

**MERRIMACK VALLEY REGIONAL WATER DISTRICT
MEETING MINUTES
March 20, 2014
BEDFORD TOWN OFFICE MEETING ROOM**

Present were: Ray Peeples (Litchfield), David Deane (Nashua Alt), Jeff Gowan (Pelham Alt), Chairman Marilyn Peterman (Amherst), Jim Scanlon (Bedford) and Rick Sawyer (Treasurer-Research from Bedford) @ 7:15 PM Chris Bandazian (Bedford alt),

Also present: Atty Stephen Judge

Chairman Peterman opened the meeting at 7 PM and asked for a roll call as there were new faces at the table.

David Deane from Nashua stated that he is the alternate and the President, Board of Alderman for Nashua and Lori Wilshire was unable to attend due to a public hearing tonight.

Jeff Gowan of Pelham stated he is the Planning Director and the alternate and he is going to serve in that capacity until a New Town Administrator is appointed in Pelham and then he would continue as the alternate for the Water District.

Ray Peeples of Litchfield stated he has been here since this committee started some 10 years ago.

Chairman Marilyn Peterman stated has been here as long as Ray from the beginning, at that time I was a selectman and I serve as an alternate for the Planning Board and I was selected to be a member of this Water District committee.

Jim Scanlon is the full member from Bedford.

Rick Sawyer, Planning Director for Town of Bedford and Treasurer for this committee.

Chairman Peterman mentioned other members including Tom Dolan, who is the Londonderry representative and Chris Bandazian who is the other representative from Bedford are not here tonight.

Atty Judge who remembers coming before the District over 10 years ago with his two partners.

Chairman Peterman asked if there is any public comment, not seeing anyone, I don't see much need for this tonight.

Mr. Sawyer mentioned that he had talked to someone who was going to come tonight, but he is not here.

NEW BUSINESS – Update on District representative to the Pennichuck Board

Chairman Peterman stated we had nominated Tom Gaydos to be the representative over the course of many months and there seemed to have been some issues, the last thing I read was the Pennichuck Board recommended that his name go forward, but in the mean time, Tom is no longer working in the Town of Pelham, so Atty Steve can you update us on whether her was appointed or where do we stand?

Atty Judge said perhaps this discussion should occur in non-public because the fact that Mr. Gaydos is no longer working for Pelham, and Pelham is member of the board and Mr. Gowan is here in that capacity, so based on the fact that he is not here, I would motion to withdraw and vote on that and that would put an end to his nomination.

Chairman Peterman said we had confidence as he was a good member to place on the Pennichuck Board and there is a legal reason to have a member of this committee as it is written in the original documents. This would help us be in the loop so to speak as to what was happening at the Pennichuck Board meetings. Also this person would not speak for this committee in any form and would preclude from voting at the Directors meeting, but we would have someone who could tell the District and our Towns what was happening and it would give us some voice on the Pennichuck Board. If it is these committees please to withdraw Tom's nomination, I would entertain a motion.

MOTION made by Ray Peeples to remove Tom Gaydos nomination as the District Representative. Seconded by David Deane.

Mr. Gowan asked that would mean then that we would send a letter recommending withdrawing his nomination from this District? Atty Judge replied that we should communicate the same as we did to Pennichuck as we did when we nominated him. Mr. Sawyer stated he believed that Chairman McCarthy at the time was to write a letter.

Mr. Jim Scanlon asked individually would we have a viable candidate who would have the same enthusiasm as he seemed to have at the time. Or do we have someone who is enthusiastic and has sufficient knowledge that could represent us? Chairman Peterman said I don't know what part of this discussion should be in non-public.

Atty Judge stated we can go into non-public and this would be for legal advice.

Chairman Peterman said at our last meeting we had nominated Tom and all of this was going forward and now we are a little bit in the dark as to what did happen. Atty Judge said I can explain that to you outside of this meeting as it is on the agenda for later, but we can go into non-public now for advice of counsel if you would like and that would help with the motion. Chairman Peterman suggested that we table the motion.

