

**RICHMOND WATER AND SEWER
COMMISSION MEETING
May 18, 2015 MINUTES**

Members Present: Bard Hill, Chair; David Sander; Bruce Bailey; Robert Fischer

Members Absent: Lincoln Bressor

Others Present: Geoffrey Urbanik, Town Manager; Kendall Chamberlin, Water Resources; Peter Pochop, Green Mountain Engineering; Robert Reap; Chris Fischer; Sheila Bailey; and Ruth Miller was present from MMCTV to tape the meeting.

Mr. Hill called the meeting to order at 5:30 pm.

Welcome and Public Comment

Ms. Hill asked if there was any public comment but there was none.

Water Storage Tank Update

The Manager reviewed the issue of the low bid on the water storage tank from SD Ireland was \$1,629,000 and the budget for the tank was approximately \$1,039,000. Through a combination of project modifications which included some slight design changes and some deletions from the main contract, Peter Pochop of Green Mountain Engineering was able to get the award lowered by \$194,500. However, this was still significantly over budget. The Manager provided a financial plan to cover the difference:

With the money spent on engineering and construction for the chlorine project and design and permitting for the water tank so far being \$303,502, we're left with \$1,196,698 in the bond. That means we need to come up with additional funding to award the contract (done by the Water Commission) and complete construction this year. The Water Commission has indicated this is what they intend to do.

The financial plan for construction is this:

Costs:

Construction Award to SD Ireland = \$1,434,500

5% Contingency \$ 71,725

Paid through:

Original Bond remaining \$1,196,698

Plus \$75,000 per statute \$ 75,000

Unspent Jericho Road \$ 53,000

Water Reserves \$ 140,000

Water/Sewer Fund Equity \$ 41,527

Construction Engineering = \$89,900

Paid by Water/Sewer Fund Equity = \$89,900

Outstanding projects

- "Direct Purchase #2" which is demolition of existing tanks = \$27,000 to be done at a later time
- Complete installation of gates at water house = \$1,938

- Purchase of Land = \$44,000 (Part of this may go under loan, or be paid with fund

There was discussion on this issue and the consequences of rejecting bids and redesigning the tank. The deadlines for the state's loan programs which offered the negative interest rates was also considered. The Manager noted that the Selectboard did need to approve the \$75,000 resolution to increase the bonding for this project.

Ultimately, Mr. Hill offered a motion to award a contract to SD Ireland in the amount of \$1,629,000 with Change Order Number One reducing that amount by \$194,500, all contingent upon the funding plan outlined by the Town Manager which included Selectboard approval of the \$75,000 resolution. Mr. Sander seconded the motion, and the motion carried 4-0.

The Manager explained that the Selectboard would discuss this issue tonight, including the resolution and authorizing a purchase order for the project.

East Main Street Water Line

The Manager recapped prior explanations that in 2009, the East Main project had been designed under an agreement with Green Mountain Engineering. The plan called for a streetscape and replacement of the water lines and some sewer replacement. Also included was \$200,000 in prior planning loans for the infrastructure design from 2010. With the expected work on Route 2 by the State Agency of Transportation, the time was coming to complete this work either in advance or coincident to the road project.

Mr. Pochop explained that he had updated his estimates for this, and the new cost estimate was \$1,242,320 with construction, engineering, planning loan repayment and contingency. There was significant discussion on the timing and need for this project. Mr. Chamberlin reminded everyone this was the oldest, most deficient line in the system and accounted for 60% of the costs for water line repairs over the last 10 years.

Mr. Hill explained that there was also a surface component to the project of paving and curbs and sidewalks for East Main, which would be a Selectboard concern. He noted we needed a bond vote for the financing of the project and to qualify for the state's advantageous loan program. The vote would need to be taken by mid-July. There was substantial discussion on the need and timing for this project especially on the heels of the water storage tank and West Main. Mr. Hill noted the potential for cost avoidance for expensive repairs could be applied to the annual debt payments, expected to come two years following completion of the project – which would help mitigate cost impacts to ratepayers.

The Manager provided some draft question language:

Question: East Main Water Lines

Shall the voters of the Town of Richmond authorize the construction of water line improvements for East Main Street with the amount financed through indebtedness not to exceed \$1,200,000 to be financed over a period not to exceed thirty years (30 years), to be paid from Water Resources Department revenue? (To be voted by Australian Ballot)

Mr. Bailey offered a motion to request that the Selectboard place a question on the ballot to authorize indebtedness for the project, as explained above. Mr. Sander seconded the motion and the motion carried 4-0.

West Main Utility Extension Update

Mr. Hill explained that there had been little movement on the negotiations in the past two weeks. He had reached out to other concerns on the project but right now the question of how Phase 1 might be a possibility was the focus.

