

**LINCOLN BOARD OF SELECTMEN'S  
WORK SESSION MEETING MINUTES  
MARCH 4, 2021 – 11:00AM**

**APPROVED**

**LINCOLN TOWN HALL - 148 MAIN STREET, LINCOLN, NH  
(THE RECORDING OF THIS MEETING CAN BE FOUND ON YOUTUBE)**

**Board of Selectmen Present via Zoom:** Chairman OJ Robinson, and Selectman Jayne Ludwig

**Excused:** Selectman, Tamra Ham

**Staff Present via Zoom:** Town Manager Burbank, Fire Chief, Ron Beard, Water Plant Operator, Dave Beaudin, and Administrative Assistant Jane Leslie.

**Public Present via Zoom Video Conferencing:** Town Engineer, Ray Korber, Raftelis Rep. Dave Fox, and Paul Beaudin

### **I. CALL TO ORDER**

Chairman Robinson called the meeting to order at 11:00 am.

### **II. WATER METER REPLACEMENT PROGRAM**

Chairman Robinson explained that Paul Beaudin had questions during the last Board of Selectmen's meeting (3/01/21) concerning the water and sewer rate calculations that Dave Fox represented on his Water Meter Replacement Program brochure (*see attached*) which was created in advance of Town Meeting.

Paul Beaudin asked Dave Fox (Raftelis) if he could explain how he derived at the calculations that he referenced in the Water Meter Replacement brochure for Town Meeting. Fox responded that his calculations were based on 75,000 gallons of water usage, and noted that there was a misprint in the brochure with the dollar amount for a typical family of four which states: "the expected bill for water and sewer service for a typical family of four will be approximately \$359 and should read \$357." Fox went on to explain how he was able to use different methodologies and raw data to come up with the assumption of a typical household of four using 75,000 gallons of water, and arriving at the annual water and sewer expense of \$357. A discussion ensued addressing a variety of questions from Paul Beaudin to Dave Fox and Ray Korber.


Paul Beaudin asked what the intent was for creating the brochures. Chairman Robinson responded that the point was to show the fairness of the water meters (those who use more water would pay more money) as well as promoting conservation. Beadin commented that he understands this, however, expressed doubts as to whether or not this was the best way to go about doing it.

Town Manager Burbank shared that he just had a conference call concerning short-term rentals in the Town of Lincoln, where he was informed that the town has approximately 900 units that are being operated as a short-term rental business. To date, Burbank explained 259 rentals have registered with the town, and feels that by metering water, there will be a tremendous amount of revenue generated as a result of the meters.

### **III. ADJOURNMENT**

Upon conclusion of the discussion, the board thanked Ray Korber and Dave Fox for explaining their calculations and methodology's, and clarifying any questions that Paul Beaudin had.

The meeting adjourned at 11:45 am

  
Respectfully Submitted,  
Jane Leslie  
Approval Date: March 8, 2021

  
Chairman O.J. Robinson

  
Tamra Ham

Jayne Ludwig



# WATER METER REPLACEMENT PROGRAM

***“Meeting the Needs of  
the Lincoln Community”***



## Introduction

***At the March 2021 Town Meeting, the Town will consider a warrant article to appropriate \$1.6M to complete a town-wide water meter replacement program.*** The program will include the removal of existing meters and installation of new meters and technology necessary to monitor water use and assist us in managing and investing in our water and sewer infrastructure. The meter replacement program is supported by your Board of Selectman, Budget Committee, and Water Committee. The Town is asking that its residents support this important initiative. This document will serve to provide you with relevant information with regard to the Water Meter Replacement Program and its impact on the Town and its residents.

## How Water Service is Currently Funded

***Residents currently fund water treatment and delivery through their taxes.*** Approximately \$1.5 million of tax revenue funds the water and sewer system. Using tax money to pay for water service is rare and problematic for several reasons:

1. It is not fair. What residents pay for water is not dependent on how much they use.
2. It does not encourage wise water use and this stresses the system and our ability to deliver reliable service.
3. It provides no consistent, stable income for reinvestment in the system or for funding new customers.

## Funding Lincoln's Water for the Future

***In most communities in America, properties are metered for water and sewer service and each property pays a fixed charge for maintaining the water system, plus a volumetric charge, based on the amount of water used, as detected by the meter.*** This ensures all properties pay their fair share; it incentivizes thoughtful use of water; and it provides a stable and predictable source of funds to maintain the system, make improvements, and save for growth when needed. Moving from a tax-based water system will help us better manage the system and ensure the right investments are made in the long term. This change to a fully metered system is supported by your Board of Selectman, Budget Committee, and Water Committee.

# Your Questions Answered

## Q. WHY CHANGE FROM A TAX-FUNDED WATER SYSTEM TO A METERED SYSTEM?

A metered system will enable us to better manage the system, continue to deliver the level of service we have all come to expect, and reinvest as needed. Near-term investments include expanding our water storage to enable better fire protection. Longer term, we are anticipating we will need to upgrade or replace our wastewater treatment plant to meet more stringent regulations.

