



CITY OF DOVER

DOVER UTILITIES COMMISSION ~ MINUTES

Meeting Type: Subcommittee Meeting
 Meeting Location: Conference Room – 271 Mast Road, Dover, NH 03820
 Meeting Date: **Friday, March 13, 2009**
 Meeting Time: **1:00 PM**

Members Present Michael Earley, Jay Stephens, Otis Perry

Staff Present: Bill Boulanger, Utility Systems Supervisor, Shari Bullen, DUC Secretary

1. ROLL CALL

The meeting was called to order at 1:00PM.

2. INVESTMENT FEES

Perry began by indicating the ratios were rational but the dollar amounts of investment fees were high. The transition from flows to connections was difficult to understand and the amount of the number, based on a rational calculation, was huge. None of the easier, fairer ways came up with a lower dollar amount. Perry also believes the fees are understated, specifically for residential (single family) dwellings at the expense of others.

It was agreed that the current values were okay but the rational was not. Boulanger thought to simplify the formula we could get rid of the extra calculations that make it more confusing, such as using last year's rate or the calculation for extra bedrooms. By getting rid of all the extras, we could better explain the methodology to new users. He also felt that the first step did the job so we could eliminate Appendix B and use Appendix C only. The 5000 over 450 where 11 dwelling units x 8367 = \$92,000.00; this scenario was calculated out for various scenarios. Boulanger said this is how Somersworth does it. Earley looked for Portsmouth and Somersworth calculations online but was unable to find anything.

Water only at 1600/450 = \$3.55/g. 5,000g x \$3.55 = \$17,600.

1 apartment = 1 dwelling. Perry felt we did not have to go by State definitions. Perry outlined the following:

1. The base flow should be 450 gallons and less than 450 gallons would still pay this minimum.
2. The multiplier should be \$3.55 using the base of 1600/450.
3. The total flow from Appendix C.

A hotel with 50 rooms at 100g/room is over the 450 minimum so would pay 3.55 x gallons based on Appendix C. Watson Fields is categorized as an institution other than a hospital. Water for 55 beds @ 135g/bed = 7425 x \$3.55 = \$26,358.75. Sewer would be 4600/450 = \$10.22 as the multiplier. 7425 x \$10.22 = \$75,883.50. These combined fees total approximately \$102,000.00. It was thought that this could hurt someone building a 1 or 2 bedroom house but it was agreed that no one builds a house of this size, nor would a bank finance the building of one. The 1600/450 represents the infrastructure costs.

The 1600 figure will be 1700 next year, or in July of 2009 with implementation of the new budget. Water in 2006 was 1300 and in 2007 was 1600. Earley outlined what these fees would have looked like by year:

- 2009 1700/450 = \$3.78 (65% increase)

- 2008 1600/450 = \$3.55 (23% increase)
- 2007 1300/450 = \$2.89

2006 and 2007 jumped due to construction. Boulanger indicated that there had never been a change to the fees in 1999 and 2000. Given the state of the economy, it was agreed that the group should consider not making a huge jump or increase in their fees. Stephens felt the \$3.55 based on number of connections not consumption was appropriate. Earley felt volatility was an issue and suggested the use of a 5-year average. A 3 year average would be \$3.41 for water and a 5-year average was not available but could be looked into in future calculations. \$3.41 is a 17% increase. Using last year's rate had given some relief. The percent of residential versus commercial users was discussed. Boulanger will try to pull some numbers together.

Perry thought maybe the DUC should vote on this Monday so that Council could vote on it with the budget. All agreed to use the 3-year average. Boulanger felt that a fact sheet should be included which fully explains the rationale for the charges. It was agreed the subcommittee should recommend the DUC adopt this formula and recommend averaging up to five years. The gallon calculation should be based on Appendix C.

3. ADJOURNMENT

Motion: Perry made the motion to adjourn.
Second: Stephens seconded the motion.
Vote: U/A.

Respectfully submitted, *Shari Bullen*, Dover Utilities Commission

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