

MINUTES
SELECT BOARD
TOWN OF PETERBOROUGH
Tuesday, February 26, 2019 – 6:00pm
1 Grove Street, Peterborough, New Hampshire

Present: Barbara Miller, Karen Hatcher, Tyler Ward

Also Present: Rodney Bartlett, Nicole MacStay, Leo Smith, Linda Guyette, Chief Scott Guinard, Chief Ed Walker, Seth MacLean, Corinne Chronopoulos, Jeff King, Peter Throop, Alison Kreutz
Budget Committee: Ronald Patten (chair), Richard Clark, Ronnie McIntire, Paul Sullivan, Carl Mabbs-Zeno, Bob Hanson, Mandy Sliver, Ed Henault, Donald Parkhurst

Chair Miller called the meeting to order at 6:00 PM.

Joint Budget Committee/Select Board Meeting

Chair Patten introduced the present members of the Budget Committee. Chair Patten confirmed with Mr. Bartlett that the budget would be voted on this evening, and recognized the Department Heads present in the audience.

Overall Budget Analysis

Mr. Bartlett acknowledged Ms. MacStay's work to the budget sheets, and said there have been several adjustments made due to Mr. Leo Smith's promotion to Finance Director. Operating Budget has an increase of 2.67% over last year's budget. Administration feels that this is a responsible budget that reflects the same levels of service the Town has today.

Mr. Richard Clark asked why retirement expenditures in Highway decreased by \$30,000 while salaries increased. Ms. MacStay said that she would investigate.

Ms. Hatcher asked why the possible cuts for the Operating Budget that had been put forward at the previous meeting had not been implemented, and Mr. Bartlett explained that those cuts had not been voted on, but making those cuts was still possible.

Chair Miller said the inflation rate this year is going to come in at about 2%, and so she felt comfortable about the 2.1% increase in the budget that would result from making the proposed cuts from the Operating Budget. She recommended that all cuts presented at the previous meeting be implemented.

Mr. Carl Mabbs-Zeno inquired about the proposed cut in budget for Police Uniforms. Chief Guinard explained that he felt comfortable with the \$1,000 reduction in police uniforms after gauging the serviceability of existing coats and soft body armor.

Mr. Bob Hanson asked about the average cost of a uniform. Chief Guinard said they can cost upwards of \$6,000 or \$7,000 and have about a five-year life span.

Ms. Hatcher asked about the \$5,000 reduction of overtime in the Highway Budget. Mr. MacLean explained they had been forecasting worst-case scenario, and the DPW was hoping that they would not need that amount of overtime.

Mr. Ward asked if any of the cuts were based on current year-to-date expenditures compared to last year's budget. Mr. Bartlett said most department heads track their spending from year-to-year, though the most difficult numbers to forecast are the seasonal needs for winter operations. When the budget process is started, they have to think out as far as 18 months, so estimates have to be made and funds have to be put away due to variability of winter storms.

Mr. Mabbs-Zeno asked about other offices that don't have contingencies like storms – is there flexibility to move funds from account to account? Mr. Bartlett used the Highway Department as an example and explained how buffers are implemented within the fiscal year to manage appropriations for incidents that happen year-round.

Ms. Hatcher commented how much she appreciates how much thought and effort goes into making the budgets, and she thanked Town Department Heads. Chair Miller agreed with the sentiment.

Motion: Chair Miller made a motion to accept all budget adjustments put forward and recommended by Town Department Heads.

Vote: Mr. Ward seconded. All members of the Budget Committee and Select Board in favor. Motion passed unanimously.

Debt Service and Vote to Move Budget to Public Hearing

Mr. Bartlett presented sheets with Debt Service information. Debt Service has an increase of \$204,921.00, which is the combination of all present debt service and any bonds that have been passed at Town Meeting. Principal and interest payment for the Main Street Bridge, Library, and Transcript Dam are included. Mr. Bartlett said he is confident that the Main Street Bridge will go forward in FY2020, and the 1833 Society and Library are diligently working to pull their financing package together. The projected amount of money to be raised by taxation is a 4.2% increase, but when 2019 and 2020 are compared, there is a reduction in dollars to be raised (in 2019, the Select Board applied \$450,000 out of unrestricted fund balance, but that number has not yet been determined for 2020). With everything considered (including, but not limited to, CIP projects and Roadway Management), it's a 2.9% increase, but that number will be reduced after the cuts that were voted on tonight are implemented. Mr. Bartlett noted the DPW Garage was listed, but would not have a tax impact in FY2020.

