

Commission Meeting
Minutes
September 17, 2008

The Commissioner's meeting convened at 7:00 p.m. in the training room at the Wastewater Treatment Plant, 104 Sawmill Lane North Conway, NH. The following were present: Chairman James Umberger, Commissioner Robert Porter, Commissioner John Santuccio, Superintendent David Bernier, Chief Patrick Preece and Recording Secretary Kristine Cluff.

Chairman Umberger called the meeting to order at 7:00 p.m.

Public Hearing
Rebate from NH Electric Cooperative

Commissioner Umberger opened the public hearing at 7:05 p.m. and presented a brief explanation for the rebate. There were no questions from the Board of Commissioners or the public.

Motion of Commissioner Porter seconded by Commissioner Santuccio to accept the rebate from NH Electric in the amount of 6,550.00 for the new air compressor. Motion carried by voice vote 3-0-0.

Commissioner Umberger closed this public hearing at 7:05 p.m.

Public Hearing
Unanticipated Revenue from Sale of Scrap Metal

Commissioner Umberger opened the public hearing at 7:07 p.m. and presented a brief explanation for the unanticipated revenue. This was old scrap metal and outdated inventory items sold to Chapman Metals in the amount of \$9,750.00. There were no questions from the Board or the public.

Motion of Commissioner Porter seconded by Commissioner Santuccio to accept the unanticipated revenue of \$9,750.00 from Chapman Metals. Motion carried by voice vote 3-0-0.

Due to opening the meeting a little earlier, Commissioner Umberger left this public meeting open until 7:22 p.m.

MINUTES

Motion of Commissioner Porter seconded by Commissioner Santuccio to accept the public minutes of September 3, 2008 as written. Motion carried by voice vote 3-0-0.

FIRE DEPARTMENT

Membership:

43 Members: no new applications at this time

Personnel:

The members have been working hard with a couple of long nights spend handling calls, from a transformer spilling 30+ gallons of transformer oil on the ground and assisting in the clean up, to being on standby for the barricaded subject on Cross Street.

Training:

The department training for September went very well; we were able to use the old DJ Building doing primary searches as well as hose advancement drills. This was good because we have not trained in this building before, which made it challenging for the crews.

Department Actives:

Chief Preece stated the president of the NC Fire Fighter's Association is unable to attend tonight's meeting to answer Commissioner Porter's questions. However, he did prepare a balance sheet for the Board. The gross revenue was \$43,430.00 with MGR receiving \$11,000.00 and the NCFFA receiving \$8,000.00. Commissioner Porter feels the marketing company taking a higher percentage and the association should look at what they can do on their own. Chief Preece explained the percentage moves away from them to the association in the future.

Emergency Calls:

The fire department has responded to 34 calls for the month of September.
The fire department has responded to 804 calls year to date.
We are still running 130 calls above last year's calls.

Apparatus / Trucks:

Engine Three: exhaust leak is all repaired with new head pipe and new muffler.
DOT inspections is this month.

Equipment Issues:

The paint bubbling issue is not covered under warranty. The warranty is a five year warranty from the date of delivery. The truck is over six years old.

The air pack with the low pressure regulator issue has been replaced with a recondition low pressure regulator and air pack has been put back into service.

Purchase for New Equipment:

Review the Listing and Marketing Commission Agreement with Brindlee Mountain Fire Apparatus for the listing of existing Tank One.

Brindlee Agreement:

Motion of Commissioner Porter seconded by Commissioner Santuccio to authorize Chief Preece to sign the Brindlee Mountain Fire Apparatus agreement to sell the Tank 1. Motion carried by voice vote 3-0-0.

Karen Umberger questioned if Chief Preece was going to find someone to paint E-3. Northeast Auto Body will make the necessary repairs and also handle the gold leafing. Commissioner Umberger questioned if the department should obtain bids on this and Chief Preece stated no.

Motion of Commissioner Porter seconded by Commissioner Santuccio to take the agenda out of order to accommodate the Conway Village Fire District Commissioners. Motion carried by voice vote 3-0-0.

