

**CAPITAL BUDGET OVERVIEW COMMITTEE**

Legislative Office Building, Room 201

Concord, NH

Tuesday, January 24, 2012

**MEMBERS PRESENT:**

Rep. Gene Chandler (Chairman)

Rep. William Belvin (Clerk)

Rep. Ken Weyler

Rep. John Graham (Alternate)

Rep. Edwin Smith (Alternate)

Sen. Jim Rausch

(Convened at 3:00 p.m.)

**Acceptance of Minutes of the October 4, 2011 meeting.**

CHAIRMAN CHANDLER: The meeting of the Capital Budget Overview Committee will come to order or some sort of semblance of it. And we have the minutes of the October 4<sup>th</sup> meeting.

\*\* REP. WEYLER: Move acceptance of the minutes.

CHAIRMAN CHANDLER: Representative Weyler moves that the minutes of October 4<sup>th</sup> be accepted. Is there a second?

REP. WEYLER: You're the only other one here.

REP. BELVIN: Well, as the clerk, yeah, I think they're wonderful.

CHAIRMAN CHANDLER: Well, with that little footnote we will say that you second them, the wonderful minutes. It's been moved and seconded. All those in favor? Any opposed? Motion carries.

\*\*\* {MOTION ADOPTED}

**Old Business:**

CHAIRMAN CHANDLER: I guess nothing under Old Business, is there, that we know of. Nothing?

**New Business:**

CHAIRMAN CHANDLER: New Business, number 11-036, Glencliff Home.

REP. WEYLER: Question. Why is it so expensive to remove the old tank?

CHAIRMAN CHANDLER: If it's okay just give them a minute. Maybe they'll explain it. Give them one minute anyway.

REP. WEYLER: All right.

CHAIRMAN CHANDLER: Now you know -- you know at least what one question is going to be. So you can just identify yourself.

J.O. WHITE, Project Manager, Glencliff Home: My name is J.O. White. I'm Project Manager for capital projects for Glencliff Home. Just as a point of history, Glencliff Home is a psychiatric nursing home licensed for 120 residents. We're located in Benton, New Hampshire, about 25 miles northwest of Plymouth. We are completely self-sufficient as to electricity. We produce all of our own electricity with, right at the present time, with two diesel-powered generators and a small hydroelectric facility. We produce all our own steam with two No. 6 fired -- oil-fired boilers, hot water. We have our own sewer fields, and we have our own water produced by a 60,000 gallon spring-fed system augmented by two artesian wells.

Presently, we are out of compliance with DES administrative rules as to above ground oil storage. An

appropriation was made to bring us into compliance. That included replacing the single-wall putt filler pipes with double-wall pipes, covering the containment area which has to be 12,000 gallons and repointing -- repointing the concrete. The total appropriation was \$92,000.

At the present time we are constructing a new power plant. The power plant will include a wood-fired boiler, four backup propane boilers, and three diesel-fired electric generators. Also, we are hopeful to have some retro technology in that we will have two steam-fired steam engines that will produce electricity off of a generator.

Now, since the inception of the chip boiler, it was not necessary to replace the filler pipes for the No. 6 fuel oil and to put a roof over the containment area. However, to be in compliance, we need to remove the two 12,000 gallon tanks for the No. 6 fuel oil and remove the pipes and to clean the associated soil around it. DES gave us a waiver until we could decommission the entire system. The estimate that we got from a number of environmental firms to do that portion of the project was approximately \$40,000. That leaves 50,000 -- 52,000 in the appropriation.

Our request today is to increase the scope of the compliance of the aboveground oil storage compliance to purchase a code -- a tank that meets code so we can store oil for the new diesel fuel for the new generators at the new power plant.

CHAIRMAN CHANDLER: Representative Weyler has a question.

REP. WEYLER: We had a removal at the County of a No. 6 tank; and, of course, it has to be heated all the time to get that fluid to flow. So when it leaks it doesn't go very far because it's so solid. So how much soil is having to be removed from these big tanks?

