

Town of Richmond Water and Sewer Commission Meeting Minutes of March 21, 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, Bob Reap, Heidi & Peter Bormann, Rod West, Tom Frawley

Call to Order: 5:30 pm

Welcome by: Sander

Public Comment: None

Additions or Deletions to the Agenda: None

Items for Presentation or Discussion with those present

Superintendent's Report

Chamberlin: The Clean Water State Revolving Fund came out with a new amendment today. Richmond might qualify for some of that money. It put \$24,000,000 in ARPA funds to help municipalities with new public drinking water systems and community wastewater disposal systems with critical infrastructures lacking. It just came out today. I completed pricing on mixer in water reservoir. We are looking into a solar project and are working with Green Mountain Power at some options to save some money going forward. We installed digester level sensors today. We are waiting for holding tanks and reservoir. We are going to price out sensors for the sodium aluminate tank. We found out that the lake side headworks unit main bearing is gone. The lake side septage unit main bearing is also very worn. We have replacement parts on the shelf (~\$4,000 each) so we scheduled a contractor for next week to fix those. We are going to read meters starting the end of this week. Our other spring work includes flushing the hydrants and locating valves and other odds and ends. A big thank you to Highway for fixing our car with a load bearing problem.

Huntoon: It is great you have those parts on the shelf ready to replace. Will you replace those parts again?

Chamberlin: Yes, that is the intention. We need to schedule an engineer's 20-year study by 2024. There might be some other parts we look into as well.

Sander: What is the expected mixer service life?

Chamberlin: It is typically a 5- to 6-year life. It used to be listed as 10 years. We are looking at a different mixer from our tank diving company. We have priced out a solar mixer from a solar tower. It is more expensive, but it might have a payback that makes it cost effective.

Consideration of request by owners of 282 West Main Street to be formally excluded from sharing in the cost for a Gateway water or wastewater expansion

Sander: This is a pretty straightforward request.

Hill: This is a question of facts and not of opinion. The opinion of the current commission doesn't matter a year or two from now.

Sander: There are two facts on this. The building is currently on the water system. The intent is to go on record as having the Commission acknowledge that they are already on the system and therefore an expansion would not require additional funds from them. The Commission has stated that current users would not bear the expense for expansion.

Bormann: We have had Water & Sewer and 282 W. Main St. for close to 30 years. Factually, we are already a user so want to be excluded from this.

Sander: You would not be considered a new user because that building is already on the line.

Huntoon: The memo stated that you could connect to the new line rather than keeping the line from Tilden Lane.

Bormann: We heard the prices on connecting to the new line and would be interested in that depending on the price.

Chamberlin: The cost would be from running the service line to the new curb-stop water line if it were to come down W. Main Street.

Bormann: So, we would not be paying for the line expansion.

Chamberlin: You would be required to connect to the new curb stop.

Bormann: Since we are current users then our cost would be different from the new users being added to the line.

Chamberlin: You would not be included in any of the estimates for the project. You would need to hire a contractor to run your new service line to the curb stop.

Bormann: I understand but why was 282 W. Main on the original list for the calculated payback?

Chamberlin: That was a mistake.

Bormann: We are asking the Commission to take us out of the expansion part of the cost. We should not be paying for that expansion.

Hill: Is it logical to state for the record that a current user is a customer who is currently using services. A new customer is a future customer who is not currently using services. I am open to debate on whether we need to write a letter from the Commission as these fit in with the facts. Is there general consensus that 282 W. Main are current users and they would not be part of any expansion costs?

Furr: Yes, they are getting water so they are current users.

Sander: Is 282 W. Main the only property that is currently being served but would be covered by the new line? It makes sense to define as current users and new users. I appreciate how 282 W. Main is in a unique position and I appreciate the concern over this matter. Do we define current and new users? Or do we draft a Memorandum for this unique property?

Hill: A new user is a customer property that is not current connected to an existing line. A current user is a customer currently connected to water or sewer. We could then note some examples like 282 W. Main St.

Bormann: We would be a current user. Anyone new on the extension would be a new user.

Sander: Correct.

Furr: I would like to add some specifics to the term user. If someone owns property in the Village then they are considered a current user. But if they buy a property on the W. Main St expansion then they should not be considered a current user for that property. It should be defined not by the individual customer but by the property parcel and account number.

