

Joint Meeting of NCWP and CVFD Commissioners  
Meeting Minutes  
Wednesday, December 19, 2018 5:00 p.m. @ NCWP

Commissioners present: CVFD – Steve Bamsey, Mike Digregorio  
NCWP – John Santucio, Robert Porter, Suzanne Nelson  
Others Present: CVFD – Gregg Superintendant Gregg Quint, Asst. Superintendant  
Steve Anderson, Municipal Bookkeeper Amy Snow  
NCWP – Superintendant Jason Gagnon, Plant Manager Glenn  
McDonald, Treasurer Tim Anderson

Chairman Santucio called the meeting to order at 5:04 p.m.

Mr. Porter moved to take the NCWP agenda out of order, Ms. Nelson seconded the motion,  
**motion carried 3-0-0.**

Mr Bamsey : First of all, thank you for having us in, The reason we wanted to meet with is on the capital improvements you made on the wastewater treatment side and we seem to have a, I guess I would say, a different interpretations of the IMA as far as what we are required to pay for. Jason presented to us that the third screw press is going to be installed and that the cost to the CVFD is going to be an annual payment of about \$75,000 a year so we started talking about it, we started going back over the IMA and spent a lot of time on it and it is our belief, and I believe I shared this before, that we don't have to pay, or that we can't actually pay for the third screw press. The 2011 warrant that went before the voters of Conway in regards to the wastewater only gave us authority to spend money for wastewater conveyance, that's it. So, I think, in a nut shell, that's it.

Mr. Digregorio: We fully support screw press 1 and 2 we just don't believe that we can participate in the third one based on what Steve has just said and because the IMA doesn't allows us to. We did reach out and get a legal opinion on that they agreed that is says the same thing that the voters, not only does the IMA say it but what was put before the voters strictly talks about the sewerage, wastewater, not septage as well capital repairs and so on and so forth, so that's really what we are here to talk about, to support of one project and necessarily both.

Mr. Santucio: You agreed on the third screw press in that warrant article, right?

Mr. Bamsey: No.

Mrs. Snow: The warrant article in 2010 was the warrant article to grant the commissioners permission to enter into the thirty year wastewater contract and you guys had a similar, a sister warrant article for the same thing.

Mr. Gagnon: I guess, I guess my question is cause obviously we've both looked at the IMA and this is a, and from what I understand, I wasn't here when this was put together, but this was a collaborative effort that clearly benefited both communities by joining together to share

wastewater disposal instead of Conway Village having to invest a lot of money into their own system. It was a benefit to Conway Village by reducing their cost of wastewater treatment by coming here and there is also a shared benefit to North Conway because it was going to have a contribution for not only just mere treatment of your flows but also maintenance, routine maintenance of the plant moving forward so knowing that that was a shared benefit and reading through the IMA, I guess I don't see where in the IMA it says that you are not allowed to pay for, for this. In 6(f) it clearly spells out that when we do repair and refurbishment projects we pay proportional shares based on flow, so I guess not having seen, you said you had legal opinion, not having seen those legal opinions I guess I don't understand how you can interpret 6(f) differently.

Mr. Digregorio: Well we asked the question of are the two screw presses maintenance and I think everyone has the opinion that would even though you changed them out and it is what it is and you doing maintenance with something newer. But the third one, I guess at the same time you are doing this septage thing which I think that's really what the terms are, that we can't participate in that.

Mr. Gagnon: So we took 20 year old equipment that was at the end of its useful life cycle and replaced it with new equipment that now has a new life cycle so, I mean you're getting benefit from it because you are proportionately sharing our septage revenue.

Mr. Bamsey: Well, we've been sharing the septage revenue whether you got the plate presses or screw presses.

Mr. Gagnon: We are talking specifically about septage and the refurbishment of the old septage. I thought that was what Mike was talking about.

Mr. Bamsey: No, I think, well I guess I can't speak for Mike, but we totally understand the replacement of the two plate presses for the two screw presses to us that is repair and refurbishment because the plate presses were 20 years old and we're not disputing that cost. What we're disputing is the third screw press because it was a want, not a need.

Mr. Gagnon: Okay, so there is a misunderstanding there, DES actually requires us to have three screw presses. When we didn't think it would fit in the budget, our engineers were able to convince DES to grant us a waiver to only have two screw presses because of the way the timing that we told them we would operate the screw presses. So we actually have a waiver from DES to not have the third screw press which was originally required as part of the design, and originally designed in there. We didn't think we had enough budget for it, we went to DES and asked for a waiver and our engineers were able to convince them based on timing of operation, weekend shifts and things like that, to not have to put the third screw press in because of budget. When it was clear the prices came in below what we expected them to be according to the original engineers estimate, we were then able to include the third screw press which was originally required by DES as part of the original design but taken out because we didn't have the budget for it.

Mr. Bamsey: Why was DES requiring the third screw press?

Mr. Gagnon: When they, they have a design of use section, and you are required to be able to dewater your solids within a certain amount of time with a certain amount of redundancy, and I don't know those numbers off the top of my head, but with two screw presses we don't meet that design requirement.

Mr. Digregorio: Based on the calculation of new septage coming in.

Mr. Gagnon: No, that's just on wastewater plant flows.