MR. WHITE: I think the main expense is to dig the

tanks up and to dig the pipes up and to remove the two 12,000-gallon tanks completely off-site.

REP. WEYLER: Is there a reported leak?

MR. WHITE: There is no leak. No.

REP. WEYLER: So --

MR. WHITE: To our knowledge.

REP. WEYLER: -- the contaminated soil that you think is -- so if they don't run into contaminated soil it shouldn't be that expensive.

MR. WHITE: I don't think it's the soil itself. I think it's removing the pipes and removing the tanks.

REP. WEYLER: Are the tanks a pretty good distance away from where they -- from the boiler?

MR. WHITE: Well, the tanks are right next to the boiler room.

REP. WEYLER: Yeah.

MR. WHITE: And the tanks are approximately, I would say, 100 feet from the filler from where the truck stops and the tanks are filled.

CHAIRMAN CHANDLER: Have you put this out to bid or just got an estimate?

MR. WHITE: We just got an estimate.

CHAIRMAN CHANDLER: So you will be putting it out to bid.

MR. WHITE: Oh, yes, very definitely.

CHAIRMAN CHANDLER: Is there any salvage to those tanks? Is there a salvage value? I would think there would be but I don't know.

MR. WHITE: I have no idea, Mr. Chairman.

CHAIRMAN CHANDLER: Okay.

REP. WEYLER: It was two years ago, but it seems a lot more expensive than what we dug up for tanks. But I can't remember the volume, but it was heating the County Complex.

CHAIRMAN CHANDLER: These are huge -- that's two twelves. That's big.

MR. WHITE: Yeah.

CHAIRMAN CHANDLER: But they're above ground. You don't dig them up, right? It's piping.

MR. WHITE: No, but they're in -- they're basically in a room -- in a bunker with a concrete slab above them.

CHAIRMAN CHANDLER: Okay. Yes, Representative Belvin.

REP. BELVIN: Thank you, Mr. Chairman. For the electrical generation portion, the totality of the project, I'm sure you've evaluated -- I expect you have evaluated the purchase through whatever the electrical supplier is in that region of the state?

MR. WHITE: Yes, we have. We have talked to New Hampshire Electric Co-op and what the problem is is that there is no -- the third phase for the electrical wires would have to be strung from Warren approximately five miles and the cost we got from them in 2006, I believe, was \$400,000. Then -- it would do us really no good because since we are a licensed health facility, we need complete redundancy. So it would need the generators anyways. That's why we have the backup propane-fired boilers. And

also, we still would have to have the same amount of staff and we would have to purchase the electricity. And -- and our -- we have lost electricity once in the last 15 years for a period of about eight hours until we got a backup generator and the reason for that is that the roof blew off the boiler building and we were having sparks come out of the generator.

REP. BELVIN: Thank you. Thank you, Mr. Chairman.

CHAIRMAN CHANDLER: Representative Rausch -- Senator Rausch.

\*\* SEN. RAUSCH: I'll make a motion to approve.

CHAIRMAN CHANDLER: Senator Rausch has moved we approve Item 11-036. Is there a second?

REP. BELVIN: Second.

CHAIRMAN CHANDLER: Second by Representative Belvin. Any other questions or discussions on the issue? If not, all those in favor approving the item, say aye? Any opposed? Motion carries.

\*\*\* {MOTION ADOPTED}

CHAIRMAN CHANDLER: I forgot to mention, I apologize, that Representative Smith and Representative Graham are sitting on the Committee today. One Smith is replacing another Smith and another Smith has left. Just abundance of Smiths, I guess.

MR. WHITE: Thank you, Mr. Chairman.

CHAIRMAN CHANDLER: Okay. Thank you very much. Good luck up there. How we doing on that?

MR. WHITE: We are coming quite along.

CHAIRMAN CHANDLER: When is it going to be ready to start?

MR. WHITE: We are thinking we'll start testing maybe the 1<sup>st</sup> of March.

CHAIRMAN CHANDLER: Okay, great.

MR. WHITE: And needless to say, any of you people who would like to come up for a visit, we'd be happy to give you a tour.