Bormann: Yes, it should be based on the parcel and account number. We would want a Memorandum on that.

Sander: Should this be done in one or two motions?

Hill: I suggest we come back with a drafted Memorandum for the next meeting with specific motion and policy. I think it makes sense to do that rather than word smithing it during a public meeting.

Sander: We are asking to bring this back at a future meeting to ratify.

Furr: We can show the Bormann's the language and we can address any objections and then we can finalize next meeting.

Sander: This would be two Motions. One Motion would be to draft a Memorandum of Understanding regarding 282 W. Main Str. The second Motion would be specific definitions of current user and new users regarding the Gateway expansion.

Hill: I would suggest switching the Motions.

Sander: Agreed.

Chamberlin: One of the cemeteries is also connected to the water. They would be the same situation as being a current water only user.

Bormann: It is the Catholic Cemetery.

Chamberlin: The Catholic Cemetery would not have to hook up to the new line as they are not on W. Main St. If they have any property frontage on Rt 2 then they would be in the same class.

Furr: Do we need a Motion to have Josh draft a Memorandum and show it to the Bormanns? We would then vote on it next week.

Hill: It is the will of the Commission to pursue this and then a formal Motion at the next meeting.

Sander: Are the Bormann's and Board comfortable with that?

Bormann: That is fine.

Preliminary review of Draft FY23 budget

Arneson: I am starting with the draft budget. We won't have rates until we complete Q3 billing which will happen in the next couple weeks. Once we have that billing updated then we will have usage numbers for FY22. Based on those numbers that will calculate the future rates. This is a general preview without rates. All salary lines are based on the traditional step increase and 1.5% for inflation. We included contingencies for compensation study. Both water and wastewater have lines for computer support for the new managed services. The total bill for computer support is about \$6,000 per year. We note there are surplus funds as well as our water/wastewater reserve funds. The Selectboard has dealt with unassigned and restricted funds for Highway and General by finding an actual way to spend those to keep taxes down or one-time expenses. The auditor says it is not as easy with water and wastewater, but we will investigate some options the next few weeks. We want to try to use the surplus funds.

Furr: How much money do we have for surplus funds?

Arneson: The Reserve Accounts shows projections for where we would be at the end of this year. We have \$15,000 for Water Distribution Systems, \$115,270 for Water Short Term (10 yr) Capital, and \$90,651 for Water Capital Reserve for a total of \$220,921 for Water. In Wastewater Collection Systems we have \$92,755, \$142,664 for Wastewater Short Term (10 yr) Capital, and \$458,056 for Wastewater Capital, with a total of \$693,475 for Wastewater.

Chamberlin: We have a Resolution from past Commissioners to shoot for \$300,000 in Water Reserves and \$1,000,000 in Wastewater Reserves so we are close to that.

Hill: Does Kendall think that is a prudent amount and reasonable benchmark?

Chamberlin: I would say yes. We have done a lot of work to get there. This is a reasonable level. If we add in from our Unassigned Funds, then we would have more than that available. That gives the Commission room to move some of those funds without going against the Resolution.

Arneson: The Quarterly Update from January shows that at the end of FY21 for Water and Wastewater funds. At the end of FY21 we had \$224,000 in Water liquid net assets and in Wastewater we had \$471,000. These are not insignificant amounts of money. Once we look at rates, we will come back with some advice from the auditor on how to spend that.

Chamberlin: I was going to clarify the Reserve Funds you showed previously is different than the Unassigned Funds.

Arneson: Correct, if you look at Water FY21 it shows what is in the checking account, what is due to wastewater account, other assets, accounts payable, interest etc. We have \$95,000 ear marked for short term capital and \$66,000 in water capital reserves. So we have cash on hand at about \$224,000 above the Reserve Funds.

Chamberlin: You actually have enough to have \$300,000 in Water Reserve and \$1,000,000 in Wastewater Reserve with some leftover. For instance, we are \$71,000 over our Wastewater target from 30 years ago.

Consideration of setting a date and location for the Annual Meeting

Sander: We traditionally hold the Annual Meeting on the Tuesday after the 3rd the Monday in May. That would be Tuesday, May 17th this year. Any objections to that date?

