

**Board of Commissioners
Minutes
Regular Session
March 18, 2019
(approved April 29, 2019)**

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

Excused: G. Keller, T. Pellegrino

Financial Review – January & February 2019 – Michele Holton

M. Holton noted through February 2019 the budget is 58.33% complete. Revenues are at 54.3% and expenditures are at 56.4%. The Accounts Receivable is off by approximately \$26,000, so there may be additional revenues to be posted. M. Holton noted she and Amy Doucette (MVD Billing Representative) are researching the issue. M. Holton later noted a correction to the Board that the budget is actually 66.67% complete.

W. von Schoen noted that the deviations in the budget are small with the exception of water purchase. He noted that the District needs to be able to answer questions regarding the decision to purchase water. He also reminded staff that there was an open action item to establish a policy of when to buy third party water.

D. Provencher noted that there is a possibility that there will be a lower cost to the District to purchase water from Pennichuck Water Works in the future. He questioned why the administrative salaries are higher than anticipated. M. Holton noted she will look into this. She noted that year to year the revenues are up by 1.2% and the expenditures are down by 4.6%.

D. Provencher questioned the accounts for office supplies, workers' compensation, and electricity. M. Holton noted that she would look at these accounts and report back to the Board. She noted that the District has received "premium holidays" from the insurance company and that these refunds were recorded as miscellaneous income. R. Miner noted that the Pennichuck booster stations has been used more than in the past, so that may be contributing to the higher electricity expense.

W. von Schoen asked if the backhoe purchase is complete, and why depreciation was not posted. R. Miner noted that this piece of equipment was purchased through the Capital Reserve Fund. M. Holton noted that depreciation expense is posted at the end of the fiscal year, but once a fixed asset module is put in place we will look to post monthly.

D. Provencher questioned the account for R&M Watershed. R. Miner noted that this money is used for the maintenance of the well sites, etc. and that money for the purchase of gravel for some road maintenance will be seen in this account in the near future.

M. Holton noted that she will do a reconciliation of the new well development account for the end of March 2019.

D. Provencher questioned the St Gobain money. M. Holton noted that funds are being drawn from the St Gobain escrow account as invoices are presented (regarding Wells 4 & 5 treatment) and paid out to the vendors. An analysis is being done to determine the investment options for District funds, including the St. Gobain reimbursed expenses payment. The annual audit and the annual reports have been completed. She will review the current audit and compare it to last year's audit. The current audit will be reviewed with the Board and the auditor who will come out to visit with the Board in May for any additional questions. The next audit should be done in August and completed by the end of the year.

1. Board of Commissioners to discuss the proposed 2.8% COLA and salary schedule.

M. Holton noted that this COLA is being requested be retroactive to January 1, 2019.

A motion was made by D. Provencher and seconded by J. Comer to approve the proposed 2.8% COLA retroactive to January 1, 2019. The motion passed 3-0-0.

2. Board of Commissioners to discuss with Mike Metcalf of Underwood Engineers, Inc:

a. Wells 4 & 5 treatment plant

M. Metcalf noted that there is a budget issue involved with this treatment plant. The opinion of probable construction cost based on the 30% preliminary design was \$3.3M. The construction cost opinion after 90% completion is \$4.29M. There are a number of factors contributing to the increase in cost including: 1) items requested by MVD during final design such as demolition of Well 4 and 5 pump buildings requiring replacement of vertical turbine pumps with submersible pumps and motors, inclusion of "loop road" for chemical delivery and GAC replacement trucks, and addition of lab; 2) large cut for road required replacement of some pipe; 3) site raised to utilize all cut material on site so no need to dispose of soil that may have PFAS; 4) building size, which had been reduced during

negotiations with Saint Gobain Performance Plastics (SGPP) had to be increased to accommodate process, mechanical and electrical equipment; 5) larger site clearing and disturbance area; 6) addition of infiltration basin due to possible issues with discharging backwash to sewer; 7) large increase in GAC pressure vessel/media cost due to higher steel costs from steel tariffs, higher pressure rating required and recommendation to use more expensive acid washed GAC; 8) all construction prices coming in higher due to bidding climate with contractors being busy.

It is noted that the 30% cost opinion initially carried \$450,000 for the GAC vessels based on a quote from Calgon Carbon which was reduced to \$400,000 since SGPP said they had a discount with Calgon. The current cost quoted by Calgon including the acid washed GAC and NSF 61 lining of all pipes, which was not initially included is \$650,000. M. Metcalf recommended that the District should go back to SGPP to cover the actual cost of the GAC vessels and media. Other options to cover the budget shortfall would be to use additional funds from Capital Reserves and/or to see if additional money can be obtained from the Drinking and Groundwater Trust Fund (DWGWTF). M. Metcalf noted that a request for money from the DWGWTF can be made under "Special Projects" at any time instead of waiting until the scheduled submission time in September.

D. Provencher noted that the increases in this project over one year are astonishing. M. Metcalf noted that the bid can be set up to take some things out. P. Pitsas, UEI, noted that the base bid should contain as much as possible.

