

**RICHMOND WATER AND SEWER
COMMISSION MEETING
December 5, 2016 MINUTES**

Members Present: Bard Hill; David Sander; Lincoln Bressor; Bob Reap; Fran Huntoon

Members Absent: None

Others Present: Geoffrey Urbanik, Town Manager; Kendall Chamberlin, Water Resources; Connie Bona, Finance Assistant; Gretchen Paulsen; Mary Houle; Maureen Kangley; and Ruth Miller was present from MMCTV to tape the meeting.

Mr. Sander called the meeting to order at 6:00 pm.

Welcome and Public Comment

Mr. Sander asked if there was any comment from the public, but there was none.

Pleasant Street Update

The Manager explained that Pleasant Street work was proceeding and should be done for the season by the 16th. Easements were in place to connect to Lemroy Court, but further work on Lemroy Court to the new East Main line would commence in the Spring, along with cleanup and restoration. The loan amendment request for the additional \$75,000 was received and the actual amendment paperwork would follow soon.

The Manager also explained that the Step III amendment with Green Mountain Engineering for this additional work was presented to him, with an additional \$7,980, bringing the total Green Mountain Engineering design and management contract to \$114,602 for the East Main project.

Mr. Bressor offered a motion to approve Amendment #2 to the Green Mountain Engineering contract for East Main/Pleasant Street/Lemroy Court in the amount of \$7,980 and was seconded by Mr. Sander, and the motion carried 5-0.

West Main Street

Mr. Hill explained the meeting with USDA officials from November 22nd. Bard Hill, Bob Reap, Kendall Chamberlin and the Manager met with Misty Sinsagalli, Eric Law and Jonathan Harries of USDA, Cara LaBounty representing the mobile home park, and Alan Huizenga and Kevin Camara of GME.

The meeting was about the pending application for USDA Rural Development funding for the West Main utility extension. USDA was familiar with the project from earlier meetings. Eric Law indicated that the right time to get this locked in was now, as interest rates were at 1.875%, never been lower. This was for a 100% loan funding solution. Application for a grant/loan combination would mean a competitive process that would be decided in March/April of 2017 and there was no way to predict now who would get what, and it would be likely that interest rates would rise at least three times between now and then.

Discussion largely focused on the details of the project and likelihood of it being built. It was agreed that the town was a long way from saying "no" to the project and much closer to saying "yes." Considerable time was spent on the issue of how the Gateway users would be convinced to connect. This issue was left open for now.

1 In order to finalize our application we needed to have interest letters for phases one and two, which
2 we presented to them based on Bob Reap's work; consideration of the design including grinder pump
3 stations and inclusion of those under the project as an incentive to get people to connect early; an
4 interlocal agreement for service with the mobile home park (most important single item); we had until
5 January 30th to submit; and the archeology "1B" study could be deferred but would need to be
6 completed as a condition of final approval, all things considered.

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8 Staff was to get to work immediately in getting similar interlocal agreements to use as templates for
9 our own. Cara LaBounty is still interested in a planning grant from USDA to plan/design a new
10 system for the expansion area of the mobile home park, which would only qualify if the town intended
11 this to be part of the public system. The Water Commission should decide how they wish to proceed
12 with USDA, considering that other conditions can be met - go for 100% loan now, or compete for
13 grant/loan in March of next year. GME should run numbers to understand at what level grant does it
14 make sense considering a higher interest rate on the remaining loan.

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16 Ms. Huntoon spoke about the commitment letters and how they did not show a financial commitment
17 or describe costs to new connections. Mr. Hill said that the USDA process now was trying to show
18 how we get a financial package (offer) from USDA. Ms. Huntoon felt we should have financial
19 commitments from connections, and Mr. Bressor agreed.

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21 Mr. Bressor asked how much more cost were we exposed to by continuing. The Manager mentioned
22 the additional \$15,000 archeology report that was outstanding – but USDA allowed to be deferred
23 under a conditional offer, and the Manager also spoke of the interest rate trade off and grant/loan
24 possibilities that factored into cost considerations.

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26 There was additional discussion about moving forward and concerns related to the project.

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28 Mr. Bressor wanted the board to re-state its goals, and offered a motion that the Water Commission
29 not move forward with the West Main extension unless there is a financial benefit to current users, in
30 terms of rates. Mr. Sander seconded the motion and the motion carried 5-0.

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32 Mr. Bressor also offered a motion that the Water Commission should not spend any more funds on
33 the West Main extension project until we have commitments from the Gateway connections and
34 Mobile Home Park, except professional expenses related to the USDA application and contract
35 negotiations. Ms. Huntoon seconded the motion, and the motion carried 5-0.

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37 Mr. Bressor also said we needed more community engagement. Mr. Hill felt that when we were
38 ready to discuss final financing, that's when we seek community engagement. Mr. Reap agreed.

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40 Mr. Bressor asked what would we do about the loan? Mr. Chamberlin said we already had the PER
41 and the commitment letters. The Manager spoke of the loan option now, or the grant/loan option
42 later. Mr. Reap wanted to know the annual water usage of the mobile home park. It was agreed that
43 a loan vs grant/loan cost analysis was required.

44 45 46 FY2018 Budget

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48 The Manager explained that it appeared that the only outstanding issue with this budget was the
49 additional \$18,220 in Fire Protection revenue sought from the General Fund. The Water Commission
50 would need to make that formal request from the Selectboard, and then defend that in the town's
51 general budget. He asked if the Water Commission would like to approve this budget.

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53 Mr. Bressor was concerned about the Selectboard not approving their budget yet.
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1 Overall, the budget was \$881,796, up \$1,220 over FY2017. Water user revenues were down by
2 \$25,000 but Fire Protection was up by \$18,220. Wastewater user revenues were up by \$8,000. Most
3 of the budget was unchanged except for capital spending – reserves and debt expenses were
4 modified in both Water and Wastewater. There was some discussion on this, but Mr. Bressor offered
5 a motion to approve the 4th draft of the FY2018 Water and Sewer Budget and was seconded by Mr.
6 Sander. The motion carried 5-0.

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8 Superintendent Report

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10 Mr. Chamberlin reported that he had a contractor to repair a short section of old sewer line (pre-1970)
11 on West Main Street in the village, at \$6,750. He thanked Connie Bona, Finance Assistant, for her
12 work on straightening out some Green Mountain Power bills.

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14 Warrants

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16 The warrants were reviewed and approved.

17 Adjourn

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19 Mr. Sander a motion to adjourn at 6:58 pm and was seconded by Mr. Bressor. So voted.

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