

**RICHMOND WATER AND SEWER
COMMISSION MEETING
September 16, 2013 MINUTES**

Members Present: Amy Lord; Chris Granda; Bard Hill; Bruce Bailey

Members Absent: Ashley Lucht

Others Present: Geoffrey Urbanik, Town Manager, Kendall Chamberlin, Water Resources; Maureen Kangley; Carolyn Marshall; Cara Labounty; Bob and Chris Fischer; John Fath; Becky Vigneault; Chris Collins; Jackie Washburn; Stephanie Douglas Hughes; George Gifford; and Ruth Miller was present from MMCTV to tape the meeting.

Bruce Bailey called the meeting to order at 6:05 PM.

Mr. Bailey asked if there was any public comment.

Maureen Kangley moved that the Commissioners refuse to cut Kendall Chamberlin's pay (as he suggested at the last meeting, instead of cutting some capital expenses) until they go into the septic pit themselves to see what it is like. Ms. Kangley asked about the poor people who have not paid their bills.

Mr. Bailey said that no one wanted to cut Mr. Chamberlin's pay. As far as the septic tank, would we know what we are looking at?

Chris Collins said he has worked with the Champlain Water District for twenty five years, and has been told that there are emergency grants, and has anyone checked to see if the water storage tank is on the list? Are we on this list?

Mr. Chamberlin said that the tank project is on the state's priority list for revolving loan funding. He added that an income survey needed to be done for the water system.

Mr. Granda said that in terms of outright availability for grants for operations, there were none. Financing tools for the tank replacement were the goal, and there was a possibility of a negative interest loan. The Commission's goal was to get a new tank without creating any negative issues.

Carolyn Marshall feels that the water customers needed to have more say. Since the budget from last meeting was cut by about \$70,000 in about ten minutes, she was surprised to find that the users don't vote on the budget. The water users need to get involved, and maybe this isn't a priority but she wanted two changes to the charter. One was that the board was to be made entirely of water customers and the second was that the annual budget had to be approved by the water users each year.

Chris Fischer said she wanted to research the issue because the water increase has affected us greatly. Will we have a rate increase next year? Why couldn't we have done a 50% this year, and 50% next year?

Mr. Bailey said he couldn't be sure that there wouldn't be an increase next year.

Chris Fischer said that there needs to be a discussion about the tank and rates increase. She felt that this could have been done in increments.

1 Mr. Hill said that the ability to incur debt is an important reason why the commission is set up the way
2 it is.

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4 Chris Fischer said that despite the \$70,000 budget cut, \$20,000 was cut from the school's bill and
5 Harringtons (meaning the creamery). She wanted to see standard rules that the commission should
6 follow with budget and rates.

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8 John Fath, owner of Toscanos, said that he was hearing now a lack of trust in the community and a
9 lack of communication in how we're moving forward. How do we get there? He wanted to
10 recommend that we get a better understanding of where we're going. Was there a goal, a dollar figure
11 we needed? What was the plan? He discussed the needs, and if everyone had pitched in \$112 more
12 we could have had another \$150,000 under the old rates. How much were we losing under the new
13 rates? Mr. Fath said we needed a business plan, and quarterly results.

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15 Mr. Hill said that a side by side comparison of rates, year over year was needed.

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17 Mr. Bailey said that we needed people with business acumen to help us put a plan together.

18
19 Becky Vigneault asked if we could contact the Champlain Water District and see if they would take us
20 over. Chris Collins said they were not interested at this time.

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22 Ms. Lord said this would still be expensive, to connect and we'd need either a booster or a tank, and
23 Mr. Collins agreed. He said that twenty years ago they would have been, but it isn't feasible now.

24
25 Mr. Collins mentioned that the ERU should have been based on 75,000 gallons per year. Ms. Lord
26 said our average is 36,000. Mr. Collins said that we are stressing families by forcing them to lower
27 their usage. If we have less families, then higher costs and those get shifted to the higher users.

28
29 Becky Vigneault said that the whole town votes on our bonds but aren't helping to pay.

30
31 Mr. Hill said that the town is incurring the debt load, which is why the bonds have to be approved by
32 the town. If there was a default, then the town would have to pay.

33
34 Bob Fischer said that the last year's proposed budget was \$553,395 but was increased. The amount
35 billed this quarter was more than a quarter's worth of the new budget's user fees. He also talked about
36 the issues with the ERU system. He said that now his water bill was higher than all the other utilities
37 combined.

38
39 John Fath asked if our bills would go down? What was the annual goal?

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41 George Gifford said that he no longer had a tenant, so could his gallons be adjusted to lose the other
42 ERU?

43
44 Mr. Hill said that the ERU would be more volatile if recalculated quarterly. There was more
45 discussion on whether to readjust ERUs to a rolling annual average, readjusting quarterly.

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47 Jackie Washburn asked if we could change how votes are taken on the water system? Stephanie
48 Douglas Hughes agreed that we needed rules.

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50 Mr. Bailey closed public comment to handle regular business.

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Approval of Minutes

Mr. Hill offered a motion to approve the minutes of June 7, 2013; July 16, 2013; August 6, 2013; August 19, 2013 and September 3, 2013. Mr. Granda seconded the motion. The motion on the June 7, 2013 carried 3-0, the remaining minutes were approved 4-0.

Discussion of billing in installments

Mr. Bailey said that we're billing quarterly, which may be advantageous to some but could we go to monthly payments?

The Manager suggested billing quarterly, but paying monthly with no interest penalty for even installments.

Mr. Granda said we shouldn't have two different methods of billing, it should be one or the other. Mr. Bailey suggested interest on a quarterly basis instead of monthly. This was essentially 90 days until due, no interest. The Manager said that this was going to push the fourth quarter collection into the next fiscal year, with the loss being taken in this year. In years following, four quarters would be collected, however, any revenue increases would still be collected in the following fiscal year.

Shutoff Notices

The Manager explained that there were two lists, one of delinquent accounts that had signed agreements but failed to keep current on them, and a second set of delinquent accounts that had not yet signed an agreement. Shutoff procedures were being prepared.

Mr. Chamberlin provided an overview of the shutoff procedure and the legal basis for it. He said that the policy set by the Water Commission was to either pay, sign an agreement, or be shut off. If an agreement was signed but not kept up, shutoff would commence. If the balance was more than \$3,000 then a year would be given to repay. If less than \$3,000 then the agreement would be for six months. The only way to prevent shutoff was to pay based on an agreement.

Mr. Bailey asked who contacted the account customers? Connie Doherty said that Linda typically prepares the notices.

Mr. Chamberlin said that his department does the actual marking and shutoff, and delivering notices.

There was additional discussion. Mr. Granda offered a motion to approve the commencement of shutoff procedures against those accounts on the list of agreements not kept current, and was seconded by Ms. Lord. Mr. Hill suggested that the motion be amended to say that we give the account holders time to come current on the agreement or be shutoff, and Mr. Granda agreed to the amendment. The motion carried 4-0.

Mr. Hill added that those on the list without agreements should sign an agreement or face shutoff, and the Water Commission agreed.

Financial Reports were reviewed by the Commission.

1 There was discussion that another meeting on rates would be held. It was agreed that this meeting
2 would be at the Library, on September 30th from 6-7:30 pm.

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4 Mr. Fath asked about the possibility of a refund if collections were more than anticipated.

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6
7 **Adjourn**

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9 Ms. Lord offered a motion to adjourn at 7:25 pm and was seconded by Mr. Granda. So voted.

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DRAFT