There was substantial discussion by the commission. Mr. Bailey said the users weren't willing to increase the rates for Phases 1, 2 or 3. Mr. Bailey read a memorandum he had prepared where he warned that the commissioners had spent \$44,000 so far but the town wasn't contributing. He said that the Selectboard needed to get involved since the project would benefit the entire town and the mobile home park needed to make a serious commitment to the project. If they didn't he suggested this not continue.

Mr. Hill said we'd need to discuss this again on June 1st.

Water Line Break and Agreement with Gary Bressor

Mr. Chamberlin explained that he believed that the water line break on Bridge Street was caused by Mr. Bressor's underground conduit vault shifting, since the couplings on either side of the vault both cracked and the pipe had frozen at a depth of six feet. Mr. Bressor had an agreement with the town to install this vault, where he was responsible for repairs to town infrastructure for damages his work caused.

Mr. Sander asked if the pipe would have frozen anyway, and Mr. Chamberlin said he thought that it would. Mr. Chamberlin said that Mr. Bressor's contention is that the vault was too stable to move, but perhaps the ground froze around the line and pushed against the vault, causing movement on the pipe. Mr. Chamberlin further explained Mr. Bressor's suggestion that he relocate his residential water service at his expense, and the town abandon its claim against him for damage to the water line. In moving his service to a newer water main, the problematic four inch water line would be abandoned in that area – a goal that Mr. Chamberlin has had for some time.

Mr. Hill said the commission's problem was proving that the vault caused movement. Mr. Chamberlin said we didn't have direct proof, but there was evidence. Mr. Hill asked if we had paid our contractor's bill yet and Mr. Chamberlin said we had.

There was considerable discussion on the compromise proposed by Mr. Bressor. The commission was reluctant to drop the claim, but agreed that the opportunity to eliminate the problematic line and connection at no additional cost was advantageous.

Mr. Hill offered a motion to agree to not pursue a claim against Mr. Bressor for the water line break and in exchange Mr. Bressor will relocate his water service from the four inch line to the eight inch line, at his cost, to the satisfaction of Mr. Chamberlin. Mr. Bailey seconded the motion.

Mr. Sander said he reluctantly was in favor of this and was displeased to be forced to accept something we didn't want, although the current four inch line is a liability and would continue to be problematic – thus the compromise offering a remedy.

The motion carried 3-0-1 with Mr. Fischer abstaining.

Wastewater Allocation Ordinance/Policy

Mr. Chamberlin provided a copy of a sample wastewater allocation policy he had drafted. Mr. Chamberlin said this adds to the existing wastewater ordinances, and creates two important sections – one on a sample loading and capacity allocation, and second is creating a mechanism to adjust

1 rates according to that allocation among various classes of users – residential, commercial,
2 institutional and industrial.

3
4 There was some detailed discussion about certain sections. Mr. Chamberlin explained that his
5 allocation split was for discussion only, and the board recommended he amend this to reflect the
6 actual system characteristics.

7
8 Mr. Hill asked how much we intended to charge the new brewery. The Manager said it was best to
9 wait for an experience with it, since their loading, capacity and pre-treatment were unknown. Mr.
10 Chamberlin said we will need to consider an allocation charge for them after one year of experience
11 with their waste.

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13 This would be revised, and come back on the June 1st agenda.

14 15 Superintendent's Report

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17 Mr. Chamberlin noted an illegal septic system was discovered at a home on Browns Court. He said it
18 was unknown how long this system had been in place, but more than 30 years. He said that the
19 owners were notified it would need to be taken care of.

20
21 Mr. Hill asked if we would have any noncompliance fines? The Manager said he would give them 90
22 days to connect or then fines would be issued. He said the property owners had hired an attorney
23 and he was in contact on this issue. Mr. Chamberlin said the ordinance was clear that all connections
24 in town had to be to the public system. The Manager was directed to report on this again on June 1st.

25
26 Mr. Chamberlin said things were progressing well at the plant. He said some repairs had been made,
27 and the suctioning of the grit at the bottom of the tanks was twice as much as anticipated. He had
28 negotiated with Hartigans, and they would keep their price the same but disposal of the waste would
29 need to be adjusted accordingly.

30 31 Approval of Minutes

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33 Mr. Hill noted that the minutes of April 20th should be tabled until the next meeting.

34
35 Mr. Sander offered a motion to approve the minutes of March 16, 2015 and was seconded by Mr.
36 Bailey and the motion carried 4-0.

37
38 Mr. Fischer offered a motion to approve the minutes of April 6, 2015 and was seconded by Mr.
39 Sander and the motion carried 3-0-1 with Mr. Bailey abstaining.

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41 Mr. Sander offered a motion to approve the minutes of May 4, 2015 and was seconded by Mr. Bailey
42 and the motion carried 4-0.

43 44 Warrants

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46 The warrants were approved and signed.

47 48 Adjourn

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50 Mr. Sander offered a motion to adjourn at 7:03 pm and was seconded by Mr. Bailey. So voted.