

A Viva Voce was conducted, which resulted as follows:

Yea: Donald Provencher, Joe Comer, Wolfram von Schoen,
3
Nay: 0

MOTION CARRIED

FINANCIAL REVIEW – Michele Holton

A. Analysis of Revenue and Expenditures Report

Michele Holton, Finance/H.R. Director, informed the Commission that being through December, the fiscal year is 50% complete. The total revenues are at 62.5%. It was noted that the Grant Revenue for the 405K matching grant, has been reported under Grant Revenue (account 40500), but is not an actual part of the budget. Additionally, the System Development Charge (account 40600), may be reassigned. Director Holton is waiting for guidance from the Department of Revenue Association (DRA) on both accounts. With removal of both accounts from the budget, the revenue continues to come in above budget at 55.6%.

At this time, Chairman D. Provencher asked about account 40412, Service Charge (Backflow). Director Holton noted that this is a timing issue and fluctuates throughout the year, the second half being stronger. Chairman D. Provencher also questioned account 40410, Service Charge (Turn On/Off Water). Director Holton informed the commissioners that this is related to shut offs, which were not done in the first half of the year. This was due to a combination of things, such as the rate increase, the mailing issues, and holidays.

Director Holton noted that many of the accounts that are not in line with the 50% of budget reference point are a matter of timing, such as uniforms and seminars. Account 60500, Vehicle Maintenance, is weighted heavier in the first half of the year due to September registration renewals.

Chairman D. Provencher questioned account 81950.9, Professional Fees – Accounting, Director Holton noted that this was the audit.

Director Holton informed the commission that the overall total expenses, at \$1.59M, are only at 41.3%. The Net Ordinary Income is roughly \$818,000. The revenue is reported at 4.3% ahead of the previous year. The rate change accounts for much of difference. The total expenses are down 4.2% compared to the previous year.

B. Bank Account Summary Review

Director Holton informed the commission that there was an influx of funds with the reconciliation for the submissions of both the Underwood and Penta invoicing on wells 4 & 5. Account 10102, Saint Gobain Settlement, reflects the two payments received in December. Chairman D. Provencher questioned account 10400, Escrow – Penta Corp. Director Holton noted that this was the retainage and was being held in escrow for the interest accumulation benefit to Penta.

REGULAR SESSION

1. Board of Commissioners to discuss to discuss on-going projects with Jamie Emery of Emery and Garrett Groundwater/GZA to include:

a) Updated water quality graphs

At this time, Jamie Emery referenced the water quality graphs that the commissioners had received earlier. He noted that PFOA continues to be the predominant PFAS compound in the MVD wells. The levels of PFOA in Well 2 are slightly elevated compared to its history. The sodium and chloride levels continue to rise, particularly the chloride levels in Wells 2 & 3. Well 3 is significantly more of a concern than Well 2.

The water Quality Graphs will be available for viewing on MVD's [website](#).

b) Proposals to evaluate Water Supply alternatives for Well 3

J. Emery noted that the MVD is considering the possibility of not proceeding with the treatment of Well 3. This is due to the elevated levels of iron and manganese that exist at the well site. In addition, PFAS compounds are elevated beyond anticipated regulatory standards and will require activated carbon treatment. Additionally, sodium and chloride levels have increased at an increasing rate over the past 10 years. Collectively, these water quality parameters will make the cost of treatment extremely expensive. An option to developing a treatment plant at Well 3 is to develop an alternative water supply source. Four options are being considered to replace, or supplement, existing Well 3. These options include the following:

1. Identify a new source of water on land owned by the Town of Merrimack, MVD, or Horseshoe Fish & Game Club.
2. Consider replacing MVD Well 1 with a new well.
3. Consider blending water from existing Well 6 with Wells 7 & 8.
4. Use Artificial Recharge (AR) at Wells 4 & 5 to enhance overall water supply production rates and water quality.

