

Town of Wolfeboro
Capital Improvements Program Committee
August 13, 2021

APPROVED MINUTES

Members Present: Kathy Barnard, Chairman, Linda Murray, Board of Selectmen's Representative, Brian Deshaies, Board of Selectmen's (Alternate) Representative, Mike Hodder, Planning Board Representative, Robert Loughman, Budget Committee Representative, Kathy O'Blenes, SAU 49 Representative, Paul Whalen, Chuck Sumner, Suzanne Ryan, Members.

Staff Present: Tavis Austin, Director of Planning and Development, Jim Pineo, Town Manager, Kathy Carpentier, Finance Director, Lee Ann Hendrickson, Administrative Secretary.

Chairman Barnard called the meeting to order at the Great Hall at 8:00 AM.

I. 2021-2030 Capital Improvements Program Development

Water & Sewer Utilities

Dave Ford provided an overview of the Department; noting in the past 14 years the Town has spent over \$48 million on water and sewer projects. In addition, he stated the goal has been to get as much grant money as possible for those projects. He reviewed the CIFA (Council of Infrastructure Financing Authorities), see attached.

Suzanne Ryan asked if a betterment assessment option for the seasonal water line project has been considered. She stated such should be investigated rather than impacting the taxpayers.

Dave Ford stated such would be discussed further when the project is reviewed by the CIP Committee.

Mike Hodder questioned the process of the SRF grant funding.

Dave Ford stated the Town has submitted pre-applications for specific projects to NHDES. He stated those projects have been reviewed and prioritized (rated) by NHDES.

Mike Hodder asked if such is posted online.

Dave Ford replied yes.

Mike Hodder asked when the grants would be awarded.

Dave Ford replied 2022.

2022 Water Treatment Plant Upgrades; \$1,470,000

Dave Ford expressed concern for the pipes from Pickering Corner up North Main Street because they are vintage pipes. He is proposing significant upgrades to the system. He stated the project would be paid by the users (no impact to the tax payers) and funding would be a SRF loan.

It was moved by Suzanne Ryan and seconded by Paul Whalen to recommend the 2022 Water Treatment Plant Upgrades project for \$1,470,000. Kathy Barnard, Mike Hodder, Bob Loughman, Chuck Sumner, Paul Whalen, Suzanne Ryan, Kathy O'Blenes voted in favor. Linda Murray abstained. The motion passed (7-0-1).

2022 Design Water Main Upgrades; \$720,000

Dave Ford stated that based on the 2017 Asset Management Plan there are several original 1900's era water mains in the distribution system. He stated the project would evaluate and design/permit approximately 16,000 linear feet of identified water mains with appropriate size pipe and eliminate any lead or galvanized service connections.

Mike Hodder confirmed such would address the old lines in the Town.

It was moved by Mike Hodder and seconded by Paul Whalen to recommend the 2022 Design Water Main Upgrades project for \$720,000. Kathy Barnard, Mike Hodder, Bob Loughman, Chuck Sumner, Paul Whalen, Kathy O'Blenes voted in favor. Suzanne Ryan, Linda Murray abstained. The motion passed (6-0-2).

2022 Seasonal Water Line Resiliency Replacements; \$1,119,000

Dave Ford stated the project includes design, permitting and construction to replace existing seasonal water mains as identified in the 2017 NHDES Sanitary Survey that are at high risk for contamination. He stated that due to the location of the seasonal lines in many areas above ground, they are a threat to the resiliency of the entire distribution system. He stated the project includes the replacement of 8900 linear feet of above ground distribution piping with resilient buried water main for Smith River Road, Albee Beach area, McCarthy Anna Road, Museum Shores Road, Camp School area and Walts Lane.

Suzanne Ryan stated the Town needs to look into betterment assessments and should implement such. She stated she doesn't feel the taxpayers should pay for the project. She asked if any of the roads are private roads.

Dave Ford stated all the roads are private.

Mike Hodder asked if the

Dave Ford replied yes.

Paul Whalen stated the betterment assessment should be reviewed however, agrees with Dave Ford relative to the issue.

