

**RICHMOND WATER AND SEWER
COMMISSION MEETING
May 1, 2017 MINUTES**

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

Members Absent: None

Others Present: Geoffrey Urbanik, Town Manager; Kendall Chamberlin, Water Resources; Maureen Kangley; and Ruth Miller was present from MMCTV to tape the meeting.

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

Welcome and Public Comment

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

Budget Status and Reserve Fund Balances

The board reviewed the budget status report, and reviewed the reserve balances. Discussion turned to replacement of the Water Resources pickup truck, utilizing some excess water revenue from the current fiscal year, and some planned funding from FY2018. The board agreed to pursue a replacement vehicle. There was discussion over whether a pickup truck was needed or a van would work better but that decision was deferred until both options could be examined by staff.

The Water Reserve fund balance is \$138,062.32, broken down as follows:

		Planned FY17 Contribution
Short Term Asset Reserve:	\$50,062.62	\$20,000.00
Water Capital Reserve:	\$19,000.00	\$19,000.00
Distribution Planned Expense:	\$19,000.00	\$14,265.00
Unassigned:	\$50,000.00	\$0

The Sewer Reserve fund balance is \$25,772.65, broken down as follows:

Short Term Asset Reserve:	\$6,000.00	\$20,000.00
Collection System Reserve:	\$6,000.00	\$21,670.00
Wastewater Capital Reserve:	\$12,772.65	\$83,000.00

The Water System has several planned projects, listed below with costs and some sample repayment options.

Bridge Street upper section water line replacement:

\$465,000/215,000 (water line only)

Submitted to DWSRF; not funded; requires bond vote. Eligible for min. 20 year repayment schedule with possible low to negative interest. Straight repayment over 20 years irrespective of interest is \$12,500 per year. Needs to happen if we replace failing storm line in same location which adds to total project cost listed above.

Bridge Street Bridge water line relocation:

\$200,000

1 Submitted to DWSRF and funded; requires bond vote. Eligible for min. 20 year repayment schedule
2 with possible low to negative interest. Straight repayment over 20 years irrespective of interest is
3 \$10,000 per year. Is important to protect water system from flood damages.
4

5 **Jolina Court/Railroad Street/Bridge Street extension and valve improvements:**

6 \$60,000 - \$80,000

7 Proposal to pay with cash reserves, no future impact on budget, debt service or rates; will deplete
8 Water Capital reserve but distribution and short-term asset reserve will have good balances. Needs
9 to happen this year.
10

11 **West Main short section replacement:**

12 \$100,000

13 Possible to use short-term (5-years or less) bank note to pay. Estimated \$23,000 each year includes
14 interest. This project is not time-sensitive but is a priority for Water Resources.
15

16 **Water Tank Removal**

17 Estimated \$35,000

18 This is removal of the large steel tank and demolition of the smaller "shed" structure over the old
19 concrete tank. Should be paid in cash once reserves are available.
20

21 **Well Rehabilitation**

22 \$45,000

23 This is to clean and service our existing well to ensure consistent high-capacity production.
24 Production decreases over time and this is our only source. Funding availability under consideration.
25

26 **What is our current debt carrying capacity with rates?**

27
28 Operations are fairly steady, and slight increases as we've seen recently have minimal impact on
29 rates, since a fair portion of rates is related to consumption which is estimated on the low side.
30

31 System growth can also add revenue. We will see something in the next 18 months come out of the
32 creamery site, but beyond that little else will happen. We can't rely on system growth to support
33 infrastructure investments.
34

35 Debt has a greater impact on rates, since our current Base Charges are directly related to the amount
36 of debt service we have. Therefore, to add debt service, we have to increase rates. The only other
37 option would be to cut reserves, which Water Resources would strongly object to.
38

39 The \$14,000 from the Browns Court loan will come off the books next August. As far as rates, for
40 example only, raising the base charge across all water accounts by 5% will yield \$5,064 per year. A
41 25 cent-per-thousand increase on variable water charges would yield \$4,700 per year.
42

43 Also for example only, if we decided to do all projects listed this year, utilizing debt for all but Jolina
44 Court, we'd need to raise (at least) \$61,500 each year for the next five years.
45

46 Mr. Chamberlin said he would prioritize both the Bridge Street Bridge water crossing and Jolina
47 Court, then the upper Bridge Street section followed by the short West Main section then well rehab
48 and the demolition of the old water tank. He discussed in some detail his opinions on these. Mr.
49 Chamberlin suggested that if the town has a use for the old water tank site, then the town should pay
50 to remove the tank.
51

52 **Superintendent's Report**

53

1 Mr. Chamberlin reported that the Lemroy Court water line was installed and would be active by the
2 end of the week. He noted that a tank inspection would occur on Wednesday to identify any possible
3 warranty items.
4

5 Mr. Chamberlin noted that two mixers at the wastewater treatment facility were now out of
6 commission and he was having trouble getting repairs made because the components were made in
7 Sweden. He said that once these are back online he would order additional parts for the shelf,
8 because of the delays in getting repairs.
9

10 Mr. Chamberlin also noted that Buttermilk was working out their accounts and we'd be working with
11 them on utility installation. He was also preparing for a cleanout of the digester building similar to
12 what was done to the mixing tanks last year.
13

14 Mr. Hill asked more about the tank visit, and requested that the board tour the site for the next
15 meeting.
16

17 Mr. Chamberlin shared an idea that the old concrete tank could be made into some sort of vault for
18 use by the town.
19

20 Approval of Warrants

21 The warrant was reviewed and approved.
22
23

24 Next Agenda

25
26 Tour of Water Tank Site
27 Replacement Vehicle Update
28

29 Adjourn

30
31 Mr. Sander offered a motion to adjourn at 6:59 pm and was seconded by Mr. Bressor. So voted.