

WINNIPESAUKEE RIVER BASIN PROGRAM

ADVISORY BOARD MEETING AGENDA

January 13, 2022

10:00 am

Belmont Mill 4th Floor -14 Mill Street

Due to the expiration of the Governor's Emergency Order, the WRBP Advisory Board must have a physical quorum at a meeting site that is open to the public.

The public has access to listen to and participate in this meeting by using the following link:

<https://us02web.zoom.us/j/88116314858?pwd=czlhVUMzOXcyYWIGVGZlWDBwZEUwdz09>

Meeting ID: 881 1631 4858

Passcode: 020246

1. December 1, 2021 Meeting Minutes for review and approval
2. WRBP Monthly Summary Report – November 2021
3. Citizen Comments for items on the agenda
4. Governance Guidelines, MOA and possible By-Laws
5. Rate Assessment Update:

Update on the implementation of the approved rate allocation model

Status of Underwood's proposal on developing operating procedure for future updates of the model

6. Review of the escrow account, No change from last month
7. Replacement Fund

HB 1339: Sponsors; Dawn Johnson, Jeb Bradley, Norman Silber
Public hearing Jan 12, 2022, 9 am, LOB room 305-307

8. Other Business:
 - a. Next Advisory Board Meeting Thursday, February 17, 2022
10. Adjournment

Item # /

WINNIPESAUKEE RIVER BASIN PROGRAM

ADVISORY BOARD MEETING MINUTES

December 1, 2021

Members Present: The meeting was called to order by Wes Anderson (Laconia), chair, at 10:03 am. Sharon McMillin (DES), Rene Pelletier (DES), Ron White (DAS), Jeanne Beaudin (Belmont), Glen Brown (Northfield), Justin Hanscom (Franklin), Ray Korber (Bay District), and Meghan Theriault (Gilford) were present at that time either in person or via Zoom.

Minutes: Jeanne moved, seconded by Ray, to approve the October 21, 2021 meeting minutes, as written. No meeting was held in November. A roll call vote was taken and the motion carried.

Citizens Comments for Agenda Items: Wes asked if there were any guests from the member communities, and if they had any questions, comments, or concerns regarding the agenda items. As there were no guests, he moved on to the next agenda item.

Monthly Summary Report: Sharon reviewed the *Monthly Summary Report* for October 2021, which was distributed by email prior to the meeting.

- Energy Efficiency Upgrades –Due to the recent NH PUC decision, Sharon will be meeting with Eversource later this week to discuss whether there will be potential impacts on the NH Saves funding for the current or future WRBP energy efficiency upgrades, such as the blower project. Programming assistance from Wright-Pierce (W-P) via a task order for the new SCADA screens and RAS pumps' flow pacing control has been drafted and is being processed.
- Solids Handling Process Upgrades – Alternative analyses are underway for sludge thickening and other solids and biogas handling upgrades. Staff visited a facility in Vermont recently to assess mechanical (side stream) sludge thickening. In a couple of weeks, staff will be visiting a facility in Lowell, MA to assess another technology.
- WRBP Infrastructure O&M Responsibilities – MOAs for Bay District, Sanbornton, Meredith, and Laconia were resent in February 2020 and are under review by these member communities. The other six member communities have executed MOAs.
- Replacement Fund – To be discussed at today's meeting.
- Rate Assessment Formula – The recommended implementation plan was approved at the September 2021 Advisory Board meeting. Underwood's proposed Scope of Work will be discussed at today's meeting. Changes will be incorporated into accounting SOPs for the changes in methodology to assess O&M costs. At the October 2021 meeting, the Advisory Board again did not support additional language in the proposed legislation to create a Capital Reserve Account.
- WRBP CIP Update – An updated CIP was provided to the CIP Sub-Committee by the WRBP on October 21st. Sharon is currently working on a response to comments. Future review and approval dates are pending and will be announced. The Intended Use Plan for the Clean Water SRF and ARPA have been issued by NHDES. It provides rankings for loans and grants. The WRBP has two projects which "made the cut" -one being the 2nd stage of the energy efficiency project. So far as she knows, it is not dependent upon any type of PUC funding and will be fully funded up to \$250K. This project is already included in the CIP. The other ranked project was

the replacement of backup generators for multiple pump stations and an SRF loan and ARPA grant may cover 40% of that project's costs.

