

## PENNICHUCK WATER SPECIAL COMMITTEE

APRIL 9, 2020

A meeting of the Pennichuck Water Special Committee was held Thursday, April 9, 2020, at 7:03 p.m. remotely in accordance with Governor's Emergency Order #12 pursuant to Executive Order 2020-04.

### Chairman Laws

As Chairman of the Pennichuck Special Water Committee, I find that due to the State of Emergency declared by the Governor as a result of the COVID-19 pandemic and in accordance with the Governor's Emergency Order #12 pursuant to Executive Order 2020-04, this public body is authorized to meet electronically.

Please note that there is no physical location to observe and listen contemporaneously to this meeting, which was authorized pursuant to the Governor's Emergency Order. However, in accordance with the Emergency Order, I am confirming that we are:

*a) Providing public access to the meeting by telephone, with additional access possibilities by video or other electronic means:*

We are utilizing Zoom WebEx through the City's IT Department for this electronic meeting.<sup>1</sup> All members of the Pennichuck Special Water Committee have the ability to communicate contemporaneously during this meeting through this platform, and the public has access to contemporaneously listen in to this meeting through dialing the following number 978-990-5298 and using the password 273974. The Public may also view this meeting on Comcast Channel 016.

*b) Providing public notice of the necessary information for accessing the meeting:*

We previously gave notice to the public of the necessary information for accessing the meeting, through public postings. Instructions have also been provided on the City of Nashua's website at [www.nashuanh.gov](http://www.nashuanh.gov) and publicly noticed at City Hall.

*c) Providing a mechanism for the public to alert the public body during the meeting if there are problems with access:*

If anybody has a problem accessing the meeting via phone or Channel 016, please call 603-821-2049 and they will help you connect.

*d) Adjourning the meeting if the public is unable to access the meeting:*

In the event the public is unable to access the meeting via the methods mentioned above, the meeting will be adjourned and rescheduled. Please note that **all votes** that are taken during this meeting shall be done by **roll call vote**.

Let's start the meeting by taking a roll call attendance. When each member states their presence, please also state whether there is anyone in the room with you during this meeting, which is required under the Right-To-Know Law.

### Alderman Laws

Now Alderman O'Brien, we haven't nominated or voted for you to be Committee Chair yet, but would you mind taking attendance, because I don't have an attendance list in front of me, or do I?

Alderman Dowd

You're on mute Mike.

Alderman Laws

I'll tell you what, I can take the attendance here.

Alderman O'Brien

Alright, when I call the roll, state that you are present, whether you can hear, and also if you are alone and why you cannot attend in person due to the Governor's issued order. I'm also at that time going to call the attendance of the Pennichuck Corporation.

The roll call was taken with 5 members of the Board of Aldermen present: Alderman-at-Large Brandon Michael Laws, Alderman Skip Cleaver, Alderman Richard A. Dowd, Alderman-at-Large Lori Wilshire, and Alderman-at-Large Michael B. O'Brien, Sr.

Also in Attendance:

- Larry Goodhue, CEO, Pennichuck
- Don Ware, COO, Pennichuck
- Thomas J. Leonard, Director, Pennichuck Corporation
- George Torres, Pennichuck Controller
- Alderman Patricia Klee

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Chairman O'Brien

Starting off Alderman-at-Large is present. I am attending, I can hear everybody and I am alone and the reason I cannot attend in person is because of the recommendation of social distancing. I'll now call Alderman-at-Large Lori Wilshire.

Alderman Wilshire

I am here, I can hear everyone, I am practicing social distancing and I am here alone.

Alderman Dowd

I am present and I am practicing social distancing and I am by myself.

Alderman O'Brien

Alderman Skip Cleaver, the Vice Chair? Ok he's not with us yet, we are expecting him shortly, he is having trouble signing on. And our Chair, Alderman-at-Large Brandon Laws.

Chairman Laws

I am here, I am alone and I too am respecting the recommendation to socially distance myself.

Alderman O'Brien

OK also in attendance for the Pennichuck Corporation, Thomas J. Leonard, Director of Pennichuck Corporation.