Mr. Digregorio: So they weren't giving you an opinion of what your new septage would be? They were telling you that they were requiring you to do three not using those numbers then they said it was okay to use two still not using those numbers. That to me doesn't make sense that they would not take that into account the thousands and thousands of gallons coming in from that.

Mr. Gagnon: So when DES runs their design review on solids load, cause really that's what those screw presses are, they're solids handlers, we have a certain amount of solids that they use as their design amount that's coming into the plant, and your correct, it includes what coming through the pipes and includes what's coming in from septage, so they look at historical data for that. So when did we switch to \$0.12/gallon? Was that in 2013? 14, somewhere around there? So it wasn't much before the design and in that point in time we were taking 3.5 million gallons of septage which is actually less septage than we're projecting to receive now that we dropped the price back down to \$0.9(/gallon) because we were at \$0.7/gallon then. So DES would have done their design calculations based on those numbers that include your flow, our flow, and the septage that we were bringing in at the time. So, those calculations were not even factoring in this new septage, which really isn't new septage, new compared to what we took in last year but it's not new compared to what the plant has historically taken in when we were at \$0.07 which is when all this design would have happened.

Ms. Nelson: Can I just add something, and correct me if I'm wrong, it wouldn't be the first time, but the amount of money that we had was for two presses, which you must of agreed on, that "X" amount of money, correct?

Mr. DiGregorio: When Dave came down to meet with us? We had a discussion.

Ms. Nelson: So you had the amount of money, you had to present it to your voters...

Mr. Bamsey: No, there's been, there's been no warrant vote on this project.

Ms. Nelson: But you knew that it was happening.

Mr. Bamsey: We knew that two screw presses were going in.

Ms. Nelson: But you had a certain amount of money that it was going to cost, David went over that with you.

Mr. Bamsey: There were, there were conversations nothing was ever laid out hard, David would say the amount of revenue we were going to see would equal our payment and it was going to be a wash.

Mr. Porter: Wasn't the original money that you were presented with included three and then...

Mr. Bamsey: Around three million dollars but...

Mr. Porter: But originally it had three presses,(Mr. Bamsey: but David, no), correct me if I am wrong Kris, what we had on the original warrant was the three presses because the state said we had to then we cut out one because of we didn't think we had the budget then we found we did, we just put it back in but we didn't raise the total amount.

Mr. Digregorio: When he came to us he had already cut out one and was down to two and you know, he felt obligated because of the contract that we had to participate in the, you were doing enhancements, you know, so.

Mr. Porter: Another thing this is enabling us to do is take more outside sewerage in which will generate more revenue which you get a percentage of.

Mr. Bamsey: Right, and we, no, please, we understand all of this. The issue, and you've got to understand where we're coming from, we're coming from the residents of Conway Village Fire District are paying a lot of money right now for sewer and water we are heavily, heavily in debt, you know, the average family of four probably pays somewhere around 4-500 dollars a quarter for sewer and water so when we....

Mr. Porter: Now what would they pay if you had to build your own plant.

Mr. Bamsey: Well, honestly...

Mr. Digregorio: If you look at the numbers in the long run it actually would have been lower for us in the long but when we project those numbers out for the long term it wasn't.

Mr. Gagnon: I apologize for stepping up but Sue had brought up a point and I want to make sure I had the numbers right but, you know, we went back and looked at all of your meeting minutes, on June 23<sup>rd</sup> of 2016, this is what your minutes say, David presented to you a project with a total cost of 3.55 million with loan forgiveness and grants, reducing the amount to be paid back to slightly over 3 million. And then at your July 14<sup>th</sup> meeting 2016 you voted to approve that project three, nothing, so how, you voted to approve a 3.55 million dollar project and then we come back and let you know that, hey, we are getting more than we thought for the 3.55 million and then you come back and say you changed your mind that we don't want to pay for the whole thing. How are we supposed to make decisions if you voted on it and then go back on what you voted for.

Mr. Bamsey: I guess maybe I'm not making the position correct. First of all the, vote by the board was not any binding vote, David just wanted to know if we were in favor cause that was

what he talked to us about. But David also said it would be a thirty year payment. And David also said (Mr. Gagnon: that's not in your minutes so we don't know) but I'm telling you, David said. David also said the amount of revenue and the amount of payment would be a wash, so when you came to us at this last meeting and told us suddenly the bill is going to be \$75,000, that was the first time we heard that.

Mr. Gagnon: Okay, I think that's a misunderstanding...

Mr. Bamsey: Just let me finish, so, when we heard that it was like "whoa" okay, and again, we've got to think about our tax payers, okay. If we're going to talk about what was talked about at a meeting with no warrant article or anything like that, then we're going to talk about everything; like I said, 30 year payment around 30 some thousand dollars a year payment. What we're saying is, the IMA and the warrant article that was passed by our voters only allows for wastewater, that's it. Now, if I'm not, what you just shared with us about DES, you never once told us that information, that DES required the third screw press.

Mr. Gagnon: Well, I wasn't around during the design...

Mr. Bamsey: But you just met with us last month.

Mr. Gagnon: And at that time all I could go by was, again, David had told me Conway Village is aware of the project, they're in favor of it, it was really a courtesy for me that I came down and said, "Hey, by the way, we are getting more than we thought for, for that price. So after I got some push back about paying for, I started doing more digging so I was not aware that DES originally required three presses back at the July meeting.