Each Project was broken down by tasks and budget estimate. The breakdown is as follows:

PROJECT 1: Evaluate the possibility of developing an alternative site for Well 3 on property owned by the Town of Merrimack, MVD, or Horseshoe Fish & Game Club. In an effort to identify a new production well site, EGGI will perform the following work tasks:

TASK 1- Conduct surficial geologic mapping of the properties being considered.
(\$2,250)

TASK 2- Conduct geophysical surveys to locate exploratory drilling targets.
(\$15,000)

TASK 3- Drill exploratory test wells and test for preliminary water quality and quantity (\$30,000)

Total: \$47,250

PROJECT 2: Evaluate the potential to develop a well proximal to where historical Well 1 existed.

TASK 1- Conduct site review to locate potential location for groundwater development (evaluate possible well setbacks, contaminant threats, and geological site conditions). (\$1,700)

TASK 2- Conduct one geophysical survey line. (\$6,500)

TASK 3- Drill one exploratory well and conduct preliminary tests to assess yield and quality (\$6,000)

Total: \$14,200

PROJECT 3: Conduct PFAS, 1,4-Dioxane, and MtBE analyses of water produced from Well 6.

TASK 1- Install a temporary pump into Well 6. (\$950)

TASK 2- Conduct a six-hour pumping test and collect water quality samples. (\$1,500)

TASK 3- Collect samples and perform analyses for PFAS (16 compounds), 1,4-Dioxane, VOCs, MtBE, and other EPA Drinking Water Standards. (\$1,500)

Total: \$3,950

PROJECT 4: Produce a summary report describing the results of the investigation performed in Projects 1-3. This document will also provide recommendations for the “next steps” for the three water supply alternatives investigated. (\$4,600)

Total: \$4,600

J. Emery asked the commissioners if they would like to consider the items in the proposal that would pursue projects 1, 2, 3 & 4. The estimated amount of all four projects totals \$70,000.

Chairman D. Provencher noted that he would like to work out, possibly at the next work session, the price per gallon of water with each option. This will help determine the best value. J. Emery noted that these projects are to determine if these are adequate options.

Chairman D. Provencher stated that he would like to move forward with some of the tasks, possibly in a progressive order, such as task 1 & 2 of each project. Chairman D. Provencher questioned a timeline. J. Emery was unable to provide a precise answer since permissions would need to be granted, but the timeline should take roughly 30 – 90 days.

J. Emery stated that if he were to prioritize the projects, it would be project 1, followed by project 3, followed then by task 1 of project 2.

**MOTION BY COMMISSIONER W. VON SCHOEN TO APPROVE PROJECTS 1 THROUGH 4, IN THE TOTAL AMOUNT OF \$70,000 WITH THE CONDITION THAT EXPLORATORY DRILLING WILL NOT TAKE PLACE WITHOUT A DISCUSSION OF FINDINGS WITH THE BOARD OF COMMISSIONERS
MOTION SECONDED BY COMMISSIONER J. COMER**

MOTION CARRIED

3-0-0

c) Witches Brook Peat Study

Jamie Emery's PowerPoint presentation can be seen [here](#) at the 1 hour 22 minute mark.

J. Emery informed the commission that an application had been submitted to the state to do an assessment of the Witches Brook Aquifer. This was to determine the distribution of PFAS proximal to the MVD production wells 7 & 8 and the Witches Brook Aquifer. The production volume of Wells 7 & 8 is 1.8M gallons per day and currently serves about 35% of the drinking water supply. There is hope to develop additional water sources on the Wright Property, just to the west of Wells 7 & 8. The Witches Brook Aquifer is comprised of extensive stratified-drift sand and gravel deposits. These deposits serve to store and transmit groundwater and are overlain by extensive wetland/peat deposits surrounding Pennichuck Brook, Witches Brook, and Mill Brook.

The primary mechanisms for groundwater recharge of the Witches Brook Aquifer are direct infiltration of precipitation into the permeable stratified-drift deposits and, under pumping conditions, leakage of surface water through the wetland deposits into the aquifer.

J. Emery informed the commissioners that the peat wraps around Wells 7 & 8. Six piezometers were installed in September 2019 within the peat that surrounds Witches Brook. Each of the samples collected from MVD Wells 7 & 8 since the beginning of 2017 have exceeded the proposed Ambient Groundwater Quality Standards (AGQS) for PFOA when this investigation was being performed.

