

January 8, 2014

A regular meeting of the Board of Water Commissioners was called to order by Chairperson Lucien Langlois at 12:00 noon. Commissioners present were David Bertrand and Paul Poulin. Absent from this meeting was Commissioner Michael Caron, and ex-officio member Mayor Grenier. Also present for this meeting was Charles Grecco, Superintendent Roland L. Viens, Craig Carrigan, Steve Lefebvre & Debbie Baillargeon.

Chairperson Langlois stated that approving the Financial Statements would be added to the Agenda under New Business. He also noted that the next meeting will be February 19, 2014 it is incorrect on the Agenda. On the Monthly Status report Item #13 should read: Cash flow continues to be an issue, but to date we have managed without using the line of credit.

At this time Chairperson Langlois moved to Old Business: Charles Grecco Burgess Biopower – Review Revised Rates as Mr. Grecco was present at the meeting. Superintendent Viens stated that it was discussed at the last Board Meeting that monthly rates would be established for the Institutional and Industrial Customers who are billed on a monthly basis. Historically the Berlin Water Works has billed its customers quarterly, there were a few customers who were billed monthly so it required an adjustment every third month to reflect the quarterly rates. Superintendent Viens responded to Chuck Grecco's question about the multiplier and the usage groups that were discussed prior to the final agreement sent to Cate Street Capital. The Board will review the monthly and quarterly rates today with the correct number of usage buckets and correct multipliers for the higher end buckets. Charles Grecco stated that he agreed the proposed usage bucket to 3,500,000 cubic feet was discussed but the final agreement signed by Berlin Water Works showed a bucket of up to 350,000 cubic feet. The accountants for the lenders for the Burgess Biopower followed the agreement and determined that the annual bill for budget purposes should be \$272,000. Mr. Grecco stated that he is trying to work with the lenders and Berlin Water Works; he proposed that a new price be negotiated at midpoint to acknowledge the error on the agreement, so that both parties share in the pain of the error. Another proposal would be to bill at the budgeted amount for a year then, the Berlin Water Works could be made whole in the next budget year. Mr. Grecco stated that they did not produce the document, that they did not make the error on the document. The Board asked Mr. Grecco to provide a copy of the calculation that the accountants made to arrive at \$272,000 per year. Mr. Grecco did not dispute that the bucket up to 3,500,000 was discussed during the agreement process but the lenders are going by the agreement that states an amount of 350,000. Superintendent Viens at this time stated that Berlin Water Works does not have the ability to see daily flows at the Burgess Biopower because they have not completed the requirement that Berlin Water Works is to be capable of reading usage on a daily basis. Superintendent Viens stated that the Burgess Biopower did not pay for the November water usage as of today; therefore the 15% discount shown on the December 6, 2013 is no longer available. A bill for the water used in December will be mailed today and shows the outstanding amount on the bill. In response to questions about the outstanding bill, Mr. Grecco stated that the accountants were holding the bill pending feed back from

today's meeting. Mr. Grecco stated that the Burgess Biopower is still the contractors' facility it is still under the builders' contract and therefore he cannot speak for the reason why we are not able to get daily flow information. Mr. Grecco asked what he could tell the lenders about the meeting and the Board responded that they wanted to see the calculations that the accountants used to reach the amount of \$272,000 for an annual water bill. Mr. Grecco then left the meeting. Commissioner Bertrand suggested with agreement from the Board to have Attorney Michalik review the agreement that was signed by Berlin Water Works.

There were no Public or Board comments.

It was moved by Commissioner Poulin, seconded by Commissioner Bertrand, with all in favor, to accept and place on file the Minutes of December 18, 2013.

Under the Berlin Water Works Monthly Status Report dated January 3, 2014, Superintendent Viens reviewed the following with the Board.

1. The Superintendent explained to the Board that during the last couple of months the staff has had to do frequent backwashes at the Treatment Plant increasing the sludge sent to the Waste Water Plant. The staff has been cleaning the beads in the clarifier, the cleaner has been left longer and the second cleaning involved an acid cleaner rather than base cleaner as was recommended by the manufacturer of the beads. In speaking to Dan Dudley at NHDES, he told the Superintendent that most treatment plants in the state are not cleaning the beads. BWW saved money by having the staff clean the beads.
2. The BWW has changed suppliers for propane from Munce to Irving, Munce was not able to fill the tanks when needed, and Craig negotiated a price with Irving for BWW. Commissioners asked if the tanks were being changed and Craig stated that the tanks were being replaced by Irving.
3. Andy Sharpe is working on setting up his own business but at this time is still working for Provan and Lorber.
4. Superintendent Viens informed the Board that he did an analysis of Electric Bills for the BWW office and found that with the solar system we have saved approximately 37%.
5. Superintendent Viens and staff met with Union officials yesterday, they were questioning BWW not filling the position that was posted. Their main concern is that temporary employees are doing the work. Superintendent Viens informed them that the position would end once the "force account" work is completed.

It was moved by Commissioner Poulin, seconded by Commissioner Bertrand, with all in favor, to accept and place on file, the Berlin Water Works Monthly Status Report dated January 3, 2014.

