

**Board of Commissioners
Public Hearing
Minutes
February 26, 2018
(approved March 19, 2018)**

Present: L. Woods, G. Keller, J. Comer, Superintendent R. Miner, Business Manager J. Lavoie. Also in attendance were: Michele Holton (Finance/HR) Mike Metcalf (UEI), Jeff Marts (EGGI), Katherine Joyce (Bernstein and Shur)

Excused: T. Pellegrino, J. Balcom

Chairman of the Board Lon Woods noted the following:

I Declare the Public Hearing relative to the Merrimack Village District proposed operating budget for 2018-2019 and Warrant Articles for 2018 open for comments. The notice of this Public Hearing was advertised in the Nashua Telegraph and appeared in the February 7-9, 2018 edition. The Public Hearing notice was also posted on the Merrimack Village District website at WWW.MVDWATER.ORG, the Merrimack Town Hall, Public Library and Post Office.

The purpose of this hearing is to allow comments from the public in relation to the proposed 2018-2019 operating budget and 2018 Warrant Articles. The Board of Commissioners will not comment during this time. Prior to the public comment period staff will present and explain the proposed operating budget and warrant articles for the Merrimack Village District. During and after this presentation the public may ask questions, request clarification and/or offer comments for the Board's consideration.

When all comments have been received, I will close this Public Hearing - the Board will go into session to consider action on the proposed 2018-2019 Budget and Warrant Articles.

Are there any questions about the procedure?

It was questioned whether there could be any changes to the budget or warrant articles after tonight. L. Woods noted that any changes made to the operating budget or warrant articles can be made at the Annual Meeting.

L. Woods noted there are 11 Articles on the Warrant. Articles 1,2,&3 require a ballot vote. Article 4 is about the upgrading and rebuilding of the Turkey Hill Road booster station; Article 5 is the operating budget; Article 6 is the contingency article; Article 7 is the transfer to the System Development Capital Reserve Fund; Article 8 is the transfer to the Equipment and Facilities Capital Reserve Fund; Article 9 is a petitioned article from Kathryn A. Stack; Article 10 is a petitioned article from Laurene Allen; and Article 11 is a petitioned article from Nancy A. Murphy.

Questions from the Public

Article 4 - Rachel Ricker, 12 Merrill Rd, questioned whether the passage of Article 4 will cause the rates to increase. R. Miner noted that this would not necessarily raise the rates. There is a possibility of raising this money through the State Revolving Fund. The cost of this article would be \$1.3M. The District has been pre-approved for money from the MtBE money given to the state. This money will come from the state as long as the article passes at the Annual Meeting.

Wendy Thomas, 10 Wildcat Falls, questioned whether there is any filtration associated with Article 4. R. Miner noted that there is no filtration with this article. The pump station is used to move water from one zone in the District to another.

Nancy Murphy, 24 Brenda Lane, questioned the use of clean water funds to move water within the District. M. Metcalf noted there was an \$80M settlement between the state and gasoline companies. There was another settlement with Exxon-Mobil for \$300M with no strings attached regarding MtBE. Any water system is eligible for money from this second fund.

Kathy Stack, 7 Millwood Dr, questioned whether there were any proposals for any filtration in this warrant. L. Woods there are no such proposals. There is effort in the budget to continue testing.

Tom Koenig, 1 Danforth Road, questioned the interest and time on the loan. R. Miner noted that the time is 15-20 years with an interest rate of 2.25%.

C. DiPiero, 10 Cambridge Drive, questioned why there is nothing in the budget regarding filtration. L. Woods noted that no initiative was brought forward from the staff at this time. He noted that clarity is needed regarding what is to be treated and the cost to treat.

D. Ploss, 11 Woodward Road, noted that discussions were moving forward, but nothing is being heard now. Answers are expected. What is the District doing regarding this problem. L. Woods noted that there is on-going work being done with St. Gobain Performance Plastics (SGPP). This work is still on-going. This work is directly related to the filtration at wells 4 & 5. D. Ploss is appalled that filtration is not in the budget.

W. Thomas questioned the comment "not enough clarity" and questioned how the information needed is to be gained. L. Woods noted that the District continues to get information and there is a preliminary design for filtration at wells 4 & 5. The District continues to gather information regarding chemicals that may contaminate the water. W. Thomas questioned when this report is due. L. Woods noted there is no report, but there is on-going information received from the District's engineers.

K. Stack questioned whether there has been any consideration for filtration for residents on private wells. L. Woods noted that this is out of the domain of the MVD. K. Stack noted that private wells were also affected by SGPP. She noted that the negotiations also affect private wells. She questioned what about any contamination beyond wells 4 & 5. She noted that the District has the ability to extend the municipal water lines. R. Miner noted that there are negotiations going on between NHDES and SGPP regarding

the private wells which have been affected. The negotiations between the MVD and SGPP concern the MVD water system. K. Stack questioned why the District doesn't extend the lines and recoup the money from SGPP.

