

Board of Commissioners

Minutes

February 17, 2021

The Commission meeting convened at 10:00 AM virtually —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, Fire Chief Patrick Preece, Superintendent Jason Gagnon, Allan Clark of REI and Recording Secretary Hannah Andersen.

Call the Meeting to Order

Meeting called to order by Chairman John Santuccio at 10:02 AM.

Minutes

Motion of Commissioner Nelson and seconded by Commissioner Porter to accept the Public Meeting Minutes from February 3, 2021.

Motion carried by 3-0-0 voice vote.

Fire Department

(Copied from Chief's Report)

Membership:

39 Members

No new applications at this time.

Personnel:

2 members on leave at this time

1 employee in quarantine at this time the employee will return back to work on Monday.

Training:

Department Training. Has not been set up for March until the officer's meet.

Engine 1 Training: using Webex power point lecture on pumps.

Rescue Training: they will be doing winter emergencies training.

Department Activities

Currently 20 members have received 2 shots; with minor or no side effects.

Currently 13 members have received 1 shots; with minor or no side effects.

More members are in the process of scheduling over the month overall it has been going smoothly.

Issued an new CO for the new Town Barber Shop next to Minuteman Press WMH.

Emergency Calls:

The fire department has responded to 35 calls for the month of February

The department has responded to 147 calls year to date for 2021

We have been very busy answering calls

Apparatus / Trucks:

Car 1: Engine problems have been repaired and is running good. New tires next week.

Car 2 (pick up) is having transmission shifting issue; we are still working on the repair.

Equipment Issues:

Norcross Circle:

1. The Masons are making good progress overall everywhere we have brick on all sides of the building.
 - a. Lying brick on the hose tower; this will take 2 weeks to complete.
 - b. They start putting the top granite up on Thursday if the weather is good.
 - c. They will be working on setting the granite in the arches of the garage doors later today.
 - d. Welder is working on the arches to receive the granite.
2. The Plumbers have the permeant heat up and running with the exception of the snow melt.
3. Electricians working on rough wiring in the admin offices, Decon and apparatus bays; continue to pull wires.
4. Sheetrock has been installed in the following areas Decon rooms, offices, 2nd floor. They need to install in the basement. They have been tapping the joints getting ready to paint.
5. Pine State is onsite started to install the elevator; this should take about day 1 or 2 left to complete. They had to go to another job, they are back today.

New Business

(Superintendent's Report)

Annual Meeting 2021

Governor Sununu's Emergency Order #83 allows the Commission to set the date of Annual Meeting as you see fit. Once this date is set, corresponding dates for the budget hearing, filing period, posting of the Warrant, etc. are then set as well. At the February 3rd Commission meeting, it was decided that Annual Meeting would be held in the apparatus bay of the new fire station on Saturday May 8th. Below is the timeline leading up to Annual Meeting that will be published in the Conway Daily Sun and on the Precinct's website:

Annual Meeting	Saturday, May 8
Annual Report Available	Friday, April 23
Post Warrant	Friday, April 16
Commissioners Approve Warrant (at regular Commission Meeting)	Wednesday, April 14
Budget/Bond Hearing	Wednesday, March 31
Candidate Filing Period Begins	Wednesday, March 24

Saco River Erosion Study Update

The Precinct was awarded \$75,000 in Principal Forgiveness grant in fall 2020 to investigate erosion of the Saco River banks adjacent to the WWTF. That project requires the standard NHDES application and loan agreement – funds are paid by the Precinct initially, then reimbursed and forgiven by NHDES once the project is completed. As part of the application process, the Commission needs to vote to approve the formal application and designate authorities.

Motion of Commissioner Nelson and seconded by Commissioner Porter to authorize Jason Gagnon, Superintendent as the Precinct's representative for the purpose of submitting the application and furnishing such information, data, and documents pertaining to the Clean Water SRF Loan. I further move to authorize Jason Gagnon, Superintendent, and Hannah Andersen, Business Administrator, to sign any documents pertaining to the disbursement of funds for this project.

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

Once the application is submitted, the next step is to finalize a Request for Qualifications (RFQ) with NHDES that meets the scientific requirements of such a study. That RFQ will hopefully go out in mid-March, with the Precinct being able to award the contract in April.

Well 2 Project Update

Bids were opened on Friday February 12. The apparent low bidder was Apex Construction from Somersworth, NH. Apex has worked on previous projects (WWTF Aeration Upgrade) at the Precinct and they have been a responsive contractor that has done quality work. Geolnsight, the project design engineer, will review bids for adherence to bid criteria and provide a final recommendation to the Precinct.

Apex's bid of \$1,083,000 is approximately \$261,000 higher than the estimated construction cost used in the project budget. There are a number of factors contributing to this:

- The project was originally estimated in 2015. Since that original estimate was prepared:
 - There was turnover at the Superintendent' position. David Bernier's original vision for the building assumed that state of NH funding would not be available for the project, and one of the main goals was therefore to get a building constructed for as little money as possible. I find no fault with David's original approach given his assumption that NHDES had told him they would not fund the project.
 - Since I've come on board, however, the Precinct was able to secure \$300K in grant funding and a very low-interest loan through the NH Drinking Water Groundwater Trust Fund (DWGTF). That state funding has come with additional requirements. I have also made changes to the building design that have likely added some cost to the project. These changes are aimed at long-term durability and energy efficiency

and I believe the additional up-front cost will be returned many times over to the Precinct over the life of the building.

