

**Merrimack Village District  
Annual Meeting  
March 26, 2019  
(approve April 29, 2019)**

Present: J. Comer, T. Pellegrino, G. Keller, D. Provencher, W. von Schoen, Superintendent R. Miner and Water Quality Support/Business Manager J. Lavoie and M. Holton (Finance/HR Director). Also in attendance were K. Pratt (UEI), M. Metcalf (UEI), P. Pitsas (UEI), D. Tinkham (EGGI) and K. Joyce (Bernstein Shur)

The Annual Meeting of the Merrimack Village District was called to order by Moderator Brian McCarthy at 7:15 PM at the All-Purpose Room of the James Masticola Upper Elementary School.

Moderator McCarthy led the attendees in the Pledge of Allegiance.

A moment of silence was held in memory of the District's former Treasurer M. Carrier.

The Board of Commissioners and members of the staff were introduced to the public.

Moderator McCarthy explained the process to be used this evening.

**Article 1: To choose one (1) Commissioner for a three-year (3) term of office.**

**Article 2: Shall the Merrimack Village District (MVD) vote to raise and appropriate a sum of three million six hundred thousand dollars (\$3,600,000) for the primary purpose of designing and constructing a water treatment system for MVD wells 7 and 8 to reduce per- and polyfluoroalkyl substances (PFAS). Such sum to be raised by the issuance of bonds or notes not to exceed three million six hundred thousand dollars (\$3,600,000) under, and in compliance with, the provisions of the Municipal Finance Act (NH RSA 33) and to authorize the Board of Commissioners (BOC) to issue and negotiate such bonds or notes as shall be in the best interests of the MVD; to additionally participate in the State Revolving Fund (SRF) RSA 486:14 established for this purpose, and/or to participate in existing or future economic funding, and to allow the BOC to expend such monies as become available and to authorize the BOC to take any other action or to pass any other vote relative to said purpose; and to raise and appropriate the required sum of money for the purpose of 2019/2020 interest on said bonds or notes? (2/3 ballot vote required)**

**Article 3: Shall the Merrimack Village District (MVD) vote to raise and appropriate a sum of ten million nine hundred thousand dollars (\$10,900,000) for the primary purpose of designing and constructing a water treatment system for MVD wells 2 and 3 to reduce iron, manganese, and per- and polyfluoroalkyl substances (PFAS), including new water lines connecting those wells to the new treatment system. Such sum to be raised by the issuance of serial bonds or notes not to**

**exceed ten million nine hundred thousand dollars (\$10,900,000) under, and in compliance with, the provisions of the Municipal Finance Act (NH RSA 33) and to authorize the Board of Commissioners (BOC) to issue and negotiate such bonds or notes as shall be in the best interests of the MVD; to additionally participate in the State Revolving Fund (SRF) RSA 486:14 established for this purpose, and/or to participate in existing or future economic funding and to allow the BOC to expend such monies as become available and to authorize the BOC to take any other action or to pass any other vote relative to said purpose; and to raise and appropriate the required sum of money for the purpose of 2019/2020 interest on said bond or notes? (2/3 ballot vote required)**

Rosemarie Rung (Petitioner), Ministerial Drive, noted that these are petitioned warrant articles with at least 25 registered voters having signed the petitions. She noted that MVD wells 2, 3, 7 and 8 contain a class of chemicals called PFAS of which PFOA is a member. These chemicals are difficult to break down. She noted that research has shown that the levels of these chemicals should be lowered in drinking water. The petitioners are requesting that water without these chemicals be made available to the rate payers sooner rather than later. The treatment would be Granular Activated Charcoal (GAC). These Warrant Articles, if passed will provide for filtration of these chemicals at the water source. She noted that \$86,000 would need to be added to the 2019/2020 budget for interest for Article 2 and that \$260,388.89 would need to be added to the 2019/2020 budget for interest for Article 3. Article 3 is for a higher amount due to the fact that pre-treatment for iron and manganese is needed as well. This article does not preclude the District from obtaining restitution if it is found that the contamination came from an identified source. The current average rate payer pays \$315 per year for water. If Article 2 passes the average rate payer will pay an additional \$49 per year. If Article 3 passes the average rate payer will pay an additional \$112 per year. The average residential water bill will, if both articles pass, increase to \$476 per year. This treatment will provide clean, safe water.

Gary Smith, 95 Bean Road, noted that he is in favor of treatment. He noted a downward trend in the amount of PFAS in the water samples from the MVD wells and questions whether PFAS will abate itself. R. Rung noted that there is some variation in the tests on the order of 1-2 ppt. She also noted that the concentration of these chemicals increases during the summer months.

