

TOWN OF RYE - SELECT BOARD MEETING

**Friday, June 30, 2023 – 9:00 a.m.
Rye Town Hall**

Selectmen Present: *Chair Tom King, Vice-Chair Bill Epperson, and Selectman Bob McGrath*

Others Present on behalf of the Town: *Town Administrator Matt Scruton, Asst. Town Administrator/Finance Director Becky Bergeron, Town Treasurer Susan Philbrick, DPW Director Jason Rucker, Planning/Zoning Administrator Kimberly Reed, Land Use Assistant Kara Campbell, Planning Board Chair Patricia Losik, and Fire Chief Mark Cotreau*

I. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Chair King called the meeting to order at 9:00 a.m. and led the Pledge of Allegiance.

II. DISCUSSION ITEMS

A. Investment Policy

The Select Board met with Town Treasurer Susan Philbrick to learn more about the Town's investment policy and discuss future opportunities. The discussion focused around any possible changes that should be made to the investment policy and how the process works in allocating general funds for yield maximization for the Town. The Town's funds being discussed included: general operating; sewer; conservation; recreation; special revenue funds which include parking enforcement, outside details, and beach cleaning; along with capital reserves and expendable trusts. Capital project funds are retained in the Public Deposit Investment Pool (PDIP) and general funds are retained in the Town's financial institution. Capital funds are retained in the PDIP because the funds are non-lapsing and this keeps a segregation from the funds that lapse into the general fund. This also ensures diversification in the Town's investment portfolio for safety, liquidity, and yield.

Selectman McGrath spoke about the approved vendors listed in the investment policy and his recommendation to also include custodial for U.S. Treasuries on that list. He also spoke about the NH PDIP Fund and shared information he gathered from NH Manager Beth Galperin. PDIP was set up to make it easier for municipalities to invest with liquidity access. Currently, PDIP has 1,600 accounts in N.H. for state, local, municipalities, and districts. Liquidity of the funds are through ACH and through federal wire transfers. The rate, as of this meeting date, is 5.14%. PDIP is a Triple-A rated fund, which is the highest rate by the Government. U.S. Treasuries are considered risk free, as it's a debt service with a low risk of default because they're issued and

backed by the full faith and credit of the United States Government. The downside of a U.S. Treasury is that they can be bought on the secondary market and it's not as liquid as PDIP.

There was some discussion about the idea of forming an Investment Policy Advisory Commission to help advise the Select Board and Town Treasurer. There was also discussion about the services being provided by the Town's current banking institution.

Resident Christopher Nee, who is a Rye Trustee of the Trust Fund, joined the conversation with the Select Board and representatives from the Town. Mr. Nee is a founding partner and wealth manager of Seacoast Wealth Management. He has over twenty-five years of experience in the field.

Note: *Selectman McGrath disclosed that he and Mr. Nee have a personal relationship, as their wives are very close friends. He also disclosed that he has never done business with Mr. Nee, nor are there any plans to do so in the future.*

Mr. Nee gave an overview of the role of the Trustees of the Trust Fund. The Trustees meet every quarter to review and discuss market trends and economics. It was noted that the Town's assets are kept with Fidelity. It was also noted that U.S. Treasuries are the most protected and safe investment.

There was discussion with Mr. Nee regarding the Town's investments and how they are handled by the Trustees. There was also discussion about cash management for the Town, so it will be efficient, and effective with the best yield possible.

After discussion, the Select Board agreed that the Trustees of the Trust Fund, Town Treasurer and Finance Director should work together on an investment plan for the Town and bring it back to the Selectmen. Treasurer Philbrick agreed to submit information to the Select Board on the average yield earned on the Town's current investments over the past year.

Deputy Treasurer discussion:

The Select Board spoke with Treasurer Susan Philbrick about her choice for deputy treasurer.

Selectman McGrath encouraged Treasurer Philbrick to consider appointing someone that would have the desire to continue on as treasurer in the future. There were other candidates that applied for the treasurer position that could be considered. Selectman McGrath noted that he is not going to support the current selection for deputy treasurer, as this person has recently retired as the treasurer and is most likely looking to move on from that part of her life.

Selectman Epperson noted that the treasurer and deputy treasurer could change in March. Treasurer Philbrick would like to appoint Jane Ireland as deputy treasurer. Mrs. Ireland could mentor the new treasurer through situations that she may know about, as she was the Town Treasurer for many years. Selectman Epperson questioned why Mrs. Ireland would want to come back after retiring; however, he would be comfortable with the appointment until March.

Treasurer Philbrick commented that Mrs. Ireland is a straight-forward and honest person, who has a great deal of knowledge. She has worked in many capacities for the Town. Treasurer Philbrick has full confidence that this person can fulfill the duties of deputy treasurer, at least until March. She noted that it's important to find someone who fits in with the community and the town. It's not just being able to do the job responsibilities. It's also about being able to work with the Finance Director and other town staff.

Chair King commented there is no doubt Mrs. Ireland is able to do the job. His concern is her willingness to serve. The Town has to look at the deputy treasurer as someone who could step up and do the job fulltime at any time. It's not about the capability. Chair King suggested to Treasurer Philbrick that she commit to a shorter term with her deputy treasurer appointment, but have it go no later than March.