- Construction costs have increased markedly since 2018 when an update to the cost estimate was done.
- Delays in finalizing the design and getting the project out to bid also likely contributed to increased construction costs. After award of DWGTF funding, the design team needed to develop full project specifications from scratch in order to satisfy the funding agreement. This effort began in earnest just before the COVID pandemic hit and progress on this front was much slower than anticipated.

So where does the Precinct go next, knowing that the bids have come in over budget? There are a couple of options from my perspective. I've reached out to the Precinct's attorney and accountant to determine which options are viable. As of right now (Monday afternoon), I'm waiting for responses from them both. The biggest question we currently have is related to the language of Article 3 of the 2015 Annual Meeting, specifically as to whether that language limits the total project cost to \$1.09M or limits the amount allowed to be borrowed to \$1.09M. Here is the text of that Article for reference:

Article 03: New Water Supply Well

To see if the voters of the North Conway Water Precinct will vote to raise and appropriate the sum of One Million Ninety thousand Dollars and No Cents (\$1,090,000.00) for the replacement of Well #2 to include engineering, the actual production well pump, transmission main, chemical feed building, and ancillary equipment for the construction of a new 550 gallon per minute pumping station and to authorize the Commissioners to issue and negotiate such bonds, or notes in accordance with the provisions of the Municipal Finance Act (RSA33) and to authorize the Commissioners to issue and negotiate such bonds or notes in the amount of One Million Ninety Thousand Dollars and No Cents (\$1,090,000.00) and to determine the rate of interest thereon; additionally to participate in the State Revolving Loan Fund (SRF RSA 486:14) for this purpose and to authorize the Commissioners to expend such monies as they become available from Federal and State Grants or Loans. Simple majority vote required as allowed by the North Conway Water Precinct Charter. Recommended by the Board of Commissioners 3-0-0.

I hope to have answers in time for the meeting on Wednesday morning, at which time I can refine and make recommendations on the following options:

- Use fund balance to pay for the overage. This may or may not require a vote of the legislative body (Annual or Special Meeting)
- Request additional loan funds from the DWGTF to cover the difference. This may or may not require a vote of the legislative body. This option is attractive because it preserves fund balance while borrowing at a ridiculously low rate (1.75% I believe).

If you recall, at last year's Annual Meeting I recommended that \$200K of fund balance be removed from the total Capital Reserve Contribution line because I had a feeling this project would come in overbudget. Unfortunately, that feeling proved correct. The biggest factor in all of this is timing. While I'm confident that we can procure the extra funding through either fund balance or additional DWGTF loan, we do need to have a funding answer ASAP in order to meet construction and DWGTF funding schedules.

Motion of Commissioner Porter and Seconded by Commissioner Nelson to use surplus funds to cover the extra cost the Well 2 project.

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

Legislative Advocacy Update

One of the things that's fairly unique for the Precinct has been its historical focus on advocacy at the State and Federal levels. Bill Hounsell and David Bernier were very active at the State level and I have worked to continue building on their past successes in the interest of the Precinct and surrounding communities. I wanted to share a particular effort I've been spearheading in collaboration with the NH Municipal Association, NH Water Works Association, NH Water Pollution Control Association, and Granite State Rural Water Associations.

When the first round of the CARES Act funding was announced, Precincts and Village Districts were left out of funding. This funding would have been incredibly valuable to the Precinct in the face of projected revenue shortfalls and needed upgrades for efficient remote operation of facilities. To that end, I have been working to make sure that Precincts and Village Districts are not forgotten should any additional rounds of federal funding become available. I've attached the letter I wrote which will be submitted to the NH GOFERR committee (the group that makes the funding decisions) on behalf of the coalition of associations representing the water and wastewater utilities in NH. In addition to working at the State level to advance the Precinct's cause, this effort has also resulted in unprecedented collaboration between state-wide associations that have historically worked alone. There is strength in numbers, especially when working at the State level, and I'm hopeful that these legislative collaborations will continue to grow and strengthen the Precinct's ability to have its interests supported moving forward.

2021 Budget

At the March 3 meeting, I will have final 2020 numbers and proposals for 2021. I've held off on re-presenting the 2021 numbers given the uncertainty surrounding Well #2 and a couple other projects. My hope is that by March 3rd, we'll have all of those answers and be able to move forward confidently.

(Commissioners' Report - Allan Clark of REI)

Allan went over an update on the budget, timeline, and challenges for the project. Most of the sheet rock is finished. All of the brick, apart from the very top, has now been set. The masons are working on setting the granite pieces in place. The office furniture is now under contract. Equipment costs have been identified. Appliances have been purchased. Allan provided an analysis of the Change Orders that will be presented at the next Commissioner's Meeting for approval. REI is still working on negotiating a few expenses that they believe to be the responsibility of the architects.

Signing of Checks

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

1. Payroll Checks dated 2/18/2021
2. Accounts Payable Checks dated 2/18/2021

Motion carried by voice vote 3-0-0.

Adjourn

Having nothing further to come before this public meeting, Motion of Commissioner Nelson and seconded by Commissioner Porter to adjourn this public meeting at 11:16am .

Motion carried by voice vote 3-0-0.

Respectfully,



Hannah Andersen
Recording Secretary