

**TOWN OF FRANCONIA
PUBLIC HEARING
FOR WATER DEPT REQUEST FOR ARPA FUNDS
& WELCOME CENTER PROGRESS UPDATE
MONDAY, MAY 16th, 2022 AT 7:00PM AT TOWN HALL

BOARD MEMBERS PRESENT: Dan Walker, Jill Brewer, Eric Meth

The meeting was called to order at 7:02pm

Water Department Commissioner Kevin Johnson represented the Water Department and took questions from the public in regard to the Water Department's request for American Rescue Plan Act (ARPA) funds. He first explained that ARPA funds were given to towns by the federal government to aid in economic recovery from the pandemic. He said Franconia received about \$104,000 of funds and one way those funds are allowed to be used is for water system infrastructure improvements. Kevin further explained that a large water department infrastructure project was done in the village area of town years ago but the water system at Mittersill is in poor condition and impacts the quality of water available for those residents. He said that while the water department has tackled smaller improvements at Mittersill over the years, they are unable to raise the capital to address more significant projects, in part due to the town's water system having only about 300 users and because they are still paying off the bond for the project done in the village area. Before opening the floor to questions, Kevin asked residents to consider that access to clean, safe drinking water is a critical need that all residents should enjoy.

Jan Cole said that in order for water projects to qualify for ARPA funding, projects must fit under two Environmental Protection Act programs, and asked Kevin which programs the project qualifies under. Kevin said the project qualifies under the state's Drinking Water State Revolving Fund and the federal Facilities to Improve Drinking Water Quality program. Jan further asked what facilities would be part of the project to improve water quality at Mittersill? Kevin said this would be the removal and replacement of pipeline.

Michael Betley asked if ARPA funds can be used for projects that are already ongoing, what the anticipated cost is and how much work is left to be done? Kevin said the work and planning is constantly ongoing due to budget limitations and aging components and ARPA funds can be used in such instances, but it is difficult to anticipate how far funds will go due to fluctuating costs. Water department commissioner Jeff Bartlett added that the task of updating pipeline at Mittersill is in excess of 50% complete.

Carol Walker said it seems unreasonable to fund large projects in such small increments and asked what has been done to secure grant funding. Kevin said the water department is constantly monitoring available grant funding but many grants require a percentage match which is limiting for them and would cause rate payers costs to go even higher when their rates are already among the highest in the state due to the small customer base. He said the state is pushing water departments to develop asset

management plans, which would help them qualify for USDA grants, but this would also be very costly and that expense would also drive up water costs for system users.

Peter Grote asked if the board of selectmen have considered using ARPA funds to address the pressure issue with the town's fire hydrants. Selectman Meth said it has not been discussed. Kevin Johnson said he did not believe it would be a qualifying use of the funds as it would not be improving water quality for the community.

Russell Cumbee asked if there were any caveats to using the ARPA funds for such a project that could cause future financial issues for the town. Kevin said that the board of selectmen would be required to submit a report showing how the funds were used with validating documentation so the state can verify that the funds were used in accordance with the ARPA rules.

Monica Laflamme said there are many allowed uses for ARPA funds and asked the board of selectmen to consider using the funds for the EMS or fire department deficiencies the town is currently experiencing as these uses would be for the public health of the town as a whole.

Mary Grote asked for a breakdown of how many people at Mittersill would be served with this project? Kevin said perhaps a dozen homes, and that there are about twice as many users in the village area than there are on the system at Mittersill. Mary opined that the funds should be used for projects that would help a greater number of taxpayers. Kevin acknowledged that this would be a small project for the town and reiterated that qualifying for other funding such as grants is extremely difficult due to the water department's relatively small budget and inability to provide matching funds and this is exacerbated by time limitations involved with the grants.

