

## **Town of Richmond Water and Sewer Commission Meeting Minutes of February 22, 2022**

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

**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. Gary Bressor

**Call to Order:** 6:00pm

**Welcome by:** Sander

**Public Comment:** None

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

### **Consideration of approving a vendor for IT Managed Services**

Arneson: I will provide a overview and then let Kendall jump in if I miss anything. In 2019 we put out an RFP for IT services for Administrative operations of the Town. We chose Tech Group and have been using for last three years. We figured it was a good time to look at other IT services as Tech Group's current plan was going away. Water & Sewer does not currently have the same managed services included with Town but have been doing it in-house. A managed services provider for Water & Sewer makes sense with potential high risk breaches. We reviewed a total of 4 bids. Two of those bids moved on in our selection process: Tech Group and simplerroute. Water & Sewer currently uses simplerroute for some security and email situations. Summary of two RFP proposals to consider:

Techgroup proposal had a few different options. One option is to stay with the current program which is going up in price and does not include Water & Sewer. They also proposed an Essential Care and Complete Care services. Essential Care services does not include help desk time. Complete Care services provides unlimited help desk time and in-person for anything covered by scope. If we want to add a computer or server or new project they would be charging an hourly rate for that. The Complete Care services is similar to the simplerroute services in price and scope of services including Water & Sewer. The Complete Care overall annual service fee of \$22,386

simplerroute proposal includes same as TechGroup with unlimited help desk, backup of local computers/server, virus monitoring, installation of anti-virus/software updates, providing reports, asset inventory management. simplerroute also includes 4 hours per month of assistance not included in current project scope. This is not provided by Tech Group. So if we have a new project or a new computer within the year we are able to use at now additional charge. Dark web monitoring is also included in simplerroute but missing in Techgroup. Water & sewer computers would be able to be backed up to the Admin server. The simplerroute overall annual service fee of \$23,688 on a yearly basis

The price difference for Water and Sewer costs are \$3,240 for TechGroup and \$5,922 for simpleroute based on the number of computers we have. We asked for different quotes for Admin and Water/Sewer just to see if there was a better fit. Kendall & I recommend simpleroute as our best provider. Currently we do not have a budget item in Water & Sewer for FY2022 to pay for this. We would need to overspend somewhere in the next 4 months. We would then add an item to the Water & Sewer budget for FY2023. This is critical as we see an increase in computer threats.

Chamberlin: Sounds perfect. We have been receiving many cyber security notices so it shows that it is time to do it.

Sander: Thanks for all this information. Do you need a nod from the Board?

Furr: I am thinking about disaster recovery. I see that Techgroup is able to run our computers off the cloud. Does simpleroute also offer that?

Arneson: Techgroup provides that for \$100 per month so it can be done. simpleroute is also able to do it but is charged based on a per incidence fee. If we pay \$100 a month is insurance that might not happen. If something catastrophic happens then regular Property & Casualty insurance could kick in to help offset the simpleroute cost for providing cloud computing. We would only be charged for when it happens if we go with simpleroute.

Furr: I ask because the Fletcher Allen experience is daunting if it delays our work for months

Arneson: simpleroute would be able to do that job and get us hooked up to the cloud.

Furr: Glad to hear about simpleroute decision especially with ability to connect Water & Sewer.

Hill: I consider this a milestone in the evolution of electronic, wireless, computing systems. Not many years ago we were asking about having an asset management for IT data & security. This is progress towards a new world order.

Arneson: Techgroup provided some hardware replacement schedule. If we go with simpleroute then revisit their opinions on what needs to be replaced and when. We want to avoid issues of dealing with outdated equipment.

Sander: Is this a motion from the board?

Arenson: We need a motion from the Selectboard to approve for Admin and Water & Sewer. A motion from the Commission to move forward with simpleroute would be appropriate.

*Furr moved that Water & Sewer proceed with the simpleroute proposal for IT services. Hill seconded.*

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

### **Discussion of next steps in Gateway expansion project**

Arneson: Follow up on last meeting that we cannot use permitted flows and actual flows to figure out bond payment. We need to use Grand List Value to calculate possible

payback. What would a sample bond payback look be based on Grand List Value. We started to look at PER as well as all properties in Stage 1 & 2. There are vacant properties, conserved properties, cemetery, farm. We will develop a spreadsheet to decide what should be included and what cannot. The advice from the attorneys on how to proceed around conserved parcels is that it is more complicated on different methods of allocation. We need to check back with them on how to handle different sets of properties. What do we want to run the model on? There is the cost of extending wastewater to the Reap property or all the way to the Mobile gas station. There is an updated costs with upsizing the line. There are four different costs. For water there are 2 different sized lines depending on if going to Reap's or mobile station. I need to go back to bond bank and ask for sample payback. We can then merge to find sample payments using Grand List Value. Then we can have conversations about vacant, conserved, farms, cemeteries, etc. Which scenarios do we want to look at?