CHAIRMAN CHANDLER: We could mention that. Have you been up -- have you ever been there?

REP. BELVIN: To drive by, and it looms as an enormous structure in a somewhat rural environment.

CHAIRMAN CHANDLER: I was going to say just when you drive by. I've been up twice to see the new power plant. I went to the groundbreaking and the other time they got it done.

Okay. Item number 12-001, Department of Employment Security. Good afternoon.

TARA REARDON, Commissioner, Department of Employment Security: Good afternoon. I'm Tara Reardon, the Commissioner of Employment Security, along with Ernie Liakas, our Director of Administrative Services.

We are requesting approval of a generator in our Nashua location. As you know, we are making plans to move our two Concord locations and the Manchester location into the Tobey School here. That will happen in about two months time. We have our computer center in Concord. Right now that will move to the Tobey School with us. Our redundant center is in -- our backup center is in Manchester. Right now that's a building we plan on vacating. So we're preemptively moving that computer backup

center to Nashua in another building that we own down there now.

CHAIRMAN CHANDLER: These are all Federal funds?

MS. REARDON: Yes.

CHAIRMAN CHANDLER: Any questions of the Commissioner? Representative Weyler.

REP. WEYLER: Yes, thank you, Mr. Chairman. Commissioner, I remember we approved a generator awhile ago. Are you vacating the building that had that generator installed?

MS. REARDON: Concord does have a generator at it and we will be vacating that building in a couple of years. We have generators at some of our other buildings also that are staying. Like we have done Somersworth and Laconia in the fairly recent past. We are maintaining those locations.

REP. WEYLER: Maintaining the ones that already in. How many more generators are you going to need?

MS. REARDON: None. We are done now. And we have one in Concord.

REP. WEYLER: We are abandoning the site that has the generator?

MS. REARDON: Here in Concord we'll be selling that building.

REP. WEYLER: But along with the generator. I'm wondering why we don't bid for the generators all at once.

MS. REARDON: We may. In fact, we're looking at the Concord generator to see if it's feasible to bring it to Tobey with us.

REP. WEYLER: Thank you. Thank you, Mr. Chairman.

CHAIRMAN CHANDLER: Okay. Any other questions? If not.

\*\* REP. WEYLER: Move we approve.

SEN. RAUSCH: Second.

CHAIRMAN CHANDLER: Representative Weyler moves we approve Item 12-001, seconded by Senator Rausch. Any questions or further discussions? Seeing none; all those in favor approving the item signify by saying aye? Those opposed no? The ayes have it. The motion is adopted.

MS. REARDON: Thank you.

\*\*\* {MOTION ADOPTED}

**LATE ITEM:**

CHAIRMAN CHANDLER: We do have a request for a late item. It is -- it's quite late. So if the Committee doesn't want to look at it we can put it off. Otherwise, without objection, we'll do it. Is that okay?

REP. WEYLER: I do not object.

CHAIRMAN CHANDLER: Okay. Department of Health and Human Services. You're up. Go ahead.

DONALD FICKEN, Director, Maintenance, Engineering and Transportation, New Hampshire Hospital, Department of Health and Human Services: I'm Donald Ficken. I am the Director of Maintenance, Engineering and Transportation at the New Hampshire Hospital.

The Department requests approval of design/build sprinkler process for replacement of the sprinkler system at the Acute Psychiatric Services Building at New Hampshire

Hospital. We do have a Capital Budget approved of 1.125 million to replace certain of the sprinkler piping, not all of it. And the nature of the work is fairly straightforward that requires a contractor to replace old and leaking pipe with new and clean and better material sprinkler piping. The -- I think the gist of this is that it does not require recalculation by a professional sprinkler engineer. Therefore, it's strictly a trade. It's a design/build to the extent that he plans his work, procures materials, but does not need to recalculate it. The pipe will go back in in the same size as is being removed.