Conway Village Fire District

Chairman Carl Thibodeau, Commissioner Janine Bean, Commissioner Joseph Quirk, Engineer Ed Rushbrook (Underwood Engineers), David Mercier (Underwood Engineers), Assistant Superintendent Heather Shaw, Superintendent Greg Quint and Consultant Paul DegliAngeli

Commissioner Umberger stated it the Precinct understands CVFD is interested in coming to the treatment plant with sewer.

Commissioner Thibodeau stated CVFD looked at this some time ago and things at that time made it prohibitive. Things have changed and Mr. DegliAngeli met with you and there may be a possibility to find out if this is a viable opportunity at this time.

Commissioner Umberger suggested the next step would be for the Precinct's engineering firm meet with CVFD's engineering firm to see if it is feasible. Commissioner Umberger further stated if there are any costs incurred with this meeting would be the responsibility of CVFD. Commissioner Thibodeau questioned if the Precinct could have their

engineering firm put together some kind of proposal or feasibility study as to what it is going to cost CVFD to interconnect sewer. It was agreed that the Superintendents, and engineering firms sit down and try to establish a cost for the interconnect. Until it is decided if it is feasible to interconnect, the cost cannot be established. Commissioner Porter questioned if CVFD has given any thought to what they desire and expect to accomplish. Commissioner Thibodeau stated it can be as simple as taking sewer north of the Saco River to the entire gamut of taking CVFD's entire sewer and eliminate the need to build the treatment plant, get CVFD out of the Saco River and allow CVFD to receive state and federal funding.

Commissioner Thibodeau stated you can see CVFD is looking at partial to a full spectrum on the interconnect from the practical to what is feasible. Superintendent Bernier stated everyone needs to look at both scenarios including capacity and built out numbers Commissioner Thibodeau stated they have built out numbers. Ideally, CVFD would like to send the entire District's sewerage to NCWP and that creates the most leverage for financing. The study will show if CVFD can keep sewer south of the Saco River and send sewer north of the Saco River to NCWP.

For Phase I, the shovel will be in the ground in the spring and will be done within twenty months. This will be going forward. Majority of the easements are in place for Phase I water and sewer north of the Saco River. Paul DegliAngeli stated CVFD is looking for 0.6 mgpd over a twenty year projection. Karen Umberger stated she thought studies had been done on the cost and capacity of NCWP to take on portions of CVFD. It was Mrs. Umberger understands it was more cost effective for CVFD to build their own plant. Commissioner Thibodeau explained there has been a change in the thought process and Mr. DegliAngeli brought this back to the table about three months ago. Mr. DegliAngeli reiterated it was more cost effective at that time because of the big unknown costs and fees to interconnect to NCWP. Now the philosophy has changed since the interconnection with Birch Hill. Using the same approach NCWP did with Birch Hill, Superintendent Bernier and Mr. DegliAngeli ran some numbers and it is now cost effective. Life cycle costs were not included previously. CVFD started looking at O&M costs and employing more people and saw it was overwhelming. This made more it advantageous to look at this approach. Mr. DegliAngeli explained the revenue coming to the Precinct has the potential to lower the Precinct sewer rate of \$9.30. You are looking at 25% which is \$2.00 and that could lower the sewer rate to \$7.25 or \$7.50. That is a win/win situation for both the Precinct and District. From here, Superintendent Bernier and Mr. DegliAngeli looked at the Precinct's capacity. Mr. DegliAngeli reviewed reports at the time the plant was constructed and it was intended to provide services outside the Precinct boundaries. Mr. DegliAngeli stated that Peter LaBonte stated the plant was over built and he explained the plant was not overbuilt but intended to provide services outside the Precinct boundaries.

