

TRANSCRIPT OF THE SPECIAL MEEETING

NORTH CONWAY WATER PRECINCT

Thursday, August 20, 2009 at 6:00 p.m.  
North Conway Fire Station  
70 Norcross Circle  
North Conway, New Hampshire 03860

**Superintendent**

David P. Bernier

**Precinct Commissioners**

James S. Umberger, Chairman  
Robert F. Porter, Commissioner  
John J. Santuccio, Commissioner

**Fire Department Chief**

Patrick L. Preece

**Treasurer**

Maureen Westrick Forbes

**Clerk**

Karen C. Umberger

**Moderator**

Kenneth R. Cargill

**Assistant Moderator**

Rebecca J. Oleson

**Auditor**

Joseph L. Santoro, MBA/CPA

**Supervisors of the Checklist**

Richard Hansen  
Dale Hamilton  
Nancy France

Assistant Moderator Rebecca Oleson called the meeting to order at 6:00 p.m. Moderator Oleson stated that Ken Cargill is unable to be here this evening and she will be conducting tonight's Special Meeting.

The first order of this evening was the introduction of the head table followed by the Pledge of Allegiance.

Moderator Oleson asked if there were any preliminary motions before proceeding with this Special Meeting. The following motion was made by Commissioner Umberger and seconded by Commissioner Porter, **I motion that we discuss each of the three articles individually and hold all voting to the end of Article #3 in order to facilitate keeping the polls open for one hour. Motion carried by voice vote.**

Moderator Oleson stated she is going to read all three articles in full and discussion will wait until all three articles have been read. After reading of Article 3, Moderator Oleson turned the meeting over to Superintendent David Bernier to give a brief presentation on each article.

**ARTICLE 1.** To see if the voters of the North Conway Water Precinct will vote to raise and appropriate the sum of Eight Million Three Hundred Thousand Dollars and No Cents (\$8,300,000.00) for the construction of New Sewers along Kearsarge Road, North of Intervale Cross Road to Hurricane Mountain Road, Ash Street to Dinsmore Road (cross country), Ash Street, Maple Street, Ledgewood Road, Ledgewood Road to Ash Street (cross country), Duprey Road, Pierce Road (cross country), Crestwood Avenue, Wyman Avenue, and Longview Terrace. In addition to New Water Mains in the following areas: Kearsarge Road, Ash Street, Maple Street, Ledgewood Road, Crestwood Drive, and vicinity of Wyman Avenue, Route 16A, and Duprey Road, and all ancillary equipment and modifications necessary to support said improvements; and expenses related to the issuance of municipal bonds; to finance said sum by the issuance of bonds or serial notes in accordance with the provisions of the Municipal Finance Act (RSA 33) as modified by Ch. 229, Laws of 2009 and in an amount up to Eight Million One Hundred Ninety Thousand Dollars and No Cents (\$8,190,000.00) thereby reduced by any federal, state, or private grants that may be made available in conjunction with said purpose; to authorize the Commissioners to apply for and accept said grants of federal, state, or private aid; to authorize the Commissioners to issue, negotiate, sell, and deliver said bonds and notes and to determine the rate of interest, the maturity, and other terms pertaining thereto; to authorize the Commissioners to take any other action or to pass any other measure relative to said purpose and financing, including the authorization to expend funds for other necessary work related to this project as determined by the Commissioners within the amount appropriated; to continue to allow the Commissioners as agents to expend funds up to One Hundred Ten Thousand Dollars and No Cents (\$110,000.00) from the Water Infrastructure Improvement Capital Reserve Fund and the Sewer Infrastructure Improvement Capital Reserve Fund as necessary to fund this project, and receive loans and grants for the funding of this project. A vote in favor of this Article shall rescind the bond authorization of Article 6 taken at the 2007 Annual Precinct Meeting in the amount of Seven Million Nine Hundred Eighty Two Thousand Four Hundred Dollars and No Cents (\$7,982,400.00) and the bond authorization of Article 2 taken at the 2009 Annual Meeting in the amount of Three Million Three Hundred Seventy Thousand Dollars and No Cents (\$3,370,000.00). (The Precinct's Charter authorizes a majority vote for this item; Ch 229, Laws of 2009 requires a 2/3 vote under certain circumstances; as a result, for this item a 2/3 ballot vote will be required for approval.) **(Recommended by the Board of Commissioners 2-0-0)**