Furr: None

Sander: This will be a hybrid meeting.

Furr: Where will we have it?

Arneson: In the past we held it in the library but only a handful of people showed up in person. I think we can hold it in the Hybrid Meeting room instead of trying to setup everything in the library.

Furr: I am fine holding it here.

Hill: One year we had as many as 10 to 15 people which means we can still hold it here.

Furr moved to hold the Water and Sewer Annual Meeting on Tuesday, May 17th at 6 p.m. in the Richmond Town Center 3rd Floor Conference Room. Hill seconded.

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

Discussion of next steps for the Gateway expansion project

Furr: I had sticker shock looking at bond payback alternatives. I would not expect some of the properties listed along W. Main St. to pay over \$10,000 a year. I was at the Planning Commission Meeting. They are talking about site visits and to make a map of what land is suitable for development. They want to look at total acres available to build. We cannot make plans without possible new properties. As new properties are built, they would help pay back based on the Grand List Value. Hypothetically we could look at affording it as we would anticipate new housing units. Let's make projections based on possible growth and see how it would change the bond payback estimates. We might consider meeting with the landowners in conjunction with the Planning Commission.

West: I was also present at Planning Commission Meeting. The bond for the full project out to the Mobil Station is too much money. I would like to propose that we back up the public portion of this project Phase 1 only. In other words, bring the water out to Reap Property and build a pump station at a proper location. It is not suitable to have a fire hydrant along Rt 2 where the firetrucks are not able to pull off to the side. If it is adjacent to Rt 2 there would be traffic problems associated with water distribution. I think further extension should be a private operation. It would avoid the Right of Way. Nobody would be required to join the line. We could probably find enough money to do this

privately. We could satisfy the future needs of the Gateway. If there were future needs beyond the Gateway, we could use connection point around the Reap Property. We would seek ARPA funds and existing grants to pay for Phase 1 without a bond. Everyone will have to pay some money for their connection to the line. I would encourage a new engineer's estimate for Phase 1, 8-inch or 12-inch line.

Furr: As Chair of the ARPA Committee, this project meets all the criteria for suitable use of the funds. The ARPA Committee has committed a year for soliciting input and then weighing priorities. We need to wait to find out what is most suitable. I have no issues with using the ARPA money for this project, but I do not think we should make plans right now.

Hill: What is the perspective of the Mobil Station?

Frawley: We are willing and able to listen to proposals that make sense. I have an approved plan to move the septic field across the interstate and into Green Mountain Power corridor. We are flexible. We just need to understand the economics. I cannot comment until I really see the short term and long-term paybacks. We would prefer to make a connection with Town consideration. That sounds better than building under interstate which is currently the only viable permitted option. I would like to know in how many months or years when I might be able to connect to the Town line.

Sander: We should look at Rod's proposal to plug in some numbers. We should add that to our next agenda.

Hill: Rod said it might not matter if we go up the hill or down Rt 2. The Land Trust might have a perspective or legal matter involved with that decision.

Sander: My understanding is the cost of Rt 2 project would be less over the life of the line.

Huntoon: From an equity perspective, some houses might get cut out if going down the hill.

West: Working in the Right of Way is hard so we should at least consider both options.

Approval of Minutes Warrants and Purchase Orders:

Minutes

*Furr moved to approve the Water & Sewer minutes from 3/7/22. Hill seconded
Roll Call Vote: Hill, Huntoon, Furr, Sander, Tucker in favor. Motion passed.*

*Furr moved to approve the Water & Sewer minutes from 3/14/22. Hill seconded
Roll Call Vote: Hill, Huntoon, Furr, Sander, Tucker in favor. Motion passed.*

Warrants

*Huntoon moved to approve the warrants as drafted. Furr seconded
Roll Call Vote: Hill, Huntoon, Furr, Sander, Tucker in favor. Motion passed.*

Purchase Order

Sander: No purchase orders.

Next Meeting Agenda

_Memorandum of Understanding to define current and future users along with 282 W. Main or other properties.

_Projections for Phase 1 Only

_Discussion of possible public and private partnerships for further development past Phase 1.

Adjournment

Huntoon moved to adjourn. Seconded by Hill.

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

Meeting adjourned at 6:29:30 pm

Chat file from Zoom:

None