Mr. Digregorio: So we haven't talked about this yet, let's just say that we are right as far the legal opinion saying that we can't participate, we probably could fix that, I would suspect, in a meeting. So the next question is, let's talk about numbers because you just said something wasn't accurate. The numbers we're projecting are \$75,000 dollars a year. Unlike North Conway, we don't have the assessed value of you guys; we're 200 million dollars, you guys are, with the new stuff going up, you're going to be up over 800 million dollars by next April, huge tax difference in tax base. So a \$75,000 hit to us is major. You mentioned that something is inaccurate, you know, let just say not taking the IMA, then you want to talk about numbers, let's fix the IMA.

Mr. Gagnon: Before we get to the numbers, you guys have said that you've had legal opinions on the IMA, of course we have too, that's probably the last resort. If David had said it was going to be a wash, so where that comes from is obviously there is going to be a cost to the bond payment, because of the project there are increased septage revenues, potentially, we won't know what they are until it actually happens, there are also, in your operating maintenance cost savings, now those are truly spelled out in the IMA in Appendix C in which you pay your proportional share of and the two big ones are chemical costs and labor costs. When the decision was made to go forward with this project, it was with the idea that, not only are we going to eliminate the lime and ferric chloride we had to use with the plate press, which is a huge chemical cost savings, but if we didn't go forward with the project we were going to need to hire

another full time wastewater operator just to man the presses because we couldn't keep up with the daily operational needs and requirements having somebody babysitting the presses eight hours a day so we needed one more person. If we didn't do that, that's a 60-70 thousand dollar by the time you pay the salary, benefits, all that stuff; so there's at least \$195,000 between not having to hire that new person and the real direct chemical savings of not having to buy the lime and ferric. So, when you look at the payment due over the life of the bond year one, that total payment is \$220,000 in round numbers. The savings from chemical and labor is \$195,000 in round numbers which makes it a net project cost of \$25,000 in that first year; that is shared proportionately between Conway Village and North Conway. So, yes, payment, the actual payment is, I don't know, \$220,000 so if you split that proportionally that comes out around \$75,000 dollars or more than that, but when you take out the savings and what is no longer needed in the operational budget that you have to pay for, at the end of the year, your net cost is \$8700 the first year. It's \$3,600 in the second year, \$2,600 in the third year, and year five your actually making money on the project because your cost in year five is \$483 less than it would be had we not done the project

Mr. Digregorio: So let's just say that your numbers are accurate, \$195,000 in savings, how can you use that when you projected budget increase this year is 3% so that \$195,000 is gone and your projected increase is 3%.

Mr. Gagnon: Where did that come from?

Mrs. Snow: That's what, when I asked you, when we were working our budget, you said count on a 3% increase, that's what you told me.

Mr. Gagnon: I don't believe I ever said that, a 3% increase, but if you got it recorded I'll believe it. I haven't finished the sewer budget yet.

Mr. Porter: We haven't even done the budget.

Mr. Gagnon: So the chemical costs are going to come up. We are paying \$190,000 in chemicals, next year that budget's going to be around \$50,000.

Mr. Digregorio: But don't know if you're actually going to have savings on that budget, you only know that those two items are not going to be in there, the chemicals and the additional person.

Mr. Gagnon: The costs for everything goes up, we have a labor agreement, so we know that our labor is going to go by every 2 percentage for the Collective Bargaining Agreement, we know that costs for everything generally tend to creep up and are generalizing how much that is going to be, but that chemical line item is absolutely gonna drop by \$1500,000, or whatever, \$140,000. So that is, I can't give you number cause I don't have the budget for next year, but I know that \$140,000 won't be in there and the cost for that additional employee which would be between 60 and \$75,000 won't be in there.

Mr. Bamsey: But we wouldn't pay for that employee any way unless we agreed to it.

Mr. Gagnon: It's in the IMA, you have to. He's a wastewater operator and he's responsible for ...

Mr. Bamsey: But it states in the IMA, "Any changes in the above budget has to be approved by both Boards. So, what I'm saying is if we vote not to approve that, we would not pay for that.

Mr. Gagnon: So in the IMA, you look at Appendix C

Mr. Bamsey: That's what I'm looking at.

Mr. Gagnon: So you look at, you got Plant Manager, Lab Tech/Chief Maintenance, and Plant Operator, so what we would have probably done is brought on another Plant Operator and your responsible for 90% of the cost of a plant operator position.

Mr. Bamsey: I would disagree with that because that would be an added position, these are all singular positions, it doesn't say two plant operators or three plant operators.

Mr. Gagnon: And I would argue that if you need two plant operators to operate the plant than that's .... Then you tell them, "You know what, you don't touch anything that comes from Conway Village that comes through here. If there's any of that that swill out there we'll make sure we separate it, make it sure it doesn't mix and you won't touch anything.

Mr. Porter: You can't do that

Mr. Gagnon: The Plant operation is a shared thing, you can't break that out.

Mr. Digregorio: But going to the two screw presses you're not going to need that extra person so I don't think that extra person is part of the conversation right now. You're not doing the third person or the second person, so.

Mr. Gagnon: Because we did the project.

Mr. Digregorio: Right, we're more than happy and feel obligated to participate in the two, it's the cost difference, even though you save money, it's the cost difference between the two and the three that I think is in dispute. It is how do we figure out how to deal with that difference cause to us, it's a lot of money and we have to figure out what exactly what the bottom line is for our people.

