

**MERRIMACK VILLAGE DISTRICT
BOARD OF COMMISSIONERS
AUGUST 21, 2023
MEETING MINUTES
(approved September 18, 2023)**

A regular meeting of the Board of Commissioners was conducted on August 21, 2023, at 4:30 p.m. at 2 Greens Pond Road, Merrimack, NH.

Chairman, Donald Provencher presided:

Members of the Board present: Kenneth Ayers, Vice Chairman (electronic participation)
John Lyons
Erin Clement

Members of the Board Absent: Wolfram von Schoen, Personnel Liaison

Also in Attendance: Ron Miner, Superintendent
Jill Lavoie, Business Manager
Kristen Maher, Finance/HR Director

NON-PUBLIC SESSION

MOTION BY COMMISSIONER E. CLEMENT THAT THE COMMISSION GO INTO NON-PUBLIC SESSION PURSUANT TO RSA 91-A:3, II(e)

MOTION SECONDED BY COMMISSIONER J. LYONS

A Viva Voce was conducted, which resulted as follows:

Yea: Donald Provencher, John Lyons, Erin Clement, Kenneth Ayers

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Nay:

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MOTION CARRIED

4-0-0

The Commission went into non-public session at 4:30 p.m.

The Commission came out of non-public session at 5:15 p.m.

FINANCE/HUMAN RESOURCES REVIEW

A. Analysis of Revenue and Expenditures Report

Kristen Maher, Senior Accountant, informed the Commission that she had provided them each with a recap of FY 22-23. She noted that she is still waiting on the auditing adjustments and informed the commissioners that the audit is commencing September 5th through September 8th. As of right now,

MVD sits at 118% of the budget for revenue and 95% of the budget for expenses for the FY. Maher informed the commissioner that based on these numbers, it was decided to move account 60300 (Purchase of Water) back into the budget. It was placed below the line to see where it would fit, but it has since been moved back into the budget. It was noted that this means Capital Reserves will not be used for the purchase of water for FY 22-23. The Fund Balance review for year end leaves net income at roughly \$4.8M and roughly \$18M for unrestricted.

K. Maher informed the commissioners that having completed the month of July, Merrimack Village District (MVD) is 8% through the fiscal year. She noted that there are a couple of invoices that did not make it in time for these financials, including gasoline and diesel. K. Maher explained that she did not have much to share at this time, being that the FY had just started. Chairman Provencher stated that he was happy to see that water sales appeared to be more than 8%. He explained that he would have expected them to be way down with all of the rain and the lack of irrigation. K. Maher explained that a lot of that has to do with new builds coming online.

B. Capital Reserve Balances

K. Maher informed the commissioners that as of the end of July MVD is at roughly \$5.6M for capital reserve balances.

REGULAR SESSION

1. Board of Commissioners to discuss and vote on a potential rate increase scheduled for October 1, 2023.

At this time, K. Maher informed the commissioners that she would need the board to vote on the potential rate increase scheduled for October 1, 2023. The recommendation of MVD Management was a 17.5% increase for tier I and 33% increase for tier II. It was noted that the fixed rates, such as hydrant charges, will be going up by 17.5%. It was noted that this rate increase still leaves MVD's rates below the state average. Pratt noted that should anyone be asked about the rate increase, a handy summary would be the letter from Underwood dated June 15th.

MOTION BY COMMISSIONER J. LYONS TO APPROVE THE RATE INCREASE OF 17.5% FOR TIER I AND THE FIXED FEES, AND 33% FOR TIER II CONSUMPTION, TO BE IMPLEMENTED ON OCTOBER 1, 2023

MOTION SECONDED BY COMMISSIONER E. CLEMENT

A Viva Voce was conducted, which resulted as follows:

Yea: Donald Provencher, John Lyons, Erin Clement, Kenneth Ayers

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Nay:

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MOTION CARRIED

4-0-0

2. Board of Commissioners to discuss the MVD Capital Improvement Plan (CIP)

Keith Pratt, of Underwood Engineers, informed the commissioners that they just started engaging with Superintendent R. Miner and Business Manager J. Lavoie on some edits to the CIP from last year. They made some notations on possible adjustments moving forward. He stated that he was unsure what the commissioners had in front of them at this time. Business Manager J. Lavoie informed Pratt that the commissioners each had a copy of the version Pratt had marked up. Pratt informed the commissioners that a few years back that Underwood had done a revamp on the CIP and categorized the projects from the supply side, the treatment side, storage, distribution, and equipment, as well as town coordination projects. Pratt explained that they look at ongoing projects as well as the next 8-years. Many of the projects that were identified came out of the Master Planning work. He stated that the two biggest projects are the New Well Site (Mitchell Woods) and the Artificial Recharge (AR). Underwood has been asked to develop the preliminary design for those two projects. The numbers for those projects came from the original study. They are being updated and refreshed. Pratt explained that the \$100,000 for those two projects for FY 24 has already been started and will be moved to “ongoing.”