Superintendent Bernier explained the reason for the new article is to make this less confusing for a bond opinion. Combines two previous bond articles into one bond article (these are 2007 Article #6 in the amount of

\$7,982,400.00 and Article #12 from 2009 in the amount of \$3,370,000.00. This article removes Pendexter Woods, Hurricane Mountain Road and Skyline Drive and adds new sewer for all of Ledgewood Road, Duprey Road and Pierce Road. The Precinct received more grant money than previously authorized and the Precinct needs to authorize a \$110,000.00 local match that will come from infrastructure reimbursement fees. Superintendent Bernier explained this is the best of the best finance package the Precinct has ever received. In the past, the Precinct has struggled to get 50% grant funding. In 2007, people will remember the Precinct did not qualify for Rural Development grant money on its water projects because our rates are too low. At the time of the original article, the Precinct did not have the new Well project (Well #6) and with this we are now able to squeak by and be eligible for not only sewer funding but water funding as well through Rural Development. Our bond counsel thought this would be too confusing Precinct counsel thought it would be best to start with a clean article where we are removing some streets in the Town of Bartlett until we can deal with the Town of Bartlett Selectmen in a manner that is fair and equitable. Superintendent Bernier explained that all the jobs the Precinct has done in conjunction with the Town of Conway have worked jointly and in Bartlett's case they want the Precinct to pay for everything and do not want the utilities in the road but off to the side of the road. We will bring back an article for the Bartlett Roads at a later date when we reach an agreement with the Bartlett Selectmen. Route 16A is a State Road and the selectmen can't say anything about that. We are rearranging some of the roads. The article is for \$8,300,000.00 with the Precinct contributing \$110,000.00 out of the infrastructure account. The infrastructure account is people who hook on to the system like the Marriott Hotel who pay a buy in fee. The local match doesn't have any effect on the tax rate.

The funding package - total article appropriation is \$8,300,000.00 breaking down to \$3,935,000.00 loan, \$4,255,000.00 grant (52.2%) and \$110,000.00 local match. The Precinct has obtained a fixed interest rate of 2.75% for thirty years and this is the best financial package equating to \$1,600,000.00 in saving over thirty years. The total package is almost 75% grant and a golden opportunity for the Precinct.

Jesse Lyman of Duprey Road questioned what the costs will be for Duprey Road. On the water side, it will be done in its entirety and looped into the North South Road. The two inch line on the east side of Duprey Road will be replaced with a brand new eight inch line. The sewer will be a force main with each property hooking up with individual grinder pumps which is the only feasible and cost effective way to hookup sewer. Mr. Lyman questioned the cost of a grinder pump and Superintendent Bernier stated the cost is approximately \$3,000.00. Superintendent Bernier explained there has been discussion for the Precinct to look at a lower rate for people who have to pump. Superintendent Bernier suggested Mr. Lyman come in a talk with the Board of Commissioners regarding this. Mr. Lyman noted the article is recommended by the Board of Commissioners 2-0-0. The reason being Mr. Umberger was out of town when the warrant article was finalized. Commissioner Umberger stated he is in favor of the article.

Bob Drinkhall stated his property did not allow for gravity feed and talked with a person who specializes in pumps and he will not install grinder pumps. Mr. Drinkhall explained that if you go to a trade show they tell you they work perfect but then after time they clog. Mr. Drinkhall stated Brewster Academy is going from grinder pumps to new influent pumps. A second person quoted Mr. Drinkhall a price of \$12,000.00 to hookup which was ludicrous. Brian Preece explained if you are talking about a fluid pump then you still would need someone to come and pump out the solids. Mr. Preece explained in his neighborhood they are trying to get together and purchase their pumps in a group to have better buying power. Superintendent Bernier explained that prior to moving here he was the public works director for Dartmouth, Massachusetts which has a population of 35,000 people. They had their own engineering division and had approximately 1,000 grinder pumps in a low lying area

with salt water and had no problems with grinder pumps some in excess of fourteen years old when he left. The resident engineer would not hesitate to putting one in his own yard. Again, Superintendent Bernier explained the Board may consider some adjustment for people who have to pump whether it is 25% off the sewer rate of \$9.30 or something different. It could possibly even be a wash but the Board is going to look at this. Superintendent Bernier noted this is a discussion for another time right now we are talking about what we are going to do in order to facilitate everybody getting service.

