

**Town of Richmond  
Water and Sewer Commission Meeting  
Minutes of April 3, 2023**

**Members Present:** Bard Hill, David Sander, Erin Farr, Jay Furr, Morgan Wolaver

**Members Absent:** None

**Staff Present:** Josh Arneson, Town Manager; Duncan Wardwell, Assistant to the Town Manager; Connie Bona, Finance Director; Allen Carpenter, Interim Water Resources Superintendent; Steve Cote, Water Resources

**Others Present:** The meeting was recorded for MMCTV, Angela Cote, Cara LaBounty, Dan Noyes, Erin Farr, Patrick Smart, Rich

**Call to Order:** 5:00 pm

**Welcome by:** Sander

**Public Comment:** None

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

**Items for Presentation or Discussion with those present**

**Announcement of promotion of water resources staff member**

Arneson: I am going to be promoting Steve Cote in the Water and Wastewater Department. He is currently an Operator in Training involved in the World Water Association apprenticeship program. He's recently performed at a level more fitting to Lead Mechanical Operator. Cote currently has a provisional wastewater license and has passed the Class 3 water test but is not eligible to receive this license until the Fall when he has 1.5 years of experience. Cote is now promoted to Lead Mechanical Operator and will be placed at Step A on Grade 6 of the pay grid.

Furr: We want to recognize you.

Sander: We want this to be a mutually beneficial relationship. You're certainly proving yourself to us, so we want to keep you around.

**Review of draft FY24 Water and Wastewater Budget**

Arneson: Included in the packet you'll find the draft FY24 budget. We also included a spreadsheet that has some information. A couple of years ago, the commission was looking into what are the unassigned funds of Water and Wastewater. We reached out to Sullivan and Powers, our auditing firm, to ask them how we calculate that for Water and Wastewater. It's a bit more complicated because of the way that the funds are set up as a proprietary fund versus municipal accounting for the general fund. It helped us create a spreadsheet that we update every year to give the commission a direction on where we're

at with unassigned funds. We probably need to add some description so that everybody understands it. exactly what we're looking at here. I will meet with HR this week to figure out how they would best guide us in presenting these numbers. The other recommendation is we looked at septage to get a better understanding of how much revenue is coming in and add some expenses to it. Some of those expenses would be incurred even without any septage. Right now, we are looking at those numbers to try to get us a better estimation. Hopefully, we can get a better idea of exactly what septage costs per 1000 gallons. We have started to look at increased costs of chemicals and other costs coming our way.

LaBounty: I'm going to strongly recommend that you table your budget discussion, until you know the grocery list of items that you're currently trying to repair or maintain in your plant right now. You really shouldn't be looking at a FY24 budget until after you've looked at your third quarter financials for your water and sewer which just ended March 31. I think you've got too many other pieces that are questionable, such as your unassigned funds from previous years and your reserves. This liquid asset spreadsheet is not complete yet, or potentially has issues that you're looking to resolve.

Furr: We're not trying to finalize the budget tonight, we're reviewing it. I do think we should wait to review the topics you just listed.

Sander: We do have some pretty accurate costs in front of us tonight to discuss

Arneson: On the Water side revenue, net interest on the checking account, we're getting more money back from what we have in the bank. For right now, we've level funded our Fund Balance Usage, which is essentially unassigned funds. Payroll includes the movement on the grid for Steve, filling the vacancy, and then everybody going up one spot on the pay grade and including about a 5% increase on the grid itself. The audit number was updated based on the actual contract and cost of the audit. We increased staff training due to the increase in the price of the apprenticeship program. We added \$500 for legal to match what we've been using in the past. Insurance, electricity, trash, water contracted were increased to reflect actual expenses. The Water Line item is for maintenance to repair water leaks and reduced to reflect actuals in the last couple of years.

On the Wastewater side, the net interest I'm checking has increased. We leveled on Fund Balance Usage with the same caveat that we need to look into that a bit more. We level funded Septage Receipts. Payroll is the same as water, we will look at anticipated FY24 staffing levels. Administrative expenses increased due to increased compensation for staff. Insurance, rubbish, electricity also went up based on current rates. Biosolids disposal is likely to go up based on the contract with CSWD. Wastewater chemicals are forecast to increase. The biosolid chemicals is for the purchase of polymer which has been going up.

Furr: This does not include anything about the waterline inventory, or the waterline replacement, no funds coming in, no funds going out.

