

Cannon Mountain Advisory Commission Meeting

Friday, November 20, 2015 // FNSP - Cannon HQ Building

Minutes of the meeting

Attendees: (CMAC members) Vice Chair Karen Irwin, Representative John Mullen, State Treasurer Bill Dwyer, Kevin Johnson, Kathy Taylor, Charles Chandler, Chair Rich McLeod (via phone)
(Others) DRED Commissioner Jeff Rose, Cannon-FNSP GM John DeVivo, Edward Rolfe

Absent: (CMAC members) Senator Jeff Woodburn, Senator Sharon Carson, Representative Edmond Gionet

Gathering at Cannon-FNSP Headquarters building until approximately 10:05; DeVivo drove the group to the base of Mittersill; the group rode up and down on the lift, and a briefing was held at the base of the lift afterward to give a quick overview of the status of the Mittersill enhancement project.

Vice Chair Karen Irwin started the meeting at 11:03. Chairman McLeod attended the meeting via con call.

Kevin Johnson made suggested edits to the minutes of the April, 2015 regarding his and Kathy Taylor's concerns over the use of a copper plate in the PVB-1 apparatus as discussed at the meeting. Irwin replied that the April minutes reflected what had occurred (been said) at the meeting, rather than subsequent discussions. Discussion amongst the group at length regarding semantics. Charles Chandler made a recommendation as to specific language (middle sentence of Johnson's edit paragraph) on an addendum to the April minutes. The group agreed in principle, and a motion was made by Chandler to approve the minutes of the April meeting with said addendum. Motion seconded by Representative Mullen. The motion passed unanimously. John DeVivo (scribe) agreed to add the addendum to the April minutes. DeVivo also offered to contact Gary Powell (CEO of AquaTerra Technologies and Proprietor of the Polar Vortex Blizzard One) and ask for definitive information on any environmental impact (or lack thereof) resulting from the use of a copper plate within the PVB-1 apparatus.

DeVivo gave a winter (2014/15) wrap-up:

- Great start, then warm and wet here, then snowy and cold down south
- X-MAS Week down 25%
- Prez Week down 53%
- Lowered WC costs by 53% - huge win
- Tix Count up by 3% // Car Count up by 5% // Ski Season rev up by 2%
- Biggest hit was power rates... up by over 50%
- Net Total was \$88K... way off last year, but a win considering the hardships

DeVivo gave a summer (2015) wrap-up:

Tramway	16% up in revenue over last year
Tramway retail	11% up in revenue over last year
Tramway tickets	10% increase over last year

Echo Lake	\$150K in total revenue (all-time high)
	\$50K in boat rental revenue (all-time high)

DeVivo gave a summary on FY16 to date (July 1 – November 19 // versus FY15):

Total revenue of \$1.984M is up 16%

Total expense of \$1.605M is down 2%

Net total of \$379K is 407% ahead (\$304K)

That bodes well... the ski area typically likes to come out of summer at positive \$150K+

- *The ski area also cut its energy rate to .0768 kWh... should save \$170K in FY16*

DeVivo gave an update on the ongoing CMCIF projects, and stated that all projects will be completed by spring 2016 (end of FY16 is June 30th).

Excavator	Est \$150K	Actual \$210K	Bid won by Equip East
AEBI Mower	Est \$120K	Actual \$95K	Bid won by AEBI NE
AEBI Snowblower			Estimate \$10K
Cat for Snmk'g	Est \$95K	Actual \$95K	Bid won by IFSC
Deck for Cat			Estimate \$10K
UST/pumps	Est \$110K	Actual \$95K	Spring completion / LRE
PVB One	Est \$60K	Actual \$30K	Delivery in Nov
Trooper Trax	Est \$35K	Actual \$20K	Bid won by Prinoth
Lift Maint Projects	Est \$55K	Ongoing	Haul Rope splice done Bullwheel Bearing spring Brake Cabinet spring

DeVivo gave a Mittersill enhancement project update:

\$312K in CMCIF funds from 2010 rollover –

- \$50K toward new dam project Done / \$50K
- \$50K winch anchor points / saddle Done / \$40K
- \$30K patrol hut Done / \$25K
- \$25K signage Ongoing (2015 & 2016)
- \$125K warming hut / restrooms 2016 project
- \$32K parking improvements 2016 project

