

**RICHMOND WATER AND SEWER
COMMISSION MEETING
SPECIAL MEETING
September 30, 2013 MINUTES**

Members Present: Ashley Lucht; Amy Lord; Chris Granda; Bruce Bailey
Members Absent: Bard Hill

Others Present: Geoffrey Urbanik, Town Manager, Kendall Chamberlin, Water Resources; Roz Payne; Tim Ramon; Lisa Brownell; Anthony Brownell; Sheila Bailey; George Gifford; Gary Bressor; Bob and Chris Fischer; Connie Doherty; Kathy Sikora; John Fath; and others; and Ruth Miller was present from MMCTV to tape the meeting.

Chair Lucht called the meeting to order at 7:00 PM.

Ms. Lucht introduced the meeting subject as a discussion on possible additional modifications to the rates. She wanted this to be a discussion of the board of actions that might be taken.

Mr. Bailey said that we've spent a lot of time talking, but nothing has been done. He wanted to get to the business items at hand and they needed time to discuss this.

The floor was open to public comment.

John Fath, owner of Toscanos, said he had some ideas about the rates and asked what the best forum would be. Ms. Lucht said she has spent time talking to Mr. Fath, and said she would like to speak to him more. She suggested that if anyone else had ideas, to send to the Manager. Ms. Lucht closed the public comment period to discuss business.

Ms. Lucht discussed the meeting schedule. She suggested that the board meet every two weeks, prior to the Selectboard meetings. The first Monday of the month would be dedicated to policy issues and the third Monday of the month would be a business meeting. Meetings would last from 6-7pm.

Mr. Granda added that we needed to be strict about stopping at 7pm.

Ms. Lucht said that at 6pm on October 7th, Peter Pochop from Green Mountain Engineering would talk about the Water Storage Tank, fire protection and ISO ratings. There would be no public comment period.

On the October 21st meeting we would talk regular business and there would be time for public comment.

The Billing Cycle was discussed. The Manager reported that no decisions had been made at the previous meeting. There was a discussion of monthly billing, or having a longer period to pay. Interest was discussed. It was agreed that 1% interest per month would be charged for balances over 90 days, and people could pay in installments. Mr. Chamberlin suggested that the interest be 3% after 90 days.

Cara LaBounty suggested no interest penalty for one year.

Ms. Lord said that we needed to keep an incentive to pay, or workout a payment plan.

Lisa Brownell said that a year is not enough to repay delinquent balances.

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2 There was discussion. Mr. Chamberlin read part of the town charter dealing with the collection of
3 taxes.

4
5 The new policy was agreed, that there would be 90 days to pay quarterly bills with no interest or
6 penalty, effective for the first quarter billing. Interest would accrue at 1% per month thereafter. Mr.
7 Granda offered a motion to approve this policy and was seconded by Mr. Bailey and the motion
8 carried 4-0.

9
10 Ms. Lucht move the discussion to the wastewater billing for the water system. Ms. Lucht explained
11 that the wastewater plant was the largest water customer, but had never received a bill. It was
12 assumed that shared septage revenue was paying for water, but it was never tracked or confirmed.
13 The wastewater facility now pays a bill, and that had been built into the budget and rate system. This
14 line was \$16,000 in the budget expense lines and included in the user fee revenue.

15
16 Mr. Chamberlin asked if the wastewater facility had a set ERU and said that the revenue to fund the
17 expense should come from septage revenue.

18
19 Mr. Granda asked what level of risk were we comfortable with in septage revenue. He didn't agree
20 that septage was stable, and we needed to make sure that the amount of septage we're anticipating
21 isn't too high.

22
23 Mr. Granda offered a motion to amend the FY0214 budget to add an additional expense line to the
24 wastewater budget for payment of water, in the amount of \$16,000. Ms. Lord seconded the motion,
25 and the motion carried 4-0.

26 27 Discussion on the Frequency of Recalculating the ERU

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29 Mr. Bailey said that maybe people using water with no sewer, such as filling a pool, had been
30 charged high ERUs. He said that we should be able to on a quarterly basis, recalculate this so we
31 wouldn't be penalized for an entire year.

32
33 Ms. Lord said that since we're such a small size, that Harringtons or the schools would hurt everyone
34 in the quarters where they have low billing. She suggested that for annual averages we should
35 continue to use the numbers we have.

36
37 There was some discussion of the new ERU figure. The Manager said he understood it to be 18,250
38 gallons per year. Ms. Lucht explained that the new way this would be calculated was based on a
39 whole unit of 36,500 gallons per year, but we were rounding to half units. Therefore, a half unit was
40 .74 of 36,500; the first whole unit was between .75 and 1.25 of 36,500 and so on.

41 42 Reserve Fund Analysis

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44 The Manager presented an analysis of reserve fund revenues and expenditures for the past ten
45 years. The Manager explained that previously, the town had used capital accounts and available
46 funds, and not true reserve funds. Therefore, the computer system did not accurately track use of
47 what we now consider reserves. In 2009 the current auditors changed the accounting system to
48 record true reserves. Therefore, expense and revenue tracking for capital projects was more
49 accurate. The items listed showed major projects and expenses for the time period in question, and
50 provide an explanation of what projects were completed and how much they cost.

51
52 There was some discussion on spending and how much work has been done to the system in this
53 time period.

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55 Frequently Asked Questions insert for next billing

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2 The Manager explained the draft insert for the next billing, asking several questions and providing
3 answers. The commission suggested several additions or changes. One change was to list the table
4 of how many accounts had which ERUs.

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6 Ms. Lucht said that the commission's goal was to keep rates stable, but we shouldn't say we won't
7 raise rates. Mr. Granda suggested we say that one goal was to have rates increase at the rate of
8 inflation. Ms. Lord said that the goals of the rate committee were to keep rates stable and equitable.

9
10 Ms. Lucht opened the floor for public comment.

11
12 Roz Payne said she had no problem with the rates, but wants donations set up for people that need
13 help. Mr. Granda agreed, and said that even after Hurricane Irene there was identified an ongoing
14 need for this type of fund.

15
16 Lisa Brownell said that she was one of the ones on the list to be shutoff. She was upset at how this
17 was gone about, and upset about the shutoff. She felt that the preshutoff procedure was degrading.
18 The Commission spent some time discussing this.

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20

21 **Adjourn**

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23 Mr. Granda offered a motion to adjourn at 9:00 pm and was seconded by Ms. Lord. So voted.

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