

**MERRIMACK VILLAGE DISTRICT
BOARD OF COMMISSIONERS
NOVEMBER 15, 2021
MEETING MINUTES
(approved December 20, 2021)**

A regular meeting of the Board of Commissioners was conducted on November 15, 2021, at 5:03 p.m. at 2 Greens Pond Road, Merrimack, NH.

Chairman, Donald Provencher presided electronically:

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

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 October, Merrimack Village District (MVD) is over 33% through the fiscal year. Current year income is coming in at \$1.78M and expenses are at \$1.2M. The net ordinary income totaled \$497,000, which is \$154,000 above the net ordinary income at this point last year. Director Holton explained that the expenses are higher by \$114,000 and the income is higher by almost \$267,000. She noted that the impact seen due to Covid-19 is beginning to settle and revenue is coming in at a good pace. Director Holton noted that account 40407.8 shows a tax credit that will be received as part of a program to help recoup wages for employees on leave for Covid testing, vaccinations, or quarantine. The program went through September 30, 2021, and the tax credit will likely be seen in a few weeks. Director Holton noted that Admin Overtime has settled in, coming in closer to the budgeted amount. She also noted that Field Staff Overtime is slightly increased due to water main breaks.

Vice Chairman W. von Schoen asked about account 70750 and what it has been used for. Director Holton explained that most of the money has been used to replace the gate locks to protect the watershed areas. She noted that it reads as though account 70750 is overbudget due to the timing of when the money was spent, but the account is not overbudget.

Commissioner K. Ayers asked if Purchase of Water was reflecting MVD's recent agreement with Pennichuck Water Works (PWW) and Director Holton answered that it is not.

Director Holton informed the commissioners that account 81400, Public Education, included part of the lead and copper sampling that was done. She explained that \$850 of the \$900 year to date has been spent, but the entire budget for the year is \$2,000.

B. Bank Account Summary Review

Vice Chairman W. von Schoen noted that the Turkey Hill Booster account had a large increase. Director Holton explained that the bank works with MVD on zero-dollar accounts and those get submitted to DES for grants and loans. MVD tries to strike the balance by paying as soon as the reimbursement is received. It was noted that at some point there was a delay and she explained that this account received a transfer from the Operating account in order to pay the bill.

REGULAR SESSION

1. Board of Commissioners to hear summary of the Cyber-Security Policy recently established.

Director Holton explained that the IT Policy and the Cyber-Security Disaster Recovery Plan were created due to the need to protect Merrimack Village District (MVD) assets from the ever-increasing cyberattacks happening in the world. They were developed using other municipalities' policies shared through the NH Government Finance Officers Association with input from MVD's IT Service Provider, IT Training through Primex and MVD's Auditors. MVD's new Managed IT Service, Block 5, will be incorporating all aspects of the policy and the plan into MVD's updated IT setup.

Director Holton informed the commissioners that the purpose of the policy is to establish the appropriate use and protection of the District's information assets and technology. This policy is intended to ensure that MVD's information assets and technology are secure from unauthorized access, misuse or destruction and define the appropriate actions to be taken if there is a security breach of such items. The purpose of the plan is to describe the process to recover IT Systems, Applications and Data from any type of disaster that causes a major service and/or work outage.

Commissioner J. Lyons asked Director Holton if MVD uses two-factor identification. She explained that MVD does not as a whole but does in some instances as online websites are more frequently requiring two-factor identification. Commissioner J. Lyons suggested that MVD discuss using two-factor identification for computer sign in with Block 5. He also suggested training on phishing emails and VPN connections for any remote access.

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

a) Wells 7 & 8 update

Peter Pitsas informed the commissioners that the vessel was delivered and set the week of November 7th. He noted that a trusses and gable end have been placed on the roof, but the roof had not yet been sheathed. Staging has been lowered into the room and the carpenters will be coming in to sheath and put the asphalt shingles on the roof. According to Pitsas, the siding has been installed up to the soffits and the outside of the building should be able to be completed quickly. The contractor believes he will need two months to set up the staging, do the ceiling work, and tear down the staging. This timing also takes into account the Thanksgiving and Christmas holidays. He believes he will need an additional month to take care of the remaining inside work, and then a month of startups. It is expected the wells will come online at the end of March 2022. The area around the building does not currently have loam and seed, but the area around the infiltration basin does. That will likely be done in the April 2022 timeframe, after the facility is up and running. Pitsas noted that most of the work outside has been done. This is the same schedule that was discussed at a previous meeting and falls in line with the end of the contract.