M. Metcalf confirmed there is not a downward trend in PFAS in his subsequent presentation.

G. Smith questioned whether St. Gobain Performance Plastics (SGPP) is still operating in conditions that release these chemicals. R. Rung noted that PFOA has been replaced with other PFAS chemicals. There is a movement to regulate PFAS as a class. She noted that the soil around SGPP is also contaminated.

G. Smith questioned whether SGPP is the only contaminator. R. Rung noted that there are other industries which may also cause such contamination.

Dick Barry, 12 Kyle Road, noted that filtration has been put into the schools in the District and asked if there are sampling results before and after filtration. R. Rung noted that she does not have these numbers. This filtration is also done by GAC. She noted that contamination by PFAS is particularly harmful to children.

Shannon Barnes, School Board Chair, Lawrence Road, noted that the contamination at the schools was running in the teens before filtration and after filtration is it at non-detect.

M. Metcalf, UEI, noted that wells 4 & 5 are currently offline. He noted that the currently proposed plans for the treatment of wells 2, 3, 7, and 8 have no lag GAC filter redundancy built into them at this time. The time frame for the completion of these treatment plants is 2022.

Bill Boyd, 139 Joppa Road, questioned whether the O&M for these treatment plants is about \$600,000 per year. M. Metcalf noted that this would cover pumping, chemicals and change out of GAC on a yearly basis. B. Boyd questioned whether this is independent of wells 4 and 5. It was noted that this is, in fact, in addition to the O&M costs of wells 4 and 5. The O&M costs for wells 4 and 5 is estimated to be \$106,000 per year.

In response to an inquiry from the public, W. von Schoen noted that the District cannot currently go after polluters of these chemicals as the levels in the currently productive District wells do not exceed current Maximum Contaminant Levels (MCL). If the MCL is lowered and the District wells exceed the new MCL, the District can seek restitution.

Louise Koutavas, Davidson Avenue, questioned what happens to the expired material (GAC). M. Metcalf noted that the O&M costs includes the removal and replacement of this material. This material is removed by the manufacturer and is put through a burn process. L. Koutavas questioned whether this treatment would change the taste of the water. M. Metcalf noted that he would not expect the taste to change, but this is an unknown.

Brian Stisser, Middlesex Road, questioned the change-out time of the media. M. Metcalf noted that conservatively the change-out time is estimated to be 1 year. He noted that 90% of the O&M cost is associated with the change-out of the media.

K. Pratt, UEI, noted the estimated financial impact of the passage of these two articles:

- With the current budget only (which includes new debt service for the Turkey Hill Booster approved last year, ongoing projects and Capital Improvement Plan (CIP) contributions), there would need to be an overall rate increase over the next two fiscal years of 28%. For this presentation a rate increase of 13% in both FY 2020 and FY 2021 is used, though the actual amounts each year may be different.

- With the passage of Article 2 (wells 7 and 8) there would need to be a rate increase of 12% in FY 2022 in addition to the current budget increases in FY 2020 and FY 2021 for an overall increase of 43%.
- With the passage of both Article 2 (wells 7 and 8) and Article 3 (wells 2 and 3) there would need to be a rate increase of 40% in FY 2022 in addition to the current budget increases in FY 2020 and FY 2021 for an overall increase of 79%.

He noted that if the life of the GAC is longer than projected the increases may not be as high as anticipated.

Barbara Amaral, 1 Spruce Street, questioned whether there is any benefit to passing one of these articles and not the other. K. Pratt noted that if this happens there will still be PFAS in the District's water.

B. Stisser questioned whether these increased rates are cumulative. K. Pratt noted that they are.

D. Barry questioned whether the process of incinerating the used media puts more PFAS into the atmosphere. M. Metcalf noted this is unknown, but thinks this is a contained incineration that does not allow the PFAS chemicals to enter the atmosphere. D. Barry questioned whether there is a hold harmless clause in the agreement with the supplier of the media. M. Metcalf noted that this is not currently built into the specifications, but he will look at the District's liability in this instance. D. Barry questioned the water tie-in to Manchester Water Works. K. Pratt noted that a tie-in to Manchester Water Works would have a higher cost with a large capital investment.

Tim Tenhave, 5 Windy Hollow Circle, noted that in 2018 the District had revenues \$3.5M with a surplus of \$521,000, meaning that the District is operating at a profit. The District has \$2M cash on hand. He questioned whether these numbers are factored into the rate study. K. Pratt noted that the rate study is based on no surplus, any money for Capital Reserve Funds are now built into the budget rather than being taken from surplus. T. Tenhave questioned how the surplus of \$2M will be spent. M. Holton noted that the surplus is part of the fund balance and the District tries to maintain 6 months of the operating budget in the fund balance. M. Holton also noted that with the proposed budget of \$3.8M, the fund balance would need to be \$1.9M, and the current fund balance is below \$2M.