Mr. Gagnon: Well, think about it this way right, so assuming that the third press, if it really truly is optional, I don't believe it is, but if it really, truly was optional, we said hey, we got some extra money let's get a third press, so what are the benefits of that versus the cost and that's what I had to sell my Board on right, what are the benefits of that versus the cost if you don't pay for it if we decide, you know what, you don't have to pay for it. Well, what it is it means that the additional, the other two presses, their life span is going to be extended by 50%, so, you pay for those two presses and then for the other 50% of the life span you have essentially paid for that.

Mr. Digregorio: I don't think anybody's disputing that it's a good idea to do three. You guys have the money to do whatever you want, we don't, that where we're falling apart here.

Mr. Gagnon: I get where you're coming from.

Mr. Digregorio: We have the highest water and sewer rates in the state. We have a tax rate that we spent a lot of time on trying to fix and we're trying to keep things under control. We cannot just go out and buy stuff because we want to. We have to keep it to what we have to.

Mr. Gagnon: Our tax payers and rate payers cannot subsidize you because we feel bad about that.

Mr. Digregorio: I don't believe your subsidizing us.

Mr. Bamsey: You're not subsidizing us.

Mr. Digregorio: Your adding a third press that we don't believe is needed. Even your own plant manager didn't think it was needed.

Mr. Gagnon: When you get that extra benefit, you pay for two presses and they last 50% longer, and you don't have to pay for them to be replaced as early as you have had to if we didn't do the third press, that is a benefit that North Conway tax payers have then paid for that you are enjoying so technically they have subsidized the Conway Village Portion of that extra device.

Ms. Nelson: You know, I think to give you an explanation, and I think it's absolutely relevant, the bottom line is, we have an agreement you are going to pay a certain percentage of improvements and so on. We have a project that was cost out and at a certain amount of money now this 3., what was the cost of putting in the press? I mean what was the funds we were gonna get, what was the amount? (Mr. Gagnon: the original project amount?) Yes the original project amount. (Mr. Gagnon: 3.55) Okay so it is 3.55 million. So you were gonna pay your percentage of that 3.55 million, we didn't increase it. You're not paying for 3.65 million your paying for the original amount right from the beginning, we haven't added to that at all, so if, I mean, you had to go your votes and let them know this was coming up. (Mrs, Snow: no) You didn't? You didn't let them know.

Mr. Digregorio We don't have to let them know about rehab and maintenance is part of the contract that we're obligated to (Ms. Nelson: its part of the contract) but upgrades for what would be considered change or luxury or however you want to word it.

Mr. Santucio: It's a capital improvement is what it is.

Mr. Digregorio: On maintenance is what the IMA is talking about.

Ms. Nelson: So is this going to be an issue in the future also, every time we need to make an upgrade? Is this going to be an issue?



Mr. Bamsey: It could be. Absolutely.

Ms. Nelson: But we have a contract.

Mr. Bamsey: Absolutely. We're not saying we're not going to stick to the contract but there's definitely a difference in opinion, right now, in the interpretation of the contract in regards to what we feel are obligated and warranted to pay and what you are charging us for. So again, if you look at this contract on the first page there are several paragraphs that specifically state wastewater conveyance, that's it.

Mr. Gagnon: that was the, there are other things

Mr. Bamsey: This is only for wastewater conveyance, the warrant article that was passed by Conway Village was originally was for wastewater conveyance, and I believe your warrant article that you passed also said for wastewater receiving, wastewater conveyance. So your voters passed a warrant article, our voters passed a warrant article both of them used the terms wastewater, not septage.

Mr. Porter: What's septage?

Mr. Bamsey: Septage comes in a truck, that the difference, we're talking about pipes in the ground; we're only talking about that piece.

Mr. Gagnon: So if you back to DES's requirement that we're supposed to have three anyway then it solves the whole problem. We just got a waiver that we probably shouldn't have gotten. We got it because we didn't think we could afford the third press.

Mr. Bamsey: And like I said, we never heard that information.

Mrs. Snow: Do you have that, that requirement?

Mr. Bamsey: Well, we haven't and it's not good communication that we haven't heard about that before now and we request all that DES information.

Mr. Gagnon: I can get you a copy that and the design information. Where all that was talked about.

Mr. Bamsey: Absolutely

Mr. Gagnon: I just want to talk about your point about septage and that the warrant articles weren't about septage so not just about wastewater why do we even share septage revenue if it wasn't part of the article.

Mr. Bamsey: That's the way the contract was written up, I don't know.

Mr. Gagnon: Why do you share in the cost of repair and refurbishment, that's just the way the contract was written up.

Mrs. Snow: I have some insight on that Steve. The reason that we share in the revenues is because of Appendix C. They broke the percentage of time that people spent, spend on wastewater treatment and it was difficult for David to say, well the sewer foreman, does he spend 80% of his time on wastewater and 20% septage some days and other days it's different. We pay 100% on his salary and he does both so because we are also paying for that, that's why we get our percentage of the septage, because they didn't break out what, the billing person bill for septage and sewerage, we didn't break out what your foreman spends, how much time he spends on septage and how much time he spends on wastewater, same thing with your lab tech and your operator because they do both. So we pay 100% and some of the work they do is for septage, that's why when they wrote this up they said well will give you some, we'll give a percentage of the septage receival because you're paying for the "O&M" for septage receival.