Jeanne announced that Belmont is placing energy efficiency programs partially funded by NH Saves incentives on hold until 2023. Trish asked what the status was for the installation of the blowers. Sharon explained that they been installed and are awaiting their new SCADA screens. W-P will be assisting with the new SCADA screens and RAS pump programming but is unavailable to do so until February. Another firm may assist via pass-through contracting under the W-P task order.

Governance Guidelines, MOA, and By-Laws Update: There were no new updates at this time.

Rate Assessment Formula Update: Wes announced that he has received several comments regarding Underwood's proposal on developing operating procedures for future updates of the O%+&M rate assessment formula model. Wes wished to put a work group together to revise the engineering services request per discussion at the October Advisory Board meeting – the goal would be to meet prior to the Christmas holiday. Ray suggested for the CIP Subcommittee take this task on, and Wes asked for a consensus regarding this strategy. Those present affirmed their approval so Wes asked Ray, Justin, and Jeanne if they could attend the proposed CIP meeting. They indicated that they could and would coordinate the date for the meeting.

Review of the Escrow Account: There are no updates at this time.

Replacement Fund: Wes announced that Rep. Dawn Johnson is sponsoring LSR No. 2557 on behalf of the member communities; which has become HB 1339, and is co-sponsored by Jeb Bradley and Norman Silber. As information is provided to Wes, he will pass it on to members. There may be a hearing; in which case, member communities may wish to attend.

Wes asked for more information regarding Clean Water SRF funding. Sharon explained that the loans through this program have to have some sort of funding source because contractors are paid by the WRBP and then reimbursed from the SRF funding. Whatever funding account the payments come out of, is where the reimbursements go back. So, if the payments are made out of the Capital Budget, the reimbursement is made there. When assessments are made in the Replacement Fund, loan projects are excluded from the assessments since they SRF program will reimburse directly to that account. Loan debt is a separate billing category assessment to members, regardless of the initial funding account. Trish asked if a ten-year period was too long a period of time over which to pay the Replacement Fund back. Sharon explained that the question has been raised before, because that is how it has historically been done, per the legislation. No change to that repayment duration has been proposed in the current legislation. Belmont and Northfield have chosen to pay in full for the force main break emergency repairs instead of doing Replacement Fund 10-year repayments. Paying in full is another option for each member. Wes asked about the rebates that are given back each year to members and whether they could go into the Replacement Fund. Sharon explained that is not allowed under current legislation and accounting rules. The credits each year are in either the O&M or Admin assessments; not the Replacement Fund account. A Capital Reserve Fund, that has not been proposed by the Advisory Board in current legislation, could allow more options in this regard. Ray asked if the Replacement Fund could be prospectively collected. Sharon confirmed that the NH AG's Office already ruled that it cannot under current or proposed legislation. Discussion continued as to whether members could voluntarily pre-pay

more that their annual assessment into the Replacement Fund to increase their balances. Sharon indicated she would have to check to see if that option was possible. Trish asked for more frequent updates on the Replacement Fund – currently balances, etc. Sharon indicated that they could be provided quarterly.

Other Business: The meeting adjourned at 10:48 am. The next meeting will be held on Thursday, January 13, 2021 at 10:00 am at Belmont Mill (4th floor) which is located at 14 Mill Street in Belmont. The minutes were prepared by Pro-Temp Staffing.