Dawn Steele referenced the water departments operating budget on the warrant and asked if the \$95,000 slated for infrastructure improvements at Mittersill in their budget would be added to the requested ARPA funds or if the ARPA funds would replace the \$95,000? Kevin said the improvements planned at Mittersill for the \$95,000 have increased to \$135,000 due to rising costs. He said the water department also adapted their plan for this year's improvements because Eversource planned to run a line from Wallace Hill Road to the welcome center (going behind Peabody & Smith and the church) and it made sense to piggyback onto that project and finish water line improvements there so as to only dig up that area once. He said this used up some of the funds from their budget that were intended for Mittersill work. Dawn said those types of changes from proposed plans make it difficult for taxpayers to know where their dollars are actually going and suggested it may be a good idea take more time to consider the best use of the funds since the town has until 2024 to use them.

Jim Walker asked whether using the \$95,000 for something other than Mittersill improvements as that is what it was slated for in their budget is an acceptable use of those funds and if the water department was allowed to take such liberties with the money? Kevin said yes, they are allowed to do that and those types of decisions are made by the commissioners. Mike Betley asked why the water department just didn't ask for more funding for improvements in their budget so it could be discussed transparently at town meeting? Kevin said the water department develops their budget based on consistency of annual revenues and fixed costs and then makes considerations for unanticipated expenses/repairs and then considers funding for future capital improvements. He invited residents to attend the water department regular meetings during budget season to have a better understanding of what goes into

their budget development and the transparency of the process.

Jan Cole said from reading minutes of water department meetings, they have discussed using ARPA funds for the project since January, and that it seemed they were counting on receiving ARPA funds, prior to proposing their operating budget to the voters. Kevin said yes, the water department considered receiving ARPA funds while crafting their budget but was not certain they would receive them. Jan also said the town spent \$23,000 on welfare last year and that ARPA funds could have been used to offset those expenses. Chairman Brewer said the majority of welfare expenses last year were not from Franconia residents requesting assistance, but from others towns placing people in Franconia and asking Franconia to pay their hotel costs. She also said using the funds in such a way would have no long-term benefit to the town.

Virginia Mike suggested that since the town has ample time to determine the best use for the money, more public input should be sought and more hearings held before any decisions are made.

Monica Laflamme said that in spite of the water department being allowed to reallocate funds raised in their budget for one purpose to another, the ARPA funds are intended to alleviate issues arising from the pandemic and not to correct budgeting issues. She said the EMS responder shortage is a direct effect of the pandemic and asked why the town does not use ARPA funds to supplement EMS wages and attract more EMS responders. Chairman Brewer commented that applying one time use funds towards long term problems can sometimes cause issues with sustaining that funding in the future, therefore yielding a short-term fix.

Selectman Meth said the town is working on addressing both welfare and EMS issues with long term solutions such as shifting welfare administration to the police department and incorporating Littleton EMS into the town's EMS response.

Dr. Ginny Jeffryes commented that she supports using the funds for water infrastructure improvements and that using it for welfare expenses could become very complicated. She also stated that the water department is basically self-funded and their budget is paid for primarily by rate payers. As she needed to depart the hearing early, she said she also supports the welcome center project and does not understand why some have seemed angry about the project moving forward.

Kevin Johnson stated to the public that while he is there to answer their questions he has not yet spoken with the board of selectmen about the request for the ARPA funds and is there to communicate with them as well. Addressing the selectmen, Kevin said that the water department's request for the ARPA funds would be a long-term investment in the town with benefits spanning 50 years or more into the future, that the water department is being diligent in looking for other avenues of funding and managing their finances responsibly, and through this request is being responsible to the customers they serve.

John Brooks commented to thank the water department commissioners for their service and said that he has been asking questions for weeks and seen no lack of transparency. He furthered that in regard to issues of transparency, it can impede progress to try to micromanage those elected officers who were elected to make those decisions in the first place.

A resident expressed concern with nationwide water shortages in the future and cyclic changes in the water table and said he hopes those broader water issues are also a concern for town government.

Kevin Johnson invited any members of the public that may have skill in grant writing to contact the water department if they would be willing to assist with grant seeking.

Welcome Center Discussion

Town Administrator Cowles said that residents can see the welcome center construction is in progress. The walls and trusses were erected this week and the water main has been moved closer to the back of the property. Meetings with Conneston Construction have been happening weekly to keep everyone up to date and the project is going well.