Thomas J. Leonard, Director of Pennichuck Corporation

Yes, I am here, I am not present because I am respecting social distancing and I am alone.

Alderman O'Brien

I call Don Ware, CEO of Pennichuck.

Don Ware, CEO Pennichuck

I am here, I am not in attendance at the meeting because I am adhering to the social distancing order by the Governor and I am alone unless you count the four mutts who are in the room with me.

Alderman O'Brien

And Larry Goodhue, CEO of Pennichuck.

Larry Goodhue, CEO of Pennichuck

This is Larry Goodhue, CEO of Pennichuck, I am not attending in person due to the stay at home order as issued by the Governor and I am alone in attendance of this meeting.

Alderman O'Brien

And also in attendance with us is Alderman Klee.

Alderman Klee

I am in my home, practicing social distancing, my husband is in the house with me and my two greyhounds will come over and say hi pretty soon, I am sure of it.

Alderman O'Brien

That's what I have on my minutes. Is there anybody that I had skipped, please speak now,

Alderman Cleaver

Hello this is Skip Cleaver and I am here and I am alone, practicing social distancing for the meeting.

Alderman O'Brien

Very good Skip, welcome. Mr. Chairman, I think we got everybody.

Alderman Laws

Wonderful, thank you Alderman O'Brien. Now at this point in the meeting I would like to call for nominations for a Committee Clerk for the 2020 to the 2021 term.

Alderman Wilshire

I'd like to be recognized. I would like to nominate Alderman O'Brien as the Pennichuck Special Water Committee Clerk.

ELECTION OF COMMITTEE CLERK

Chairman Laws called for nominations for the Committee Clerk for the 2020-2021 term.

**ALDERMAN WILSHIRE NOMINATED ALDERMAN O'BRIEN AS THE PENNICHUCK SPECIAL WATER COMMITTEE CLERK**

**MOTION BY ALDERMAN WILSHIRE TO CLOSE THE NOMINATIONS BY ROLL CALL**

A viva voce roll call was taken to adjourn the Board of Aldermen meeting which resulted as follows:

Yea: Alderman Cleaver, Alderman Dowd, Alderman Wilshire, Alderman O'Brien 5  
Alderman Laws

Nay: 0

**MOTION CARRIED**

**VOTE ON ELECTION OF ALDERMAN O'BRIEN AS THE PENNICHUCK SPECIAL WATER COMMITTEE CLERK FOR THE 2020-2021 TERM BY ROLL CALL**

A viva voce roll call was taken to adjourn the Board of Aldermen meeting which resulted as follows:

Yea: Alderman Cleaver, Alderman Dowd Alderman Wilshire, Alderman O'Brien 5  
Alderman Laws

Nay: 0

**MOTION CARRIED**

Unidentified Speaker

Alderman O'Brien and Alderman Laws, one other member of Pennichuck just joined the meeting, our Corporation Controller George Torres?

Alderman O'Brien

George, can you spell, T-O-R-E-S?

George Torres

T-O-R-R-E-S, sir.

Alderman O'Brien

Alright thank you Mr. Torres. Alright Mr. Chairman, are you ready for Communications?

COMMUNICATIONS

From: Larry D. Goodhue, CEO, Pennichuck Corporation  
Re: Pennichuck Corporation Quarterly Report for Quarter Ended September 30, 2019

***There being no objection, Chairman Laws accepted the communication and placed it on file.***

From: Larry D. Goodhue, CEO, Pennichuck Corporation  
Re: Annual Meeting of Sole Shareholder and Proxy Statement

**MOTION BY ALDERMAN O'BRIEN TO RECOMMEND THE ELECTION OF THE FOLLOWING INDIVIDUALS TO THE PENNICHUCK CORPORATION BOARD OF DIRECTORS UNTIL THEIR SUCCESSORS ARE ELECTED AND QUALIFIED: JAMES P. DORE, ELIZABETH A. DUNN, H. SCOTT FLEGAL, AND DEBORAH NOVOTNY, FOR THREE-YEAR TERMS; AND, AUTHORIZE THE MAYOR TO TRANSMIT, BY PROXY CARD, THE VOTE OF THE SOLE SHAREHOLDER TO THE BOARD OF DIRECTORS OF PENNICHUCK CORPORATION BY ROLL CALL**