Item #2

**Summary Report to the WRBP Advisory Board
November 2021**

Projects	Status & Schedule	Budget	Other info
Energy Efficiency Upgrades at WRBP Facilities	In order to qualify for a CWSRF loan and Eversource incentive requirements, the project is proposed to be substantially complete on or about Dec 31, 2020. A task order for engineering support was executed. The aeration blower and 2 RAS pumps were purchased and plans and specifications for WRBP installation have been approved. Blower delivered late December; custom pumps delivery delayed until June. The projected date of substantial completion is Feb 2022.	The estimated project budget is \$400K with 50% principal forgiveness from the CWSRF and a \$100K Eversource incentive making the overall budget \$100K and a <1-year simple payback based on estimated electricity savings.	This equipment upgrade was recommended by the energy audit of all WRBP facilities completed in early 2020. Project includes a smaller aeration blower, 2 RAS pumps and staff-installed facility lighting. The AB expressed support of the project at their August and Sept. 2020 meetings. Programming assistance from W-P through a task order for the new SCADA screens and RAS pumps' flow pacing control is being negotiated. The utility incentive for this project is still available through Feb 2022.
Solids Handling Process Upgrades	Phased projects included in the Solids Handling Master Plan developed for the Franklin WWTP are being identified for completion of the alternative analyses (10% design) to move forward to a 30% design. Kick-off meeting held virtually on 7/29/21. A 3D survey of WWTF solids area performed in September 2021. Alternative analyses are underway for sludge mixing and thickening with another site visit planned for December.	Phase I budget is currently estimated at \$3.875M and a CWSRF loan application is pending; with 10% principal forgiveness. This also allows the project to be eligible for potential Federal infrastructure funding distributed through the NH CWSRF program. Budgetary estimates will be refined during the design. The WRBP Capital Budget was approved and is sufficient to fund Phase I followed by CWSRF reimbursements to the WRBP.	The Solids Handling Process Upgrade Project has been forecast in the WRBP CIP since FY18. Phase I includes new primary digester mixers, gas management and heating systems, and an activated sludge thickening system.

Program Initiatives	Status & Schedule	Budget	Other info
WRBP Infrastructure O&M Responsibilities - Memoranda of Agreement	Belmont, Northfield, DAS, Gilford Tilton, and Franklin Executed MOAs with DES. MOAs for Bay District, Sanbornton, Meredith and Laconia were re-sent in February 2020 and are under review by members.	The AG's office developed language for MOAs to clarify the O&M responsibilities of properties, facilities or components that are indeterminate.	Discussion continues with the remaining 4 members.
Replacement Fund	Replacement fund valuation reset to include pipelines in FY20. The pipeline lining repair and plant water repair funded from the replacement fund were completed. Legislation is required to change the current Replacement Fund reimbursement methodology. DES forwarded the AG's opinion on these proposed statutory changes to the Advisory Board chairman on 1/4/2021. Draft legislation reviewed by the AG's office to be discussed at the August 2021 meeting. LSR #2557 was submitted to the legislature sponsored by D. Johnson (Laconia). HB1339 is now available for review on the legislative website and is sponsored by D Johnson, J. Bradley, and N Silber.	Legislation to modify the Replacement Fund statute was proposed by Gilford at the meeting in July 2020. Discussions continued regarding the current assessment methodology and proposed revisions. The WRBP will prepare a quarterly update of Replacement Fund expenditures or planned expenditures for the Advisory Board. Northfield and Belmont chose to pre-pay their respective expenditures associated with the two recent forcemain breaks in 2021. Members will explore pre-paying reimbursable expenses instead of repaying them over the typical 10-year repayment period and determine the threshold they wish to maintain in their respective replacement fund account balances.	Laconia and Gilford are reimbursing the Replacement Fund for the Pendleton Forcemain repairs. The changes to the replacement fund reimbursement methodology vote that failed on 5/21/2020 was revisited on July 16 to reflect a preference for 50% reimbursement by all members based on the current percent allocation and 50% collected from only those members using the fund for the expenses. Legislation to propose this change in the reimbursement formula is expected in the next session in late 2021. At the October 2021 meeting, the Advisory Board did not support adding additional language in the proposed legislation to create a Capital Reserve Account.
Rate Assessment Formula – O&M	DES' preliminary analysis of the relative contribution of flow, strength and capacity (shared) costs on 5/5/2016. The Advisory Board resolved to have a draft formula by 1/1/2019; workgroup met on 7/25/18 and 8/16/18. Draft Phase I reports were provided to the workgroup and W-P revised the report based on comments. W-P presented Phase I information at the	The full Advisory Board has expressed interest in participating in this discussion with DES regarding a draft rate formula. Updated flow and capacity information prepared by DES was presented to the rate assessment workgroup on 8/16/18. A Flow Metering Rate Allocation study task order was finalized on 1/22/19 for the four southern members where current measured flow data is not accurate enough for billing. DES provided a draft hybrid	DES presented preliminary flow and capacity findings from the 3 rd party flow metering evaluations in March 2017 and WRBP Franklin WWTP Capacity Status in July 2017. W-P gathered GIS and connection data from the southern 4 communities as part of the study. Members chose not to engage W-P in data collection for the hybrid analyses, but to use WRBP and member resources. At the

