

Board of Commissioners
Meeting Minutes
February 28, 2024

The Commission meeting convened at 10:00 a.m. in the meeting room at the North Conway Water Precinct 104 Sawmill Lane North Conway, NH. The following were present:

Commissioner Suzanne Nelson
Commissioner James Umberger
Commissioner Deborah Fauver

Superintendent Jason Gagnon
Fire Chief Chad McCarthy
Recording Secretary Hannah Andersen

Call to Order

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

Minutes

Motion of Commissioner Umberger and seconded by Commissioner Fauver to approve the Public and Non-Public Commission Minutes from 1/31/2024.

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

Fire Department

Membership:

37

Personnel:

One member on leave of absence.

Two new membership applications we're received last week. (Found through EMT Class)

Training:

Department Training: MCI training.

Tower 2 Training: Residential fire strategies/tactics.

There was a brief discussion about snowmobiles and the rise in snowmobile accidents: the majority of snowmobile accidents that the Department has responded to are from inexperienced riders who have rented the machines. It was recommended that it would be a good idea to prepare that type of testimony to aid in state decisions regarding snowmobile safety and licensing.

Department Activities:

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

Emergency Calls:

Five year call average is 1,276 calls a year.

Five year monthly call average is 106 calls a month.

Five year daily call average is 3.49 calls a day.

The department has responded to 238 calls year to date for 2024
Monthly call average is 18.83 calls a month for 2024.
Daily call average is 0.65 calls a day for 2024.

Apparatus / Trucks:

No change on work to be done to Engine 3. Drop off March 18th.

The Department is going for a SCBA (Self-Contained Breathing Apparatus) grant, and it was submitted this week. \$18,700 is the Precinct's contribution to receive the \$365,000 worth of funding to replace the 22-year-old apparatus' we have.

Superintendent's Report

Annual Meeting Timeline and Key Dates

Candidate Filing

Deborah Fauver, Commissioner

Suzanne Nelson, Commissioner

Gary Chandler, Clerk

Tim Anderson, Treasurer

Don Ekberg, Moderator

Petitioned Article

One petitioned article is anticipated related to construction of new sewer for the Village at Kearsarge Condos.

Bond & Budget Hearing

February 28, 2024

Bond Hearing: 6 PM

Budget Hearing: Immediately Following Bond Hearing

Annual Meeting

March 27, 2024 @ 7:00 PM

Voting begins @ 4 PM

Bylaws & Term Limits

A question was raised recently about a 2015 warrant article in which voters passed an article to amend the bylaws to impose term limits upon commissioners. Specifically, the first amendment proposed in Article 24 stated: "(Amendment 1) Article IV, Section 1: The North Conway water Precinct Board of Commissioners shall be elected for three-year terms at the Annual Meeting. Terms shall be staggered so that one Commissioner is elected annually. *No Commissioner shall serve more than three (3) full consecutive terms*

without at least a one (1) year break from said office.” (emphasis added) This restriction shall apply to incumbents on the date of adoption of this Bylaw change.”

After consultation with the Precinct’s attorney, it has been determined that local municipalities have not been empowered by the State of NH to enact term limits and that specific provision of 2015 Warrant Article 24 is not enforceable.

Project Status

Asset Management – Energy Efficiency Grant

We are making progress working through the flood / land elevations. It turns out that last flood was pretty close to what FEMA considers a 500-year flood event! We believe we may have an area that will work for the panels in this location, but it will likely require a 2-row layout instead of a single row down the line of trees. We are working to do a bit more confirmation on this and will be roughly laying that area out to then have discussion with the landowner on if that new proposed layout works with their farming operations.

Asset Management – Traditional Asset Management

We met with Dave Fox from Raftelis at the last Commission meeting. I am recommending further discussion of Dave’s recommendations for water and sewer rates once we receive the additional information we asked for at that meeting.

