MERRIMACK VILLAGE DISTRICT BOARD OF COMMISSIONERS JUNE 17, 2019 PUBLIC HEARING MEETING MINUTES (Approved July 15, 2019)

A Public Hearing was conducted by the Merrimack Village District Board of Commissioners on Monday, June 17, 2019 at 7:10 p.m. at 2 Greens Pond Road, Merrimack, NH.

Chairman, Donald Provencher presided:

Members of the Board present: Joseph Comer, Vice Chairman

Anthony Pellegrino, Personnel Liaison

Wolfram von Schoen

Kenneth Ayers

Members of the Board Absent:

Also in Attendance: Ron Miner, Superintendent

Jill Lavoie, Business Manager/Water Quality Support

Michele Holton, Finance/H.R. Director

PUBLIC HEARING

Chairman Provencher explained the purpose of the Public Hearing was to allow public input on:

Proposed Rate Increase Scheduled for July 1, 2019

Notice of the Public Hearing was posted on the Merrimack Village District website (www.MVDWATER.org), and at the MVD Office, the Merrimack Town Hall, Public Library, and Post Office.

Proposed Rate Increase Scheduled for July 1, 2019

Chairman Provencher opened the floor for public comment.

Nancy Murphy, Brenda Lane, State Representative, asked for clarification on page 3 of the Schedule Of Rates (available at www.MVDWATER.org). She noted that listed under "Current Rate" was both MVD Installation as well as Contractor Installation and was looking for a better understanding of the terms. Superintendent R. Miner informed the public that MVD offers two different rates and gave the example of development. He noted that if MVD does the installation the rates are higher than what is charged when a contractor (third party) does the installation, due in part to the lack of manpower that would be required from MVD.

Representative Murphy noted that the last rate increase took place in 2011 and thanked the MVD for doing what they could to maintain costs. Chairman D. Provencher noted that it has been incorrectly reported by the press that this rate increase (19%) is due to PFAS (per- and polyfluoroalkyl substances) treatment, which is not the case. Chairman Provencher referenced a letter from Underwood Engineering, giving a background of the rate increase. Chairman Provencher informed the Public that

last fall Underwood Engineers completed a water rate update for MVD. Since the December letter report was provided budget information became final based on updated budget information which was higher than projected last fall. Underwood recommended a 19% rate adjustment for the fiscal year 2020. The 19% rate increase corresponds with a budget increase of 19% between fiscal years 2019 and 2020. Note that the 19% increase and assumptions on revenue, capital reserve contributions will vary more or less than the target of \$500,000 per year. That was the capital reserve contribution that was in the rate study that was done. Chairman D. Provencher again noted that the rate increase is not related to PFAS treatment. Commissioner W. von Schoen stated that the Patch article that was published was incorrect.

Representative Murphy asked for clarification on the risk of not having \$500,000 in capital reserve contributions. Chairman D. Provencher noted that this was intended for long range planning of water distribution systems, as well as long term, future projects such as replacement of water mains. This was corroborated by Keith Pratt of Underwood Engineers, Inc, noting that there is a lot of work needed beyond PFAS. It was noted by Chairman D. Provencher that the initial contribution goal was higher, at \$700,000. K. Pratt offered a breakdown of this goal, \$700,000 being the distribution goal and \$140,000 being the facilities goal, with a combined total of \$840,000. MVD is currently targeting \$500,000 with discussion of building this up to come. K. Pratt noted that there is an asset management report that supports this goal. Representative Murphy asked how to access the report. Superintendent R. Miner noted that this report will be available on MVD's website.

The Public Hearing was declared closed at 7:21 pm.

Submitted by Amanda McKenna, Recording Secretary