Farr: How do the water/sewer receipts go up if we haven't changed the cost yet.

Arneson: We kind of back into that number by looking at our total wastewater expenses which is \$967,874. Then we look at Hook On Fees, Net Interest on Checking Account, Fund Balance Usage, and Septage Receipts. That is how we arrive at the \$444,480 for Sewer User Receipts or what we need to raise from users. That would drive where the rates go. Once we determined how much we need to raise from users and Water and Wastewater. I then take that number, put it into the rate sheet, and then build that rate sheet out accounting for revenue from other sources. Then we go through the process to figure out where the rates are going to be.

Farr: How does it work that we have employees that work on both sides of the plant?

Arneson: It is really sort of two separate businesses. Our employees do work on both sides. We do a 70-30 split, where we make 70% of the expenses wastewater and 30% water.

LaBounty: Is there any reason why you don't keep your sewer receipts level for right now considering you were at 35% unassigned funds.

Arneson: When we have a better understanding of where we're at with Fund Balance Usage and Septage Receipts then we can adjust those numbers to be higher or lower.

Wolaver: The capital accounts reserves will be affected from the list that Steve and Allen have made up. We've got a pretty expensive list of things that we need to get caught up on.

Arneson: It's a good point that we need to put some numbers to what we're looking at going forward to the growing list.

Wolaver: We could into FY24 before we're halfway through that list of items.

Cote, S: Some of that list is going to be addressed by the 20-year upgrade. We're trying not to spend money on things that we can wait for the 20-year upgrade. We are researching to try to cut chemical costs, especially with the polymer.

LaBounty: On your to-do list, is there a meter to measure the septage as it comes in? If you're not accurately recording your septic, then you're not going to have true numbers of what you're processing and charging.

Cote, S: That's a low priority for us right now. We felt it could wait for the 20-year upgrade.

LaBounty: If you're looking at \$460,000, and you're off by 10%, that's \$46,000. You can very easily pay for that measuring system by having accurate measurements.

### **Consideration of adjusting septage rate**

Arneson: In November, we reached out to get competitive, accepted rates from other facilities. I think we could probably get that done this week for the next meeting.

Talking with Steve and Brad, I think we might be able to get a little bit closer to what it actually cost us.

Cote, S: Middlebury emailed us a spreadsheet that listed septage rates and the quantity that they take for each facility. Richmond was taking in septage 80,000 gallons a day, that's double Montpelier and Burlington. Some plants take about 6000 to 10,000 gallons. We can take between 15 and 20 to make the plant run efficiently and make the solids really dry.

Carpenter: Actually, it is 25. At 25 to 30 it runs better than it does at 20.

Hill: Is it reasonable to make an interim step? Does it make sense to contemplate an increase sooner rather than later, based on the market?

Wolaver: I concur with that. We have to make money on this. But we're still competing with the local facilities. Can we get to a .075?

Furr: I agree we should raise it to at least 75.

Sander: Do we take a guess and change it tonight? Or do we wait two weeks and make a decision with more sound numbers?

Arneson: We can run April out with .07. Then effective May 1, we can get the notice out to the haulers. We could do that at this meeting or April 17, there would still be time to affect the May rate.

LaBounty: I'd like to see us not stay at the at the low point. I'd like to see us not be at the bottom of the list, but in the middle point.

Bona: What is our objective? How much do we want to bring in? We do have to give adequate notice to the haulers. I don't consider two weeks adequate notice. We bill the haulers on the 10th of the month.

Noyes: What would be wrong with the average on that? It seems like we're taking more sewage only because our prices are cheaper or because they can't take it to Montpelier or Burlington.

Hill: This is a marginal cost of that business activity where it goes from 70 to 75 or 75 to 85. I would guess that they're making decisions not based on just the cost where they drop it off but how many minutes does it take to get there.

Furr: I think we've been worried that if we raise it too much, we're killing the goose that laid the golden egg.

Carpenter: P&P Septic was looking at their own dewatering facility so they wouldn't have to bring it to anyone else. If you go high enough, they might go spend whatever million dollars for that. That's your biggest biller out of the whole bunch of everyone.

Farr: We could send the haulers something that says please expect a slight price increase as of May 1.

LaBounty: I think you should go with Dan's average approach right now. You have no idea what it really costs you to process this, and you are not even measuring it coming in. We don't even know if this is a golden egg because you don't have related expenses.

Arneson: I think we should take time to look at those numbers in more detail and come back with a more formal recommendation to the Commission.