Hill: How do we consider Grand List Value? Is there a Grand List Value on conserved properties?

Wardwell: I will have those Grand List values organized soon.

Hill: Relevant to Act 250, how do we consider any future expansion?

Arneson: We sat down with the engineer, Steve Palmer, who had been working on this project. He said it is unclear until you submit application to the State. He thinks they might ask for Act 250 Review because we have an engineering report that goes to the mobil home park, yet we have an approved Water District going to the Mobil Station. Our potential scope in a couple of years would go beyond that. But we wouldn't know for sure until we submit the application. Kendall, do you agree?

Chamberlin: Yes, that is my memory. The Treatment Plant has one of the first Act 250 permits. They amended it when we did a plant upgrade and when we did a collection system rehabilitation. There will be a review of some kind if we do an extension.

Hill: Since we already have an Act 250 permit that would be a clear explanation.

Sander: Since we have an operating plant with an Act 250 permit, anything we would do requires review of initial permit.

Furr: What is the benefit of 12" line? Is it just to provide fire hydrants?

Chamberlin: The 12" line is to provide full fire flows to new commercial buildings. You might be able to provide some fire coverage with an 8" line.

Bressor: How can we finance this differently? I would like to share some ideas with the Commission. Costs will be so high it would be voted down. We need cost estimates for water & sewer to Mobil property. Gateway owners would payback the cost. Then change the controlling document so system users can vote to cover costs. If users of extension have a signed agreement that they will payback the district. Then pass the construction bond. The numbers I used are \$700,000 to get Water & Sewer to beginning of Mobil. Then deduct \$150,000 of grant, so \$550,000 payback of bond. I assumed a 1% interest rate with 15 people connected to the system. Interest only would require in the first year a dollar per day per user to connect to the system. The principle payment would come from the additions to the line. At Planning Commission, I showed that parcels beyond Blackfork Towing and before Crate Escape could provide 37 additional

residential units. Therefore, the \$1/day rate remains the same for current users. Over time, additional users would pay off the bond. We need to sell this is a good thing to do. Many people need the water & sewer with promise to lower the rates. The 15 users would pay the full interest. This would get around the restrictions of the bond market. The current users would be like the band for the new users. If there was a Phase 2 we could use a higher fee to help pay off previous Phase.

Sander: Is it fair to summarize that Commission look at payment schedule where current users would pay interest while future users would pay principle.

Bressor: Over time, current users would be paying off some interest and principle.

Hill: We were steered toward Road Frontage or Grand List Value. Is charging current user vs. future user legally feasible.

Bressor: This isn't a rate structure but a connection fee. It might get around the issue of the bond payback.

Hill: Is a unique connection fee for future users legally feasible.

Bressor: We should not expect 15 users to payback the entire expansion experience that a larger number of people who use it. If we only have 15 users to pay off then it would not be feasible to charge for a 12" diameter line. Nor would it be feasible to put in a more affordable smaller line that might be upgraded in the future as well.

Arneson: The first thing that comes to mind if we would need to amend the Ordinance, but it takes a lot of time and possible a vote.

Bressor: Current users might vote for it if they eventually get reimbursed eventually. Yes, that would require an ordinance change.

Sander: Any other discussion?

Hill: The current users are holding the note but do not benefit the fees they would be paying. If they are holding the note on the load, then would there rates not go up?

Bressor: Current user rates would go up for the principle payment until there are enough users to balance it out. Old users would be paid back for investing in future expansion. It would be like other bonds, paid by everybody that would originally at least cover the interest.

Arneson: So this would be a 30 year bond payback then another 30 years for refund back to users.

Bressor: I think within 10 years the line extension is going out to Rt 117. We would pick up enough users so that \$1/day payback so that the bond would be paid back really rapidly.

Hill: If I am in my 70s, 80s, 90s then do I really want to pay a higher rate now to only benefit someone else later. I appreciate better ways to getting to a yes vote.

Bressor: I don't see how you are going to get there trying to pay this back. You are not able to fund this project as currently projected.

Huntoon: Gary, are you projecting a \$1/day per user no matter the classification?

