

Minutes of GB Finance Committee Meeting, 8/20/13

Questions arose:

- How do we reply to the School Committee member who questioned the role of FinComm to School Comm. It will be discussed at next meeting.
- When are the Searles Bryant payments due? Question will be asked of Town Manager.

Next meeting was decided to be 9/10, 5:30.

TOUR AND DISCUSSION OF THE WASTE WATER TREATMENT PLANT. Tim Drumm provided background and led the discussion as follows:

BACKGROUND

- Several upgrades had taken place previously to meet state standards: 1973: \$5 million; 1995, \$5 million.
- The genesis of the system was that people used the River as the dumping facility; the EPA and municipal governments then funded the WW as follows: Federal, 80%; State, 15%, Town, 5%.
- There are two issues that are creating more work for the plant:
 - Rain water and excess garbage. An \$8 million sewer separation program was put into place to separate rain run-off from sewer waste. Violators contribute to extra usage of the plant. Rainwater creates significant addition to the plant.
 - **Non-degradable disposable rags and handi-wipes sold on the market are requiring the purchase of a million dollar additional equipment**
 - There is dumping of garbage into the system through the large port holes
 - Question: Shouldn't there be a warning and even a major penalty for these actions?
- Increased expenses: Many upgrades were made to upgrade the electrical system, add new roof, etc.
- Rising Paper had always met 50% of all expenditures, capital and operating, until about 8-10 years ago when it was sold. Under the non-compete portion of the agreement, the buyer could not produce the same type of paper, and the waste facility was removed from the plant. The agreement with the Town thus ceased.
- Tim described the span of the system, which was partly dependent upon the downhill geography of the Town, as follows:
 - To Route 23 to Haddad's
 - **To and includes Butternut**
 - Includes Simons Rock
 - Route 41 **up to** the "Caboose House"
 - Christian Hill to Forest Row, includes the new Barrington Brook location
 - Route 7 to **Route Seven Grill** (includes two pumping stations at Senior Center and Fair Grounds)

- Capacity is 3.6 million gal/day; currently running at 1.1 million gal/day. Question arose, can we rent out excess capacity?
- Energy audit was recently done and electricity bill was reduced significantly; system was changed from oil to gas.
- The plant is a grade 5 plant. Tim and another employee is rated for a grade 7 license.
- Main Street Reconstruction project will include catch basins.
- **Finances:**
 - System serves 3,200 EDU's (does not serve 150 household), Senior Center
 - WW received outsourced "night soil" from various institutions: Old Mill, Waldorf Steiner School, etc. to help offset costs
 - **Charging is based on \$460/edu, expected to go to \$700/edu in 2014. (Select Board determines rates.) EDU is "equivalent dwelling unit" which is characterized as a typical single family; however, the formula and designations have not changed since 1973.**
 - Town was serving 110 restaurants in the past 10 years; **Still does**

OUTLOOK

- UPGRADES: There is a major upgrade every 20 years; **a new EPA permit is required every 5 years.**
 - Phase I and II changes are expected to cost about **\$18 million** in the next 5 years.
 - Phase I changes were approved by the Town, however, bids came in more than \$1.1 million over budget. Thus, many improvements were excluded and moved into Phase II. Phase I is budgeted at \$4.5 million. Phase II, which will occur after Phase I, 2005-2009 was estimated at \$11 million but now re-estimated at **\$12.8 million**.
 - Timing
 - Phase I: **Out to bid this fall** and will extend 15 months
 - Phase II: Begins October/November and construction will begin in 2015. State financing is guaranteed for 2% but the term of the loan has not yet been determined.
- COSTS. 70% of labor costs are union-driven and negotiations begin next year
- USAGE CHARGES. A citizen's group is developing a proposal to change the method of charging for waste water use. Sharon requested FinComm receive the current method of charges so we can analyze current vs. proposed method
- Question was raised as to what can be done to attract businesses that could use the excess capacity to offset infrastructure costs

Sharon
Chair, FinComm.