Sander: Our next meeting we will have more accurate numbers on what it costs to process. Do we make an adjustment tonight? Or do we come back in two weeks with a sounder decision?

Furr: I can move it to .08 today. If we need to go further, we can. I would like to give them a little more notice.

*Hill moved to increase the septage rate from \$0.070 per gallon to \$0.080 per gallon effective May 1, 2023, subject to revision at a future date. Furr seconded.*

*Roll Call Vote: Farr, Furr, Hill, Sander, Wolaver in favor. Motion approved.*

### **Consideration of setting a date and location for the Annual Meeting**

Sander: Next is setting a date and a location for the Annual Meeting. We traditionally do this after the third Monday in May. That would fall on Tuesday, May 16 of this year. Any objections to that date? Why is it Tuesday?

Arneson: There is a Water/Sewer meeting on the third Monday.

Sander: This meeting can be held as a hybrid meeting with attendance both in person and online. We think we'll have enough space for people to attend in the Town Center meeting room. The Library can take several hours setup between the technical equipment and tables and chairs. Should the Commission wish to use the Library, we do have the room reserved from 6-8 pm on Tuesday, May 16.

*Furr moved to hold the Water and Sewer Annual Meeting on Tuesday May 16, 2023 at 6pm at the Town Center. Farr seconded.*

*Roll Call Vote: Farr, Furr, Hill, Sander, Wolaver in favor. Motion approved.*

### **Discussion of transferring water and wastewater allocation**

Arneson: Dan Noyes has the market in its current location, and he's working on moving that to Whistlestop Ln which will be at the opposite end of Railroad St or across the street from the current hardware store. Dan's request is to transfer his allocation for the market to the new location in the market. He would then buy up additional allocation for where the new business is going to be in the current market location. There's guidance in the Sewer ordinance that the commission has the power to transfer allocation between two properties owned by the same person. There is not guidance in the Water ordinance. How do we address any overlap when the new market is operating and the old market is

setting up? One consideration is to talk to our attorneys to see how they suggest approaching the transfer.

Hill: There is a transfer date when one ends and the other starts. If there's actually water and sewer turned down at both sides, that presents a potential problem, because you have two properties working off the same allocation intended for one property.

Farr: Dan, do you know what's going to go into the existing building?

Noyes: I don't know. I'm hoping that I can move my hardware store over there. If somebody came along and offered me good money for it, I would stay right where I'm at and rent it to them.

Hill: Dan's got to buy an allocation at the date that it moves to the new site. He's got to buy some allocation for the current sight.

Farr: That seems like something we can talk to the attorney about,

Noyes: I need to buy it ahead of time for the existing building.

### **Consideration of approval of an agreement with MSK Engineers to conduct the Water Service Line Inventory**

Arneson: Patrick Smart is here from MSK. Essentially, they're looking to check for any lead service lines. We know that we're short staffed, and MSK is a company that has conducted a few of these line inventories throughout the State. They have a proposal that they can conduct the inventory for \$43,369 which would fit nicely into the amount of funding that's available at 100% forgiveness from the Drinking Water State Revolving Fund (DWSRF) for this inventory. We did go out for a request for qualifications for engineers a couple of years ago. MSK was part of that procurement policy, so they are on our list of qualified engineers.

Sander: This inventory would not go just to our curb stop, but would go into the customer's building?

Smart: The service line inventory requirement is coming from new federal regulations that have come down to the State. They require the entire length of the service line materials to be inventoried. The building entrance has been defined by going up to the meter or up to the main shutoff valve for a building. The piping on the other side is considered internal plumbing.

Sander: Are we just looking at the material of the service line or are they also looking at lead solder joint. We can notice when there's lead soldered copper joints present in the home, but that's not the intent of the regulations here.

Furr: I want to ask about the user audit and the stormwater connection aspect of this. Would the cost of doing that be in excess of \$43,300?

Smart: Developing the service line inventory is a combination of reviewing available records, going to different connections, and looking at the pipe materials at the building entrance. And what we intend to do is when we're going out to buildings, to look at those pipe materials. We have a web-based form where you can scan a QR code that our technicians use to collect the other information to go along with the service connection audit and looking at stormwater to wastewater connections. I do envision that not every property will necessarily be visited for the inventory process. There may be a modest amount of additional effort to complete the audit or to complete the evaluation of the stormwater connections. The federal government said every utility has to do this work, do whatever the State tells you. The State of Vermont has published guidance and established requirements for how to perform the inventory. For a connection, if you can find a record that is reliable then you can use that record as a basis for categorizing the pipe materials. That's one way that we could get out of having to visit everywhere. In the State of Vermont any construction after July 1, 1989, is categorically not lead.

