

**MERRIMACK VILLAGE DISTRICT
BOARD OF COMMISSIONERS
OCTOBER 19, 2020
MEETING MINUTES
(approved December 21, 2020)**

A regular meeting of the Board of Commissioners was conducted on October 19, 2020 at 5:08 p.m. at 2 Greens Pond Road, Merrimack, NH.

Chairman, Donald Provencher presided:

Members of the Board present: Wolfram von Schoen, Vice Chairman
 John Lyons, Personnel Liaison, (electronic participation)
 Kenneth Ayers, (electronic participation)
 Paul McLaughlin, (electronic participation)

Members of the Board Absent:

Also in Attendance: Ron Miner, Superintendent
 Jill Lavoie, Business Manager

FINANCIAL REVIEW

A. Analysis of Revenue and Expenditures Report

POSTPONED

B. Bank Account Summary Review

POSTPONED

C. Senior Accountant Job Description – new position

Superintendent R. Miner informed the commissioners of a new position that has been created at MVD. The new position is that of Senior Accountant and the salary range would be \$24-36 / hour. Superintendent R. Miner provided the commissioners with a written job description and explained that this is a hands-on position that requires extensive knowledge in accounting computer systems in the areas of Accounts Payable, Purchasing, Accounts Receivable, Cash Receipts, Payroll, General Ledger maintenance, Financial Statements and internal report preparations, and Audits, with general knowledge of Human Resources. This position will be filled by a current employee and will significantly decrease the overtime of the HR Director. Vice Chairman W. von Schoen noted that the written description states that the role reports to the Business Manager, Superintendent, and the Finance & H/R Director. He stated that he would like this to be clearer and felt that as MVD continues to grow the breakdown and structure should as well. Vice Chairman W. von Schoen recommended that this position report to Finance & H/R Director Michele Holton. Vice Chairman W. von Schoen asked why the position title was Senior Accountant and if there was a Junior Accountant or Accountant. Business Manager J. Lavoie answered that it was a matter of skill level and role expectations. Superintendent R. Miner noted that he would revise parts of the job description and have it available for the next commissioner's meeting.

D. Motion regarding acceptance of additional funds from SGPP in the amount of \$100,000

Chairman D. Provencher shared background information regarding the acceptance of additional funds from SGPP in the amount of \$100,000. He informed the public that these funds are related to the treatment plant for Wells 4 & 5. There was a settlement agreement reached with Saint Gobain in 2018 which was based on an estimated construction cost that was developed as far back as 2016/2017. Actual construction costs came in higher than estimated. Saint Gobain did not agree to fund 100% of the construction but MVD felt there were some items that should have been included in the settlement agreement. MVD requested that Saint Gobain entertain a negotiation to determine if there were additional costs that they would be willing to pay MVD. Saint Gobain agreed to pay an additional \$100,000 towards the construction of Wells 4 & 5 Treatment Plant for PFAS. Vice Chairman W. von Schoen stated that \$100,000 was only a fraction of what the MVD deemed to be negotiable overruns.

Chairman D. Provencher noted MVD’s belief that a higher contribution was justified.

**MOTION BY COMMISSIONER W.VON SCHOEN THAT THE BOARD OF COMMISSIONERS OF THE MERRIMACK VILLAGE DISTRICT ACCEPT ADDITIONAL \$100,000 OFFERED BY SAINT GOBAIN PERFORMANCE PLASTICS TO BE USED AS A FUNDING SOURCE FOR CHANGE ORDERS AS NEEDED FOR THE WELLS 4 & 5 TREATMENT PLANT. IF SUCH CHANGE ORDERS ARE LESS THAN \$100,000, THE REMAINING FUNDS SHALL BE USED TO OFFSET FUNDS THAT WILL BE WITHDRAWN FROM CAPITAL RESERVES FUND TO PAY THE PROJECT COSTS
MOTION SECONDED BY COMMISSIONER D. PROVENCHER**

A Viva Voce was conducted, which resulted as follows:

Yea: Donald Provencher, Wolf von Schoen, Kenneth Ayers, Paul McLaughlin

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Nay:

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**MOTION CARRIED
4-0-0**

E. Public Comment

At this time Chairman D. Provencher opened the floor to public comment. Katherine Hodge, 44 Belmont Drive, asked if MVD could get more money as needed. Chairman D. Provencher answered that more money could be acquired if Saint Gobain were willing to negotiate. At this time MVD is not in the position to contact Saint Gobain for additional funds.