Chairman D. Provencher asked if any work is being done to the existing greensand vessels now that Wells 7 & 8 are off. Pitsas stated that he was not sure of what maintenance needed to be done and noted that Superintendent R. Miner would be a better resource for that information. Superintendent R. Miner answered that maintenance is being done, however, he does not have a timeline to share, but noted that the draw down screens needed replacing. The maintenance does not require Underwood Engineers and will be done by MVD staff.

b) Well 2 Update

Peter Pitsas informed the commissioners that Well 9 work has been added to the contract and the change order has been signed by both Underwood and the contractor, and Superintendent R. Miner will sign it at a meeting on November 17, 2021. Pitsas stated that it is his assumption that the contract will discuss critical shop drawings at the meeting on November 17th. This will give them additional time to coordinate a sub-contractor. Pitsas provided a brief summary of the current standing, informing the commissioners that the site has been cleared and the building is being worked on. He noted that there are still logs on site, making it look messy, but the focus is currently on the building. All foundation walls have been poured and the under-slab piping in the GAC room is complete and the slab has been poured. The staging has been set and the masonry work has been started on the GAC walls. There are roughly 9-days worth of work to complete the GAC room wall. Pitsas informed the commissioners that the lower portion of the building (the chem feed area, office, and mechanical/electrical room) has completed exterior foundation walls, but there are some interior foundation walls that still need to be done. All slabs are expected to be completed by December 14, 2021. The vessels are due to be shipped on December 15, 2021, with arrival sometime around Christmas. Substantial completion is estimated for August 26, 2022. Chairman D. Provencher asked about a previously mentioned timeline of end of June. Pitsas answered that end of June was what was initially indicated, but he would have to go back to view the old schedule to confirm if they were looking at the correct line item. The contract does allow until sometime in September 2022.

Vice Chairman W. von Schoen asked if water was fed into the system from Wells 4 & 5 prior to substantial completion. Superintendent R. Miner answered that it was, and he believed it was for roughly 3-4 weeks. Chairman D. Provencher noted that this possibility may help boost MVD through peak season. Pitsas noted that based on the schedule, he is unsure if there is room for water to be fed into the system earlier than August 26th. He stated that there are 4 weeks on the current schedule between GAC testing and substantial completion, so there is a possibility.

Chairman D. Provencher asked if the contractor for the Wells 2 & 9 treatment plant is aware that MVD is attempting to get in front of the water purchase from PWW, and if not, if Underwood could communicate that. Pitsas noted that the contractor is Kinsmen, and Underwood will bring that up during their meeting on November 17, 2021. Chairman D. Provencher stated that he thought MVD was being proactive in approving Well 9 at the last Board of Commissioners meeting. Pitsas explained that if the commissioners had waited until the end of December to approve Well 9, additional time would have been needed for the change order process and it may have caused a delay.

3. Board of Commissioners to discuss MVD's Capital Improvement Plan (CIP) with staff and Keith Pratt of Underwood Engineers, Inc.

Keith Pratt informed the commissioners that Superintendent R. Miner created a Capital Improvement Plan (CIP) and shared it with him for review. There are a few adjustments that need to be made but Pratt briefly reviewed the largest necessary adjustments. He explained that they will be adding the Artificial Recharge potential project, the cost-of-service study as it relates to the potential connection with PWW, as well as modifying the new well site install. Chairman D. Provencher noted that J. Emery had mentioned that there is an existing 8” well that may provide the opportunity for use rather than developing a larger well. He suggested K. Pratt follow up on that with J. Emery. Pratt explained that once a project becomes real, Underwood will suggest preliminary phase work and always look for ways to reduce cost. Pratt explained that there is \$1.5M allotted to “New Well Site Installation” on the CIP, which will later be assigned to either the Mitchell Woods Project or the Wilson Hill Project because at this time he does not see the need for both of those projects to happen. He noted that in the plan it may be beneficial to carry the higher cost of the two projects and refine the cost at a later date once a decision has been made and preliminary design work is done.

Pratt explained that the projects on the CIP that are highlighted in orange will be moved to “completed projects.”

Vice Chairman W. von Schoen stated that there was no rate update planned for 2022, but noted the changes in the system for 2022, and how the purchase of water from PWW may deplete some of the capital reserve. He asked if MVD could plan for a refresh of the rate study. Pratt answered that a larger rate update was on the CIP for FY2023, which could start as early as July 2022, but a smaller refresh could be done sooner.

Vice Chairman W. von Schoen asked about SCADA at the PWW interconnect that was suggested by Dave Fredrickson at the October meeting. Superintendent R. Miner stated that he is looking at how to move forward with this in the short term. He noted that when the Well 2 construction is done, MVD will look at all of their radios and move forward with an upgrade. It was noted that the Well 2 construction does include the PWW interconnect but does not include the Belmont station. Pitsas stated that the Belmont Station can be added.