Mr. Deane said I don't understand why go into non-public as the motion is to withdraw and we don't have to discuss the reasoning behind it, and it might be a personnel issue, but is it to this Board. Wouldn't that be stretching the right to know law? This whole

process was poorly handled and this is over a year and the way the bylaws with Pennichuck were written there was suppose to be someone on the District who sat on the Pennichuck Board and it never came to us. By the time it came to us there were changes associated and I asked Alderman McCarthy who said there were issues that shouldn't be discussed. As for the appointment of someone from this committee I look at the appointments that have been brought to us by Pennichuck and there is a variety of people from different fields and a lot of good candidates and water wasn't there business they came with a different perspective and gave a good round out to that Board.

Chris Bandazian (Bedford) entered the meeting @ 7:15 PM.

Mr. Deane said I constantly have communications from the Pennichuck Board and I have one to share with you tonight pertaining to actions that we have to take as they want to increase capacity in Amherst. I get these types of letters and I will share them with you folks and keep you informed. Chairman Peterman said it would be great.

Mr. Deane mentioned to Rick Sawyer that he will talk to Sue and when I get these letters from Pennichuck and she opens the letters, I will have her scan them and send them to you and Atty Judge. I will gladly share these communications with this group.

Chairman Peterman tried to get Chris Bandazian up on what was being discussed which is the withdraw the nomination of Tom Gaydos name and that Atty Steve has information that we need to get us up to date and Jim Scanlon asked is there anyone to replace that nominee and David Deane didn't see why the motion couldn't go forward. So do we need further discussion?

Mr. Peeples replied to Jim Scanlon's question stating that we have always come up with people and I feel whoever represents us needs to be knowledgeable to the Charter. I believe whoever we end up nominating is there representing this District which was set up to protect that NH resource. In the end we will have someone stand out and step forward.

Mr. Gowan said I will abstain from any votes given the fact he (Tom Gaydos) was my boss.

Vote taken – All in favor with 1 abstained (Jeff Gowan)

Chairman Peterman said I would like to have discussion with counsel from the time we met last to the present time. Mr. Peeples recommended that we put it at the end of the meeting so the transcriptionist didn't have to leave and then come back. Mr. Sawyer said we can turn the tape back on and complete it from the tape.

Chairman Peterman said okay, let's continue with the meeting and then go into non-public.

NEW BUSINESS – Treasurer's Report

Mr. Sawyer reported the balance \$133,880.40 at the end of February and we earned \$2.17 interest. Last year was a big year with revenues of \$250,004.08. The committee authorized a \$125,000 payment to Wadleigh, Starr & Peters which was done.

Mr. Deane asked who has check writing authority. Mr. Sawyer said at the bank it was Alderman McCarthy which we need to change that to Ms. Peterman, Tom Dolan from Londonderry and Rick Sawyer. *(It was later clarified with the bank that Mr. Peebles has authority not Mr. Dolan)* I will follow through with Citizen Bank and get Ms. Peterman on the account as we need two signatures on checks for everything.

MOTION made by David Deane to accept the Treasurer's Report as presented. Seconded by Jim Scanlon. Vote taken – all in favor.

OTHER BUSINESS

Mr. Sawyer stated that at the last meeting you had asked for a table summary of payments by Town's and I did e-mail and the percentage of payments in case you would like to make refunds to some of the Towns. The first percentage is the total received as you know some communities are not Charter members, but they made payment prior and the second total is just the Charter towns.

Chairman Peterman said the disposition of funds what should be done with this money. Ray Peebles suggested that we return some money, but also keep money for the District as we don't know when we will get any more income or if we need to have money to work with. I am sure the Towns would be appreciative.

Mr. Bandazian asked where would the District get income after this and what type of expenses would the District have. Chairman Peterman said the expenses could be legal and hopefully we will not incur much more in legal expenses as we just need to get a representative on the Pennichuck Board, so that would be one expense. As far as other revenues we would have to ask Towns that are still involved as Charter members that are all I can think of.

Atty Judge unless the Pennichuck Board wanted to make a contribution.

