

**MERRIMACK VILLAGE DISTRICT
BOARD OF COMMISSIONERS
JUNE 17, 2024
MEETING MINUTES
(approved July 15, 2024)**

A regular meeting of the Board of Commissioners was conducted on June 17, 2024, at 5:00 p.m. at 2 Greens Pond Road, Merrimack, NH.

Chairman, Donald Provencher presided:

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

Members of the Board Absent:

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

FINANCE/HUMAN RESOURCES REVIEW – Kristen Maher

A. Analysis of Revenue and Expenditures

Director Maher informed the commissioners that being through the month of May, MVD is 91% through the fiscal year. The net ordinary income is roughly \$1M. Maher explained to the commissioners that MVD will likely end the fiscal year at \$1.1M. She reminded the commissioners that last month she had informed them that she had moved a bunch of line items that were slated to come out of capital reserves into the budget. Maher informed the commissioners that in terms of revenue, MVD is a little lower in domestic than what was budgeted. She stated that there are a few line items that make up the difference, including mercantile, meters, fines & penalties, and hydrant charges. Maher shared that the interest income is still high due to the economy. Maher informed the commissioners that MVD is looking at coming in right in line with the budget for the year, overall. In terms of expenses, MVD is at \$1.4M, which is under budget. Again, Maher explained that this is due to the lower usage of chemicals due to water usage being down.

B. Capital Reserve Balance

Director Maher informed the commissioners that the total Fund Balance, all accounts inclusive, was \$33M. Maher explained that this includes all of the projects, trusts, escrows, and so forth, along with operating. Maher informed the commissioners that MVD is currently running with 9.7% of the overall Fund Balance that is convertible cash. Maher noted that as of the end of May, the fund balance for land is \$1.5M, treatment and facilities is about \$4M, system development charges is \$1.2M, legal is \$110,000, water purchase and O&M is about \$568,000.

REGULAR SESSION

1. Board of Commissioners to hear about duties of the Trustee of the Trust Funds to MVD from Chris Christensen, Trustee Chairman.

At this time, the Commissioners heard from Chris Christensen, about the duties of the Trustee of the Trust Funds to MVD. Christensen explained that the Trustee of the Trust Funds was an elected board of three trustees and an appointed alternate. He explained that they do not operate under Town rules, they operate under State statutes, RSA 31, and RSA 35. He shared that they have \$6.5M in Capital Reserve funds for MVD, a little over \$1M for the school district, and about \$9M for the Town of Merrimack. He also noted that there is also a little over \$10M in non-expendable funds for perpetual care requests that can be given to the town. They also hold 130 acres of town forest, some of which MVD has an easement on. Christensen explained that the capital reserve funds are invested entirely in guaranteed securities. He explained that the Trustees of the Trust Funds are kept separate from the town, and therefore a Trustee cannot be a selectman, a town councilor, or a treasurer, and the same, they cannot be on the school board or be the school treasurer. Christensen provided the commissioners with some handouts, and pointed out the section that shows trends and accumulation of funds over the last few years. He shared that MVD has had outstanding yield.

At this time, Commissioner von Schoen asked if there was ever a need for the support, would it only require an MVD Board of Commissioners vote or is it a Town vote. Christensen answered that for Capital Reserve Funds, the honorary board that creates the fund, and in this case the commissioners, has the right to expend. The voters have already given the Board of Commissioners authority. However, the Board of Commissioners would be required to justify the expense to the Trustees of the Trust Funds. It was noted that funds are put into the Capital Reserve every year during the Annual Meeting.

Christensen complimented MVD on the way they prioritize capital reserve funds, should there be an urgent need for funds.

2. Board of Commissioners to hear updates from Director K. Maher.

At this time, Director Maher informed the commissioners that she had some updates to provide them with. She updated the commissioners on her action items, and the action item list was updated appropriately. Maher informed the commissioners that MVD was approved to be a .gov and the new web address would be www.mvdwaternh.gov. She shared that Block5 is currently doing the behind the scenes work for this. MVD will determine the roll out date at a later time. The current website will be used as a forwarding site when the time comes. It was noted that the annual cost for a domain name is minimal.

At this time, Maher informed the commissioners that she sat down with Primex and revamped the cyber security policy to their template. This nullifies MVD's original plan. The new policy has been given to Superintendent R. Miner for review. Once he is done reviewing it, it will be shared with the commissioners. She will then schedule a walk through with the ATOM Group, which will take the policy and walk MVD through a simulation that will take the policy and highlight where there may be holes.

At this time, Director Maher informed the commissioners that she spoke with Lynn Christensen. At the last meeting, Commissioner W. von Schoen brought it to the Commissioners' attention that Lynn Christensen, the MVD Treasurer, had been looking for a successor. It was noted that a few years back,

based on request from staff, the position of treasurer moved from an elected position to an appointed position. This change was to ensure that skilled people filled the position. Commissioner W. von Schoen shared that Lynn Christensen had only filled the position as a courtesy to the MVD, however MVD staff had not yet presented new candidates for the role. Maher informed the commissioners that Christensen shared that she was happy to help back at that time and she is still happy to help now, however if the commissioners find someone they would like to appoint, that is fine.