Vice Chairman W. von Schoen asked about remote chlorination, explaining that currently the gradient goes from the treatment plants, requiring a certain level to ensure chlorination makes it throughout the distribution system. This leads to some people in the vicinity of the treatment plants to have an undesirably high level of chlorination. Pratt explained that this was addressed in the Corrosion Control Study and to some degree in the Master Plan. Pratt expressed that Underwood would still like to have a work session to address this. Vice Chairman W. von Schoen noted that he also does not see Corrosion Control on the CIP, despite still having customers battling with corrosion. Pratt stated that Corrosion Control and Chemical Feeds can be added to the CIP as a place holder and a work session should take place. Vice Chair W. von Schoen also asked about whether MVD was addressing chlorination differently now that they are pulling water from PWW. Superintendent R. Miner answered that MVD is monitoring chlorination and will flush or add an injection point if needed. Chairman D. Provencher asked Underwood if there was room at either the Turkey Hill Booster Station or the PWW interconnect for a chlorine injection site. Pratt explained that there would be more work involved to allow for a long-term chlorine injection site, but it can happen on the interim. Chairman D. Provencher asked about the tank coating and cleaning, stating that the Hutchinson Road tank was just done in 2018. He asked if there was anything that needed to be done on the Turkey Hill Tank. Superintendent R. Miner stated that it was cleaned and inspected when the mixer went in recently. He noted that Parker Tank will need some paint, but he was going to put in for an inspection this year, and a recoat the following year. Parker was last run in 2020 when work was done on the booster station. It was noted that this may be a good location for a chlorine injection site. Superintendent R. Miner asked Pratt if the hydraulics of the tank should be looked at. K. Pratt answered that the CIP has included the hydraulic model update, but it has never moved

forward, and would be a good idea. Chairman D. Provencher asked what the next maintenance step for the Turkey Hill tank would be. Pratt explained that there isn't much to be done to the tank, but to protect the rebar. Superintendent R. Miner stated that maintenance and patchwork has been done to the tank. Chairman D. Provencher asked what would happen if the tank needed to be taken offline for maintenance. Pratt answered that he would look back at previous maintenance work that has been done and make a recommendation regarding moving forward.

Commissioner J. Lyons asked about the breakdown of funds at the end of the CIP and stated that he would like to see it broken down to show what falls under grants and what is debt. Pratt stated that he would clean up the CIP on the next round.

Superintendent informed the commissioners that Parker tank houses cell towers and does generate revenue for MVD.

K. Pratt asked Superintendent R. Miner what the timing would be on an updated CIP. Superintendent R. Miner explained that he would like to get it to the Planning Board as they get into budget season. Vice Chair W. von Schoen expressed that it seems backwards that MVD presents to the Planning Board and not the other way around, as MVD needs to adjust to what the town is growing into. Commissioner K. Ayers reiterated the importance of MVD understanding how they can adjust to the future needs of the town. Superintendent R. Miner expressed his agreement. Pratt explained that this falls under RSA 674:6 but expressed that it would be beneficial to share projections. RSA 674:6 reads as follows:

The capital improvements program shall classify projects according to the urgency and need for realization and shall recommend a time sequence for their implementation. The program may also contain the estimated cost of each project and indicate probable operating and maintenance costs and probable revenues, if any, as well as existing sources of funds or the need for additional sources of funds for the implementation and operation of each project. The program shall be based on information submitted by the departments and agencies of the municipality and shall take into account public facility needs indicated by the prospective development shown in the master plan of the municipality or as permitted by other municipal land use controls.

Vice Chairman W. von Schoen asked if this applied only when water works were a part of the town and not a separate district. Pratt explained that he was unsure and has been doing it this way all along. Vice Chair von Schoen expressed that he has no issue cooperating with other boards but reiterated the importance of understanding the town's plan for growth. Chairman D. Provencher stated that it should be made known to the Planning Board that irrigation is a driving factor in projections. He also stated that it would be beneficial to be aware of upcoming town projects such as paving so MVD projects, such as main line extensions, don't interfere or destruct. Superintendent R. Miner explained that he is in communication regarding projects and there is an active effort to stay on top of paving schedules. Chair D. Provencher asked Superintendent R. Miner if he was scheduled to go to a future Planning Board meeting. Superintendent R. Miner stated that he was on the agenda for the December 7, 2021, meeting. Keith Pratt will join Superintendent R. Miner at the meeting.

