

**RICHMOND WATER AND SEWER
COMMISSION MEETING
SPECIAL RATE MEETING
August 6, 2013 MINUTES**

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

Others Present: Kendall Chamberlin, Richmond Water/Sewer Superintendent; Geoffrey Urbanik, Town Manager; about 80 members of the public, and Jim Hering was present from MMCTV to tape the meeting.

Chair Lucht called the meeting to order at 6:00 PM.

Anne O'Brien welcomed everyone to the meeting to discuss the recent increase in water and sewer rates. She asked that if anyone wanted to speak to please sign in so that she could make sure everyone was recognized. She added that anyone requesting to be heard would also be called upon.

The Manager went through a brief powerpoint presentation explaining the rate increase and the reasons why it was done.

Following the presentation, Representative O'Brien opened the floor for questions, and moderated.

John Fath, owner of Toscano's restaurant, said he had been in business for ten years, and was considering volunteering for the Water Rate Task Force. He supposed that this meeting was to show the commission what the impact of the rate changes were, and he's done the math and he's contributed about \$35,700 to the water system since he's been in business here. Soon it will be \$50,000 and not long before \$100,000 into the system. He asked what that meant to anyone, and questioned why his bill showed he'd pay \$5,700 per year in base charges alone.

Chris Granda said he wanted to look at how to implement the rate change over time, perhaps stepping it up over a period of years.

Laura Andrews owns the toy store, pays the landlord, but her fear is that the bills will continue to increase and the store may go away. She asked if this was inevitable, and everything turns out to be a huge issue. She wasn't sure how to fix this.

Michael Coggio said that with the fixed charge and metered combination was unfair. He goes away six months out of the year, and the town has overbuilt its sewer plant. He said everyone has different numbers, and last Summer was hot and dry so people were using more then.

Amy Lord asked what changed was the rates went from being based on the number of bedrooms to a usage based unit.

Someone suggested the town charge by the gallon.

The Manager explained that an ERU was an Equivalent Rate Unit and was based on 62,250 gallons per year in usage. The Manager asked how many in attendance were assigned more than one ERU and about one third of those in attendance raised their hands.

Ms. Kludgo asked why the town didn't just bill ERUs equally.

1 Bard Hill said there were some idiosyncracies right now, and there were many ways to bill, based on
2 all usage or all fixed, or some combination of the two.

3
4 Mike Coggio asked what the rate would be if everyone in town contributed something.

5
6 Chris Granda said some services were already handled by the town but asking for the town on the
7 whole to help pay for water infrastructure would be a significant issue.

8
9 Time Whiteford said that with a 70% fixed charge and a 30% usage charge there was no incentive to
10 conserve water.

11
12 Chris Granda said that whether we use water or not, we still have to pay the fixed costs.

13
14 Greg Tucker said that his question had been asked by someone else, but not answered. He wanted the
15 rate to be paid by the gallon.

16
17 Janet Morris was concerned that with her account it was just two people, and asked what comprised an
18 ERU, and said she was frustrated.

19
20 Linda Parent asked if there was any usage included in the base unit, and Ms. Lucht said no. Ms.
21 Parent said that people were concerned that they pay so much before water is delivered.

22
23 Jill Martin said she lives out of the village but she has a well and septic. She said there was a
24 difference between public and private water and we all pay rates, taxes, that these go up and felt that
25 these things go up too fast.

26
27 Anne O'Brien said that the question on the table was, is there a way to have a distribution of costs to
28 all residents of the town?

29
30 Chris Granda explained that the voters of the town have to approve any debt that is issued. This
31 explains why the town can vote to enter debt that only the system users can pay.

32
33 John Fath suggested reducing debt.

34
35 John Rankin asked how Jericho Road was broken out. The Manager explained that each contract line
36 item was identified as either a road surface item or a subsurface item, and assigned to either the
37 General Fund or the Water Fund. This information was available for inspection.