It was moved by Mike Hodder and seconded by Paul Whalen to recommend the 2022 Seasonal Water Line Resiliency Replacements project for \$1,119,000 contingent upon 50% SRF loan funding. Kathy Barnard, Mike Hodder, Bob Loughman, Chuck Sumner, Paul Whalen, Kathy

O'Blenes voted in favor. Suzanne Ryan opposed. Linda Murray abstained. The motion passed (6-1-1).

2022 Water System Upgrades; \$330,000

Dave Ford stated the water distribution system has a low pressure area at the top of North Main Street/Highland Terrace/Maplewood Avenue. He stated there are also numerous dead ends, which leads to stagnant water and red water complaints. He stated the upgrades would include the following; connect Highland Terrace to Maplewood Avenue with 800 linear feet of 6-inch water main and replace, upgrade and connect Deer Run with Chipmunk Lane with 1200 linear feet of 6-inch water main. He stated the upgrades would eliminate "bleeds" and unbilled water, increase pressure during peak usage and increased fire flow and eliminate water pipes that are beyond their useful life.

It was moved by Chuck Sumner and seconded by Kathy Barnard to recommend the 2022 Water System Upgrades project for \$330,000. Kathy Barnard, Mike Hodder, Bob Loughman, Chuck Sumner, Paul Whalen, Suzanne Ryan, Kathy O'Blenes voted in favor. Linda Murray abstained. The motion passed (7-0-1).

2022 Sewer System Infiltration Reduction; \$1,000,000

Dave Ford stated the amount of infiltration remains significant. He stated this project would only go forward if the Town receives SRF loan funding.

Suzanne Ryan stated that when the I&I project originally began there were infiltration issues from houses and other buildings. She asked if such was resolved.

Dave Ford replied yes, noting that a major effort was made to address the issue. He stated basement surveys were done and the issue was corrected.

It was moved by Mike Hodder and seconded by Suzanne Ryan to recommend the 2022 Sewer System Infiltration Reduction project for \$1,000,000. Kathy Barnard, Mike Hodder, Bob Loughman, Chuck Sumner, Paul Whalen, Suzanne Ryan, Kathy O'Blenes voted in favor. Linda Murray abstained. The motion passed (7-0-1).

2022 Lehner Street Sewer Pump Station; \$1,270,000

Dave Ford stated the pump station was built originally in the 1930's. He stated it was identified for replacement in 2006. He stated the control panels are wearing out along with the electrical systems. He stated the Town is currently out of code and it has now become a safety issue. He proposed a design-build project to be completed in 2022; noting the project would be funded by the Town and the Town would act as the General Contractor. He stated he is proposing the project be funded by cash from the Sewer Enterprise Fund. He reviewed the existing debt schedule, see attached.

Linda Murray confirmed there will be no impact on the tax rate and the funds used would come from the Sewer Enterprise Fund.

Mike Hodder confirmed the project would not be bonded.

It was moved by Mike Hodder and seconded by Chuck Sumner to recommend the 2022 Lehner Street Sewer Pump Station project for \$1,270,000. Kathy Barnard, Mike Hodder, Bob Loughman, Chuck Sumner, Paul Whalen, Suzanne Ryan, Kathy O'Blenes voted in favor. Linda Murray abstained. The motion passed (7-0-1).

2022 Mill Street Sewer Pump Station Upgrade; \$1,535,000

Dave Ford stated the pump station was originally built in the 1930's. He stated he is proposing engineering in 2022 and construction in 2023 and submitting a NHDES SRF loan for both engineering and construction.

Mike Hodder confirmed the project would be contingent upon SRF funding.

Dave Ford stated that if the Town doesn't receive funding he would propose a cash appropriation for the engineering of the project.

Mike Hodder asked what the plan would be if the SRF loan is denied a second time for the construction of the project.

Dave Ford stated the project would then be bonded. He noted there are also cash reserves available from the RIB funds; noting the RIB project is coming in under budget. He reviewed the SRF loan process.

Suzanne Ryan stated at some point there will be no funds available from the lawsuit and asked how long until the funds are gone.

Dave Ford noted a \$1.5 million savings on the RIB project and stated there will be enough remaining funds to pay cash for the Mill Street and Lehner Street Pump Stations.

Chuck Sumner confirmed that construction is scheduled for 2023 regardless and questioned the funding for such.

