

**MOTION BY COMMISSIONER W. VON SCHOEN TO SEAL THE MEETING MINUTES OF THE FEBRUARY 24, 2020 BOARD OF COMMISSIONERS MEETING NON-PUBLIC SESSION
MOTION SECONDED BY COMMISSIONER J. COMER**

A Viva Voce was conducted, which resulted as follows:

Yea: Donald Provencher, Joe Comer, Wolfram von Schoen, Kenneth Ayers

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Nay:

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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 January, the actual activity of the year is 58.33% complete. The total revenues are at 66.1%. Year to year comparison shows that at this time last year the revenues were at 57.2% of budget. Director Holton noted that as far as revenue projections, she does anticipate that MVD will exceed the budget projections.

Director Holton informed the Commission that the \$405,000 matching grant was reclassified under Ordinary Income, listing as Non-Budget Grant Revenue, account 40996. Additionally, Director Holton noted that she had not yet received answers from the Department of Revenue Administration (DRA) to the questions she posed regarding the posting of revenue from System Development Charge, account 40600.

Director Holton noted that overall wages are coming in at 54.08%. It was also noted that some operating expenses are ahead of budget due to timing. Education and Seminars, account 60225, is showing a little above budget. This is due to training for new hires and employee departmental transfers. Leases, account 60800, is tracking ahead of budget. There have been some overage charges on the copier lease. This is being reviewed for change to another tier of coverage. Account 80200, Dues/Subscriptions, is showing above budget due to timing as it has in the past.

At this time, Director Holton informed the Commission that account 90300, Debt Service Interest, will fall \$4,300 under budget as the New Hampshire Municipal Bond Bank reorganized some of their debt and was able to do refunding on interest rates.

Director Holton informed the Commission that the overall total expenses are at 48.7%. The total expenses are close in comparison to the previous year. And overall net income is over \$670,000 at this time.

B. Bank Account Summary Review

Director Holton informed the Commission that there will be some change as to where funds are held if the revised Investment Policy is approved which will allow investment at accepted banks as well as the public deposit pool.

REGULAR SESSION

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

a) Turkey Hill Booster Progress

P. Pitsas informed the commission that the Turkey Hill Booster station is in the shop drawing phase and site work will likely start the week of March 1, 2020, or the following week.

b) Wells 4 & 5 treatment plant construction

P. Pitsas noted that Wells 4 & 5 are still on target, continuing with the masonry block. The lower portion of the building is done. The tanks are expected to be shipped on March 17, 2020. The tresses for the lower portion are on site.

Commissioner W. von Schoen noted that neither a percent of completion nor cost review had been done in a while. P. Pitsas noted that this was a “lump sum” job compared to a unit price job, and the fee tends to be accurate.

P. Pitsas informed the commission that change orders are currently at about \$48,000, with the possibility of an additional \$12,000 change order. Additionally, there is an expected credit from deleting the sprinkler system. Commissioner W. von Schoen asked if there was a line item for the sprinkler. P. Pitsas noted that it was budgeted for \$33,000, and that is roughly what to expect for the credit.

P. Pitsas noted that the BOC had voted for \$50,000 to be allotted for change orders. This amount is close to being reached. He asked if the commissioners would like to vote to increase this contingency amount. Commissioner W. von Schoen asked Superintendent R. Miner if he is being consulted before change orders are approved. Superintendent R. Miner noted that he is consulted first.

**MOTION BY COMMISSIONER W. VON SCHOEN TO INCREASE THE
CONTINGENCY BUDGET FROM \$50,000 TO \$80,000
MOTION SECONDED BY COMMISSIONER J. COMER**

MOTION CARRIED

4-0-0

Commissioner W. von Schoen noted that he would like to see a summary of any change orders that have been approved at the time updates are provided.

c) Wells 7 & 8 design progress

P. Pitsas informed the commission that they are proceeding with the design with a goal of submitting 100% design on March 13, 2020.

d) Wells 2 & 3 design progress

At this time P. Pitsas noted that Underwood is working with consultants to put together a scope and fee to be submitted for approval.