Saco River Erosion

After meeting with NHDES Natural Heritage Bureau staff at the last meeting, it appears that there is potentially a globally rare habitat in this reach of the Saco. The good news is that their recommendations are just that – recommendations – and shouldn’t derail the project. The Precinct of course will work to minimize impacts to all natural communities and recreational activities as we move forward.

Cranmore-Artist Falls Water Main

No change. HEB and Wright-Pierce are working through the process of securing easements now.

Country Road Sewer

Our original design contract with HEB Engineers was developed with the assumption that SRF funding was not an option for a sewer extension project like this. With the influx of federal funding, however, NHDES did offer funding for the project with 10% principal forgiveness. There is additional engineering effort involved with meeting NHDES requirements, and HEB has asked for an increase in design fees of \$6,750. This additional cost covers the extra work of environmental review and NHDES contract document preparation not originally part of the engineering scope. This additional funding would come out of Sewer Capital Reserve funds, as the intention was for all design costs to be

funded from CRF. I am recommending that we approve the additional scope/fee to keep the project moving.

Motion of Commissioner Fauver and seconded by Commissioner Umberger to increase the design fees by 6,750 to come out of Sewer Capital reserve Funds.

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

Pine Hill Franchise Area

Watermain in down Eastman Road. Construction has began. Asked them to add in an extra T and Valve so that we can connect to the Lot east of Walmart in the Bypass right of way. We have a request in to the state for an easement to have a full redundant connection loop.

2024 Proposed Budgets

No new updates – I'm happy to answer any specific questions. Final budget sheets with 2023 expenditures will be available Tuesday 2/27.

General Trends

Property/Liability:	+17.8%
Health Trust:	+15.6%
CBA (wages):	+3.5%

All budgets presented today use the same approach the Precinct has used for decades: present the true cost of operating and maintaining our systems to the standard our customers expect. Over the past 7+ years, NCWP has been fortunate that growth within the service area has outpaced rising costs and rates have therefore been able to hold steady. With recent inflationary pressures and the workload in the office requiring additional staff to keep up with it all, we're no longer at a point where Precinct growth can keep up with the rising costs. You'll note that the water and sewer draft budgets each show a deficit which reflects this. As we continue to work with our water & sewer rate study consultant (Raftelis), we will bring forward rate recommendations to support the proposed budgets now and in the future.

Sewer

Costs continue to rise for just about everything. For 2024, the draft sewer operating budget increase is 5.7%. The biggest drivers are personnel costs – specifically, the hiring of a wastewater operator 5 months before the retirement of the Chief Operator for training purposes and the inclusion of ½ of our new full-time administrative position.

Water

For 2024, the draft water operating budget increase is 8.2%. The largest drivers of cost increase in 2024 are again personnel costs – although the increase looks higher than it should be because the 2023 budget only included 4.5 water operators (due to the hiring

timeline to replace an operator who left) and in 2024 we're back at full-strength of 5 operators for the full year. 2024 also adds in ½ of the new full-time administrative position. In my first draft budget, I tried to scale back a bit more than I would like on the repairs/maintenance lines – I didn't feel great about that, however, and bumped them back to 2023 levels (an additional \$25K or so) in this draft for the sake of our water rate discussion. 2024 again does not include any contribution to Water Capital Reserve, other than the buy-in fees.

Commissioners (General Fund)

For 2024, this is one area where we don't anticipate any large increases – the current draft 2024 budget is up 2.5% for operating expenses and down 0.9% for total expenses (including long term debt payments). The increase in the operating budget is due to a small bump in Annual Meeting Expenses to improve outreach about meeting dates/times, and the additional \$2K for Valley Vision and funding for the Fire Department's Oyster Stew event in Community Activities. One thing to note is that the tax levy shown is most likely wrong due to the recent revaluation in Conway. The numbers shown are based on 2023 valuation and 2022 equalization ratios (the latest data published by DRA). The new data won't be officially released until September so we're hoping to get updated "unofficial" numbers so that we can project tax levy and tax rates with some semblance of accuracy in time for budget hearing.

