

Town of Richmond
Water and Sewer Commissioner Annual Customer Meeting
Minutes of May 17, 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

Others Present: The meeting was recorded for MMCTV

Call to Order: 6:00 pm

Welcome:

Sander: I want to express my gratitude for the Water & Sewer Department and all the Town staff. We have had many challenges in the last year, and we have met & dealt with them very well. It used to pain me about the thousands of dollars we used to spend to fix leaks on lines that were past their service life. I am happy to say we haven't had those expenses since we have upgraded our infrastructure.

Public Comment: None

Additions or Deletions to the Agenda: None

Discussion of Accomplishments of Past Year

Arneson: See the Annual Customers Meeting Presentation at <http://www.richmondvt.gov/wp-content/uploads/2019/04/1-2022-customers-meeting-presentation.pdf>

*Accomplishments & Highlights

Our accomplishments and highlights include Vermont Rural Water Association Apprenticeship Program, Bridge St waterline replacement project, electronic mapping of water and wastewater, and planning for Gateway Sewer Expansion project.

Hill: Within the next few months we should have an agenda item for the electronic mapping.

Chamberlin: I am sure Ravi will have some Town Planning perspectives on that as well.

Discussion of FY23 Budget & Rates

Arneson:

*FY2023 Budget

We adjusted the FY23 Budget based on increased pay grid (Compensation Study option +5.75% based on Selectboard decision on May 16). Or we can look at the FY23 Budget without the 5.75% increase.

Furr: I am fine presenting the budget based on the 5.75% increase.

Huntoon: I agree.

Hill: We recently approved expenses based on increase material costs. Will the next year be unpredictable for material and equipment costs?

Chamberlin: I would say yes. We have seen increases in sludge disposal and trucking. Chemicals have increased. Those will probably continue. I would not go less than what we have recently approved. We have been gradually increasing the septage rates to keep up with these costs.

Hill: The supply chain is very unpredictable. We do our best with the budget there are a lot of uncertainties.

Chamberlin: When we fix an item, the Commission approves purchasing a backup for the shelf. Kudos to the Commission as it has saved us when we might have to wait 3-4 months to restock.

Arneson: The active budget I am showing illustrates what was approved last night. It is mostly around wages. We adjusted the budget to show the vacant salary position. Kendall wanted to budget for two Operators In Training rather than a Lead Mechanical. We placed all staff on the new step grid and increased the grid by 5.75% in conjunction with Selectboards decision. We adjusted the Retirement, Social Security and Disability benefits based on the wages. We adjusted health insurance line based on vacancy. We adjusted overtime for higher wages. Overall, wages are down from what we reviewed last night based on our staffing changes. Fire protection went down because the overall budget went down. When the budget is approved at the next meeting, the current pay grid can go up to FY23 in conjunction with Selectboard's decision.

FY2023 Budget operational spending increasing by \$19,042 for Water and \$82,682 in Wastewater. The Fund Balance in both Water & Wastewater were used to pay some loans and reduce revenue through rates. The Septage revenue increased from \$430,000 (FY22) to \$460,000 (FY23). Notable increases in Water and Wastewater include adjusted wages/benefits, increased health insurance due to new employee, increase in computer support and managed services. Notable increases in Water include \$2,500 for Bridge St. Waterline loan. Notable increases for Wastewater include increase costs associated with septage. Notable decreases in Water & Wastewater include lower audit costs and lower general insurance costs. Septage revenue has been increasing for the past several years (FY17 to FY22). Total Revenue less Expenses is listed for each year ending in \$182,544 (FY22 as of 3/31/22).

Hunton: I notice that half of our revenue is about equal to our expenses.

Chamberlin: If we are not taking septage then our sludge disposal costs would be about the same due to the increase efficiency that the septage provides for solids.

Hill: Cost allocation is difficult to pin down to costs associated with the processing of septage.

Arneson:

*Water & Wastewater Rates

The Water Rates are shown for Residential, Commercial/Government and School for Fixed and Metered Rates. The Water Rates are all going down except for the Fixed Rate Residential. A similar pattern exists for Wastewater where the Fixed Rate Residential is the only rate that increases.

Furr: How do we arrive at the exact Fixed Rate?

Hill: There is a formula. The rates are influenced by actual use of the different users plus fire protection. It is driven by our overall budget but also the relative use of different classification of users.

Arneson: The anomaly of the higher Residential Fixed Rate is based on increased usage by residents last year. Usage is calculated from April 1, 2021 to March 31, 2022 or the most recent 12 months. The usage from Residential was way up while Commercial/Government and Schools were way down. The Residential side is still using more water likely still being more at home. For Residential, 30% of the bill is Fixed and 70% is Metered. Commercial/Government is a little higher on Fixed and lower on Metered. The School is 50% Fixed and 50% Metered.

Sander: Since downtown Richmond has burned down twice, we needed a new tank for Fire Protection. It was unfair to have 400 Water/Sewer users pay for the entire tank. We built in a Fire Protection fee so all the taxpayers contribute.

Hill: Before that policy change the Village was more of a separate entity than the surrounding areas.

Furr: I appreciate the background.

Sander: I am fine voting on the budget now or continue with the presentation.

Huntoon moved to approve the FY2023 budget and rates as presented. Furr seconded. Roll Call Vote: Hill, Huntoon, Furr, Sander, Tucker in favor. Motion passed.

Discussion of Upcoming Projects and Capital Projects

Arneson:

***New-Term Projects**

Projects include Phosphorus Optimization Plan, requirements for wastewater discharge permit, new infrastructure installations for Peaceable Kingdom, Whistle Stop Ln and Buttermils, potential increase in federal funding from COVID,

***Projects Under Discussion**

The Gateway Sewer and Water Expansion projects continues to be discussed.

***Financial Impacts – Capital Projects**

Impacts to the Water & Sewer Budget include 2006 Treatment Plant Upgrades, 2010 Sewer Lining and Manholes, 2011 Jericho Road, 2018 RFL-101 planning, 2016 East Main Street, Bridge St. waterline replacement, second phase of Bridge St. waterline replacement, 2014/15 Water Storage Tank & Chlorine

Discussion of appointments for the Water and Sewer Commission

Arneson:

***Open Seats on the Water and Sewer Commission**

Two 1-year terms are reserved for customers of Water and Sewer System. These seats are appointed by the Selectboard. Letters of interest due to Town Manager by June 1, 2022.

***Water Quality Etc**

We have some of the best drinking water in the State. No violations this year for water and wastewater operations. Thank you, Kendall, Allen, Aaron, and Steve. Water Commission meetings are held every 1st and 3rd Mondays at 5:30 pm.

Water and Sewer Meeting to consider expansion of the Water and Sewer District

Hill: We need to list the costs associated with the Gateway expansion.

Huntoon: Some of that will be hard to dig out.

Sander: We should be able to find a realistic figure from the last two years. I think we can pull out the invoices associated with engineering expenses associated with changing the scope of the Gateway project.

Consideration of approval by the Water and Sewer Customers of minutes from December 7, 2021

Huntoon moved to approve the Water and Sewer Customers minutes from December 7, 2021. Hill seconded.

Roll Call Vote: Hill, Huntoon, Tucker

Sander: Our future agenda items include:

- *Total costs associated with Gateway expansion
- *Asset management review of electronic mapping of water and wastewater
- *Septage rates increase discussion

Adjournment

Hill moved to adjourn. Furr seconded.

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

Meeting adjourned at 6:47 pm

Chat None