A viva voce roll call was taken to adjourn the Board of Aldermen meeting which resulted as follows:

Yea: Alderman Cleaver, Alderman Dowd Alderman Wilshire, Alderman O'Brien 5  
Alderman Laws

Nay: 0

**MOTION CARRIED**

From: Larry D. Goodhue, CEO, Pennichuck Corporation  
Re: Annual Report to the Sole Shareholder

***There being no objection, Chairman Laws accepted the communication and placed it on file.***

From: Melanson Heath  
Re: Pennichuck Corporation and Subsidiaries, Consolidated Financial Statements December 31, 2019 and 2018 (With Independent Auditors' Report Thereon)

***There being no objection, Chairman Laws accepted the communication and placed it on file.***

UNFINISHED BUSINESS – None

NEW BUSINESS – None

REMARKS BY THE ALDERMEN

Alderman Laws

Now I can't see anybody in the WebEx, so Alderman O'Brien is going to help me out here if anybody has anything to say.

Alderman O'Brien

Those that I can see, give a wave if there is a comment, if not our friends joining by phone speak up? First, I will prioritize the people I can see. Anybody that is present and I can see? Alderman Wilshire?

Alderman Wilshire

Thank you. Are we going to have an opportunity to hear from Pennichuck?

Alderman Laws

Yeah absolutely. So Mr. Goodhue said that Mr. Ware, I believe, is going to give us an update? Am I correct on that Mr. Goodhue?

Larry Goodhue, CEO of Pennichuck

Mr. Ware will give an update to the specific questions that Alderman Klee has participated in the meeting for that purpose. Other than that, myself and / or Chair Mr. Leonard will be happy to give a full update or answer any questions that might be posed.

Chairman Laws

Personally I would really appreciate a full update if you wouldn't mind?

Larry Goodhue, CEO of Pennichuck

Sure would you like me to do that at this time?

Ok so of all the materials that were provided to the Aldermen, you've got a Third Quarter Financial Report. You've got the Full Year Annual Report to The Shareholder, as well as the Annual Financial Statements. The Third Quarter report is really a subset of the Full Year results. So I think it is probably best that we focus on the full year's results which are synonymous between the two reports: both the Independent Auditor's Report as well as the Annual Report to Shareholder.

The Annual Report to Shareholder would represent the same numbers and amounts and results that are included in the Auditor Financial Statements but are more tailored really to the shareholder, as far as information that would be included in there that are over and above what financial accounting standards would require in an audited financial statement. The financial statements they audited by Melanson and Heath and are in full compliance with generally accepted auditing standards. They result in a clean, unmodified opinion of the financial results of Pennichuck Corporation. They are a report on the consolidated corporation for which the City of Nashua is the sole shareholder. That Consolidated Corporation consists of Pennichuck Corporation as its parent and five subsidiaries; three regulated water utility subsidiaries being Pennichuck Water Works Incorporated, Pennichuck East Utility Incorporated and Pittsfield Aqueduct Company Incorporated. an Unregulated Contract Management Subsidiary, Pennichuck Water Service Company that provides contract operations for about nearly 80 contracts at various levels of operations of water systems in our testing and our building services for entities not owned by the Corporation.

And lastly is the Southwood Corporation Subsidiary which has traditionally been a Real Estate Holding Company as a subsidiary of Pennichuck Corporation. As of the end of the year, 2019, all of the land that was previously owned in the Southwood Corporation has been transferred up to Pennichuck Corporation and Pennichuck, the Southwood Corporation at this juncture is basically a corporate shell with just the ownership of the HECO IV, LLC which is in the process of being terminated and liquidated. All the land associated with that was also transferred up to Pennichuck Corporation. The reason for the transfer of the land from Southwood Corporation at the Pennichuck Corporation is actually the next step relative to the long-term preservation of lands owned in the utilities that surround the watershed as well as protection of lands that surround those tangential lands to the watershed for long-term preservation and conservation of those lands for the protection of water sources within the utilities.

