

**RICHMOND WATER AND SEWER
COMMISSION MEETING
June 6, 2016 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; Alan Huizenga, Green Mountain Engineering; 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

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

Update on Water Storage Tank

Alan Huizenga of GME reported that work has started backup after the Winter shutdown with an expected completion date of July 1st. The leakage has been repaired. There had been some additional engineering charges but SD Ireland and Green Mountain Engineering are working those out. The coating, backfill and landscaping were the major outstanding issues.

Bob Reap asked what the warranty was, and Mr. Huizenga said one year. Mr. Hill asked if this was a typical warranty, and Mr. Huizenga said it was. There was some discussion on the partial wall failure during a pour. Mr. Huizenga said that the joint was not a "cold joint" and the form was repaired and repoured before the existing concrete could harden. His structural engineer felt it was a strong section.

East Main Street

Mr. Huizenga reported that the preconstruction meeting was held that morning, with the contractor, and representatives from VTrans and VT Gas. Work would commence on the 13th and last through September. The State had approved the additional work on East Main to replace the existing short section of PVC installed 30 years prior.

West Main Street

The notice of intent to apply would be published and a public hearing on the USDA application would be on June 15th at 6pm in Town Center.

Rates Discussion

The FY2017 budget called for an additional 5% of revenue from both water and wastewater. The water and wastewater user rates needed to be adjusted to produce that revenue, however, how to adjust them was the subject of this discussion and prior research.

There was a discussion of the justification for the additional revenue, and how to charge for fire protection those who benefit beyond the water system users. Kendall Chamberlin had prepared a sheet to show his suggestions, which had been revised following a separate rates subcommittee

1 meeting. There was also a discussion on the reserves that needed to be funded, and how much of
 2 those reserves will be used for the current and upcoming capital projects.

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 4 After additional discussion, Mr. Bressor offered a motion to approve the rate amendments presented
 5 by Mr. Chamberlin as presented, and was seconded by Mr. Sander. The motion carried 5-0.
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FY17FinalRate		Rate Structure		Adopted 2016 Budget Revenue		Billable by class	
Adopted 2016		% of usage	Water \$291,000.00	% of usage	Wastewater \$382,000.00		
Units current as of 5/1/16							
Residential % use 4/1/15 to 3/31/16		63.00%	395 units	\$ 183,330.00	63.00%	393 units	\$ 240,660.00
Base Rate account/year	(target 30% of total class fee)		\$140.00			\$184.00	
Annual Fixed Revenue Generated (target \$54999W, \$72198WW=\$127197)		\$127,612.00	(FY16\$130.64)	\$55,300.00	(FY16\$174.55)		\$72,312.00
Total residential metered W/WW sold (target 70% of total class fee)	User rate per 1000 gallons		11200000 gallons adopted	\$11.25		9900000 gallons adopted	\$16.58
Annual Variable \$\$\$ Generated (target \$128331W, \$168462WW=\$296793)		\$290,142.00		\$126,000.00			\$164,142.00
Annual \$\$\$/year				\$181,300.00			\$236,454.00
C. & G. % use 4/1/15 to 3/31/16		27.00%	78 units	\$ 78,570.00	27.00%	76 units	\$ 103,140.00
Base Rate account/year	(target 40% of total class fee)		\$403.00			\$543.00	
Annual Fixed Revenue Generated (target \$31428W, \$41256WW=\$72684)		\$72,702.00	(FY16\$381.00)	\$31,434.00	(FY16\$519.88)		\$41,268.00
Total C. & G. metered W/WW sold (target 60% of total class fee)	User rate per 1000 gallons		6500000 gallons	\$7.26		3600000 gallons adopted	\$17.19
Annual Variable \$\$\$ Generated (target \$47142W, \$61884WW=\$109026)		\$109,074.00		\$47,190.00			\$61,884.00
Annual \$\$\$/year				\$78,624.00			\$103,152.00
Schools % billed		10.00%	3 units	\$ 29,100.00	10.00%	3 units	\$ 38,200.00
Base Rate account/year	(target 50% class fee +fire fee \$0)		\$4,850.00			\$6,367.00	
Annual Fixed Revenue Generated (target \$14550W, \$19100WW=\$33650)		\$33,651.00	(FY16\$4527.32)	\$14,550.00	(FY16\$6018.27)		\$19,101.00
Total School metered W/WW sold (target 50% of total class fee)	User rate per 1000 gallons		1100000 gallons	\$13.24		1100000 gallons adopted	\$17.37
Annual Variable \$\$\$ Generated (target \$14550W, \$19100WW=\$33650)		\$33,671.00		\$14,564.00			\$19,107.00
Annual \$\$\$/year				\$29,114.00			\$38,208.00
Industry						1 unit adopted	
Base Rate account/year						\$215.00	
Annual Fixed Revenue Generated							\$215.00
Annual Industry usage revenue generated						**separate bill**	\$2,400.00
Allocated accounts							\$2,615.00
Base Rate account/year			6 units adopted		0.00%	6 units adopted	
***Fee based on 1/2 of C & G ***	Annual Fixed Revenue Generated		\$200.00	\$1,200.00		\$270.00	\$1,620.00
				\$1,200.00			\$1,620.00
Total Annual Revenue generated through User Rates:				\$290,238.00			\$382,049.00
Total gallons W/WW usage rate(s) are based on 4/1/15 - 3/31/16 actuals:			18,800,000 water			14,600,000 wastewater	
Sale of water from Hydrant				\$1,500			\$0
Fire Service Fee (5% water budget + X % tank bond)				\$15,380			\$0
Septage Revenue				\$0			\$190,000
Gateway Revenue				\$0			\$0
Hook-on fees				\$500			\$1,000
Miscellaneous Fees				\$0			\$0
Interest on investments				\$0			\$0
Grand Total Revenues FY17			Water	\$307,618.00		Sewer	\$573,049.00
Fixed costs generated Water				\$118,364.00			
From rates				\$101,284.00			
Fixed costs generated Wastewater							\$230,516.00
From rates							\$132,681.00
Variable costs generated Water				\$189,254.00			
From rates				\$187,754.00			
Variable costs generated Wastewater							\$342,533.00
From rates							\$245,133.00
			\$307,576.00	\$307,618.00		\$573,000.00	\$573,049.00

