

FINANCE/HUMAN RESOURCES REVIEW – Michele Holton

A. Analysis of Revenue and Expenditures Report

Director Holton informed the commissioners that being through the month of February, MVD is roughly 67% through the fiscal year. Director Holton stated that most of the main water revenue accounts came in at roughly 70% of the budget, resulting in an overall revenue at 76.9% of the budget. Director Holton informed the commissioners that MVD is continuing to see the interest income much higher than the previous few years. This is due to negotiations with TD Bank. Holton noted that accounts 40408 (main line expansion) and 40403 (entrance fees) had increases due to new communities coming online. She stated that it can be difficult to determine when communities will come on and noted that it can fluctuate by 6 months up to 2 years or more. On the expense side of things, MVD is coming in at 60% of budget. Director Holton informed the commissioners that the notes of the circumstances related to expenses coming in above budget are outlined on the “Budget vs Actual Comparison.” Director Holton noted that account 60000 (electricity), account 60400 (heating fuel) and account 60600 (chemicals) are still all running lower than budgeted because of the arrangement with Pennichuck Water Works (PWW). This will be changing for the remainder of the fiscal year now that PWW is no longer being utilized. Director Holton noted that there are new guidelines for sampling, so there is additional sampling to do, which will impact the budget. Holton informed the commissioners that account 70700 is at roughly 188% of budget. She explained that this is the new generator service. This was not budgeted at the time the budget was created.

Vice Chairman K. Ayers questioned the large increase in the postage budget and asked if there was a way to increase online billing, which in turn would lower MVD’s cost for postage. Director Holton explained that she was going to touch on this when reviewing the action item for monthly billing. Chairman Provencher brought the commissioners’ attention to account 70550, with a note referencing \$42,000 for a replacement pump. There were two lightning strikes at Wells 4 & 5, and Chairman Provencher asked if both of those strikes blew out the pump. Superintendent R. Miner explained that they lost the Well 4 pump and the card for the SCADA. They did not lose the pump for Well 5 but they lost another card for the SCADA. Chairman Provencher asked if they should look into lightning protection / surge protection. Superintendent R. Miner answered that MVD has inquired about it and has surge protection on the insurance. Business Manager J. Lavoie stated that MVD does have lightning insurance and it covers anything from the ground up. Unfortunately, these were underground and therefore not covered by insurance.

Chairman Provencher asked about the note on account 70600.4, which states “still need to purchase for 7 & 8. It was noted that this is roofing and siding for the Well 7 pump house, not the new treatment plant. A contractor has come out and will give a quote on what’s needed for siding and painting, but it was determined that the roof likely doesn’t need to be done.

Director Holton informed the commissioners that today, March 20, marked substantial completion for Wells 2 & 9. Superintendent R. Miner clarified that Well 2 is substantially complete but Well 9 is not yet, as they are still waiting on wires. It was noted that Well 9 was given full approval for 1,000 gpm.

B. Bank Account Summary Review

Director Holton directed the commissioners to the bank balances. She noted that account 10170 came down quite a bit and that was due to switching over to the PFAS Remediation Fund. She noted that there

are some timing issues as far as submissions for reimbursements, but MVD is fortunate enough to have cashflow to cover this in the interim.

C. Action Items

Director Holton stated that she knew a discussion regarding action items was to take place later, but she wanted to add conversations to the action items that included her. She also noted that after going through the budget process, MVD now needed to start the rate discussion. She would like this discussion to take place in April. Chairman Provencher asked if the monthly billing will start in July with the new fiscal year, assuming it is approved at the Annual Meeting. Director Holton explained that Amy is learning a new meter system and is getting the backflow billing up and going. Coupled with a rate increase, Director Holton stated that they were thinking of starting the monthly billing a little later than July. She noted that ideally the rate increase and monthly billing would start on July 1st, but they are still determining if it can all come together as of that date.

Director Holton stated that MVD needs to create a Fund Balance and Capital Reserve Fund Policy(s). She would like to get the two readings in by the end of the year and to do so, would need to create a policy by either April or May. The Fund Balance Policy would outline where MVD would like to keep or roughly maintain the Unassigned Fund Balance. Funds in the Unassigned Fund Balance are used if MVD were to experience a major incident and required assistance with the emergency expenses. The Capital Reserve Fund Policy would look at CIPs and what MVD's goals are. Holton noted that many communities set a priority for when something goes below a specified dollar amount, and having a time frame to get back to said dollar amount. Director Holton said that she would like to look at MVD's CIP as well as the industry information when reviewing a system for these policies.

