

**MERRIMACK VILLAGE DISTRICT
BOARD OF COMMISSIONERS
JUNE 21, 2021
MEETING MINUTES
(approved July 21, 2021)**

A regular meeting of the Board of Commissioners was conducted on June 21, 2021, at 5:14 p.m. at 2 Greens Pond Road, Merrimack, NH.

Chairman, Donald Provencher presided:

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

Members of the Board Absent: Paul McLaughlin

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

FINANCIAL REVIEW

A. Analysis of Revenue and Expenditures Report

Michele Holton, Finance/H.R. Director, informed the Commission that having completed the month of May, MVD is 91.67% through the fiscal year. The overall revenues are at 90.2%. She noted that the water sales are all below budget, but meter charges, hydrant, sprinkler charges, and entrance fees are all doing well and have helped offset the water sales. MVD is still monitoring how things are changing with the fluctuating rules and regulations associated with the pandemic. Director Holton noted that expenses are at \$3.24M and the net ordinary income as of May 31, 2021, was \$471,000.

Director Holton informed the commissioners that the budget estimates for account 60400, propane, were off, but have been adjusted accordingly for fiscal year 2021-2022. She also noted that account 81950.2, legal fees for PFAS, was over budget by almost \$12,000, and has been adjusted for the fiscal year 2021-2022. Director Holton informed the commissioners that she does anticipate having surplus for fiscal year 2020-2021, which will allow MVD to replenish some of the capital reserves MVD has drawn from this year as well as the unrestricted fund balance.

Vice Chairman W. von Schoen asked if the legal invoices were public record and could therefore be shared in the board approval package. Director Holton stated that MVD should confer with the current legal counsel in regard to their format for billing. However, these should already be included in the package.

B. Bank Account Summary Review

Director Holton informed the commissioners that there will be almost \$700,000 coming from capital reserves that will be issued by year end. Once this takes place Director Holton will do a reconciliation on the Wells 4 & 5 account.

C. Treasurer's Position Discussion

Director Holton provided the commissioners a listing of the basic duties of the treasurer position taken off of the RSA. She explained the Treasurer's duties to include having custody of all funds, payout the sums on the orders from the board, weekly payrolls, bi-weekly accounts payables, as well as various miscellaneous items. Monies must be deposited in an authorized bank, per the treasurer RSA, or in the Public Deposit Pool. Fair and correct accounting of all sums received and paid need to be maintained as well as a listing of any bonds and notes that are issued. The annual treasurers report is issued at year end and the book should always be available for the board and/or auditors upon request. The treasurer will also invest any excess funds in accordance with the MVD Investment Policy. All monies must be deposited whenever the total is \$1,500 or greater. Director Holton explained that historically many of these duties have been delegated to MVD staff and/or done in collaboration. Director Holton informed the board that there are local municipalities that shared that the required treasurer's functions have been given to an internal staff member appointed as treasurer. She stated that she would like the board's input on appointing MVD's administrative assistant as treasurer. The current administrative assistant for MVD, Michelle Thompson, helps with both general administrative work and finance, including several delegated treasurer duties. She has a bachelor's in business administration and has been performing various functions within the MVD office. Director Holton stated that she feels lowering the current stipend of \$2,500 to \$1,200 would be reasonable if this route was taken. Director Holton reminded the commissioners that MVD uses an external auditing firm. Vice Chairman W. von Schoen stated that he is not in favor of delegating the duties to a current MVD staff member. He noted that Michelle Thompson is wonderful in her position and would likely be well suited for this role, but he does not feel that certain access, such as the payroll of other employees, is appropriate. He stated that he was not in favor of the warrant article that approved an appointed treasurer over an elected treasurer and feels as though a treasurer should be on the outside looking in, much like an auditor. Commissioner K. Ayers noted his agreement with protecting the integrity of the process. Director Holton noted that the appropriate controls would be put in place.

Superintendent R. Miner asked the commissioners if the board would like to be part of the interviews for the position of treasurer. The commissioners stated that they would not be interested initially, but possibly as the candidate progressed.

Regarding the delegation of duties, Chairman D. Provencher stated that he would be in favor of leaving the duties as previously outlined. Director Holton clarified that the duties are defined per the RSA, with the flexibility to delegate. Per the RSA, the four duties that can be delegated to an MVD staff member are deposit, investment, record keeping, and reconciliations. It was noted that this position will be posted like any other position with MVD. Vice Chairman W. von Schoen noted this position seems to be getting closer to that of an employment position through MVD. Director Holton reminded the commissioners that part of the reason for transitioning from an elected position to an appointed position was to ensure a qualified candidate. The current acting Treasurer is Kathy Stack.

