

Mount Washington Commission
May 15, 2009 Meeting Minutes (*approved as written*)
Mount Washington Auto Road, Visitors Center

Members in attendance:

Paul Fitzgerald, Public (Chairman)
Rep. Paul Ingersoll, Public
Jack Middleton, MW Observatory
Guy Gosselin, Public

Wayne Presby, MW Cog Railway (Vice Chair)
Keith Lannom for Wagner, WMNF
Howard Wemyss, MW Auto Road
Martha McLeod, House

Members absent:

Senator John Gallus, Senate

Walter Graff, AMC

Others present:

Scot Henley, MW Observatory
Peter Crane, MW Observatory
Randy Cooper, MW Observatory
Ken Rancourt, MW Observatory
Paula Shappell, MW Observatory
Tim Moore, WHOM/Citadel
Bob Perry, Citadel Broadcasting
Edith Tucker, Coos County Democrat

Anne Edwards, Attorney General's Office
Suzanne Gorman, Attorney General's Office
Director Ted Austin, Div Parks and Rec
Tom Mansfield, DRED Architect
Mike Pelchat, MW State Park Manager
Diane Holmes, MW State Park
Torene Tango-Lowy, Commission Clerk
Gail Scott, Berlin Daily Sun

I. Welcome. Chairman Paul Fitzgerald called the meeting to order at 10:05 a.m. Members and attendees introduced themselves.

II. Minutes. Mr. Middleton MOTIONED to approve the January 16, 2009 minutes, as written. Mr. Presby SECONDED; motion CARRIES.

III. Summit power update. Mr. Mansfield provided an update on Phase III of the electrification project. The project is on hold as the State terminates and settles its contract. Project completion is not expected by this season, as project monies are encumbered and cannot be released until contract termination is complete. A reasonable settlement will still provide enough funding for the project. The backup generators can still support the system. The AG's Office will look into alternatives in getting the project moving and will provide a written response to the commission within one week. The current electrification system has a tertiary backup for life safety services.

IV. Septic system rebuild. Mr. Mansfield reported that the fuel line improvements required by DES will be added to the septic project scheduled for this summer. DRED has obtained the DES permit for the septic work. The package treatment plant will be delivered in June; White Mountain Communications is the contractor for installation. Mr. Mansfield will coordinate the transport of the plant with Mr. Wemyss. The plant will have a backup system; the existing septic system will no longer be used, as compelled by DES.

V. Summit Master Plan. Subcommittee chairman Guy Gosselin provided an update. The subcommittee is adding specificity to the master plan, has identified problems with the existing facilities, and is considering pay stations for hikers. Consultation with a planning professional is needed, but a one-page rationale will be provided. An updated draft is targeted for September release. Ms. McLeod reminded the commission to obtain public and legislative input; and to consider statewide public interest, not just mountain-specific interests. Hearings will be held once a draft plan is received, but all commission and subcommittee meetings are public.

The subcommittee will recommend changes to legislation and will meet with DRED to define the relationship and authority of the entities. Discussion ensued. Attorney Edwards agreed that the

commission and DRED are entities of the executive branch. Attorney Gorman represents MWC and Attorney Edwards represents DRED. Disagreements between state entities are settled by the Attorney General, as is within her powers.

Mr. Moore is interested in legislative action to replace Mt Washington TV with Citadel as a member of the commission. Although the master plan subcommittee will recommend that particular legislative change, they will also have other recommended changes and anticipate their draft report in September. However, Citadel can choose to take action on their own. Mr. Wemyss MOTIONED to request that Senator Gallus or any other legislator bring forward a single-subject legislative change to replace Mt Washington TV with Citadel, or their assessor, as a member of the Mount Washington Commission. Mr. Middleton SECONDED. The motion CARRIES by unanimous vote. A copy of the minutes will be provided to the legislative delegation.

VI. Electrical power cost. Mr. Fitzgerald received several inquiries from summit power users regarding the State's increased rate. He suggests two options for followup: a) that the commission look into hiring a consultant to review the rate, to be paid from the Mt Washington Fund, or b) that the commission request the Public Utilities Commission (PUC) to provide technical expertise in review of the rate and to advise the commission. Mr. Fitzgerald reminded members that the commission holds an advisory role. Members discussed the enabling legislation RSA 227-B:9 regarding the Mt Washington Fund whereby the fund can pay the expenses of the commission. Director Austin stated that DRED formulated its rate parallel to the PUC's calculations for a rate base. Mr. Presby said the PUC is allowed a certain return on capital investments. Mr. Middleton asked how one would determine what an appropriate return on investment is.