F. Encumbered Funds

POSTPONED

REGULAR SESSION

- 1. Board of Commissioners to discuss the next phase construction called the Industrial Flex Buildings with Kevin Walker from Flatley Co.**

POSTPONED

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

- a) Wells 4 & 5 project update**

Peter Pitsas referenced an email that they had been sent to the commissioners. The email noted that Underwood began pumping Well 5 into the system on October 7, 2020. Pumping was only taking place during business hours due to kinks in the SCADA system. The kinks have been worked out and pumping has been run full time since October 14, 2020. The site has been paved. Pitsas noted that Underwood is in the process of putting together a punch list. Pitsas referenced the listed item to increase contingency change orders up to \$120,000. He noted that Director Holton had been unable to find in the minutes when this approval had taken place. Pitsas informed the commission that he believes Underwood will be under \$75,000 with the change orders, which is less than 2% of the project. Chairman D. Provencher asked P. Pitsas if the Merrimack Village District (MVD) still holds retainage on the contractor until the bugs are worked out and the punch list is completed. Pitsas noted that MVD currently holds 5% retainage. Once the project hits substantial completion the retainage reduces to 2% and remains at 2% for a full year. At this time, Vice Chairman W. von Schoen asked about the water samples from the backwash. Pitsas informed the commission that water samples were taken. Arsenic, which had been a concern, tested less than the 5-ppb limit. PFAS samples were also taken, one of which did not come out well due to a cloudy sample. PFAS will be sampled monthly. It was noted that Underwood Engineers is under contract with MVD through the warranty period.

- b) Wells 7 & 8 project update**

P. Pitsas informed the commission that the concrete walls have been poured, the door going into the pipe gallery has been cut out, the building has been backfilled, and they are waiting on the mason to do some masonry. There is some vertical piping that needs to go in to the new GAC room. The shop drawing for the new LP tank was approved on October 19, 2020. The vessels are expected to be delivered at the end of March 2021. Substantial completion is scheduled to take place at the end of contract, which is currently scheduled for August 2, 2021. Chairman D. Provencher questioned whether enclosing/tenting the masons for the winter, if needed, was included in the contract. Pitsas confirmed that it was included. Chairman D. Provencher asked if the delivery of the vessels was dictated by the schedule or simply the delivery date. Pitsas informed the commission that it is dictated by the delivery date.

Commissioner J. Lyons joined the meeting via electronic participation at 5:57 p.m. from 25 Windsor Drive.

Vice Chairman W. von Schoen voiced his concern that a possible surge in COVID during the fall and winter seasons could cause another delay on control cabinets as seen with the Wells 4 & 5

project. Pitsas noted that the shop drawing for the VFDs is just about done and it has been recommended that the order move quickly to prevent an issue from arising. The possibility of ordering and receiving the VFDs early and storing them was discussed. It was noted that storing them in a storage shed on site would not be the best option but storing them at MVD's heated garage or with the (insured) contractor is a possibility.

c) Well 2 project updates

P. Pitsas informed the commission that there had been a meeting with the design team to move from a 60% design to a 90% design. The design team will take a trip to Wells 4 & 5 to assess any design improvements that could be made on the Well 2 Project. Underwood would like to have the 90% design submitted to MVD on November 10, 2020 and hopes to receive MVD's review comments prior to November 26, 2020. These comments, combined with comments from NHDES, would then be submitted to the sub-consultants. They would like to have 100% submission by January 8, 2021 and advertise the project for bid around January 22, 2021. Pitsas noted that Underwood would like to sign a contract with the contractor in March of 2021 and be ready to start construction in April of 2021. Pitsas informed the commission that a number of days has not been set, but he is expecting this to be a thirteen- or fourteen-month project. Pitsas noted that this facility should be online prior to the summer of 2022.

d) Turkey Hill booster update

Tim Puls informed the commission that the pump station was delivered on October 14, 2020 and was successfully placed the following day. Puls noted that there were a few items that both Penta and Carlson Systems took note of, such as damage to the trim that took place during delivery. Puls stated that Eversource did not like the plan location for the new utility pole and a better location was chosen. A concrete pad was used as a no-cost solution to the grading. Puls informed the commission that the electricians will be on site in the upcoming weeks to run new wires. The substantial completion date is at the end of December 2020 and the station is expected to be up and running by January 2021. Puls stated that the paving may be pushed to the spring of 2021, depending on the weather. Commissioner P. McLaughlin asked if the contractors were optimistic about the substantial completion date. Pulse stated that he is receiving mixed messages, but the Superintendent is confident in the ability to meet that date.

e) Asset Management

Peter Pitsas informed the commission that part of the requirements when receiving funding from the Drinking Water State Revolving Fund (DWSRF) and the Drinking Water and Groundwater Trust Fund (DWGTF) is to update an asset management plan. He noted that MVD does have a neatly compiled list of assets, but it needs to be updated to include the components from the new facilities. A level of service workshop will also need to take place. A formal document will be submitted to NHDES. The asset management plan will be due in May of 2022. It was noted that MVD does have an asset management plan and this is an update to that plan.