38
39 Chris Granda said that wherever necessary the town does additional work to the water system when
40 major road projects are planned. Mr. Granda explained how the budgets were flat for a period of years
41 prior to 1998, but have gone up rapidly, as shown in the presentation. What has driven the budget up,
42 and what can we do to bring it back?

43
44 Ashley Lucht spoke about the average rates paid by towns across Vermont which were similar in size
45 to Richmond. The Frequently Asked Questions handout had a table which illustrated this. She said
46 we were slightly above on both water and wastewater but some systems were more expensive. She
47 mentioned that Catamount system in Bolton where the system was run as a for-profit and was
48 regulated by the Public Service Board and they also paid about \$650 per year for water and between
49 \$800 and \$900 for sewer.

50

1 David Jones said he had three ERUs for a single family home, and if he could bring down his usage,
2 how long would it take to get him to one unit? Ms. Lucht said probably one year, but she was open to
3 considering with the board a more frequent distribution measurement.

4
5 Linda Parent said that people have to look at their personal circumstances, and the board has to
6 consider that.

7
8 Ms. Lucht said that if the usage for the property is three times the average, and they fill a pool then
9 they should pay their fair share.

10
11 David Jones said he wanted his usage to drop to one unit for the next bill.

12
13 Martha Jones asked how they went from \$326 to \$1,068, and Ms. Lucht explained the rate increase.

14
15 Jon Kart said he had lived in the village for many years, and served on the Water Commission for four
16 years, and he felt the board did a great job of explaining, step by step, the increase. He believed there
17 were three elements to the increase: 1) The way rates are charged changed, and some have gone up
18 and some have gone down; 2) Actual costs to the budget have gone up 3) Revenues have gone down.
19 Also, was there a way to cover some costs with the town? That wasn't on the table yet. He said we
20 are paying now, for not paying before and said that Ms. Lucht did rate work for the state.

21
22 Gary Bressor shared several ideas. He thanked Kendall Chamberlin for saving the system with
23 septage by brining in revenue, but most of our pain now is self inflicted. He said that in ten years his
24 property tax has increased 22% and his water and sewer bill 24% but the budgets were mostly level
25 funded. He suggested separate control of the board, or decrease reserves (funding in the budget). His
26 biggest fear was that zoning laws will pass that will lower the quality of life in the village.

27
28 Frank Stewart asked if there had been any discussion on bringing businesses in to town that use alot of
29 water? Amy Lord said yes, and the Richmond Economic Development Committee was working on
30 this. Mr. Stewart asked if this included extending the water lines outside of town, and Ms. Lucht said
31 that was possible but not probable due to the scale of the costs versus how much revenue would be
32 brought in.

33
34 George Gifford said a year ago he had a tenant who used alot of water, but now he does not. Does he
35 have to have another year of two units? Ms. Lucht said that the water commission will consider this
36 question at the next regular session.

37
38 Someone asked if we could land-apply our sludge. Mr. Chamberlin said that we were considered a
39 class b facility and would not be allowed.

40
41 Danny Peet suggested running a water line to exit 11. This was a missed opportunity, and the
42 creamery leaving town was also. He said that septage may come back and don't throw out the idea of
43 adding users or extending lines.

44
45 Ms. Lucht said that earlier in the year she and the Manager met with the owner of the Mobile Home
46 Park about the possibility of running a sewer line to the plant, but he decided it was too much money
47 to do so. It wasn't cost effective.

48
49 Mr. Pete suggested we develop a "Gateway" line.
50

1 Cathy Sikora said she was upset about the parking lot, and that people weren't told that the
2 infrastructure would add to the bill. She said that from now on, with bond votes, the water
3 infrastructure should be included in the question. She asked how high Toscano's would have to
4 increase customer bills? She said that the village has become low and middle income, and she didn't
5 like the quality of water. She said many people have cancer in her neighborhood.

6
7 David Sunshine asked if the system had a written business plan. Chris Granda said this was a not for
8 profit system. Mr. Sunshine said that made it that much more important. Mr. Granda said that we had
9 some capital plans to upgrade in a systematic way.

