

Board of Commissioners
Minutes
December 07, 2022

The Commission meeting convened at 10:00 AM in person — at the North Conway Water Precinct 104 Sawmill Lane North Conway, NH. The following were present: Commissioner John Santuccio, Commissioner Suzanne Nelson, Commissioner Robert Porter, Superintendent Jason Gagnon, Fire Chief Chad McCarthy and Recording Secretary Hannah Andersen.

Call the Meeting to Order

Meeting called to order by Commissioner Santuccio at 10:00AM.

Minutes

Motion of Commissioner Nelson and seconded by Commissioner Porter to adopt the Public Meeting Minutes from November 9, 2022 and the Public Meeting Minutes from November 23, 2022.

Motion carried by a 3-0-0 voice vote.

Fire Department

Membership:

43 Members

Personnel:

1 member on leave at this time and there will be 2 by the end of the month.

The Department hired Josh MacMillan as the new Assistant Fire Chief and he will be starting on December 12, 2022.

Training:

Department Training: 500 psi drill with SCBA

Tower 2 Training: Chimney fire classroom and go through chimney kits.

Rescue Training: Ice Rescue.

Department Activities:

Plans review, Place of assembly inspections and life safety inspection on going.

Emergency Calls:

The fire department has responded to 120 calls for the month of November.

The fire department has responded to 21 calls for the month of December.

The department has responded to 1,250 calls year to date for 2022

Apparatus / Trucks:

No change, Rescue truck new deliver date is Jan 9th

Equipment Issues:

Station backup generator had its service done. No issues found.

Purchase for New Equipment:

Order new portables radios and helmets.

New Business

(Superintendent's Report)

Project Status

Asset Management – Energy Efficiency Grant

I have not heard back from NHDES yet on whether we can amend last year's grant or not. If I don't hear from them within the next two days, I have an application for next year's grant round ready to go that will include the ground-mount solar array at Well 2R and we'll finalize this year's grant to only include the HVAC upgrades.

- ➔ In Meeting update - The Precinct will not need to reapply for the Well 2R ground-mount solar array and there will be an amendment made during Annual Meeting 2023.

Asset Management – Traditional Asset Management Work

The contract for this work with Wright-Pierce has been signed. A large portion of this work involves financial sustainability for the Precinct through investigation of rates and future funding needs and Raftelis – a consulting firm specializing in this work across the country – will be part of the team. Over the next few weeks, we'll be kicking off this part of the project. As a reminder, this work is funded entirely by NHDES grant.

Sludge Dryer

No change. I will be attending a meeting with the residential developer for the old drive-in movie theater site on Thursday afternoon to discuss the possibility of community heat from our project.

Saco River Erosion

No change – SRF loan application is in process and nearly complete.

WWTF Aeration Upgrades

No change.

WWTF HVAC Loft

No change – still hoping LA Drew can get here soon.

Cranmore-Artist Falls Water Main

No change.

Country Road Sewer

We are still waiting for the last few surveys from Country Road residents. Once those are received, we can begin working through potential design changes.

Pine Hill Franchise Area

No change.

Northbrook Condos

No change.

Lead & Copper Sampling

I want to thank each of the property owners who helped us out with this year's lead and copper sampling. I'm very pleased to say that out of 41 samples, 40 of them came back with levels of lead too low to be detected! The one sample that did have a detectable amount of lead was still far below the regulatory limit. All our copper results also came in well below the regulatory limit.

This is a testament to the Precinct's historical commitment to invest in infrastructure renewal. Lead is most often a problem where there are old service lines to homes. In many communities, if they replace old water main, they often skimp on replacing service lines to cut costs – but it's often those old service lines that cause all the lead issues! Although I can't put a firm number to avoided future costs, because the Precinct chose to replace so many of its old service lines whenever it had the opportunity, the new more stringent EPA Lead and Copper rules are much less likely to impact the Precinct. Many communities with older service lines won't be so fortunate and will be faced with massive costs to replace those lines under the new rules. So take this opportunity to pat yourselves on the back for your historical willingness to invest!

2023 Budgets**Sewer Budget**

I have worked through the first draft of the 2023 Sewer budget. The main goal of having the sewer budget ready in early December this year was to help Conway Village with their budgetary planning – their budget timeline is approximately a month earlier than ours.