The Board of Commissioners added the rate discussion and the Fund Balance and Capital Reserve Fund Policies to the Action Item list for the April timeframe. At this time, Director Holton stated that she would like to table action item #55 (PTO) until April when Commissioner W. von Schoen is present. The commissioners agreed to this. Director Holton informed the commissioners that MVD staff will be keeping Juneteenth as an observed holiday for the 2023 calendar year, but it will be a work day. It was noted that 24 states and the District of Columbia have made Juneteenth a state holiday, but there are fluctuations in how it is being honored. MVD's stance will be readdressed after the 2023 observance. It was also determined that action item #69 (monthly billing) will be discussed at the April BOC meeting due to a staff absence. Director Holton circled back to Vice Chairman K. Ayers' earlier question about increasing paperless billing, stating that they are working diligently to increase paperless billing. Paperless billing is being advertised via push notification, Facebook, and signage, amongst other things.

REGULAR SESSION

2. Board of Commissioners to receive an update from Underwood Engineers, Inc regarding

Business Manager J. Lavoie informed the commissioners that both of the ESRs were included in the board packets for review if Underwood would like to go over them. At this time, the commissioners reviewed the ESRs. Chairman Provencher explained that one of the ESRs was related to Underwood evaluating all of the infrastructure associated with Artificial Recharge (AR). It was noted that this is the first time the commissioners have seen ESR 70 and ESR 71. The commissioners have seen the proposals for both, but not the actual contracts. It was clarified that these ESRs were not included in the original board packet. Commissioner Lyons stated that he does not see anything stating the need and the

expected outcome. Peter Pitsas explained that they had discussed proceeding with a more defined project and a more accurate cost for each one of the options. With AR, Underwood would be investigating what would be required to get the intake into the river and crossing the railroad, amongst other issues. This will allow Underwood to formally investigate these issues. Commissioner Lyons asked why MVD wouldn't just continue to purchase water, when needed, from PWW if that is the cheapest option. Chairman Provencher stated that he did not believe that to be the cheapest option. It was noted that AR has the lowest operational costs, despite the higher upfront cost. Commissioner Lyons asked how much supply MVD currently has with a max capacity versus demand. Superintendent R. Miner explained that with all of the wells running, MVD would still be short 0.5M gallons during peak demand. It was noted that MVD is back to the retail rate for purchasing water through PWW. In regards to AR, Vice Chairman K. Ayers asked what the rating is for the Merrimack River at any given time. Chairman Provencher answered that it was in the low – mid single digits. Vice Chairman Ayers noted that if the EPA manages to move forward with what they would like to do, that Merrimack water may not be in compliance, or very close to compliance. This may allow for the carbon to be run longer before requiring a changeout, which would provide some savings. Chairman Provencher noted that utilizing PWW was not a part of the long-range plan. He also reminded the commissioners that MVD has a policy stating that they want to have no PFAS detected in the water. He reiterated that the media would be changed out at the first detection of PFBA, or whatever PFAS breaks through, or at 8 months, whichever occurs later. Chairman Provencher stated that bringing on PWW goes against the policy of non-detect, because PWW has detected PFOA consistently. It was noted that PWW is in compliance, but this is conflicting with MVD's policy. Chairman Provencher asked Pitsas if this ESR was comparable to roughly a 30% design level. Pitsas answered that it was.

At this time, Commissioner Lyons stated that he was unsure of how MVD was not meeting the demand and assumed a wholesale connection with PWW would be used in cases of emergency only. Superintendent R. Miner explained how MVD was short roughly 0.5M gpd using only the MVD system. Commissioner Lyons thanked Superintendent R. Miner and stated that he had needed a better understanding of that prior to moving on.

**MOTION BY COMMISSIONER K. AYERS TO APPROVE ESR #70 N3077 WELLS 4 & 5
ARTIFICIAL RECHARGE PRIMARY DESIGN FOR \$75,000, WITH FUNDS TO COME
FROM EITHER CAPITAL RESERVES OR THE GENERAL BUDGET
MOTION SECONDED BY COMMISSIONER D. PROVENCHER**

**MOTION CARRIED
3-0-0**

At this time, the commissioners moved the discussion to Mitchell Woods. Vice Chairman K. Ayers noted that Mitchell Woods is currently below detectable PFAS levels and asked if the preliminary design would include a treatment plant. Pitsas confirmed that it would not. Vice Chairman Ayers expressed concern that any changes that the EPA may make may indicate the need to change this in the future. Chairman Provencher pointed out that on page 2 of the document it is noted that the space for this has been accounted for and will be included in the site plan. It was noted that this scope accounts for the cost of a permanent well. Chairman Provencher stated that if the commissioners approve Underwood to move forward, he would like Underwood to cost out the option of not having to do a whole new 12x18 gravel packed well. Pitsas stated that he could add that to the scope and return it to Superintendent R. Miner. Chairman Provencher stated that he believes it to be as simple as connecting with Jamie Emery to be sure that he is confident that the current well can produce 300 gpm. Chairman Provencher stated that he believed this could save roughly \$40,000-\$50,000.

