

APPROVED
MINUTES OF THE SPECIAL MILFORD BOARD OF SELECTMEN MEETING
July 6, 2009

PRESENT: Tim Finan, Chairman
 Gary Daniels, Vice Chairman
 Mike Putnam, Member
 Katherine Bauer, Member
 Nate Carmen, Member
 Guy Scaife, Town Administrator
 Darlene J. Bouffard, Recording Secretary

1. CALL TO ORDER. BOARD OF SELECTMEN INTRODUCTIONS & PUBLIC SPEAKING

INSTRUCTIONS: The meeting was called to order by Chairman Finan at 5:30 p.m. who welcomed those in attendance to the Board of Selectman special meeting. Following introductions of Board members, Chairman Finan led the audience in the Pledge of Allegiance. Chairman Finan noted that those people in the audience who want to speak or add to the discussion should please go to a microphone in order to be heard on the PEG Access live broadcast.

2. APPOINTMENTS:

5:30 p.m. — Hydro-electric Power (McLane Dam). Mark Wamser, Gomez & Sullivan Engineering, presented the results of the feasibility study on the McLane Dam. Mr. Wamser indicated an application for a preliminary permit was filed a couple of months ago at which time he was asked to look into some things and also look at the funding; Mr. Wamser's background is in licensing of hydro-electric projects. In the early 1920's, this dam operated as a hydro facility generating 200 kwh. The proposal being reviewed is quite a bit more than that. The licensee, NE Hydro-development, got a license back in the early 1980's but surrendered it for economic reasons. On March 4, 2009 NE Hydro-development LLC filed a preliminary permit application and on June 10, 2009 the town was granted intervener status. Bill Fitzgerald asked who is NE Hydro-development LLC? Mr. Wamser explained that Jason Hines took over for Norm Hebert who originally got the license, but now Mr. Hebert is back in charge of NEHD LLC. The applicant is required to provide documentation to the State and hold a site visit and public meeting. The town then can submit a letter stating what is required to evaluate the impacts. The applicant would then respond to the requests and another public meeting would be held. FERC must approve the final study plans. Mr. Wamser indicated the applicant has two options: Alternate A would generate approximately 1,400,000 kwh/year and Alternate B would generate approximately 1,900,000 kwh/year. Mr. Wamser identified a sub-option A1 (with no flashboards) that would generate 1,012,000 kwh/year and sub-option A2 that would generate 1,491,000 kwh/year. Some ball-park revenue numbers would be Option A: \$119,990; Option B \$162,990; Option A1 \$91,080 and Option A2 \$134,190. The revenue generated with hydro-power could be anywhere between \$80,000 and \$162,000. The estimated cost for development is between \$2-\$4 million. The feasibility of this project study should be done by the developer, especially if a lease agreement will be entered.

Selectman Bauer asked how long is the process to have the studies done. Mr. Wamser said it is a three year process; if a license is granted, the studies would need to be done in the summer, probably in 2010. If a study is done that shows the fish need protection, it will affect how much power can be generated through the site. The whole process is at least three years, then they can re-apply, but it opens up the site for competition. Municipalities have preferential treatment. Selectman Putnam asked if the town does not want anyone to build there, are there any regulations that can prevent it? Mr. Wamser answered that if a license is obtained, there could be eminent domain proceedings. It is a long drawn out process. Vice Chairman Daniels asked if, once the permit is applied for, is the competition shut down? Mr. Wamser said yes, since it gives them protection to study the site. Bill Fitzpatrick said this is the same company that came in years ago, can they use the same data as before? Mr. Wamser said they will have to start the whole process over again. Mr. Wamser went on to explain that the flood of April 2007 was a 50-year flood. Bill Fitzpatrick asked if the flashboards will be the old- fashioned ones or new ones that are hydraulically lifted? Mr. Wamser did not know, and stated there are wooden ones that are cheaper or there are rubber ones that sit on the dam to hold the reservoir up high and can be deflated, but those cost a lot more. Bill Fitzpatrick noted that the calculation should account for the actual flow. Mr. Wamser agreed that at certain times of year the flashboard would not be on.

Selectman Bauer indicated that on page 2 of the report, it states that raising the impound level of water indicates the increase in water level would affect the wildlife habitats. Mr. Wamser explained whenever there is a dam, the water temperature increases. The fish need oxygen to breed and because the oxygen is near the top, breeding depends on how deep the reservoir is. Guy Scaife stated there was concern in the tone of the letter from the Department of the Interior and it seems they are opposed to this type of project having an adverse affect on the wildlife. The original

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permit required a fish ladder, so it is felt the ladder would be required with the new application. Mr. Wamser said FERC has authorization, if they say a fish ladder is required, it must be done; FERC cannot be trumped. He does not know if this developer decides not to pursue this endeavor, whether the town may be asked to put in a fish ladder. FERC would require it for a developer, but probably not for the town. Mr. Wamser said this is the developer's decision and they need to make their own determination to go forward; he does not know their financial backing. Guy Scaife asked what the complexity of a hydraulic model would be. Mr. Wamser said for this project it would cost about \$10-15 thousand, but it depends on how detailed the FEMA information is and what they have available. If the developer is asked to do a flood analysis, they would need to do a hydraulic model. They need a plan, possibly with topographic information. Vice Chairman Daniels asked if there is a certain height that would require a fish ladder. Mr. Wamser answered there is no minimum height and that would depend if there are flashboards, which causes more power generation. If the town went forward to study the removal of the dam, Chairman Finan asked while this application has already been submitted, would that affect the applicant getting a permit. Mr. Wamser said if the town said they were looking into dam removal, FERC would look at that and so will the applicant. There is a snowball affect with removing dams; local support makes a difference.