Mr. Patten asked what the next step was. Ms. MacStay replied that it's a matter of voting to move the Budget, as presented with adjustments and corrections as previously noted, forward to the Public Hearing scheduled for March 5th, 2019.

Mr. Ed Henault asked for confirmation that warrant articles would not be included. Ms. MacStay said special warrant articles are always separate.

Motion: Mr. Mabbs-Zeno motioned to move the FY2020 Budget, as presented with adjustments and corrections as previously noted, to Public Hearing.

Vote: Bob Hanson seconded. All members of the Budget Committee and Select Board are in favor. Motion passed unanimously.

Draft Warrant and Plan for Public Hearing

Mr. Bartlett passed out draft warrant including all money articles in preparation for next Tuesday's Public Hearing (*attached*) and went over the basic details of the ballot articles.

Regarding Article 11: Elderly Tax Exemption Asset Limits, Mr. Bartlett noted that the amounts had not been raised in many years, so the new numbers generated are essentially an average of what the other towns in the area have for their limits.

Mr. Bartlett explained all bond articles are required to go to the Open Session, as is the Budget if it fails on the ballot. He then reviewed the draft of Open Session Articles (Articles 14-16).

Ms. MacStay explained the format for next week's Public Hearing. The two bond hearings and the budget hearing will be first, followed by the votes of support on the monetary items on the Warrant. The Town is still accepting petition warrant articles so there may be additions, though unlikely. The deadline for petition warrant articles is March 12th.

Cold Stone Springs Acquisition

Mr. Bartlett handed out the executive summary that was prepared and presented to the Drinking Water and Ground Water Trust Fund Commission, which was formulated out of legislation to oversee the expenditure of the State's settlement with Exxon Mobile over METB contamination in the amount of \$280 million dollars. The funds have been dedicated to the improvement of water systems throughout the State. Mr. Bartlett noted that he was previously appointed to the commission.

Mr. Bartlett provided a map of the Cold Stone Springs site (*attached*). There are 528 acres associated with the site; two wells are in Sharon and one is in Jaffrey. The three wells that have been permitted 576,000 gallons a day, which is much more than the Town's daily consumption. Permit is in place and expires in 2023.

The Cold Stone Springs well site (previously known as the Barking Dog site, originally developed by Posey Bass) was brought to the Town's attention approximately eighteen months ago through a consultant, Emery & Garrett, which has been managing the permitting and development of the site since 2006. Information regarding water quality and quantity was released to the Town. Nitrate (from chicken manure from a nearby chicken farm) and Perchlorate have been detected over the life of the site but there appears to be a declining concentration over the last twelve years, and the levels are well below the safe drinking water limitations. Peterborough and Jaffrey have included treatment to bring those contaminants down to below-detectable levels in the financial assessment. Overall infrastructure improvements necessary are estimated at \$8.26 million.

Meetings were held with the Sharon Select Board to update them on our plans and goals, and initial meetings in Jaffrey were very positive, and quickly moved to discussion of additional water supply needs for the proposed expansion of Millipore Sigma. The towns are presently in discussions with the intent of developing an intermunicipal agreement for the management of this potential municipal drinking water supply. Regional collaboration will be the key to make this joint effort a success. Many discussions have focused on job creation, workforce development, and housing end up as regional issues. This collaborative effort will be a major step in that direction for this region.

Following the discovery of VOC contamination (from cleaning solvents) in the South Well in 1982, it was taken out of service and made a Superfund site. New Hampshire Ball Bearing (NHBB) has cooperated actively with the US EPA and New Hampshire Department of Environmental Services (NHDES) on investigation and remediation of the site, but restoration of the South Well appears no closer, as the original chemical pollutants have, overtime, degraded into different contaminants. To date, NHBB has expended over \$33,000,000 to address the site and after thirty-six years it still has not been determined if the aquifer can ever be fully remediated. Negotiations are underway to identify what NHBB's participation in the project to replace the South Well should look like.

For funding purposes, Administration has reached out to the Water Infrastructure Finance Investment Act, managed out of Washington (funds, after approval, would be available in about 3 months, and their application process takes about 3 months); USDA Rural Development, which the Town has worked with on multiple projects, and who was very interested and suggested that we provide them with an application after Town Meeting; DES's group for the State Revolving Fund; and Drinking Water Ground Water Trust Fund Commission, which is scheduled to vote on March 11th to commit to the project, based on our final financial package.

