NHWPCA June 1, 2012 BOD Meeting
Minutes

Attendees: Dave Lovely, David Mercier, Kristin Noel, Peter Goodwin, Andrea Martel, Tim Vadney, Ray Vermette, John Adie, Sean Greig, Gerry Curran, Joe Laliberte

Guests: Peter Rice

The Meeting was held at River House in Portsmouth and started at 12:15 p.m.

Comments on the May 11, 2012 Minutes: Dave Lovely made a motion to approve minutes, seconded by Kristin Noel. Vote was unanimous to accept.

Sustainability/Peter Rice

Peter has been representing the Association relative to Commission established by SB60 in 2009. First couple years consisted of identifying needs re: aging infrastructure and brainstorming fee/tax ideas to raise the necessary funds. Interim Report issued in 2010 (see attached). Dams were a key problem. Report asked for extension of Commission to July 2012. Regulatory relief in terms of time, advance warning, and affordability have been Peter’s push. Need rates to reflect true cost of doing business to handle replacement costs and not just O&M costs. Need to get industry as a whole on the same accounting methodology. Affordability threshold considered 2% of MHI. Peter feels Commission will not come up with magic bullet. Solution most likely will be raise rates/better accounting/regulatory relief. Peter asked Board to read report and provide comments/questions to him. Second Commission extension has been granted until November 2012. Final Commission Report due out then (see attached draft outline). Board will compile a list of comments to submit to Peter over next few days.
Proclamation Signing

The Signing went well. This year Board did opening remarks before the Governor came in. Worked well given he only gives us 15 minutes. Continue this in the future except for first-term governors.

Permit Committee/Symposium

Sean said 61 currently registered. Flyer missed that lunch is included in price. Recent eBulletin covered that. Fred McNeil will be MC for the event. Invitations went out to Town officials as well inviting them.

Summer Meeting

Dave Lovely spoke with Nancy. Committee is in good shape for event.

Website

NHWPCA new site has been launched and is live. Kristin has reviewed entire site and has a couple pages of notes for corrections which will be transmitted to Geri and the full Board. Need to make second payment to WSI. Once Geri makes corrections, Dave M. to put out eBulletin announcing new site and Nancy to cut a check to WSI. Geri has been asked by Dave L. to start producing monthly emails documenting website changes and hours spent.

Fall Meeting

Gerry got the ball rolling for Plymouth. Peter and Gerry need to nail down meal choice at Common Man.

Operator Exchange

Maine has selected their candidate whose name is Gill St. Pierre from Presque Isle Sewer District.

Winter Meeting

John/Ray said we are right on budget with 125 people. Could cut cost a little if dessert is dropped. Plan is to tour Dover plant from 8:30 to 11:00. Multiple tours set up at Redhook. Arrive 11:00; Lunch 12:00; 1:00 Presentation; Tour 2:00; and Tour 3:00. Tim made a motion which was seconded by Andrea for John/Ray to proceed to lock in with Redhook. Vote was unanimous.

NEWEA Awards

Ray says vote will occur in September. All nominations are in. Fred McNeil nominated to fill Ray’s position.
COMMITTEE REPORTS:

**Activities: Nancy**
See Summer Meeting.

**Communications: Kristin**
See Website.

**Education: Andrea**
No report.

**Legislative: Peter**
No report.

**Membership: John**
No report.

**Newsletter: Joe**
Next newsletter scheduled to go out before Summer Meeting. Steve Clifton has stepped down as Chair and Stephanie Rochefort has taken over as Chair.

**Safety: John**
No report.

**Scholarship: Tim**
Dave Lovely said a check has been sent to recipient's college.

**Ops Challenge: Tim**
N.H. finished 5th overall in New Jersey. Received First place in Process Control. Regionals are next week in Newport, RI.

NEW/OTHER BUSINESS:

- Draft Sponsorship Program. Tabled until next meeting.
- David M. to coordinate with Gerry about getting Board roles binders to new members.
- Granite State Rural Water has asked Dave L. to attend a Board Meeting to see if it makes sense to coordinate on industry issues. Dave L. to get clarification on intent.
- Peter. Fundraising letters went out for Public Works Memorial and requests for candidates.
• NHPWA has Construction Career Day in September. We have been asked to provide a booth at no cost. Is there an Ops Challenge event we can set up? Peter will coordinate. Need to determine if date conflicts with Fall Meeting.

Meeting adjourned at 1:45 p.m.