Now, the reason this pipe corroded is that the -- being psychiatric health care, behavioral health, the systems in this space is populated by the patients is pre-action, meaning that there is no water in the pipe until, first, someone has to knock a head off, at which time the air is lost. And secondly, the -- there has to be a sensing of heat or smoke by one of the associated detectors. So with both being required, you've reduced the chances of flooding the building unnecessarily. So that's why the pipe is full of air.

Now, the air in the pipe, the pipe is very moist because the compressor continually compresses the atmosphere and the moisture condenses. So the pipe is always damp. Plus, any type remaining after it's tested or inadvertently released that remains in there so we have a perfect atmosphere for corrosion.

The type of pipe that it is in the larger sizes indicates that it's going to be the first to be -- to be corroded. The smaller pipe out over the patient areas, basically it's a smaller ratio of -- of interior volume to the thickness of the pipe. So it's not been problematic. So the pipe that we'll be replacing is largely in the administrative areas through which it travels in getting to the clinical areas. And I believe that summarizes the project here.

CHAIRMAN CHANDLER: Well, is there any way to not flush it out or open it up once in awhile, do anything that would help the corrosion part?

MR. FICKEN: We're required to test it on occasion, plus the -- there's always a small amount of leakage in piping so that that compressor is continually pumping. And due to the higher pressure, that moisture is always condensing. So we always have a condensation factor in it.

REP. WEYLER: I thought we had filtration systems to dry the air?

MR. FICKEN: That's common on instrumentation systems but not on this kind of piping system. It would take a very, very large refrigerated air dryer to materially reduce the condensation in that large of a volume of air.

REP. WEYLER: What kind of life span do we have due to corrosion? Ten years, 20 years?

MR. FICKEN: This system was put in in the late '80s. The building was dedicated in 1989. The piping that's going to go in is going to be galvanized so it will survive even longer than that. Twenty-three years was not a good life span but that's what it did last.

The piping that was -- that was in it is Schedule 30 rolled in which means that the pipe has a groove compressed into it by a rolling die. Earlier piping systems were heavier, Schedule 40 it's called. They were actually cut in and that was the system. It's a grooved-ended clamp. A lot of pipefitters call it Victaulic. That's actually a brand name, but it's become rather generic in usage. But that grooved-end pipe was quite successful but the rolled in is not as much. So while it's perfectly good for a wet pipe system that stays full of water, it corrodes less, we're finding this is a very big problem in the dry pipe or the pre-action system.

CHAIRMAN CHANDLER: Representative Graham.

REP. GRAHAM: Thank you, Mr. Chairman. The way I read this, you're just here to get approval of the design/build part. And do you expect significant or any savings from going to design/build or is it just a timing thing?

MARK NOGUEIRA, Administrator, Bureau of Public Works, Department of Administrative Services: If I may, Mr. Chairman. Mark Nogueira, the Administrator for the Bureau of Public Works. And as a sprinkler project, we generally put those out to design/build. They just lend themselves because of the -- this one's a simple one as Mr. Ficken mentioned. It's replacing existing pretty close to in place. But it's been a standard practice because the contractors, no matter how much money you spend on a consultant drawing it up, they find a better way to put it in and so there is some savings there.

The reason we are here is because recently legislation changed and said at 500,000 and above we need to come back for Capital Budget Overview review of the reasoning for doing design/build and this is our first design/build; but we have multitudes of design/build sprinkler projects that we have done in the past that have been very successful. This just happens to be a very large one.

CHAIRMAN CHANDLER: Representative Weyler.

REP. WEYLER: Does this replace the frozen pipe --

MR. FICKEN: No pipe froze.

REP. WEYLER: -- we read about?

MR. FICKEN: No pipe has frozen at New Hampshire Hospital.

REP. GRAHAM: Different building.

REP. WEYLER: Different building. We get any insurance on that?

MR. FICKEN: I don't really know the State's insurance.

REP. WEYLER: Not your Department.

MR. NOGUEIRA: No.

REP. WEYLER: All right. Thank you.

CHAIRMAN CHANDLER: Any other questions on this item? Yes, Representative Belvin.

REP. BELVIN: I tried to follow. I have not been successful.