*Hill moved to enter into an agreement with MSK Engineers to conduct the water service line inventory at an amount not to exceed \$43,300 and to seek 100% funding for the project through the Drinking Water State Revolving Fund. Wolaver seconded. Roll Call Vote: Farr, Furr, Hill, Sander, Wolaver in favor. Motion approved.*

**Consideration of recommending that the Selectboard approve the Drinking Water State Revolving Fund loan application for construction of a waterline replacement project on Tilden Ave., and portions of Bridge St. and Cochran Rd.**

Sander: This would be the formal recommendation that this Commission asks the Selectboard to approve the application.

*Wolaver moved to recommend that the Selectboard approve the DWSRF application for waterline replacement on Tilden Ave. and portions of Bridge St. and Cochran Rd. Furr seconded. Roll Call Vote: Farr, Furr, Hill, Sander, Wolaver in favor. Motion approved.*

**Discussion of automatic extension for biosolids disposal rates with Casella**

Arneson: We don't really have a choice based on the research. The only other option really out there is Canada. Based on all of the advice, it seems like moving forward with Casella is the right way to go. We'll probably be back at the next meeting with the official letters from CSWD.

**Review of list of water and wastewater items to be repaired or replaced including update on influent pump**

Sander: This is one of the two pumps coming into the plant.

Cote, S: You are a proud owner of a 1200 gallon per minute pump, 900 pounds, down three stories in place. It's 25 years newer than what we took out. It is twice the size. It's a 45-horsepower motor, and the one that was replaced was 25. We can only run it at 70%.

Sander: There are two influent pumps at the plant, and they're designed to be run alternately. The problem was one of them died so we lost our redundancy.

Cote, S: If one's broken, we can switch. But we're primarily using this pump right now. In the process, we've ordered new check valves to replace them at \$1,500 apiece, they weighed 300 pounds. They can be used in the upgrade. We only have one filter right now. The backwash pump for the second filter was supposed to be completely rebuilt, and we could pick it up tomorrow and have it installed. That would bring our second filter online. The next big project is draining the fish tank. Josh has put out, there's some concern about the fish. They're rainbow trout about 18 inches long. The next goal is to get the fish tank drained, clean it out, and make sure that the aerators in the bottom are good. We can bring that back online to give us another cushion to run this pump just a little faster. We're currently running it between 75 and 160 gallons a minute. If we run it much slower, it'll overheat.

Arneson: You also had the pump in the pump station repaired and that's fully online.

Cote, S: We still have one that we need the check valves in there and that's going to be a major rehaul. Both pumps in the pump station are operable.

Wolaver: It's nice to know that there is an actual list of what has to be accomplished.

Hill: What else do you need from us?

Cote, S: Most of the staff would like to do is we would like to clean up the office. There are actual documents from when the plant was designed that maybe the Town would like to hold on to.

Carpenter: That might make a good digitization project.

Arneson: I can start going through to take a look at what you got.

Cote, S: There is a mice problem.

Arneson: Ehrlich can come through and do an assessment for you.

Cote, S: I do appreciate all the support you have shown us. It's made a big difference in morale down there.

### **Review of Consumer Confidence Report**

Arneson: The Consumer Confidence Report we do every year on water quality. Most of that is filled in by the State with results in have on file with the State. It gets mailed out to every public user. We did miss an asbestos test. It's a test that you're supposed to take once every nine years. We missed this test at the end of 2022. We were alerted to it early '23. We're fine on the asbestos part of that test. There's a notice that needs to go out to customers.



Sander: It's important to mention that the asbestos cement pipes that are in the water system have never had a test to show significant asbestos contamination. Water can be corrosive and dislodge the fibers. Richmond's water is not corrosive so we've never had that problem.

Cote, S: It was after July when the laws and rules changed if you do excavate them you have to remove them. That occurred on Thompson Road. I believe the State requires it to be removed if you're excavating them. If you don't excavate them, they can just stay there.

Arneson: I will follow up with Tyler who's our engineer.