Superintendent Viens stated that BWB's cash flow is critical. If Burgess Biopower would pay the bill sent out in December it would be helpful. This past month we had a big spike in chemical costs because staff ordered extra in anticipation of the Burgess Biopower being at full operation. BWB is reading meters now for the February 2014 quarter and will send out the bills as soon as they are prepared rather than waiting until the first of February. It was moved by Commissioner Bertrand, seconded by Commissioner Poulin, with all in favor, to accept and place on file, the Cashier's Report for the month of December, 2013.

Under Old Business:

- a. Charles Grecco – Burgess Biopower – Review Revised Rates: This item was previously discussed when Mr. Grecco was present at the meeting. It was moved by Commissioner Bertrand, seconded by Commissioner Poulin, with all in favor to approve the revised monthly and quarterly water rates to show the 13th usage bucket for higher users.
- b. Project Status:
  1. NHDOT Projects: BWB's staff has been reviewing the charge out rates against FEMA 2008 and 2010 rates and also Coleman's rates for the NHDOT project based on Blue Book prices. The NHDOT wanted BWB to compare our prices to Blue Book but it costs \$2,000 to subscribe to Blue Book. In comparing the prices BWB charges out and the Coleman rates we are comparable. Dump truck rates for BWB are \$19.00 vs. \$99.00 for Coleman.
    - a. Greg Placy a former NHDOT employee has agreed to work with BWB. Superintendent Viens stated that Greg Placy will be as valuable to BWB with NHDOT as George Pozzuto was for the Forest Service. It was moved by Commissioner Poulin, seconded by Commissioner Bertrand, with all in favor to hire Greg Placy as a consultant at \$35.00 per hour up to \$3,500.
  2. Hydro: Andy Sharpe told the Superintendent that the packages for bid proposal for the Hydro Project were supposed to go out yesterday. BWB needs the proposals to go out so we will know costs for the project and information for the FERC agreement.
  3. Water Main Work planning for 2014 and 2015: Planning for the two years is in place and the staff will review in the spring. Work on the Godfrey Transmission Line will not continue this year; the Forest Service has been notified. BWB has already expended approximately \$450,000 on the Godfrey Transmission line project and we have not been reimbursed by Rural Development because we need to spend \$1,000,000 before we can close on the loan. BWB does have enough "force account" funding to complete the water main work scheduled for 2014. Under projects Superintendent Viens stated that in reviewing the cash flow problem at BWB it was found that a check in the amount of \$17,838 issued six months ago to Liberty Utilities has not been cashed, staff spoke to Dan Dudley as we have been reimbursed through EPA for the full amount so it

was decided that staff would stop payment on the check and email Liberty Utilities to let them know we stopped payment on the check. We will wait for further information from Dan Dudley as to our step forward with EPA. "Force account" work has caused disability claims for two temporary workers, but there is enough funding in "force account" for two years planning.

- d. Retirement Planning Status: Superintendent Viens stated there is no change this month. Commissioner Bertrand asked Superintendent Viens to review what was discussed last month. Superintendent Viens stated that Craig has agreed to be acting Superintendent in his absence. The Board agreed to have Craig Carrigan act as Superintendent for BWW while Superintendent Viens is on vacation for two months. Superintendent Viens stated that he will not be asking for a full severance package due to cash flow problems. His target date for retirement is May 31, 2014; he plans to take only a part of the severance package at retirement then will stay on the payroll to spend down the balance. He would be available to work a few hours up to about 8 hours every two weeks only as needed which would be determined by Craig and the Board. The Board made no other decision on the retirement issue at this time.
- e. There was no other old business at this time.

#### Under New Business:

- a. Approve Financial Statements: After a short discussion, it was moved by Commissioner Bertrand, seconded by Commissioner Poulin, with all in favor to approve the Financial Statements for Berlin Water Works for period ending June 30, 2013 as prepared by Melanson Heath and Company PC.
- b. State Filtration Grant \$24,735.73 received: Superintendent stated this was for information purposes and the funds have been expended.
- c. Solar Energy PUC Rebate \$18,000 received: Superintendent stated this was for information purposes and the funds have been expended.
- d. Working on Additional Solar Energy Credit Pay Systems: On Sunday, the solar system was inspected for certification in the application for the NH Public Utilities Commission for the Draft Application form for Renewable Energy Source Eligibility for Class I and Class II Sources with a capacity of 100 Kilowatts or Less. The Berlin area Renewable Energy Initiative group contacted BWW about Renewable Credits, the thought is the price of credits that are at \$50.00/mg for every 50 mw now will go up, the same credits in Massachusetts are at \$200.00 and in Vermont \$150.00.
- e. Other new business: Superintendent Viens informed the Board that BWW submitted the application for the 2014 State Filtration Grant that helps to pay for Water Bonds '94, '95 and State Revolving Loan #1 for Lancaster Tank. BWW may have five or six more years to receive the State Filtration Grant payments are dropping as the bonds are paid off.

The Board agreed to hold their next regularly scheduled meeting on February 19, 2014 at noon at their 55 Willow Street Office, and the March meeting was scheduled for March 26, 2014.

There were no Public-Board Comments.

The Board did not enter into a non-public session.

There being no further business to come before this meeting at this time, it was moved by Commissioner Bertrand, seconded by Commissioner Poulin, with all in favor, to adjourn this meeting.

The meeting did so adjourn at 1:05pm.

A True Record:

\_\_\_\_\_  
Paul Poulin, Clerk of the Board