Superintendent Bernier asked if there are any more questions pertaining to Article 1 and with none coming forward he moved on to discuss Article 2.

**ARTICLE 2.** To see if the voters of the North Conway Water Precinct will vote to raise and appropriate the sum of Five Million Nine Hundred Thousand Dollars and No Cents (\$5,900,000.00) for the construction and installation of Energy Efficient Blowers and Aeration Systems, Computer Controlled Dissolved Oxygen System, Septage Receiving System Upgrades, and the installation of Wind Turbines, Geo Thermal and/or Solar Systems in order to decrease the Wastewater Treatment Plant Electrical Dependency, and all ancillary equipment and modifications necessary to support said improvements; and expenses related to the issuance of municipal bonds; to finance said sum by the issuance of bonds or serial notes in accordance with the provisions of the Municipal Finance Act (RSA 33) as modified by Ch. 229, Laws of 2009 and in an amount up to Two Million Four Hundred Thousand Dollars and No Cents (\$2,400,000.00), thereby reduced by any federal, state, or private grants that may be made available in conjunction with said purpose; to authorize the Commissioners to apply for and accept said grants of federal, state, or private aid; to authorize the Commissioners to issue, negotiate, sell, and deliver said bonds and notes and to determine the rate of interest, the maturity, and other terms pertaining thereto; and to authorize the Commissioners to take any other action or to pass any other measure relative to said purpose and financing, including the authorization to expend funds for other necessary work related to this project as determined by the Commissioners within the amount appropriated; additionally to participate in the State Revolving Fund ("SRF") RSA 486:14 for this purpose and to authorize the Commissioners to expend such monies as become available from the Federal, State government, or Private Sources and to pass any vote relating thereto and furthermore to authorize the Commissioners to apply for, receive, and expend federal and state grants. This article is contingent on the Precinct receiving grant money in any amount up to Two Million Nine Hundred Fifty Thousand Dollars and No Cents (\$2,950,000.00). A vote in favor of this article shall rescind the Bond Authorization of Article 3 taken at the 2009 Annual Precinct Meeting in the amount of Five Million Nine Hundred Thousand Dollars and No Cents (\$5,900,000). (The Precinct's Charter authorizes a majority vote for this item; Ch 229, Laws of 2009 requires a 2/3 vote under certain circumstances; as a result, for this item a 2/3 ballot vote will be required for approval.) **(Recommended by the Board of Commissioners 2-0-0)**

Superintendent Bernier explained the reason for rescinding the old article and replacing it with a new article because the bond article requires specific American Recoveries and Reinvestment Act (State Revolving Loan Fund) language. It also requires raising and appropriating all funding and then a 50% loan amount is offered as loan forgiveness. The total appropriation is \$5,900,000.00 with \$2,400,000.00 approved to date with 50% forgiveness.

The Precinct may have other projects that may become eligible if other communities are not ready for stimulus projects. The green energy project is \$2,400,000.00 with \$1,200,000.00 in geothermal initiatives in order to

improve the Waste Water Treatment Facilities HVAC systems and \$1,200,000.00 in Solar PV (140 kw worth of solar panels to lower the existing electrical cost).

Superintendent Bernier stated that Paul Heitzler called our consultants today (Camp Dresser & McKee) and notified them we have received another stimulus package in the amount of or up to \$1,700,000.00 for the Aeration Blower upgrade in Article #2. Now, we are the only sub-government in the state to four stimulus projects – one with Rural Development and three with the State Revolving Loan Fund. This is a huge success story and I compliment you (the taxpayers) commissioners, engineers and precinct staff and you are all to be commended.

