

**Board of Commissioners
Public Session
Minutes
September 19, 2016
(approved October 17, 2016)**

Present: L. Woods, G. Keller, T. Pellegrino, J. Comer, J. Balcom, Superintendent
R. Miner, Water Quality Support/Administrative Manager J. Lavoie

Financial Review – June 2016 and draft July 2016 – Natalie Couture

R. Miner noted that the auditors have an additional 3 weeks of work to do. The financials for August 2016 have not yet been released by the auditors.

J. Balcom questioned whether account 81900 (Engineering) is in any way tied to the PFOA situation. R. Miner noted that he believes that any engineering associated with the PFOA situation has been removed from this account.

J. Balcom questioned the contingency account. L. Woods noted that this is money that can be used for unexpected events that may arise during the fiscal year.

J. Balcom noted a net gain in the budget of \$728,041. R. Miner noted that this unexpended amount is due to unanticipated revenues and good budgeting. L. Woods noted that this money will be used to increase the amounts in the Capital Reserve Accounts after the amount is confirmed by the auditors.

T. Pellegrino questioned the Communications Equipment account. R. Miner noted that an antenna and base station, along with other communications equipment, were purchased with this money. L. Woods noted the update that was done to the SCADA system.

**Board of Commissioners to review minutes from the August 15, 2016
Public and Non-Public sessions.**

A motion was made by T. Pellegrino and seconded by J. Balcom to accept the minutes from the August 15, 2016 Public and Non-Public sessions with corrections. The motion passed 5-0-0.

**Board of Commissioners to discuss perfluorooctanoic acid (PFOA)
progress and next steps with Underwood Engineers, Inc.**

K. Pratt noted that there is progress on the booster station. Treatment at

wells 4 and 5 is still on hold pending a commitment from St Gobain Performance Plastics (SGPP). There has been no formal commitment from SGPP only the verbal

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commitment for the payment of 30% of the engineering fees for the treatment at wells 4 and 5. This commitment, however, has not been formalized to date.

R. Miner noted that a letter was sent to SGPP. In response to this letter he received a call from Attorney Gibson, representing SGPP. In the letter it was noted that SGPP does not want to sign the 3-party agreement prepared by UEI among the MVD, SGPP, and UEI. This agreement has been sent to SGPP for their mark-ups. MVD is currently awaiting comment.

K. Pratt noted that the preliminary design and subsurface testing for wells 4 and 5 and the booster station is expected to cost \$65,800.

L. Woods noted that the Board is asking for the patience of the ratepayers. He noted that SGPP is still working with the MVD to get a permanent solution. R. Miner noted that this work is still moving forward.

K. Pratt noted that the treatment of wells 4 and 5 can be done with Granulated Activated Charcoal (GAC) or other agents. He noted that the treatment agent may be of concern to SGPP. There was concern about connections with other water entities besides Pennichuck Water Works (PWW).

J. Lavoie noted a conversation with J. Emery. J. Emery spoke with John Regan, NHDES. The report from Barr Engineering being done for SGPP, should be out in November 2016. EGGI would like to make unscheduled visits During Barr's on-site testing. The cost of these visits will be less than \$4,000. L. Woods questioned why MVD should be expecting costs from EGGI for work being done by Barr. J. Lavoie noted that these costs may be reimbursed. L. Woods noted that having another party working in the wellhead or at the wells concerns him. He noted he is not averse to having EGGI look at this work as it is on-going. K. Pratt questions whether the costs for this EGGI work could be tabulated and sent to SGPP. L. Woods suggested the possibility of an escrow account.

3. Board of Commissioners to review bids received for installation of the booster pump at the Pennichuck Water Works interconnect with

Underwood Engineers, Inc.

K. Pratt noted that bids were received for this project. The bids were a bit higher than anticipated. The cost will be on the order of \$250,000, rather than the \$225,000 that was allocated by the Board. UEI selected 6 companies to bid and 2 bids were received. Waterline Industries in Seabrook had the low bid at \$250,000. The other company that bid was PRB, which is the company that has built the treatment plant at wells 7 and 8. An occupancy and use agreement is needed from NHDOT.

NHDOT is willing to give this agreement, but they need a
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letter of hardship from the MVD. Administrative approval is needed from the town of Merrimack. NHDES has approved the project. EverSource has a work order and is on board with this project. There have been no road blocks to the completion of this project to date. UEI needs the blessing of the Board to award the contract to Waterline.

