

**MERRIMACK VALLEY REGIONAL WATER DISTRICT
MEETING MINUTES
SEPTEMBER 15, 2005
BEDFORD MEETING ROOM**

Chairman Michael Scanlon (Bedford), Ray Peeples (Litchfield), Karen White (Treasurer), Marilyn Peterman (Amherst), Kathy Hersh for Brian McCarthy (Nashua), Jean Guy Bergeron (Pelham) and Dave Fisher (Alt. Pelham), @ 6:40 p.m. Tom Dolan (Londonderry)

Guest: Atty Steven Judge

Chairman Scanlon opened the meeting at 6:30 p.m. The first item on the agenda is Public Comment, seeing none. We will go on to New Business – Treasurer report.

Ms. White stated we had \$17,000 carried from 2004 and we need to finish paying off our obligations for the Charter. Amherst and Bedford paid their full contribution for the year. Litchfield had hardship, but they contributed \$1,000. We have no contributions from Londonderry, Pittsfield and Raymond. I do need the remaining communities financial contribution and now that it is autumn and communities are working on their budget. I fear this eminent domain proceeding will be for at least another year and while our law firm is there will have some unexpected legal expenses as we did last year.

Chairman Scanlon asked the board for an update from their Town. Tom Dolan (Londonderry) stated that Londonderry doesn't have anything in the budget for 2006. Ray Peeples (Litchfield) stated that Litchfield is over budget and they are closing up short folds. Kathy Hersh (Nashua) stated that she didn't know what Nashua is planning, but I will check. Jean Guy (Pelham) said they had a special meeting and a failed warrant article to do our re-evaluation, but the Board of Selectmen are trying to fund a line item in the legal budget for 2006 to pass again come the end of the year and if there are funds, I will try to request, but with a default budget we are short \$70,000. Ms. Peterman (Amherst) we are on a fiscal year, our next budget begins July 2006.

Chairman Scanlon asked Ms. White, what do you anticipate our expenses for the rest of the year? Ms. White stated just the legal invoice and our stenographer's fees. Chairman Scanlon suggested we make a motion to pay Wadleigh \$11,000 and if more funds come in we will finish paying that off in 2005. Ms. Peterman suggested we make it an even \$10,000.

**MOTION made by Ms. Peterman to approve \$10,000 to pay legal fees.
Seconded by Mr. Peeples. Vote taken - all in favor. Motion passed.**

Chairman Scanlon stated that Kathy will give us an update for Brian. There are 2 firms one to oversee, which is RW Beck as oversight contractor firm and Viola to be operations company.

Ms. Hersh explained to the board how we got there. There were RFQ a year ago and then an RFP in wintertime and we received 2 proposals for operations and maintenance and 5 for oversight. Our consultant George Sansoucy reviewed those proposals. The Board of Alderman had the consultant narrow them down and review the list. Mr. Sansoucy, the Aldermanic Water Committee and Regional Water District, recommended the group consider two teams. Mr. Sansoucy teamed up RW Beck with Viola and the other team was CDM with Earth Tech. On Tuesday they interview RW Beck and Viola and on Wednesday CDM and Earth Tech they asked Mr. Sansoucy for his recommendation and he recommended RW Beck and Viola. We transcribe verbatim and the first meeting is already transcribed, but the second one was not transcribed before I came here this evening. The committee discussed the proposals and made their decisions on the proposal and they chose the team of RW Beck and Viola. In a special meeting of the Board of Alderman they took the recommendation of the committee and unanimously supported to develop the contracts with RW Beck and Viola.

Ms. White commented that based on the newspaper article, no contract until eminent domain proceedings, is that correct? Ms. Hirsch responded that is correct.

Ms. Peterman asked was there no interest from Pennichuck? Ms. Hersh stated that there was a letter from Pennichuck and I would not feel comfortable summarizing it, but they felt it was premature. Ms. Peterman said I would expect. If we are successful and Pennichuck was made an offer after this process, would they be precluded in participating as them operating this company? Ms. White responded it is done they have picked the team. Ms. Peterman said I know, but if they were able to wait, but it was not the best idea to wait. Ms. White commented that Viola will offer them jobs. Ms. Peterman said I would suspect that they have been told this by senior people or the attorney to believe that. We are not sure which way it will come out. We had discussed during the formation of this District that it would be an ideal situation given that they know the system. Ms. Hersh said it was made clear that anyone who was submitting a proposal that we value the work of the people on the ground at Pennichuck that works on our systems. That was an important consideration as they contract with operations to develop those people. Ms. Peterman asked, is it a dead issue or could it be re-visited. Mr. Dolan commented it is the management team that is hiring and they will put their arms around that group of workers. Ms. White commented that Viola stated 34 vacant positions and they would hire any Pennichuck people, they would offer different plans and not the same salary scale.