	<p>December 2019 meeting. The 4 southern member communities provided the requested information for the proposed hybrid rate assessment model. On 10/27/2019, Franklin's consultant reviewed their draft efforts with WRBP and Franklin staff. Belmont's I/I report under review and Franklin's pending; with discussion at the March, April and the May 2021 meeting that was postponed until June 2nd. The basis of the new rate assessment formula with a 3-year phase in period was approved by the Advisory Board on 7/15/21. The recommended implementation plan was approved at the September 2021 Advisory Board meeting.</p>	<p>model in March 2020; that was discussed at the April 2020 meeting. Franklin and Northfield agreed with the model; Tilton was absent and Belmont is reviewing. At the June 2020 meeting, Laconia presented an alternate model for assessing unmetered flows and allocating I/I to all members equally. A draft scope of work for Underwood Engineering (UE) to assist with development of SOPs and tools to be able to consistently update the O&M rate formula in the future was discussed at the October 2021 and Dec 2021 meetings with a final scope and schedule under negotiations with the Advisory Board. Costs for this work will be paid from the existing escrow account.</p>	<p>May 2020 meeting, Belmont did not agree with the data or method used for their assessment or I/I contributions from the 4 southern communities. Additional information from the 4 southern members is being evaluated by the WRBP and DES with the assistance of Franklin's and Belmont's consultant. <i>A draft memo documenting the considerations used to develop the modified, hybrid O&M rate assessment was prepared by UE and will be reviewed by members and the WRBP. The CIP subcommittee and the WRBP will work with UE to develop the tools and information requirements to allow the WRBP to complete future rate assessment re-sets.</i></p>
<p>WRBP Capital Improvements Plan (CIP) Update</p>	<p>The CIP Subcommittee met on 7/29/21 to discuss the update of the WRBP CIP. A draft version prepared by WRBP staff was discussed; with recommended changes to be incorporated for the next CIP subcommittee meeting scheduled for 8/19/21. An updated CIP was sent to the CIP subcommittee on 10/21/2021 with review and approval dates TBD.</p>	<p>Nine (9) CWSRF pre-applications and SAG applications were submitted for WRBP equipment and infrastructure projects. Priority projects will be selected to move forward based on CWSRF funding rankings, principal forgiveness percentage, potential, additional federal funding, and ability to execute within any completion time restrictions.</p>	<p>SAG applications were submitted for new projects but availability of this funding for either these new projects or previously submitted applications will require future legislative approval. <i>Recent information regarding ARPA grant funding, potential loss of future utility incentives for energy efficiency projects due to the PUC's ruling on NHSaves, and suggested revisions by the CIP subcommittee will inform the next CIP update.</i></p>

Changes from previous report are shown in bold italics.