Chairman Finan asked for any additional questions. There were none. Chairman Finan thanked Mark Wamser for the presentation.

6:30 Water Commissioner Proposal. Walter Murray and Bob Courage, Water Commissioners, were present for this appointment. Rene Labranche presented the information and explained that the wastewater treatment plant has been evaluated and it was determined that it is too small and very ineffective. This proposal would create an opportunity for some surrounding communities to benefit from an expanded facility. The Water Department has been trying to reduce copper in the effluent. The process cannot remove all of the copper. It is anticipated that the new process would bring it down to 10 micrograms, where today's process is has over 20 micrograms. By putting in an expanded facility, the surrounding towns would be able to provide septage to Milford for processing. This would be a revenue stream from the surrounding towns. The location of the facility is proposed to be away from the administration building which is better for vehicle access. Through the economic stimulus funding, there will be forgiveness of 50% of costs. There would be an approximate revenue stream of \$100,000 per year. The pre-application has been submitted to DES to borrow the money. DES wants to see that the town has voted to spend the money. Milford is about four projects below the funding line, which means it is not funded at this time, but it is anticipated the list will be updated on Thursday or Friday this week. Last week applications were required to be submitted. Vice Chairman Daniels asked what is wrong with the Milford facility? Rene explained that the current facility is undersized. Many times the treatment plant will take in 3000 gallons and the full haulage can hold about 5000 gallons, so it is undersized for what is needed at this point and it is also not covered, so there is an odor issue plus the copper issue. Vice Chairman Daniels asked if the copper can be remedied without an overhaul of the system? Rene responded that the copper study done in 2006 identified ways to correct that, but one correction would cost \$10 million. Yes there are other ways to correct the issue, but they might cost more.

Bob Courage, Water Commissioner, indicated that the water system users were controlling it, but when septage loads come in, there is no copper correction to that, so it shocks the system. It comes in all at once. Vice Chairman Daniels asked how big is the holding pen? Rene answered there will be two, each with 15,000 gallons. Guy Scaife indicated the \$1.2 million project costs then go into an annual payment of \$82,000 on the loan, because it is part of the stimulus loan package. Rene indicated the way this is designed and all the calculations, the net revenue would be \$182,000 per year. Guy Scaife asked if that is revenue coming from surrounding communities? Rene said the additional revenue would be coming from the surrounding communities. Bob Courage added that Wilton would be assisting with the capital cost of the project with a 14% addition. Rene indicated a Special Meeting will be needed to appropriate the funds and put this before the voters. Special Town Meetings are allowed, which Rene noted is included in the packets everyone received tonight. The Town Attorney should be familiar with the Special Town Meeting process. It is Rene's understanding that you can go with the meeting rather than a ballot vote to expedite things. In order to be eligible for the loan stimulus money, these projects need to be shovel ready, said Bob Courage. The Water Commissioners attended meetings at DES and the commission authorized the design of this project. The project is ready to move if we get the stimulus money; it is not going forward at this time because it would be a large project that funding needs to be provided through the town. Chairman Finan asked if the project is put in front of voters in March, would that be too long to wait? Mr. Courage said it would be too long and that we have to be ready to move on it.

Rene indicated the intent is to get projects out there and stimulate the economy. They want the funds committed by January next year. Guy Scaife asked what is the deadline. Rene said there is a February 10, 2010 deadline and another deadline around September. Selectman Carmen said the sooner we are shovel ready, the better.

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Vice Chairman Daniels asked if a Special Meeting would require a majority vote of those present? Rene answered that the information in the packets addresses that. Selectman Putnam thinks the Board should move on this to get it squared away for taxpayers and it should be self-supporting. It seems the town will be responsible for it and Wilton will assist with the payments and the revenues will increase. Rene indicated on the proposal, the revenue figures were conservative. Further, Rene said he will know by this Thursday or Friday if the town needs a Special Meeting. It is best to have input from the State on the funding.

Selectman Putnam moved that contingent on word from the State regarding funding, the Board approve holding a Special Town Meeting for this proposal. Selectman Carmen seconded. *Discussion:* Vice Chairman Daniels asked if it will be a Special Meeting or SB-2? If it is SB-2 it would require additional meetings. Selectman Putnam would go with a Special Town Meeting. Chairman Finan asked what the recommendation is from the Water Commissioners. Mr. Courage said they would prefer the Special Town Meeting requiring a majority vote and only one meeting. All concurred to go with the Special Town Meeting requiring only one meeting and a majority vote. Motion passed 5/0.

ADJOURNMENT:

There being no further business to come before this Meeting, Selectman Putnam moved to adjourn at 7:00 p.m. Vice Chairman Daniels seconded. All were in favor. Motion passed 5/0.

Tim Finan, Chairman

Mike Putnam, Member

Gary Daniels, Vice Chairman

Katherine Bauer, Member

Nate Carmen, Member