Chairman Scanlon said if Pennichuck is going to service as the company Pennichuck East and their maintenance. We are not taking over the entire company. Pennichuck is going to retain their best people and they will keep them first. Mr. Peoples commented that Litchfield is not going to wait until it happens. Chairman Scanlon responded until Litchfield does something you will be owned by Pennichuck East. Their services corp. is not part of threat.

Mr. Dolan commented that once Pennichuck loses the core, the other parts are not a viable business for them. Chairman Scanlon responded that he doesn't believe that at all.

Ms. White stated that had been the assumption, but that is subject to speculation. Pennichuck is aggressively acquiring additional small water and customer base. Chairman Scanlon said that Pennichuck is a cash rich entity and they will get the dollars and if they want to remain a viable company, the cash draft is and I don't know what their debt structure is, but they will be there. Ms. White stated that it is all conjecture at this point. Chairman Scanlon responded speculation.

Chairman Scanlon stated we need an update the municipalities, as we have had a problem getting a quorum for these meeting and also getting the alternates to attend. I know this is frustrating to all of us when we cannot have a quorum. Pittsfield has been good, but we need to talk to Raymond, as we haven't seen anyone. Ms. White asked does this board want me to send a letter to their Town to say that their rep has not been attending. Chairman Scanlon said why don't we do that. We certainly need to start knowing. If you cannot make it e-mail us and we know by three e-mails that we can cancel the meeting.

Mr. Scanlon said I am not that far away, but I would prefer not to make you drive up here from Pelham. I have been trying to cancel because the agenda is light, but we need to stay viable. It is getting harder to keep us together. Things have slowed down, but they will get busy the stronger our group the better.

Ms. Peterman stated that the alternate from Amherst is no longer on the board and in the next 2-3 months we will get a new Town Administrator, so we are in a little bit of an upturn as to when my term is up, but I will see who it is that they will put in, whether it is another board member or community volunteer.

Ms. White suggested either calling or e-mailing if you cannot attend and I can see if we have a quorum. Chairman Scanlon stated that it is easy to say if you don't hear then our alternate is coming if neither one can make it let us know, the sooner the better.

Ms. White asked about grant opportunities for federal funding and what do we want to do. At the time this board was hesitate about involving them in District business because they submitted a request for a city contract and we didn't want any perceived conflict of interest. We did decide that they would try to do grant work with us and as we haven't gotten results from Nashua Regional Planning Commission and now that the contracts have been selected we might want to approach CDM again to get some ideas. Ms. Peterman asked Ms. White if she has been in touch with Steve Williams? Ms. White stated no. Ms. Hersh asked when CDM was talking about writing proposals they were looking to be paid or was it contingent on the grant. Chairman Scanlon said it was contingent of the grant. Ms. White said that she would call again to see if they were proceeding in another direction. Mr. Dolan asked what is the down side? Chairman Scanlon said that they were overseers of the system and if we started using them, since we are past that milestone that is a past issue. They were writing 3 grants. I would be more comfortable to take it on a contingency. Mr. Peeples said they could put together ideas for different funding. Ms. White said they had some ideas fall a year ago; I will call and see if they are still interested.

Chairman Scanlon asked is there any other New Business. We will need to approve the minutes from May.

MOTION made by Mr. Dolan to approve the May minutes. Seconded by Mr. Peeples. Vote taken – all in favor with Ms. Peterman abstaining.

Chairman Scanlon said that the June meeting was cancelled and in July there was no quorum and the August meeting was cancelled so there are no minutes. Under communications we received from Hollis thanking Kathy, Karen and myself. George Woodbury was there and we had a good conversation. Hollis was going to contact Pennichuck and I don't know if that has happened, but it seemed to me the consensus was that they were waiting to become part of the District. Ms. Hersh said she thinks they will join by this fall. Chairman Scanlon said maybe we should follow it up and we are still interested in doing anything we can do to help. With Hudson I don't know what is up. Ms. Peterman said they were going to push it off. Mr. Peeples said that one of the selectmen, Rick Maddox was against. Chairman Scanlon responded that maybe we should drop a note to Ken Massey. Ms. Hersh said he is there. Chairman Scanlon asked Ms. White to send a letter and ask is there anything we can do. Ms. Peterman said they only have to twist one arm. Chairman Scanlon said it doesn't have to be unanimous.

Chairman Scanlon said if there is nothing else from communication, I think Karen got deposed, myself, Kathy and Marilyn and we need to talk to our attorney.

Atty Judge suggested that the board end the meeting.

Chairman Scanlon stated that I believe everyone in Nashua was disposed. Reports of Committee and as Brian is not here there is nothing to discuss. .

MOTION made by Ms. Peterman to go into non-public session for legal consultation with our attorney at 7:15 p.m. Seconded by Mr. Peeples. Vote taken – all in favor.

Submitted by Jane O'Brien
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