

## **Town of Richmond Water and Sewer Commission Meeting Minutes of April 4, 2022**

**Members Present:** Bard Hill, David Sander, Fran Huntoon, Greg Tucker, Jay Furr

**Members Absent:** None

**Staff Present:** Josh Arneson, Town Manager; Kendall Chamberlin, Water and Wastewater Superintendent; Duncan Wardwell, Assistant to the Town Manager; Linda Parent, Town Clerk

**Others Present:** The meeting was recorded for MMCTV, Bob Reap, Gary Bressor, Heidi & Peter Bormann, Meg Freebern, Rod West

**Call to Order:** 5:30 pm

**Welcome by:** Sander

**Public Comment:**

Hill: I decided to stay at home for the meeting as I have had some cold symptoms.

Sander: Yes, I am staying home at well for similar reasons.

**Additions or Deletions to the Agenda:** None

**Items for Presentation or Discussion with those present**

**Recognition of article regarding Wastewater Treatment Facility in Treatment Plant Operator magazine**

Sander: We were recognized in a national publication for our services and initiatives. Is this publication just for municipalities?

Chamberlin: This publication serves all wastewater facilities, treatment plant operators, private and industrial.

Arneson: This is a great article that highlights the septage hauling and how clean the water is when it exits the plant. The water that exits the plant is actually able to sustain trout.

Chamberlin: Most people were interested in the trout. That is unique in the country.

Sander: We are proud of our plant but mostly our employees. It is great a nationally syndicated publication. Congratulations Kendall.

**Superintendent's Report**

Chamberlin: Our new employee, Steve Cote, has a lot of relevant mechanical skills who will fit in nicely. We are thankful to welcome him. Josh will share information on the compensation study.

Arneson: The Town hired a third party to conduct a compensation study for all Town Departments. We have a presentation at this evening's Selectboard. They created a matrix based on comparable municipalities. They chose a few communities to work with. Kendall had some specific suggestions for systems that were comparable to our water & wastewater plant. They sent out a survey to comparable towns. They developed a pay grid based on 50<sup>th</sup> percentile. In February, we reviewed this with Department Heads. Our numbers might compare to towns in other counties, but we also need to compare to Chittenden County municipalities as they are direct competition for qualified employees. The final report will be presented at Selectboard meeting tonight.

Hill: I would like to have the contractor come back to explain relevant sections for Water & Sewer Commission. The comparison groups are challenging. How many officers are in the Burlington Police Department? Often, salaries are based on how big you are as an organization. The size and complexity might anticipate that the Chief of Police in Burlington will probably make more than in Richmond. I am not how sure this might apply to Water & Sewer.

### **Consideration of defining new and current users**

Arneson: Last meeting we reviewed 282 West Main Street as a current user. 282 West Main Street was listed on the P.E.R. and bond payback grid. They are a current user as they connect via Tilden Avenue line. Our Ordinances specifically state the current users will not be responsible for the cost of the expansion. We want to make a draft motion to clarify the expansion.

Sander: Is this the only property with this unique situation? Are there any other properties that are current users would potentially be served by the Gateway expansion?

Arneson: There are two others, a Church St address, and a Huntington Rd address. I think they currently get water, but I will double check. Due to the size of these properties, they have road frontage in a couple of spots, including West Main St.

Sander: Any expansion to the Gateway district would be funded by new users not current users. We discovered through this process that there is no change in our intent.

Hill: This is not based on the whim of the current Commission but part of the Ordinance.

*Hill moved that when a new waterline or wastewater line is constructed to serve the Gateway district, that only the proposed users to be served by the expansion pay the entire cost of the expansion, as per Section 5 of the Wastewater Reserve Capacity Allocation ordinance. And to clarify that a proposed user to be served by the system is defined as a property which is not currently connected to the existing water or wastewater system. Properties that are currently connected to the existing water or wastewater system are not proposed users to be served by the expansion and therefore will not be responsible for the cost of the expansion. Huntoon seconded.  
Roll Call Vote occurs after the following discussion.*

Hill: I suggest we hear from Kendall to describe the issue and then hear from the Bormanns on this matter.

Chamberlin: When a new water & sewer municipal line goes by a bunch of properties, those properties are required to connect within a time frame. Our Sewer Ordinance

references this several times. I consider the current line a public risk. The private lines go across another property, so connecting to the new line would correct a number of issues.

Arneson: The email that Kendall sent highlights the sections of the Ordinance specifically Article II-Section 4, Article III-Sections 3 & 6, Article IV-Section 10, Article VIII-Section 1.

Hill: A question is whether a “current user” is inclusive to both or individually Water or Sewer? Are there lines currently functional that we have some authority to abandon for a new line? Do we have other properties that have current connections that would need to convert to the new system?

Chamberlin: Pretty much everyone is served by the line that goes by their property. There are a couple of questionable lines on East Main Street that cross other properties. This is a similar situation as the Bormanns. If there is a chance to improve the system or correct risks to public health typically the Commission follows the best practices provided by the Ordinance.

Sander: If this line were built, what would be involved for 282 West Main St to connect to the new line.

