

# **Richmond Water Resources**

Annual Customers Meeting

May 18, 2021

6:00 PM

Held Virtually Via Zoom

# Agenda

- Accomplishments of Past Year
- FY2022 Budget and Rates
- Delinquent Accounts
- Upcoming Projects and Capital Projects
- Gateway Sewer Expansion Project
- Open Seats on the Water and Sewer Commission
- Adjourn

# Accomplishments & Highlights

- Participated in the Vermont Rural Water Association Apprenticeship Program
- Completed construction on the Bridge St. waterline replacement project
- Continued work on electronic mapping of the water and wastewater system
- Completed waterline replacement on West Main St.
- Finalized map of Water and Sewer District
- Adjusted operations to address restrictions and challenges presented by the COVID-19 pandemic
- Planning work on Gateway Sewer Expansion project

# FY2022 Budget

- Operational spending increasing by \$20,527 for Water; and \$183,150 in Wastewater
  - The Wastewater increase is more than offset by an increase in septage revenue, which will be covered in detail later in the presentation
- Notable increases in Water and Wastewater included
  - Wage adjustments for staff due to certifications received in FY21 and anticipated certifications to be received in FY22
    - Adjustments follow the wage policy put in place by the Water and Sewer Commission to reward staff for obtaining certifications with the goal of increasing retention of qualified employees
  - Allocation for a single audit to audit funds received from the federal government

# FY2022 Budget

- Notable increases in Water include:
  - \$10,000 for the repayment of the Bridge St. Waterline Loan
- Notable increases in Wastewater include
  - Increase in legal fees related to planning work on Gateway Sewer Expansion project. Legal fees had not been budgeted in prior years.
- Notable decreases include
  - Health insurance was based on actual usage by employees
  - Interest on investments decreased due to lower interest rates

# FY2022 Budget

- Septage revenue has been increasing for the past several years:

Septage	FY17	FY18	FY19	FY20	FY21 Budget	FY21 Total as of 03/31/2021
<b>Revenue</b>	<b>138,078</b>	<b>163,862</b>	<b>238,580</b>	<b>426,534</b>	<b>200,000</b>	<b>381,639</b>
<b>Related Expenses</b>						
WWTF Water Bill	11,096	13,611	32,880	29,530	16,000	16,081
Biosolids Disposal	51,200	51,991	65,667	116,769	60,000	89,864
Biosolids Chemicals	34,587	28,216	35,492	67,563	35,000	57,494
<b>Sub Total of Expenses</b>	<b>96,883</b>	<b>93,819</b>	<b>134,039</b>	<b>213,862</b>	<b>111,000</b>	<b>163,438</b>
<b>Total Revenue less Expenses</b>	<b>41,195</b>	<b>70,043</b>	<b>104,542</b>	<b>212,672</b>	<b>89,000</b>	<b>218,201</b>

# FY2022 Budget

- Increased use of septage revenue of \$230,000
  - FY21: \$200,000
  - FY22: \$430,000
- Increased operational expenses related to receiving septage by \$123,000
- Increased allocation to reserve funds by \$44,713
- Results in using a net of \$262,287 in septage revenue to go toward reducing revenue to be raised from users

# FY22 Water and Wastewater Rates

- The FY22 Water and Wastewater Rates have been set based on water and wastewater usage from April 1, 2019 to March 31, 2020
- The Water and Sewer Commission determined that usage from April 1, 2020 to March 31, 2021 was skewed due to changes in customer behavior due to the COVID-19 pandemic
- The assumption is that in FY22 customer behavior will be more similar to pre-pandemic conditions

# Water Rates

				Change FY21 to FY22	
		FY22	FY21	Dollar Difference	Percentage Difference
<b>Residential</b>					
	Fixed Rate	\$120.45	\$111.33	\$9.12	8.2%
	Metered	\$13.39	\$11.85	\$1.54	13.0%
<b>Commercial &amp; Government</b>					
	Fixed Rate	\$636.62	\$636.57	\$0.05	0.0%
	Metered	\$11.48	\$10.16	\$1.32	13.0%
<b>School</b>					
	Fixed Rate	\$5,549.13	\$5,277.83	\$271.30	5.1%
	Metered	\$19.74	\$17.21	\$2.53	14.7%

# Wastewater Rates

				Change FY21 to FY22	
		FY22	FY21	Dollar Difference	Percentage Difference
<b>Residential</b>					
	Fixed Rate	\$169.72	\$190.66	-\$20.94	-11.0%
	Metered	\$18.87	\$20.32	-\$1.45	-7.1%
<b>Commercial &amp; Government</b>					
	Fixed Rate	\$475.05	\$577.08	-\$102.03	-17.7%
	Metered	\$16.17	\$17.41	-\$1.24	-7.1%
<b>School</b>					
	Fixed Rate	\$3,789.27	\$4,450.03	-\$660.75	-14.8%
	Metered	\$13.48	\$14.51	-\$1.03	-7.1%

