

**TOWN OF WILTON / SEWER DEPARTMENT
SPECIAL WORK SESSION
TUESDAY, MARCH 1, 2016 3PM
Building Inspector Office DRAFT MINUTES APPROVED 3/17/16**

Wilton Sewer Commissioners held a special Work Session on Tuesday, March 1 at 3PM in the Building Inspector Office. Commissioners Chris Carter and Tom Schultz and Clerk Joanna K Eckstrom attended in person; Commissioner Tom Herlihy participated by telephone. Also present were Scott Clang from the Granite State Rural Water / Wastewater Association; and former sewer commissioner / customer Charlie McGettigan and customer Tracey Ewing.

Acting Chairman Chris Carter called the meeting to order at 3:07PM.

Clerk apprised all of 'etiquette' for the speaker phone – speak clearly, keep background noise down, direct questions to Mr Carter.

Scott was then asked to share his experience at how user fees affect operations, budgeting, sewer reserves, funding options when expenses exceed income, accounting procedures, audit process, etc.

Scott said that many sewer departments are too small to have their own staff to do bookkeeping, billing, collections, etc so they have an arrangement with the municipality for these services. Town keeps track by way of a Due To / Due From system. The department sets its operating budget, sets rates (to meet the budget); town does collections and pays bills as authorized by the commissioners; and both parties should always be communicating with each other.

Generally speaking, when a 'special purpose utility', funded by user fees, sets its rates, it needs to be sure there is enough money to pay for daily operations, manage debt, be able to respond quickly in a catastrophic failure and plan for the future. It needs to have reserve accounts 'in the ready' for failure, planning, etc. NH RSAs Title 3 Chapter 35 details how reserve accounts are created. If money taken in from user fees exceeds expenses, the excess is supposed to go into a non-lapsing reserve for the sewer department, not into the town's general fund. If expenses exceed income, there needs to be appropriate reporting vs the town's just paying the bill with general taxpayer dollars.

Concern with many municipalities is that they do not understand the process ... of the Due To / Due From system. Does town of Wilton have a formal, written policy or written procedures for interdepartmental transfers? Sewer Commissioners are not aware if there is one.

Charlie McGettigan said that he and Stuart Draper, with guidance from DRA, had done WSD accounting for years. Also, that his and another former commissioner, Jim Tuttle's, questions about the current system have never been resolved; he also believes that it is the sewer commissioners' responsibility, not the selectmen's, to run the sewer department.

Clerk noted that Tara Roberts, accountant that gave quote for audit to the town, suggested that Sewer commissioners may not understand process; an explanation could be helpful.

Scott asked if consideration has been given by sewer (and water) to hire its own bookkeeper or use another type of accounting program? Yes, it was briefly changed to another system; very poor results so went back to old (BMSI). Still may be re-visited.

Scott shared info about reserves, policies, etc. (A .pdf with 3 documents will be put on the website.)

He also suggested that WSD:

- Explore reserve account options and establish same as soon as practical
- Begin long-range planning
- Create written policy or memo of understanding with Town regarding Town / WSD business relations
- Consult DRA as needed
- Invite 3-4 accounting firms to make proposals
- Visit / interact with other towns, like Milford, to share info, resources as appropriate
- Determine what percentage of income should be 'reserved' each year
- Create a 'rolling' plan for future improvements
- Explore state and federal grant and loan opportunities
- Use GSRWWA as a resource – this is a member benefit for WSD
- Begin mapping project; WSD inventory

Tracey Ewing asked if sewer might be metered? Not in the immediate future. She thanked commissioners and Scott for their time; wished more of public came to the regular meetings.

The next regular sewer commission meeting is Thursday, March 17 at 6:30PM.

There being no other business, this work session was adjourned at 4:30PM

Respectfully submitted,
Joanna K Eckstrom, Clerk
(transcribed 3/3/16)