MR. FICKEN: Okay.

REP. BELVIN: Please take another shot at why it is filled with this air, which leads to all these corrosion issues as opposed to water? Many sprinkler systems in many buildings have water in them and don't flood the buildings. I think you related it to the particular nature of your facility, but I was having a hard time connecting the dots.

MR. NOGUEIRA: It's common in the hospital, as well as at the correctional facilities, because of the nature of the residents. The situation is that's what Don was mentioning. You have to have a pre-action system. So if you have water in the pipe and somebody grabs it, it will deluge, it will flood the building, cause lots of damage. In this case, what a pre-action system does by putting -- filling it with air, dry system, which you would normally see a lot of times outdoors or unprotected areas, attics, is it allows if somebody breaks the sprinkler head, no water will come out. And as Mr. Ficken mentioned, you have to have a second trip which would be either smoke detection or heat detection which would then get the water flowing

through the pipe.

CHAIRMAN CHANDLER: Further question?

REP. BELVIN: So it is because of the unique nature of the population in these buildings --

MR. NOGUEIRA: Yes.

REP. BELVIN: -- be it a correctional facility or psychiatric?

MR. NOGUEIRA: Yes, Representative.

REP. BELVIN: Thank you.

CHAIRMAN CHANDLER: Any other questions on this item? Seeing none.

\*\* REP. GRAHAM: Move approval.

CHAIRMAN CHANDLER: Representative Graham moves we approve Item 12-002.

SEN. RAUSCH: Second.

REP. WEYLER: Second.

CHAIRMAN CHANDLER: Seconded by Senator Rausch. Any questions or discussions? All those in favor say aye? Okay. Thank you.

MR. FICKEN: Thank you.

\*\*\* {MOTION ADOPTED}

Miscellaneous:

Informational Items:

CHAIRMAN CHANDLER: I don't have anything under Miscellaneous. You have some Informational Items here to take a look at and the appropriate committees will take a look at that and give us a report. I think Representative Belvin is on that --

REP. BELVIN: That was the last session.

CHAIRMAN CHANDLER: Well, we continue things right along. But if you'd like to split that up we can assign someone else, too.

REP. BELVIN: I am satisfied at the present time, Mr. Chair.

CHAIRMAN CHANDLER: Satisfied with doing it or not doing it?

REP. BELVIN: I'm satisfied with the report as written.

CHAIRMAN CHANDLER: Oh, I see. Okay. Well, we'll take a look at that later. We do have Mr. Connor will give -- if you'd like a brief -- oh, I don't know brief -- but an update on the building that did freeze up.

REP. WEYLER: Yes.

REP. BELVIN: Yes.

CHAIRMAN CHANDLER: He is graciously going to give us that report. All right. Commissioner is here, also.

SEN. RAUSCH: Excuse me. I'm in caucus. Can I be excused?

CHAIRMAN CHANDLER: Yes.

SEN. RAUSCH: Thank you.

CHAIRMAN CHANDLER: Okay.

SEN. RAUSCH: Appreciate it.

CHAIRMAN CHANDLER: Have fun.

LINDA HODGDON, Commissioner, Department of Administrative Services: Good afternoon. For the record, my name is Linda Hodgdon, Commissioner of Administrative Services, and joining me is Mike Connor. And we are -- certainly feel it's timely to give you a report on what happened at 29 Hazen.

REP. WEYLER: Good.

MICHAEL CONNOR, Director, Bureau of Plant & Property, Department of Administrative Services: Be glad to -- I'm sorry, Mike Connor from Administrative Services. Basically, what we had is a series of events, a perfect storm of events that happened that caused basically the building to freeze up. This fall we had one of our boilers replaced there, 200 horse-power boiler. In order to do that, they had to take the back wall out which is where the louvers are to provide combustion air for the three boilers, three steam boilers that are in that plant. So when they took the old boiler out, put the new boiler in, they put in some new dampers to have mechanical louvers. What you have there is they have a small fixed louver that provides minimum air. Then you have three boilers and you have three mechanical dampers that drive these louvers and as each boiler comes on, those louvers are designed to open up to provide the amount of combustion air by code for that particular boiler.