Treasurer Philbrick agreed to Chair King's suggestion.

Motion by Tom King to approve Jane Ireland as the Deputy Treasurer. Seconded by Bill Epperson. All in favor.

Chair King recessed the meeting at 10:12 a.m. The meeting reconvened at 10:18 a.m.

B. Parsons Creek

DPW Director Jason Rucker noted that back in 2000, there was a sanitary survey of Parsons Creek which identified some bacteria. The study of Parsons Creek has been continuous for well over twenty years. In the last ten years, there have been some substantial studies completed with varied results. The ultimate goal of all the studies is to try to find the source of the bacterial contamination that is detected with the State surveying of Parsons Creek.

Chair King commented the goal of the meeting is to educate the Select Board on the genesis of this project and the process. The reason this is coming up now, is because of the latest report by FB Environmental, who has been the contractor on this project for at least ten years. Over the years, FB Environmental has made recommendations. The most recent study was not as revealing and inconclusive.

Referring to the FB Environmental report, Selectman McGrath noted that it was discovered that the fecal matter that was detected was from rats, racoons, and deer. He continued that in 1987, in Orleans, Massachusetts, the shellfish beds kept being shut down because of contamination. It was found that the racoons were using the storm drain system as transportation. The storm drain system is dark and wet. When fecal matter is in that area, it doesn't get broken down by UV rays and the first flush of a heavy rain washes everything into the waterways. The solution was to put grates on all the exits of the drain system to stop the problem. Selectman McGrath noted there are 850 storm drains that go into Rye's waterways. He had questioned FB Environmental about whether the level of contamination that was detected from the activity of racoons and rats was sufficient enough to present as a challenge that should be solved. FB Environmental's answer was that any bit of contamination and bacteria is significant.

Planning/Zoning Administrator Kim Reed gave an overview of the Parsons Creek project and also reviewed the plans for the future.

- The Parsons Creek study started in the year 2000. At that time, Rye was paying to sample the beaches and it was determined that there was an issue with bacteria. Between 2000 and 2004, efforts were made to hone in on the source of the bacteria with no success.
- In 2008, Parsons Creek was deemed impaired and FB Environmental was hired to prepare a grant application to cover costs related to work on this waterbody. This grant failed because the Town didn't have a watershed based plan at that time. FB Environmental was hired in 2011 to prepare a watershed plan for the Town.
- Rye received its first 319 Grant in 2012, which covered sampling work with the intent of finding the cause of the bacteria. Under that grant, four best management practices (BMP) were installed on Wallis Road, as well as Marsh Road. These were raingardens with plantings which were installed to try to prevent the runoff from going into the resource. Septic sniffing dogs were also brought in at that time and public events to promote awareness were conducted. Up until 2012, there was no awareness of this impaired waterbody. During this grant work, the Town was able to hire FB Environmental to create a data base of all properties with septic systems in the Parsons Creek Watershed.
- A second 319 Grant was submitted with the intent of offering residents the opportunity to have their septic systems evaluated. Under that grant, the Town would also be able to pay for up to five septic system replacements; however, no one stepped forward to take advantage of the offer. The grant had to be rewritten twice and instead of it taking two years, it took almost four years. However, a positive outcome from that grant was overnight monitoring for 24 hours, as well as more public events to heighten awareness. During the second grant, more BMPs were installed, people were educated on doing their own raingardens, and an inventory was created for the Town's storm drains.
- In 2016, the Select Board formed the Parson Creek Watershed Committee. Through that committee, along with Police Chief Walsh, signs were posted warning dog owners about dog waste in Parsons Creek, which could result in a fine of up to \$1,000. Town Attorney Donovan was hired to work with the Town Administrator at that time, on whether there could be a requirement to test septic systems or replace them when there is a change in ownership of a property. Attorney Donovan advised the Town that this could not be done because of N.H. Legislature. Other work under that grant included the hiring of U.N.H. to test the bacteria to see if it was human or animal; however, those tests came back inconclusive.
- The 319 Grants stopped in 2018; however, the Town contracted with FB Environmental for continued monitoring.
- In 2021, Administrator Reed learned that the Clean Water Revolving Fund was allowing for a planning grant. Through the Public Works Department, the Town was able to apply for a stormwater study of Parsons Creek. The Town was awarded the one hundred percent grant and this is what the Town is working on right now. The Town is in the process of applying for a loan through the Clean Water Revolving Fund. One of the things planned for those funds is to look at the groundwater saturation to try to hone in on the saturation for the leakages. At that same time, U.N.H. will again be monitoring to determine whether the bacteria is human or animal.

The Select Board reviewed the package containing the work for the Parsons Creek Watershed submitted by Planning Administrator Reed.

Referring to the packet, Selectman Epperson noted that it's very extensive. The overarching issue is that there's an assumption that FB Environmental has made numerous suggestions to mitigate this problem and the Town has neglected or omitted the responsibility to do it.

