

**Board of Commissioners
Minutes
November 19, 2018
(approved January 28, 2019)**

Present: J. Comer, T. Pellegrino, G. Keller, W. von Schoen, D. Provencher,
Superintendent R. Miner, Business Manager/Water Quality Support J. Lavoie

A consultation with Attorney was held in Non-Public session. No minutes were recorded for this attorney/client consultation.

Financial Review – September & October 2018 – Michele Holton

M. Holton noted that 33% of the budget year has passed as of October 2018. The revenues are at 37.8%. She noted that the District is in a good position at this time. The previous year comparison is coming into line making a more meaningful comparison. The District is being more diligent with fines and penalties. M. Holton noted that she will be speaking to others (Trustees of Trust Funds, etc.) regarding better investments for the District's money.

Upon questioning R. Miner noted that the District has 2 agreements with Pennichuck Water Works; one is short-term while wells 4 & 5 are offline and the other is a long-term agreement to use water as needed.

- 1. Approve minutes from the August 20, 2018 Public Session (tabled 9/17/18 pending language clarification), September 7, 2018 worksession, September 17, 2018 Public Session and the October 15, 2018 Public Session.**

A motion was made by D. Provencher and seconded by T. Pellegrino to accept the minutes of August 20, 2018 as written. The motion passed 5-0-0.

A motion was made by D. Provencher and seconded by W. von Schoen to approve the minutes of the September 7, 2018 worksession with the following changes:

Page 1 – the word “and” in the 21st row should be changed to “an”; the word “inot” in the 22nd row should be changed to “into”; and the word “towrd” in the 3rd line from the bottom should be changed to “toward”,
Page 2, second paragraph – the word “watrer” in the 3rd line should be changed to “water”; the word “use” in the 4th line should be changed to “used”; and a new sentence should be added to the end of the second paragraph beginning “W. von Schoen requested that...” (to be finished with language from J. Emery).

Page 2 – 3rd item under “UEI Projects” should begin with the word “Lime” not “PFAS”; the word “this” in the last sentence of the last item under UEI Projects should be changed to “the Turkey Hill Road”,

Page 3 – 1st item, 5th line, the word “with” should be “will”; 3rd paragraph the word “wells” should be added before “7&8”; in the same sentence the words “is more of a priority than at wells” should be added before “2&3” and the word “which” should be added after “2&3”; 5th paragraph the word “treatment” should be added before the word “tanks” in the 1st line.

The motion passed 4-0-1 with T. Pellegrino abstaining.

A motion was made by D. Provencher and seconded by W. von Schoen to approve the minutes of September 17, 2018 with the following changes:

Page 2 – Under “Capital costs for PFAS treatment”, 1st paragraph, 2nd line the word “perimeters” should be changed to “parameters”; 7th line the word “GAC” should be inserted before the word “redundancy”; 12th line the word “Wells” should be changed to “Well”; the second paragraph under this item was changed to reflect several changes as provided by D. Provencher. (See attachment to 9/17/18 draft minutes in the 11/19/18 BOC packet)

Page 3 – 3rd line under “MVD meeting on Channel 20” the word “does’t” should be changed to “doesn’t” and add the word “the” after air.

Page 4 – under the item “water level and water quality data”, 3rd line, the word “PFOS/PFOS” should be changed to “PFOA/PFOS”, last sentence the word “these” should be inserted before the word “monthly”, the word “consumption” should be removed and the rest of the sentence should read “historical data plotted on a graph”.

The motion passed 4-0-1 with T. Pellegrino abstaining.

The minutes for the meeting of October 15, 2018 were tabled at this time.

2. Board of Commissioners to discuss with Underwood Engineers:
a. Draft Feasibility Treatment Report for PFAS at Wells 2, 3, 7 and 8

M. Metcalf addressed a list of questions that had been provided to UE prior to the meeting. Those questions and M. Metcalf’s answers (in italics) are noted below. Before getting into the questions and answers M. Metcalf noted that the draft report noted GAC life had been represented as 2 yrs but it was felt this was optimistic, so UE was going to redo the O&M numbers based on yearly replacement of GAC. This is important since the largest portion of the O&M costs for such treatment is the replacement cost of the media.

