

**MERRIMACK VILLAGE DISTRICT
BOARD OF COMMISSIONERS
MARCH 26, 2024
ANNUAL MEETING
MEETING MINUTES
(approved April 15, 2024)**

The Merrimack Village District Annual Meeting was conducted by the Merrimack Village District Board of Commissioners on Tuesday, March 26, 2024 at 7:00 p.m. at Merrimack High School, 38 McElwain Street, Merrimack, NH.

Chairman, Donald Provencher presided:

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

Members of the Board Absent:

Also in Attendance: Ron Miner, Superintendent
 Jill Lavoie, Business Manager/District Clerk
 Kristen Maher, Finance/H.R. Director
 Marc Nozell, Moderator

ANNUAL MEETING

Moderator Marc Nozell called the annual meeting to order. At this time, he explained the process to the public. Moderator Nozell then introduced the members of the MVD Board of Commissioners. The ballot boxes were declared open by Moderator Nozell at 7:02 p.m.

Article 1: To choose two (2) Commissioner for a three-year (3) term of office. (Written ballot vote required)

The purpose of this article is to allow you to vote for your choice of a candidate for office. If you would like to vote for someone whose name is not on the ballot, simply write in the candidate's name of your choice in the space provided on the ballot.

Article 2: To choose one (1) Commissioner to fill two (2) years of a three (3) year term of office. (Written ballot vote required)

The purpose of this article is to allow you to vote for your choice of a candidate for office. If you would like to vote for someone whose name is not on the ballot, simply write in the candidate's name of your choice in the space provided on the ballot.

Article 3: To choose one (1) Moderator for a two (2) year term of office. (Written ballot vote required)

The purpose of this article is to allow you to vote for your choice of a candidate for office. If you would like to vote for someone whose name is not on the ballot, simply write in the candidate's name of your choice in the space provided on the ballot.

ARTICLE 4: To see if the Merrimack Village District will vote to raise and appropriate the sum of six million two hundred eighty-one thousand three hundred fifty-six dollars (\$6,281,356) for general municipal operations for the 2024-2025 fiscal year with said sum to come from water related charges. This article does not include appropriations contained in special or individual articles addressed separately. (Majority vote required)

Recommended by the Board of Commissioners (4-0-0)

This is the operating budget warrant article. This article funds the operation of the District for the year beginning July 1, 2024 ending June 30, 2025 for all departments; Administration, Distribution, Treatment, Debt Services and Insurance/Benefits.

MOTION BY COMMISSIONER D. PROVENCHER TO ACCEPT WARRANT ARTICLE 4 AS PRESENTED
MOTION SECONDED BY COMMISSIONER E. CLEMENT

The article was declared passed by Moderator Nozell on a hand vote.

ARTICLE 5: Shall the Merrimack Village District vote to raise and appropriate the sum of ninety-nine thousand nine hundred forty-three dollars (\$99,943) under provisions of RSA 35:1, I and II to add to the District's "System Development Capital Reserve" fund for the future system expansion and improvement of the existing system? This sum to come from the unassigned fund balance; these are the system development charges collected during the 2022-2023 budget year. (Majority vote required)

Recommended by the Board of Commissioners (4-0-0)

The MVD's Board of Commissioners adopted a System Development Charge (SDC) on August 19, 2008. This charge is applied to "new" customers and those existing customers who increase their water service demand beyond 20% of their current or prior use. The charge can best be described as a "buy-in" fee to achieve an equal equity position with the existing customers. This one-time payment will cover their share of the value of the existing infrastructure. Fire service entrances are not subject to the SDC. The "System Development Charge Use of Funds" policy (08-02-B) was approved by the BOC on 10/27/08.

MOTION BY COMMISSIONER J. LYONS TO ACCEPT WARRANT ARTICLE 5 AS PRESENTED
MOTION SECONDED BY COMMISSIONER W. VON SCHOEN

The article was declared passed by Moderator Nozell on a hand vote.

ARTICLE 6: Shall the Merrimack Village District vote to raise and appropriate the sum of eight hundred thousand dollars (\$800,000) under provisions of RSA 35:1, I and II to add to the District’s “Equipment and Facilities Capital Reserve” fund for associated costs with existing storage, transmission and production of water? This sum to come from unassigned fund balance. (Majority vote required).

