

**RICHMOND WATER AND SEWER
COMMISSION MEETING
June 19, 2017 MINUTES**

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

Members Absent: None

Others Present: Geoffrey Urbanik, Town Manager; Kendall Chamberlin, Water Resources; Maureen Kangley; Don Morin; 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

Mr. Hill asked for any public comment but there was none.

Reorganization

Mr. Hill asked if there were any nominations for board chair. He was willing to continue but equally willing to let someone else have the opportunity. That sentiment was largely mutual.

Mr. Bressor nominated Fran Huntoon as Chair of the Water Commission, and David Sander as Vice-Chair, effective upon passage, and was seconded by Mr. Hill. Mr. Sander thanked Mr. Hill for his leadership on several large issues over the past 3 years. The motion carried 5-0.

Budget and Rates Discussions

The board reviewed the proposed FY2018 budget and concurrently reviewed the current and proposed rate structure to see what changes were required to support the budget and match current system usage and the revenue it would generate. A live spreadsheet was modified in real time to examine various changes and to explain Mr. Hill's methodology on proposed changes. Mr. Morin reminded the board that increases in residential costs should be avoided.

The board agreed to modify the three classes: residential, commercial/government and schools, to adjust their proportion of the budget revenue requirement to reflect actual water usage – indicating a proportionate share of costs to share of use. The board agreed to lower the septage revenue figure to \$180,000, and keep the usage at 98% as a hedge against fluctuation.

Those changes made, the rates were increased in residential and commercial/government, with a decrease in the schools due to lowered usage. The projected example was:

Mr. Sander offered a motion to approve the FY2018 rates as shown on the modified rate sheet, and was seconded by Mr. Bressor. The motion carried 5-0.

Average Residential Rate: \$12/1.2% increase per unit

Average Commercial Rate: \$162/6.9% increase per unit

Average School Rate: -\$2,895/-12.9% aggregate decrease

		% of usage	Water \$327,104 2018 budget		% of usage	Wastewater \$583,270 2018 budget	
Residential	actual water %minus 12%to offset school fire \$	56.77%	405 units		66.85%	403 units	
Base Rate account/year		(FY17 60%)	\$139.92		(FY17 68%)	\$198.48	
Annual Fixed Revenue Generated	app. 30% of class revenues	\$166,671	(FY17 \$140)	\$56,668.19	\$266,622	(FY17 \$184)	\$79,986.69
Total residential metered W/WW sold	app. 70% of class revenues	FY17 181,300	9,976,400 est. gallons		FY17 236,454	9,782,164 est. gallons	
	User rate per 1000 gallons		\$11.03 (FY17 11,200,000)			\$19.08 (FY17 9,900,000)	
	Annual Res.usage revenue generated		(FY17 \$11.25)	\$110,002.95		(FY17 \$16.58)	\$186,635.60
			-\$36.12	-\$14,628.87		\$74.86	\$30,168.29
				-8%			12.8%
							\$266,622.29
Commercial and Govt	actual water %minus 2.5%to offset school fire \$	32.38%	79 units		26.37%	77 units	
Base Rate account/year		(FY17 30%)	\$469.81		(FY17 22%)	\$541.20	
Annual Fixed Revenue Generated	app. 40% of class revenues	\$92,788	(FY17 \$381)	\$37,115.35	\$104,182	(FY17 \$543)	\$41,672.78
Total C. & G. metered W/WW sold	app. 60% of class revenues	(FY17 78,624)	6,004,852 est. gallons		(FY17 103,152)	3,859,044 est. gallons	
	User rate per 1000 gallons		\$9.27 (FY17 6,500,000)			\$16.20 (FY17 3,600,000)	
	Annual C. & G. usage revenue generated		(FY17 \$7.26)	\$55,673.03		(FY17 \$17.19)	\$62,509.17
			\$179.30	\$14,164.38		\$13.38	\$1,029.96
				18%			1.00%
							\$104,181.96
Schools	5.85%actual plus 4%(app \$Dx) added for fire protection \$in lieu of taxes	10.85%	3 units		6.78%	3 units	
Base Rate account/year		(FY17 10%)	\$5,262.70		(FY17 10%)	\$4,510.13	
Annual Fixed Revenue Generated	app. 50% of class revenues	\$31,576	(FY17 \$4850)	\$15,788.10	\$27,061	(FY17 \$6367)	\$13,530.38
Total School metered W/WW sold		(FY17 29,114)	992,838 est. gallons		(FY17 38,208)	962,838 est. gallons	
	User rate per 1000 gallons		\$15.90 (FY17 1,100,000)			\$13.63 (FY17 1,100,000)	
	Annual School usage revenue generated		(FY17 \$13.24)	\$15,788.10		(FY17 \$17.37)	\$13,530.38
			\$820.73	\$2,462.20		-\$3,715.75	-\$11,147.25
				8.5%			-29.2%
							\$27,060.75
Industry							
Base Rate account/year						1 unit	
Annual Fixed Revenue Generated						\$225	\$225.00
Annual Industry usage revenue generated						**separate bill estimate**	\$2,500.00
							\$2,725.00
Allocated accounts			6 units			6 units	
Base Rate account/year			\$210			\$280	
***Fee based on 1/2 of C & G ***	Annual Fixed Revenue Generated		(FY17 \$200)	\$1,260.00		(FY17 \$270)	\$1,680.00
				\$1,260.00			\$1,680.00
Total Annual Revenue generated through User Rates:				\$292,295.71			\$402,270.00
Total gallons W/WW usage rate(s) are % of 4/1/15 - 3/31/16 actuals:			16,974,090 water			14,634,046 wastewater	
			(FY17 18,800,000)			(FY17 14,600,000)	
Sale of water				\$1,500			na
	Note: FY17 water sales substantially higher than budgeted			(FY17 \$1500)			
Town Fire Protection/Tank Fee (5% water budget + % tank bond)				\$32,796			na
				(FY17 \$15,380)			
Septage Revenue (est)				na			\$180,000
	Note: FY17 septage revenue somewhat lower than budgeted						(FY17 \$190,000)
est Creamery Revenue	have increased account totals above by 10 res units and 1 comm unit			\$0			\$0
est. Gateway Revenue				\$0			\$0
Hook-on fees				\$500			\$1,000
Miscellaneous Fees				\$0			\$0
Interest on investments				\$0			\$0
Grand Total Revenues FY17			Water	\$327,092		Sewer	\$583,270
Fixed costs generated Water	W capital budget	\$197,393		\$144,128			
	From rates	-27%		\$109,572			
Fixed costs generated Wastewater	WW capital budget	\$206,245				11%	\$228,095
	From rates						\$135,190
Variable costs generated Water				\$182,964			
	From rates			\$181,464			
Variable costs generated Wastewater		6.33%				1.78%	\$355,175
		\$19,486				\$10,221	\$262,675
		(FY17 \$307,618)				(FY17 \$573,049)	
	budget		\$327,104	est. revenue	\$327,092	budget	\$583,270
						est. revenue	\$583,270