Mr. Cooper asked whether the electrical project was funded by the capital budget or was bonded, and how much of the project was covered by the insurance proceeds. Such information would influence the amount of cost to be recaptured through the power rate. Ms. Holmes reported that a portion of the power line project was bonded in the amount \$147K, and that payments are billed annually against the Mt Washington Fund. Mr. Fitzgerald will followup on these questions with Commissioner Bald. Director Austin will followup with the PUC.

Mr. Middleton MOTIONED to have Mr. Fitzgerald investigate the hire of a private consultant to review the State's new electric rate. Mr. Wemyss SECONDED. Mr. Presby cautioned the commission that the consultant may find that the State could charge more. Mr. Moore asked whether cost recovery should be proportional based upon power usage and built into the rate, or should be level across all users. The motioned CARRIES, unanimously.

VII. Mt Washington Observatory lease. The commission can consult and advise DRED in the negotiations of leases pursuant to RSA 227-B:6, VI, (c). The Observatory and DRED have been in lease negotiations since the expiration of the previous lease in 2001. The Observatory has asked the commission to intervene. Mr. Fitzgerald suggests a subcommittee to help mediate the issues, and asked each party to summarize their major issues. Mr. Henley stated that a healthy State Park is vital, and that the Observatory: a) is a unique entity dependent upon its location at the summit; b) wants a longer term lease beyond the proposed five years with option for renewal; and c) wants to protect its interests as the only entity to conduct scientific research.

The Observatory has been on the summit since 1932. In the '80's, it moved out of its own building and into the Sherman Adams Building, which was built to specification for the observatory tower. The Observatory contributed \$200K (10%) towards the construction of the Adams building. Mr. Henley states that the State is proposing a more standard lease agreement, changing its relationship with the Observatory as that of landlord-tenant. Rather than rent, the Observatory proposes payment through the collection of contingent fees from the Auto Road and the Cog Railway. They will begin

collection of these fees on May 1, and hold the monies in escrow until the lease agreement is finalized. Mr. Henley reports that UNH now conducts its air quality research in the State's Yankee building, resulting in a \$10K loss to the Observatory. Mr. Henley provided a presentation handout.

Director Austin recognized the meaningful role the Observatory holds and stated that the Division is streamlining all its leases to realize market value and improve efficiencies. Attorney Edwards stated that the electric rate and payment terms are at issue. Under the old lease, the Observatory made utility payments only for its summer usage. The State proposes that the Observatory pay for its utility usage year-round, pay a 5% commission on its gross summit sales and fees, and provide a guarantee on the rent payment from the first dollars collected by the Observatory. A subcommittee was formed to act as facilitator in the lease negotiations between the State and the Observatory. Subcommittee members are Mr. Fitzgerald, Mr. Presby and Mr. Wemyss. Ms. McLeod advised the members that accountability is for statewide interests, not just summit-related interests or public-private partnerships.

VIII. Partner's reports. Auto Road Mr. Wemyss reports that the Auto Road is open to treeline and will be open to the summit on May 16. Cog Railway Mr. Presby reports that the Cog opened two weeks ago. The new engines will be online on June 15 with service by July; the steam engine will be used only once a day. The Cog will continue its cleanup efforts along the railway. Beginning July, they will offer extended service, where visitors can stay at the summit for one hour. Observatory Mr. Henley reports that the summit museum opens tomorrow. They received a NOAA grant to provide nationwide classroom connectivity and hope to generate student interest in the science fields. State Park Mr. Pelchat reports that the park will open on May 16 from 8-6 on weekends and 9-6 on weekdays, including its gift shop and concessions. The Tip Top House will be open on weekends from Memorial Day weekend through June, then open seven days per week. The repairs to the fiber optic line will include an inner duct system that can withstand ice events. Park staff assisted with over nine major, multi-day search and rescue events under NH Fish and Game's lead. WMNF Mr. Lannom reports that their new headquarters is in operation. The campgrounds will open this weekend. Federal stimulus monies are being used for trail work, in partnership with hiking clubs. Citadel Mr. Perry reports that they survived the lightening hit. The backup generators came up okay in response to the power outages. Maintenance will be important.

The next regular meeting is scheduled for September 11, 2009 at 10 a.m. Location TDB. The meeting adjourned at 12:10 p.m.

Submitted by T. Tango-Lowy.