e) Construction Day

P. Pitsas informed the commission that the NH Water Works Association asked if Merrimack would be interested in participating in Construction Day, tentatively scheduled for August 1, 2020. Construction Day highlights different projects taking place in New Hampshire and allows those in the water industry to tour such projects. The commissioners agreed to MVD's participation.

f) Well 4 replacement

Commissioner W. von Schoen noted for the public that discussion of replacing Well 4 is that of a physical replacement of the existing well and not abandonment. Replacement is due to the expectation of a screen collapse. This is a proactive measure by MVD.

a. Emery & Garret/GZA Scope of Services

The commissioners were presented with a Scope of Services from Emery & Garret/GZA that outlined the cost, totaling \$28,900. This is the engineering portion of the well replacement and does not include the cost of the well.

MOTION BY COMMISSIONER W. VON SCHOEN TO APPROVE THE SCOPE OF SERVICES AS OUTLINED IN FILE NO. 33.P000176.20 IN THE AMOUNT OF \$28,900

MOTION SECONDED BY COMMISSIONER K. AYERS

MOTION CARRIED

4-0-0

b. Total Estimate Cost for Well 4 replacement construction

Superintendent R. Miner informed the commission that Barrie Miller's Well & Pump Service, Inc. has presented an estimate for well construction for MVD's replacement well 4 totaling \$76,990. This was initially estimated to be between \$150,000 - \$170,000.

**MOTION BY COMMISSIONER W. VON SCHOEN TO APPROVE A BUDGET
TO REPLACE WELL 4 IN THE AMOUNT OF \$76,990
MOTION SECONDED BY COMMISSIONER J. COMER
MOTION CARRIED
4-0-0**

2. Board of Commissioners to review suggested revisions to the Investment Policy (2nd reading).

At this time, Director Holton noted that at the January BOC meeting she 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.

The proposed change would allow MVD to invest in both the New Hampshire Public Deposit Investment Pool (NH PDIP) as well as with banks in New Hampshire that meet the criteria that are detailed out in the related RSAs. Previously, this policy allowed only for investment within the NH PDIP.

**MOTION BY COMMISSIONER J. COMER TO ACCEPT THE REVISED MVD
INVESTMENT POLICY NUMBER 04-04-B AS STATED BY RSA41:29 IV AND V FOR THE
FISCAL YEAR ENDING JUNE 30, 2020
MOTION SECONDED BY COMMISSIONER W. VON SCHOEN
MOTION CARRIED
4-0-0**

3. Board of Commissioners to review final version of the Warrant Articles and approve to move forward to the Public Hearing

Business Manager J. Lavoie presented the commissioners with a copy of the Warrant Articles.

At this time, Commissioner W. von Schoen asked for a better understanding of Warrant Article 6, asking why a \$20,000 contingency fund was necessary since there are Capital Reserve Funds. It was noted that it is just to have on hand for unexpected expenses that may arise during the year.

**MOTION BY COMMISSIONER K. AYERS TO APPROVE WARRANT ARTICLES TO
MOVE FORWARD TO THE PUBLIC HEARING
MOTION SECONDED BY COMMISSIONER J. COMER
MOTION CARRIED
4-0-0**

4. Board of Commissioners to discuss Emery & Garret/GZA proposal that combines the previous separate Automated Water Level Monitoring with the Water Quality Data Plotting.

On behalf of Jaime Emery, the commissioners were presented with a proposal that would combine the previous separate contract for Automated Water Level Monitoring with the contract for Water Quality Data Plotting. Business Manager J. Lavoie informed the commission that the Groundwater Monitoring contract was \$12,500, and the Water Quality Monitoring and Plotting contract was between \$20,000 and \$23,050. Combining the two contracts would save between \$4,300 and \$8,150 and allow for work to be done simultaneously.

Vice Chairman J. Comer noted an error on page 2. Task 1-5 are outlined in the proposal, where as the bottom of the proposal states, “Estimated cost to complete tasks 1-6.” There is no task 6.