10
11 Mr. Sunshine asked where are we going to go, since we are stuck. He said we needed to adjust rates in
12 a "stepped" method. Does the town own all the water infrastructure? he said that it was ludicrous that
13 we pay for it but the town owns it and contributes nothing to support its asset. He said there was a
14 conflict between the Selectboard and the Water Commissioners.

15
16 Ashley Lucht explained the budget plans and projections. She said it is difficult to see how changes
17 affect various customers but the goal was equitability and sustainability. She felt that this rate
18 structure looked good for us to improve capital programs for the future.

19
20 Jackie Washburn asked if we were scraping the bottom of the barrel and needed drastic measures. She
21 was concerned about the Chlorine Contact Time project plus the driveway. She said that we should
22 stop all projects that weren't vital.

23
24 Donna Kodjo said that it was appalling that there has been no financial planning until two years ago.
25 She said you either plan for expenses, or you take a loan. She asked if there was any thought for a
26 charter change to plan for maintenance? She said that the users were on the system but the whole
27 town was voting.

28
29 Don Morin said that Richmond is in better shape than some other towns. Richmond has better water
30 and sewer than Huntington for example, which has neither. He felt that the system was dominated by
31 the town's voters and was concerned about billing businesses and said that Richmond wasn't business
32 friendly.

33
34 Cara LaBounty agreed with Jackie Washburn, and asked about the driveway project. Ms. Lucht said
35 she had dropped that from the 2014 budget, reducing capital by \$25,000. Ms. LaBounty said we need
36 to know what were the necessities and recommended that if the water system users wanted a project
37 then they should be the ones to recommend the project to the voters. The Water Commission needed
38 to be structured differently, and there was an "if" situation in the charter, where more users could be
39 members of the commission than just two, and fewer Selectboard members. The Selectboard did not
40 have to make the decisions on the capital projects. She also recommended a vote on capital projects at
41 the annual meeting.

42
43 Anne O'Brien noted the list was finished and asked if anyone wished to speak.

44
45 Bard Hill noted he had to leave at 8:10 pm.

46
47 Marvin Carpenter asked how do we look at reducing expenses? He asked if we could mothball part of
48 the plant and save money, if we could restructure bonds or go bankrupt?

49

1 Ashley Lucht explained that the plant was designed to run all the time and could not partially shut
2 down. She said that our debt was through state loans and the Vermont Municipal Bond Bank and we
3 could not restructure debt on our own. She also said that if we went bankrupt, the town would take
4 over the payments but that was not something that should be considered.

5
6 Catherine Coggio spoke about having more users on the board and asked what about people who
7 couldn't pay their bills? Would there be an amnesty?

8
9 Chris Granda said that he received a lot of letters prior to the meeting on this topic, and suggested that
10 this could be a disaster for some users and there needed to be an answer for this. He asked if the new
11 water tank was considered in this rate increase.

12
13 Ms. Lucht explained a little more about the tank. She felt that the payments could be managed in this
14 increase, and that there was a way to do an income survey of the system to see if there would be
15 federal assistance, through the State, for this improvement. She felt that the system stood a good
16 chance of qualifying.

17
18 Mike Parent asked if it was possible to say we couldn't do Depot Street? He said that the project
19 question should have included all costs. Ms. Lucht said that the town has the savings to do this
20 project.

21
22 Jack Linn has made some comparisons to neighboring towns, and shared that information. Unless we
23 act now, things will start to slide. He asked if the State could help the water district?

24
25 Catherine Coggio asked what would happen if Harringtons moved?

26
27 Paul Parker asked if the town had liability insurance and if the infrastructure had been mismanaged?
28 He asked why the insurance couldn't pay for that.

29
30 Chris Granda responded and said that this was the second time that Dr. Parker had said this. Mr.
31 Granda said that the decisions of the past were made with the policy to not raise rates. This wasn't
32 mismanagement but the decisions made at the time.

33
34 Anne O'Brien thanked everyone for coming.

35
36 **1. Adjourn**

37 Ms. Lucht adjourned the meeting at 8:30 pm.