The third set of louvers, which is boiler number three on this day, this happened Sunday morning early, about 3:30 in the morning, was somewhere around two to seven below zero, the combustion air for number three is about three feet away from this one-inch supply pipe that supplies water to all the steam boilers and also the three condensate pumps that provide feed water to the boilers.

So that cold air hitting that supply line and those three pumps froze them solid shutting down the boiler plant.

At that particular point in time, we do have alarms in those boilers. But in the fall we happened to have a change or converted from one security company to another. Some of the records didn't carryover as well on all the zones. Some of these buildings, like in Health and Human Services building, we monitor somewhere close to 120 zones or points within that building for various different things. Some of those didn't carry forward that information on the Day Call List of who to call during the day, but they didn't have any information for off hours. So their policy is to go to -- their default is to call a building number. What they call a premise number. The number that they called was 271-5557, which is Public Health. So they got Public Health at 3 o'clock in the morning or 3:28 on Sunday morning, got a tape machine. Their protocol is to wait half an hour, call again. They got the tape machine again. Then they closed it out. So we weren't notified of the problem.

Typically, we have a security officer working on Sunday but because of the holiday he was off on Sunday and he worked Monday. Typically, we have employees in the building 'cause if they had been in the building they would have noticed it was cold but no one worked. I don't know why. It's kind of odd, 'cause there usually is, but no one worked or at least no one complained or called us.

On Monday morning when our security officer came to work, basically the building was frozen. The sprinkler system had frozen in the facility. Frozen pretty much solid, kind of to our benefit. Because it was frozen we didn't sustain very much water damage. We had a little bit of water damage in the boiler room where two of the sprinkler heads popped. We got some water into the new boiler, into some of the controls, putting that out of condition. Oh, by the way, we had three boilers and they were fully operational at that particular time.

To exacerbate that because of the way the system is designed because it's a laboratory we ran 100% outside air. So the fans are running all the time because of what they do in the hoods. The way the system is set up is supply fans bring about four inches of static in the ductwork and maintain that at all times. Then you have an exhaust fan system that maintains five inches of static so you're really pulling a lot of air out of the building. And you want to keep that inch of differential so you always keep everything in the building negative. So if anything, whatever they're testing for is bad, it's going to go outside and not be positive and be released into the building. So you have the -- you lost your boiler plant. No alarms happened. No one is there.

Now you have supply fans that are running. We have free stats on the supply fans that trip when you get cold air. So you've lost the heat plant, they trip. So now you have lost 4,000 CFM, supply air which causes the building to go into a really high negative. So I have exhaust fans still running maintaining five inches of static, they're pulling the air out of everywhere it can. The boiler room where all the louvers are opened so it's creating almost like a hurricane of air coming through those louvers. So basically that amount of cold air coming in froze the sprinkler system solid in the building.

Outside of the boiler room we didn't have any discharge of water from the system. It was literally frozen all the way up to the third floor. We had one fatality, basically a fish in the fish tank because it was that cold. It was literally below -- it was like 28 degrees up on the third floor.

The damage was primarily to what we call reheat coils. We have major fans on the system that provide heat and ventilation of the building. In the individual rooms you have reheat coils that provide additional heating as needed. Those we had several breaks in. So they spent literally around the clock since Monday morning patching

those coils.

The sprinkler system passes through the boiler room and it provides water to the whole laboratory, which is where we sustained the damage. It also provides sprinkler system for what we call Phase II which is the office space. Because that system was shutdown and we had to basically shut down the office space for one day. So Tuesday there was no one allowed to work in the office space. We got the sprinkler system fixed. Three heads popped in the first floor lobby as you come into the building because there's a steam curtain there that no longer had steam so it basically froze. We got that on-line. All the people were back to work on Wednesday. The rest of the laboratory worked around the clock. We were able to get the people back to work at 10:30 on Friday morning.