Mr. Gagnon: So none of us are lawyers here, thankfully, and let's get back to where we started. This was a cooperative agreement between two communities. Both communities thought would mutually benefit each other. There's a certain amount of trust that goes both ways, and when this Agreement was signed and you agreed, and we both agreed that we would share the cost of rehab and refurbishment projects, in good faith, knowing that we were not going to make decisions for this plan just because oh well, Conway Village is paying for part of this so let's oh go get some money out of them. Our tax payers... When we made the decision for the third press because we then found it was available in the budget, the existing budget, that wasn't made cause, oh great, let's do it while Conway Village is paying for part of it. That was done because we made a conscious decision that it was in the best long term financial interest for reducing operating costs at the plant that benefits us and it benefits you guys. If it's not going to be a two way street about supporting those kind of decisions that, you know, that's my job, is to reduce costs, reduce long term costs every year, it's not to try and pass on as much cost and put people in a bad position, so we made that decision, we made it because it's gonna benefit both of us in the long term. If one of us is picking and choosing what we think is appropriate and what we don't think is appropriate based on what we think, you know, we feel like paying for, I don't think, that's not cooperative any more.

Mr. Digregorio: I think that is a bad characterization of what we're trying to tell you. We cannot afford to just pick and choose what we want as opposed to what we need, we don't have that luxury and, you know, even Dave had said North Conway will do the improvement anyway because it makes economic sense for them. So he at that meeting said regardless of what we choose to support or not support you guys are going forward to do your project, just like you are now, I mean you made a vote to go to three rather than two. You can certainly stick to two and, I mean it's stupid now, but if you chose to go to two we probably wouldn't even be having this discussion because we feel obligated that we have to participate in the two. It's the third one we're talking about and David had said he's going to do it anyway whether we support the project or not.

Mr. Porter: You what hurts is that David's not here to defend himself (its right there) I know but still that's piece of paper.

Mr. Digregorio: I mean, Dave came to us, Daves a great guy, a good friend, we had a great conversation, he told us what the issues were, we understood you were going to this new type of design, he told us what the numbers were and it doesn't matter whether the numbers then and the numbers today are saying, its, he was talking a needs base rather than a wants base. He had made the decision that, that they couldn't do the third press because you guys couldn't afford. When you made that decision to get rid of the third one is where we are today, we can't afford to do a want as opposed to need. You guys made the decision that you can afford that.

Mr. Gagnon: It's not a want though, it's a, it's a...

Mr. Digregorio: Can you do the project with two and make it last for 20 years until our debt is paid for.

Mr. Gagnon: Will it cost more in the long run, yeah.

Mr. Digregorio: How's it gonna cost more in the long run?

Mr. Gagnon: Because it's life expectancy is less than the presses.

Mr. Digregorio: You can't guarantee that those things are going to be working in 30 years anyway.

Mr. Gagnon: I can't guarantee they'll be working tomorrow.

Mr. Digregorio: But my point is they have a life expectancy when they're put in and what I'm trying to say is, when our debt is gone we can do the same thing you guys are doing but between now and then we have to be really careful how we go forward. This contract could last 100 years for all we know and our debt won't. And when we get to the point when our debt is gone we can all sit around and be happy about upgrades. But between now and then we got to be careful, you asked if we are going to have this problem every time you want to do something, we have to have the discussion because we don't have the money you guys have. Think of the difference in your assessed value.

Ms. Nelson: But your also paying a much smaller percentage.

Mr. Bamsey: That's not... you don't understand about our debt. You think we're fighting against you. We're not fighting against you, we're fighting for our tax base. We have a very different tax base and we have a very different, in some places, a very different resident structure than what you have here, then the people you serve here. So, we're not, I know that we might seem confrontational but we are not going to pay anything that we don't feel we are absolutely have to or are obligated to pay because it goes to our tax base and those are the people we are making this for, so, like I said, at that last meeting when you came in and said the cost was going to be \$75,000 that was huge and you can say there's cost savings and I get that, okay, I get that, yup we're not paying that chemical cost, but that's still a brand new \$75,000 bill. And so that is why we are going to go over this with a fine toothed comb and we're gonna, and we are, we really got to look at every dime we are spending.

Mr. Gagnon: I certainly understand where your coming from and why that's important but, your interpretation of the IMA I don't believe is correct and we've , you had guys look at, we've certainly had our people look at it and if the history of those people plays out we're probably going to be right on this and we'll spend a lot of money that shouldn't be spent trying to decide whose right and in the end it's just going to hurt both of our tax payers.

Mr. Digregorio: I don't think we need to sue each other if that is what you are referring to, I would think that there's gotta be a way that we can figure out the difference between the second and third press and figure out how it's paid for. You got someone who has told us you were doing this project no matter what, so, let's figure out the difference of the cost and if you guys can take that debt then take it on. You know you say your subsidizing us but we gave you four million dollars to buy into this thing, you know that's gotta be worth something, you know, when you didn't have to do anything to expand and take that stuff in, Now that's water under the bridge, whoever negotiated it that's how they negotiated but that's a lot of money when you didn't have to do anything to expand.