The Town is working with Jaffrey to figure out cost-sharing for the \$8.26 million, which includes costs for all three wells to be rehabilitated and put online, a control building, and transmission mains – Jaffrey's would go south, and Peterborough's would go north, so they would not intersect. Cost estimates were done by Underwood Engineer in June of 2018 and paid for by the current owners.

The goal is that the basis of an agreement with Jaffrey will be in place by Town Meeting, as the cost-sharing will have the biggest impact for both communities, and the hope is that we'll know if support will be offered from the other possible funding sources, so there will be a better idea of accurate costs for Peterborough Water users. Costs will be run through water-rate model. There's a lot of work left to be done, and the level of cooperation between Peterborough and Jaffrey will be imperative. The plan is for the Towns to share the costs to drive them down, collaboratively build on the site, share the operation and maintenance, and create a model for other communities in the future. The keystone piece to this regional plan is the acquisition of the Cold Stone Springs well site.

Peterborough and Jaffrey are requesting grant funding support for the acquisition of the Cold Stone Springs well site for the purposes of additional drinking water source development, economic development, job creation and retention. This regional effort for source water development is a positive statement for our region and for the state relative to our level of collaboration and coordination into the future.

Mr. Hanson asked Mr. Bartlett for clarification about what elements of testing/construction Jaffrey and Peterborough would be responsible for individually. Mr. Bartlett responded that the individual connections would be on individual communities, but all other costs would be shared.

Ms. Hatcher commented that a compelling reason to acquire the site is that our current wells are on the same aquifer, and having a back-up water supply would be beneficial.

There was a discussion about the specific locations of the wells. Mr. Bartlett said all wells have been tested under DES oversight. Some concern about seasonal impact of flow in the Gridley River, and a seasonal reduction could be necessary. The Contoocook is between the wells and Route 202. Mr. Bartlett said he would send detailed maps to the Budget Committee.

Mr. Ward asked if there is any other place in Peterborough that could offer a comparable water supply. Mr. Bartlett said many options have been explored after the South well came offline due to contamination. At present, the Town's primary aquifer is the riverbed of the Contoocook River. Cold Stone Springs source is outside the hydrogeologic connections with that aquifer. There are some smaller areas that could *potentially* produce water, but then there are host of costs incurred and work to be done to determine viability - All that work has been done for the Cold Stone Springs site.

Mr. Richard Clark asked if the site is on same aquifer as Upland Farms? Mr. Bartlett replied no, it is geologically separated.

Mr. McIntire asked what the impact will be for users of Town water and Mr. Bartlett said the hope is that Administration will know by Town Meeting. Mr. McIntire then asked Mr. Bartlett to confirm if this would impact non-town water users. Mr. Bartlett said no, there would be no general fund dollars.

Mr. Ward asked if Jaffrey will need to have a vote at their Town Meeting to go forward with the Memorandum of Understanding. Mr. Bartlett said MOU will be signed next week, but the intermunicipal agreement, depending on how structured, may be well under their authority as water commissioners to sign. Mr. Ward asked if Peterborough's participation in the project would be contingent on Jaffrey's decision. Mr. Bartlett confirmed it would be, and explained what the next steps would be following approval.

Mr. Henault asked about the trucks that are running water out of town every day. Mr. Bartlett said that well is on Sharon Road, and is not connected to the Cold Stone Springs site.

Resident Mr. Scott Johnson asked if there had been consideration about the political implications of sharing this asset, as Sigma Millipore seems like it might be a driving source.

Mr. Bartlett said from the Jaffrey standpoint, Millipore is a big driver, but for Peterborough, the driver was the replacement of the South Well. He continued that the site brings the ability to supplement systems for both towns, that could be shared as demands require. There's been discussion of meters being installed in

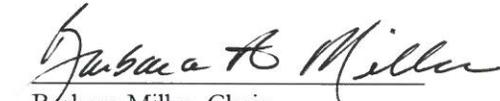
both mains to monitor individual usage. The project “will be new ground for Peterborough, Jaffrey, and many towns within the state.”

Ms. Hatcher said she’s been excited by the willingness on both sides to find a solution together and that this could be a model for other towns, and thinks it could be a “wonderful opportunity.”

Mr. Hanson made a motion to adjourn the meeting at 7:09 p.m. Mr. Mabbs-Zeno seconded. All in favor. Motion carried.

Respectfully Submitted,
Alison Kreutz, Administrative Assistant

PETERBOROUGH
SELECT BOARD:


Barbara Miller, Chair


Karen Hatcher

Tyler Ward

ACTION ITEM PENDING LIST

- 1.