We had to basically do a complete fire sprinkler test like as if it was new because a lot of the fittings were broken. So we had to test all the devices. We had to hold them at 200 pounds overnight and have the Fire Marshal approve them the next morning. We had to do a complete fire alarm system test just like it was a new system because it got cold and potential moisture which that was completed, too, before we could return people back for work in the lab which was 10:30 on Friday. They're back fully operational today. As of this morning, they did not sustain any damage to any of their equipment. So the damage is basically limited to mechanical equipment.

We had one area in the critical intake area which is on the first floor that basically a lot of domestic pipe froze. Because it was frozen what we did when we got in there we basically shut all the valves off. We shut all the valves off and then brought two boilers up that were running and warmed the building up. And then slowly started to open valves with people there so we were able to minimize whatever water breaks we had and we had people joining on the spot literally fixing those. But that one room that sustained the most of the damage, when we took

the sheetrock off that got wet, there's no insulation in the walls. So we have now -- that's one of the reasons why it was so cold. We have now insulated all those walls. And we painted that -- we are painting that in the next couple days.

So that's, in essence, what happened. Since then, we put a lot -- obviously, Monday morning quarterback's a lot easier. We are adding -- well, the first thing that we did that same day is that we've added a second default number 271-5555, which is a 24-hour manned number at New Hampshire Hospital that we have on all state accounts. So in case anything happens, they don't get the information, they don't know who to call, it doesn't go any where, they can always call that number. So for all our state accounts going forward we will get a call.

In addition to that, obviously, we made some changes in the system. We are going to be looking to redesign the combustion air system so it actually doesn't pass by the pipes. We'll probably duct it in and bring it right to the combustion chamber where the boilers actually are. We are going to be looking to, within the next few days, to actually put a control in place so that the supply fans fail so the exhaust fans will go to one inch of static instead of that big differential. So that will minimize the amount of air we have going in the building. We are going to be changing the staffing that we have. We have minimum staffing. We are going to be making some changes which we are going to have to make some changes in our budget. Some things won't happen. But I think it's more critical we have some people around.

We have a lot of money invested in our facilities, and I think it's more critical that we have some people around. If we had had the security officer there on Sunday at 7:30, the building would have been only four hours into this and it would have been a totally different story. But it is what it is. And in hindsight it's pretty easy. But we are also with technology as of last Friday, we have technicians

now that have the capability of actually monitoring the buildings from their home. So they have on-call technicians. They have on-call people, they didn't get called, but they'll be able actually through their computers to be able to actually monitor the temperature in the building to see what's going on, regardless of where the alarms are. Within the next week or so, I will actually have one so I'm going to be watching it from home. Those are the things that we are going to be doing going forward, and I'll be glad to answer any questions that you have.

CHAIRMAN CHANDLER: Any questions? Representative Weyler.

REP. WEYLER: Costs?

MR. CONNOR: We don't -- it's kind of preliminary right now. We don't really have -- actually, we're still patching a few things today, insulating a few minor things. I'd have to guess. I hate to give you a guess because then -- I don't know.

MS. HODGDON: We'll give you a guess as long as you know it is just that.

REP. WEYLER: I respect that.

MS. HODGDON: I understand you'd want to know. I certainly wanted to know. We are guessing somewhere in the neighborhood of about \$250,000.

REP. WEYLER: Any insurance coverage?

MS. HODGDON: There's a million dollar deductible. It's for the building. So if something had happened to the instruments it wouldn't have covered the instruments. We have two ways to satisfy that million dollar deductible. What would fund the 250,000, there's a Capital Budget appropriation that you folks have given us for a million dollars for emergency repairs. I think that certainly

qualifies for that. There's also an RSA on the books that funds a million dollars if there are catastrophic types of expenses. The difference between the two of those, one's a Capital Budget expense, the other one is from funds not otherwise appropriated so the whole 250 would hit you this year. So it depends on whether or not it's bonded or not bonded. That would be what the difference would be.

REP. WEYLER: Thank you very much.