Mr. Gagnon: Lower Bartlett's probably going to be coming on in the next five to ten years and when that happens your share will be reduced as it says in the IMA but another thing that we have to be very cognizant of, if we allow this IMA to be interpreted as you get to chose which portions of projects you think are payable and what are not, how is that going to affect what happens in the future when other municipalities tie in. How is that going to affect our credibility with our tax payers when we say don't worry, their paying for the first 20 years but after that we're picking up the tab for the extra life span of these presses.

Mr. Bamsey: Well, what you do with your tax payers is what you do with your taxpayers, okay, so, we're not, again, we're not trying to be picking and choosing but we are trying to do two things; 1. Go by the warrant that was passed by our voters and 2. We are trying to stick to the IMA and yes, we definitely have a different interpretation of what the IMA says in regards to repair and refurbishment. Okay, so as of right now we see it differently. I am not saying that we're right, what I am saying is right now we see differently. Like I said, I think we would like to get those documents from DES regarding the two and three screw presses, all communications that you have with them in that format, so whatever you have, I think we need to also have on our file so we can contact DES as well. And again, I'm just going to reiterate this, we're not trying to fight you but, we do have to be very careful with the money we're spending, you know, we are trying to create a bare bones budget right now this year, unfortunately that's still going to go up just because of insurances, we make absolutely no additions and our budget is still going up. So, like I said, we're fighting for the taxpayers on this.

Mr. Digregorio: What is the difference in cost between the second and third press, do you know that off hand?

Mr. Gagnon: Yeah, it's just shy of right around \$500,000

Mr. Digregorio: And if that's the calculation because (paper shuffling) had you done any calculation between that second press and the third press as to what you'd be paying had you not

Decided to do the third press, what you have been paying.

Mr. Gagnon: I haven't done that calculation but if you want a simple ratio and you take out that from 3.5 million it's like 1/7, you take off 1/7 of the project cost \$500,000 is about 1/7 of 3 million dollars. So.

Some side conversations ensued.

Ms. Nelson: Do you have the revenue that you'd be getting in that project also.

Mrs. Snow: Only what David said at the meeting.

Mr. Bamsey: No I don't think we have the revenue.

Ms. Nelson: That determines the bottom line.

Mr. Digregorio: It absolutely does, we're taking all that into account, but the numbers that we're seeing and projecting is an additional \$75,000 dollars to our tax base, not including what would normally increase the budget, so.

Mr. Gagnon: So our total payment, again these are just rough estimates, but assuming the total payment is \$220,000 in the first year then you take off 1/7 of that, the total payment would be \$190,000 so it's a \$30,000, again, totally rough number (Mr. Digregorio: I'm trying to hold you to anything, just) and so your share of \$30,000, so a \$30,000 difference times your share which is estimated at 35%, it's a \$10,000 dollar difference, in year 1, and as the years go on it gets smaller and smaller because the payment gets smaller and smaller every year so year two is \$205 total, year three is \$202, year four is \$199, year five is \$106. So in year one it's \$10,000, that's what the real difference is between that third press and not that third press.

Mr. McDonald: If I may, right now we are only using 50% of our capability for dewatering, we got an extra tank sitting there empty that we can't use so that third press will tie into that third tank for us and also give us extra redundancy for a third press if one goes down cause it's hard to dewater all the solids with one press.

Mr. Gagnon: Right, which is why DES requires three.

Mr. Digregorio: Listen, I said this earlier, let's just say that our legal opinion is wrong, I'm not doubting that what you guys are doing is the right thing; we just have to figure out how to pay for it, and, and, we've spent since I have been on the board now for going on four years, it's been heartache to get to where we are now. We were closing up on \$5.00/\$1000 for our tax rate.

Mrs. Snow: We are now where North Conway was 30 years ago when you built this plant.

Mr. Digregorio: All we're trying to do is get through these payments without burdening yeah, you know it's Conway Village and people aren't moving in there and doing things like they are in North Conway, wish they were. I wish we could out how to get Lowes to move to Conway.

So, we have to work through some stuff. I'm not sure what the next step is, I'm not sure if your attorney should talk to our Attorney to see who's right and why one came up with one opinion and one came up with another; I'm not sure what's the best way to go.

Mr. Gagnon: I'm not sure if they would do anything other than each try to convince the other that they were right.

Mr. Digregorio: Well they could, maybe one's right and one's right, I don't know, maybe we certainly have to go back and get an opinion how we're going to handle this. Perhaps you guys have to go back and figure out, when you made that choice to go to the third press instead of the second press, you know, did that change, you know, I doubt that, and I say this with all respect, but that anyone studied the IMA prior to that vote, just like we didn't study the IMA prior to Dave coming in and supporting what he wanted to do. So you know, maybe everybody needs to reevaluate what they're doing. The third press is going in, it makes sense like Mickey (Glen) said you know, It's just a question of how to deal with it and I hope that we can come up with a collaborative agreement on we deal with it.

Mr. Gagnon: That's important, like Amy just said, Conway Village is where North Conway was 30 years ago and the North Conway taxpayers made their sacrifices thirty years ago, I wasn't here then but I'm sure it wasn't easy, right, to get to the point we're at now. So yeah, we are luck in the sense that we can make financial decisions like this that are in the best long term interest and, I think when we put together this agreement I don't think either community wanted to have an agreement like this handicap either communities ability to do what was in their best financial interest.