Dates to Remember:

1. **The next Advisory Board meeting will be held on January 13, 2022 at 10am at the Belmont Mill, 14 Mill St., 4th floor, Tioga meeting room with accommodation for virtual attendance once an in-person quorum is met.**

Prepared by: Sharon McMillin
Sharon McMillin - DES, WRBP Administrator

Reviewed and in concurrence: Rene Pelletier
Rene Pelletier - DES, Assistant Director, Water Division

Respectfully submitted on: 12/27/2021

Item # 6

As of Jan 2022

Rath, Young & Pignatelli Road Map Study

Budget Tracking sheets

Funds Available \$ 51,900.00

Invoice #	Date of Invoice		Invoice Amount	Funds remaining
Road Map Development				
Invoice # 1	5/22/2018		\$ 2,858.00	\$ 49,042.00
Invoice # 2	6/20/2018		\$ 6,890.18	\$ 42,151.82
Invoice #3	6/30//2018		\$ 6,958.00	\$ 35,193.82
Invoice #4	8/20/2018		\$ 2,656.00	\$ 32,537.82
Road Map Phase 1				
<i>Carry Over from Previous Phase</i>				\$ 32,537.82
<i>Escrow for this phase</i>				\$ 65,000.00
<i>Total Available</i>				\$ 97,537.82
Invoice #1-1	20-Sep-18	79111	\$ 800.00	\$ 96,737.82
Invoice# 1-2	18-Oct-18	79407	\$ 896.00	\$ 95,841.82
Invoice #1-3	15-Feb-19	80548	\$ 924.00	\$ 94,917.82
Invoice #1-4	15-Mar-19	80800	\$ 759.00	\$ 94,158.82
Invoice #1-5	6/10/2019	81583	\$ 396.00	\$ 93,762.82
Invoice #1-6	7/18/2019	82002	\$ 330.00	\$ 93,432.82
Invoice #1-7	8/15/2019	82241	\$ 66.00	\$ 93,366.82
Invoice #1-8	9/17/2019	82524	\$ 1,584.00	\$ 91,782.82
Invoice 1-9	10/28/2019	82912	\$ 396.00	\$ 91,386.82

Invoice #	Date of Invoice		Invoice Amount	Funds remaining
Invoice 1-10	5/11/2020	84667	\$ 1,224.00	\$ 90,162.82
Invoice 1-11	6/19/2020	85172	\$ 782.00	\$ 89,380.82
Invoice 1-12	9/23/2020	85982	\$ 2,550.00	\$ 86,830.82
Invoice 1-13	10/23/2020	86266	\$ 1,394.00	\$ 85,436.82
Invoice 1-14	11/13/2020	86449	\$ 525.00	\$ 84,911.82
Invoice 1-15	12/15/2020	86722	\$ 1,480.00	\$ 83,431.82

Item #7

Proposed Legislative changes to the WRBP – Replacement Fund

As of August 25, 2021

485-A:51 Replacement Fund Established. –

I. There is established a nonlapsing, revolving fund to provide capital for repair and replacement of major components of the water pollution control facilities administered under this subdivision which cannot be absorbed as regular budgetary items. The replacement fund is to be capitalized by contributions from the members served by the facilities based on each member's projected usage of the facilities.

II. The fund shall be capitalized at an amount equal to 5 percent of the value of the equipment and other depreciable assets of the treatment facilities. The value of the equipment and other depreciable assets shall be computed every 5 years, beginning in 1990, and shall be based on current replacement costs.

III. Each member's share of the total fund capital shall be contributed over a period of 10 years after the initial establishment of the fund and shall be paid as a yearly surcharge to the member's operating charges. Thereafter, each member's surcharge shall be prorated as membership and design changes require.

IV. Once a member has fully funded its share of the replacement fund capital, the member shall make no further contributions until the fund is utilized for repair or replacement of a facility used by that member or the asset valuation increases such that the fund capitalization increases as established in RSA 485-A:51 II and III. Following any expenditure from the fund, fifty percent of the expenditure shall be replenished by contributions from those members that utilize the facilities receiving funding based on each member's proportional usage of said facilities, and fifty percent of the expenditure shall be shared among all members using their respective percentage assessment for replacement fund contributions pursuant to RSA 485-A:51 III. The expenditures will be reimbursed by the members over a ten-year period in addition to the members' yearly contribution to the fund, until the members' share of the fund is fully restored.