Superintendent Bernier stated that as CVFD went through the review process and met with their funding agencies, he received a call from Rural Development engineer concerning the most cost effective manner for CVFD to handle this matter is to send their sewer to the NCWP plant. Superintendent Bernier believes NDES has echoed that opinion. Mr. DegliAngeli explained this would increase the Precinct's rate base and could lower sewer rate or tax rate or possibly both. Mr. DegliAngeli stated the plant is eleven years old and at one third capacity. The Precinct could bring CVFD on tomorrow and only would be at sixty percentage capacity. Precinct could be reducing costs to thirty percent on the tax rate and recoup several million dollars and receive revenues from reimbursement fee. There are a couple of design quirks the Precinct will need to correct. Plant Manger is comfortable with 1.5 mgpd – the number should be twice what is currently and the concern is on the BOD's (Biochemical Oxygen Demand). Superintendent Bernier questioned if the DES can be convinced to increase capacity by 600,000 gpd and leave the Precinct's capacity at 1.5 mgpd. Perhaps Mr. Rushbrook and Ms Osgood could look at this in a supportive way and see if we can repermit this facility.

Commissioner Bean explained when you start to look at this in twenty years; you will have a bigger tax base to do this. Superintendent Bernier explained that at our current rate of source expansion that in twenty years we would be at fifty five capacity the plant would need an upgrade due to obsolescence of equipment and/or wear and tear. On the long term, cost of running tertiary treatment plant costs a lot of money. Superintendent Bernier stated CVFD would be looking at four people and NCWP would add one more person. This would alleviate burden for CVFD's assistant superintendent and superintendent in having to deal with owning a tertiary plant. Commissioner Thibodeau noted if CVFD could sent their entire flow it would go a long way and a different light in how the state and federal funding would be looked at.

Also, it would remove the classification issue with the Saco River being a Class A or Class B river with the State of Maine and State of New Hampshire. Commissioner Thibodeau stated it would remove a fair amount of anxiety to get this out of the Saco River. Tim Anderson questioned if CVFD is going to be charged the same rate and the answer is that is the plan. The payback on the plant would be the same percentage as capital contribution. Superintendent Bernier explained it will be built into the rate or on the tax rate. It was questioned how the Precinct knows the flows – it will be taken from the master meter. Superintendent Bernier explained the taxpayers will have to decide on how this will be handled.

Example: Principal debt.....1,000,000.00
Paid by Sewer Users 33,000.00
1/3 rd Paid by Capital Contrib.
1/3 rd Paid by CVFD
Extra 1/3 could come from tax rate

Superintendent Bernier explained they will be paying the same rate and the operations and materials and operations are wholly built into the rate. If you double the flow, you double the operating revenue but not doubling the staff.

We are looking at doubling flow, extra screens, solid screenings production goes up and landfill trips increase and by this you would need to add one person. Commissioner Umberger stated we received comments on how we are able to run this plant with current staff.

Bob Drinkhall questioned if they will be charged the infrastructure fees. Mr. Drinkhall stated the current rate is \$9.30 per 1,000 gallons and current rate if everything was moved over from taxes it would be \$19.22. Is that in Mr. DegliAngeli proposal? Mr. DegliAngeli stated it will be the same approach as Birch Hill and we are all on the same page.

Mr. Drinkhall explained a big portion of our tax structure supports sewer collection system. It was explained CVFD will pay for items that benefits both NCWP and CVFD. It would not be fair for CVFD to pay for extending services all over the Precinct. That would kill the whole thing and we would not need to hire the engineers. The sewer from CVFD has to come to the NCWP via a forced main and the district would pay for that pipe.