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 9 Superintendent's Report

10 Mr. Chamberlin explained that the SCADA system had failed, and there was a need to purchase and
 11 install a new system. The system used prior is obsolete and not supported. They had a back-up
 12 copy and an older computer to limp along for a while, but newer systems required newer equipment
 13 and professional installation and would run between \$10,000 and \$20,000. This would come out of
 14 the wastewater capital fund.
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 17 Purchase Orders
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1 Mr. Chamberlin first presented a purchase order for the SCADA system, which had yet to be
2 specified. Following some discussion, Mr. Bressor offered a motion to approve PO #2549 to LCS
3 Controls in the amount of not to exceed \$20,000 for the purchase of a new SCADA system. Ms.
4 Huntoon seconded the motion and the motion carried 5-0.

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6 Mr. Chamberlin presented several purchase orders for FY2017 for multiple purchases of materials for
7 the upcoming year.

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9	#2457	Various Vendors	Meters	\$ 3,000
10	#2548	Various Vendors	Water Line & Asphalt repair	\$26,000
11	#2550	Various Vendors	Collection System	\$ 4,000
12	#3248	CSWD Biosolids Disposal		\$60,000
13	#3249	Various Vendors	Biosolids Chemicals	\$66,000
14			WWTF water bill	
15			Water Treatment Chemicals	
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18 Mr. Sander offered a motion to approve these purchase orders and was seconded by Mr. Bressor,
19 and the motion carried 5-0.

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21 Warrants

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23 The warrants were reviewed and approved.

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25 Next agenda items were reviewed, with project reports, budget and reserve reports and items
26 suggested previously by former Commissioner Bruce Bailey.

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28 Adjourn

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30 Mr. Sander offered a motion to adjourn at 6:50 pm and was seconded by Mr. Bressor. So voted.