

The minutes of 12-4-13 were read and approved with one minor correction.

Bob Long, owner of three parcels at the corner of Rte 236 and Bolt Hill Road was present, appearing with his builder/developer, Mark Patterson, to request 40,000 GPD of sewer capacity for his project at that location. It was explained to Bob by Mike and Joel that we probably didn't have 40,000 GPD of capacity to give him as we are now at approximately 167,000 of our 200,000 GPD allotment from Kittery.

He understands that his previous allotment was rescinded due to his application having expired; and that a moratorium on new hook-ups had been put in place (which moratorium was later rescinded).

Mark pointed out that the project would be done in phases, the first one of which was proposed to be 24- 1750 SF units (including garage), which units can be constructed on two floors, to be constructed in the 18 month time frame with a potential start of April of 2014. The taxable value of these units will run between \$200,000 and \$250,000 each.

The second one would be 30+ units, the third a 50 unit building and the fourth a retail store. It was suggested to him that he apply for sewage capacity also in increments and he seemed to agree. It was also pointed out that they could apply to Kittery directly for additional capacity. For the first phase they will probably need 6000 GPD.

Steve very carefully twice cautioned both Bob and Mark that they would have to come back to the Planning Board if there is ANY change whatsoever in the project from what was originally approved in 2005 by that Board and both indicated they understood.

It was also pointed out that the Sewer Committee favored this development and that we wanted to help in any way possible.

Mike explained that if we were to purchase another 200,000 GPD in capacity from Kittery, it would cost us roughly \$760,000.

Jack gave a synopsis of the December 19th meeting with Joan Fortin and Shana Mueller on TIF alternatives (at which there were 33 attendees, only about 9 of whom were members of the general public) and pointed out that the attorneys were very cautious in their suggestions on what projects MIGHT be considered.

Joel pointed out that the sewer extension could still be built, but in stages, using TIF cash already

in-hand and expected to be added to the TIF account out into the future. A town meeting vote would be needed to bond such a project but the authority to construct the sewer using TIF funds remains in place.

It was also noted that the upgrading work to the existing sewer infrastructure in South Eliot still needs to be done (approx \$1.16 million), and this is the project which the existing sewer users will have to pay for, most likely by bond. This question will be turned over to the Town Manager for handling.

The sewer bill for the last quarter of 2013 is in with a cost of \$39,856.74. It is noted that Eliot's share for the last quarter of 2013 was down from 16+% in the third quarter of 2013 to 12+% for the 4th quarter, and that these percentages will vary with relative flow from Kittery, Eliot and the Shipyard. It was also noted that there are two meters that Kittery reads to determine Eliot's flow and that the readings on the two meters seem to differ from each other, perhaps by a large margin, and so this will have to be investigated. It was suggested that we could have been over-billed last quarter by as much as \$15,000. It is projected that our sewer cost from Kittery- at present levels of flow, will vary between \$40,000 and \$60,000 per quarter.

We discussed the Underwood rate analysis and as recently as yesterday Keith indicated that the numbers were still good, and that we would be well advised to place the new rates into effect. The soonest we could do this would be starting in April 2014 with the second quarter billing. The flow rate would go up from \$2.94 per 1000 gallons to \$3.62 per 1000 gallons. The fixed charge would go up from \$50 per quarter to \$61 per quarter for most users (larger increase for those with larger meters).

At our present fixed cost rate of \$50/quarter (the capital reserve portion of which is \$7.50) we are generating some \$19,000 ($641 \times \7.50×4) for the reserve account, completely inadequate for the work that needs to be done. Raising the \$50 to \$61 would increase the annual flow to the capital reserve from \$19,000 to around \$40,000. Underwood recommends we revisit the rate issue in 1-2 years to determine where we are but they feel we should be accumulating money for the capital reserve of \$70,000 annually and so that suggests another rate increase down the road.

If we do the pump station upgrades, it is felt that this will raise the efficiency of the operation and possibly cut costs somewhat. The continuing work on inflow and infiltration (I & I) will reduce flow even more and by sealing the sewer system from such flows we will treat less storm water (which water does not need to be treated). Joel says he will be working on I & I from private sources, having largely resolved it from public sources.

The next meeting will be January 29th at 4:15 at town hall.

Meeting adjourned at 5:21 PM.

Grant Hirst