

**MERRIMACK VILLAGE DISTRICT  
BOARD OF COMMISSIONERS  
JUNE 22, 2020  
MEETING MINUTES  
(approved August 17, 2020)**

A regular meeting of the Board of Commissioners was conducted on June 22, 2020 at 5:02 p.m. at 2 Greens Pond Road, Merrimack, NH.

Chairman, Donald Provencher presided:

Members of the Board present:       Joseph Comer, Vice Chairman  
  Wolfram von Schoen  
  Kenneth Ayers

Members of the Board Absent:       Anthony Pellegrino, Personnel Liaison

Also in Attendance:                   Ron Miner, Superintendent  
  Jill Lavoie, Business Manager  
  Michele Holton, Finance/H.R. Director

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**AUDITOR'S REPORT**

Michael Campo, Director at Plodzick & Sanderson, explained to the commission that the auditor is hired to bring in an independent perspective to review the financial statements. The auditor will assess the risk of the entity that is audited and determine if they can conclude, in all material respects, if the financial statements are presented fairly and accurately. Campo informed the board that Merrimack Village District (MVD) received an "unmodified opinion," which is the highest opinion achievable. This means that Plodzick & Sanderson encountered no obstacles preventing them from rendering a clean opinion.

Campo noted that Director Holton made him aware the Board has some questions with the Statement of Net Position, particularly the liability accounts. He assured the Board that there are no transactions being parked on the Statement of Net Position. He informed the commissioners that at the end of the year, the balance sheet shows a net position, primarily made up of investment and capital assets, of \$20,913,081. He noted that investment and capital assets are just shy of \$13,000,000. Campo informed the commission that The Statement of Revenues, Expenses, and Changes in Net Position breaks down how MVD's net position changed over the last year. MVD's net position increased by just shy of \$750,000 over the course of a year.

Commissioner W. von Schoen stated that he would like to see the balance sheet, once a year, at year end. Director Holton noted that the balance sheet is kept clean with review of each account monthly and this request could be easily met.

Campo informed the commission that the Information Technologies Policies and Procedures is becoming increasingly more important across all entities due to the importance of IT in day to day operations. Information Technologies Policies and Procedures should be reviewed every 3-5 years.

Commissioner W. von Schoen asked if MVD had any safety trainings regarding phishing emails/scams. Director Holton noted that Primex, TD Bank, ICMA-RC (457 Plan) and NHRS forward cybersecurity

memos that she shares with all staff. Primex likely will have trainings in these areas. Director Holton noted that she will look into setting up required annual cybersecurity training for all MVD Staff.

Director Holton informed the board that the auditors had recommended having a sign off from a board member. The recommendation was for a monthly sign off and taking time to review the balance sheet quarterly. This position of Financial Liaison will be filled by Commissioner Wolf von Schoen.

## **FINANCIAL REVIEW**

### **A. Analysis of Revenue and Expenditures Report**

Michele Holton, Finance/H.R. Director, informed the Commission that being through May, Merrimack Village District (MVD) is 91.67% through the fiscal year. The total income and revenues are at 104%. Director Holton noted that she did review any revenue changes that may be occurring due to the stay-at-home order, and she has seen some fluctuations. Director Holton pulled reports from March through May of both 2019 and 2020. Compared to 2019, Domestic Water Sales have shown a slight increase. Mercantile Water sales, which involves the schools, was down 11.3% during the three months of this year compared to 2019. Year to Date, Domestic water sales are at 92.4% of budget, Mercantile water sales are at 86.3%, and Industrial water sales are at 68.2% of budget. Meter charges are at 107.4% of budget, Hydrant charges are at 106.7%, and Sprinkler charges are at 101.9% of budget. New Mains Service Charges (account 40408) is at 1545.7% of budget as Greenfield Farms main line extension was paid.

Director Holton noted that overall, the payroll expense items are at 85% of the payroll budget. Health insurance (account 50500) is at 74.8% of budget at the completion of May. Holton noted that the June health insurance bill has been received and health insurance will come in under budget at year end, totaling 82.6% of the budget. This is \$69,000 under what was budgeted. Holton informed the commission that account 70525, R & M Office Equipment, is currently showing \$8,500 above budget. This will be reviewed and there may be reclassifications once additional information is available.