Warrant Articles

2024 Warrant Articles have been drafted and uploaded to the NH DRA portal for review. We do have one bond article this year – the additional funding for the Skimobile-Artist Falls Water Main project – that will require a Bond Hearing at Budget Hearing.

A copy of the proposed Warrant has been attached to this report and I would like to read through each article to get recommendations from Commissioners ahead of tonight's budget hearing.

Note that we expect to receive a petitioned article requesting capital reserve funds be used toward connecting the Village at Kearsarge Condominiums – but we have not yet received the article.

Motion of Commissioner Fauver and seconded by Commissioner Umberger to recommend Article 2 – Artist Falls Road / Skimobile Road Water Main.

Motion carried by 3-0-0 voice vote.

Motion of Commissioner Fauver and seconded by Commissioner Umberger to recommend Article 3 – Long Term Debt Service Payments.

Motion carried by 3-0-0 voice vote.

Motion of Commissioner Fauver and seconded by Commissioner Umberger to recommend Article 4 – Operating Budget – General Fund, Article 5 – Operating Budget – Water Department, Article 6 – Operating Budget - Sewer Department, Article 7 – Operating Budget – Fire Department.

Motion carried by 3-0-0 voice vote.

Motion of Commissioner Fauver and seconded by Commissioner Umberger to recommend Article 8 – Appropriation to Capital Reserve Funds.

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

Motion of Commissioner Fauver and seconded by Commissioner Umberger to recommend Article 9 – Pickup Truck Replacement.

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

Motion of Commissioner Umberger to recommend Article 10 – Appropriation to Pope Memorial Library.

Motion rejected by a 1-1-1 voice vote.

Recommendation to be revisited after talking to the Library.

Motion of Commissioner Fauver and seconded by Commissioner Umberger to recommend Article 11 – Appropriation to Schouler Park Skating Rink.

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

Motion of Commissioner Fauver and seconded by Commissioner Umberger to recommend Article 12 – Ratify Auditor.

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

Motion of Commissioner Fauver and seconded by Commissioner Umberger to recommend Article P1 – Village at Kearsarge Sewer.

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

New Business

Disaster Recovery Plan for IT

NCWP has two separate backup systems for our server. There is on premises back up with hard drives that are swapped out daily and there is an online cloud backup that happens every night through Carbonite. With those two distinct backups, if anything were to happen, we can very quickly re-image and recapture everything that we had from the previous day. Our SCADA system is backed up with two separate redundant SCADA nodes and they swap back and forth so if one were to go down, we have the other. Lumin is cloud based so they are responsible for their own backup.

Motion of Commissioner Fauver and seconded by Commissioner Umberger to request the Superintendent to put the NCWP IT Disaster Recovery Plan in writing and approve the verbal plan noted as of 2/28/2024.

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

Signing of Checks

Motion of Commissioner Umberger and seconded by Commissioner Fauver to ratify checks signed out of session:

- a. Accounts Payable checks dated 02/29/2024
- b. Payroll checks dated 02/29/2024

Non-Public Session

At 11:15AM, Motion of Commissioner Umberger and seconded by Commissioner Fauver to enter Non-Public a. RSA 91-A:3, II(e) Consideration or negotiation of pending claims or litigation which has been threatened in writing or filed by or against this board or any subdivision thereof, or by or against any member thereof because of his or her membership therein, until the claim or litigation has been fully adjudicated or otherwise settled.

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

James	Yes
Suzanne	Yes
Deborah	Yes

The Commission returned to public session at 12:15PM.

Motion of Commissioner Umberger and seconded by Commissioner Nelson to Seal these minutes because it was determined that divulgence would render a proposed action ineffective.

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

Having nothing further to come before this public meeting, motion of Commissioner Nelson and seconded by Commissioner Umberger to adjourn this public meeting at 12:16PM.

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

Minutes recorded by:

A handwritten signature in purple ink, appearing to be "J. P. Nelson", is written over a horizontal line.