3. Board of Commissioners to discuss the two Mainline Extension Projects with Underwood Engineers.

At this time, the Board of Commissioners met virtually with Terry Desmarais and Keith Pratt from Underwood Engineers. Desmarais explained that the project that they would be discussing is related to the extension of the water mains for the areas that have PFAS in existing wells. He noted that there was some funding available that MVD had been able to capture. This totals \$3M, but was split into two different grants, each valuing \$1.5M. The first grant, PRLF-31, is ARPA based funding, has no federal funding requirements, 1% interim financing, and includes water main AND water services (up to the water shut-off valves at the roadway's edge). This project is to take place in the areas of Gerard, Palmeri, Mullikin, and Wilson Hill. The project overall includes about 3,500 feet of new water main. It was noted that ARPA based funding has slightly more restrictions as far as timing. The second grant, PRLF-32, is state PFAS funding, has no federal funding requirements, 1% interim financing, and includes watermain AND services. This project is to take place in the areas of Farmer, Mason, and Foster. The project includes roughly 4,900 feet of new water main. Because the funding of these grants come from different sources, these projects will have to be bid as separate projects and the funding cannot be combined. Desmarais shared the limits of the projects, and included the number of houses that will be served in each area, and the number of houses that elected to be sampled. It was noted that only a small number of the homes were sampled, but there is a high potential that the other homes in the area may sample similarly. Many of these homes exceeded MCLs.

Desmarais informed the commissioners that so far for fieldwork, Underwood has done the topographic survey and subsurface investigations. Under preliminary design work, Underwood has done the main alignment, cost estimates, reviewed the approach to services, and done construction phasing. Underwood has also had a kickoff meeting, a meeting with town staff, and a meeting with DES. Desmarais explained that Underwood listed out the necessary work, and split it up by project area, and listed it like a balance sheet. This was to show MVD what can be utilized of available grant funding, what would be remaining, and what would be needed for additional funding / and how things can be adjusted if necessary. It was noted that MVD staff would be administering and overseeing the construction, with support from Underwood. At this time, Desmarais explained the breakdown of the preliminary cost estimates. It was noted that the mainline extensions are not extended to the homes of each resident, only up to the shut-off valve at the roadways' edges. The residents would be responsible for the cost of connecting their homes to the waterline. Chairman Provencher stated that he believed the state PFAS grant of \$10,000 would be available to those residents hoping to connect. It is believed that this grant is only for those whose wells that exceed the PFAS MCLs. Business Manager Lavoie clarified that this funding is not a grant, it is a rebate. The funds would have to initially come from the resident and then be reimbursed by the state.

At this time, Desmarais informed the commissioners that according to estimates done by Underwood, there is not enough funds to cover the total costs, assuming that MVD did not wish to expend any additional money or secure additional funds. Underwood gave suggestions for this scenario, such as reducing the overall scope of the work. This could be done by reducing the length of the project or eliminating services from the project. However, seeking additional funding was recommended.

Desmarais informed the commissioners that a pre-application for additional funding was submitted in May to cover additional costs. Desmarais explained that it is also important to consider how much money will be recouped. Desmarais presented the commissioners with some maps showing suggestions for what the work would potentially look like if MVD chose to reduce the scope of work. Some houses would not be included. Chairman Provencher asked if Underwood was able to pinpoint which homes' wells had been tested, if any of the homes that would be left off had been tested, and if any of them had exceeded the MCLs. Chairman Provencher stated that the results of the PFAS testing of private wells in the water main extension areas indicates that well over 90% of the wells tested exceed the MCLs, and that was a notable consideration. These testing results indicate the importance of these projects, and if an area that would not be reached by new water main extensions due to limited funding had a large number of homes that exceeded the MCLs, that would be something to consider when deciding the next steps. Chairman Provencher also asked about the ability to extend the water mains in the future in the area of Wilson Hill Rd, and if it would be beneficial to put in a larger pipe to allow that. It was answered that Underwood is still determining sizes of all things, but that this should not be an issue. Commissioner von Schoen expressed that the cost of increasing the diameter of the pipe is not significant but allows ample reason for the MVD to tap into system development funds because it will be done in preparation of future expansion. It was noted that there is roughly \$1.2M in that fund.

Commissioner W. von Schoen asked about the percentage of commitment for residents who will be connecting to the mainline extensions. Superintendent R. Miner informed the commissioners that he is aware that the areas of Gerard and Palmeri have a large interest in connecting to MVD, but he is not aware of the interest levels in the other areas. It was noted that interest may depend on cost to the new customers to connect and install new water services to their homes. There was some discussion about MVD putting in the funds, and whether this was reasonable for the current rate payers. It was noted that there should be more information by July regarding the additional grant that had been applied for. It was suggested that Superintendent R. Miner reach out to DES to discuss this, and note that MVD already has a very large, and very unexpected, amount invested in PFAS remediation.