According to J. Emery, based upon all of the data collected during this study along with the review of selected data available for the site areas that has been discussed, the evaluation indicates a complex conceptual model of PFAS transport to Wells 7 & 8. PFAS sources are likely to be coming from groundwater, surface water, and aerial deposition. He noted that it is conceivable that the peat has served, in part, to treat or retain PFAS in such a way as to impact/reduce maximum potential PFAS concentrations in the water produced from Wells 7 &

8. The total PFAS in the peat / wetland deposits were significantly higher than both the surface water and the groundwater pumped from the production wells.

J. Emery informed the commission that the report was submitted to the state the week starting 01/19/20.

d) Status of obtaining possible Artificial Recharge costs

At this time, J. Emery noted that he was asked to look at what the potential costs are for Artificial Recharge (AR). He informed the commission that the benefit of the AR would be to take Wells 4 & 5 and bring them up to the full permitted capacity, which would add roughly 650,000 gallons per day. AR would dilute the PFAS as well as the sodium and chloride that are in Wells 4 & 5. Additionally, the MVD will be able to use the existing infrastructure (pump house) and future pumping treatment facility to lower the overall cost per gallon of water produced from this site.

J. Emery noted that there is very little concern from the state about pumping clean water into ground that is contaminated.

J. Emery presented the commissioners with a draft estimate to include:

- 1) 8-inch HDPE water line from Merrimack River to proposed AR basins 1,600 feet (\$175 per foot x 1,600 feet) - \$240,000;
- 2) Three Phase power conduits from PFAS Treatment Plant to River (\$100 per foot) - \$160,000;
- 3) Directional Drilling Beneath Railroad and Install 36-inch Sleeve - \$225,000;
- 4) Building an intake and Pumping Station on the Merrimack River - \$1,600,000;
- 5) AR Basin Construction - \$150,000;
- 6) Control Station near AR Basins - \$200,000;
- 7) AR Pilot Testing - \$215,000;
- 8) Hydrogeologic Assessments (Groundwater Modeling, NHDES Reporting, AR Permitting, Groundwater Discharge Permits) - \$250,000;
- 9) Other Permitting (Permit to Withdrawal from Merrimack River, Shoreline Permit, Wetland Permit) - \$200,000
- 10) Engineering - \$250,000
- 11) Property easements (assumes that this can be accomplished for \$50,000)

Estimated Total - \$3,540,000

J. Emery noted that he thought it would be beneficial to do a Cost Benefit Analysis and a pilot test. The pilot test will determine if the soil will accept the water and remove all the organic material from the river.

e) Sodium and Chloride Presentation to the Town Council 2/13/20 at 7:00 pm

J. Emery informed the commission that the Sodium and Chloride Presentation for the Town Council is scheduled for February 13, 2020, at 7:00 pm.

f) Mitchell Woods Monitoring report

J. Emery noted that everything looks good with the Mitchell Woods Monitoring report. The wetlands report indicated that nothing has significantly changed. J. Emery informed the commission that water level monitoring will be going in and is all part of the requirement. Mitchell Woods is on target with the state.

2. Board of Commissioners to discuss Capital Projects with Underwood Engineers to include:

a) Turkey Hill Booster progress

P. Pitsas informed the commission that things are moving as scheduled. The contract has been signed. Penta is expected to start work in March.

b) Wells 4 & 5 treatment plant construction

P. Pitsas informed the commission that the Masons would be starting work the week of 01/26/20. This work is looking to be complete by the third week in February. The trusses are scheduled to go on in the fourth week of February. The vessels are being shipped on March 17, 2020. Construction is running slightly behind, but the end date is not expected to change.

c) Wells 7 & 8 design progress

P. Pitsas made the commission aware that the 90% submittal has been completed / submitted. Underwood would like any comments from the MVD back by the end of the week starting 01/26/20, or the beginning of the week starting 02/02/20. This has been submitted to the New Hampshire Department of Environmental Services (NHDES) along with site plan for the Environmental Review.