Mr. Digregorio: But you made a statement earlier about subsidizing Conway, and perhaps maybe back to your voters when someone asks that question; Conway bought into this thing for 4 million dollars and when, when, let's say Rose is buying into tomorrow, you know they cut enough pipe out (.....) it's a big hotel \$90,000, it's part of the upgrade and improvements down the road that, you know, you're gonna handle whatever your buying, whatever that connection is you're handling it with that buy-in that they've giving you. We gave you 4 million dollars for our buy-in and your explanation to the voters on this third, the difference between the second and third press may be, they bought into, you know, us supporting what we're doing. You know, you see what I'm say, I don't know what the answer is back to your voters, but our answer is to our voter is we're trying to fight every single day to keep our tax rate from going back up. We fought hard to get it down and we're trying to keep it from going up, we're doing nothing this year because we're trying to stabilize our tax rate. As Steve said, what are going what (to Amy) what are we, going up \$0.18 this year or something, just on what we know right now? That doesn't include warrant articles?

Mrs. Snow: Well, the water and sewer is going up, probably a dollar a thousand.

Mr. Digregorio: So our water and sewer rates are going up too never mind the tax rate.

Mr. Gagnon: So what does that \$10,000 do to your tax rate, a half a cent?

Mrs. Snow: Well our, our. The way we are funded is different than you are. We don't have any sewer on our tax rate, just our fire department and these guys, everything is on water and sewer rates and we're at right now almost \$15.00/1,000 for sewer and that doesn't include water and that doesn't include the debt. They have a betterment fee that pays for the debt. Like Steve said, an average household pays about \$500 a month, a quarter or more; some are paying \$600.00 a quarter just for water and sewer and um, if I may John. (Mr. Santucio: yeah go ahead).

When David came and talked to us, unfortunately not all of it is in the minutes, but he did, he did specifically say if we choose not to participate, what exactly did he say, we would not be in the position to share in the 38% revenue, and that's against the IMA as well, and when the commissioners made their vote, they based it on what David said because we didn't have the IMA in front of them. So there were some things that were said and some votes that were taken that were not based on what the IMA is. Conway voters agreed to this, Mike, you were at that meeting, and I have to be honest with you, they were scared of North Conway, what's gonna keep North Conway to keep spending our money and spending our money, and this IMA protects us and it protects North Conway from us paying for upgrades to your plant. We don't pay for upgrades, we pay for repair and refurbishment, fixing things that are broken and keeping things in good shape. If you guys want to increase your, bring in Bartlett and do a big upgrade, from we could see in this IMA, that's not our responsibility, that's, that's on you guys and, I don't know it's a, I think there is a big huge difference in opinion in, on how to interpret this IMA but if you read it, nowhere does it say we're responsible for anything for septage, wastewater, wastewater, wastewater. You guys take, we're a customer we are a wastewater customer, we're not a septage receiver, we're not in the septage receiver business in Conway Village, never were.

Mr. McDonald: But at the same time your tax payers do deliver septage here, (Mrs. Snow: I'm sorry, I'm sorry) at the same time your taxpayers do have septage delivered here though that has a treatment cost to it and I think what we're looking at long term is what happens when DES shuts down land spreading, OK, we're gonna get more septage here from a lot of different taxpayers, so if we can keep the price of that down too, it's going to help them out in the long there.

Many people start talking.

Mrs. Snow: I'm not disputing that at all

Mr. Bamsey: But like I said, I taking back, just to the bare bones, we're talking about two things; specific interpretation of the IMA, okay, and like I said, we could be wrong about it, it's possible, but also, what did the warrant that was passed by our voters specifically state. Just like you, you did the exact same thing, your voters passed a warrant, their gonna hold you to the warrant that they passed, and that's what we're doing here; ours was a wastewater conveyance warrant, that's it. So that's apparently the sticking point that we still have to figure out.

Ms. Nelson: Alright, so are you saying that the agreement that we agreed to was different from what you brought to your voters and what they voted for on the warrant?

Mr. Digregorio: According to our Attorney they were one and the same, in fact the attorney's the one who pointed out the warrant article for the voters. We asked for an opinion, a couple of opinions, one was, even if we wanted to, can we participate in the third screw (Mrs. Snow: septage upgrades) septage upgrades and the IMA says, "No" and the warrant article to the voters says, "No". We cannot participate in septage upgrades. So, I think they do coincide with each other. Again, I 100% agree with what you are trying to do.

Mr. Gagnon: As a work of caution, if somewhere down the road we come up with the agreement that you're not responsible for the septage costs, that's where the larger share of the loan forgiveness is so there's a lot more real cost to be repaid due to the dewatering which is directly related. So you're taking free money off the table.

Mr. Digregorio: Well, we are participating in one and two without any question, right?

Mr. Gagnon: So we have 20% principal forgiveness on all things related to septage, we have 12.5% principal forgiveness on the rest of the project.

Mr. Anderson: We have a rough figure, I'm sorry to interrupt, I believe it was August 21<sup>st</sup>, you came by and I think that is when you presented the project and I'd asked you for a break down, you know what percentage is gonna be dewatering and what percentage is going to be septage so we can have kind of an idea and it was 2.1, 2.2 million for dewatering and 1.3 for septage was the breakdown at that point.

Mr. Gagnon: That sounds about right.

Mrs. Snow: That's from the letter you sent us.