As far as the financial operations of the company, within the Annual Report to Shareholder, you will note that the Corporation, I'm scrolling as I'm talking, I apologize, ended the year 2019 at just about \$44.5 million dollars in consolidated revenues; about \$800,000.00 down from the prior full year of 2018. The real impact and impetus for that decrease was the result of a very wet May and early June during 2019 which actually impacted consumption patterns at the beginning of the summer months for the Corporation. Other than that, things were about as planned relative to revenues for the Corporation.

If you go all the way to the bottom, the earnings before interest, taxes, depreciation, amortization, this is on Page 3 of the Annual Report to Shareholder, nearly \$15 million dollars was earned in EBITDA, and that is really the cash basis of the operating income generated by the Company in order to pay and service its debt obligation. Pennichuck Corporation and the underlying the utilities are solely debt funded at this juncture after the 2012 acquisition of the Corporation by the City of Nashua. So EBITDA is the most important factor that we look to as that is the funding agent to pay the note payable to the City to fund the quarterly and to service all the debt that the City has as all of this capital projects are debt funded at this time and going forward into the future.

If you look at Page 5 of the report, you will see that the Corporation ended the year at about \$10 million dollars in Operating Cash, but that is inclusive of actually about \$2 million dollars' worth of cash that would be sitting in our bank account at Bank of New York Mellon at the end of the year, we actually make debt payments one day after the year closes on some of our bonded debt. It also includes any monies that would be in the rate stabilization funds to backstop the revenues to the Corporation as of that time.

Two things to focus in on the cash flow statement are the facts that nearly \$17 million dollars' worth of PP and E was put into service during the year 2019 and as you will see that was funded by nearly \$19 million dollars' worth of debt and some borrowings on our line of credit to the tune of about \$2.7 million dollars net of repayment so about \$6 million dollars on our debt. All of our debt is amortizing debt and I am going to say amortizing not fully amortizing because we have one Legacy Note Payable, American United Life Insurance Company. It was a note payable taken out in 1996 for a period of 25 years and has an annual sinking fund and a bullet maturity next March which we are currently working in the process of outlining or refinancing of that debt obligation prior to maturity, some of which we will be bringing to this Body in an upcoming meeting relative to financial financing and treasury activities that the company is working on at this juncture.

Of the almost \$17 million dollars' worth of PP&E that was put in place during 2019, one of the key projects that was completed this past summer and went into service by the end of year was the new Deep Water Intake in the Merrimack River. Prior to that construction, installation and implementation, we had an in-bank intake that was a seasonal intake only in the river relative to supplying water into our main treatment plant in the very north end of Nashua. That new Deepwater intake now gives the company the ability to draw water from the Merrimack River, 24/7; 365, not just seasonally and as such we have now made the Merrimack River our primary source of water with the Pennichuck Water System being the secondary source, but having both to be independently drawn upon or blended as sources of water into our treatment plant. This gives the company a truly segregated and redundant source of supply into the plant. It gives us the ability to better source water into the plant, better treat water into the plant in compliancy with all Federal and State Treatment Standards.

When you look at the assets on Page 6, you will see that the Company has almost \$340 million dollars' worth of assets of which nearly \$240,000.00 is property, plant and equipment and correspondingly has about \$212 million dollars' worth of debt associated with those assets. Again, being a fully debt funded entity at this time and going forward, and the \$212 million is the long-term portion of the debt. If you add in the current portion of the long-term debt, you are talking about a number that is closer to \$219 million dollars in total.

So those are the major takeaways I would point to within the financial portion of the statement. Some of the key things that are going on is we have a rate case that is currently being promulgated with the Public Utilities Commission of NH relative to the resetting of rates for Pennichuck Water Works. That case is in its pendency and is moving along as expected timewise, and there's an expectation that we will have new, permanent rates in place by the fall.