d) Wells 2 & 3 design progress

At this time, P. Pitsas informed the commission that there would be a slight hold on Well 3 as they do some investigation before finalizing anything. A treatment plant will be placed at Well 2, which will allow Well 2 to proceed at a different schedule from Well 3, therefore staying on track. There is some concern over proximity to abutting properties, but after review, this does not seem to be an issue. Discussion regarding abutting properties is ongoing. Chairman D. Provencher noted that it may be beneficial to open the discussion to the owners of the abutting properties. A site walk has been scheduled for 3 p.m. on February 12, 2020, for the board members to see the property.

P. Pitsas informed the commission that the Environmental Review will be on hold until the 60% design phase.

A draft report has been submitted for the Wells 2 & 3 project, at the location by well 3. This will be maintained as whole as it is filled with valuable information, and a supplemental letter will be provided. This letter will provide additional information as to why and what is happening at Well 2. This will memorialize all the decisions made.

P. Pitsas noted that the next step is to put together a scope of work for the final design. Additionally, K. Pratt is working on rate updates for the commissioners based on the Capital Improvements, which will come later.

At this time, P. Pitsas informed the commission that Engineer’s Week is coming up and Underwood is looking to submit a project to be highlighted in the Union Leader. He asked the commission if it would be acceptable to submit this one. The Commissioners agreed, as this is public information.

3. Board of Commissioners to review revisions to the Investment Policy.

At this time, Director Holton informed the commissioners of the revisions to the Investment Policy. This revision is an expansion of the current policy, as written below, with the expansion highlighted:

Investment Fund. District Treasury Funds in excess of immediate cash flow needs may be invested in participation units “in the public deposit pool established pursuant to RSA 383:22, or in deposits, including money markets, or certificates of deposit, or repurchase agreements, and all other types of interest bearing accounts, of federally insured banks chartered under the laws of New Hampshire or the federal government with a branch within the state, or in obligations fully guaranteed as to principal and interest by the United States government” pursuant to RSA 41:29 IV. The Treasurer shall also ensure that all District Treasury Funds deposited and invested outside of the public deposit pool are fully collateralized in pursuant to RSA:41:29 V. District Treasury Funds include: (a) General Fund; (b) Capital Project Fund; and (c) any new funds created by the District unless specifically exempted by this Policy.

A motion can be made to move forward with the revisions, if the board chooses, at the next Board of Commissioners meeting.

4. Board of Commissioners to discuss proposed COLA.

Director Holton informed the commission that the staff of Merrimack Village District is requesting that the Board make a motion to vote on approving a 1.6% cost of living adjustment (COLA). The adjustment would be retroactive to January 1, 2020 but would be contingent upon the budget being approved that would contain the funds to cover this. The current budget will carry through until June 30, 2020. The upcoming budget vote will cover the second half of the calendar year.

**MOTION BY COMMISSIONER W. VON SCHOEN TO APPROVE THE COST OF LIVING ADJUSTMENT OF 1.6%, RETROACTIVELY TO JANUARY 1, 2020, CONTINGENT UPON THE BUDGET APPROVAL AT THE ANNUAL MEETING
MOTION SECONDED BY COMMISSIONER J. COMER**

MOTION CARRIED

3-0-0

5. Board of Commissioners to review the draft budget and CIP.

Draft Budget:

The commissioners were presented with a copy of the draft budget. At this time, Chairman D. Provencher asked if this was the same draft budget the commissioners had seen at an earlier date. Director Holton noted that there were changes, and those changes were highlighted in yellow. Changes include a reclassification of sick pay out between departments, the removal of a seminar, and additional funds allocated to electricity for the unknown usage by new treatment plants. Additional offsets include outside services, account 81800, with certain funds being reassigned to Repair and Maintenance. The budget bottom line total remained the same.

Director Holton informed the commission that the Staff requested budget is \$4,117,036, which is a 6.83% increase from the prior year.

Commissioner W. von Schoen noted for the public that a work session for the budget had taken place on a prior date, with an appropriate amount of time dedicated to the subject.