### **B. Bank Account Summary Review**

Director Holton informed the commission that \$848,000 was received in June from Capital Reserves. It was withdrawn for designated projects: pilot study & preliminary design for Treatment Plants at Wells 2, 3, 7 & 8, the matching grant for Wells 4 & 5 treatment, and a portion of the main line extension at Wire Road & Bryant Circle. This has lowered the Capital Reserves for Equipment and Facilities to \$2.82M, and Capital Reserves overall to roughly \$5.19M.

## **REGULAR SESSION**

### **1. Board of Commissioners to conduct annual review of MVD Investment Policy.**

MVD's Investment Policy was revised and the revision was approved at the February 24, 2020 Board of Commissioners Meeting. The change allowed 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, the Investment Policy allowed only for investment within the NH PDIP. It is required that the Investment Policy has an annual review and approval.

**MOTION BY COMMISSIONER W. VON SCHOEN TO APPROVE THE INVESTMENT POLICY, POLICY NUMBER 04-04-B, EFFECTIVE JULY 1, 2020 TO JUNE 30, 2021  
MOTION SECONDED BY COMMISSIONER K. AYER**

**MOTION CARRIED  
4-0-0**

**2. Board of Commissioners to discuss current water ban.**

Chairman D. Provencher noted that the current water ban, level 3, went into effect on Friday, June 19, 2020. He reminded the public that Wells 4 & 5 have been offline since 2016 and MVD is currently working on a PFAS treatment plant at those wells. To make up for that water loss there is a booster pump interconnection with Pennichuck Water Works in Nashua, NH. MVD supplements water from Pennichuck during times of high usage. Superintendent R. Miner stated that there were multiple factors contributing to the need to supplement with water from Pennichuck. Some of these factors include temporarily shutting down Well 7 for cleaning, wells 4 & 5 being offline, dry weather, and an increase of water usage due to more people being home related to the pandemic. Pennichuck experienced a restriction in water output that was previously unnoticed until both the towns of Merrimack, NH, and Milford, NH, had an increased need for water. Pennichuck is working on correcting the problem. Superintendent R. Miner informed the commission that a year to year comparison was done using a time frame starting after Memorial Day until June 18<sup>th</sup>. It was found that the average daily water demand in 2019 was 2.5 million gpd and is 4.1 million gpd in 2020. It was noted that Wells 4 & 5 were down during that time frame in both 2019 and 2020. It was stated that a district needs to have a conservation plan to receive NHDES or state funding. Superintendent R. Miner reminded the public that the water ban was not put into place due to dry conditions, rather the restrictions noted above. On the same day, The State of New Hampshire did release a warning of dry conditions and possible drought.

The commissioners reviewed a series of questions to help form an understanding of the water ban.

1. *Why is there a shortage?* The shortage is due to a combination of factors that include, but are not limited to, wells being offline, unusually high levels of water usage, and an output restriction being experienced by Pennichuck Water Works.
2. *Why does Merrimack not simply switch over to connect to Pennichuck or Manchester Water Works?* MVD has used Manchester in the past for a temporary situation. However, Manchester uses Chloramines for disinfection and MVD uses standard Chlorine disinfection. Those two disinfection compounds neutralize each other potentially leaving the system without enough disinfectant to be effective. This would require MVD to shut off a portion of the distribution system in order to connect to Manchester.
3. *Why is MVD not tapping into the Merrimack River and building a surface water treatment plant and abandoning the wells?* The groundwater supplied well water is supplied by nature and generally less expensive to produce per gallon. A surface water

treatment plant would cost in the range of \$50M. There would also be a need to treat for contaminants.

**3. Board of Commissioners to accept public comment regarding the current water ban.**

At this time, The Board of Commissioners accepted public comments and questions regarding the water ban.

Kathy Hodge, of 44 Belmont Drive, Merrimack, NH, asked if it would be possible for MVD to make the water ban signage clearer for people to understand, versus the having the current level of water ban listed. She noted that there are people in the community without access to the internet/MVD's website, therefore limiting their ability to understand the water ban in full.