Mr. Deane asked have any of the Towns been asking for money. Chairman Peterman said I don't know if any of the Towns have formally asked. Mr. Sawyer stated that the Town of Bedford would like and I am sure these two gentlemen next to me (Councilor Bandazian and Councilor Scanlon) can agree.

Mr. Peebles said I think Litchfield wrote it off, but at least if some token is returned. It is important to keep the Towns active and to keep the resource under local control.

Mr. Deane said I agree with sitting on a little bit of money for potential use. What about 50% of contributions in the totals there, how does that go. In other words, Amherst get \$10K, Bedford \$20K, Hollis \$2,500 and that would leave us with \$90K. Are we going to

give it back just to Charter Towns? Mr. Sawyer said that is up to this group. Mr. Deane suggested just Charter towns, should I make a motion for discussion purposes?

MOTION made by Mr. Deane to give back 50% of the contribution totals to the Charter Towns. Seconded by Mr. Peeples.

Chairman Peterman said Amherst \$20K, but it is only 10.9% of the total of the That is what these percentages indicate. Mr. Sawyer said that was one way to return the money. Chairman Peterman said or the 50% that was contributed as part of the whole. Mr. Sawyer said that is the second way and I can do the math and the lump sum you anticipate on giving out is \$91,750 which would be leaving you with \$42,100 in the bank.

Mr. Deane asked so if they contributed \$40K we are going to give them back 50%. Mr. Sawyer said either way the math would be really close. Mr. Deane replied the bigger issue is money is money and every community is looking for it, but it rings to what you said any potential work or what the Board wants to reach out for in the future, where is the money going to be coming from so we may want more as the balance. If these Towns like Bedford is the \$20K keeping a police officer on the street? This is a lot of money, but to Nashua it is small potatoes but, if you hand cuff yourself by returning it all. I know Bedford has interest, but the others have probably forgotten they had even paid into the District.

Chairman Peterman said we always sold it that the money would be returned and that is how we sold it. I know the Town of Amherst was not as gung-ho about this and that is why in 2007-2010 they did not pay. After I retired as selectman it was harder to push it from the outside. We did sell this by saying we expected to get all or part of this money returned, so any money going back is good faith and somewhat of a surprise. I think the issue is what we are going retain.

Mr. Sawyer said doing the 50% as suggested and/or doing the percentage using the same number totals to \$91K so is very similar. Mr. Deane replied so they get half of what they put in.

Jeff Gowan asked for a friendly amendment, it is hard for me to know what you need money for other than counsel. As I notice Pelham hasn't given in since 2004. How about 25% and you could always give more later. (Friendly amendment not seconded)

Mr. Peeples said it puts us back on the radar screen and it let's them know we kept our word, legitimacy to the whole board it means we may be able to get them to re-engage.

Chairman Peterman said so the ones getting money Amherst, Bedford, Litchfield, Londonderry, Pelham, Pittsfield and Raymond by % and the balance would be \$42,130.

Vote taken – all in favor. Motion passes.

Mr. Sawyer said I can prepare the checks.

Mr. Deane said I have a communication to share, would this be considered other business. Chairman Peterman said hold on let's save it for Communications.

APPROVAL OF MINUTES: October 17, 2013

Chairman Peterman asked can I get a motion to approve the October, 2013 minutes.

Atty Judge stated he had one correction on the first page where it states Tom Dolan got nominated it should be (Tom Gaydos) not Tom Dolan.

MOTION made by Mr. Peeples to accept the minutes as amended. Seconded by Mr. Jim Scanlon. Vote taken – All in favor with 1 abstained (Jeff Gowan)

COMMUNICATIONS TO THE BOARD

Chairman Peterman asked any Communication to the Board.

Mr. Deane said I have a communication from John L Patenaude, Chief Executive Officer of Pennichuck and it reads:

March 17, 2014

Mr. David W. Deane
President, Board of Alderman
City of Nashua
229 Main Street
Nashua, NH 03060

Mr. Daniel T. Moriarty
Chairman, Pennichuck Special Water Committee
City of Nashua
229 Main Street
Nashua, NH 03060

Gentlemen:

Pennichuck Corporation and Pennichuck Water Works, Inc. have forwarded to Stephen Bennett, City Corporation Counsel, requests for shareholders approval relative to certain financing.