R. Miner noted that no funds have been taken from the Capital Reserve Fund to date.

A motion was made by G. Keller and seconded by T. Pellegrino to increase the funds for the booster station connection project with Pennichuck Water Works by \$25,000. The amount of this project is not to exceed \$250,000 and the money will come from the Equipment and Facilities Capital Reserve Fund. The motion passed 5-0-0,

K. Pratt noted that Waterline will go forward and if the pump is delayed then they will be able to put the pump into the completed project. Waterline will not use any subs; they have all of the workers that they need in-house.

Board of Commissioners to discuss the rate increase as proposed by Underwood Engineers, Inc in the Water Rate Study Update dated September 30, 2015.

K. Pratt noted that the recommendation of the last Water Rate Study Update was to increase the water rates 2 months ago (July 2016), The recommendation was to increase the rates by 6% in July 2016 to cover debt service for the treatment plant at wells 7 and 8. Revenues have increased more than anticipated and expenditures have decreased. UEI will take another month or so to reassess that possible rate increase.

J. Balcom questioned whether the continued need to monitor PFOA will be

taken into account. K. Pratt noted that more time is needed to review this. He noted that the interest rate from the State Revolving Fund (SRF) money borrowed to pay for the treatment plant at wells 7 and 8 was 1.96%, which is lower than anticipated, causing a \$250,000 savings over the 20 year loan.

5. Questions from the Public

There were no questions from the public at this time.

Non-Public Session:

A motion was made by J. Comer and seconded by T. Pellegrino to go into non-public session per RSA 91-A:3 II(d) "...Acquisition, sale or lease of property Merrimack Village District, Board of Commissioners, 9/19/2016, Public Session, Page 4 of 5

RSA 91-A:3 II(e) "...pending claims or litigation...". The motion passed 5-0-0 on a roll call vote.

After the Non-Public Session:

A motion was made by T. Pellegrino and seconded by J. Comer to seal the minutes of the non-public meeting of September 19, 2016. The motion passed 5-0-0.

6. Old Business

There was no old business at this time.

7. New Business

Press Release from Town Council – Nancy Harrington noted that per RSA 48:ii:d the town has the ability to put restriction on water usage whether that water is public or private. A draft press release was presented to the Board. Discussion caused changes to be made to this draft to better explain the situation.

J. Comer questioned the water levels at the MVD wells. R. Miner noted that the wells are currently at the warning levels. He noted that for the most part the MVD is in good shape. J. Lavoie noted that the wells are not at critical levels; they are at warning levels and trending towards critical levels very slowly.

N. Harrington noted that the press release would be released to the press

on Friday after approval by the Town Council. The state has recommended developing an emergency plan for winter.

Video recordings of Board meetings – L. Woods questioned whether it is possible to wire and camera the MVD meeting room. J. Lavoie noted that the quote she received indicated that there would be 2 cameras and that the resulting video would be date stamped. This video could be uploaded to the MVD website. The estimate for the placement of these cameras is \$1,746. She is not sure if these cameras would allow for live streaming of the Board's meetings.

J. Comer questioned the town's cable television. He noted that they might be able to help to record the meetings.

L. Woods suggested that the discussions continue and that J. Lavoie ask the originators of the quote to attend the next Board meeting.

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8. Superintendent's Report

Random Blood testing – It was noted that the state has requested names of the MVD of ratepayers for about 100 random properties. The only role/responsibility of the MVD in this issue is to supply names at the request of the Department of Health and Human Services so their mailing can be addressed properly.

Conduit at wells 7 and 8 – It was noted that this fiber optic line is available.

Monitoring Wells at treatment plant – These wells were installed last week.

Exam prep class – R. Miner will be taking exam prep classes and hopes to take the exam on October 20, 2016.

Water level presentation – A presentation on the water levels at the MVD wells will be made at the next meeting of the Board by EGGI.

9. Questions from the Press

There were no questions from the press at this time.

Adjourn

A motion was made by J. Comer and seconded by T. Pellegrino to adjourn the meeting at 6:10 PM. The motion passed 5-0-0.

Respectfully submitted,
Rita Pointon, Recording Secretary