1. Table on page 4 says better removal of short chain PFAS with resin, but “Resin Media” section on page 6 conflicts. Do info sources actually conflict? *No, the issue was the statement that about PFBA breaking through resin in 4-6 months. However, breakthrough occurs earlier with GAC than with resins.*

2. What is the status of the RSSCT on GAC mentioned on page 5? I assume only being done at wells 4&5?

Yes, RSSCT’s are only being done on Well 4 and 5 water, which are now on-going as part of final design. The reference in this report was to point out that different factors affect the life of GAC and that RSSCT’s are recommended for any water being treated since different waters behave differently.

3. Discussion on backwash rates being lower for resin than GAC on page 7. Are both medias (resin & GAC) only backwashed initially at startup? Or periodically?

You will have the ability to backwash at any time but it is only recommended at initial startup.

4. Have we tested TOC at any wells to confirm if compatible w/ GAC? I assume only being done at wells 4&5?

Only 4 & 5 have been sampled for TOC which was done at the time of taking the RSSCT samples. We have two data points from 7 & 8 from the pilot test but nothing on 2 & 3.

5. Please confirm costs in Table on page 24 include design fees.

Yes, engineering was carried at 25% of construction cost and includes design and construction phase engineering.

6. Task #1 in May 17, 2018 PFAS Treatment proposal includes GAC, resin, and/or advanced oxidation. It wasn’t evaluated, but is advanced oxidation a valid consideration? I think it should be addressed, and if appropriate, dismissed for reasons in the report, since it was mentioned in the proposal.

Advanced oxidation treatment is not a valid option for PFOA/PFOS. This will be clarified in the final draft.

7. Would it make sense to suggest that Zeolite might be a future consideration in the report?

Yes. To date there has not been real information on efficacy, life, cost, and feasibility but we will note that it is being tested and may be a future option.

a. Draft Water Rate Study Update

M Metcalf was questioned whether the draft rates included O&M costs for Wells 4 & 5 since St. Gobain Performance Plastics (SGPP) has already provided

funding for the estimated costs for the first 5 years. He confirmed that this is not included in the rates and since the rates should be adjusted at least every 5 years, this adjustment will be caught in the next rate study update.

M. Metcalf addressed a list of questions that had been provided to UE prior to the meeting. Those questions and M. Metcalf's answers (in italics) are noted below.

1. Page 4: Are costs (new debt) in Options B & D based on GAC treatment, or resin, or both?

All rate impacts are based on GAC treatment.

2. Page 4: is the \$840,000 recommended capital reserve contribution included in the rate study?

No, this amount is not included.

3. Page 4: Option B & D Annual O&M don't match the PFAS cost report. Should they?

There is a small error here. Using the average, the O&M be \$10,000 less for each option. We checked and this change will not noticeably change the rate recommendation and we will make this change in the final draft.

4. Page 5: Confirm all rate increases in subsequent / consecutive years from 2020, 2021, 2022, and 2024 are year to year increases, and are not increases based on today's rate.

That is correct, all increases in rates are cumulative.

5. Figure-2: needs a footnote to explain what 14D, 14C, 14B, and 14A refer to, based on the tables in the appendix.

OK, we will add.

6. Appendix Table 9: what was the new well in account #30735, for \$835,000 with debt issued in 2011, maturing in 2026? Well 7 or 8 maybe?

The debt of \$835,000 was originally to be used for the blending of water from wells 6, 7, & 8. This project was scrapped, and the money was repurposed for a new wells site at Mitchell Woods. It was noted that the new well site at Mitchell Woods was tested for PFAS and none was found.

7. Appendix Table 10: I assume everything listed on the CIP is included in the rate study? Even the \$700K & \$140K values?

Everything is included except the \$840,000 and \$10,000 for a new well evaluation since it was felt this was not necessary.