A number of items with estimated costs were suggested for possible removal from the bid in order to reduce costs. After discussion, the Board decided to reduce the fencing around the site for a reduction of \$49,400. R. Miner noted that this fencing could be put in later, possibly through a Source Water Protection Grant from the state. Loam and seed for the slopes will be removed to reduce the cost by \$35,300. The sewer pipe size will be reduced from 15" to 8" saving \$15,500. The floor drain will run to the sewer instead of a holding tank reducing the cost by \$7,800. A steel door rather than a fiberglass door will be used to reduce costs by \$2,800. The static mixer will be changed to reduce costs by \$7,100. Removal of the generator was discussed but the Board felt strongly that there should be a generator capable of operating both the wells and the WTP and a larger generator will be purchased causing an increase of \$125,000. The soft-start bypass in the VFDs will be eliminated for a cost savings of \$35,300. The MCCs will be eliminated for a cost savings of \$28,200. The disconnect and any structures associated with this will be removed at the

wells for a cost savings of \$21,200. PVC conduit will be used in lieu of steel (except for signal wires) leading to a cost savings of \$14,100.

M. Metcalf noted that the initial results from the Column Test (RSSCT) should that PFOA break-through occurs at 21-22 months (1.7-1.8 years). This indicates that the media should last close to 2 years. He noted that if the petitioned articles for wells 2, 3, 7, & 8 pass than the limit of non-detect in these articles will most likely cause the media to be replaced on a shorter timeframe.

D. Provencher noted that in any talks with SGPP the District should remind SGPP that no provisions were made in the contract for inflation. W. von Schoen noted he would like to know the difference between the MVD/SGPP contract and the Hoosic Falls/SGPP contract. R. Miner noted that he would contact SGPP regarding their discount for the vessels and then contact Attorney G. Michael to discuss this.

P. Pitsas noted that prepurchase of the vessels could allow this project to finish more quickly.

J. Comer noted that if the New Hampshire Maximum Contaminant Levels (MCL) are lower than currently anticipated and the petitioned Warrant Articles for the treatment of wells 2, 3, 7, & 8 do not pass then the District will need to hold a special meeting.

D. Provencher questioned whether it is better to run 4-1000 gallon LP gas tanks or natural gas. The staff will look at this issue.

b. Pre-application for grants/loans

M. Metcalf noted that the normal time for such application is September. There will be a workshop on April 19, 2019 when the application process will be rolled out.

3. Board of Commissioners to discuss the MVD Annual Meeting agenda and discussion points.

District Moderator Brian McCarthy noted that the election of a new Commissioner is done by a written ballot. The bond articles are voted with a "yes/no" ballot. The ballot boxes for all of the written ballots must be held open for at least 1 hour; this includes the "yes/no" ballots. He noted that after the presentations are made for the petitioned bond articles he will open the ballot boxes. Any amendments to

these articles can be voted on by a hand vote of the residents present at the meeting. Questions will be fielded by the presenters during the presentations.

4. Board of Commissions to discuss expanded PFAS testing and the most recent results.

J. Lavoie noted that the cost for the additional testing is \$25 more per sample. This will change the cost for the testing from \$1,500 to \$1,625 per month. The Board agreed that this should be done going forward.

D. Provencher noted he would like to see a comparison of detected PFAS compounds in the future between the MVD wells and the SGPP wells.

5. Board of Commissioners to discuss acceptance of the final T-Mobile Site Lease Agreement.

R. Miner noted that Attorney G. Michael is fine with the changes that have been made. This cell tower is located at the Turkey Hill Road tank. A separate agreement has been made with T-Mobile because they are using a separate pad even though they are using the Verizon tower. The \$1,000 per month from T-Mobile in this contract is additional to any money to be paid to the District from the contract with Verizon.

6. Board of Commissioners to review minutes from the February 25, 2019 Public Session, the February 25, 2019 Public Hearing and the March 5, 2019 Public Hearing and discuss sealing the minutes from the January 28, 2019 Non-Public Session.

A motion was made by D. Provencher and seconded by J. Comer to approve the minutes of the February 25, 2019 regular session with the following change:

Page 2, last paragraph, the word "chlorine" should be changed to "chloride".

The motion passed 2-0-1 with W. von Schoen abstaining.

A motion was made by D. Provencher and seconded by J. Comer to approve the minutes of the February 25, 2019 Public Hearing as printed. The motion passed 2-0-1 with W. von Schoen abstaining.

A motion was made by D. Provencher and seconded by W. von Schoen to seal the non-public minutes of January 28, 2019. The motion passed 3-0-0.

A motion was made by J. Comer and seconded by W. von Schoen to accept the minutes of the Public Hearing of March 5, 2019. The motion passed 3-0-0.

7. Old Business

Salt on roads – D. Provencher noted he would like to look at no-salt, low-salt issues in town. He would like to look at ordinances/by-laws relating to this issue. J. Lavoie noted that she did some research with D. Fredrickson in the past. Notices were sent out regarding conditions on site plans on salt usage. R. Miner noted that a letter could be drafted to Community Development to request action on their part on this issue. He noted that the town has a town road maintenance plan and the site plan regulations. He noted that the town can use salt during an “emergency”. D. Provencher asked that this issue be on the next month’s agenda. He suggested that a letter be sent to “grandfathered” businesses to request their assistance in this matter.

Public Relations/Facebook/Social Media – W. von Schoen noted that M. Holton did some research on this issue and asked that it be added to the next month’s agenda.

8. New Business

There was no new business at this time.

9. Superintendent’s Report

Annual Meeting - R. Miner noted that the District’s Annual Meeting will be held on Tuesday, March 26, 2019 in the All-Purpose Room of Masticola Upper Elementary School (JMUES).

10. Questions from the Public

There were no questions from the public at this time.

11. Questions from the Press

There were no questions from the press at this time.

Adjourn

A motion was made by W. von Schoen and seconded by J. Comer to adjourn the meeting at 7:50 PM. The motion passed 3-0-0.

Respectfully submitted,
Rita Pointon, Recording Secretary