Next meeting to be held on Friday, August 17, 2012 at 2:00 p.m. at Dave Lovely's in Northwood.
New Hampshire Water Pollution Control Association
PO Box 1382
Londonderry, New Hampshire

NHWPCA Director’s Meeting
Friday June 1st
Location: River House Restaurant
Time: 12:15

Agenda

➢ Current Business:
  • Sustainability / Peter Rice
  • Proclamation Signing
  • Permit Committee / Symposium
  • Summer Outing
  • Web Site
  • Fall Meeting
  • Operator Exchange
  • Winter Meeting
  • Newwa Awards

➢ Committee Reports:
  • Activities-Nancy Lesieur
  • Communications-Kristin Noel
  • Education-Andrea Martel
  • Legislative & Regulatory Affairs Peter Goodwin
  • Membership-Dave Lovely/ John Adie
  • Newsletter-Joe Laliberte
  • Safety- John Adie
  • Scholarship-Tim Vadney
  • Ops Challenge- Tim Vadney

➢ Next Board meeting August 17th 2012

Gerry Curran
Past President

Ray Vermette
NEWA Rep.

David Lovely
President

Kristin Noel
Vice President

Dave Mercier
Secretary

Nancy Lesieur
Treasurer

John Adie
1st Director

Peter Goodwin
2nd Director

Andrea Martel
3rd Director

Joe Laliberte
Director-at-Large

Tim Vadney
Director-at-Large
Introduction:
In 2009 the State Senate created a Commission to Study Water Infrastructure Sustainability Funding including:
- Water
- Wastewater
- Stormwater
- Dams

Goal of Commission
The goal of the Commission was to Identify was to “consider the information, conclusions, and recommendations presented in the New Hampshire water resources primer published in December 2008, and to evaluates how to improve the long-term sustainability of New Hampshire’s water infrastructure and its funding”.

Defining the Problem
- Funding needs – Currently pegged at $2.3B
- Funding Gap – That is the difference between the current revenues and what the revenues would be if rates were set at 2% of median household incomes. The difference is the amount that is needed to be raised through some new funding source or a combination of funding sources

Identified Drivers of Need
- Aging infrastructure
- Changing regulatory requirements
- Population growth
- Climate change

Interim Report
- Identified short-term funding needs specifically
  - Matching money for Federal State Revolving Fund program
  - Reinstate the State Aid Grant Program
  - Funding for critical repairs to State owned dams
- Recommended extension of the Commission to further discuss potential funding sources

Current Commission Activities
- Working on Final Report, potential recommendations include:
  - Effective Management
  - Asset Management
  - Regionalization – physical or non-physical
  - Maximize conservation and non-structural solutions
  - Improve regulatory predictability
Commission to Study Water Infrastructure Sustainability Funding
SB 60, chapter 245:1, laws of 2009
2010 Interim Report

To: Governor Lynch, House Speaker Norelli, and Senate President Larson

From: Senator Martha Fuller Clark, Chair

In 2009, the General Court enacted legislation (SB 60, chapter 245:1, laws of 2009) to create a Commission to Study Water Infrastructure Sustainability Funding (the Commission). In the performance of this study, the Commission’s review was specifically required to include “an assessment of the state’s need to construct and maintain infrastructure to protect its water resources, taking into consideration public health issues, ecosystem and habitat protection, and economic factors including tourism.” The Commission was also required to “consider the information, conclusions, and recommendations presented in the New Hampshire water resources primer published in December 2008, which evaluates how to improve the long-term sustainability of New Hampshire’s water infrastructure and its funding”.

This report describes the Commission’s work to date toward fulfillment of these duties. The primary recommendation in the report is to extend the Commission for an additional year so that critical research and analysis, now underway, can be completed. This information is necessary to finalize and prioritize recommendations on how New Hampshire can ensure adequate funding to sustain critical water infrastructure including public drinking water systems, public wastewater and stormwater systems, and publicly owned dams. Other recommendations include:

- The immediate need for 2011 state match dollars to secure federal state revolving loan funds for wastewater and drinking water improvement projects;
- An interim need, until a long-term revenue source can be identified, for dam repair funding to ensure state owned dams are safe; and
- The reinstatement of state aid grants in the state 2012/2013 budget for projects that were initiated prior to these grants being deferred and would justifiably have anticipated the availability of these grants.