Administrator Reed commented that she finds this inaccurate, as the Town has done so much work over the past twenty plus years. In regards to the pump out ordinance, it will likely show over median time that it's working, as it takes time to send out non-compliance notices and put enforcement into place. The enforcement of that regulation is a major step forward towards fixing this problem. Administrator Reed agreed to review and comment on the list that was submitted by resident Steven Borne.

Planning Board Chair Patricia Losik noted that FB Environmental has been giving the Town advice every year and it's multifaceted. The most current recommendations talk about the additional testing that needs to be done. This was discussed with the Select Board at their meeting on June 12th. She reviewed the current recommendations, which include: collection of additional fecal source for tracking in Parsons Creek; continued monitoring of levels at multiple stations to establish a time series for analysis; adding or adjusting monitoring stations in proximity to the suspected fecal sources; mapping of septic systems in conjunction with the pump out ordinance for compliance against the current data; additional analysis of the harmful bacteria genus; and convening water quality experts to review the data. The real issue is that the identification of microbial communities in this current study for Parsons Creek may pose a risk to public health and should be taken into consideration for future management.

Mrs. Losik spoke about the tools that the Town uses to provide protection for its resources; such as, the pump out ordinance; land development regulations for subdivisions, change of use and site plan development; and protective overlay districts as set by zoning regulations. She also reviewed other steps the Town is taking to protect its watersheds, which include; the expansion of the 200ft reference line for the shoreland buffer, which was voted on and approved by town voters in March 2023. Expanding the buffer was a recommendation made by FB Environmental in the 2021 Natural Resource Inventory (NRI), which is an important document about Rye's natural resources. The NRI is used extensively by the Planning Board in their work for the community.

Mrs. Losik encourage the Select Board to read the N.H. Shoreland Septic System Study from 2020, which guides municipalities on what can be done within state law.

Public Comment:

Ellen Morton-Hamil, 31 and 42 Concord Point, asked about the testing and when it is done.

DPW Director explained that the testing for beach water quality is done periodically throughout the summer months only.

Selectman Epperson commented that the Beach Committee is working with Beach Rider Foundation to conduct testing during the shoulder season.

It was noted that beach sampling is different from the Parsons Creek sampling. The beach sampling is testing the salt water. The Parsons Creek sampling deals with everything inland; the marsh and streams. Both are being tested, but they are separate. FB Environmental's testing on Parsons Creek was done in early and late July, and early and late September, and early October.

Joanne Drinkwater, 36 Concord Point, asked about safety, as the northern part of her property is right on Parsons Creek.

Planning Administrator Reed noted that when there is a high hit for Parsons Creek, the DPW Director will post signs.

DPW Director confirmed the signs are posted at the beach access near the Parsons Creek outflow.

Ms. Drinkwater asked about the source of the bacteria.

Planning Administrator Reed explained that the cause has not been found. It's difficult to pinpoint because Parsons Creek flows. At high-tide the bacteria will sit until it rains, and then flush and move through the creek. It's hard to detect which area is the problem and the source.

Referring to the beach testing, Fire Chief Mark Cotreau noted that he works with the testing staff from DES. Depending on the time of year and the location, they test a couple of times a week. If they find something above the permissible limit, they'll notify the Town and it's posted on the Town's website. The Fire Department and/or DPW will also post signs at the site. It's not unusual to see a sign at the main entrance of Wallis Beach and another sign across from Petey's Restaurant at the access point. Those would be the only areas the State is recommending for closure, as it has to do with the currents and activity on other parts of the beach. A lot of times, they are saying to swim at the upper end of Wallis Sands because the tests have been fine in that area. There are other times when the whole beach has to be closed and a sign will be posted at the jetty on Wallis Sands. He also pointed out there is a good system in place that's followed if the tests come back above the permissible limit. A call is made to the Town within an hour of those results. The beach program works for what it's designed to do. He noted that people are not denied the right to swim in the ocean. The posting is a recommendation and a warning to the public.

The FB Environmental report on Parsons Creek for 2022 is available on the Town's website for the public to view.

Chair King summarized that the Select Board learned a lot at this meeting. The Select Board has received a comprehensive overview and has been given confidence that recommendations for Parsons Creek are being followed. Moving forward, there's an application in progress through the Clean Water Revolving Fund for funds to complete the recommendations that were just received from FB Environmental in last year's study. A decision by the State will be made on

that application by the end of July 2023 with funds becoming available in 2024. In the meantime, sampling has already been established with FB Environmental for 2023.

III. OTHER BUSINESS

Fire Chief Cotreau spoke to the Select Board about the Surf Club's request to change the rain date of their fireworks from July 5th to July 7th. He has since learned that they want to stay with the July 5th date. However, he is asking the Select Board for an additional rain date, as the Surf Club has gone back and forth on the date.

Motion by Bill Epperson to approve the Surf Club's rain date for fireworks for July 5th or July 7th at their discretion. Seconded by Bob McGrath. All in favor.

- The Town Hall and Town Hall Annex will be closed for the July 4th Holiday.

ADJOURNMENT

Motion by Tom King to adjourn at 11:24 a.m. Seconded by Bill Epperson. All in favor.

Respectfully Submitted,
Dyana F. Ledger