We also have to processes in place right now before the PUC, relative to our QCPAC surcharges for both PWW and PEU. QCPAC stands for Qualified Capital Project Adjustment Charge and it is basically a structural element that was implemented for PWW and PEU in their last rate cases from 2016 and 2017, such that an annual surcharge is able to be added on to rates between rate cases as a subset of new rates coming forth in the next rate case. In order to provide the cash funds necessary to service the debt for both principal and interest, and incremental property taxes for all capital expenditures in the preceding calendar year that went used and useful. It is vitally important as a debt funded organization that we have the cash to pay for the debt payments and obligations on the debt that we incur for our capital being put in place.

There's a number of activities that are going on with that now, the Company is right in the throes of its annual bonding and in association with that prior year capital expenditures for Pennichuck Water Works. We have been working with our investment bankers on a continuing basis even in spite of everything that's going on and the goal is to be able to issue those bonds before the end of the month of April. This is the last round of bond issuances that is authorized under a plan of financing, it was a three-year plan of financing that was approved by our Board, by the City as a shareholder and by the Public Utilities Commission as well as the Governor and Counsel for Capital Expenditures for 17, 18 and 19. So this last bond issuance is the reimbursement, financing bonding for 2019 capital PWW. We are also going to be bringing to you again a number of financing initiatives in an upcoming meeting relative to some reorganization financing we are looking at doing, the annual term debt financing needed for PEU for their 2019 capital, similar to the bonding we do for PWW. And we will be bringing to you our next plan of financing which will be a five-year plan of financing for 2020 through 2024 capital for Pennichuck Water Works.

Other than that, I guess the thing that I would want to make you aware of at this juncture is what is going on with how the company is dealing with COVID-19. The Company has, as part of its Emergency Action Plans, a Pandemic Response Protocol. As a Corporation we try to stay ahead of the curve, rather than lag the curve and as such we actually started having meetings with our Senior Management Team in February about how we would stay ahead of that Pandemic Planning. We had already done some pre-scripting, we actually started acting on those pandemic protocols on March 4<sup>th</sup>. We actually have gone to, I'm going to say, Phase IV in that planning at this point. And as of March 4<sup>th</sup> we had done a number of things including no more large group gatherings, we pulled back any participation in any conventions, forums or group meetings with other entities. We actually had a definition at that time of what was essential versus not essential relative to customer facing appointments and other necessary operations. By the next week after that, I think March 10<sup>th</sup>, we actually started a process where we began sending home every employee who could work from home, such as they could do so that began that following week on March 10<sup>th</sup>. We do have certain personnel that have to continue to work outdoors, and we had some activities that I am going to say that were essential, some that were non-essential and some that I'm going to say were kind of in the margin between those two.

The ones that were in the margins between, we continued those at least at that juncture, because they were activities, that although they weren't truly essential, could still be done in an isolated and segregated manner by our personnel without having direct contact with anyone in the public. As things have progressed, we have further enhanced and actually redefined essential versus non-essential duties as of last week and now our only dealing with any outside impacts that are truly considered to be essential. What does that mean? We are going to continue our nighttime flushing activities in the City of Nashua, that program is starting at this time. Why is that essential? Water quality as well as water quantity is vitally important to the consumers that we have in our system and the age and materials existing in our core system really requires that annual flushing activity be done and maintain that stability of water quality on a continuum. We have deferred any daytime flushing activities to be conducted later this year. One of the reasons for doing that is – Number One – What parts of our system have those activities, what types of materials are there? But also, we have got a preponderance of customers who are now home, all day long. The last thing we want to do is disrupt the quality of the water coming into them by conducting daytime flushing activities that might impact that to them.

Also, it puts our people in a situation where they are out at a hydrant on the street, the next thing you know there's a crowd gathering and we don't want to put our people or our customers at risk of violating any social distancing requirements. We are dealing with customer appointments in houses only on an emergency basis and if that is to

be done, our people go in with PPE in place. We ask that the residents socially distance or remove themselves from the presence of our people going through the job, get out of there, clean and sanitize everything and move on. All of our customer service operations are being conducted off-site, as far as you know, our hot lines are still there, we are still responding to customer's calls, we are still dealing with all the collection and posting of payments and everything like that. Our Engineering Team is still working on designs and bids that have to go out. Our Finance Organization is working on a remote basis such as we can still pay our bills and process our payroll. All of our employees are still working and fully employed as an essential service within the State and the region.

