

Regular Session

1. Board of Commissioners to discuss PFAS violation notice from NHDES and additional remedies and temporary corrective action until treatment plants are constructed and on line.

Chairman D. Provencher explained that this emergency meeting was to discuss the PFAS violation notice from NHDES. The violation notice was issued on September 23, 2021. Public notice is required within 30 days. Chairman D. Provencher noted that the violation does not state that any additional action is currently needed, however Pennichuck Water Works (PWW) had reached out with the same notice. Chairman Provencher explained that PWW has a consecutive water system in Bedford, NH, that serves Cabot Preserves and they will be required to notify their customers as well. PWW contacted MVD to discuss potential methods for MVD to propose a remediation action within the public notice. This could possibly consist of MVD being supplied with a temporary emergency water supply from the Nashua PWW system in an effort to dilute the MVD drinking water system. This would potentially allow MVD to shut off some of the wells that are higher in PFAS levels in an attempt to bring the distribution system into a lower concentration. In an earlier discussion with PWW, MVD was offered a potential reduced rate to purchase water. PWW will need to go to the Public Utility Commission (PUC) for approval of the reduced rate, however PWW would like MVD's concurrence to move forward. Chairman D. Provencher explained that there were a few numbers mentioned in the area of \$1.60 - \$1.67 as a temporary rate. This would be a temporary rate until all of MVD wells are treated and compliant water can be served. The current target for the completion of MVD treated wells is Summer 2022. Wells 7 & 8 are currently in construction for PFAS treatment, with a target completion date of March 2022. Chairman D. Provencher informed the commissioners that Larry Goodhue and Don Ware of PWW would be joining the meeting at a later time.

Chairman D. Provencher asked if MVD had calculated the net cost per 100 cubic feet compared to the ~\$1.60 temporary rate that PWW has proposed. Chair Provencher stated that he calculated the cost of purchasing emergency use water from PWW based on 1M gallons per day. This is because the interconnection with PWW only grants MVD 1M gallons per day out of the emergency connection. This is primarily based on pumping capacity at that booster station. Based on these numbers, Chairman D. Provencher calculated the daily cost to be \$2,100. This would total slightly greater than \$60,000 per month. Commissioner K. Ayers asked if there was any idea what impact this would have on customers' water bills. Chairman D. Provencher answered that he was not sure and believed there to be a Capital Reserve account set aside for purchase of water. He also noted that NHDES has mentioned that there is grant money available to help reconstitute some costs. Chairman D. Provencher informed the commissioners that PWW has noted that until the PUC approves the emergency rate and grant funding is approved, MVD would be paying the full price of over \$4 per 100 cubic feet. MVD would be credited retroactively once the PUC approves the emergency rate. Superintendent R. Miner confirmed this information. Superintendent R. Miner stated that Cabot Preserves typically uses 350,000 gallons per day for summer use, and 100,000 gallons per day for winter use. Chairman D. Provencher clarified that MVD has not spoken to PWW about changing the rate structure that MVD uses to bill PWW for Cabot Preserves.

Chairman D. Provencher stated that it would likely make sense to shut down the wells that are highest in PFAS concentration during this time. The goal would be to keep Wells 4 & 5 on as they are treated and are currently at non detect. Keith Pratt informed the commissioners that according to the violation notice from NHDES, Wells 7 & 8 have the highest PFOA at 25 ng/L, Well 3 has 20 ng/L PFOA, and Well 2 has 13 ng/L PFOA. It was noted that the August 2021 test for Well 2 was at

25 ng/L. It was stated that there was no definition of what is to happen when the MCLs are exceeded, other than corrective action needs to be prepared. MVD has been implementing corrective action for multiple years. Vice Chair W. von Schoen noted that if MVD were to decline the offer from PWW to help dilute the PFAS levels in the drinking water, it would not be an issue with compliance, but rather image. He also stated that there is value to the MVD customers to accept the offer.

K. Pratt informed the commissioners that he ran rough numbers and came up with an estimate showing that if PWW is offering a temporary rate of \$1.60 it equates to lower than MVD's current revenue. Vice Chair von Schoen expressed the concern of shutting down wells versus drastically reducing production, as the wells need to be maintained. He noted that the only true cost saving avenue that he could see would be to reduce staff, however furloughs would likely leave employees looking for work elsewhere. At this rate employees would be difficult to replace and costly to train, and not an ideal path for MVD. Therefore there is no true cost savings. K. Pratt agreed with this statement.

K. Pratt clarified that there will not necessarily be an even mix of "clean" water prior to distribution. Some customers will experience a greater benefit while others experience a lesser benefit. Superintendent R. Miner informed the commissioners that it would make the most sense to leave Wells 7 & 8 on as it's the hardest to shut down, especially for long periods of time, due to the filter beds requiring chlorine residual to prevent bacteria growth. Wells 7 & 8 are closest to the PWW connection, allowing for a blend. Wells 2 & 3 are the easiest to shut down for periods of time and require less work to get them up and running.