Pennichuck Corporation is requesting approval to substitute its \$10 million line of credit, which expires June 30, 2014, with a \$10 million line of credit to be provided by TD Bank, N.A.

Pennichuck Water Works, Inc. is requesting approval to increase the SRF funding for capital from \$1,870,000 to \$2,640,000 for additional projects in the City of Nashua and the Town of Amherst.

It is my understanding that the first reading of the resolutions will be at the March 25, 2014 Board of Aldermen meeting. In order to ensure the process stays on schedule, the Company would appreciate your consideration in scheduling a meeting of the Pennichuck Special Water Committee during the week of March 31st.

I appreciate your consideration in this matter.
Regards, John L. Patenaude, CEO

Mr. Deane said that he put a call into Dr. Daniel Moriarty, Chairman Pennichuck Special Water Committee and I left a message and when my legislative manager returns from vacation we will have a meeting. We will have its first reading next Tuesday evening and hopefully by then we can schedule a meeting.

Chairman Peterman asked what is SRF? Mr. Deane stated (State Revolving Fund) loan.

Chairman Peterman asked before we go into non-public for consultation with counsel, I did want to let you know that I do know of someone who would serve on the Pennichuck Board. Atty Judge said the seat is up for grabs.

Chairman Peterman said I can say I know someone from the Town of Amherst who has excellent credentials he has his own business and he has a PhD having to do with water and traffic (George Bauer) and I had asked before we nominated Tom and I asked again and he said he would consider it. I saw him on Town Meeting day and he said he would consider it again. I don't know what he would have to do, but if we thought it was a good idea. I can have him forward his resume to us so you we can all look and we can see if he is an appropriate person to serve on that Board.

Mr. Deane said he would have to appear before the Board of Alderman and they make the recommendations and approves the appt to the Pennichuck Board. Atty Judge said that was the process for all the seats except this one. Mr. Deane said that is where I believe there is a difference of opinion. The prior candidate sat on that for well over a year, reasons unbeknown and something happened but it is troublesome. The Pennichuck Board was not to be functional without that representative. You can go back to that meeting and find where that was discussed. Now the way the process works is the appointment from the Merrimack Valley Water District needs approval by Pennichuck Board of Directors.

Chairman Peterman said perhaps now is the better time to go into consultation with counsel. Mr. Sawyer asked, so there is no recommendation tonight until after you get your legal advice?

Chairman Peterman said would you want to see this gentleman's resume before nominating him? Ray Peeples said I would like to interview this gentleman.

Mr. Sawyer said that the five of you can solicit any candidates by such and such a date or go with this candidate you are recommending.

Chairman Peterman said I would like to move forward with consultation with counsel.

MOTION made by Mr. Gowan to adjourn. Seconded Mr. Peeples. Vote taken – all in favor.

Adjourned 7:50 PM

At 8:27 PM after consultation with counsel Chairman Peterman recalled the public meeting to order.

MOTION made by Mr. Peeples to advertise the board of directors position in the Union Leader and Nashua Telegraph and to request posting in the various town offices with a closing date of April 30, 2014. Seconded by Mr. Jim Scanlon. Vote taken – All in favor.

Following the motion discussion ensued on how to decide on a candidate and the consensus was that a subcommittee should review the applications and make a recommendation to the full board.

MOTION made by Mr. Peeples to form a subcommittee for the purpose of reviewing the candidate applications and making a recommendation to the full board. Seconded by Mr. Jim Scanlon. Vote taken – All in favor.

After a request for volunteers Chairman Peterman appointed herself, Mr. Peeples, and Mr. Scanlon to the subcommittee with Mr. Gowan serving as an alternate if needed.

MOTION made by Mr. Peeples to adjourn. Seconded by Mr. Gowan. Vote taken – all in favor.

Adjourned 8:50 PM

Submitted by: Jane O'Brien & Rick Sawyer