Members of the commission include:
Senator Martha Fuller Clark
Representative Pamela Hubbard
Representative Thomas Buco
Representative Jeffrey St. Cyr
Harry Stewart, Department of Environmental Services
Rachel Rouilliard, Piscataqua Region Estuaries Partnership

Page 1 of 3
12/20/10
The Commission met 16 times (see attached summary of meetings). The value of water infrastructure to the state’s economy and quality of life was examined with particular emphasis on the role of water infrastructure as a key municipal service, akin to schools, police and fire fighting. The lack of understanding of the value of infrastructure by the ordinary citizen was quickly identified as a key issue that will take significant outreach and education. The Commission systematically discussed the current state of New Hampshire’s water infrastructure including the historical and current “drivers” and obstacles that have led to significant need for infrastructure investment, which is currently estimated at $2.3 billion over the next decade.

Drivers identified include:
- current age and deterioration,
- changing regulatory requirements,
- growth, and
- climate change

Other important obstacles include:
- competing public service needs,
- user rates not reflecting true cost of services, and
- lack of planning, asset management and other demand reduction efforts

Experts were brought in to discuss each of these components and other, relevant, Federal and State reports as well as the NH Water Resources Primer were reviewed. The UNH Department of Resource Economics was engaged in the Commission’s work and will be conducting a survey of stakeholders on potential funding sources and mechanisms that could be utilized to fund the gap between needs for critical water infrastructure replacement and repair and what would be available from 1) existing state and federal loan and grant programs and 2) increased, yet affordable user rates. Based on the survey findings, additional research on specific funding scenarios may be conducted.

Given the importance of safe drinking water provision, wastewater collection and treatment, stormwater management, and water impoundment for a variety of uses, coupled with the need for significant investment to ensure that this critical infrastructure continues to function to provide these services, the Commission recommends an extension of a year to complete research and identify and prioritize specific actions that should be taken. In addition to this extension, the Commission recommends the following specific interim actions:
- State match for the currently available federal grants for New Hampshire's drinking water and wastewater state revolving loan fund (SRF) and for similar grants available in state fiscal years 2012, should be included in the 2012/2013 state capital budget or an alternative funding source created to ensure that these funds are available. The SRF provides the state with $100.00 in federal funds for every $20.00 in state match. For wastewater infrastructure projects, the state stands to lose 60 million dollars (20 million is available in 2011, 2012 and, likely again, in 2013) in federal loan funds available to municipalities. The state match needed is 4 million dollars for each of those years. For drinking water infrastructure projects, 6.2 million is needed to obtain 31 million in loan and grant funds over the same period. An additional concern is that setasides from the federal drinking water SRF grants, fund the majority of New Hampshire's Safe Drinking Water and Groundwater Permitting Programs.

- The state aid grant program (RSA 486 and 486-A) should be reinstated for drinking water and wastewater upgrades that were initiated by communities before the deferment of these grants in 2009. These programs were established by the legislature to pay the annual debt service upon project completion for eligible drinking water and wastewater projects. While existing state aid grant obligations have been met, the funding for a number of projects that were not completed or which did not apply prior to 2009, has been deferred until future years due to state budget shortfalls. These communities undertook projects with every expectation that these grants funds would continue to be available as they had been historically. These funds provide critical assistance to New Hampshire communities to make water infrastructure investment more affordable.

- Funding for critical repairs at state owned dams ($2.5 million annually) should be included in the 2012/2013 budget. The historical funding mechanism for this important work has significantly diminished due to reductions in state hydropower lease revenues attributable to deregulation in the electric industry. As a result, there will be no funding available for this work by spring 2011. In 2010, the legislature considered a dedicated fee based funding source but deferred passage awaiting the Commission's findings. Because the Commission needs to further study and evaluate options and considering that any recommendation from the Commission will take time to implement, an interim source of funds is necessary to address this immediate public safety need.