I'm trying to think what else I can state about this. Long story short, we have been very, very vitally focused upon this. We are understanding that we are a key element in the overall economy as well as health based system for Nashua and the 29 other communities that we serve and all of our customers in that water is necessary to sustain life and we want to make sure that we continue to do so in compliancy with all standards and any modifications that have come through from the DES and the PUC relative to how we operate in this current environment. That being all said, I am going to shut up for a minute and see if you have got any questions.

#### Chairman Laws

Well thank you very much for that update and I am sure we all had what's going on and your reaction certainly to the COVID Pandemic in the back of our minds. As we were speaking in the beginning or before the meeting started we were talking about the human capacity to adapt and it seems like you and the company have been adapting as best as anyone could expect to you and I want to you know that I really appreciate it.

That being said, I also appreciate Alderman Wilshire pointing out that we should have waited for an update from you before I asked for Remarks by the Aldermen. But after the update, are there are there any Aldermen that would like to make any remarks or ask any questions of Mr. Goodhue?

#### Alderman Wilshire

I have a question. Thank you. So Larry you mentioned PPE and PP&E, those two things are completely different. I was going to ask you about Southwood and how much land was transferred and you said it was all transferred to Pennichuck Corp?

#### Larry Goodhue, CEO of Pennichuck

It was Alderman Wilshire and the number of acres exactly, maybe Mr. Ware can tell me, I am thinking it is close to 400 acres of land. It is several parcels. They are all located in Merrimack and they are tangent or abutting to the watershed lands owned and in Pennichuck Water Alderman Wilshire.

#### Alderman Wilshire

Thank you very much, appreciate that. That's all I have.

#### Alderman Dowd

Am I getting feedback from anyone?

#### Chairman Laws

I'm not getting any.

#### Alderman Dowd

Ok I just wanted to ask the Pennichuck Ponds are very full now. And you said you are not taking water out of

them anymore?

Larry Goodhue, CEO of Pennichuck

It's not that we are not taking water out of them but our primary source of water at this juncture is the Merrimack River. To the extent that we can blend those, which is what was traditionally done, Alderman Dowd, where the interconnection main from the River would dump into the second pond, you know, up from the River and would blend coming into our plant. That's an optimal situation for us. One of the key things that we are focused on is a multi-barrier approach to be in compliance with water standards. One of the key starters that has raised its head at us over the last 2 years as you know is PFAS and PFOA. What we know is, because we have comprehensively tested for about 3 years now. When the whole thing started in 2016, we started testing on a monthly basis. We know that the actually raw water quality constituency of PFOA in the Merrimack River is about 1/8<sup>th</sup> of what it is in the Pennichuck Brook System. So to the extent you can have less infiltrated water of PFAS coming into the plant, there is less to filter out. What happens is, is now our granular activated carbon lasts longer as that second barrier is staying in compliance with the water standards. And so, you know, we have always had a situation where the ponds are overtopping that dam and heading to the River. For the most part, we try to use the blended water from the River, and the ponds, but one of the key advantages of the River is again, especially with regard to PFAS, is the raw water quality is a much lower number that we have to treat down to the standard.

Alderman Dowd

Ok thank you.

Chairman Laws

Thank you, Alderman Dowd. Alderman Cleaver?

Alderman Cleaver

Yes to follow up on that, the new deep water intake, that goes directly to the plant and not into the ponds is that correct?

Larry Goodhue, CEO of Pennichuck

Both Alderman Cleaver in that the water main that comes up there, we have the ability to either go directly into the plant from the River and / or to blend it in the pond system based on the architecture of how the interconnection mains were set up and actually modified about 3 years ago when we put in a brand new interconnection main that went directly to the plant. So we can do either one.

Alderman Cleaver

I have a second question and that is the timeline and the progress on the Corporation Headquarters at the Oval.