Water Allocation – Don Morin

Mr. Morin had submitted paperwork for preliminary allocation on account #2420, anticipating demolishing the existing house and constructing a duplex. Prior to our changes to billing, we billed on allocation. Those records indicate that Account 2420 (then owned by Knapp, now owned by Morin) had 600 gallons per day of water, and 210 gallons per day of sewer. Mr. Morin is now asking for a total of 900 gallons per day of each. We should identify the design of his duplex, since allocation is based on bedrooms at 150 gallons per day. He currently has enough for 4 bedrooms, although with a duplex he will need 420 gallons per day of sewer allocation. Mr. Morin was present to discuss this.

Mr. Morin said that he would like to turn the basements into extra bedrooms at some point in the future, and wanted to know what cost that would be. There was discussion on his plans and the Manager said it was a question of purchase the additional allocation now or wait and wasn't sure it would matter but the board could increase the costs of allocation at some point. It was agreed that the Manager would contact Mr. Morin with the costs to add additional sewer allocation on one bedroom, Mr. Morin would withdraw this request and resubmit in a few months.

1 Superintendent's Report

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3 Mr. Chamberlin suggested that the wastewater billing for its own water usage would need to be
4 revised in the coming year and this may be the reason that water revenue is not shown matching the
5 budget requirement.

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7 Mr. Chamberlin then explained that the Water Resources car was inoperable due to safety and
8 mechanical concerns. He felt that the pickup truck would last at least another year and he needed to
9 replace the car now. He had an offer that would net out at \$3,000 for a new Ford Focus to replace the
10 Tracer. The vehicle had 100,000 miles but the department usually only puts on a few thousand miles
11 per year and this vehicle would fit the bill. There was significant discussion on this and vehicle
12 priorities. Mr. Hill offered a motion to authorize Mr. Chamberlin to proceed with replacing the car,
13 and was seconded by Mr. Sander. The motion carried 5-0.

14
15 Mr. Chamberlin then explained that quotes for a pickup truck with a fiberglass top were expensive.
16 The fiberglass top was about \$10,000 while a Reading Box was \$15,000. He felt that a Transit van did
17 the same job for thousands less. This was also discussed in detail. It was decided that the vehicle
18 preference to replace the current pickup truck would wait and come back at a later date.

19
20 Approval of Warrants

21
22 The warrant was approved.

23
24 Items for discussion at the next meeting:

25 Water Tank
26 Vehicle Replacements

27
28 Adjourn

29
30 Mr. Sander offered a motion to adjourn at 7:00 pm and was seconded by Mr. Bressor. So voted.