### **Update on Gateway expansion project**

Arneson: Jay, Bard, and I have been exploring some options for the sewer expansion project with the Willis Farm Property owners, Joy and Bob Reap. Discussions have centered on the route from the school to the Willis Farm Property and included if the Town would be willing to take over the school sewer systems. Discussions included if the Town should conduct this as a public project or if the Reaps should construct this as a private project and then have that turn over to the Town after construction the warranty period. Discussions included the easements the Reaps have with the Richmond Land Trust appears to limit the sewer expansion to serve only the Willis Farm property. Discussions included the NBRC grant of \$147,947 which may or may not be applied to a new route. We're trying to clarify if that money could be spent to a private bill that would later be turned over to the Town or has to be a public project from the word go.

Furr: The number one shoe left to drop is the Land Trust and the easement. They had certain conditions such as it could only be used for a property on the north side of Rt 2.

Hill: What does the current easement mean? If lines went up and down the hill to serve the Reap property, I don't think the easement is explicit about public or private. A question to extend past the Reaps is you can't do that. Would they be willing to amend it? One way to think about this is within the guardrails of the NBRC grants, the guardrails of the easement and the feasibility of extending all the way to Jericho Rd or connecting to the school in a single line. Those are all the questions.

Cote, S: The school sewer line is a mess. When you took over the water line, that was all improved to Town standards. The school can't find their digitized plans. If the Town were to take it over, it would have to be completely upgraded.

Hill: The current users would not pay to replace the school line. It is another reason why this final decision and project plan are elusive because it's complicated and expensive.

Arneson: The reason for the NBRC grant was to increase development and business opportunity and job growth at that property. It has to be a public expansion. If it's developed privately with an agreement to turn it over to the public, would that change the opinion from NBRC?

Farr: If you can't extend it then what is the point of us owning it?

Furr: Or if the Land Trust says we have to own it, because you can't have two consecutive private lines.

### **Consideration of approval of sending a letter to legislators regarding the financial impacts of potential new regulations regarding PFAS in wastewater**

Arneson: This is a letter to legislatures about if there were changes to the wastewater law that could potentially add costs to the wastewater facility that might be an unfair burden. PFAS is coming from other sources into the facility. Anybody with a wastewater system should write legislatures to inform them that there could be potentially negative effects.

Sander: Significant costs.

*Furr moved to approve sending a letter regarding the financial impacts of potential new regulations regarding PFAS in wastewater to Richmond's State Senators and State Representative. Hill seconded.*

*Roll Call Vote: Farr, Furr, Hill, Sander, Wolaver in favor. Motion approved.*

Cote, S: It is going to increase the costs of getting rid of biosolids in the future. Be thankful that we don't have it in our water. There's a couple of processes like reverse osmosis and activated charcoal filtration. You end up trying to dispose of the PFAS at the end.

### **Update on Vermont Rural Water Association Annual Meeting**

Arneson: The information is in the packet and if a Commission member would like to attend you're welcome to sign up.

Cote, S: I went last year. It's very informative. There are actual classes that we take while we're there. But there's also a multitude of vendors that come in. There are not a lot of Commission members that come.

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

#### **Warrants**

*Furr moved to approve the warrants of 4/3/23 as presented. Farr seconded.*

*Roll Call Vote: Farr, Furr, Hill, Sander, Wolaver in favor. Motion approved.*

#### **Purchase Orders:**

*Furr moved to approve PO# 4396 to U.S. Bank for Jericho Rd and Firetruck interest not to exceed \$17,962.54. Wolaver seconded.*

*Roll Call Vote: Farr, Furr, Hill, Sander, Wolaver in favor. Motion approved.*

#### **Minutes:**

Furr: The March 20 minutes on pg. 6, 2<sup>nd</sup> paragraph, should be “I feel like the air quality in that one building is beyond a safe level.” Then on pg. 10, it should be “The PFAS levels in American stuff are way beyond what they're willing to take.”

*Furr moved to approve the Minutes of 3/20/23 as amended. Hill seconded.  
Roll Call Vote: Farr, Furr, Hill, Sander, Wolaver in favor. Motion approved.*

**Discuss Items for Next Agenda**

- \*Budget Conversations with Q3 Financials
- \*Septage Rates
- \*Water Meters
- \*Gateway Expansion

**Adjournment**

*Furr moved to adjourn. Wolaver seconded.  
Roll Call Vote: Farr, Furr, Hill, Sander, Wolaver in favor. Motion approved.*

Meeting adjourned at: 6:55 pm

**Chat file from Zoom:** None