MS. HODGDON: We are still kind of holding our breath until we're sure that we are done and all the instruments have been looked at and checked and all that other kind of stuff. As Mike said, you know, Monday morning quarter-backing is great. I think there are some advantages when something bad like this happens. We certainly have checked our alarms in all of our other buildings. We are checking our phone numbers in all of our other locations. You know, it's a great wake-up call just to make sure that everybody has everything that they should have and everything is functioning as it should be functioning.

We did have other boilers that went down that same weekend, but we had people that, you know, that own those buildings like they're their own and they go in on the weekends, you know, and they check. And so they got things back up and running. We have some old equipment in these buildings. I mean, you've heard through the Capital Budget process we talk about, you know, the \$4 million worth of maintenance that we deferred. It just means we have to be that much more vigilant about, you know, looking after these things.

CHAIRMAN CHANDLER: And I -- I realize that I'm old-fashion; but, you know, sometimes the simplest thing is just the thermostat with the red light that goes on in the window and then all you have to do is pay a guy to drive around all your buildings. It's less complicated. I mean, I don't know. These other systems are great, but they all rely on two or three other things happening. That's the

problem sometimes.

MR. CONNOR: Agreed.

MS. HODGDON: The frustration with this particular boiler is when we shut all those louvers thinking that, you know for 30, 35 years, we have controlled those louvers and not let that cold in there and the boilers have been fine. But when we do that, then they will no longer warranty the boiler. So we've got to leave the louvers open which is what froze the pipes. So we have to figure out how to deal with that frozen pipe and protect that so that doesn't happen again. So it functions as designed. We just don't like the way it was designed.

CHAIRMAN CHANDLER: Any other questions? If not, thank you very much.

MR. CONNOR: Thank you.

CHAIRMAN CHANDLER: I don't see anything else before us other than I -- I was remiss -- what's that?

REP. SMITH: They left.

CHAIRMAN CHANDLER: I know.

REP. WEYLER: Community College left.

CHAIRMAN CHANDLER: Pardon?

REP. WEYLER: Community College left.

CHAIRMAN CHANDLER: And I didn't pay attention enough to realize that this is the thing from way back in October. They promised -- the next quarter's here and I don't -- I just thought this was the latest report. So could -- Representative, any one else, could Representative Graham and Smith, anyone else want to maybe just get a hold of them?

REP. GRAHAM: I'll talk with them.

CHAIRMAN CHANDLER: Get an update. Are they going to propose hiring a realtor? What's going on?

REP. GRAHAM: I'll find out.

CHAIRMAN CHANDLER: Plus, we should have -- I didn't look at that date. I thought this was the report.

REP. SMITH: You think she's still out in the hall?

CHAIRMAN CHANDLER: I don't know. I doubt it.

REP. WEYLER: It also seems like the months we tied it up for this Webster Place that we should have had some money. They should have paid something every month while we are tying it up while they are figuring out whether they want to buy it or not. At least it would give us some money to maintain it.

CHAIRMAN CHANDLER: The whole thing has not been a good situation. I'll leave it that way.

REP. WEYLER: I would agree with you.

CHAIRMAN CHANDLER: Anything else to come before us?

MICHAEL KANE, Deputy Legislative Budget Assistant, Office of Legislative Budget Assistant: USNH will have a item for the next meeting relative to the KEEP Program. I just want to make you aware of that.

CHAIRMAN CHANDLER: All right, very good. Seeing nothing else.

REP. GRAHAM: I would ask that it be KEEP and not KEEP-Up.

MR. KANE: Okay.

CHAIRMAN CHANDLER: We'll recess till the call of Chair. Thank you very much. Thank you all for coming.

(Concluded at 3:40 p.m.)

CERTIFICATION

I, Cecelia A. Trask, a Licensed Court Reporter-Shorthand, do hereby certify that the foregoing transcript is a true and accurate transcript from my shorthand notes taken on said date to the best of my ability, skill, knowledge and judgment.

*Cecelia A. Trask*

Cecelia A. Trask, LSR, RMR, CRR  
State of New Hampshire  
License No. 47