Larry Goodhue, CEO of Pennichuck

Thank you for that question. Thank you I appreciate that. I should have brought that up myself. Everything is on track. We have been working, we have been having actually every other week construction meetings. The most recent one was just yesterday afternoon. As you can imagine, those meetings are being held remotely but I was over in the building probably four weeks ago after the Court House Building had been completely gutted. What was remarkable walking in there was we knew that the building had good bones or we suspected it did. When I got to go in there and see it completely demolished on the inside, the interior of that building is in exceptional shape. Both I and the developer/owner were very impressed with how good of shape it was in. So all that demolition was done, they are working on final permitting, the permits that come from the City. Steel is coming,

they actually started doing site work this last week. They are going to be starting to put some footings in and building the structure for the addition on the building here in the weeks right in front of us. All aspects of the design are complete, we are going through you know fine tweaking of those things, but everything is on target as we know it, for the building to be complete as of the end of October for us to move some things in sometime between November 1<sup>st</sup> and December 31<sup>st</sup>.

Alderman Cleaver

Thank you very much for that.

Alderman Laws

Alderman Klee is there something that you would like to ask?

Alderman Klee

No actually I am not attending this to ask the question of Mr. Ware or Mr. Goodhue. I had sent an e-mail message in because it deals with three specific homes; I don't think it something we really want to discuss in a public setting. I am just here because I am nosey, thank you.

Alderman Laws

Excellent. Any other remarks by the Aldermen?

Alderman Cleaver

I have one more question. The PFAS thing is front and center for many, many people. And I understand that the new flow of water is measured to be less contaminated but there is still contamination and I am just wondering of what your level of confidence is on the PFAS removal?

Larry Goodhue, CEO of Pennichuck

Alderman Cleaver, so the raw water in the Merrimack River, has been showing levels anywhere between 2 and 6 parts per trillion. The ponds we have seen numbers in the low to mid teens. The existing emergency standard which is still under force and effect in the State is 70 parts per trillion. They had enacted a new standard of 12 parts per trillion that was to go into effect last October on a 12-month average for quarterly testing. That standard has been challenged in the Courts, there is a class action suit pending on that as to whether the entire process was properly adjudicated and whether that is going to be adjusted or not.

The one thing that I will tell you that we had done during this last year is we have got three sets of carbon filter beds within our plant. And as a rule, we had a plan that every five years we would go through a three-year cycle of replacing one set of beds per year because the carbon gets spent in a point in time, it gets fully consumed as far as its treatment capabilities. We had budgeted in 2019 \$1 million dollars to replace one of those filters' beds. The day when the quotes came in, the cost of replacing one of the filter beds was \$500,000.00 and we new that this new standard was coming on so instead of just replacing one set of filter beds, we did two for \$1 million dollars; we had it budgeted for \$1 million. So we did twice as much. One of the reasons that we did that is we wanted fresh granularly activated carbon and 2/3 of our capacity at that moment so we can now start testing and looking at the curve of the breakthrough of that treatment. The third filter bed was scheduled to be changed out at this time, we have actually moved that out to May based on everything that is going on with COVID-19 and activities relative to people being actually physically at our plant. The one thing I can tell you is we have seen that the efficacy of the verging carbon takes that raw water which is coming in either somewhere in the 2 parts per trillion range to maybe 12 on a mix, is taking it down to non-detect levels as far as finished water coming through those finished beds. So again, this multi-barrier approach is making sure that we are using water to the best of

our ability that is low levels, is treatable and then also having now our carbon in a cycle of frequency that allows us to fully bring our finished water well in compliancy with the standards and requirements.

Alderman Cleaver

Thank you.

Chairman Laws

Excellent questions Alderman Cleaver and very comforting answers, Mr. Goodhue. Are there any other remarks from the Aldermen? No need for non-pubic. Do I have a motion?

POSSIBLE NON-PUBLIC SESSION - None

ADJOURNMENT

**MOTION BY ALDERMAN O'BRIEN TO ADJOURN BY ROLL CALL**

A viva voce roll call was taken to adjourn the Board of Aldermen meeting which resulted as follows:

Yea: Alderman Cleaver, Alderman Dowd, Alderman Wilshire, Alderman O'Brien 5  
Alderman Laws

Nay: 0

**MOTION CARRIED**

The meeting was declared closed at 7:45 p.m.

Alderman-at-Large Michael O'Brien  
Committee Clerk