Bressor: Yes, it would be simple. Commercial could still be charged a high flow rate.

Hill: Can we do a different connection fee structure? Maybe no? Where is the ARPA money? Influx of money needs to be shifted if available.

Sander: Yes that money would change the discussion on that topic.

Hill: Can we ask Legislatures or VLCT about possible funds. We should contact them and not wait for them to contact us.

Chamberlin: The State has a ton of money to CWS and DWS funds for projects. ARPA money available listed on website.

Arneson: Reach out to them to see if they heard anything. Would the Commission like to see some sample paybacks based on Grand List? Which costs should we use for that payback.

Sander: Yes we want payback option. The viability depends on the affordability. We need to look carefully at benefits of 8" vs 12" line and future expansion.

Huntoon: Is it much more expensive for 12" over 8"?

Chamberlin: Larger pipe harder to push through the ground. If you want to serve beyond the current expansion with water and fire protection, then need to consider a 12" diameter pipe. The wastewater line is easier. You can upgrade the pump stations later therefore only build the current pump station for current expansion. Future expansion would pay for improved pump stations.

Sander: So this means just upgrading the pump station?

Chamberlin: Yes

Furr: In the standpoint of commercial development, we should really look at the 12" of diameter

Hill: What is the role of current customers to fund the future benefit of other users? If we need 12" to get all the benefits out of town then whose responsibility is it to pay for that structure. For instance, a hydrant next to the highway brings into question who is responsible to pay for that extension and benefit to the infrastructure?

Chamberlin: That is a Town question. To put a 12" pipe down West Main to plan for future expansion.

Arneson: I propose for our bond payback we take the most expensive 12" water line option to Mobil station and we take the most expensive wastewater line to the Mobil station. Then we do a combined total and run those three scenarios based on the Grand List Value. That would give us a top end and then work backwards to split up between Phase 1 & 2. As far as timing goes, we could get numbers together for the March 7 meeting.

## **Discussion of how often to meet considering expanded work on Gateway expansion project**

Sander: Looks like we are not meeting next Monday. Next meeting on March 7.

## **Discussion of when to reimplement an in-person meeting location**

Sander: Even though COVID is trending down, I think we should consider this at our next meeting.

Huntoon: Is there an option to join from Library or other place if someone does not have access to join from home.

Arneson: Library is open to 5 pm on Mondays so could not be Library.

Furr: I am in favor of discussing this 2 weeks out.

Chamberlin: Some communities have a remote option where people can go to join in.

Arneson: I am in the Town Office so it is easy to be upstairs to coordinate those options. I am comfortable opening it up for remote in two weeks.

## **Superintendent's Report**

Chamberlin: We rescued Bolton Valley with an unfound water leak as the reservoir is getting low. We hauled water up to help them out. We have given tours to 10 or so candidates. We have 3 potential interviews. We are firing up stuff on the phosphorous study again so we can look how we run the plant and potential changes. We are getting the PER for the water line. We might be able to simple amendment and include all our sections in one PER so that if money shows up we are ready. Hope to get application in by 28<sup>th</sup> with help from Connie. A good goal is to look for stable user funds going out. High posts from the previous and future rain.

Hill: We often come to aid of Bolton. This illustrates the challenge of having old water distribution lines. Infrastructure probably has not been replaced in about 50 years. Thanks for addressing the older parts of our Richmond system to avoid the same problems and abrupt weekend expenses.

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

### **Minutes**

*Furr moved to approve the minutes of 2/7/22 as written. Huntoon seconded.  
Roll Call Vote: Hill, Huntoon, Furr, Sander, Tucker in favor. Motion passed.*

*Furr moved to approve the minutes of 2/14/22 as written. Huntoon seconded.  
Roll Call Vote: Hill, Huntoon, Furr, Sander, Tucker in favor. Motion passed.*

### **Purchase Order**

*Furr moved to approve Purchase Order 4164 for the Phosphorus Study not to exceed \$22,220.18. Huntoon seconded*

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

Warrants

*Furr moved we accept the Warrants as written. Huntoon seconded*

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

Jay Furr, Bard Hill, David Sander, Fran Huntoon, Greg Tucker *in favor. Motion passed.*

**Next Agenda**

\_Models on Grand List Value and possible bond payback (interest & principle)

\_Consider meeting location virtual or in-person

\_Next meeting Monday, March 7

**Adjournment**

*Furr moved to adjourn. Seconded by Huntoon.*

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

**Meeting adjourned at 6:57 pm**

**Chat file from Zoom:**

**None**