Chairman Provencher asked Desmarais when he was hoping for a decision. Chairman Provencher stated that he was looking for more clarity and noted that receiving bids would provide some clarity. He noted that hearing back about the additional grant that was applied for would also provide clarity. Desmarais clarified that the pre-application that was put in was put in under the Drinking water state revolving loan fund. The details of what funding is available will be provided in July. He also noted that bids can go out with a clause that states that it is dependent on funding. Desmarais also clarified that the current grants do not have the federal construction limitations provisions in place, but if funding is added through the Drinking Water SRF loan, the entire project becomes subject to those funding requirements. Chairman Provencher asked if there was an expiration on the two grants MVD has received. Desmarais answered that the initial expiration was June 2025. On the PRLF-31 grant, there has been an extension through the end of 2025. On the PRLF-32 grant, there is slightly more flexibility because it is state PFAS funds. Desmarais explained that they are hoping to get them bid for a short construction start of this fall, if not, it will be next spring. These two projects are required to be bid out separately due to funding. It was decided that it would probably be best to reconvene and discuss this once more information is provided in July.

4. Board of Commissioners to discuss the cost of water for flushing Wells 7 & 8 GAC media due to high iron.

TABLED

5. Board of Commissioners to review the minutes from the May 20, 2024 regular and non-public meetings.

APPROVAL OF MINUTES

Board of Commissioners Regular Meeting..... May 20, 2024

The following amendments were offered:

On page 6, line 35, Commissioner von Schoen pointed out a typo.

Board of Commissioners Non-Public Meeting (1 of 2).....May 20, 2024

No amendments were offered.

Board of Commissioners Non-Public Meeting (2 of 2).....May 20, 2024

No amendments were offered.

MOTION BY COMMISSIONER W. VON SCHOEN TO ACCEPT THE MEETING MINUTES OF THE MAY 20, 2024 BOARD OF COMMISSIONERS REGULAR MEETING AS AMENDED AND THE MEETING MINUTES OF THE MAY 20, 2024 NON-PUBLIC MEETINGS, TWO SETS, AS PRESENTED

MOTION SECONDED BY COMMISSIONER E. CLEMENT

A Viva Voce Roll Call was conducted, which resulted as follows:

Yea: Donald Provencher, Wolfram von Schoen, John Lyons, Ken Ayers, Erin Clement

5

Nay:

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MOTION CARRIED

5-0-0

6. 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. New dates were added to many of the action items. At this time, Superintendent R. Miner informed the commissioners that the meeting associated with action item #67, Inquire with NH DOT about moving no salt sign closer to exit 10, was postponed due to having no quorum. The commissioners chose to push this action item until the July meeting.

Superintendent R. Miner informed the commissioners that the MVD calendar was now included on the Town calendar. Updates will be provided to the town as needed.

7. Old Business

At this time, Business Manager J. Lavoie informed the commissioners that the BOC packet included additional information regarding the local water source protection grant (continuation of salt reduction mitigation efforts within wellhead protection areas) and stated that she wanted to bring it to their attention because the report was filed, and MVD is waiting on a review from NH DES. It was noted that the report includes recommendations for MVD.

8. New Business

At this time, Commissioner John Lyons informed the board that effective after this meeting, he would be resigning as a commissioner for the MVD. He shared that he has enjoyed the job, and the people associated with the MVD, but he has a lot going on at work and within his personal life that requires him to step down. He thanked everyone for their support during his time with the MVD Board of Commissioners. The commissioners offered John their support in his next ventures. It was noted that the Commissioners were going to need to appoint an additional commissioner. An agenda item will be added to the July BOC meeting. MVD staff will inquire if there are any requirements to fill the spot sooner. In the meantime, a quorum of four remains, and the Board of Commissioners can still meet.

9. Superintendent's Report

Superintendent R. Miner informed the commissioners that Wells 7 & 8 are both currently down. This is due to a pump issue at each well. The motor for Well 8 has been sent out and MVD is hoping to have it back and reinstalled soon. The motor for Well 7 is fine, but Barry Miller is still waiting on repair parts for the pump. Superintendent R. Miner noted that the issue with Well 8 was that it was gunked up with iron. He expressed wanting to go back to an early April cleaning schedule, that way it is prior to the peak season. Commissioner W. von Schoen asked if MVD should have a look at their supply of critical parts, noting the time frame that the wells are down is one of the busiest times of the year. While agreement was expressed across the board, it was noted that the pumps take different parts.

At this time, Commissioner W. von Schoen asked about an update regarding communication with legal about community members riding ATVs on or around the MVD property. Superintendent R. Miner noted that he did receive an update, but he did not have it in front of him. He went on to inform the commissioners that MVD's liability would be covered because there are signs on the property, but additional signs were going to be posted.

10. Questions from the Public/Press - None

ADJOURNMENT

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

A Viva Voce Roll Call was conducted, which resulted as follows:

Yea: Donald Provencher, Wolfram von Schoen, John Lyons, Erin Clement, Ken Ayers

Nay: 5
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MOTION CARRIED
5-0-0

The June 17, 2024 meeting of the Board of Commissioners was adjourned at 7:42 p.m.

Submitted by Amanda McKenna, Recording Secretary