MOTION BY COMMISSIONER K. AYERS TO APPROVE ESR #71 N2892 FOR THE MITCHELL WOODS WELL PRELIMINARY DESIGN, TO INCLUDE AN ADDITIONAL OPTION AND PRICE OF USING THE EXISTING WELL, IN THE AMOUNT OF \$25,000, WITH FUNDS TO COME FROM EITHER CAPITAL RESERVES OR THE GENERAL BUDGET

MOTION SECONDED BY COMMISSIONER J. LYONS

MOTION CARRIED

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At this time, Pitsas stated that he would send the edited document to Business Manager J. Lavoie at the conclusion of the BOC meeting.

A. Wells 2 & 9

Pitsas informed the commissioners that the arsenic and iron levels discharging from the new GAC vessels have dropped at Wells 2 & 9 WTP. Superintendent R. Miner was comfortable sending that into the system and gained NHDES approval. Pitsas informed the commissioners that there is a partial substantial completion for Wells 2 & 9, today, March 20. He stated that they will not sign off on final substantial completion until the Well 9 work is done, and the SCADA things are finished. Vice Chairman K. Ayers asked what the time frame for Well 9 is expected to be. Pitsas explained that the power cables are not yet in, and despite asking, he has not received an update from the contractor. Pitsas told the commissioners that the contractor submitted a request for partial substantial completion as of March 1st, but Underwood did not want to grant that on March 1st as it wasn't being put into the system by that date. Pitsas shared that in the letter the contractor noted that everything would be online by the end of the month (March), if the VFD cables came in by March 10th. As far as Underwood is aware, the cables have not yet arrived. Chairman Provencher asked how many months MVD should let this go on before investigating what the next step(s) would be. Pitsas explained that MVD is technically into liquidated damages already. Chairman Provencher asked if the proceedings for liquidated damages should be started if the contractor is not answering Underwood. Pitsas informed the commissioners that he sent the contractor an email today stating that they would approve partial substantial completion based on going into the system today, and asked for an update on the cables. Pitsas also noted that the contractor is currently on vacation. Superintendent R. Miner stated that he talked to Eric, who is on site, today, and he informed Miner that he had not yet heard anything regarding the cables. Chairman Provencher asked if Eric worked with the contractor, to which Superintendent R. Miner explained that he did. It was clarified that Well 2 is on, and it is Well 9 that is awaiting the cables. Well 2 also needed cables, but only needed one set versus the two sets that Well 9 required. Pitsas stated that he felt the contractor waited too long to order the cables for Well 9. Pitsas stated that he believes the contractor placed the order last June because they submitted a new shop drawing at that time that changed from one cable manufacturer to another. He believes this was to save "a few bucks." Chairman Provencher asked if the contractor has produced any documentation that confirms that the order has been placed and when it was placed. Pitsas answered that the contractor has not provided any documentation. Commissioner Lyons asked if the board was within their rights to withhold substantial completion. Pitsas explained that final substantial completion will not be given until Well 9 is online, and therefore MVD could go after liquidated damages.

Chairman Provencher asked the other commissioners if they felt comfortable advising Underwood to let the contractor know that if the cables haven't arrived by the April BOC meeting MVD would be proceeding with liquidated damages. Pitsas stated that he would be able to word something for the contractor. Chairman Provencher stated that the Wells need to be up and running by May. He noted that if the wholesale agreement fails in the Annual Meeting, MVD will need all of their wells online or could find themselves in serious trouble. He also noted that its roughly \$5,000 per day to buy water from PWW at the retail rate if the wholesale rate fails. Commissioner Lyons asked if another manufacturer may be helpful and stated that he has a connection at Elektrisola. Pitsas said he would look further into this option and asked Commissioner Lyons to get him the information. Chairman Provencher asked if liquidated damages starts from the day MVD starts that process or if it is retroactive. Pitsas explained that it is from the last day of contract time, per change order, until final substantial completion. Contractually, this project was set to be completed in October 2022. Commissioner Lyons stated that due to the amount of time that has passed since the contracted substantial completion date, he would be in favor of going after liquidated damages. Pitsas stated that he could talk with the contractor to request an update and inform him that the commissioners are considering liquidated damages. He suggested the commissioners make a decision to proceed or not once the update is provided. Chairman Provencher and Commissioner Lyons were both in agreement with this plan.