Recommended by the Board of Commissioners (4-0-0)

The purpose of this article is to use a portion of the revenue surplus to be set aside for future use in the District’s Equipment and Facilities capital reserve fund. Should an emergency arise in future years, for which there was no appropriation, or should there be need for an unforeseen special piece of machinery in a pump station, for example, the Board of Commissioners would have these funds available for such purposes. This fund was established by the March 26, 1996 Annual Meeting.

MOTION BY COMMISSIONER W. VON SCHOEN TO ACCEPT WARRANT ARTICLE 6 AS PRESENTED

MOTION SECONDED BY COMMISSIONER K. AYERS

At this time, Tom Koenig, 1 Danforth Road, stated that it looked as though the board was spending roughly \$1M out of unreserved funds and asked if the MVD was overcharging fees, leading to that level of unreserved funds. Koenig asked where the extra money was coming from to put into these funds without raising rates. Director Maher explained that the MVD used to put this type of money into the MVD infrastructure, or this capital reserve. She explained that these amounts have been factored into the rates that were increased in October. She noted that this was for safety moving forward with the system. Koenig asked how much money was currently in the fund. Director Maher answered that there is \$3.1M in the fund at this time. Koenig asked why the MVD would want to add \$800,000 to the fund when there is already \$3.1M in the fund. Director Maher explained that there is money set aside for intended upcoming projects, such as finding new sources and upgrades. Koenig noted that this was half of MVD’s annual budget and expressed that it seems like a lot of money.

At this time, Lon Woods, 2 Arbor Street, expressed that, through several years of working with the MVD, he is aware of the need to repair for major emergencies, but he is curious as to what the board sees arising that would justify this kind of expenditure, or push into the emergency funds. Chairman Provencher shared with the public that MVD has rate studies done every so often by Underwood Engineers, Inc., and the \$800,000 had been recommended by Underwood years ago and continues to be recommended by them. He stated that the commissioners find it prudent to go along with the recommendation to ensure that there are enough funds available for any major projects that come up. He further explained that having those funds available would help defer interest payments and bonds, and the like. Woods asked if beyond an emergency, there was an anticipation to spend \$800,000. Commissioner W. von Schoen answered that one of the reasons he voted in favor of this article is because MVD has added multiple buildings to the district in recent years, along with very large infrastructure for the PFAS filtration system, along with other filtration systems. He explained that these are additional structures that can suffer storm damage, or other unanticipated damage, that could at any time require a response with short notice, and these funds will help support that.

Chris Christensen, Trustee of Trust funds, 27 Greatstone Drive, stated that he wanted to support this article. He noted that the MVD, more than the Town, and more than the schools, makes excellent use of capital reserve funds, to put in enough that they don’t need to replenish every time they spend. He noted that they have enough in reserve to make some “major expenditures.” Christensen noted that one of those

expenditures, such as expanding systems, may require large downpayments, upwards of \$500,000, for matching funds for a \$2M project. Christensen stated that having that kind of money on hand, and earning 4.5% on it, is a pretty good deal. He stated that it seems like a lot of money compared to the other boards they are watching, but he expressed that those boards are unprepared, where the MVD is prepared. Christensen offered his support for the motion.

The article was declared passed by Moderator Nozell on a hand vote.

ARTICLE 7: Shall the Merrimack Village District vote to raise and appropriate the sum of two hundred thousand dollars (\$200,000) under provisions of RSA 35:1-c to add to the District’s “Purchase of water and/or the operations and maintenance of GAC Treatment facilities” Non-Capital Reserve fund for associated costs with purchase of and/or treatment of water? This sum to come from unassigned fund balance. (Majority vote required).

Recommended by the Board of Commissioners (4-0-0)

The purpose of this article is to use a portion of the revenue surplus to be set aside for future use in the District’s Purchase of water and/or the operations and maintenance of GAC Treatment facilities non-capital reserve fund. Should an emergency arise in future years, for which there was no appropriation, or should there be need for an unforeseen additional water purchase, for example, the Board of Commissioners would have these funds available for such purposes. This fund was established by Warrant Article 6 at the March 2021 Annual Meeting.