REGULAR SESSION

1. Board of Commissioners to hear project updates from Emery & Garrett Groundwater to include:

a) 69 Wilson Hill Road

Jamie Emery explained to the commissioners that he looked at both 69 and 70 Wilson Hill Road on a preliminary basis for the opportunity to drill a bedrock well and the opportunity to

drill an unconsolidated well. The results were not favorable for a bedrock well and Emery & Garrett recommended against this. He does believe there is an opportunity to do some test well drilling to the south near the flood plain. Emery & Garrett recommends drilling a couple of test borings in that area. Emery reminded the commissioners that the board has expressed interest in non PFAS related groundwater sources. Emery asked the board if they would like him to proceed with a proposal for the test borings. This would be at the 70 Wilson Hill Road property. Superintendent R. Miner stated that he would communicate with the property owners regarding their interest. Emery noted that the cost for the geophysics and the test borings is estimated to be in the \$15,000 - \$20,000 range. Chairman D. Provencher asked if this property had the potential for better yield than Mitchell Woods. Emery answered that there is the potential to have more of a consistent supply source. Emery stated that this is more of a business decision than a hydrogeological decision. Chairman D. Provencher asked if the tributary watershed was large enough to sustain a new source, or if we would need to rely on indirect recharge from the Souhegan River to sustain the potential new well's source, and if the Souhegan River is considered a stressed river by DES. Emery indicated that we would rely on indirect recharge, and that the Souhegan River would have some permitting challenges with DES. Commissioner K. Ayers asked if Emery would be able to estimate the potential yield of the site. Emery answered that he would. The board agreed to have Emery & Garrett move forward with creating a proposal. Superintendent R. Miner will reach out to the landowner prior to Emery creating the proposal.

b) Well 9 pump test

Emery informed the commissioners that everything is in order for the Well 9 pump test. The pipe has been laid, the pump is set in Well 2, and the pump is in Well 9. Emery noted that they are struggling with standing water in the wetlands between the proposed discharge location and Well 2. He stated that they cannot explain the standing water and have explored possible blockages causing the backup. Emery informed the commissioners that if the pumping test is done with the large amount of standing water the state will ask for a lot more information and will require additional monitoring stations and surface water stations. Emery recommended waiting until July 7, 2021, or July 14, 2021, to do the pump test with the hope that the water level will decrease. He noted that the analysis will be overly complicated with the standing water. Emery stated that he would also like Well 2 to be running during the time of the pump test. Vice Chairman W. von Schoen asked if the water recedes during the pump test it may be shown as a negative impact on the wetlands due to pumping. Emery stated that this was correct. Delaying the pump test to mid-July, or even August, still allows deadlines to be met.

c) Brownfields

Emery informed the commissioners that he received a call from Lon Woods asking for a meeting between Woods, Emery, and the Town Manager sometime in middle to late July to discuss the brownfields.

2. Board of Commissioners to conduct annual review of the MVD Investment Policy, review of the newly developed, Credit Card Policy, Cybersecurity and IT Policy.

Director Holton informed the commissioners that the investment policy has no changes but requires an annual review and re-approval.

MOTION BY COMMISSIONER W. VON SCHOEN TO ACCEPT THE NON-REVISED INVESTMENT POLICY, USING THE SAME LANGUAGE THAT WAS APPROVED 2020 MOTION SECONDED BY COMMISSIONER K. AYERS

A Viva Voce was conducted, which resulted as follows:

Yea: Donald Provencher, W. von Schoen, Kenneth Ayers, John Lyons

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Nay:

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MOTION CARRIED

4-0-0

The IT Policy and the Credit Card Policy were tabled until the July 2021 Board of Commissioners meeting.