Dave Ford stated the project would be bonded if the Town does not receive the SRF loan.

Jim Pineo stated there are nine pump stations throughout the Town however, the Lehner Street and Mill Street pump stations are the most critical.

Dave Ford stated the Department's number one priority will be to update all the pump stations in the next five years.

Mike Hodder questioned the dollar amount to be posted in 2022 and funding source of such.

Dave Ford requested the full amount (\$1,535,000) and SRF funding. He stated the financing of such needs to be reviewed by the BOS. He stated there would be contingency language included in the warrant article.

It was moved by Chuck Sumner and seconded by Mike Hodder to recommend the 2022 Mill Street Sewer Pump Station Upgrade project for \$1,535,000.

Discussion of the motion:

Suzanne Ryan questioned the impact on user fees.

Dave Ford stated a 2% increase is projected for both water and sewer.

Kathy Barnard, Mike Hodder, Bob Loughman, Chuck Sumner, Paul Whalen, Suzanne Ryan, Kathy O'Blenes voted in favor. Linda Murray abstained. The motion passed (7-0-1).

2022 Wastewater Treatment Plant Upgrade; \$10,000,000

Dave Ford stated such was built in the 1970's and noted the Town set up a Capital Reserve Fund and has funded such for the past eight years. He stated the Town has performed \$900,000 in upgrades however, the facility continues to deteriorate because of use and time. He stated the building would also house the Highway Department including an administration office. He stated a Master Plan is in progress that speaks to the deficiencies of the facility; noting such should be completed next month. He stated if the project is not approved he would propose additional capital reserve funding. He stated the project is being proposed as a green project; noting such will score higher on the NHDES SRF loan application.

Suzanne Ryan asked if the \$900,000 was put to good use and whether the improvements can be maintained with the proposal.

Dave Ford stated the upgrades were constructed as part of the continued upgrades and will be reused.

Suzanne Ryan asked if the miscellaneous projects could be delayed.

Dave Ford stated the critical components could be addressed and the project could be phased however, he is proposing to improve the facility as recommended.

Linda Murray confirmed the original cost of the project was \$12 million however, the cost is now at \$10 million as a result of the improvements that have already been done. She stated the money has been used wisely.

Suzanne Ryan questioned the outcome if the SRF loan is not received.

Dave Ford stated the Town cannot bond \$10 million therefore, the project would not move forward until the debt service drops off.

Linda Murray recommended a site visit.

Mike Hodder confirmed the language of the warrant article would include a contingency of a 50% SRF loan.

Dave Ford stated such is an issue for the BOS. He stated if the Town doesn't receive 50% SRF he would recommend increasing the capital reserve funding request.

Mike Hodder stated he would recommend increasing the capital reserve funding request to build the reserves and present the project when the Town has the funds for the project (if the Town doesn't receive 50% SRF funding).

Linda Murray stated the BOS will take the CIP's recommendation and then make a judgement call with regard to the language of the warrant article.

It was moved by Mike Hodder and seconded by Suzanne Ryan to recommend the 2022 Wastewater Treatment Plant Upgrade project for \$10,000,000, contingent upon a 50% NHDES SRF loan. Kathy Barnard, Mike Hodder, Bob Loughman, Chuck Sumner, Paul Whalen, Suzanne Ryan, Kathy O'Blenes voted in favor. Linda Murray abstained. The motion passed (7-0-1).

II. Approval of Minutes

July 28, 2021

Corrections: Page 1, Members Present; add "Finance Director" following Kathy Carpentier's name
Page 3, 4th paragraph, 3rd line; strike "the projects" & replace with "such grant funding sources", strike "in" & replace with "included as funding offsets in a"
Page 3, 4th paragraph, 4th line; strike "budget" & replace with "project", insert "competitively" prior to "ranked" and strike "in the top 10-15"

It was moved by Suzanne Ryan and seconded by Mike Hodder to approve the July 28, 2021 CIP Committee minutes as amended. Kathy Barnard, Mike Hodder, Bob Loughman, Chuck Sumner, Suzanne Ryan, Kathy O'Blenes voted in favor. Linda Murray, Paul Whalen abstained. The motion passed (6-0-2).