**MOTION BY COMMISSIONER J. LYONS TO ACCEPT THE PROPOSAL FROM UNDERWOOD ENGINEERS, ESR NO. 56, TO COMPLETE THE ASSET MANAGEMENT PLAN BY THE DEADLINE OF MAY 31, 2022, WITH FUNDS TO COME FROM THE BUDGET FOR VARIOUS TREATMENT PLANTS
MOTION SECONDED BY COMMISSIONER P. MCLAUGHLIN**

A Viva Voce was conducted, which resulted as follows:

Yea: Donald Provencher, Wolf von Schoen, John Lyons, Kenneth Ayers, Paul McLaughlin
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Nay: 0

MOTION CARRIED
5-0-0

f) Rates and Production/Consumption

- **Non-revenue water**
- **Seasonal variations**

Keith Pratt stated that he would group the first two bulleted points (non-revenue water and seasonal variations) together for a matter of discussion. Pratt provided the commissioners with a chart comparing what the wells are producing versus what was selling to the consumers. He noted that the chart is not adjusted for authorized, unbilled consumption (residuals at the water plant, hydrant flushing, and other various things). Pratt noted that the bulk of the unbilled consumption takes place in the summer, which plays a role in the seasonal variations. Pratt informed the commission that he believed it to be beneficial to perform an audit to investigate how unbilled consumptions are happening before chasing possible unauthorized consumption. Chairman D. Provencher asked if MVD had any unmetered consumption. Superintendent R. Miner noted that side-gauging is used during hydrant flushes for a best estimate. The chart provided by Underwood shows production versus consumption over roughly a 15-year period. Vice Chairman W. von Schoen noted that a two-year breakout may provide a better snapshot of what the MVD is currently facing. Pratt stated that he believed he could account for roughly 1/3 of the difference between production and consumption. He also noted that monthly production data is available compared to quarterly consumption data. This leaves room for error as the monthly consumption data is averaged. Pratt reminded the commission that much of the authorized unbilled consumption takes place in the summer, not equally throughout the year. Pratt also noted that water main breaks are now being tracked. K. Pratt stated that as an industry standard, MVD's water loss is not concerningly high. The seasonal variation is what causes concern.

- **Alternative rates**
- **Revenue needs and timing for next rate update**

K. Pratt informed the commissioners that alternative rates were discussed roughly ten years ago but did not come to fruition. He stated that he believes alternative rates could help reduce high demands. K. Pratt informed the commission that there are twelve systems in the State of New Hampshire that have conservation rates in effect. One example of alternative rates that was provided is to implement a premium rate for households that use over 250 gallons per day (gpd). The rate for the initial 250 gpd would be the same rate as the general population and the premium rate would incur on any usage above 250 gpd. Chairman D. Provencher asked if MVD's billing system had the capabilities to handle a conservation rate structure. Superintendent R. Miner informed the

commission that he would verify this information, but he believes the system can handle this type of structure. Commercial and Residential usage would most likely be tiered the same way. K. Pratt stated that rate increases and alternative rates should take place at the same time, if both are planned, because if rate design changes are being made MVD will want to know how it impacts user classes. Vice Chairman W. von Schoen noted that the largest problem takes place during peak usage in the summer months with customers using irrigation. Block rates would increase the rates for customers taking advantage of irrigation systems.

Pratt informed the commission that he could include the audit, tiered rate design, and the rate adjustments in one ESR to present to the board.

Vice Chairman W. von Schoen was not in favor of a rate study. K. Pratt noted that a rate study could be avoided for the time being and the rate increase could be based off the previous rate study. Vice Chairman W. von Schoen noted that he was concerned that a rate study would prove time consuming and cause a delay. Pratt informed the commissioners that he could put something together and have it to the commissioners by October 29, 2020.

g) XDD Labs – next steps if any

Keith Pratt informed the commissioners that XDD Labs are involved with Niles Corporation. He noted that XDD did share results that were independent of Niles Corporation. XDD is entering into a contract in Cape Cod using zeolite, also independent of Niles Corporation. XDD labs has voiced to Pratt that Zeolite has promise but is not yet ready for “prime time” and is not yet NSF61 certified. Chairman D. Provencher asked if they would be willing to accept a proposal from MVD to perform an RSSCT. Pratt noted that he had asked XDD Labs if they would be willing to put together a proposal for MVD. A proposal will be provided upon the request of MVD.