Mr. Anderson: You know, if we're throwing numbers out there, that was, that was what we were given.

Mr. McDonald: The question I got is if the project voted on the 3.2 million dollars for two presses, two screw presses.

Mr. Gagnon: It was voted at 3.55 million.

Mr. McDonald: 3.5 million, let's say the project ended at 3.5 million with two presses, would be having this conversation?

Mr. Digregorio: With two presses, no.

Mr. McDonald: And the cost to you would be exactly the same.

Mr. Digregorio: Exactly, it's not a question of the maintenance.

Mrs. Snow: Well no it is, it's the septage piece.



Mr. Bamsey: No, no, no. You're absolutely right, if the screw presses were to come in higher than what was presented, absolutely, we'd have to pay it because it is repair and refurbishment as outlined in the IMA.

Mr. Porter: What he is trying to say is three is coming in at the same total cost you thought two were. So it isn't a case where we spent more money.

Mr. Digregorio: It's not about the money.

Mr. Bamsey: It's about the IMA and the warrant.

Mr. Digregorio: We don't believe it's about money.

Mr. Tim Andersen: You were just talking about the taxpayers not being able to afford it. So it is money, it's all money.

Mr. Digregorio: But one was forced to do and one essentially is a want to do.

Mr. Andersen: So they put in the third screw press which you are saying the IMA means you have to pay for it, I'm not even going to dispute that, I have no idea, he's given you rough numbers that in five years it's gonna reduce your cost on that end of it to zero in the sixth year your gonna be making money on it, not costing you money, it's saving you an employee's cost it sounds like to me your biting off your nose to despise your face here.

Mrs. Snow: I don't know if it's even the third screw press, it's anything related to septage.

Mr. McDonald: But you can't run the plant without the septage.

Mr. Digregorio: They've been doing septage and we've been paying for it now.

Mr. Andersen: You can't run the plant without it

Mr. Bamsey: You can't? So if no septage was ever delivered here again, this plant wouldn't run?

Mr. Andersen: Well you have chemicals you'd have to buy

Mr. McDonald: You need the BFAs, the Phosphorus.

Mr. Gagnon: The way this plant operates, if needs food, we don't get enough from our waste water.

Mr. Bamsey: What we're saying is, the way things are written up legally, we can't pay for any septage upgrades.

Ms. Nelson: Are you saying you can't pay for any of the presses?

Many people speak at the same time.

Mrs. Snow: Two of the, they replaced the plate presses.

Mr. Digregorio: We're not saying that at all.

Mr Bamsey: There's wastewater and there's septage. See, in your operation, you married the whole thing together, ok, which I get, alright, but we are only paying for wastewater conveyance.

Ms. Nelson: But you're getting revenue from both.

Mr. Bamsey: Yes, well you don't get revenue from wastewater conveyance, you get revenue from septage.

Two people talk

Mr. Digregorio: That's because of the employee we pay that deals with that (Mrs. Snow: **employees**) that's why the broke it out that way.

Mrs. Snow: Cause we pay 100, 100% percent for the plant manager and he does both.

Mr. Bamsey: So I could just throw this out on the table, we could always open this back up and renegotiate some of this and take the septage piece completely out of the picture.

Mr. Gagnon: That would be a more source of revenue to us.

Ms. Nelson: You'd be losing out in the long run.

Mr. Snow: Our costs would go down.

Mr. Bamsey: Our costs are so high right now, I know you guys are saying, five years down the road, ten years down the road, twenty years down the road, if you can't afford your mortgage right now, or your taxes right now, you don't care about ten years down the road, and we have residents who are in arrearage, have been in arrearage, they set up payment plans and they are never going to escape being in arrearage because our costs are so high. They're not looking ten, fifteen, twenty years down the road they're looking to next quarter. So, again, that's the difference between North Conway and Conway, you can joke about it, more revenue for us, whatever, we're trying to keep these people in their homes. So, like I said, I'd be happy to open this back up, we can look at the personnel, we can look at everything else and come up with some other type of agreement.

Mr. Digregorio: We could throw it away and merge, then we don't have to worry about any of it.

Many people talk

Ms. Nelson: I don't think that's work.

Mr. Digregorio: It should work, it should have been done a long time ago, it should have been done before we had debt just so you know, then everything would have been even.

Mr. Bamsey asked to get the documents and Mr. Gagnon said he would get them out tomorrow.

Mr. Digregorio: We'll get some stuff ironed out, this is the first time we've had discussion since it was created, so. Maybe there's some hiccups going forward and again, like I said had everybody studied the thing prior to your vote and prior to our vote the day David showed up, maybe we wouldn't be sitting here having this disagreement because we would have figured it out before, I don't. None of us did study that the way we should have. I was totally against it when it was voted on, not because I didn't want to be in it with you guys but I actually wanted to hand you the keys, so. You're e lucky you have a great tax base; you have a lot of support. We certainly get a lot of support in our village from our people but their hurting and we have to be aware of that.

Mr. Santucio: Well we wouldn't have the great tax base we have if we hadn't built the plant.

Discussion ensued regarding the NCWP plant and the dedicated crew and a beautiful plant and the importance of working together and maybe some day merging.

Conway Village left the meeting at 6:15 p.m.

Respectfully submitted  
Amy Snow, CVFD Municipal Bookkeeper