Mr. DegliAngeli stated in the preliminary meeting with Superintendent Bernier it was agreed there will need to be some improvements within the plant and CVFD is willing to pay for these improvements. The district is not asking the Precinct to maintain this pipe. Mr. Drinkhall doesn't understand if you are sure the capacity is there because we want to sewer the entire Precinct and we are doing an area now that is sparsely populated such as Kearsarge with a two acre minimum. Mr. Drinkhall stated when he, Superintendent Bernier and Bill Hounsell went to the state about five years ago, this was the plan and the state said it was not a regionalized plant. The CDM study said the Precinct would get to capacity with the build out. Commissioner Umberger stated we may never see that in the Precinct because once we hit that 10,000 census mark there may be areas that never see sewer. Mr. DegliAngeli stated he believed Mr. Drinkhall is referring to the second capacity report. The first capacity report stated this was the favorable approach and in the second capacity report there were variables and in checking the variables of the capacity in 20-80 years will we sewer all the areas, or some areas. If we used all the land mass to maximum capacity, we will exceed capacity of existing plant. Is it 20 or 30 -40 years? First you approach the theory that some time in the future the existing plant already needs to be considering replacing concrete, pipe as they will have reached their lifetime of use in twenty years. That is only eight years away. Choose the worst variable; we are going to use up all that capacity after the existing line is done. At some point, the Precinct is going to have to build a third raceway and 3rd clarifier and decommission one of the old ones. If you are going to spend the dollars from a purely economic/financial stand point this is basically a no brainer. The second capacity report was done as part of the master plan. Superintendent Bernier stated that Mr. DegliAngeli is correct in that CDM did exactly was asked of them – to give us flow numbers if we sewered everything – properties and businesses in the Precinct would be 1,307,000 gpd. We have established a sewer priority plan and taking into consideration the areas that protect the aquifer, high density and conveyed by gravity. We have six priority codes and we are currently working priority #1 through 2011. The next areas (Priority 2) will be done through 2015 and after that there are areas that get to be extremely expensive to sewer.

Superintendent Bernier stated as a property owner he would like to see some rate relief or tax relief. Tim Anderson stated he doesn't disagree or is not opposed to why we are looking at this but is concerned we are wasting our money and time on a feasibility study is ludicrous. Why is CVFD going to pay double for something we already have the answer? Commissioner Umberger questioned do we in fact have the capacity and we need to make sure we do. So the study is not really a big deal. Mr. Anderson questioned how high are the flows at the plant? Answer – max daily high of 720,000 with average daily flow of 500,000 still under the one third capacity. Mr. Anderson stated CVFD is asking for 600,000 gpd and what is there high – answer – in August daily average was .325 mgd and maximum was .410/.412 mgd. The NCWP plant is permitted for 1.5mgd and we know it will take more than that.

Bill Hounsell stated that Peter LaBonte is probably one of the best plant operators in New England and Al Firman and Ed Rushbrook the top engineers in the business and let these gentlemen get together and see if we can unite to come up with a plan that brings in our share of money out of Washington. Commissioner Umberger is concerned that the Precinct's engineering firm be involved. We are not asking to have the study redone but for everyone to just take another look at it and Commissioner Bean noted it only makes sense that it be done together. By jointly reviewing this it will be easier to report back to our constituent, and give us a better chance to have voter approval.

Mr. Hounsell stated that when we did the original nine million dollars of bonding, we asked the Town of Conway to raise \$10,000.00 for a peer review. Dufresne and Henry did that review and we built the plant. This would be similar in that CDM would be doing the peer review for Underwood.

Karen Umberger stated her concern would be some sort of time line to accomplish this with both entities having annual meetings in March 2009. We would need some sort of decision to have it on the warrant in March. Both Commissioner Thibodeau and Bean agree it should be done by the end of 2008 and have some sort of contractual document in place. Commissioner Umberger stated if necessary we could call a special meeting.

All agreed we need to go through the educational process with the constituents of both entities. Commissioner Thibodeau questioned Mr. Rushbrook to see if this can be accomplished by the end of the year and Mr. Rushbrook agreed. Jennifer Osgood from CDM stated that she has spoken with Superintendent Bernier about doing a capacity assessment. Mr. Rushbrook suggested a work session to scope out what need to be done.

Both boards agreed to a committee made up of Superintendent Bernier, Superintendent Quint, Assistant Superintendent Shaw, Chief Operator Peter LaBonte, Underwood and CDM will meet to further discuss the sewer interconnection.

Conway Village Fire District officials left the meeting at 8:12 p.m.

Old Business

Auditor Ad:

Commissioner Umberger questioned if we should put an ad out for the audit proposal. The proposal was sent to seven municipal auditing firms. Commissioner Porter stated he does not see the need at this time. After a short discussion, the Board agreed to wait before placing an ad.