Capital Improvement Plan:

Superintendent R. Miner provided the commissioners with an updated version of the Capital Improvement Plan (CIP). Some items were removed from the CIP, including Well 5 pump controls, Lime Station Improvements (Well 2), and Well house evaluations (Wells 2, 3, & 7).

Superintendent R. Miner informed the commission that the orange highlights are to show the duration of the project, such as Wells 2, 3, 7 & 8, which will stretch to 2023. It was noted that the fourth line down, New Well Treatment (\$10,000), is a placeholder for the future.

Commissioner W. von Schoen asked whether Artificial Recharge (AR) should be added to the CIP. Superintendent R. Miner agreed that it should.

Chairman D. Provencher questioned the \$190,000 allocated for Well 7 short term and long term improvements, with the note of “lime study,” and whether this would still be needed. Superintendent R. Miner noted that the funds would likely still be needed at Well 7. It was noted that chemicals will be injected at Well 7.

6. Board of Commissioners to discuss Warrant Articles and make assignments for presentation at the Public Hearing on February 24th, 2020.

At this time, Superintendent R. Miner and Business Manager J. Lavoie informed the commission that two more warrant articles would be added, one for the position of Moderator and the other for District Clerk. Article 2 is removed. It was noted that an additional draft of Warrant Articles will be sent out. Superintendent R. Miner noted that there will be a change to Article 3.

Assignments for presentation:

- Article 3: Commissioner W. von Schoen; Second by Vice Chairman J. Comer
- Article 4: Chairman D. Provencher; Second by Vice Chairman J. Comer
- Article 5: Vice Chairman J. Comer; Second by Commissioner K. Ayers
- Article 6: Commissioner K. Ayers; Second by Commissioner W. von Schoen
- Article 7: Commissioner W. von Schoen; Second by Vice Chairman J. Comer

Please Note: Warrant Articles above are numbered as presented in draft format at the BOC meeting on 01/27/20 and are subject to change

7. Board of Commissioners to review the minutes from the December 16, 2019 Public session.

APPROVAL OF MINUTES

Board of Commissioners Public Session December 16, 2019

The following amendments were offered:

Page 1, line 47, should read, “the December 16, 2019,” instead of, “November 18, 2019.”

Page 3, line 18, the word “sight” should read as “site.”

MOTION BY COMMISSIONER J. COMER TO ACCEPT THE MEETING MINUTES OF THE DECEMBER 16, 2019 PUBLIC BOARD OF COMMISSIONERS MEETING AS AMENDED

MOTION SECONDED BY COMMISSIONER W. VON SCHOEN

MOTION CARRIED

3-0-0

8. Old Business

Chairman D. Provencher questioned a water fill station at the treatment plant for Wells 4 & 5. He expressed concern of customers still drinking bottled water once wells 4 & 5 come online due to the PFOA levels in other wells. He questioned if there would be an opportunity for customers to access treated water from this location. There is concern as to whether there would be a liability. Commissioner W. von Schoen reminded the commission that Underwood noted they would investigate this option. Chairman D. Provencher noted his interest in seeing what options are available.

9. New Business

At this time, Chairman D. Provencher noted his desire to determine how clean the connection is to Pennichuck Water. He noted that he was not looking to sample the water, but rather to view the information that Pennichuck may already have. Chairman D. Provencher noted that he would like to have this information as a running graph.

10. Superintendent’s Report

At this time, Superintendent R. Miner presented the commissioners with the Addendum to the Purchase and Sale Agreement for the Wright Property. He informed the commissioners that all the field work is complete, and the plans should be available in the second week of February 2020. An Easement Deed will follow, followed then by the closing.

11. Questions from the Public

None

12. Questions from the Press

None

ADJOURNMENT

**MOTION BY COMMISSIONER J. COMER TO ADJOURN
MOTION SECONDED BY COMMISSIONER W. VON SCHOEN
MOTION CARRIED
3-0-0**

The January 27, 2020 meeting of the Board of Commissioners was adjourned at 8:51 p.m.

Submitted by Amanda McKenna, Recording Secretary