Chamberlin: They will need to redirect the force main from existing pump station to the new force main connection on Rt. 2 on their side of the street. They would need to run a new service line to the curb stop.

Sander: They would need a pump station to connect to the new sewer line.

Bormann: Congratulations Kendall for the magazine article. We appreciate the draft letter provided by the Water & Sewer Commission that confirms 282 West Main St as a current user and will not be responsible for funding a new line. We accept the motion and letter. As far as any line, it is still the responsibility of the homeowner. We have cleared and cleanup as requested in the past. If it’s not broke, don’t fix it until it needs it. We do have Water & Sewer if you have it you are not responsible for the expansion. If the new line goes by the property, it is up to the owners or new units to decide. The owner of the old line should not be forced to connect to the new line.

Sander: If the new line were built then what would be the process for disconnecting? Do they need to hook up when the line is being installed or is there a grace period? Any history of when to do what?

Chamberlin: We have precedent of giving a grace period of seven years as occurred on Cochran Rd. The Ordinance is clear about connecting to the abutting sewer line. A customer up on Browns Court never connected and created a number of problems. We need to be proactive and not reactive. If that water line springs a leak, then I would follow the Ordinance. It is nothing personal just following the Ordinance.

Bormann: If it starts leaking that is a problem. Until it needs to be replaced then we are not required to switch. That is stated multiple places.

Chamberlin: The interpretation of the Ordinance is for the Commission.

Hill: If there were a line what would people have to do? This feels hypothetical. The current issue is this property will not contribute to the cost of the expansion. What this current Commission says is only a statement. I am more comfortable dealing with the cost of the expansion. The other question is worth investigating.

Sander: The current motion is addressing the definition of current users and future users related to the Gateway expansion.

Bormann: It is a moot point as if the line doesn't get installed then there is no need for the second discussion. I want to make sure we are not paying for the expansion.

Hill: The second issue is a potential hook-up date to the proposed new line.

Bormann: Commissioners change so we just want to make sure we are protected.

Sander: The first motion should be voted on.

*Roll Call Vote: Hill, Huntoon, Furr, Sander, Tucker in favor. Motion passed.*

### **Consideration of approving a letter defining 282 West Main St. as a current user**

Sander: Do we just consider the letter or also address the future hook up options to the new line?

Hill: Let's just define it as a current user and they do not pay for expansion. The hook-up line replacement issue is a more sensitive and serious discussion for future meetings.

Bormann: We agree to what is drafted in the letter.

Sander: Do we approve the drafted letter that 282 W. Main St will not be responsible for expansion payments? Do we want to wait to determine when 282 W. Main St would be required to hook up to the proposed expansion line?

Furr: I am okay with taking that approach.

Huntoon: I am as well. It would be premature for us to do anything else.

Bormann: We agree with the letter that was proposed by the Staff.

Arneson: The following letter is presented as:

April 4, 2022

Dear Peter and Heidi Bormann,

This letter is regarding your property located at 282 West Main St. and the associated Water and Sewer Account #840. This letter confirms that this property is a currently connected to both the public water and public wastewater systems through connections to the public lines on Tilden Ave.

At their meeting on Monday, April 4, 2022 the Richmond Water and Sewer Commission approved the following motion:

I move that when a new waterline or wastewater line is constructed to serve the Gateway district, that only the proposed users to be served by the expansion pay the entire cost of the expansion, as per Section 5 of the Wastewater Reserve Capacity Allocation ordinance. And to clarify that a proposed user to be served by the system is defined as a property which is not currently connected to the existing water or wastewater system.

Properties that are currently connected to the existing water or wastewater system are not proposed users to be served by the expansion and therefore will not be responsible for the cost of the expansion.

The Richmond Water and Sewer Commission is confirming that 282 West Main St. is currently connected to the water and wastewater systems and therefore will not be responsible for the costs of a new water or wastewater line to serve the Gateway District. Sincerely, David Sander, Chair Richmond Water and Sewer Commission

*Hill moved to approve the memorandum letter presented to the Bormanns as prepared by the Town Staff that addresses the clarification of their status as a current user and will not be responsible for the cost of the expansion. Huntoon seconded.*

*Roll Call Vote: Hill, Huntoon, Furr, Sander, Tucker in favor. Motion passed*

### **Discussion of next steps for the Gateway expansion project including sample bond payback based on grand list values for Phase I wastewater extension**

Arneson: We wanted to look into just funding Phase 1 which from end of current line down to the Reap Property. We found in the previous P.E.R. for a line that is sized for some capacity to the Gateway. We put together the bond payback scenarios for minimal expansion. We might need to take off the Church St and Huntington Rd properties. You can see the 5-year bond payment increments along with the total cost of \$374,508 over 30 years. This is the Rt. 2 option. If we were to do the over the road option, then we would only serve the Reap Property which is about the same cost as the Rt. 2 option

Hill: How far out is 840 West Main.

Arneson: That is the Reap Property.

Furr: What is the 350 W. Main St.