A motion was made and duly seconded to approve Warrant Article 2 as printed.

A motion was made by R. Rung and duly seconded to amend Warrant Article 2 to remove the words "the required sum of money" and replace them with the sum of \$86,000.

Paul Micali, Merrimack Finance Director/ Assistant Town Manager, noted that interest is not charged until 1 year after substantial completion of a project. If this is so, then why is this money needed. K. Pratt noted that the District is not currently on the SRF list.

This money is added to allow the District to be flexible and go to the bond bank if needed.

The amendment was declared passed by Moderator McCarthy on a hand vote.

Wendy Thomas, 10 Wildcat Falls Road, noted that her family has a private well and has spent \$2,930 so far to make the water at her house clean and safe.

Todd Beard, 21 Cabot, asked how the Board voted and why. J. Comer noted that he voted against this article for legal reasons. G. Keller noted that he also voted against this article for legal reasons. D. Provencher noted that he voted for the article stating due to recommended safe level of PFAS declining over the prior years he is unaware if these chemicals are safe at any level. W. von Schoen noted that he voted for the article for a number of reasons. For one, we don't know the impact of these contaminants on the average person but data is getting clearer and clearer it's an issue for little ones. He stated that he voted with his conscience based on data from other states with bigger budgets for health studies.

A motion was made by R. Rung and duly seconded to approve Warrant Article 3 as printed.

A motion was made by R. Rung and duly seconded to amend Warrant Article 3 to remove the words "the required sum of money" and replace them with the sum of \$260,388,89.

The amendment was declared passed by Moderator McCarthy on a hand vote.

The ballot boxes were opened at 8:49 PM for voting on articles 1, 2, and 3. The ballot boxes will remain open for 1 hour.

**Article 4: To see if the Village District will vote to raise and appropriate a sum of three million eight hundred fifty-three thousand three hundred forty-three dollars (\$3,853,943) for general municipal operations for the 2019-2020 fiscal year with said sum to come from water related charges. This article does not include appropriations contained in special or individual articles addressed separately. (Majority vote required.)**

A motion was made by W. von Schoen and seconded by D. Provencher to approve the article as printed.

An amendment was made and duly seconded to change the written appropriation to match the numerical number (three million eight hundred fifty-three thousand nine hundred forty-three dollars). The amendment passed.

B. Boyd, 139 Joppa Rd, questioned why water purchase was \$15,000 more than anticipated. R. Miner noted that with wells 4 and 5 down water has been purchased

from Pennichuck Water Works through the booster station on Route 101A. This water has been needed during peak times.

B. Boyd questioned whether the amount for the Repair & Maintenance (R&M) accounts is adequate. M. Holton noted that money from the R&M accounts is used for day-to-day operations. The money from Capital Reserve Funds and the capital budget expense account in the budget is used for capital project purchases. B. Boyd questioned the current balance in the District's Capital Reserve Funds. M. Holton noted that this balance is approximately \$5.8M.

The article was declared passed by Moderator McCarthy on a hand vote.

**Article 5: Shall the Merrimack Village District vote to establish a contingency fund, pursuant to RSA 52:4-a, by raising and appropriating the amount of twenty thousand (\$20,000) to meet the cost of unanticipated expenses that may arise during the fiscal year 2019-2020 with said funds to come from water fees? (Majority vote required.)**

A motion was made by J. Comer and seconded by G. Keller to approve Article 5 as printed.

The article was declared passed by Moderator McCarthy on a hand vote.

**Article 6: Shall the Merrimack Village District vote to raise and appropriate the sum of fifty thousand seventy dollars (\$50,070) under provisions of RSA 35:1, I and II to add to the District's "System Development Capital Reserve" fund for the future system expansion and improvement of the existing system? This sum to come from the fiscal year 2017-2018 surplus fund balance; these are the system development charges collected during the 2017-2018 budget year. (Majority vote required.)**

A motion was made by G. Keller and seconded by J. Comer to approve Warrant Article 6 as written.

The motion was declared passed by Moderator McCarthy on a hand vote.

**Article 7: Shall the Merrimack Village District vote to establish a Capital Reserve Fund under provisions of RSA 35:1, V for the purpose of Extraordinary Legal Fees and Expenses related to present or foreseeable litigation or unforeseen legal expenses involving the Merrimack Village District or its officers and employees (\*) and raise and appropriate the sum of one hundred thousand dollars (\$100,000) to be placed in this fund. This sum to come from surplus fund balances. Further, to appoint the Board of Commissioners as agents to expend from this Capital Reserve Fund. (Majority vote required.)**

A motion was made by D. Provencher and seconded by W. von Schoen to approve Warrant Article 7 as printed.

