

**Eliot Select Board
Workshop Minutes
Thursday, July 7, 2016
5:30 PM at Town Hall**

1. Call to Order: Vice Chairman Fernald called the meeting to order and discussed the purpose of the workshop and that comments would be taken after Board discussion.
2. Roll Call: Selectmen Murphy, Davis, Pomerleau and the Chairman were present. Town Manager Dana Lee, Public Works Director, Keith Pratt, Underwood Engineering, and Sewer Committee Chair Mike Dupuis. About 35 members of the public attended.
3. Selectman Pomerleau led off by asking Joel to re-cap the urgency of the situation. Joel discussed the system being a 25 year system; now at 33 years of age. Discussed putting in some \$30,000 to install emergency by-pass valve pits for quick hook up in an emergency. Said electrical issue, life safety (confined space) issues; facing potential fines from EPA and DEP; have a couple of creek-dependent businesses – liability is damage their business. UE designed the replacement pump stations to a standard municipal design – no frills. The design includes buildings a little larger to accommodate future expansion (3rd pump). Could be hundreds of thousands of dollars, if not millions, if we discharged into the Piscataqua badly.

Keith Pratt discussed the design as meeting the goals laid out when hired - being designed to a reliability and safety standard; to meet codes, confined space problems. Less than that in the build out would not meet those goals. He said that they laid out three options a year ago 1) delay; 2) Interim 3) Phasing (1 station now and 1 station in a year or two). He said UE could barely recommend phasing given that the pumps are well beyond their useful life at both stations. When asked if one was better than the other, he replied that Main Street pump station is the worse one – both code-wise and confined space wise. When asked if we could build in the spring if a bond passed in November, he reminded the Board that UE was at 30% design and contract bid documents would have to be created, bidding process, etc. Building would likely be later spring.

Selectman Murphy said that 5 years ago, the town fathers knew the pumps were failing and set up a TIF for that purpose. He said it is the job of Select Board members to plan and look to the future. He said that soon, other neighborhoods would need sewer, maybe even be mandated to expand, and that the Board should maybe collect money from residents in those neighborhoods now to fund the expansions. He mentioned the issues at / near Marshwood Middle / Estates. He said the sewer system is a community resource and the TIF should be used – it has \$3 million in it for this very purpose. He then reviewed the idea submitted by Mike Moynahan regarding a 3-way split. He read the June 16, 2016 email from Mike. He said it would require carefully breaking out the cost centers and that there was a little math issue with sewer users also being tax payers (a double hit). Selectman Pomerleau said that use of TIF funds require a Rte 236 expansion and we cannot get a vote for that. Selectman Murphy said that was its purpose – to help the commercial / industrial corridor and to fix, expand the sewer syetm. Selectman Davis said the TIF had been voted down four times. Selectman Murphy said people need better information; need to learn and to look ahead at future sewer needs as address it as a community. Selectman Fernald said that use of TIF funds would be good, but we have to do something now and have not received a vote to use TIF funds. Selectman Pomerleau said that none of Mike Moynahan's ideas were even legal by statute, local ordinance. He said that we need to accept the fact that sewer on 236 is not going to happen; it's a false hope. He said there is no other viable plan but to bond the repairs and to charge the sewer users. He said we need a bond in November paid for with sewer user fees.

Joel was asked about what portion of the project was truly expansion. He said that as he recalled that about \$375,000 was due to larger buildings to accommodate future pumps; the rest of the \$1.7 million was fixed costs to bring to minimum code. Keith said the design is for 200,000 gallons daily, but is easily expandable, and King's Highway has room for a 3rd pump. He said the Main Street Pump Station cost reductions would be minimal (a25 hp pump vs. 40 hp). King's Highway could be a little smaller and that could be calculated for cost savings. Selectman Fernald said bigger or smaller, we still need a positive vote to do anything. Selectman Davis asked if the Town appropriated more money to further advance the design and bid specs, could we start sooner in the spring. Keith said yes and it would help refine the costs. He said he would provide Dana with an estimate for advanced design / engineering to accelerate the project.

Selectman Davis said that since we cannot expect a positive vote in November, we need to look at assessing sewer users in a manner necessary to raise the funds (her memo said \$2,650 / lot), or to collect some now to get started and another assessment later to fund the borrowing. Selectman Fernald said phasing could lessen the all-at-once impact on sewer users if we used assessments to fund sewer repairs. Selectman Davis said phasing will cause delays. She said we have had seven votes in 4 years. Start collecting an assessment now and if the bond does not pass, collect the rest. She said it is dangerous to pay for more engineering using our very limited capital reserves in the sewer fund. Selectman Pomerleau said the voters do not seem to share Selectman Murphy's view of a community resource. He said charging betterment fees to future beneficiaries of sewer expansion would be cost prohibitive in rural parts of town – too far between houses.