**MOTION BY COMMISSIONER W. VON SCHOEN TO APPROVE PROPOSAL NO.
33.P000217.20 WITH THE CAVEAT TO CORRECT THE ERROR AS NOTED ON PAGE 2
MOTION SECONDED BY COMMISSIONER J. COMER
MOTION CARRIED
4-0-0**

5. Board of Commissioners to discuss next steps for Emery & Garret/GZA Sodium and Chloride Reduction Project.

TABLED

6. Board of Commissioners to review the minutes from the January 27, 2020 Public and Non-Public Sessions.

APPROVAL OF MINUTES

Board of Commissioners Public Session January 27,
2020

The following amendments were offered:

Page 3, line 38, should read, “MVD,” rather than, “MCVD.”

MOTION BY COMMISSIONER J. COMER TO ACCEPT THE MEETING MINUTES OF THE JANUARY 27, 2020 PUBLIC BOARD OF COMMISSIONERS MEETING AS AMENDED MOTION SECONDED BY COMMISSIONER W. VON SCHOEN
MOTION CARRIED

3-0-1

Commissioner K. Ayers Abstained

Board of Commissioners Non-Public Session January 27, 2020

No amendments were offered.

MOTION BY COMMISSIONER W. VON SCHOEN TO ACCEPT THE MEETING MINUTES OF THE JANUARY 27, 2020 NON-PUBLIC BOARD OF COMMISSIONERS MEETING AS PRESENTED

MOTION SECONDED BY COMMISSIONER J. COMER

MOTION CARRIED

3-0-1

Commissioner K. Ayers Abstained

7. Old Business

None

8. New Business

Business Manager J. Lavoie informed the commission of who was running for commissioner, to include: Bruce Moreau, John Lyons, Paul McLaughlin, and Joe Comer. There are two commissioner seats up for election. Business Manager J. Lavoie has registered for the position of District Clerk. There is currently no one running for the Moderator position.

9. Superintendent’s Report

At this time, Superintendent R. Miner noted that as new treatment plants are being built for PFAS, MVD will be assessing the treatment processes. He stated for the public that if there are any questions, concerns, or complaints about the water to please call the MVD office to allow for the concerns to be logged and investigated.

Superintendent R. Miner noted that the Public Hearing would take place tonight, February 24, 2020, at 7:00 in the Little Theater at Merrimack High School, 38 McElwain Street. The Annual Meeting will take place on March 31, 2020, at 7:00 pm at the Merrimack Middle School, 31 Madeline Bennett Lane.

10. Questions from the Public

None

11. Questions from the Press

None

RECESS

The public session of the MVD Board of Commissioners was recessed at 6:20 pm to be reconvened after the Public Hearing at 38 McElwain Street, Merrimack, NH.

RECONVENE REGULAR SESSION

The commission reconvened at 7:05 pm.

12. Warrant Articles – 2020 Annual Meeting

At this time Chairman D. Provencher reviewed the Warrant Articles.

Article 1: To choose two (2) Commissioners for a three-year (3) term of office.

Article 2: To choose one (1) District Clerk for a three-year (3) term of office.

Article 3: To choose one (1) Moderator for a two-year (2) term of office.

Article 4: Shall the Merrimack Village District, acting pursuant to RSA 33:3-a(II), vote to modify the previously approved warrant articles # 2 and 3 (approved March 26th, 2019) so that the PFAS treatment program for wells #2, #3, #7, and #8 will be considered as one project allowing funding to be used for any of the wells so that financial awards from NHDES can also be applied to any of the wells, to include the Drinking Water State Revolving Fund Loan (DWSRF) of \$6,500,000, the NH Drinking Water and Groundwater Trust Fund (DWGTF) loan of \$6,264,500, and the DWGTF grant of \$1,450,000. MVD contribution from capital reserves \$285,500 totaling \$14,500,000.

**MOTION BY COMMISSIONER W. VON SCHOEN TO APPROVE WARRANT ARTICLE 4
MOTION SECONDED BY COMMISSIONER J. COMER
MOTION CARRIED
4-0-0**

Article 5: To see if the Merrimack Village District will vote to raise and appropriate the sum of four million one hundred seventeen thousand thirty-six dollars (\$4,117,036) for general municipal operations for the 2020-2021 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.