8. Appendix Table 10: I'd like Mike's opinion on what would be the impact on our total well source capacity if we deferred the \$1.5M for Mitchell Woods well to a later date.

The water from wells 4 & 5 when they come back online should make up for the water which would come from the Mitchell Woods well as long as another source is not lost. D. Provencher noted that the District has spent \$64,000 for water from Pennichuck Water Works since July 2018 and that the water from 4 & 5 should also replace the water purchased from Pennichuck Water Works. He noted he would like to push the Mitchell Woods well site out for 2 or 3 years to 2024. R. Miner questioned whether the rate study could show the Mitchell Woods site both included and excluded from the rate study. M. Metcalf said this could be done.

9. Appendix Tables 11A-D: no table provided for past Fe/Mn treatment at wells 7&8, is that because the debt is already included in this study? Are all tables 11 just for future debt?

Yes, existing debt is in Table 9 including Fe/Mn treatment for 7 & 8.

D. Provencher questioned how the amount of \$4.6M in reserved was arrived at. M. Holton noted that this is based on accumulating information. There is \$5.7M currently in the Capital Reserve Funds. Goals need to be set for Capital Reserve Funds and the fund balance.

W. von Schoen asked that each line item on the CIP be broken out and a rate increase percentage be associated with each line item. He asked to add a provision for impact of inflation on the CIP and subsequent impact on rates.

D. Provencher questioned the delivery date for this study update. M. Metcalf noted that there are currently only minor changes to be made. All the information needed for the final report is available, UEI is not waiting for any additional information.

b. Sampling at wells 4 & 5 on 10/31/18

M. Metcalf noted that this sampling has been done. The water collected will be tested for the entire suite for a NHDES "Safe Drinking Water Analysis" for each well. An initial blended sample was taken from wells 4 & 5 for PFAS analysis prior to shipping the 12 containers which each hold 2.9 gallons. The PFOA found was 44 ppt which compares reasonably well with results from before shutting the wells off in 2016, therefore, all of the water had been shipped for the RSSCT analysis. J. Lavoie noted that well 4 showed non-detect and well 5 showed non-detect for genex, the replacement compounds for PFOA. M. Metcalf noted that the goal was non-detect for any of the chemicals.

3. Board of Commissioners to discuss Source Water Protection Grant relative to the Witches Brook study.

J. Emery noted that there is influence from TCI on the Witches Brook aquifer. There is also influence caused by the pumping of wells 7 & 8. There is a question of what influence the peat in this area has in possible treatment of water in this area. There are 45 ppt in the surface water and 25 ppt in the groundwater. A grant of \$20,000 from the state with an additional \$10,000 from the MVD for a total of \$30,000 would be used to help determine the peat's influence in treatment of water in this area. D. Provencher noted that there looks like there are 2 distinct areas of contamination. J. Emery noted that he would like to identify the area of contribution for wells 7 & 8. G. Keller questioned why NHDES is not doing the work involved in this grant application. J. Emery noted that NHDES has different priorities. J. Emery noted that the peat is helpful, but not sufficient to explain the difference between the surface and ground water levels. This study will address how the peat affects PFOA and PFOS.

4. Board of Commissioners to discuss contracting Emery & Garrett Groundwater to plot/graph PFAS trends for MVD.

The levels of PFAS in wells 2, 3, 7 & 8 before July 1, 2016 was problematic and highly variable. J. Emery thinks that this was caused by laboratory problems. The levels were relatively consistent with some variability over seasons due to rainfall. These levels have been stable over the last few years with no great fluctuations.

The state is currently working through the deliberation of a new standard. The World Health Organization's standard for PFOA is 4,000ppt and for PFOS it is 400ppt. There is a lot of information to be digested before this standard is set. A number is to be given by NHDES on January 1, 2019.

5. Board of Commissioners to discuss the draft survey relative to PFAS.

R. Miner noted that edits by D. Provencher have been sent to Attorney G. Michael and then back to the Board.

6. Old Business

Channel 20 follow up – D. Provencher noted that Channel 20 is having difficulty getting an acceptable video format from Town HallStreams that can be used successfully, as the audio is out of sync with the video.