Committee Reports

There were no Committee Reports give at this meeting

New Business

Jesse Lyman Proposal – Fuel

Superintendent Bernier stated he is concerned about the looming heating costs. The Precinct has done well with the status quo on how we purchase gas, diesel and heating. After short discussion and several scenarios it was suggested to have Mr. Donohoe from Lyman's meet with Commissioners and explain what programs are available to the Precinct.

Superintendent's Report

- Completed water line installations on Pierce Road. Installed new culvert, hooked up four homes into new main. Completing gravel and grading operations.

Superintendent Bernier noted there was a small problem with the electrical line going up Pierce Road being taken down by the excavator. There seems to be very minor issues and the Precinct's insurance company has been notified. Both North Conway and Bartlett Fire Departments responded to the scene.

- Filled out and completed all grant paperwork for Kearsarge Estates Pump Station.
- Crew is getting ready to install 2" pipe service for Joe Merrill property on Seavey Street.
- Conducted meeting with CDM to discuss all our projects and to seek further grant monies from State and DES.
- Conducted two separate informational meetings for Kearsarge Street businesses and residents to discuss watermain project. Changed plans as a result of discussion – CDM, Town and Precinct staff in agreement with new plan.

Superintendent Bernier stated the first meeting was not received very well by the business owners and after that meeting it was agreed to put this off until spring. Also, town is going to upgrade the intersection of Kearsarge Road and Seavey. While this is being done, the Precinct will remove a small piece of asbestos pipe and replace it with ductile iron in the vicinity of C V Machine Shop. The funding for this will be done through contingency in the contract. There is a savings from not doing the work on the lower part of Kearsarge Road in regards to paving.

- Neighbor's Row paved and completed with exception of one remaining house connection.
- Depot Street moving very slow and contractor is having difficulty dewatering pump station site. Water level in now at 12 feet below original grade and needs to be at 27 feet.
- Discussed Audley project and sewer rules and regulations with Stephen Judge. Toured tanks and wells with same so he could get lay of the land.
- Contractor completed crack sealing according to specs. Paid remaining balance.

One other matter to be discussed, the Precinct has approximately \$1,000,000.00 in grant funds that have not been applied for dating back to 2001 and 2002. We will have to go through substantial archives to photocopy and forward these documents to the State of New Hampshire.

Superintendent Bernier thanked the crew for the fabulous job they did at the new L. L. Bean Store reconnection. It appears the two pieces of pipe were disconnected at some point and never reconnected. Superintendent Bernier will talk with CDM and the State regarding reimbursement for same.

Karen Umberger questioned if Park Construction is going to close off Kearsarge Road – and the answer is they will maintain one lane of travel.

Public Comment

Tim Anderson questioned the pipe in front of the new L L Bean store didn't get connected during construction. Superintendent Bernier explained the pipe was connected and then for some reason disconnected and stubbed off. It was never reconnected.

Mr. Anderson questioned what is going on with the Audley bill for \$92,000.00. Superintendent Bernier explained that Audley can't come up with the as built for Contract 5. We want them to reimburse the Precinct for the \$48,000 epoxy lining in front of the Wild Boar Tavern and pay CDM to do the as built. Audley is referring the pipe issue to the manufacturer. Superintendent Bernier stated there is also a fuel escalation clause in the contract and Audley is looking for \$91,000.00 in fuel costs. This is now being reviewed with State of New Hampshire.

Mr. Anderson questioned how much is being billed to Pittsfield Aqueduct Company and Superintendent Bernier stated their monthly bill is approximately \$2,000.00 per month. There usage is approximately 800,000 gallons.

Sign Checks

Motion of Commissioner Porter seconded by Commissioner Santuccio to sign checks out of session. Motion carried by voice vote 3-0-0.

Adjourn

Having no further business to discuss, **Commissioner Porter motioned Commissioner Santuccio seconded to adjourn this public meeting at 8:42 p.m.**

Respectfully,



Kristine M. Cluff
Recording Secretary