Chairman Provencher asked about the \$1.2M assigned to the project labeled “Manchester Water Works (MWW)- Emergency Connection Infrastructure Upgrades.” He asked if MVD was doing something there and stated that he thought that was one of the alternatives initially given but that MVD had chosen to move forward with AR and Mitchell Woods. Pratt stated that he would double check, but he believes the upgrades was a recommendation regardless, because it is MVD’s “emergency to an emergency connection to Manchester.” The current connection is in poor physical condition. Superintendent R. Miner suggested that this project could be bumped out. It was clarified that this project would make the connection more useful to both MVD and MWW. Pratt shared that he feels this project could be pushed out to a later date. Pratt suggested two years and noted that he would put it on the next draft as 2027. Pratt informed the commissioners that Jamie Emery has asked that a line item be added in the amount of \$500,000 for the pilot. This would line up with the work for AR. This will be added for the next mark up and will be listed right ahead of the capital number. It was noted that this is just a target number. Pratt also explained to the commissioners that there are a few more odds and ends that will be changed and those are in the distribution side. One of them being the PFAS watermain extensions, and the other is a five-year projection rate model. These will be added in the next CIP draft. Commissioner J. Lyons asked why Wells 2 & 9 were crossed off of the CIP. Pratt explained that they are crossed off because the capital work is complete.

Chairman Provencher asked if Underwood had a scope for the water model update. Pratt stated that they just delivered it or are about to. Superintendent R. Miner stated that MVD has a draft copy that he will distribute to the board.

At this time, Chairman Provencher asked if the subtotal on projects, in the amount of \$14.5M, came from the warrant articles. Pratt answered that it’s probably because it just had Wells 7 & 8, and 2 & 3 on it. It will zero out, but other projects will be moved in. Pratt stated that the next revision will likely show \$100,000 in the subtotal.

The PWW wholesale agreement was left on the CIP with the amount listed as TBD. This was questioned by the commissioners. Pratt explained that this was left on because it has not officially been ruled out and will be readdressed in roughly a year. Pratt stated that he can make a notation that there is a budget line for this item in MVD’s budget if that would provide some clarity. It was also noted that this year the PWW agreement was initially set to come out of the capital reserve fund. Commissioner Lyons stated that he felt the money should not come from the capital reserve fund if it wasn’t for a capital improvement project. K. Maher explained that it was put under capital reserves is that from FY 22-23 to

FY 23-24 was such a significant jump based on chemicals and the loan coming due for Wells 2& 9, that if it had been put in the budget the rate increase would have been much higher. Putting it “below the line” and into capital reserves, allowed customers to see that it was necessary to have it as part of the real budget for the following year.

Pratt informed the commissioners that another round of edits to the CIP will be prepared for the September meeting. Superintendent R. Miner informed Pratt that he would need it earlier because he believes he is expected to meet with the Planning Board on September 18th.

3. Board of Commissioners to review the proposed Fund Balance Policy (second reading).

At this time, the commissioners were presented with the proposed Fund Balance Policy. K. Maher explained that the only update to the policy was on page 3 of the policy (highlighted in yellow for the commissioners). The update reads as follows; *It is the goal of the MVD to achieve and maintain an unrestricted fund balance in the general fund that is 33% (thirty three percent) of the Operating Budget, less Capital expenses or 4 months’ worth of operating expenditures. The Board of Commissioners, reserve the right to increase or decrease this percentage based on the district needs and recommended industry standards.*

This change was requested by the commissioners to allow fluctuation, as needed.

MOTION BY COMMISSIONER E. CLEMENT TO ADOPT THE FUND BALANCE POLICY #23-01-A AS IS, EFFECTIVE AUGUST 21, 2023
MOTION SECONDED BY COMMISSIONER J. LYONS
A Viva Voce was conducted, which resulted as follows:

Yea: Donald Provencher, John Lyons, Erin Clement, Kenneth Ayers
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Nay:
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MOTION CARRIED
4-0-0

4. Board of Commissioners to review the minutes from the July 17, 2023 BOC meeting and the Public Hearing.

APPROVAL OF MINUTES

Board of Commissioners Regular Meeting July 17,
2023
TABLED

Board of Commissioners Public Hearing July 17,
2023
TABLED

MOTION BY COMMISSIONER E. CLEMENT TO TABLE THE MEETING MINUTES OF THE JULY 17, 2023 BOARD OF COMMISSIONERS REGULAR MEETING AND PUBLIC HEARING

MOTION SECONDED BY COMMISSIONER J. LYONS

A Viva Voce was conducted, which resulted as follows:

Yea: Donald Provencher, John Lyons, Erin Clement, Kenneth Ayers
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Nay:
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**MOTION CARRIED
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At this time, the commissioners sealed the minutes of the August 21, 2023 Non-Public meeting.