B. Wells 7 & 8

Pitsas informed the commissioners that Underwood had met with Calgon about making a carbon change. Calgon suggested a total replacement of the carbon, which Pitsas described as "somewhat not surprising." Pitsas explained that the carbon from Calgon has a higher density than the carbon from Evoqua. A higher flow rate would be needed to backwash the Calgon carbon than that from Evoqua. If the carbons were mixed, a higher flow rate could push the carbon from Evoqua out of the vessel. According to Pitsas, Calgon mentioned something about the Evoqua carbon being more of a byproduct of manufacturing titanium, that they realized was a product they could be selling to the drinking water industry, compared to a straight mined product. Pitsas said he is unsure if this is true and Underwood needs to do some investigation on this. He reminded the commissioners that this is a claim one manufacturer made against another. However, Pitsas noted that he was told that iron is added into the GAC for the titanium process, hence why Underwood will be investigating this. Chairman Provencher stated that it was good that this was being investigated because he was told the iron is a naturally occurring phenomenon where the carbon material was mined in Australia. Pitsas stated that he does not want to start making accusations, but it needs to be investigated.

Superintendent R. Miner informed the commissioners that Calgon is aware that MVD would like to do a changeout and they will also be providing a price on new media. Superintendent R. Miner stated that he is meeting with the sales rep tomorrow, March 21st, for a walk though at Wells 7 & 8. Chairman Provencher asked if MVD was still looking into caustic treatments at the lag vessel, which Superintendent R. Miner confirmed. Superintendent R. Miner stated that now that Well 2 is online, maintenance will be done at Wells 7 & 8. Chairman Provencher asked, for future considerations, if Calgon regenerates their media. Pitsas confirmed that they did. Pitsas informed the commissioners that

Calgon has higher arsenic levels, which is one of the reasons they initially opted to go with Evoqua. Pitsas noted that Calgon offers a double acid washed media (AR+) that has a lower arsenic level than the single washed media (AR).

Chairman Provencher asked for clarification as to why they were not pursuing regeneration through Evoqua. It was answered that it is still unknown where the biofilm is coming from. Superintendent R. Miner added that the possibility of changing out the media at this point had been discussed, which is why they were taking the opportunity to explore Calgon.

Chairman Provencher stated that he feels it may be best to continue with Evoqua regenerating the existing GAC media and do the caustic treatment while the media is out, and then potentially consider Calgon for the next changeout. He also stated that he does not want to shut down Well 7 & 8 without Well 9 on. Superintendent R. Miner stated that there is the possibility they will get some iron with the regeneration, but he believes it will be minimal. Pitsas stated that he thinks it would be wise to do the acid wash again if MVD proceeds with the regeneration through Evoqua. Chairman Provencher stated that he was wondering if the biofilm would still be a problem after regeneration, or if it would burn off. Chairman Provencher suggested they start the process for regeneration with Evoqua but continue discussions with Calgon for pricing. This is the route the commissioners chose to take.

3. Board of Commissioners to review the Media Change Out Policy (first reading)

At this time, the Board of Commissioner reviewed the Media Change Out Policy. The purpose of the policy is to establish guidelines for the reactivation or replacement of granular activated carbon (GAC) in MVD's existing carbon vessels. As written, the policy is to reactivate or replace GAC after two (2) consecutive samples of PFBA break through into the effluent of the lead vessel or after eight (8) months of operation, whichever occurs later. Commissioner Lyons stated that he does not feel this policy is written correctly with the inclusion of the word "or." He stated that as it reads, if there is no breakthrough at 8 months, MVD is obligated to change out the media for no reason. Chairman Provencher explained that the way it is written, the changeout will happen at whichever event happens later, therefore if there is no breakthrough at 8 months, the media changeout will not happen at that time. Commissioner Lyons suggested changing the word "or" to read, "but no sooner than." After some back and forth due to confusion of the original wording, the commissioners agreed that changing the word "or" to read, "but no sooner than" was clearer and the change was requested. The commissioners were all in agreement with the principal of the policy. It was suggested that wording regarding the timing of the actual media changeout be added to account for peak demand. Superintendent R. Miner reminded the commissioners that one vessel could be left on during a media changeout and the well will remain in service. Pitsas explained that due to the process, the well may have to go offline for 2-3 days. Superintendent R. Miner stated that he will double check that. He also noted that he can add wording to account for the seasonality of peak demand. At this time, there was discussion as to whether or not the word "policy" binds MVD legally and it was suggested that it be called a guideline rather than a policy. Chairman Provencher suggested running this by legal counsel.

