

# **Town of Richmond Water and Sewer Commission Meeting Minutes of December 19, 2022**

**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; Linda Parent, Town Clerk; Allen Carpenter, Interim Water Resources Superintendent

**Others Present:** The meeting was recorded for MMCTV, Cara LaBounty, Tyler Billingsley, Erin Farr

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

**Welcome by:** Sander

**Public Comment:** None

## **Welcome to new Water and Sewer Commissioner**

Sander: Welcome to Erin Farr our new Commission member. Feel free to reach out to any of us if you want any help. Thank you for stepping up

Furr: Erin met with Josh and I, so she is very well informed for a new member.

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

## **Follow up on investigating stormwater connections**

Arneson: There were some stormwater connections up on Rt. 2. We have a contact at the State that can assist property owners on Rt. 2 which currently have stormwater connections to the sewer. Allen knows about a few spots already and we are going to send a letter to all water and sewer users to inform them that they could be fined if they have a stormwater connection to the sewer. If they are connected, they should contact the Water Resources Department to discuss a plan to disconnect from the sewer system. I will work on putting the letter together so the Commission can review it before we mail it out.

Furr: The fear is the plant could not handle a load during a peak flood or unusual rainstorm. The plant could be harmed or destroyed.

Hill: Sewer staff have noticed an increased load during those flood or rain conditions.

Wolaver: That would add to our overall operation costs.

Sander: They have to process it when it comes in the plant even though it isn't metered flow.

Furr: If our plant got wrecked by a huge flood, do we have coverage for that?

Arneson: I will check with that.

### **Update on process for Water and Wastewater Superintendent**

Arneson: Jay Furr and Morgan Wolaver and I have selected three candidates to interview. Interviews will take place on Tuesday, December 20.

Furr: They have a lot of experience.

### **Update on Drinking Water State Revolving Fund projects, consideration of approving General Water Main Construction Permit, consideration of recommending that the Selectboard approve the loan application for Step II planning, and review of draft bond documents**

Sander: Water and Sewer is a utility, but we lack the ability to bond without the Selectboard. We can make recommendations.

Arneson: Tyler Billingsley, the project engineer, can give us a project update.

Billingsley: The Planning Loan application is a rolling basis to the State with 50% forgiveness. Josh and the Town filled out a lot of the financials. I filled in the technical stuff so it should be ready to submit. The next things are the updated plans which are a little more polished with profiles and utilities. The permit application is in there. The deadline for this is January 1<sup>st</sup>. Green Mountain Engineering did their project cost estimate was at about \$1.45 million for all 3 streets. My estimate was a bit higher than that as I projected out to 2024 costs and their linear footage was a bit short (100-150 feet per street). The State is used to these types of increases and felt my estimate of \$1.77 was appropriate range. The Tilden Ave pipes are from around 1940s. It is old cast iron and brittle. Cochran Rd is a mix of the section in the middle (1990s), small diameter PVC at the end (unsure of the date), and the Asbestos-cement (AC) pipe (1960-1970s). The AC pipe is 8" diameter so that will stay as is on Cochran Rd. The end of Cochran Rd PVC will be upsized from 2" to 8". The Bridge St. pipes are a combination of 4" and 8" and will be upsized to 12". The Tilden Ave. pipe is past its expectancy as evident from last week's water break.

Hill: There are three moving parts: the loan application with updated plans, the bond information, and the impact of rate structure for customers.

Sander: We should include anticipated costs of repairing future breaks.

Hill: Or costs avoided.

Arneson: Anytime there is an emergency repair it is costly. There was a boil water notice for 48 hours.

Sander: These don't occur on Monday morning at 9 am.

Wolaver: The staff was great in coming around and saying we are here to test water before and after. I really appreciate that as a resident.

Hill: It was a significant break just up hill from my house and the flow was significant.

LaBounty: The bond vote will represent 100% of the cost even though we might only have to pay for 50%?

Billingsley: Correct. Josh and the attorney worked on the bond language.

LaBounty: You changed it to \$1.8 million for expected increase costs. We don't know if we get the loan until we get the bond vote.