3. Board of Commissioners to discuss Capital Projects with Emery & Garret Groundwater to include:

- a) Naticook Brook Flow photo journal (grouped with Naticook Brook Groundwater development project)**
- b) Naticook Brook Groundwater development project**

Jamie Emery informed the commission that he got together with Business Manager J. Lavoie, Chairman D. Provencher, and NHDES, to visit the site at Naticook Brook. He noted that the state was deeply impressed with the attempt at moving forward to develop better quality water. J. Emery stated that NHDES did not voice a strong opinion in whether MVD chose site 1b or 1d but noted that after discussions 1b seems like a stronger site candidate. This eliminates the access road construction and moves further away from the wetlands. NHDES would like demonstration that the development of this site will not adversely impair the wetlands. J. Emery noted that the water table in that area is 15-feet below the wetlands.

J. Emery informed the commissioners that he had moved forward with a photo journal starting at Naticook lake, working around to the North East by Greens Pond. At this time J. Emery shared his screen, sharing pictures that demonstrated no water coming out of Greens Pond and no water in the creek (Naticook Brook). This demonstrated a knowledge that there is no water in this creek

at significant periods of time. The date of the photos can be backtracked to the water level data from the six or seven monitoring wells that are established along Naticook Brook. J. Emery explained that the purpose of this exercise was to demonstrate that if the water table is brought down to 20' from 15' it will not have any greater impact on the wetlands. He believes this will be important as MVD moves forward with permitting the next well. Emery also noted that with Well 3 offline there will likely be more water coming into Greens Pond causing water levels to rise and there will be additional recharge coming into the Naticook Brook region. Emery informed the commissioners that Task 4 (Submittal of Preliminary Application to NHDES) of the proposal approved at the September 2020 commissioners meeting will be something he does right away. He noted that Stephen Roy and Andrew Koff of NHDES were open to the concept of MVD submitting a preliminary pumping test plan. Emery will also submit a preliminary application to NHDES.

c) Replacement Well #4R

At this time Jamie Emery informed the commission that MVD Well 4R was fast-tracked through NHDES and has been approved.

d) Salt Mitigation – next steps

Jamie Emery opened the discussion of the salt mitigation project at this time. He informed the commission that he has spoken with Stephen Roy, Brandon Kernan, and Pierce Rigrod, (all three with DES), and all are willing to participate in a dialog with landowners. He also reached out to Stephen Landry, who was involved with Pierce Rigrod in the legislation that was provided for the SnowPro. Emery noted that those landowners have legal protection to reduce their salt load wherever they are salting. He explained that landowners will be presented with not only the salt issues but also the legal ramifications in the new legislation. Emery stated that he would like to have a meeting with the selected landowners sometime in the middle of November 2020. Chairman D. Provencher noted that the major contributors to the salt problem are the Department of Transportation (DOT), The Town of Merrimack, and some of the large commercial parking lots, which includes multi-unit residential lots. Emery stated that he would send MVD a list of the high priority attendees within the salt mitigation area, but also noted that he feels it would be best not to turn down others who wish to participate. Emery will send the board a map of the parcels that he would recommend receives an invitation to participate in the meeting, no later than October 26, 2020.

The connection to the Zoom session was lost.

In order to ensure Commissioners were able to communicate contemporaneously, per NH RSA 91-A:2, participation by Commissioners Ayers, Lyons, and McLaughlin resumed telephonically.

Commissioners Ayers, Lyons, and McLaughlin were asked to address, once again, to satisfy the requirements of NH RSA 91-A:2 III (a).

ADJOURNMENT

MOTION BY COMMISSIONER W. VON SCHOEN TO ADJOURN

MOTION SECONDED BY COMMISSIONER J. LYONS

A Viva Voce was conducted, which resulted as follows:

Yea: Donald Provencher, Wolf von Schoen, John Lyons, Kenneth Ayers, Paul McLaughlin

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Nay:

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MOTION CARRIED

The October 19, 2020 meeting of the Board of Commissioners was adjourned at 8:15 p.m.

Submitted by Amanda McKenna, Recording Secretary