This is the operating budget warrant article. This article funds the operation of the District for the year beginning July 1, 2020 ending June 30, 2021 for all departments; Administration, Distribution, Treatment, Debt Services and Insurance/Benefits.

MOTION BY COMMISSIONER J. COMER TO APPROVE WARRANT ARTICLE 5
MOTION SECONDED BY COMMISSIONER K. AYERS
MOTION CARRIED
4-0-0

Article 6: 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 2020-2021 with said funds to come from water fees?

RSA 52:4-a states:

“Every village district annually by an article in the warrant may establish a contingency fund to meet the cost of unanticipated expenses that may arise during the year. Such fund shall not exceed one percent of the amount appropriated exclusive of capital expenditures and amortization of debt by such village district during the preceding year. A detailed report of all expenditures from the contingency fund shall be made annually by the commissioners and published with the report.”

MOTION BY COMMISSIONER J. COMER TO APPROVE WARRANT ARTICLE 6
MOTION SECONDED BY COMMISSIONER K. AYERS
MOTION CARRIED
4-0-0

Article 7: Shall the Merrimack Village District vote to raise and appropriate the sum of two hundred fifteen thousand seven hundred fifty dollars (\$215,750) 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 2018-2019 surplus fund balance; these are the system development charges collected during the 2018-2019 budget year.

The MVD’s Board of Commissioners adopted a System Development Charge (SDC) on August 19, 2008. This charge is applied to “new” customers and those existing customers who increase their water service demand beyond 20% of their current or prior use. The charge can best be described as a “buy-in” fee to achieve an equal equity position with the existing customers. This one-time payment will cover their share of the value of the existing infrastructure. Fire service entrances are not subject to the SDC. The “System Development Charge Use of Funds” policy (08-02-B) was approved by the BOC on 10/27/08.

MOTION BY COMMISSIONER W. VON SCHOEN TO APPROVE WARRANT ARTICLE 7
MOTION SECONDED BY COMMISSIONER J. COMER
MOTION CARRIED
4-0-0

Article 8: Shall the Merrimack Village District vote to raise and appropriate the sum of five hundred thousand dollars (\$500,000) under provisions of RSA 35:1, I and II to add to the District’s “Equipment and Facilities Capital Reserve” fund for associated costs with existing storage, transmission, and production of water? This sum to come from surplus fund balance.

The purpose of this article is to use a portion of the revenue surplus to be set aside for future use in the District’s Equipment and Facilities capital reserve fund. Should an emergency arise in future years, for which there was no appropriation, or should there be the need for an unforeseen special piece of machinery in a pump station, for example, the Board of Commissioners would have these funds available for such purposes. This fund was established by the March 26, 1996 annual meeting.

**MOTION BY COMMISSIONER J. COMER TO APPROVE WARRANT ARTICLE 8
MOTION SECONDED BY COMMISSIONER K. AYERS
MOTION CARRIED
4-0-0**

13. Proposed Warrant Articles as proposed by petitioned Warrant Articles

Chairman D. Provencher informed that public that petitioned warrant articles are warrant articles that are not proposed by MVD. There are no petitioned warrant articles.

ADJOURNMENT

**MOTION BY COMMISSIONER W. VON SCHOEN TO ADJOURN
MOTION SECONDED BY COMMISSIONER J. COMER
MOTION CARRIED
4-0-0**

The February 24, 2020 meeting of the Board of Commissioners was adjourned at 7:15 p.m.

Submitted by Amanda McKenna, Recording Secretary

**MERRIMACK VILLAGE DISTRICT
BOARD OF COMMISSIONERS
FEBRUARY 24, 2020
PUBLIC
ACTION ITEMS**

1. Board of Commissioners to discuss next steps for Emery & Garrett/GZA Sodium and Chloride Reduction Project. Tabled from the February 24, 2020 BOC Meeting.