She said the signed contract with Conneston was for \$419,000 and the portion for the water connection was \$38,500 and is coming out of the donated funds. Landscaping is expected to be about \$5,000, connecting the septic system is also expected to be about \$5,000 and paving from the end of the town hall parking lot to the welcome center building is expected to be about \$10,000, all of which will be paid for with the donated funds. She said \$100,000 was raised through taxation in article 19 on the 2020 warrant and in 2021, an article requesting an additional \$275,000 of funding through taxation was rejected by voters after many voters voiced concerns with the logistics of building the welcome center during the current market. Shortly after that town meeting the town was approached by the donor who offered to fund the welcome center project. The select board accepted the donation and the RFP was published but a favorable bid was not received. The RFP was redrafted and republished early this spring and the bid from Conneston selected. A somewhat aggressive timeline was then pursued so the project could be completed this year. She said the town is very fortunate to have people willing to invest so generously in the community and said Dow Park was also donated to the town years ago.

Michael Betley asked if donor funds can be used for the water line to Wallace Hill Road, but because the properties where the work would be done is not town property that answer was no.

Dawn Steele asked if there are drawings of what the building will look like that are complete with color schemes. Town Administrator Cowles said there are not. Dawn said she hopes the new building will blend well with the library.

Larry Plate asked if the paving of the ice rink would be paid as part of the welcome center project. Town Administrator Cowles said that would be paid from the ice rink expendable trust fund. Larry also said that he's heard discussion of the donor funding a footbridge over the river from the library the park and that he thinks it's a terrible idea and would ruin the view of the river.

Jim Walker commented that he does not think the welcome center project was legally authorized to proceed as the 2021 article didn't pass and the voter approved funds from 2020 would have expired and could no longer be used. The selectmen responded that this was broached with town counsel and they disagree with Mr. Walker, stating that the "no means no" law does not apply to donated funds and would not hinder the town from using the funds approved by voters in 2020 towards the project during 2022.

Jan Cole asked for clarification on what paving would be paid by donation and what would need to be paid by the town. Town Administrator Cowles said the donor will pay for the paving from the end of the

town hall parking lot (where the current chamber building is) up to the welcome center building. The rink paving will be paid with the Rink Resurfacing Expendable Trust Fund. Paving the town hall parking lot would need to come out of the highway department budget. Otherwise a warrant article would need to be drafted for 2023.

Russell Cumbee said it feels like the board is trying to get around the will of the voters and just because they can legally do something it doesn't mean they should if its not the will of the people.

John Brooks spoke to reiterate that the welcome center project has been a moving target and the board was elected to make decisions for the town and do what they think is in the best interest of the town, and credited the board for moving the project forward.

A resident asked what the plan is for funding the future maintenance of the building and asked the board to make considerations for larger ticket items that may come up in the future.

Peter Grote said the new building is much bigger than the former warming hut/bathroom building and will incur greater maintenance and upkeep costs.

Jane Brewer commented that while there are some vocal detractors of the welcome center project, each member of the select board was elected by a significant majority and most people support how they have handled this project. She thanked the board and Town Administrator Cowles for their work on the project, was joined by other residents that wished to thank the board which was followed by applause.

Jayne O'Connor commented that she has observed the the discussion surrounding the new welcome center over the past several years, and while she appreciates the thoughtful involvement of residents, hopes issues can be put to rest now, remarking that the town seems to have blossomed over the past couple of years and is moving in a good direction. She also said she would like to see the footbridge come to fruition because it would be a nice addition to the town.

Pat Garvin remarked that the footbridge was part of the town's master plan in 2008.

Dawn Steele remarked that she thinks there is sometimes a misconception that people asking questions are being negative towards the board or about a topic when they are in fact just information gathering and that some very good outcomes have been achieved historically when the public and elected officials have worked closely together on other projects.

The selectmen agreed.

With no further discussion, the hearing was adjourned at 8:39pm.

Respectfully submitted,

Jenny Monahan
Administrative Secretary