July 30, 2021

It was moved by Paul Whalen and seconded by Mike Hodder to approve the July 30, 2021 CIP Committee minutes as submitted. Kathy Barnard, Mike Hodder, Chuck Sumner, Paul Whalen, Kathy O'Blenes voted in favor. Linda Murray, Suzanne Ryan, Bob Loughman abstained. The motion passed (5-0-3).

August 6, 2021

It was moved by Mike Hodder and seconded by Chuck Sumner to approve the August 6, 2021 CIP Committee minutes as submitted. Kathy Barnard, Mike Hodder, Chuck Sumner, Paul Whalen, Kathy O'Blenes voted in favor. Linda Murray, Suzanne Ryan, Bob Loughman abstained. The motion passed (5-0-3).

III. Other Business

Referencing the CIP agenda, Suzanne Ryan stated the reference to RSA 676:4 relates to Planning Board plats and requested such be removed from the agenda.

IV. Public Comment

None.

Next meeting scheduled for 8/20/21 at 8:00 AM at the Great Hall, Wolfeboro Town Hall. Agenda to include the Public Safety Building.

It was moved by Suzanne Ryan and seconded by Mike Hodder to adjourn the August 13, 2021 CIP Committee meeting. All members voted in favor. The motion passed unanimously.

There being no further business before the Committee, the meeting adjourned at 9:40 am.

Respectfully submitted,
Lee Ann Hendrickson
Lee Ann Hendrickson



Infrastructure Investment and Jobs Act*

(*Draft summary pending release of final bill text with amendments.)

On Tuesday, August 10, the U.S. Senate passed the Infrastructure Investment and Jobs Act by a vote of 69 - 30. The bill, sponsored by Senators Kirsten Sinema (AZ-D) and Rob Portman (OH-R) was a "substitute in the nature of an amendment" to the INVEST in America Act (H.R. 3684) which passed the U.S. House of Representatives in July. ([Senate Substitute Amendment](#) doesn't include all amendments.)

The bill includes three relevant sections for the SRF.

I. Funding

The bill appropriates \$43.426 billion for the Clean Water and Drinking Water State Revolving Funds (SRFs) over five years. (This is actual funding.) (See Division J – Appropriations, Title VI Department of Interior, Environment and Related Agencies of the bill: Starts on page 2,583 of substitute amendment.)

II. Reauthorization & Policy

The bill includes The Drinking Water and Wastewater Infrastructure Act (S. 914) which reauthorizes funding levels for the SRFs and amends SRF provisions in the Clean Water Act and the Safe Drinking Water Act. (See Division E – Drinking Water and Wastewater Infrastructure of the bill: Starts with Section 50001 on page 1,887 of substitute amendment.)

III. Buy America / Buy American

The bill expands domestic preference procurement provisions for programs across government, including the SRFs. (See Division G – Other Authorizations, Title IX Build America, Buy America: Starts with 70901 on page 2,316 of substitute amendment).

I. Funding

The bill provides three pots of funding for SRFs over the next five years:

- Any Eligible Project:
 - \$11,713,000,000 for the Clean Water SRF for any eligible project.
 - \$11,713,000,000 for the Drinking Water SRF for any eligible project.
- Lead Remediation:
 - \$15 billion for the Drinking Water SRF for lead service line replacement, including planning, identification and design (includes inventories).
- Emerging Contaminants Remediation:
 - \$1 billion for remediation of emerging contaminants with a focus on PFAS/PFOA for the Clean Water SRF.
 - \$4 billion for remediation of emerging contaminants with a focus on PFAS/PFOA for the Drinking Water SRF.

II. Reauthorization & Policy

The bill includes The Drinking Water and Wastewater Infrastructure Act of 2021 (S. 914) which passed the U.S. Senate on Thursday, April 29, by a vote of 89 – 2 (9 not voting). The bill contained the following provisions. (Policy provisions apply to annual appropriations, not supplemental appropriations in the bill.)

Funding

- Reauthorizes both the Clean Water and Drinking Water SRFs at the same levels for the next five years:
 - 2022: \$2.4 billion
 - 2023: \$2.75 billion
 - 2024: \$3 billion
 - 2025 and 2026: \$3.25 billion
- Reauthorizes SWIFIA: \$5 million annually for the next five years, 2022 through 2026.