V. If a repair or replacement cost exceeds the value of the fund established for that particular facility, the repair cost shall be paid out of the portion of the fund established for other facilities; however, reimbursement to the fund shall always be assessed back to members in accordance with the apportionment set forth in Paragraph IV.

VI. As new facilities, if any, are added to the system, additional assessments shall be made to the members benefiting from these facilities, prorated on the basis of projected use.

VII. If a new member joins the system, the assessments shall be modified to reflect the new member's proportional benefit from the facilities, and excess prior payments made by other members, if any, shall be credited to their accounts.

VIII. All contracts paid for using the fund shall be submitted to the governor and council for approval.

IX. This nonlapsing, revolving special purpose fund is continually appropriated to be used by the department in accordance with this subdivision. All moneys shall be deposited with the state treasurer

who shall keep this money in a separate fund, notwithstanding RSA 6:12. The state treasurer shall invest the moneys deposited with him as provided by law. Interest received on investments made by the state treasurer shall also be credited to the fund. All such interest shall be added to each member's share of the fund based on each member's contribution to it.

Source. 1989, 339:1. 1996, 228:106, eff. July 1, 1996.

Proposed Legislative changes to the WRBP – Replacement Fund

As of August 25, 2020

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III. Each member's share of the total fund capital shall be contributed over a period of 10 years after the initial establishment of the fund and shall be paid as a yearly surcharge to the member's operating charges. Thereafter, each member's surcharge shall be prorated as membership and design changes require.

IV. Once a member has fully funded its share of the replacement fund capital, the member shall make no further contributions until the fund is utilized for repair or replacement of a facility used by that member or the asset valuation increases such that the fund capitalization balance increases as ~~established in RSA 485-A:51 II and III.~~ Expenses for which the fund is used shall be proportionally charged against each member's contributions to the fund for the facilities utilizing the fund, which will subsequently be reimbursed by the member in successive years in addition to the member's yearly contribution to the fund, until the member's share of the fund is fully restored. ~~Following any expenditure from the fund, fifty percent of the expenditure shall be replenished by contributions from those members that utilize the facilities receiving funding based on each member's proportional usage of said facilities.~~ the members shall replenish the replacement fund with fifty percent of the project's expenses for which the fund is used proportionally charged against each member's contributions to the fund for the facilities utilizing the fund, and fifty percent of the expenditure shall ~~will~~ **be shared among all members using their respective percentage distribution of assessment for replacement fund contributions pursuant to RSA 485-A:51 III. The expenditures will be reimbursed by the members over a ten-year periods in addition to the members' yearly contribution to the fund, until the members' share of the fund is fully restored.**

V. If a repair or replacement cost exceeds the value of the fund established for that particular facility, the repair cost shall be paid out of the portion of the fund established for other facilities, ~~but reimbursement to the fund shall always be assessed back to members based on their projected usage of the facilities needing repair.~~ ~~However,~~ **reimbursement to the fund shall always be assessed back to members based in accordance with the distribution apportionment listed set forth in Paragraph IV.**

VI. As new facilities, if any, are added to the system, additional assessments shall be made to the members benefiting from these facilities, prorated on the basis of projected use.

VII. If a new member joins the system, the assessments shall be modified to reflect the new member's proportional benefit from the facilities, and excess prior payments made by other members, if any, shall be credited to their accounts.

VIII. All contracts paid for using the fund shall be submitted to the governor and council for approval.

IX. This nonlapsing, revolving special purpose fund is continually appropriated to be used by the department in accordance with this subdivision. All moneys shall be deposited with the state treasurer who shall keep this money in a separate fund, notwithstanding RSA 6:12. The state treasurer shall invest the moneys deposited with him as provided by law. Interest received on investments made by the state treasurer shall also be credited to the fund. All such interest shall be added to each member's share of the fund based on each member's contribution to it.

Source. 1989, 339:1. 1996, 228:106, eff. July 1, 1996.