Mike Dupuis shared his thoughts. He said he was chair of the Sewer Committee and owner of SCE; they maintain sewer systems but not build them. He discussed his 2004 audit of the system, the inflow and infiltration work that has been done to reduce the rainwater / ground water we were paying Kittery to process as if it too were sewage. He said there had been no rate increase in 22 years and the sewer fund was in the red. The pumps have a 25 year life expectancy – we are at 33 years. The sewer mains have a 40 year life expectancy – we are 33 years. He said there is a crisis waiting to happen with big liability – creek-dependent businesses. He said that unfortunately the contract with the feds from 1983 said all repairs to be paid by sewer users. Would rather use general tax funds as a community solution, but cannot. He said it upsets him that voters cannot see the benefit of using the TIF money. Selectman Pomerleau said that at this point, public opinion isn't the issue. Local and state rules must be followed. TIF is off the table. Selectman Murphy disagreed. He said we are a relatively wealthy town; money is available and we should all work together. Selectman Pomerleau said that Selectman Davis' proposal for assessments (i.e. Kittery) does not need voter approval and may be necessary to do. He agreed that if a bond failed in November, assessments would have to be implemented. Selectman Davis said she was seeking consensus. The Chair cautioned that no decisions can be made at a workshop. Selectman Pomerleau said that rather than a flat fee per lot, probably an assessment based on usage would be more appropriate. Keith said that such a system to convert usage / billing data into an assessment system could be readily developed and calculated. Selectman Davis asked about the deadline for the Clerk to get something on the ballot. Dana referred to the Clerk's memo and stated that Sept. 26 – all must be finished and signed to go on the ballot. Selectman Davis suggested that UE look at some savings that could be realized to lower the bond amount. Keith said there are a few items that could be reviewed (outdoor generator, a couple feet smaller building footprint, etc.)

4. Public Comment: The Chair opened the meeting to public comment. Approximately 30 people were in attendance. Nancy Shapleigh said that if we have a spill, fines will come. Use the TIF money. Rich Russell asked if they looked at a stand-alone system and submersibles. Keith said they would not recommend that; it would be very unusual to do. He said our rates are the highest in the region. Selectman Pomerleau disagreed saying our rates are among the lowest and for Rich to prove what he was saying. Rich said he would. Another man said Kittery is a very bad example of how to do things. He said the wrong

question is being asked. The four failed votes are not indicative of anything other than asking the wrong question; look harder for an answer. Margaretta said that her bill has gone up and up, and that she had not known what was happening and just now getting involved and had 75 signatures to use TIF funds. She said many people don't know about this; not informed. She said the impact to the environment is scary and we all need to be responsible to fix it before something happens. Another fellow said he has no kids in school, doesn't get town plowing, but doesn't mind paying for it as a community member. Sewer should be viewed the same. Not right to stick it to 20% of the population. Keith said in 3 or 4 years the feds will likely come and make another rural neighborhood put in sewer on Old Road or River Road and that we will not be ready on the roads in between (Beech / Main St.). Will be super expensive. Another fellow said that during a storm, the sewer backed up and flooded his basement – not covered - \$3,400 in damages. He said that with only 20% on sewer, we will always be the minority vote. He said whatever we vote on needs to be simple and cleaner. Dana explained that the form of the question is often out of our hands and is dictated by Bond Counsel or DECD. The Chair told the public that with just 2 people per sewer household, they could have cast 1,200 votes for using TIF, but only turned out 500 or so and the other proposal only got 700. Selectman Pomerleau said people need to get informed. The Board discussed its efforts to notify people by public hearings, web site, e-alerts, a mailed newsletter on the voting issues, even on the sewer bills themselves, etc. Ed Strong said the new Charter would preclude putting the same question out to voters for one full year. Selectman Pomerleau disagreed pointing out the prior bond vote was prior to the enactment of the Charter. He said he doubted that Charter contemplated or legally would have a reach back into a prior year. Another fellow asked that when new people are added to the system, how with the 641 of us get reimbursed for using OUR pumps and OUR system. Another fellow asked about a 3-way option. A lady asked if we tried using Facebook or Twitter to get word out (social media). Dana said towns are warned against the use of social media as it is known to backfire in many ways. Jim Tessier suggested another vote that asks 1. Will you bond the repairs? 2) How do you want to repay it? (give several options). The Board was reminded of legal opinion that we cannot do the question that way and also, who would vote yes to borrow without knowing how it will get repaid. Andy Littlefield asked if we did get fined, who pays. Selectman Pomerleau said the fines would be paid by sewer users. Andy said people should also know that. It was suggested that we get a legal opinion that if a spill occurred who really would pay the fines? Is it the sewer users or Town as a whole? Bobbie Place said that the TIF was for this express purpose and extending sewer on 236 and but for all the fear-mongering that has been done in the past by some, the vote would have succeeded in the first place. Some people put out misinformation on Purpose.

Mike Dupuis reminded people about three openings on the sewer committee.

5. Adjourn: A motion to adjourn the meeting was made at 7:08 pm by Selectman Davis and was seconded by Selectman Pomerleau and was so voted 4 – 0.