Additional Subsidy

- Defines additional subsidization as “forgiveness of principal, grants, negative interest loans, other loan forgiveness, and through buying, refinancing, or restructuring debt” for both SRFs and excludes loans with 0% or higher interest are not additional from being considered additional subsidy.
- Mandates minimum additional subsidy for both SRFs as long as there are eligible applications:
 - Clean Water SRFs: Requires 10% of the capitalization grant be used for additional subsidy for communities that meet the state affordability criteria.
 - Drinking Water SRFs: Increases additional subsidy from 6% to 12% of the capitalization grant for additional subsidy for disadvantaged communities.

Technical Assistance

- Allows States to use 2% of the capitalization grant for the Clean Water SRF for technical assistance provided by nonprofits.

III. Buy America / Buy American

The legislation also expands domestic preference procurement requirements for SRF projects from American Iron and Steel to construction materials and manufactured products.

Texas:	Cornyn (R-TX), Nay	Cruz (R-TX), Nay
Utah:	Lee (R-UT), Nay	Romney (R-UT), Yea
Vermont:	Leahy (D-VT), Yea	Sanders (I-VT), Yea
Virginia:	Kaine (D-VA), Yea	Warner (D-VA), Yea
Washington:	Cantwell (D-WA), Yea	Murray (D-WA), Yea
West Virginia:	Capito (R-WV), Yea	Manchin (D-WV), Yea
Wisconsin:	Baldwin (D-WI), Yea	Johnson (R-WI), Nay
Wyoming:	Barrasso (R-WY), Nay	Lummis (R-WY), Nay

Town of Wolfeboro Existing Debt Schedule

Total Balance Outstanding 12/31/21		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<u>General Fund</u>											
Principal	8,918,032	846,903	835,331	821,193	795,251	700,185	682,528	608,540	530,000	520,000	510,000
Interest	2,054,915	322,388	285,538	253,463	220,533	192,251	162,934	138,328	115,647	94,449	74,072
Total	10,972,947	1,169,292	1,120,869	1,074,656	1,015,784	892,435	845,462	746,868	645,647	614,449	584,072
<u>Water Fund</u>											
Principal	2,709,298	433,980	435,265	436,571	401,531	294,531	226,710	90,710	60,000	60,000	60,000
Interest	390,284	104,191	67,759	53,600	39,274	37,722	21,796	16,800	13,525	10,750	7,975
Total	3,099,582	538,171	503,023	490,170	440,805	332,253	248,506	107,510	73,525	70,750	67,975
<u>Sewer Fund</u>											
Principal	3,534,777	436,361	436,361	431,361	430,621	430,621	431,361	401,361	350,621	59,603	59,603
Interest	540,801	117,933	100,978	86,060	71,549	58,743	43,198	30,091	17,762	6,102	4,178
Total	4,075,578	554,295	537,340	517,422	502,171	489,365	474,560	431,452	368,383	65,705	63,781
<u>Pop Whalen Fund</u>											
Principal	128,550	35,710	15,710	15,710	15,000	15,000	15,710	15,710	0	0	0
Interest	11,851	3,849	2,881	2,213	1,567	932	275	135	0	0	0
Total	140,401	39,559	18,591	17,923	16,567	15,932	15,985	15,845	0	0	0
<u>Electric Utility Fund</u>											
Principal	5,242,425	642,425	585,000	320,000	320,000	315,000	315,000	315,000	315,000	315,000	315,000
Interest	1,400,599	212,802	183,549	161,576	145,256	128,936	112,871	96,806	80,741	64,676	49,436
Total	6,643,024	855,227	768,549	481,576	465,256	443,936	427,871	411,806	395,741	379,676	364,436
<u>Total Debt Service</u>											
Principal	20,533,082	2,395,380	2,307,667	2,024,835	1,962,403	1,755,337	1,671,310	1,431,322	1,255,621	954,603	944,603
Interest	4,398,451	761,163	640,704	556,912	478,179	418,584	341,075	282,161	227,675	175,976	135,661
Total	24,931,533	3,156,543	2,948,372	2,581,748	2,440,582	2,173,921	2,012,385	1,713,483	1,483,296	1,130,579	1,080,264

prepared by: K. Carpentier
date prepared: 10-Aug-21