Respectfully submitted December 20, 2010

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<table>
<thead>
<tr>
<th>Date</th>
<th>Agenda Items</th>
<th>Guest Speakers</th>
<th>Handouts</th>
<th>Purpose Served</th>
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<tbody>
<tr>
<td>9/17/2009</td>
<td>Organizational meeting</td>
<td>-Harry Stewart (NHDES member and Water Division Director)</td>
<td>-New Hampshire Resources Primer</td>
<td>Senator Fuller Clark was elected Chair</td>
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<td></td>
<td></td>
<td>-Sharon Nall</td>
<td>-Water Infrastructure Needs in NH</td>
<td>The purpose of the Commission was reviewed.</td>
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<td>-Paul Heitzler (Both from Wastewater Engineering Bureau at NHDES)</td>
<td>-Final Report of the Commission to Study the Effects of Electric Utility Restructuring</td>
<td>An overall review of state infrastructure needs for wastewater, stormwater, water supply, and dam improvements and an explanation of funding available through the NH’s federally funded water related state revolving funds.</td>
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<tr>
<td>10/1/2009</td>
<td>Overview of Water Infrastructure Needs and Clean Water and Drinking Water State Revolving Funds.</td>
<td>-Sarah Pillsbury (Drinking Water Program, NHDES)</td>
<td>-State Owned Dams in Need of Repair List</td>
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<td>-Rick Skarinka (Dam Bureau, NHDES)</td>
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<td>10/22/2009</td>
<td>- Rural Development Agency (RDA)</td>
<td>-Gregg MacPherson (RDA),</td>
<td>-Minnesota Clean Water Fund Activities</td>
<td>Identified other Federal funding sources that are available</td>
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<td></td>
<td>- Housing and Urban Development – Community Development Block Grants (CDBG)</td>
<td>-Katharine Bogle-Shields (CDBG),</td>
<td>-Creating a Sustainable Solution for Pennsylvania</td>
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<td>- New England Interstate Water Pollution Control Commission (NEIWPC)</td>
<td>-Ron Polfak (NEIWPC)</td>
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<td></td>
<td>- District Army Corp of Engineers (ACE)</td>
<td>-Chris Hatfield (ACE)</td>
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<td></td>
<td>John Boisvert,</td>
<td>-GAO Report Clean Water</td>
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<td>11/19/2009</td>
<td>-NH Coastal Program</td>
<td>-Ted Diers, NHDES Coastal Program</td>
<td>Draft report outline</td>
<td>Identified federal funding available in the seacoast</td>
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<td>-National Oceanic and Atmospheric Agency</td>
<td>-Betsy Nicholson, NOAA</td>
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<td>12/3/2009</td>
<td>-Environmental &amp; Resource Economics, UNH</td>
<td>-Dr. John Halstead, UNH</td>
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<td>Identified connections between infrastructure and economic development</td>
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<td>-Draft SB60 report outline</td>
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<td>Began discussion of a UNH survey related to funding infrastructure</td>
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<td>Began discussion of final report.</td>
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<td>12/17/2009</td>
<td>-State Owned Dams</td>
<td>-Jim Gallagher, NHDES Dam Bureau</td>
<td>State owned dam power point presentation.</td>
<td>An explanation was provided concerning funding for Dam maintenance and repair (i.e. the historical revenue connected to hydroelectric power generation has significantly diminished and there will be no funding for state-owned dams by Spring 2011). A gap analysis for drinking water and wastewater infrastructure was discussed. The gap between need and revenues available with affordable, full cost pricing and existing funding sources was considered.</td>
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<td>-Full Cost Pricing</td>
<td>-William Brown, Member</td>
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<td>-Questions for UNH Grad Students</td>
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<td>1/21/2010</td>
<td>Private and Municipal Dams</td>
<td>-Jim Gallagher, NHDES</td>
<td>GSHPA handout</td>
<td>The status of municipal and privately owned dams was provided. An explanation by GSHPA was provided which explained it is unlikely that significantly more hydropower dams would be</td>
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<td>3/3/2010</td>
<td>- Water and sewer gap analysis approach. - Funding needs for SRF match and</td>
<td>None</td>
<td>- Comparison chart on municipal water and sewer rates, median household</td>
<td>Agreed on report outline/structure.</td>
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<td>deferred grants - UNH research update - Report outline - John Boisvert's list</td>
<td></td>
<td>income and tax rates (draft). - Information on Funding needs for</td>
<td>Reported outcomes from meeting with UNH researchers.</td>
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<td>of questions for consideration</td>
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<td>SRF match - John Boisvert's list of questions e-mailed prior to the</td>
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<td>meeting.</td>
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<td>4/15/2010</td>
<td>-Funding Gap Analysis -Funding Alternatives -UNH Research</td>
<td>None</td>
<td>-Draft approach for estimating funding gap Draft UNH survey</td>
<td>Consensus on how to use a gap analysis to estimate funding needs for drinking water and wastewater.</td>
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<td>Discussion of UNH survey.</td>
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<td>5/21/2010</td>
<td>- Preparation for Joint Commission Meeting: Gap Analysis Update</td>
<td>None</td>
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<td>Review of work and findings to date.</td>
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<td>6/8/2010</td>
<td>-Discussion of Joint Commission Meeting: Identification of demand reduction</td>
<td>None</td>
<td>-Handout from Joint Commissions meeting and draft minutes -UNH Presentation</td>
<td>Identification of financial demand reduction recommendations for report.</td>
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<td>recommendation for final report</td>
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<td>Draft schedule for report production.</td>
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<td>6/22/2010</td>
<td>- Small drinking water system recommendations report. - Discussions of needs</td>
<td>None</td>
<td>-Summary of research completed by Groundwater Commission on user fees</td>
<td>Identification of small drinking water system recommendations for report.</td>
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<td>to include in final report -Draft funding entity concept</td>
<td></td>
<td>- John Boisvert's funding entity concept diagram</td>
<td>Decision to limit report to critical drinking water, wastewater, stormwater and dam infrastructure needs.</td>
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| 9/23/2010  | - Final report/ draft chapters  
- Need for extension and/or interim report.  
- Upcoming joint meeting of all the water/development related commissions                                                                                                                                                                                                                     |                | Draft Report Chapters                                                                       | Consensus on extending the Commission and determined the need for and the content of an interim report.                                                                                                                   |
| 10/27/2010 | - Reviewed interim report.  
- Reviewed/edited UNH Survey  
Recommendations for finalizing interim report and UNH survey.  
Agreed UNH research should be focused on potential revenue sources and that the launch of a SB60 endorsed survey should be delayed.  
Agreed work to date should be thoroughly documented regardless of the outcome of the legislation to extend the Commission.                                                                                           |
| 12/9/2010  | Reviewed final draft of report and discussed the future in light of 3 of 4 elected members not being re-elected and the number of new legislators.                                                                                                                                                                                                                      |                | Draft final report.                                                                           | Determined recommendation to extend the commission should be in the final report.  
Discussed how a sponsor might be found to file a bill to extend the Commission.  
Agreed work to date should be thoroughly documented regardless of the outcome of the legislation to extend the commission.                                                                                           |
Commission to Study Water Infrastructure Sustainability Funding
SB 60, chapter 245:1, laws of 2009
Final Report Outline