Article 5 - Peter Albert, Level Road, questioned the 31% in other expenditures in the budget. He questioned what these other expenditures consist of. R. Miner noted that these items are detailed in the budget. These are the day to day expenditures of the District.

Gail Shaw questioned the NHDES-DWSRF Loan Principal and Loan Interest. M. Holton noted that this is payment for the low interest loan taken out for the construction of the Treatment Plant for wells 7 & 8. G. Shaw questioned the interest amount. M. Holton noted that this was a loan for \$4.3M and there was some interest accrued during the construction. G. Shaw questioned when the loan was established and when it will be paid off. M. Holton noted it was established in 2016 and is a 20 year loan.

Article 6 - W. Thomas questioned unanticipated expenses. L. Woods noted that this Contingency Fund has been in the budget for several years. These expenses could be any "unanticipated" expenses. The District is required to bring forward to the rate payers at the end of the fiscal year any expenditures made from this contingency fund.

T. Koenig questioned whether the Contingency Fund, if unused, goes back into the general fund. M. Holton noted that this is what happens.

Article 7 - W. Thomas questioned where this money comes from. R. Miner noted that the District has a System Development Charge (SDC) that is paid by developers to help alleviate the cost of further developing the water system. The money for this Capital Reserve Fund comes from this SDC. W. Thomas questioned whether this is allocating the money rather than raising the money. R. Miner noted that this is the case.

Article 8 - T. Koenig questioned how much is in the Equipment and Facilities Capital Reserve Fund. R. Miner noted that there is currently \$3,515,864 in this fund. T. Koenig questioned whether there is any intent to use this money

this year. L. Woods noted that this money is used to replace a large piece of the District's infrastructure if such an item is lost to the District. This money will need to be used and the District does take money from it from time to time. This fund has not been tapped this year. T. Koenig questioned whether there is an amount goal for this fund. R. Miner noted that the District is putting money away as best it can for this purpose. There is a possibility that all money for large projects will not need to be bonded with the use of money from this fund. T. Koenig noted that the District is asking for a deposit of money into this fund. He questioned whether this deposit is from last year's surplus. R. Miner noted that this is so.

Article 9 - W. Thomas noted that she thinks this is a great idea.

Article 10 - W. Thomas noted that she thinks this is a great idea.

Article 11 - W. Thomas noted that she supports Article 11. She noted that the current situation is too big for MVD to embrace on its own.

Other issues - Ken Ayers, 19 Jakes Lane, questioned how the difference into voting is determined. L. Woods noted that the articles are presented as the District is directed to present them by RSA. N. Murphy questioned which RSAs and how is the public to find out. J. Lavoie noted that she has the RSAs noted back in the office and would be glad to speak with any member of the public who wishes this information.

Jackie Flood, 20 Flood Drive, asked that the people seated at the table be introduced to the public. This was done.

N. Murphy questioned whether there are any legal actions against the District and who would pay any damages. Attorney K. Joyce noted that the District has just been served and the damages are unknowable at this time.

C. DiPierro questioned when the budget and warrant articles will be voted on in March. L. Woods noted that the Annual Meeting of the Merrimack Village District will be held on March 27, 2019 at 7 PM. C. DiPierro questioned how this information is shared. J. Lavoie noted that all articles are posted on the

District's website and the meeting time and place can be posted on the MVD sign at the District offices. Notices run in the Telegraph for 3 days. It's also posted at the Town Hall, Library, Post Office and the entrance to MVD.

W. Thomas questioned whether the District represents the private well owners in Merrimack. L. Woods noted that the MVD is a municipal entity that supplies water to its rate payers. W. Thomas noted that she has a private well but pays money to the MVD. L. Woods noted that this money is a Fire Hydrant charge for fire protection.

Laurene Allen, 16 French Court, questioned how the District stays on top of what is happening in Concord. R. Miner noted that notifications are sent from Concord to the District and the District's engineers get this information as well. L. Allen noted that she worries that Merrimack needs to be on top of these possible changes in Concord.

R. Ricker noted that this has been a great discussion and she thanked the Board for having the public hearing. She noted that the Warrant Articles proposed by the District do not address this contamination issue. She noted she would like to hear the District's thoughts on how to help alleviate the contamination issue for rate payers and for the community in the future.

Questions from the Press

There were no questions from the press.

Seeing no further questions, I declare this public hearing closed. The Board of Commissioners will reopen the session of the Merrimack Village District Board of Commissioners meeting upon conclusion of all Public Hearings this evening.

The Public Hearing was declared closed by Chairman of the Board L. Woods at 8:05 PM.

Respectfully submitted,
Rita Pointon, Recording Secretary