

Richmond Water Resources

Annual Customers Meeting

May 21, 2019

6:00 PM

Library Meeting Room

Agenda

Questions and Comments from the public will be taken for each item, following that item's presentation

- Discussion of Accomplishments of Past Year
- Discussion of FY2020 Budget and Rates
- Discussion of Upcoming Projects and Capital Projects
- Discussion of Disconnection Policy
- Adjourn

Accomplishments & Highlights

- Jolina Court Water and Wastewater line extensions
- Permit to replace Bridge St. railroad crossing. Work will be completed when upper Bridge St. work is done.
- Completed the Baker St. water line upgrade
- Replaced well equipment and cleaned the well
- Rewrote the delinquent account policy
- Upgraded water line on Rail Road St. to Richmond Rescue
- Assisted in engineering for waterline extension and upgrade at Camel's Hump Middle School
- Installed rip rap to protect well site from flooding

FY2020 Budget Note

- This morning (May 21, 2019) we caught an error in the reporting of the Jericho Road Loan principal and interest lines.
- This loan is split between water and wastewater, with water paying a higher percentage.
- Previous versions of the FY20 budget had wastewater paying a higher amount.
- This has been corrected and has caused the water budget to increase by \$8,451 and the wastewater budget to decrease by \$8,451
- This has also been corrected in the rate sheet.

FY2020 Budget

- Water operational spending
 - FY19: \$82,468
 - FY20: \$98,868
 - 19.89% increase totaling \$11,563
- Wastewater operational spending
 - FY19: \$192,389
 - FY20: \$230,693
 - 19.91% increase totaling \$38,304

FY2020 Budget

- Increases in operational spending are largely due to
 - Increase in administrative expenses and general insurance
 - Increasing staffing by making a part time position into a full time position
 - The increase in staffing was deemed necessary for the following reasons:
 - FY19 budget had 3 FT and 1 PT employees
 - FY20 budget increases staffing to 4 FT employees
 - Staffing survey by the State recommends 4.3 FT employees
 - Finding a PT employee has proved challenging
 - Safety requirements for certain jobs require 2-3 people on site. A fourth full time employee would allow for this more often.

FY2020 Budget

- Total Water capital budget lines (includes contributions to capital funds and payment of loans)
 - FY19: \$205,869
 - FY20: \$202,317
 - 1.73% decrease totaling \$3,552
- Decrease is due to
 - Decrease in the allocation to the Water Capital Reserve intended to partially offset the cost of the increased staffing
 - Note: there is an increase in the interest line for Water Reservoir Gap loan. This line went from \$0 in FY19 to \$3,941 in FY20. Initial documentation was not clear about the interest payments so this had been left off the budget in the past. This has now been corrected.

FY2020 Budget

- Total Wastewater capital budget lines (includes contributions to capital funds and payment of loans)
 - FY19: \$182,711
 - FY20: \$162,559
 - 11.03% decrease totaling \$20,152
- Decrease is due to
 - Reductions in the allocation to the Wastewater Capital Reserve and Collection System Capital Fund, intended to partially offset the cost of the increased staffing.

FY2020 Budget

- Water revenue
 - FY19: \$345,137
 - FY20: \$357,985
 - 3.72% increase totaling \$12,848
- Wastewater revenue
 - FY19: \$582,000
 - FY20: \$600,152
 - 3.12% increase totaling \$18,152
- New this year is an allocation for interest earned on the bank account of \$1,500 in Water and \$3,500 in Wastewater

FY2020 Budget

- Capital Fund Balances
- Water:
 - Short Tern Capital Fund
 - Balance on June 30, 2018: \$59,600
 - Projected balance on June 30, 2019: \$55,575
 - Change due to FY19 Budget allocation of \$20,000 combined with \$24,025 spent for well re-habilitation
 - Distribution System Capital Fund
 - Balance on June 30, 2018: \$40,272
 - Projected balance on June 30, 2019: \$52,703
 - Change due to FY19 Budget allocation of \$15,000 combined with \$2,569 spent for Baker St. water line replacement
 - Water Capital Reserve
 - Balance on June 30, 2018: \$104,817
 - Projected balance on June 30, 2019: \$21,070
 - Change due to FY19 Budget allocation of \$42,793 combined with \$126,540 spent for Baker St. water line replacement and Rip Rap to protect well

FY2020 Budget

- Capital Fund Balances
- Wastewater:
 - Short Tern Capital Fund
 - Balance on June 30, 2018: \$50,682
 - Projected balance on June 30, 2019: \$60,858
 - Change due to FY19 Budget allocation of \$20,000 combined with \$9,824 spent for conveyor system repairs
 - Collection System Capital Fund
 - Balance on June 30, 2018: \$58,405
 - Projected balance on June 30, 2019: \$78,405
 - Change due to FY19 Budget allocation of \$20,000 and no spending
 - Wastewater Capital Reserve
 - Balance on June 30, 2018: \$270,761
 - Projected balance on June 30, 2019: \$331,572
 - Change due to FY19 Budget allocation of \$60,811 and no spending

FY2020 Budget

- We will now transition to a separate spreadsheet to discuss FY20 Rates

Near-Term Projects

- Upper Bridge Street Section is permitted for the railroad crossing but construction has yet to begin
- Water line Bridge Crossing (consisting of a pipe upgrade and move to more protected location) is scheduled for fall of 2019
- Camel's Hump Middle School waterline extension is scheduled for summer of 2019

Financial Impacts – Capital Projects

This will summarize the impacts to the Water & Sewer Budget from our capital plans, showing current and projected indebtedness

- 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) =
\$70,423 budgeted for FY20

Financial Impacts – Capital Projects

- 2014/15 Water Storage Tank & Chlorine Project = \$1,575,000 bond plus \$464,000 cash; bond repayable over 30 years at -0.7% interest; \$67,503 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.
- 2018 Baker St. Project totaling \$81,706 was paid out of cash reserves
- Well improvements totaling \$24,025 was paid out of cash reserves
- Rip rap to protect well site from river flooding totaling \$43,120 was paid out of cash reserves

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.
- 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.
 - We did just apply for a grant from Northern Border Regional Commission. If we get the grant it would pay for \$414,000 of a \$828,000 project to extend water and sewer lines from Camel's Hump Middle School to Rt. 2, at 840 West Main St. (AKA Reap Construction). Grant awards are made in July.

Financial Impacts – Capital Projects

- Bridge Street and Bridge St. Bridge Crossing project were approved for bonds or notes at 2018 Town Meeting for up to \$400,000 of a total project cost estimated to be \$415,000.
- Bridge St. Bridge Crossing project will be completed in fall 2019 and is estimated to cost \$320,000.
- The increased cost is due to:
 - Changing the pipe material to Yellowmine PVC (a much better product) across the bridge itself
 - The pipe on the water house property was replaced in 2016 and is made of PVC
 - There is a couple hundred feet of pipe from the water house pipe to the bridge which was installed in 1969 and is made of asbestos cement
 - The State and our engineer reviewed this and both recommended we replace this pipe now since pipes on both ends will be new and we have had several leaks in this pipe in the past few years
- This may mean we need to go back to the voters for more money to complete the upper Bridge Street project which may total \$200,000 - \$300,000

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, and Aaron!

Stay tuned as we soon consider important policy changes such as the Universal Connection Policy and other water and wastewater policies.

We will briefly review some of these during the meeting, as time allows, but in-depth discussion will be ongoing at Water Commission meetings held every 1st and 3rd Monday at 6:00 pm.