Billingsley: Step 1 is the preliminary work by Green Mountain. Step 2 is the design and permitting now. Step 3 is due by June or July 1<sup>st</sup> so the bond vote will be this Town Meeting Day then you could submit your final application to the State. The way the bond vote reads is "subject to reduction by available state and federal grants-in-aid and other financial assistance."

Arneson: We wouldn't move forward with the project if we didn't get at least 50%. It is pretty much guaranteed with a bond vote. We will share updated information online at future meetings. We will have public information hearing within 10 days of the vote.

LaBounty: At some point you will determine if you will use any of your reserves to pay for the project versus having the bond of potentially \$1 million.

Hill: We won't really know the costs until we get bids. Once we find out the final net cost then we can figure out the impact.

Wolaver: After construction, you start paying by spreading over the costs to the users of the system and not everybody in Town.

Sander: That is something that often gets lost in public perception. It would not affect all taxpayers.

LaBounty: The full Town is the co-signer for the Water and Sewer.

Farr: There is a good chance we would get the grant?

Billingsley: They know they have an amount of money, and you get ranked in fundable ranges. If you are in the fundable range and you complete process, then you are very likely to get the money. We are about a third in the list within the fundable line.

*Furr moved to approve the General Water Main Construction Permit for the waterline replacement project on Tilden Ave., Bridge St, and Cochran Rd. and to appoint Town Manager Josh Arneson as the duly authorized representative. Wolaver seconded. Roll Call Vote: Farr, Furr, Hill, Sander, Wolaver in favor. Motion passed.*

*Furr moved to recommend to the Selectboard that the Board approve the Drinking Water State Revolving Fund application for Step II engineering for the waterline replacements on Tilden Ave., Bridge St, and Cochran Rd. Wolaver seconded.  
Roll Call Vote: Farr, Furr, Hill, Sander, Wolaver in favor. Motion passed.*

Sander: Thank you Tyler.

### **Follow up on information used to set FY24 rates**

Arneson: We looked at how to determine and verify our number of resident and commercial units. Cara mentioned that we bring up the permits on file on the reappraisal. I checked in with Lisa Tuchon from NEMRC who does the appraisal and they do not get a good list of residential or commercial units. They do use leases for residential and commercial units in larger buildings as a way to check their rates but do not get full feedback and it is self-reported. The CCRPC does keep a list of residential units in Richmond and checks in with Planning & Zoning since 2010. They keep it up to date and pull from a national list for commercial units. If we look at those, E911, and what we have on file then it will help us match up units. Then we can go out to do some audits. I have not had a chance to look through it yet to do some comparisons. I can forward it to the whole Commission.

Sander: The best way to hide something is to put it out in the open. I don't blame the Water & Sewer Department for doing their job and reading their meters. It is not their fault if they see five electric meters and five doors, and it is not their job to ask questions. Whose job is it to audit?

Arneson: For this project it will probably be Allen and myself. There are some interns who could help us go around to get a check on things.

Furr: The number of electric meters is also available to help cross-check information.

Hill: Some shared residential units have a meter for each unit and a meter for the house. So, it is not uncommon to have three meters for two apartments.

LaBounty: Will this list be available to the public? I think you can post, and people can contact you if they know something as well. They might have updates or information for the list.

Hill: Maybe we can have this in place for July and rate setting.

Arneson: Rate setting is usually May.

Hill: There is a formula where you change the number of units to update the rates on a spreadsheet.

Arneson: You might be able to set the rates at the end of June for the next billing cycle.

LaBounty: Can you change the number of units at any time? You should start changing the numbers as you find the numbers.

Arneson: As we find them, we do make those changes. Once we set the rates, we are not going to go back to adjust for that year.

Farr: When we figure out the rates, what percentage of the plant process is septage trucks.

Sander: We cannot use septage revenue to off-set rates. The users' billing covers the daily operations of the plant. We can use the septage revenue to budget reserves or replacement costs.

Hill: If we have excess septage revenue this year then we can use that for a variety of budget reasons the next year.