Executive Summary
Summarize importance, process, findings and recommendations

Chapter 1: Introduction/ Overview

a) Explain duties and membership
b) Describe in General Terms Importance of Infrastructure (drinking water, wastewater, dams, stormwater and green)
c) Describe briefly the approach taken by the commission
d) Explain how the report is laid out

Chapter 2: Infrastructure’s Importance and Needs

a) Wastewater
b) Drinking Water
c) Dams – Municipal and State Owned
d) Stormwater – estimated need, defer to SW Commission findings

Chapter 3: Existing Funding Sources for Water Infrastructure

a) Local/Municipal Sources
   i. General funds/Local taxes/Operating budgets
      explain most systems not paying full cost or maximized affordable rate
   ii. Dedicated/Enterprise funds
   iii. Local bonding
   iv. User Rates

b) State
   i. Dams:
      ii. Wastewater and Drinking Water state aid grants
      Wastewater State Aid grants
      Drinking water state aid grants
         1. Surface Water Filtration
         2. Interconnection
         3. Source Water Protection

c) Federal
   ii. State Revolving Funds (Clean water and Drinking Water – explain match needs)
   iii. Rural Development Authority
   iv. Community Development Block Grants
   v. Other (such as Army Corp, NOAA, “319” non-point source grants)
d) The total picture: Estimating the true funding gap between federal, state, and an affordable local contribution for water infrastructure

Chapter 4: Possible Solutions (alternatives analysis)
   a) Potential Approaches to Reducing Future Needs
      i. Effective Management
      ii. Asset Management
      iii. Regionalization – physical or non-physical
      iv. Maximize conservation and non-structural solutions
      v. Improve regulatory predictability
   b) The Role of Education
      - General Public/ Increasing the Value Citizens Place on Infrastructure
      - Industry Workforce Development
      - Industry Board and Management Training
   
   c) Potential Funding Solutions
      i. Water and Wastewater
         Local: Gradual rate increase to affordable threshold
         Dedicated funding of capital reserve
         State: State Appropriation
         Fee based revenue source (discuss GAO options and UNH findings)
         Federal: Advocate for but don’t rely on stable or increased funding
         Addressing problems/issues with federal funding mechanisms beyond scope
      ii. Short Term and Long Term Dam Needs

Chapter 5: Commission Recommendations