7. New Business

There was no new business at this time.

8. Superintendent's Report

Horizons Engineering Meeting – The water main extension to be done by Horizons Engineering at the expense of St. Gobain Performance Plastics (SGPP) will begin in the spring.

Back River Road water main extension – This water main extension has been completed at this time. The length of pipe involved is 600 feet, and there are 2 new users on this extension.

PFAS – Sampling for this series of chemicals will be done tomorrow.

Thanksgiving – The Merrimack Village District offices will be closed on Thursday, November 22, and Friday, November 23, 2018 for the Thanksgiving holiday.

9. Questions from the Public

There was a question regarding the media to be used in the treatment plant to be built at wells 4 & 5. It was noted that this media will be GAC. There was a further question regarding the 5 years of O&M to be paid by SGPP. J. Comer noted that the contract with SGPP is open-ended and can be renegotiated if additional information is found. Currently the state standards are being determined. The negotiations with SGPP were on-going for 2 years. R. Miner clarified that the currently negotiated contract with SGPP applies only to PFOA and PFOS. He noted that the contract can be renegotiated if additional PFCs are determined to be contaminating the wells and the contamination came, or is coming from, SGPP.

Gail Shaw expressed the opinion that she is not pleased with the District's legal advice for the SGPP/MVD agreement. She noted she would like an environmental specialist. She noted that the District needs to go after the polluters and there is a need to sue the makers of the pollutants. She stated that the District needs better legal counsel. J. Lavoie noted that with regards to the SGPP/MVD agreement, legal environmental specialists were involved as well as others that specialize in escrow agreement language and insurance language.

It was questioned whether any money came to the District as a result of the contamination of well #6. J. Comer noted that the company responsible for this contamination went bankrupt.

R. Rung noted that peat is made of carbon and is different chemically from GAC. J. Lavoie noted that there seems to be some natural filtration going on and the

point of the grant to find out what is happening. W. von Schoen noted this is a geologic study, not a chemical study.

N. Murphy noted she is frustrated by the continued exposure of the rate payers to contamination. She questioned whether the Commissioners are willing to put forth a Warrant Article about filtration at all District wells to bring the levels of these chemicals to non-detect without additional information. R. Miner noted that an answer cannot be given at this time, but the Board will take this request under advisement. He noted there is currently litigation on-going. W. von Schoen noted that the settlement with SGPP allows for construction of the treatment plant to happen faster. Should the litigation have been drawn out not only would we not be this far along but also incurred a very large amount of legal fees for a small amount of additional payout. He noted there is no harm in putting together a petitioned Warrant Article. N. Murphy questioned whether there is a way to make it clear that the customers are coming to the MVD with this request. She questioned how this information will get back to the residents. She requested

that the Board let the town's state representatives know what they can do to assist. She noted that the 5-year agreement is appalling.

R. Miner noted that the agreement between the MVD and SGPP is for treatment at wells 4 & 5 only. The NHDES has an agreement with SGPP regarding the water main extensions and individual hook ups to residents who are currently on wells that are contaminated. The residents not on MVD water but having a mainline already past their property should have been hooked up already.

N. Murphy questioned whether there is a larger room that can be used for these meetings. R. Miner noted that he is looking into a reconfiguration of the current meeting room to allow for additional members of the public to attend.

It was noted that the public needs to be educated about events concerning the public water supply. It was suggested that links to additional information be put onto the District's website to assist in this educational process.

It was questioned whether there has been any discussion regarding a bottled water discount for town residents. It was noted that no such discussion has been had.

K. Stack noted a shout out to M. Holton for the work she has done on the District's financials.

11. Questions from the Press

There were no questions from the press at this time.

Adjourn

A motion was made by T. Pellegrino and seconded by W. von Schoen to adjourn the meeting at 7:55 PM. The motion passed 5-0-0.

Respectfully submitted,
Rita Pointon, Recording Secretary