# Average Annual Water and Wastewater Charges

			FY22		FY21	
			Water	Sewer	Water	Sewer
<b>Residential</b>						
Metered			\$281.04	\$396.01	\$259.77	\$444.88
Fixed			\$120.45	\$169.72	\$111.33	\$190.66
Total			\$401.49	\$565.73	\$371.10	\$635.54
Total Combined			\$967.22		\$1,006.63	
Total Combined Dollar Change			-\$39.41			
Total Combined Percentage Change			-3.91%			
<b>Commercial &amp; Government</b>						
Metered			\$954.93	\$712.57	\$954.85	\$865.61
Fixed			\$636.62	\$475.05	\$636.57	\$577.08
Total			\$1,591.54	\$1,187.61	\$1,591.42	\$1,442.69
Total Combined			\$2,779.16		\$3,034.11	
Total Combined Dollar Change			-\$254.96			
Total Combined Percentage Change			-8.40%			
<b>School</b>						
Metered			\$5,549.13	\$3,789.27	\$5,277.83	\$4,450.03
Fixed			\$5,549.13	\$3,789.27	\$5,277.83	\$4,450.03
Total			\$11,098.27	\$7,578.55	\$10,555.66	\$8,900.05
Total Combined			\$18,676.82		\$19,455.71	
Total Combined Dollar Change			-\$778.89			
Total Combined Percentage Change			-4.00%			

# Delinquent Accounts

- Delinquent accounts are very low
- As of March 31, 2021
  - 1 delinquent account owing a total of \$1,163.34

# Near-Term Projects

- Waterline replacement on Bridge St. from the railroad to Volunteers' Green
- Phosphorous Optimization Plan implementation is underway fully funded by a State grant
- Working on meeting additional requirements included in the wastewater discharge permit

# Near-Term Projects

- New infrastructure installations are planned for Peaceable Kingdom, Whistle Stop Ln., and Buttermilk
- Preparing for potential increase in federal funding from COVID infrastructure bills

# Financial Impacts – Capital Projects

Impacts to the Water & Sewer Budget from capital projects

- 2006 Treatment Plant Upgrades = \$3,740,000  
repayment of \$348,378 over 20 years = \$22,220  
per year
- 2010 Sewer Lining & Manholes = \$445,999; 50%  
forgiveness – repay \$222,999 over 20 years @ 2%  
= \$14,092 per year
- 2011 Jericho Road = \$941,200 total; repay over  
20 years at variable rate, decreasing over time =  
\$67,320 budgeted for FY22 between water and  
wastewater

# Financial Impacts – Capital Projects

- 2014/15 Water Storage Tank & Chlorine Project
  - \$1,575,000 bond repayable over 30 years at -0.7% interest in the Drinking Water State Revolving Fund (DWSRF); \$37,705 per year. This was a negative interest loan but has been restructured to reduce the principal and subsequent payments to achieve the same reduced payback. Final Payment in 2048.
  - \$181,000 GAP loan to cover the portion not eligible for the DWSRF program. \$27,832 per year. Final payment in 2025.

# Financial Impacts – Capital Projects

- 2016 East Main Street = \$1,275,000 payable over 30 years beginning in 2019; estimated to be \$25,140 per year. This was a negative interest loan but has been restructured to give the same forgiveness up front on the principal and level out interest payments for the life of the loan.
- The Bridge St. waterline replacement project had a total cost of \$789,228 with 50% forgiveness on the bond, payable over 40 years. Payments will start in FY22 and are estimated to be about \$10,000 (final figures were not available at the time of this presentation)
- West Main Street / Gateway extension is yet to happen so is impossible to predict at this time. The cost for this will be paid for by customers of the new lines and possibly grants.

# Gateway Sewer Expansion Project

- The Water and Sewer Commission has been working on the planning for the Gateway Sewer Expansion Project for the past year
- Work has included updating the Preliminary Engineering Report, finalizing the planned Phases, determining the procedure for a bond vote and to expand the district, mapping the current district, and more
- This work will be ongoing for the next several months and will continue to be discussed at regular meetings of the Water and Sewer Commission

# Open Seats on the Water and Sewer Commission

- Two one year terms on the Water and Sewer Commission are reserved for customers of the Water and Sewer System
- These seats are appointed by the Selectboard
- Letters of interest are due to the Town Manager by June 2, 2021

# Water Quality & Etc.

We have some of the best drinking water in the state. We were well within limits for our permit and had no violations for the year for either water or wastewater operations. The Richmond Water Resources Department is proud to serve our town and they do a fine job keeping the system running efficiently and communicating with the public. Thank you Kendall, Allen, Aaron and Brad!

Remember, Water Commission meetings are held every 1<sup>st</sup> and 3<sup>rd</sup> Monday at 6:00 pm.