MOTION BY COMMISSIONER E. CLEMENT TO ACCEPT WARRANT ARTICLE 7 AS PRESENTED

MOTION SECONDED BY COMMISSIONER J. LYONS

Finlay Rothhaus, 14 Kittridge Lane, asked about the recent arrangement with PWW for \$300,000 per year for three years to purchase water if necessary, and why this article would be used for the purchase of water and the treatment and purchase of GAC if that arrangement was available. He asked if this should be a budget item that would be regularly planned for. Director Maher responded, explaining that one of the main purposes of this fund is for unforeseen circumstances. She noted that all of the treatment plants have been online collectively as of this year and explained that as we learn how often to change the GAC, the budget prior will have been completed. She further explained that this Warrant Article covers MVD if there is a necessary emergency changeout of GAC based on the guidelines for the treatment. Maher informed the public that for the last few years of the Wells 4 & 5 treatment plants, there has been reimbursement from Saint Gobain, and those payments are coming to an end with this fiscal year. This fund will help offset some of that budget moving forward. Commissioner W. von Schoen added that the maintenance of these filtration systems is a budget item, but what MVD cannot foresee is the weather in the upcoming year, as far as rainfall, snowfall, and drought situations, and this Warrant Article gives MVD the ability to counter some of the consumption if necessary. He explained that because this is an unknown, the commissioners wanted to put this into a reserve rather than the budget.

Nancy Murphy, 20 Brenda Lane, stated that she just wanted to follow up on the comment that was made about the GAC system and the cost of filtration. She noted that she could not remember if it was this

year, or the prior year, when the five-year operating and maintenance costs, that had been agreed to with the consent decree, was up. She asked if MVD had a sense of what the costs would be when the O & M costs were no longer covered by the agreement with Saint Gobain. Director Maher answered that it was roughly \$150,000 per year. Murphy expressed that she feels it's important for community members to recognize when advocating for PFAS help. She expressed that it is really important that the state recognizes the burden of this to a community, as victims of this pollution.

Paul Micali, 17 Mallard Pt, questioned how much money is currently in the Unreserved Fund Balance. Director Maher answered that at the end of February there was roughly \$8M. Micali confirmed that MVD was looking for \$1.3M to go into Capital Reserve Funds. Director Maher confirmed. Micali asked how much money was in this water capital reserve fund. Maher answered that there was \$364,000. Micali stated that with \$8M on a \$6M budget, there is roughly a 120% override in the unreserved fund balance. He asked how much money was coming in in revenue this year, and asked if the revenue was strong or weak. Director Maher answered that the revenue was strong, mostly due in part to the weather. She explained that there were not as many chemicals needed for treatment due to the fact that the groundwater is at a high level. Micali stated that for most municipalities and school districts, the unreserved fund balance is supposed to be around 20% of budget or operating expense. He further stated that it seems that MVD has such a large fund balance, and suggested that MVD think about moving it out, or giving it back to the rate payers via a reduction in the rates.

The article was declared passed by Moderator Nozell on a hand vote.

ARTICLE 8: This Article is to transact any other business and close the meeting.

**MOTION BY COMMISSIONER K. AYERS TO ACCEPT WARRANT ARTICLE 8 AS
PRESENTED AND CLOSE THE MEETING
MOTION SECONDED BY COMMISSIONER W. VON SCHOEN**

The article was declared passed by Moderator Nozell on a hand vote.

ELECTION RESULTS

Article 1: To choose two (2) Commissioners for a three-year (3) term of office.

Don Provencher – 27 Votes
Wolfram von Schoen – 25 votes

Article 2: To choose one (1) Commissioner to fill two (2) years of a three (3) year term of office.

Erin Clement – 28

Article 3: To choose one (1) Moderator for a two (2) year term of office.

Marc Nozell – 29 Votes

ADJOURNMENT

The annual meeting was declared adjourned at 9:12 p.m. by Moderator Nozell.

Date: 4/16/2024

Signed: 
Jill Lavoie, District Clerk

Submitted by Amanda McKenna, Recording Secretary