\$4 Million non-CMCIF project (Franconia Ski Club) –

- 6,000 cfm Compressor Done
- New Dam @ Echo Lake Done
- Pipe / Hydrants / Guns on Baron's Done
- Pipe / Hydrants / Guns on Way Back Done
- Pipe / Hydrants / Guns on Skyline Done
- Pipe / Hydrants / Guns on Ridge Run Done
- Pipe / Hydrants / Guns on TBD Trail Done
- Clearing & prep on Taft Training Slope Done
- Final stages of cleaning and clearing in all project areas, especially mulching in disturbed areas
- Snowmaking on Taft Training Slope 2016 project
- New T-Bar installation 2016 project

DeVivo gave an update on the "Ameresco Project" (\$5.9 Million non-CMCIF):

- Dual contract... State – Ameresco for construction portion
State – bank for loan payoff portion
- Huge PR associated with a \$6 Million energy conservation / infrastructure improvement / snowmaking enhancement project
- Front-loaded construction / enhancement that may ordinarily take 5-10 years under our current format
- Estimated annual savings of \$422K... estimated annual payoff \$371K
- In doing the project now (front-loaded), we realize the savings now
- We can utilize our CMCIF funds in other areas
- SNOWMAKING ENHANCEMENT... 300 new guns + new booster pumphouse

Ameresco cont'd:

18 Energy Conservation Measures (ECM's) –

- Interior lighting system improvements
- Exterior lighting system improvements
- Integrated temperature controls
- Low voltage transformer replacements
- Infiltration reductions (building envelopes)
- Pipe insulation
- Attic insulation
- Window replacements
- Overhead door replacements
- Electrical upgrades
- Steam to hot water conversion
- Installation of electrical sub-meters
- Snowmaking system upgrades (guns / controls)
- Wall insulation
- High voltage transformer replacements
- Rim joist sealing / insulation
- Infrared heater installation
- Booster pumphouse replacement

DRED Commissioner Rose expressed concern regarding the 20-year payoff length; DeVivo mentioned the opportunity to shorten the life of the loan with the ability to pay off (toward principal and interest) up to the amount of the proven savings annually, and that included in the contract is a 5-year paid commitment to Ameresco to perform monitoring and verification on guaranteed savings measures.

State Treasurer Dwyer had questions regarding the structure of the loan itself; DeVivo mentioned that the Cannon, DRED, and State Energy Manager's teams are working with Rachel Miller in the Treasury Office to put the loan structure together.

Rose mentioned that he'll pull a call or two together with all parties involved (DRED, Treasury, Admin Svcs) to ensure that all parties are knowledgeable regarding the ECM's, the payback period, the loan structure, etc. before putting the contract into the final phases of the Governor & Executive Council process. DeVivo stated that (the group that's been working diligently with Ameresco on the contract) had been pressing first for a November, then a December, and now a January slot on the G&C agenda.

DeVivo detailed POTENTIAL project discussions in April:

- \$500K in new & replacement snowmaking pipe
- \$250K in roofing / paving projects @ Tram & Notchview
- \$75K for patrol hut atop Cannon Mountain
- \$75K for restroom facility upgrades @ Tram & Notchview

There was brief discussion regarding whether the grooming fleet leases could potentially be covered with CMAC funds annually; the Commissioner and Treasurer offered to continue to look into it.

There was a brief discussion regarding CMAC Officers' terms, and whether the CMAC Chair & Vice Chair terms should be 1 year / 2 years, or whether they should be coterminous with their terms on the CMAC. DeVivo pointed out that he'd read through the RSA in question, and that it appears that said terms are to be coterminous with the terms on the CMAC. There was discussion regarding the seats of Kathy Taylor and Kevin Johnson, both of whose terms expire at the end of January. Taylor mentioned that she'd already been replaced on the CMAC by Representative Erin Hennessey. Johnson mentioned that he's unsure whether he'll request another term appointment from the Office of the Senate President.

No "Old Business" was raised or discussed.

Regarding "New Business," DeVivo asked for input regarding the five (5) 2015/16 Cannon Mountain one-day lift tickets per CMAC member, as approved by the Fiscal Committee as an item in the ski area's winter special use policy, and mentioned that the Legislative Ethics Committee recommended against such privileges for members of the Legislature a few years back. Commissioner Rose advised that DeVivo maintain the current course of issuing the vouchers to non-

Legislative members of the CMAC when requested. DeVivo offered to tour the property with Legislative members whenever necessary in any season to provide information, and to grant admission for said purpose.

There was discussion regarding an April meeting date, and Vice Chair Irwin set the date for Friday April 15th, 2016.

A motion to adjourn was made by Representative Mullen and seconded by Treasurer Dwyer. The vote was unanimous, and the meeting was adjourned at 12:26 PM.