

**RICHMOND WATER AND SEWER
COMMISSION MEETING
May 4, 2015 MINUTES**

Members Present: Bard Hill, Chair; David Sander; Lincoln Bressor; Bruce Bailey; Robert Fischer

Members Absent: None

Others Present: Geoffrey Urbanik, Town Manager; Kendall Chamberlin, Water Resources; Peter Pochop, Green Mountain Engineering; Robert Reap; Chris Fischer; Maureen Kangley; Jack Linn; and Ruth Miller was present from MMCTV to tape the meeting.

Mr. Hill called the meeting to order at 5:30 pm.

Welcome and Public Comment

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

West Main Utility Extension Update

Peter Pochop of Green Mountain Engineering explained that he was working on the preliminary engineering for this project. Two applications for revolving loan funding had been sent to the State, for assistance with preliminary design for the wastewater and water systems. The State had given an verbal approval to move forward with environmental and archaeological engineering. The USDA-Rural Development is on a rolling schedule and is waiting for the Preliminary Engineering Report, which is still being completed. Also, the income survey was about to be sent out.

Cara LaBounty, the representative for the mobile home park, asked to see a copy of the letter going out for the income survey and suggested not sending the request until she could review the letter. The Manager said that the letter had been agreed upon and he wasn't sure that he could stop it from being sent out at this time but he would check with the surveyor, Tom Clark.

There was some discussion on current costs. Peter Pochop explained that we also had agreed to preliminary design costs in their contract, which were committed but not yet expended. The Manager reported that current costs had been about \$44,000 for engineering, surveys and legal work related to negotiations.

Bruce Bailey said he was inclined to pull the plug if the town was unwilling to pay for any part of this project. Lincoln Bressor said we needed to have a plan for how to split these costs. Bard Hill said that the Selectboard agreed to consider partial payment of these costs, if the deal fell through, and Mr. Bressor said that they only considered a concept but had no plan to handle the request. There was some discussion.

Cara LaBounty asked if the board was only negotiating with the mobile home park and no one else? She asked what guarantees are available that the line would go through if only the park agreed?

Mr. Hill said he would like to see the Selectboard "underwrite" the project and pick up part of the costs, but that didn't mean the town paying for the project. This would be an ongoing discussion for the board.

Water Storage Tank Update

Mr. Pochop explained that bids had been opened and came in significantly higher than projected. The low bid was SD Ireland, who bid a total of \$1,629,000 where the engineer's estimate was \$1,042,870. The remaining bids were significantly higher, with the highest bid being more than twice as much as estimated.

Mr. Pochop had been working with the low bidder to try and find some savings by eliminating some work from the contract and seeing if some slight modifications to the original design might equal some savings. He had come up with \$194,000 in reductions but there were additional engineering charges. There was some discussion on this, including total water storage and the town well.

The Manager said that, despite the difficulties, it was possible to come up with the funds to pay for the overage by using additional borrowing, leftover money from Jericho Road and a combination of reserves and fund equity over two fiscal years. The plan he put together was this:

	Budgeted	Cost
CCT	\$ 158,638	\$ 153,566
Tank	\$ 1,497,200	
Engineering	\$ 255,636	\$ 137,936
Other	\$ 63,000	\$ 44,000
	\$ 1,974,474	\$ 335,502

Required to Complete Project: \$1,638,972

Funds remaining in Bond: \$1,164,498

Unfunded balance to complete: (\$474,474)

-\$75,000 "over-bond authority"

-\$53,000 Prior Jericho Road water money not spent

-\$100,000 From current water reserve

-\$40,000 From expected contribution to water reserve

-\$41,138 Remove Direct Purchase #2, Remove Admin and Legal costs from this budget; charge to current expenses

\$165,336 Fund Equity

There was quite a bit of discussion on the extraordinarily high bids and how to cover this. The Water Commission generally agreed that they should proceed and talk about award of a contract at the annual customer's meeting next week.

East Main Street Water Line

The Manager explained that in 2009, the East Main project had been designed under an agreement with Green Mountain Engineering. The plan called for a streetscape and replacement of the water lines and some sewer replacement. With the expected work on Route 2 by the State Agency of Transportation, the time was coming to complete this work either in advance or coincident to the road project. Mr. Pochop explained that he had updated his estimates for this, and the new cost estimate was \$1,039,680. There was significant discussion on the timing and need for this project. Mr. Chamberlin said this was the oldest, most deficient line in the system and accounted for 60% of the costs for water line repairs over the last 10 years.

There was discussion of the timing of the issue and the need for a bond vote. The Manager said that this project was at the top of the state's priority funding list, which would get the same great negative interest rate as on the water tank. The Water Commission agreed that this should be discussed more at the annual customer's meeting.

1
2 **FY2016 Budget**

3
4 The Water Commission again reviewed the budget request. The Manager noted that the only
5 significant changes were to the Water and Wastewater capital plans which included more funding for
6 reserves and some advanced funding for East Main Street. The Manager noted that additional
7 revenues were to come from a proposed rate increase of 2% or 3% and additional septage revenues.

8
9 There was some discussion about reserve funding, but no changes were made to the proposed
10 budget. Mr. Sander offered a motion to present this budget to the board at the annual meeting and
11 was seconded by Mr. Bailey, and the motion carried 5-0. The budget would be voted on for
12 modification or approval at the annual customer's meeting.

13
14 **Annual Customers Meeting**

15
16 There was discussion of topics and format for the annual customer's meeting. It was agreed that
17 we'd present a list of what we'd accomplished, have a budget and rates discussion and vote, then
18 review the Water Storage Tank, the East Main project, and the West Main project and other
19 necessary business.

20
21 **Superintendent's Report**

22
23 Mr. Chamberlin said things were progressing well at the plant. He said customers could finally stop
24 trickling water and on the 20th the Sanitary Survey for the water department would occur. Septage
25 revenues continued to do well.

26
27
28 Mr. Hill noted that for the next agenda, we should review delinquent accounts, septage receipts, the
29 90-day payment policy and the treatment allocation policy.

30
31 **Adjourn**

32
33 Mr. Sander offered a motion to adjourn at 7:00 pm and was seconded by Mr. Bailey. So voted.