## Q. WHAT ARE THE KEY BENEFITS TO A METER-BASED SYSTEM?

Installing meters and switching to a meter-based billing structure will achieve the following benefits:

- It incentivizes wise water use, which helps us get more out of the current system and defer upgrades.
- It increases the probability of securing state and federal grants and low interest loans to offset our costs for capital improvements.
- It ensures the financial sustainability of our water and sewer operations for the foreseeable future.
- It creates customer equity and makes costs and funding more transparent.
- It allows us to better detect and pinpoint system leaks so we don't lose water, we reduce our cost of treatment and pumping, and we increase our response time to address issues.

## Q. HOW MUCH WILL THIS COST THE TOWN RESIDENTS?



### Water Rates

Fixed Charge (quarterly)	<b>\$10.27</b>
Usage Allowance (gallons, quarterly)	<b>9,000</b>
Volumetric Charge (per Kgal)	<b>\$3.85</b>



### Sewer Rates

Fixed Charge (quarterly)	<b>\$9.03</b>
Usage Allowance (gallons, quarterly)	<b>9,000</b>
Volumetric Charge (per Kgal)	<b>\$3.33</b>

Our collective cost for this change is \$1.6M. In addition, there will be annual costs to maintain equipment and to bill users under the new rate structure.

We expect the bill for water and sewer service for a typical family of four will be approximately \$359 per year, which is about a dollar per day. This estimate includes the cost of the meter replacement program and the other investments noted above.

At this same time, all water and sewer costs will be taken off the tax rate and carried in a separate enterprise fund. A \$200k home can expect a \$442 reduction in property taxes once the new water and sewer billing rate structure is implemented.



**MARCH**  
Town Approval



**APRIL 2022**  
Competitive Contract Bid



**JUNE**  
Select Qualified Firm



**JULY - SEP 2022**  
New Meters Installed



**Q2 2022**  
New Bills Issued

## Q. WHAT ARE NEXT STEPS AND HOW LONG WILL IT TAKE TO IMPLEMENT?

We expect a single firm to furnish and install the meters and billing system. Town staff will oversee the work to ensure it is completed in accordance with town requirements. We have already determined our initial billing rate methodology and structure, and intend to do annual reviews to ensure we continue to have a fair, transparent, and financially sustainable rate structure that will support the level of service we desire for our community.



# Town of Lincoln, NH

## Water and Sewer Rate Options

*Draft and For Consideration Purposes Only*

### Assumptions

- 1) Rates are designed to be sufficient for a 5-year period, but should be analyzed annually to ensure sufficiency.
- 2) Water capital improvements are approximately \$330,000 annually.
- 3) Sewer capital improvements are approximately \$1.12 million annually, including the financing of a WWTP upgrade.
- 4) Given that recent detailed customer consumption data is unavailable, assumptions had to be made with regard to the distribution of consumption, and should be revisited once actual consumption records are available.

### Rate Option Descriptions

- Option 1:** Quarterly fixed charge, recovering 20% of revenues, with no usage allowance; volumetric rate per Kgal
- Option 2:** Quarterly fixed charge, recovering 20% of revenues, with 9,000 gallons per quarter usage allowance; volumetric rate per Kgal
- Option 3:** Quarterly fixed charge, recovering 50% of revenues, with no usage allowance; volumetric rate per Kgal
- Option 4:** Quarterly fixed charge, recovering 50% of revenues, with 9,000 gallons per quarter usage allowance; volumetric rate per Kgal

			<u>Option 1</u>		<u>Option 2</u>		<u>Option 3</u>		<u>Option 4</u>	
<u>Water Rates</u>										
Fixed Charge (quarterly)	\$		10.27	\$	10.27	\$	25.67	\$	25.67	
Usage Allowance (gallons, quarterly)			-		9,000		-		9,000	
Volumetric Charge (per Kgal)	\$		3.08	\$	3.85	\$	1.92	\$	2.40	
<u>Sewer Rates</u>										
Fixed Charge (quarterly)	\$		9.03	\$	9.03	\$	22.57	\$	22.57	
Usage Allowance (quarterly)			-		9,000		-		9,000	
Volumetric Charge (per Kgal)	\$		2.71	\$	3.38	\$	1.69	\$	2.11	
<u>Combined Annual Customer Impacts</u>										
5 Kgals	}	Seasonal	\$	106.10	\$	77.18	\$	211.02	\$	192.95
10 Kgals			\$	135.02	\$	84.41	\$	229.10	\$	200.18
15 Kgals			\$	163.94	\$	120.56	\$	247.17	\$	236.33
25 Kgals			\$	221.78	\$	192.86	\$	283.32	\$	308.63
50 Kgals			\$	366.39	\$	373.62	\$	373.70	\$	489.39
25 Kgals	}	Year-round	\$	221.78	\$	77.18	\$	283.32	\$	192.95
50 Kgals			\$	366.39	\$	178.40	\$	373.70	\$	256.21
75 Kgals			\$	511.00	\$	359.16	\$	464.08	\$	369.19
100 Kgals			\$	655.61	\$	539.92	\$	554.46	\$	482.16
1000 Kgals			\$	5,861.45	\$	7,047.22	\$	3,808.11	\$	4,549.22
10000 Kgals			\$	57,919.88	\$	72,120.26	\$	36,344.63	\$	45,219.87

### Customer Notes

- 1) Seasonal Customers are assumed to be present for only one billing cycle.
- 2) Typical Year-round Residential customers use between 50 and 75 Kgals per year.