Superintendent Bernier asked if there are any more questions pertaining to Article 2 and with none coming forward he moved on to discuss Article 3.

**ARTICLE 3.** To see if the voters of the North Conway Water Precinct will vote to raise and appropriate the sum of Three Hundred Thousand Dollars and No Cents (\$300,000.00) for improvements to the Artists Falls (main) Sewer Pump Station; said improvements to include the installation of solids handling and dewatering equipment and all ancillary equipment and modifications necessary to support said improvements; and expenses related to the issuance of municipal bonds; to finance said sum by the issuance of bonds or serial notes in accordance with the provisions of the Municipal Finance Act (RSA 33) as modified by Ch. 229, Laws of 2009 and in an amount up to Three Hundred Thousand Dollars and No Cents (\$300,000.00), thereby reduced by any federal, state, or private grants that may be made available in conjunction with said purpose; to authorize the Commissioners to apply for and accept said grants of federal, state, or private aid; to authorize the Commissioners to issue, negotiate, sell, and deliver said bonds and notes and to determine the rate of interest, the maturity, and other terms pertaining thereto; and to authorize the Commissioners to take any other action or to pass any other measure relative to said purpose and financing, including the authorization to expend funds for other necessary work related to this project as determined by the Commissioners within the amount appropriated. A vote in favor of this article shall rescind the Authorization of Article 15 taken at the 2008 Annual Precinct Meeting to withdraw from the Sewer Infrastructure Improvement Capital Reserve in the amount of Two Hundred Twenty-Two Thousand Dollars and No Cents (\$222,000.00). (The Precinct's Charter authorizes a majority vote for this item; Ch. 229, Laws of 2009 requires a 2/3 vote under certain circumstances; as a result, for this item a 2/3 ballot vote will be required for approval.) **(Recommended by the Board of Commissioners 2-0-0)**

Superintendent Bernier explained this was originally planned and approved by the voters at the annual meeting of 2008 in the amount of \$222,000.00 with the total amount coming out of pocket. The Precinct attempted to make the project eligible for stimulus funding and succeeded. The Precinct was the only city, town or sub-governmental agency to be awarded two stimulus projects. This was originally a design building project with no technical plans, no competitive bids with CDM Constructors doing the upgrade. Because of the stimulus funding we will now need formal drawings and submittals. The Precinct will finance this for five years with interest in the range of 1%. Due to the need for formal drawings and bid process the appropriation increased to \$300,000.00. Approval of this article will result in a net savings of \$72,000.00 for the Precinct.

Superintendent Bernier asked if there were any questions for Article 3. None coming forward he returned the meeting to Moderator Oleson.

Ad Hoc Budget Committee Chairman Maureen Seavey stated the budget committee agreed with all three of the articles.

Moderator Oleson instructed those present on the voting procedures as follows: From your ballot card Ballot A is Article 1 and should be placed in ballot box labeled A, Ballot B is for Article 2 and should be placed in ballot box labeled B and Ballot C is for Article #3 and placed in ballot box label C. Moderator Oleson declared at 6:40 p.m. the will remain open for one hour.

Moderator Oleson called and declared the polls closed at 7:40 p.m. . The ballots were counted with the following results: Article 1 had a total of 22 votes – 22 ayes and 0 nays, Article 2 had a total of 22 votes – 22 ayes and 0 nays, and Article 3 had a total of 22 votes – 22 ayes and 0 nays.

**ARTICLE 4.** To act upon any other business which may legally come before this meeting.

Moderator Oleson questioned if there are any further questions or concerns for this meeting if not she would entertain a motion to adjourn. Motioned by Commissioner Porter seconded by Karen Umberger to adjourn this Special Meeting at 7:47 p.m. Motion carried by voice vote.

Respectfully,

Kristine M. Cluff  
Recording Secretary

I, Karen C. Umberger, Clerk of the North Conway Water Precinct hereby attest these are the minutes of the Special Meeting Public Bond held on August 12, 2009 relative to the Special Meeting to accept stimulus funding through the American Recoveries and Reinvestment Act and certify the votes recorded therein are accurate.

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Karen C. Umberger, Clerk