

**RICHMOND WATER AND SEWER  
COMMISSION MEETING  
September 4, 2012 MINUTES**

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Members Present: Ashley Lucht; Chris Granda; Bruce Bailey  
Members Absent: Amy Lord; Harold Irish  
Others Present: Kendall Chamberlin, Richmond Water/Sewer Superintendent; Geoffrey Urbanik, Town Administrator; Linda Parent, Town Clerk; Harriet Riggs; Rita Doherty; Don Doherty; Angela Cote and Ruth Miller was present from MMCTV to tape the meeting.

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Ashley Lucht called the meeting to order at 6:00 p.m.

**1. Public Comment**

Ashley Lucht opened the floor for public comment but there was none.

**2. Water Rates**

Ashley Lucht presented different scenarios to change the way the water rates were set. This topic was specific to the water rates, and not to the sewer. Ms. Lucht explained that in the next few years the debt on the water system was set to double, and the current rate structure wasn't set up to handle the increased debt, and was also vulnerable for three reasons: first, the water rates were heavily subsidized by septage revenue from the sewer plant. Septage disposal was a competitive enterprise that was currently working the system's favor but there were no long term contracts and the revenue stream was therefore unpredictable over the long term. Second, the base rate structure was flawed because several large users were paying for excess allocation that was unnecessary. If these users returned the allocation to the town, revenue would fall sharply and rates would have to rise on the remaining customers. Thirdly, the rates were based so that a majority of fixed costs were being paid for by variable rates, which is usage or consumption, which further adds to the system's revenue weakness.

Ms. Lucht explained that she had done some recalculations of water rates with a new base unit allocation that was equitable and removed the surplus allocation that existed now. The base usage assumption was 41,000 gallons per year which is average for a single family home in the village. When she added in future debt payments to the water budget, the rates were required to increase. Therefore, her rate examples of how the might appear under various splits between fixed and variable costs, added debt, and with septage revenue and without. Finally, she suggested that there were various ways to introduce these changes over time, and not have to fully implement the chosen rate structure all at once.

Chris Granda said he felt that fixed costs shouldn't drive the rates. He said that the town might have other objectives, where the cost of additional gallons is nothing for excess capacity. He felt that leveling out the bumps through a phased approach was good. Ms. Lucht said that if we relied too heavily on variable revenue, that is usage, then people would be encouraged to use less, which would generate less revenue for the system and we'd end up with a shortfall.

There was a discussion of how septage subsidizes water. Ms. Lucht advocated that this be stopped, and septage revenue be used to develop capital reserves for future projects. That way if septage revenue dropped sharply in one year, the system could still operate but would only have to cut reserve funding.

Bruce Bailey said that rates were high now, and we couldn't afford to double the rate.

1 Ms. Lucht said her recommended first step was to alter the base unit allocation. This would correct  
2 one problem with revenue stability, and make the base charge equitable.

3  
4 Harriet Riggs said that the suggested change to the base rate was good to make it more equitable.

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6 Rita Doherty said people should be billed according to usage and not the number of bedrooms they  
7 have.

8  
9 Bruce Bailey said he wanted to have public hearings on the proposed rate changes.

10  
11 Ms. Lucht said she would like to have a committee of two board members, two members of the public  
12 and Kendall Chamberlin, to develop a proposal.

13  
14 Sheila Bailey suggested that the town put something out to residents notifying them of this change.  
15 Ms. Lucht said that when the town was close they would notify everyone of public hearings, and use  
16 the Burlington Free Press.

17  
18 Ms. Lucht said the members of the rate committee would be her, Harriet Riggs, Catherine Coggio and  
19 one other Water Commissioner, to be named.

### 20 21 **3. Other Business**

#### 22 23 Superintendent's Report

24  
25 Mr. Chamberlin reported that both Browns Court and Esplanade Street had their infrastructure  
26 repaired and were finally paved. There was no other significant news to report.

#### 27 28 Fire Department Water Leak

29  
30 The Administrator explained a request from Fire Chief Tom Levesque for a credit on their sewer bill  
31 for water used to keep one of the trucks full. The onboard tank on the truck was leaking, and they  
32 were using water to keep it filled that was leaking out but not going into the sewer system.

33  
34 There was discussion on setting a precedent, but Ms. Lucht requested more information such as the  
35 amount of water estimated to be used. She said she was leaning towards a "no" decision, but this  
36 matter was deferred until the next meeting.

#### 37 38 Approval of Minutes of July 2, 2012

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40 Ms. Lucht offered a motion to approve the minutes of July 2, 2012 and was seconded by Mr. Granda  
41 and the motion carried 2-0-1.

#### 42 43 Approval of Minutes of July 30, 2012

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45 Since there was no quorum of members present from that meeting, these minutes were deferred to  
46 the next meeting.

#### 47 48 Todd Chagnon Construction – amended purchase order

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50 The Administrator noted that the original contracted amount was for 10% more than the base bid, to  
51 account for some extras or unknown conditions. The final billed amount under the original contract  
52 was \$75,836, which was under the full authorization, however, Mr. Chagnon had submitted an  
53 additional bill for \$6,050 which was slightly in excess of the full amount. Therefore, an amendment  
54 must be approved.  
55

1 Mr. Chamberlin explained that Mr. Chagnon had requested some additional monies due to delays in  
2 obtaining a passing bacteriology test. There was some discussion over who was at fault for the  
3 delay, either the town or Mr. Chagnon. Mr. Chamberlin had negotiated a \$4,000 amount with Mr.  
4 Chagnon. The remaining monies were for additional items on the job not contained within the original  
5 bid spec.

6  
7 Mr. Granda offered a motion to approve the increased amount of \$6,050 and was seconded by Ms.  
8 Lucht and the motion carried 3-0.

9  
10 Change in Meeting Date

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12 Ms. Lucht said she would like to move the meeting date to the third Monday of the month to better  
13 address payment of monthly billing that sometimes gets skipped due to bill arrival after meeting  
14 dates.

15  
16 There was some discussion, but the board decided that the full board should discuss this and this  
17 would be taken up again in October.

18  
19 Warrants

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21 Meg Armstrong Billing

22  
23 The Administrator explained that the engineer on the Browns Court job, Meg Armstrong, had  
24 submitted a bill that needed to be approved on a purchase order. Two hours on the bill were for  
25 Cathleen Gent, and not covered under this purchase order.

26  
27 Mr. Granda offered a motion to approve Purchase Order 3880 to Armstrong Construction Consulting  
28 in the amount of \$4,568 and was seconded by Mr. Bailey and the motion carried 3-0.

29  
30 Ms. Lucht explained to Mr. Bailey the new accounts payable review policy and said he was on the list  
31 for the early review for the October 1<sup>st</sup> meeting.

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33 **4. Adjourn**

34 Motion by Ms. Lucht to adjourn the meeting at 7:05 p.m. Seconded by Mr. Granda. So voted.