MOTION BY COMMISSIONER J. LYONS TO SEAL THE MINUTES OF THE AUGUST 21, 2023 NON-PUBLIC SESSION

MOTION SECONDED BY COMMISSIONER E. CLEMENT

A Viva Voce was conducted, which resulted as follows:

Yea: Donald Provencher, John Lyons, Erin Clement, Kenneth Ayers
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Nay:
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**MOTION CARRIED
4-0-0**

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 discussed number 23 with Superintendent R. Miner asking the commissioners if they wanted to continue doing the distribution system. It was noted that they are done quarterly and cost \$2,100 each quarter. Chairman Provencher stated that he would like to keep doing these samples. He noted that this will allow continuous knowledge of what is going on with the short chains. Vice Chairman K. Ayers suggested switching to every 6 months to cut costs. It was noted that it will be done when connected to Pennichuck Water Works (PWW), regardless. Commissioner E. Clement suggested testing annually as well as when connected to PWW. Chairman Provencher once again stated that he would prefer to keep the sampling as present. It was suggested that MVD test for fewer contaminants quarterly and increase this if connected to PWW. Commissioner J. Lyons asked how much of a savings that would actually provide. He suggested that the amount of compounds being tested will actually matter very little in the overall cost of

the sampling. Business Manager J. Lavoie stated that she would call to determine the costs of the different options presented. Chairman Provencher asked if there were any sample sites in the high-pressure zone and suggested removing those sample sites. It was noted that there are two sample sites in the high-pressure zone. Superintendent R. Miner stated that one site can be dropped.

6. Old Business

At this time Chairman Provencher informed the commissioners that he sent an email out to MVD staff & commissioners, which included some ideas about the salt reduction committee. He reminded the commissioners of a letter that had gone out in a prior year that asked those landowners who were grandfathered in and allowed to use salt, to consider abstaining from / minimizing salt use and inviting them to join the committee. He stated that he would like to continue communication with these landowners but was primarily interested in the larger parking lot landowners, and others who may be in the Well Head Protection Areas. He suggested doing this soon as winter is coming, and many will be setting up their contracts for snow and ice removal. Commissioner Lyons suggested that there would not be a high rate of people opening the letter. Chairman Provencher then suggested creating a salt bylaw. This would need to be done by the Town Council. Superintendent R. Miner suggested that once the season starts, there be an employee monitoring salt use, followed by a cease-and-desist letter to those who are not grandfathered in. Chairman Provencher noted that the Town will likely not create a bylaw unless it is known that MVD has done as much as possible. MVD should be able to present a track record of attempts towards salt reduction. It was noted that for MVD it would be called a By-law but for the town, it would be an ordinance, however, MVD would not be able to enforce a town ordinance. Commissioner Clement asked how an ordinance would be enforced. It was noted that the Merrimack Premium Outlets and the Slate building are all salt free, so it is possible for other sites as well.

At this time, the commissioners discussed that Green SnowPro offers limited liability insurance. This is for the owner and the contractor as long as the appropriate forms are filed. Superintendent R. Miner will put together a letter regarding salt use for October and it will mention the Green SnowPro liability benefits.

7. New Business - None

8. Superintendent's Report

Superintendent R. Miner informed the commissioners that the truck showed up that morning to Well 7 for the media changeout. They have slurried the one truck in, it is soaking now, and the backwash will begin the next day. That truck will stay onsite. An additional truck will show up the next day to start Well 2. The process for Wells 4 & 5 will start soon. Superintendent R. Miner reminded the commissioners that there was a delay with the media changeout for Wells 7 & 8 due in part to a merger.

Superintendent R. Miner informed the commissioners that he had finished and submitted the forms for the natural gas rebates and MVD should be receiving roughly \$2,200 in rebates.

9. Questions from the Public/Press - None

ADJOURNMENT

**MOTION BY COMMISSIONER J. LYONS TO ADJOURN
MOTION SECONDED BY COMMISSIONER E. CLEMENT**

MOTION CARRIED

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The August 21, 2023 meeting of the Board of Commissioners was adjourned at 7:18 p.m.

Submitted by Amanda McKenna, Recording Secretary