Vice Chair W. von Schoen asked how Cabot Preserves was connected to MVD. Superintendent R. Miner explained that Cabot Preserves is connected off of Pearson Road and there is a meter pit at the Bedford/Merrimack line that goes into Cabot.

At this time, it was noted that the representatives from PWW would soon be joining the meeting.

Chairman D. Provencher suggested accepting the offer for a fixed period of time. This could change based on a better understanding of the available grant. He stated that he does not want to commit to a \$64,000 monthly charge for the next 8 months. K. Pratt reminded the commissioners that the \$64,000 cost was under the assumption that PWW is approved to charge the lower emergency rate. Superintendent R. Miner informed the commissioners that it was his understanding that this meeting was for PWW to see if there was an interest in seeking approval for the reduced rate through the PUC. Business Manager J. Lavoie stated that it was her understanding that PWW was looking for a commitment to purchase water and that the rate was based on volume.

At this time, Larry Goodhue and Don Ware of Pennichuck Water Works joined the meeting.

Chairman D. Provencher introduced Larry Goodhue, the CEO and CFO of PWW, and Don Ware, the COO of PWW. Chairman D. Provencher opened the floor to L. Goodhue to explain what PWW is asking from MVD. L. Goodhue explained that PWW is a large customer of MVD's, with the Souhegan Woods community and the Cabot Preserves community. PWW has a community well in the Souhegan Woods community and an emergency water connection through MVD should they need it. The Cabot Preserves water system serves over 400 customers in Bedford. PWW independently samples the water at Cabot Preserves and noticed a trend of elevated PFAS levels in the recent months. PWW was then made aware that MVD would be receiving a violation notice from NHDES relative to PFOA concentrations. It was explained that once MVD alerts their customers of the violation notice, PWW will in turn have to alert over 400 customers at Cabot Preserves. PWW will close the emergency connection to Souhegan Woods until MVD's water is fully treated. L.

Goodhue stated that PWW needs to determine if MVD is willing to work with PWW in establishing an emergency connection to provide water into the MVD system. There is an existing connection that allows for up to 1M gallons per day. Goodhue explained that it was his understanding that 1M gallons per day with only Wells 4 & 5 online does not meet MVD's overall base needs. Therefore, MVD would need some water from Wells 2 & 3 or Wells 7 & 8. PWW feels that Wells 2 & 3 would be a better choice with a lower PFOA concentration than Wells 7 & 8. Blending PWW's source with Wells 2&3 would potentially allow for mixed water that is within compliance. Don Ware has taken the time to investigate whether an additional emergency connection could be established on the DW Highway. MVD's water lines come within 1,200' of PWW's water lines in that area. This could possibly add an additional 1-2M gallons per day into the system, allowing MVD to temporarily take Wells 2 & 3 offline. PWW would petition the PUC for an emergency rate approval. This would require PWW to provide data as to why they believe an emergency rate is justified (PWW would claim a health-based standard). Goodhue stated that he believes it would take 3-4 weeks to have both the existing connection and the secondary emergency connection up and running. Goodhue explained that PWW would be using an average of \$1.50 per hundred cubic feet for an emergency rate. He explained this to be an "upper limit estimate." PWW wants to be able to present to their customers information on what is going on, but also what is being done to correct it and how quickly it will be taken care of.

Vice Chairman W. von Schoen explained to L. Goodhue and D. Ware that it is MVD's understanding that they are compliant due to having a corrective action in place. Vice Chair von Schoen stated that he is absolutely a proponent of reducing the PFAS exposure of Merrimack residents. D. Ware stated that MVD is non-compliant to a water quality standard but has a corrective action in place meaning MVD is not subject to administrative penalties. He continued on to say that the water is non-compliant and that's what the public will hear. He stated that there is typically an allotted amount of time to bring non-complaint water to compliant levels and that is the position that MVD is currently in. MVD has worked proactively to attempt to get all wells treated. D. Ware brought up the current situation in Hudson, comparing it to that of MVD. According to Ware, Hudson wished to continue to run their non-compliant wells while implementing their corrective action plan, which could take 3-5 years. NHDES declined this stating that Hudson had the capability to utilize PWW's compliant water. With the current connection, PWW is not capable of providing enough water for the entire MVD system. D. Ware stated that PWW would like to convince MVD to add a secondary emergency connection. With the secondary connection PWW would be able to provide between 2.5-3M gallons per day of supplemental water, which would allow MVD to shut off all of the non-compliant wells. D. Ware stated that he has heard from "people" that many would be upset if MVD would rather save the money and continue to supply non-compliant water. Vice Chairman W. von Schoen intervened, asking D. Ware not to put words into the mouths of MVD commissioners. Vice Chairman W. von Schoen reiterated MVD's understanding based on conversations with NHDES, where MVD stands as a water district in terms of compliance and corrective action, and nothing more. Vice Chair W. von Schoen wanted to be clear that MVD has not declined any offer or rejected the idea of spending additional money. The MVD Board of Commissioners has worked diligently to avoid as much PFAS exposure as possible. D. Ware informed the commissioners that they have a decision to make and need to consider how the public may view that decision. L. Goodhue stated that he would like the board to consider, and possibly approve, PWW to establish the emergency connection. He stated he believes this will provide the best path forward. Goodhue explained that it does take time to get approval from the PUC, and MVD would need to pay the retail rate until approval. However, PWW will commit that once an emergency rate is approved, MVD will receive a refund back to day one for the differential in that rate. Chairman D. Provencher asked how MVD can be sure they will not be stuck with a \$1M purchase price if the grants don't come through and the PUC does not approve the emergency rate. L. Goodhue explained that PWW would be applying for an emergency order based