D. Provencher noted that the money in this Capital Reserve Fund can also be used to seek damages in the future.

Tom Koenig, 1 Danforth Drive, questioned the ability of the District to create a fund for this purpose. M. Holton noted that per the RSA the District is authorized to create a Capital Reserve Fund for extraordinary, unexpected legal expenses. T. Koenig noted that the title of the Capital Reserve Fund is misleading.

R. Miner noted the wording for the article came directly from the RSA.

(\*)An amendment was made by Barbara Healey, 68 Back River Road, and duly seconded to add the words "or to pursue litigation" after the words "officers and employees".

Chris Christensen, 27 Greatstone, noted he is one of the Trustees of the Trust Funds for MVD. He noted that tightening of the language or being overly specific is not something he agrees with and therefore would not support the amendment.

Tom Mahon, 31 Naticook Road, noted that the NH Department of Revenue Administration may frown on this.

W. von Schoen noted that the article already states for "unforeseen legal expenses" so he is not sure the amendment is needed.

The amendment was declared passed by Moderator McCarthy on a hand vote.

The amended motion was declared passed by Moderator McCarthy on a hand vote.

## **Retirement**

J. Comer noted the District's appreciation of the work done by G. Keller on his retirement from the Board of Commissioners. He noted a thank you from the Board for this dedication to the District from more than 12 years.

A motion was made by T. Tenhave and duly seconded to restrict reconsideration of Warrant Articles 2 and 3.

The motion was declared passed by Moderator McCarthy on a hand vote.

The ballot box for Articles 1, 2, and 3 was declared closed by Moderator McCarthy at 9:50 PM.

**Election Results:**

**Article 1: To choose one (1) Commissioners for a three-year (3) term of office.**

Kenneth Ayers – 186 votes  
Bob L'Heureux – 1 vote  
Eric Newhall – 1 vote  
Jack Balcom – 2 votes  
Lon Woods – 2 votes  
Don Provencher – 1 vote

**Article 2: Shall the Merrimack Village District (MVD) vote to raise and appropriate a sum of three million six hundred thousand dollars (\$3,600,000) for the primary purpose of designing and constructing a water treatment system for MVD wells 7 and 9 to reduce per- and polyfluoroalkyl substances (PFAS). Such sum to be raised by the issuance of bonds or notes not to exceed three million six hundred thousand dollars (\$3,600,000) under, and in compliance with the provisions of the Municipal Finance Act (NH RSA 33) and to authorize the Board of Commissioners (BOC) to issue and negotiate such bonds or notes as shall be in the best interests of the MVD; to additionally participate in the State Revolving Fund (SRF) RSA 486:14 established for this purpose, and/or to participate in existing or future economic funding, and to allow the BOC to expend such monies as become available and to authorize the BOC to taken any other action or to pass any other vote relative to said purpose; and to raise and appropriate eighty-six thousand dollars (\$86,000) for the purpose of 2019/2020 interest on said bond or notes. (2/3 ballot vote required)**

Yes – 264, No – 22

Moderator McCarthy declared the motion passed.

**Article 3: Shall the Merrimack Village District (MVD) vote to raise and appropriate a sum of ten million nine hundred thousand dollars (\$10,900,000) for the primary purpose of designing and constructing a water treatment system for MVD wells 2 and 3 to reduce iron, manganese, and per- and polyfluoroalkyl substances (PFAS), including new water lines connecting these wells to the new treatment system. Such sum to be raised by the issuance of serial bonds or notes not to exceed ten million nine hundred thousand dollars (\$10,900,000) under, and in compliances with, the provisions of the Municipal Finance Act (NH RSA 33) and to authorize the Board of Commissioners (BOC) to issue and negotiate such bonds or notes as shall be in the best interests of the MVD; to additionally participate in the State Revolving Fund (SRF) RSA 486:14 established for this purpose, and/or to participate in existing or future economic funding and to allow the BOC to expend such monies as become available and to authorize the BOC to take any other action or to pass any other vote relative to said purpose; and to raise and appropriate two hundred sixty thousand three hundred eighty-eight**



**dollars and eighty-nine cents (\$260,388.89) for the purpose of 2019/2020 interest on said bond or notes. (2/3 ballot vote required)**

Yes – 262, No – 24

Moderator McCarthy declared the motion passed.

A motion was made and duly seconded to adjourn the Annual Meeting of the Merrimack Village District. The meeting was declared adjourned at 10:00 PM by Moderator McCarthy.

Respectfully submitted,  
Rita Pointon  
Recording Secretary to the Board of Commissioners

Clerk  4/30/19  
Jill Lavoie Date  
MVD District Clerk