K. Hodge also asked if MVD could find a solution to lower the cost of monitoring water protocol violations. She suggested adding a position to fill this role, versus paying current employees overtime. Superintendent R. Miner noted that there was an immediate need for monitoring this year, unlike years past, and a position could not have been filled in a timely manner.

Business Manager J. Lavoie informed the commission that an unknown caller left a question via voicemail. The caller asked if residents would be reimbursed for car washes if they are unable to wash their car using MVD water. The answer being 'no.' MVD is required to provide potable water. Business Manager J. Lavoie also noted that a local pressure washing company is questioning their ability to continue business. Chairman W. von Schoen noted that the main purpose of the water ban is to limit/control lawn irrigation.

**MOTION BY COMMISSIONER D. PROVENCHER TO ALLOW THE PRESSURE WASHING OF STRUCTURES AND THE WASHING OF CARS, USING AN AUTOMATIC SHUT OFF MECHANISM ON THE WATER SUPPLY, OF WHICH RESIDENTS MUST ABIDE BY THE ODD/EVEN WATERING RESTRICTIONS, BUSSINESSES MAY CONTINUE BUSINESS AS USUAL  
MOTION SECONDED BY COMMISSIONER K. AYER**

**MOTION CARRIED  
4-0-0**

Business Manager J. Lavoie informed the commission that she has received multiple inquiries as to why MVD is continuing to allow hotels and apartment buildings to be built. MVD reviews and approves requests noting that they have the ability to satisfy the water of the builds. It was noted that it is possible that water usage is higher than originally outlined.

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

**a) Wells 4 & 5 treatment plant progress**

Pete Pitsas, of Underwood Engineers, informed the commission that in their packets they should see a Change Order Summary. The Change Order Summary shows the finalized cost for Organic Material Removal as well as the credit for removing the Well 4 cleaning. It also reflects

a new item for Fill Material Over the Sewer Trench. The cumulative change in cost is roughly \$73,000, with \$120,000 having been appropriated. The Time Extension Delay is outstanding. This was initially noted as a COVID delay and now incorporates a VFD delay. Underwood is reviewing and negotiating this.

Pitsas informed the commission that the building is fully enclosed, and they are working on the inside. Interior painting is 90% complete, as is interior plumbing. The electrical is moving forward and the process piping is ongoing. All excavation work has been completed aside from the tie in for Well 4.

Pitsas noted that the development for Well 4 has been done and the pitless adapter will be installed on June 23, 2020. The pumping test for Well 4 will be scheduled sometime after July 4, 2020.

Pitsas informed the commission that Penta has requested a 40-day extension. The contractual substantial completion date is July 31, 2020. Penta's schedule shows them needing an additional 27 days to go online August 27, 2020, and they are requesting an additional 40 days. Commissioner W. von Schoen stated that he did not understand why there is a need for an extension, being that everything was tied to the delay of the Main Distribution Panel, which is now set to arrive a day early. Pitsas noted that the electrical was scheduled to start in April but did not start until the end of May. Penta has stated that this delay is COVID related. Commissioner W. von Schoen stated his surprise that suddenly there are claims of (previous) COVID related labor issues despite the initial claims of the delay being material related. Pitsas informed the commissioners that they have yet to receive the full back up documentation for justification. Commissioner W. von Schoen stated that he does not see a reason to grant them an extension. It was noted that any additional overtime will cut into Penta's profit margin. The Board of Commissioners has already put additional money into securing the completion prior to the end of summer, which Penta is aware of.

**b) Wells 7 & 8 treatment plant progress**

P. Pitsas informed the commission that Underwood is ready to move forward with awarding the contract, but that is being postponed until the MVD's Annual Meeting and until the warranty issue is resolved. Underwood based the warranty on the Rapid Small-Scale Column Testing (RSSCT) that EPS had performed. Evoqua ran their own RSSCT and found shorter run times than discovered by EPS. Evoqua noted that they would not be able to honor the warranty that Underwood had presented during the bidding phase. Evoqua ran an additional RSSCT and received results very similar to their initial RSSCT. Evoqua has noted that their method typically yields more conservative values. Evoqua still states that they cannot stand by the warranty Underwood presented. ICC is reluctant to sign a contract with MVD knowing that the vessel manufacturer will not honor the warranty. Underwood would like to schedule a work session with MVD and both Evoqua and ICC to discuss the warranty further.