on a health-based standard that needs to be in compliance. He stated that he doesn't see the PUC denying that. Second, PWV will use NHDES as a supporting party in the process. Goodhue also noted that he is hoping that the rate of \$1.50 is a high estimate. Additionally, MVD may not require the emergency connection once Wells 7 & 8 can come back online, with an estimated time frame of March 2022. This would allow for a break in use of the emergency connection until peak season. Goodhue also stated that he would not have a problem putting an outside watering ban on the Cabot Preserves customers for summer 2022 in an effort to help limit the amount of water MVD would need to purchase. Cabot Preserves uses roughly 130,000 gallons per day of base water, and hits just shy of \$400,000 gallons per day (average) for a peak month. Chairman D. Provencher asked if MVD would be required to commit to a minimum volume in order for PWV to apply for an emergency use rate with the PUC. L. Goodhue answered that they do not, it is simply an emergency rate to supplement water for MVD to be able to move through the crisis. K. Pratt asked L. Goodhue how the capital costs work out, if MVD would be responsible or it would be built into the rate. Goodhue explained that PWV would look for MVD to contribute to the cost of putting in the pump station, but the emergency rate is purely the variable cost of providing water. It was clarified that the emergency rate would be applied to both the existing connection and the emergency connection. It was noted that there are multiple resources available for grant money and/or funding that could potentially apply in this situation, including the NH Drinking Water Groundwater Trust Fund and ARPA funds.

At this time, Chairman D. Provencher expressed great concern over the potential cost should the emergency rate not be approved. D. Ware suggested that MVD allow PWV to contact the PUC, starting with the staff, to see how quickly this could be dealt with and if there is support.

Vice Chairman W. von Schoen clarified to all that as a board they cannot vote on anything without reliable monetary substantiation, or explanation of where the funds are coming from. He does not believe the board could firmly vote on entering an agreement at this time. He explained that the only thing that can be committed to during this meeting is the intention of pursuing this path and committing a strong interest. Vice Chair von Schoen stated that he is in favor of pursuing this path. L. Goodhue explained that all PWV was looking for at this time was the understanding as to whether MVD wished to pursue this path so PWV can explore a solution.

Chairman D. Provencher stated that if MVD is going to be taking on a cost burden to this, which does include the benefit of clean water, he wants to be sure that the narrative is not that PWV is profiting by selling MVD clean water during this hardship. He wants to be certain the math does not enhance that narrative. L. Goodhue explained that the math will show that the rate is to cover the cost.

Vice Chairman W. von Schoen stated that he wanted to make it clear that he will not vote in favor of any such agreement with PWV if it included a stipulation that MVD would be required to temporarily disable any of MVD's existing wells. He noted that he does not want to be at the mercy of PWV delivering water should there be a technical defect or unforeseen circumstance that prevents delivery. He wants to be sure that MVD is able to quickly compensate for that. It was clarified by D. Ware that in any agreement that is made, it is imperative that towns have access to fire protection and domestic water if needed in an emergency, and therefore that is the norm.

**MOTION BY COMMISSIONER J. LYONS TO ASK PENNICHUCK WATER WORKS TO MOVE FORWARD IN CONNECTING WITH THE PUC TO ESTABLISH A TEMPORARY EMERGENCY WATER USAGE RATE FOR THE MERRIMACK VILLAGE DISTRICT
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, Paul McLaughlin
5
Nay: 0

MOTION CARRIED
5-0-0

ADJOURNMENT

MOTION BY COMMISSIONER J. LYONS TO ADJOURN
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, Paul McLaughlin
5
Nay: 0

MOTION CARRIED
5-0-0

The September 27, 2021 emergency meeting of the Board of Commissioners was adjourned at 6:58 p.m.

Submitted by Amanda McKenna, Recording Secretary