3. Board of Commissioners to hear project updates from Underwood Engineers, Inc to include:

a) Rate Increase

K. Pratt reminded the public that there was a rate presentation done by Underwood Engineers, Inc. in February 2019. At this time, Pratt shared some of the slides from the presentation (updated May 2021). This was updated in consideration of the rate increases needed for the ongoing cost of the budget and the PFAS project, as well as the consideration for the conservation rates. In 2019 Underwood recommended a rate increase for both budget needs and the \$14.5M petition warrant article for PFAS facility. Underwood initially proposed a 13% rate increase for FY 2020, a 13% rate increase for FY 2021 for budget needs, and a 40% rate increase for FY 2022 for the PFAS facility debt and O&M (an overall rate increase of 79%). There was a 19% rate increase for FY 2020, no rate increase for FY 2021, and a proposed increase rate of 22% for FY 2022. The proposed rate increase represents mostly budget items, with less than 5% representing PFAS related costs. The overall rate increase would equate to 45%. Pratt stated that there will be additional increases moving forward once the PFAS costs are fully understood. Vice Chairman W. von Schoen reiterated that these rate increases were proposed and presented to the public in 2019 as part of preparing the decision of the public for the petition warrant articles. In a general sense, these rate increases have been approved by voting the petition warrant articles in place. The current proposed rates are lower than those accepted by the voters in 2019.

K. Pratt stated that the current proposal changes the current base rate of \$2.32 per 100 cubic feet to \$2.83 per 100 cubic feet. MVD will also be instituting a tiered conservation rate structure. This rate structure will charge people who use more than the typical amount of water a higher rate. The second tier will be applied for those who use more than 3,000 cubic feet per quarter. The meter charges and hydrant charges will also increase by 22%. A residential user with an average use of 200 gallons per day will see an increase from \$375 per year to \$458 per year. The state average is \$577 per year. If a resident uses more than 250 gallons per day on average per quarter, the rate will be 10% higher for the amount over 250 gallons per day. Pratt informed the commissioners that the rate increase did not hit as quickly as originally planned because the debt services are hitting later than originally thought.

Vice Chairman W. von Schoen informed the public that the tiered structure is not because the MVD is short on water, but rather to protect the average user from paying for the added cost of irrigation using water treated for PFAS.

It was noted that every MVD customer will receive a bill during the month of July 2021. It will be notated that it is a partial bill.

****RECESS****

PUBLIC HEARING

The Public Hearing for the Merrimack Village District rate increase was opened at 7:00 p.m. and was closed at 7:01 p.m.

**** RECONVENING OF THE REGULAR MEETING UPON COMPLETION OF THE PUBLIC HEARING ****

MOTION BY COMMISSIONER W. VON SCHOEN TO ADOPT THE SCHEDULE OF RATES AS PRESENTED AT THE MERRIMACK VILLAGE DISTRICT’S BOARD OF COMMISSIONERS MEETING AND PUBLIC HEARING OF JUNE 21, 2021. THIS IS THE SECOND AND FINAL READING AS SUBMITTED AND PRINTED IN ACCORDANCE WITH BOARD POLICY 07-02-B. THIS SCHEDULE TO BE EFFECTIVE JULY 1, 2021.

MOTION SECONDED BY COMMISSIONER K. AYERS

A Viva Voce was conducted, which resulted as follows:

Yea:	Donald Provencher, W. von Schoen, Kenneth Ayers, John Lyons
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Nay:	0

**MOTION CARRIED
4-0-0**

b) ESR 59 – Water Quality Trend Charts and Pilot Development

K. Pratt presented a scope to the commissioners that would develop a plan, a protocol, and the physical improvements needed for Wells 4 & 5 to allow MVD to begin piloting various media independently. MVD and Underwood would work together to develop the plan and MVD would then construct it. Pratt noted that this ESR also provides 12-months’ worth of water quality tracking as the water treatment plants come online. The two parts of the ESR total \$19,000. Chairman D. Provencher asked K. Pratt if the water tracking information was the same information that Emery & Garrett is already tracking for MVD. Pratt answered that he was unsure and there was no reason to duplicate efforts. Pratt will connect with Jamie Emery to be sure there is no overlap. Pratt stated that Underwood will clean up the ESR and present it at the next board meeting.

MOTION BY COMMISSIONER J. LYONS TO ACCEPT TASK 2 FOR PFAS TREATABILITY AND PILOT TESTING PERSUANT TO ESR 59, DATED MAY 17, 2021

MOTION SECONDED BY COMMISSIONER W. VON SCHOEN

A Viva Voce was conducted, which resulted as follows:

Yea: Donald Provencher, W. von Schoen, Kenneth Ayers, John Lyons
4
Nay: 0

MOTION CARRIED

4-0-0

c) Cost of Service Study for Pennichuck Water Works

Keith Pratt informed the commissioners that Underwood has received a price for the cost-of-service study. He reminded the commissioners that it is a recommendation in their Master Plan. The cost of service for the Route 101A connection by Home Depot is \$30,000, and to add the option on Route 3 near Anheuser-Busch is an additional \$20,000. Chairman D. Provencher stated that he does not believe MVD would be going with both options and asked if one would be recommended over the other. He noted that there would be more infrastructure cost to update the system if MVD wanted to use the booster on 101A. Pratt stated that the option on Route 3 cost is lower than normal because work was just done for Anheuser-Busch. Vice Chairman W. von Schoen stated that he does not know if he would be in support of spending \$20,000-\$50,000 for a study that still does not allow MVD full control over that water supply. He asked if there had been any commitment from Pennichuck to say that MVD's water supply will be no more restricted than their core system. Pratt explained that that commitment has not been made, but he will attempt to get some confirmation that conservation restrictions will be with equal impact. It was noted that the Town of Milford received water restrictions prior to the City of Nashua and the reason is unknown. Chairman D. Provencher requested that Keith Pratt get clarification on the reasoning. Chairman D. Provencher noted that he would be more interested in the cost-of-service study for the area of Route 3 than the area of 101A. Vice Chairman W. von Schoen noted that he does not support spending any money until there is a clear understanding of the terms and reliability of the water source.

The commissioners will plan a work session with Underwood regarding the evaluation of alternatives.

d) Wells 7 & 8 update

Peter Pitsas provided the commissioners with information regarding the vessels for Wells 7 & 8. At the May 2021 board meeting Pitsas informed the commissioners that one vessel would be shipped earlier, coming in shortly before Memorial Day, and the second vessel would arrive the week of June 9, 2021. Unfortunately, during shipment one of the vessels hit a bridge in Ohio. This was described as more of a scrape hit than a blunt hit. The scrape hit damaged the vessel as well as the legs. The vessel was brought back to Iowa for an inspection. The second vessel was then loaded for delivery, with an expected delivery date of June 24, 2021. The contractor does have a crane scheduled to set the second vessel the following day. The truck will then head to Iowa to pick up the first vessel. There is currently a proposed repair plan for the vessel. Underwood is prepared to return with comments on the repair plan but wanted to include

comments from MVD if desired. Commissioner K. Ayers asked if there would be a pressure test. Pitsas answered that the repair plan outlined a specific fix in order to avoid a hydrotest, but Underwood will be asking them to do the test regardless. Pitsas also noted that this was an ASME certified tank. Once a repair is done it is typically given an ASME-R certification, indicating a repair has been made, however the contractor did not want to do that. Underwood does not find this to be satisfactory and is also asking that each repair is documented. Commissioner K. Ayers asked if there was a way to implement an extended warranty now that the vessel has been repaired. Pitsas informed the commission that in the proposal they outlined re-prepping and repairing the areas that were scraped, and then repainting the entire vessel. Vice Chairman W. von Schoen asked why the dye penetrant testing that is outlined in the repair plan is only being done to the outside of the vessel and not the inside. He also noted that when you deform metal in the absence of heat, it becomes brittle. Slight deformation was noted in the information provided. Vice Chairman W. von Schoen asked Pitsas if MVD could find a subject matter expert to run an independent inspection on the vessel. Chairman D. Provencher noted his concern that no one from MVD or Underwood has had the chance to look at the damaged vessel. It was noted that these vessels are special order and take roughly one-year to build. Vice Chairman W. von Schoen stated that he feels MVD should investigate legal representation. He also asked about the terms and conditions of the transfer of risk. Pratt answered that it is his understanding that MVD carries no risk, as ownership is not granted until substantial completion. Because of the unknown with the chain of liabilities, Vice Chairman W. von Schoen again stated that he feels MVD should speak with a lawyer. Pratt noted his support for speaking with legal counsel as well as having a third-party inspection. He also noted that MVD could possibly use the defective work clause in the contract. Pitsas asked the commissioners if they would want the inspection done prior to the repairs, to which they all agreed would be best. The existing warranty is one year from substantial completion. Vice Chairman W. von Schoen stated that if the company were to extend the warranty to a five-year warranty and show confidence in their product and repairs, he would be supportive of moving forward. He would also like to know that if additional repairs were needed, they could repair them in the field or if it would require commissioning the vessel and sending it back to Iowa. Pitsas was instructed by the commissioners to not repair the vessel until MVD has an independent expert inspect it if they do not agree to the five-year warranty. Vice Chairman W. von Schoen stated that it was too much of a risk to accept under the current proposed repair plan.

e) Well 2 update

Pitsas informed the commissioners that Underwood has sent documents over to Kinsmen Corporation to sign. Kinsmen Corporation is looking to start the work for Well 2 sometime in July 2021. Chairman D. Provencher confirmed the hard date for Well 9 going online to be December 31, 2021 and asked if there would be a delay due to the Well 2 work not yet being signed/started. Pitsas confirmed they were unrelated.