Chairman Provencher noted that the policy, as written, calls out PFBA, and asked if it should instead read, "the break through of the first PFAS compound." The commissioners expressed agreement with the suggested change. It was also decided that the policy should include wording along the lines of, "upon detection of a PFAS breakthrough, MVD will collect another confirmatory sample."

4. Board of Commissioners to review the Plan Review Policy (third reading)

At this time, Chairman Provencher asked if anything in the Plan Review Policy had changed from what was in the board packet, to which Superintendent R. Miner answered that nothing had changed from that version. The version presented in the board packet included the changes that were requested by the commissioners at the February meeting. It was decided that Superintendent R. Miner will move forward with the formalization of the Plan Review Policy and the commissioners will vote on it during the April BOC meeting.

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, and making necessary additions. Of this numbered list, the commissioners addressed number 73, *R. Miner to investigate the elevated PFOA at Turkey Hill Rd sampling station on 10/19/22 for the March meeting.* Superintendent R. Miner informed the commissioners that he did review the elevated PFOA at the Turkey Hill The Commissioners reviewed the list of Action Items, removing tasks that have been completed, and making necessary additions. Of this numbered list, the commissioners addressed number 73, *R. Miner to investigate the elevated PFOA at Turkey Hill Rd sampling station on 10/19/22 for the March meeting.* Superintendent R. Miner informed the commissioners that he did review the elevated PFOA at the Turkey Hill Road sampling station and it seems as though the 10/19/22 sample may be a bad sample. MVD was running Wells 4, 5, 7 & 8, the PWW interconnect was on, and Well 2 was on intermittently (demand driven). The Turkey Hill sample was taken on 10/19/22 and had a reading of 17.2 ppt. Well 2 was being run on 10/19 and PFOA was at 29.5 ppt. Well 2 was also being run on 9/20/22 and was at 20.5 ppt. Prior to this, it was sampled on 7/27/22 and it was 10.6 ppt. Well 2 was on 10/3-10/6/22, 10/11-10/15/22, and 10/18-10/22/22. Chairman Provencher noted that based on this information, it could definitely be coming from Well 2. Superintendent R. Miner noted that it was possible, but he thinks it may be a bad sample because the PFOS was 15.2 ppt, which has never been the case. He stated that the PFOS numbers have always been closer to 2 -3 ppt. Superintendent R. Miner stated that he believes it was non-detect at the next sampling.

6. Board of Commissioners to review the minutes from the February 23, 2023 regular BOC meeting and Public Hearing

TABLED

7. Old Business

Superintendent R. Miner informed the commissioners that the Wells 7 & 8 treatment plant went online on April 27, 2022. It was noted that this information was requested at the February BOC meeting.

Chairman Provencher noted that at the last meeting, Commissioner P. McLaughlin had asked if the water availability letter from MVD get included in the project file and plans with the Community Development. Superintendent R. Miner stated that he did check on that and it does go into the file but for it to be enforced there needs to be a note on the plan. Chairman Provencher suggested having the Town make every applicant put on their plan that water supply shall be in accordance with allocation

approval from MVD. He asked Superintendent R. Miner to discuss this with Robert. Superintendent R. Miner agreed to meet with Robert to put language together for something like this.

8. New Business

a. Watershed Assistance Planning Grant

Business Manager J. Lavoie informed the commissioners that she included information on the Watershed Assistance Planning Grant in the BOC packet.

9. Superintendent's Report

Superintendent R. Miner informed the commissioners that the cost for the two drums of caustic soda was \$1,800 to do both vessels, if they choose to do both. To do one would cost \$943. He also informed the commissioners that Barry Miller has been on site since March 9th, and started cleaning on March 10th. He is still working on the cleaning of Well 7. The high lift pumps from the clear wells are also being serviced.

10. Questions from the Public/Press - None

ADJOURNMENT

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

**MOTION CARRIED
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The March 20, 2023 meeting of the Board of Commissioners was adjourned at 8:08 p.m.

Submitted by Amanda McKenna, Recording Secretary