Vice Chairman W. von Schoen asked what the System Development Charge (SDC) was based on. K. Pratt explained that it was based on MVD's net assets divided by MVD's system capacity, multiplied by a user's daily usage. He explained that it was the dollars per gallon of MVD's assets. Vice Chairman W. von Schoen suggested that this be revisited due to the cost projection for the future with clean up work and O&M costs. He also asked if this was based on just household usage or if it included irrigation. Pratt answered that it would include irrigation by default but is based on an average. Commissioner K. Ayer noted that the Planning Board could suggest drought resistant landscapes for future builds to lower the demand for irrigation. K. Pratt noted that MVD should consider if they should look at developments

based on the true cost of service or stick to the SDC, or both. Vice Chairman W. von Schoen stated that someone could potentially build a new golf course, requiring high levels of irrigation during the peak season, which would significantly drive up the consumption. He stated that this needs to be considered when planning MVD’s capacity. Due to the huge discrepancy between Summer and Winter, the buy in cost would be low for this build, despite the fact that it would disproportionately drive the cost up for the overall system capacity. Pratt agreed.

Commissioner J. Lyons asked if there would be any benefit to having separate irrigation meters. It was noted that it was worth looking into and will be addressed after July 2022.

A work session has been scheduled for April 26, 2022, to address corrosion control and remote chlorination.

Vice Chairman W. von Schoen stated that during one of the meetings with PWW having a clear understanding of compliance/non-compliance (PFAS), and how quickly non-compliance can become compliant, was discussed but never made it on to a to-do list. He would like to revisit this. W.von Schoen explained that statements were made at the meeting, but he has nothing that supports the statements, and he would like a better understanding. Business manager J. Lavoie informed him that she has access to the information. Vice Chair W. von Schoen noted that the rule states that if the average of 4 consecutive quarters equates to above the allowable limit of PFAS, it becomes non-compliant. He asked for clarification on when it is then considered to be compliant again. Commissioner J. Lyons stated that it was a running average. Vice Chairman W. von Schoen stated that there was no solid information that he had seen explaining it, leaving the way out of a violation unclear. Business Manager J. Lavoie answered that she would get the information and provide clarification. Commissioner J. Lyons asked if MVD would remain in violation while purchasing water from PWW, stating that most times a non-compliant well is required to be disconnected. Superintendent R. Miner answered that a waiver has been provided. Commissioner K. Ayers asked if there was a specific amount of time allotted for emergency use of contaminated water. Business Manager J. Lavoie explained that there is not, but the emergency needs to be defined to NH DES (i.e., fire).

4. Board of Commissioners to review the minutes from the October 14, 2021 Special Meeting and the October 18, 2021 Regular Session.

APPROVAL OF MINUTES

Board of Commissioners Special MeetingOctober 14, 2021

The following amendments were offered:

Page 4, line 13 should include, “...but still noticeably lower than PWW’s today and will be PFAS non-detect...”

**MOTION BY COMMISSIONER J. LYONS TO ACCEPT THE MEETING MINUTES OF THE OCTOBER 14, 2021 BOARD OF COMMISSIONERS SPECIAL MEETING AS AMENDED
MOTION SECONDED BY COMMISSIONER K. AYERS**

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

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

4

Nay:

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MOTION CARRIED

4-0-0

Board of Commissioners Regular Session October 18, 2021

TABLED

5. 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.

6. Old Business – Source Water Protection Grant

Business Manager J. Lavoie provided the commissioners with an update on the Source Water Protection Grant. The grant request was submitted to DES on November 1, 2021. Emery gathered quotes and based on Superintendent R. Miner’s meeting with Kyle Fox from DPW, a bid was placed for 100 Source Water Protection Area signs. The lowest bid that Emery received was \$43,094, so Emery is seeking the \$30,000 grant, which requires some sort of climate change impact. Business Manager J. Lavoie explained that Emery approached it in a way that explains how a reduction in sale will have an impact on climate change. Lavoie explained that the project cost is showing as \$45,000, with \$15,000 being MVD’s “skin in the game.” This cost also include installation of the signs. The signs will match MVD’s current signage. Chairman D. Provencher stated that he feels it’s more important to have the signs labeled for salt use than simply Well Head Protection Area / Aquifer Protection Area, as some people may not understand the meaning.

7. New Business

None

8. Superintendent’s Report

Superintendent R. Miner informed the commissioners that he received an email from Dan Tinkham, with Emery and Garrett, notifying him that they have booked a drill rig for the week prior to Christmas for 69 Wilson Hill Road. Superintendent R. Miner will be in touch with the homeowners.

Vice Chairman W. von Schoen asked if the previously mentioned water main breaks were all construction related. Superintendent R. Miner answered that they were in fact construction related. He noted that some of them will be billed for, but some cannot be billed for as they were mismarked by MVD. None were due to corrosion, all were due to some sort of a strike (including underground piercing tools).

9. Questions from the Public / Press

None

ADJOURNMENT

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

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

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

4

Nay:

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MOTION CARRIED

4-0-0

The November 15, 2021 meeting of the Board of Commissioners was adjourned at 7:23 p.m.

Submitted by Amanda McKenna, Recording Secretary