4. Board of Commissioners to review thank you letter to the Town drafted by Chairman Provencher.

Chairman D. Provencher referenced the thank you letter to the Town that was provided to the commissioners in their board packets. He asked if the board members wanted to sign the letter. Commissioner K. Ayers and Vice Chairman W. von Schoen offered to sign the letter.

5. Board of Commissioners to review the minutes from the May 17, 2021 Regular BOC Meeting, and the May 17, 2021 Public Hearing.

APPROVAL OF MINUTES

Board of Commissioners Regular Meeting May 17, 2021

No amendments were offered.

MOTION BY COMMISSIONER W. VON SCHOEN TO ACCEPT THE MEETING MINUTES OF THE MAY 17, 2021 BOARD OF COMMISSIONERS REGULAR MEETING AS PRESENTED

MOTION SECONDED BY COMMISSIONER J. LYONS

A Viva Voce Roll Call was conducted, which resulted as follows:

Yea: Donald Provencher, Wolfram von Schoen, John Lyons,

3

Nay:

0

Commissioner K. Ayers abstained

MOTION CARRIED

3-0-1

Board of Commissioners Public Hearing May 17, 2021

No amendments were offered.

**MOTION BY COMMISSIONER J. LYONS TO ACCEPT THE MEETING MINUTES OF THE MAY 17, 2021 BOARD OF COMMISSIONERS PUBLIC HEARING AS PRESENTED
MOTION SECONDED BY COMMISSIONER W. VON SCHOEN**

A Viva Voce Roll Call was conducted, which resulted as follows:

Yea: Donald Provencher, Wolfram von Schoen, John Lyons

3

Nay:

0

Commissioner K. Ayers abstained

MOTION CARRIED

4-0-0

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

The Commissioners reviewed the list of Action Items, removing tasks that have been completed.

Commissioner J. Lyons excused himself from the BOC meeting at 9:00 pm.

7. Old Business / New Business

Superintendent R. Miner informed the commissioners that there is a neighbor to the Turkey Hill Booster Station that has filed a complaint regarding the noise and light coming from the Booster Station. Superintendent R. Miner offered to put in a fence, but the neighbors preferred bushes. Superintendent R. Miner had ten bushes put in. He noted that he did speak with Tim Puls of Underwood Engineers and the lighting can be changed without voiding any warranties. The lights will be switched to motion activated lights. It was noted that the booster station used to be underground. Tim Puls is looking into what can be done regarding the noise.

Vice Chairman W. von Schoen thanked the MVD staff for organizing a walk-through of the Wells 4 & 5 Treatment Facility for a few elected officials including the current State Reps and the Senator. Chairman D. Provencher and Vice Chairman W. von Schoen complimented Superintendent R. Miner and Business Manager J. Lavoie on a job well done. Vice Chairman W. von Schoen stated that he would like to set up an open house for the public in the near future.

8. Superintendent's Report

Superintendent R. Miner informed the commissioners that the first round of lead and copper samples has taken place. Sixty-one samples were taken and there were no exceeds. There need to be 60 samples taken in the first half of 2021 and 60 samples taken in the second half of 2021.

9. Questions from the Public / Press

None

NON-PUBLIC SESSION

**MOTION BY COMMISSIONER W. VON SCHOEN THAT THE COMMISSION GO INTO NON-PUBLIC SESSION PURSUANT TO RSA 91-A:3, II(a), RSA 91-A:3, II (d), and RSA 91-A:3, II (e)
MOTION SECONDED BY COMMISSIONER K. AYERS**

**MOTION CARRIED
3-0-0**

The Commission went into non-public session at 9:22 p.m.

The Commission came out of non-public session at 9:54 p.m.

ADJOURNMENT

**MOTION BY COMMISSIONER W. VON SCHOEN TO ADJOURN
MOTION SECONDED BY COMMISSIONER K. AYERS**

**MOTION CARRIED
3-0-0**

The June 21, 2021 meeting of the Board of Commissioners was adjourned at 9:55 p.m.

Submitted by Amanda McKenna, Recording Secretary