**c) Wells 2 & 3 design progress**

P. Pitsas informed the commission that Underwood is working towards the 60% design submittal for Well 2, which should be completed by the end of June. The RSSCT being done by EPS is roughly 50% complete. Evoqua is also running their own RSSCT.

**d) Turkey Hill booster progress**

There are currently no new updates on the Turkey Hill booster.

**e) Mitchell Woods**

Chairman D. Provencher asked if it would make sense to pursue the Mitchell Woods development with the implementation of water bans. The intent would be to have Mitchell Woods online by summer 2021 to avoid some of the issues currently being faced. M. Metcalf noted that it is more than just a connection, and that the installation of the actual production well needs to take place. Taking design and construction into consideration, Metcalf stated that in his opinion having Mitchell Woods online for summer 2021 would be a challenge. The pump test has been done and the well is permitted for 300 gallons per minute or 432,000 gpd.

**5. Board of Commissioners to review the change order from Emery & Garrett.**

Business Manager Jill Lavoie presented the commissioners with a change order from Emery & Garrett. She explained that the New Hampshire Department of Environmental Services is requiring the pumping test on Replacement Well 4 to be extended from 72 hours, as initially proposed by Emery & Garrett, to 120 hours. The increase in cost is \$3,800.

**MOTION BY COMMISSIONER W. VON SCHOEN TO MOVE FORWARD WITH CHANGE ORDER NUMBER 1 FOR EMERY & GARRET PROJECT NUMBER 33.0083052.02 DATED JUNE 22, 2020, WITH AN INCREASE IN THE AMOUNT OF \$3,800, DUE TO A NHDES REQUIREMENT FOR INCREASED PUMP TEST DURATION, TO COME OUT OF CAPITAL RESERVES  
MOTION SECONDED BY COMMISSIONER J. COMER**

**MOTION CARRIED  
4-0-0**

**6. Board of Commissioners to review Emery & Garrett Groundwater report relative to Well #6, *Groundwater Quality of Existing Well MVD-6*. (EGGI will not be present. Jill Lavoie to note BOC questions/comments and forward to EGGI)**

*TABLED*

**7. Board of Commissioners to review Annual Meeting process for July 7, 2020.**

Business Manager Jill Lavoie informed the commission that they would receive everything that they need prior to the annual meeting. Social distancing considered, seating and other precautions have been arranged.

The Annual Meeting of the Merrimack Village District will take place on July 7, 2020, at 7:00 pm, in the cafeteria of Merrimack Middle School. Merrimack Middle School is located at 31 Madeline Bennett Lane, Merrimack, NH. The cafeteria will be set up to continue social distancing. Hand sanitizing will be available, and masks provided to those who need one.

**8. Board of Commissioners to review the minutes from the May 18, 2020 Public Session and June 9, 2020 Special Meeting.**

*TABLED*

**9. Board of Commissioners to review Action Items from previous meetings and those to be added from this meeting.**

*TABLED*

**10. Old Business**

*None*

**11. New Business**

*None*

**12. Superintendent's Report**

**a) Water usage/supply system update**

Superintendent R. Miner noted that the drilling crews were out at the test well locations in the Well 3 area.

**b) Construction Field Day**

Superintendent R. Miner informed the commission that MVD will be hosting the New Hampshire Water Works Construction Field Day on July 29, 2020. There will be stops at Wells 4 & 5 to view PFAS treatment construction, Wells 7 & 8 Iron and Manganese Treatment Facility and the Turkey Hill Booster. There will be four small groups of 10.

**13. Questions from the Public**

*None*

**14. Questions from the Press**

*None*

**ADJOURNMENT**

**MOTION BY COMMISSIONER J. COMER TO ADJOURN  
MOTION SECONDED BY COMMISSIONER K. AYERS**

**MOTION CARRIED  
4-0-0**

The June 22, 2020 meeting of the Board of Commissioners was adjourned at 8:36 p.m.

Submitted by Amanda McKenna, Recording Secretary