Furr: We would basically have 3 addresses pay for the bond of the expansion. How badly do those property owners want that expansion?

West: 434 W. Main St. is Resourceful Renovator. 350 W. Main St. is the filled in wetland that is a turnaround that has not buildings on it.

Parent: Rod is correct 350 W. Main St. is where the swamp is filled in and owned by Tom Carpenter. 434 W. Main St. is the home and the Renovator Garage buildings all in one. The Cemetery has never used any water or sewer. The Cemetery Board has voted to contest to any payment to this project. Many years ago, I lived at 434 W. Main St. and our well had problems. We asked to have the water line extended and we were told we would have to pay the total price. It was not feasible at that time, so we put in a new well. If the plan is just to go to the Reap Property, then why is everyone having to pay for it. I thought when Joy and Bob purchased the property, they were personally going to put in that line.

Furr: If 350 W. Main St. is a turnaround and is not developable then why would they be required to pay for water and sewer?

Hill: The answer to that is based on the Ordinance and legal advice we received. The point of these statues is we want everyone to join on for the greater good of the community. If you have 0 Grand List Value or a small Grand List Value, then you will pay that zero or small portion.

Parent: What about the Church St. and Huntington Rd. properties

Chamberlin: The Church St. and Huntington Rd. properties are current users, but they would not apply because they are not using anything on the properties listed.

Parent: The Church St address is the meadow on the other side of the railroad tracks. Those are many parcels that make up the entire parcel. Just like Huntington Rd. after the cemetery on the river side. Can you clarify that the Cemetery has no Grand List Value so that it will not be charged an expansion fee?

Hill: Yes

Sander: Yes.

Parent: The sledding hill owned by the Land Trust has a small Grand List Value. The Cemetery does not have a Grand List Value.

Bressor: This does not seem like a fair way to break this out. There is no development on that property for the Farr property. They are in the 100- and 500-year flood plains.

Hill: We might check with the attorney to confirm if we have properties on the Grand List Value but are not ever able to use Water & Sewer, then are we legally obligated to have them pay. Or is there an exception for properties that could not be developed?

Sander: My understanding is if a property is developed, and the Grand List Value goes up then so would their portion of the payment. It is a fair point for further clarification.

Bressor: This just seems like the payback system is fundamentally unfair.

Arneson: If we wanted to expand from the Mobil Station out to the mobile home park then you could fold the new users into the remaining payback for what was originally setup based on Grand List Value.

Bressor: Suppose you stop at Phase 1 and then other houses want to join in further down the line. You can add them into the bond payback whatever year they join.

Arneson: Yes, you could add them into the original expansion plus new costs associated with extension. You would reassess the Grand List Value every year like taxes.

Arneson: The bond payback is similar to tax payments.

Hill: That is fair but not so predictable. Your payment is based on your own Grand List Value plus how the Grand List Value of other properties change. Every year people would be paying this figure. For a couple of properties this is around \$5,000 per year and does not include usage rates or hook-up fees. This is a daunting financial model.

### **Follow up on questions related to use of surplus funds and fund balance accounts in the FY23 budget**

Arneson: When we looked at the budget last meeting, we were looking at how to use reserve funds, fund balances, and surplus funds. The auditors said we can do the same thing as the unassigned funds for the general fund. We would put it in the revenue line

that would offset what we have to collect via rates and would be transparent. We have that option the next time we look at the budget.

### **Discuss of date for next meeting**

Sander: The next meeting is scheduled for April 18<sup>th</sup> so we can meet without Josh who is on vacation or wait until April 25<sup>th</sup>.

Furr: I can meet April 25<sup>th</sup>.

Hill: The Selectboard is doing that as well.

Arneson: I appreciate your flexibility during school break.

### **Approval of Minutes, Warrants and Purchase Orders**

#### Minutes

*Furr moved to approve the Water & Sewer minutes of 3/21/22 as written. Huntoon seconded.*

*Roll Call Vote: Hill, Huntoon, Furr, Sander, Tucker in favor. Motion passed.*

#### Purchase Orders

*Furr moved to approve Purchase Order PO# 4334 to US Bank in the amount of \$9,849.23. Huntoon seconded.*

*Roll Call Vote: Hill, Huntoon, Furr, Sander, Tucker in favor. Motion passed.*

#### Warrants

*Furr moved to approve the warrants as drafted. Huntoon seconded*

*Roll Call Vote: Hill, Huntoon, Furr, Sander, Tucker in favor. Motion passed.*

### **Discuss Items for Next Agenda and Adjourn**

#### **Next Meeting Agenda**

\_Update from attorneys for properties that would not be developed on expansion line thus an exception for bond payback

\_The potential rates related to the proposed budget

\_Presentation from Compensation study

#### **Adjournment**

*Huntoon moved to adjourn. Seconded by Hill.*

*Roll Call Vote: Hill, Huntoon, Furr, Sander, Tucker in favor. Motion passed.*

### **Meeting adjourned at 6:38 pm**

#### **Chat file from Zoom:**

00:47:19 Kendall Chamberlin: I apologize, but I have to leave the meeting at 6:20