There are still some numbers that need to be firmed up, of course, but the good news at this stage is that it looks like we can fit our budget within projected revenues. Even as costs are rapidly increasing and sewer billing revenue has leveled off, the growth in septage revenue has been able to fill in that gap. This year we're on pace to take approximately 7 million gallons – that's 1.2 million more than last year and amounts to an additional \$100,000 in revenue. This is the second time I'll say it today – but now is the time to pat yourselves on the back for choosing to invest in the dewatering and septage receiving upgrades to the extent you did. The revenue and cost savings from that project are paying significant dividends now.

2022 Expenditures

- The sewer fund activity looks like we'll come in right around our budgeted value for the year. With the additional septage revenue, our expenses look to be less than our revenues again, which is a very good thing to help maintain our healthy fund balance.
- The water fund activity will likely come in over our budgeted value for the year. The main drivers for this overage are:
 - Chemical costs essentially doubled (~\$0.50/lb to \$1.05/lb), and the order we placed in 2021 wasn't delivered/billed until January 2022 so in addition to the price increase, we paid for more chemical than we usually do in one year. The overage in chemicals was about \$20,000.
 - Electricity costs also close to doubled starting in July. Electricity at Wells 3/6 and 4/5 are nearly \$30,000 over budget – and we have another month of bills still to come.
 - Everything got more expensive. We maintain a large inventory of waterworks parts, in large part because if we don't, contractors will install whatever they can find at places like Home Depot. It's important that contractors have materials that meet Precinct specs, and if we don't have it to sell to them, the closest supply houses are in Portland or Concord. Our "Watermains Supplies" line is nearly \$154,000 over budget currently because of this. I'm not 100% sold that the number in that budget line is correct, however, and Hannah is working with our accountants to make sure that number is reconciled correctly with our inventory.
- The Commissioner's fund activity looks to come in comfortably under budget for the year, although we do still have some yet-to-be-billed legal fees for the CBA negotiations.

Fuel Oil

The Precinct has always worked hard to keep our money local by using local vendors whenever possible. To me, that's a very important principle that helps us build value within our community. There are times, however, when we need to look at specific items/costs and decide on whether to stay local. Right now, that situation exists with heating oil. We've set up a contract with the vendor who has the State Bid contract for fuel oils in NH. Each night we receive updated pricing from that vendor. In this round of payables, you saw a fuel oil bill from Eastern Propane. The delivery was for approximately 3,000 gallons at a price of \$4.70 per gallon. I went back and checked the State Bid contract vendor's price for that day and it was \$3.44 per gallon – a difference of \$1.26 per gallon, or nearly \$3,800 for that one delivery alone. In this case, I think it's worth a discussion on whether our fiduciary responsibility to our tax/rate payers outweighs our commitment to staying local.

Sewer Abatement

Account #0479 inadvertently left a garden hose running outside over a couple of nights. Precinct staff visited the property and confirmed this to be the case, and previous Q3 usage also supports this claim. The water did not enter the sewer system and a sewer abatement is therefore justified in the amount of \$139.00.

Motion of Commissioner Nelson and seconded by Commissioner Porter to approve a sewer abatement for account #0479 in the amount of \$139.

Motion carried by a 3-0-0 voice vote.

Signing of Checks

Motion of Commissioner Nelson and seconded by Commissioner Porter to ratify checks signed out of session:

- a. Payroll Checks dated 12/8/2022
- b. Payroll checks dated 12/7/2022
- c. Accounts Payable Checks dated 12/8/2022
- d. November Callfire Payroll Checks dated 12/5/2022

Motion carried by a 3-0-0 voice vote.

Non-Public

(10:48) **Motion of Commissioner Nelson and seconded by Commissioner Porter to enter into Non-Public session per NH RSA 91-A:3 II(a) – The dismissal, promotion, or compensation of any public employee or the disciplining of such employee, or the investigation of any charges against him or her, unless the employee affected (1) has a right to a meeting and (2) requests that the meeting be open, in which case the request shall be granted.**

Motion carried by a 3-0-0 voice vote.

Bob Yes
Sue Yes
John Yes

Motion to leave nonpublic session and return to public session by Commissioner Nelson and seconded by Commissioner Porter.

Motion carried by a 3-0-0 voice vote.

Motion of Commissioner Nelson and seconded by Commissioner Porter to seal the Non-Public Minutes because it is determined that divulgence of this information likely would affect adversely the reputation of any person other than a member of this board.

Motion carried by 3-0-0 voice vote.

Adjourn

Having nothing further to come before this public meeting, Motion of Commissioner Nelson and seconded by Commissioner Santuccio to adjourn this public meeting at 1:05PM.

Motion carried by voice vote 3-0-0.

Respectfully,



Hannah Andersen
Recording Secretary