Arneson: We have added more and more septage revenue to offset from sewer user rates.

Hill: Septage revenue is not guaranteed. Processing septage also increases some costs for chemicals used in processing the product. Or someone has to show up on the weekend to meet a truck. It is not just revenue.

Furr: So, to clarify, if we have money leftover from septage revenue then we can use that to lower rates the next year.

Arneson: We put it into the budget as revenue. We are hesitant to use all of the revenue to off-set rates in case something fell. We look at what we have in reserves.

Hill: This will become clearer when we look at the budget for the anticipated revenue, the actual revenue and what happened to expenses.

Carpenter: I hope everyone knows that there is an upgrade coming up which will be a multi-million-dollar project so you might want to have a line item to put money away.

Arneson: We are at the study phase right now. We will know more about that when we get to the study.

Hill: I mentioned in Selectboard, do you charge people now to build up a reserve to buy something that person may never get to benefit? It is a bad idea to borrow money. The people who benefit from it should pay for it. It is probably a combination of the two by using some reserve funds and some borrowed money that is paid for by future users.

Sander: A plant upgrade has many moving parts. It is a capital expense that needs replacing. Our discharge permit states we need to meet some requirements. There is talk of much lower discharge of phosphorous and PFAS chemicals which makes the upgrade more expensive.

LaBounty: The money made on taking in septage can be funds to be used for next year's budget. They cannot budget in what they think they might make, they have stay with they actually make. I appreciate the future discussions in regard to what inflation does to putting money away.

Wolaver: Is septage revenue its own line item in the financials?

Sander: Yes, but it is difficult to ferret out costs. We know roughly what it costs.

Hill: We also debate what rates to charge for septage. It is marketplace in of itself.

Furr: We are currently tied for the lowest rates. But we are nervous about losing some of those trucks.

### **Update on Gateway planning costs**

Arneson: Since the last update, we got in touch with our previous attorney, Langrock, Sperry & Wool. They had all the Gateway invoices sorted and updated the spreadsheet to include the costs. We also went back through the agenda and minutes from 2014-2017. We were looking for a previous sheet but didn't find anything. On May 4, 2015, the Town Manager stated the legal work, engineering and surveys was about \$44,000 to date. I do not have a file or invoices. Our spreadsheet shows costs from Green Mountain Engineering and Langrock, Sperry & Wool from 2014-2015 as \$40,133.08. There were two income surveys that were conducted and the proposal for one survey was \$3,450. That gets us close to the \$44,000.

Hill: One of the issues for funding is the income of people in the system as a whole and not just the new users. If you have high rates and low income, then that would score higher for funding. In my head, it would be around \$12,000 for surveys with mailings. It might show up in Town Reports.

Arneson: The total expenses for the project that does not include the income surveys is \$57,831 which does include a 50% forgiveness for the preliminary engineering report. If you do not want to include that than add \$6,000 for a total of \$63,831. That does not include the income surveys.

### **Review of November water data**

Arneson: The November water data shows a couple of spots when the fluoride levels dipped below 0.6 mg/l. There were new reasons for new batches and a different system recommendation. It will develop the fluoride more consistently but there was a learning curve. We have the right mixer in to keep it close to 0.6 mg/l and the average was still at 0.6 g/ml. I made a change to the Guide to Monthly Water Report Data. The chlorine levels should be 0.1 mg/l but it is not a requirement. They are looking for some residual chlorine that is measurable. Our data shows we are around 0.1 mg/l. It is acceptable if we dip below that occasionally. The pH meter going in has been broken and we have two quotes to get it installed quickly. The pH levels going out are acceptable.

Hill: Is the fluoride like a bag of salt?

Carpenter: It is a bag of salt you are trying to saturate the mixture. We let it settle out and clear before we pump it out.

Arneson: We now have the right mixer and things are off and running.

Sander: We should be on the low end of chlorine based on years of not having contamination. The quality of the water is so good, historically we haven't had a problem with corrosive water.

Carpenter: We test for e-coli in the system once a month, based on the schedule approved by the State. It is generally one bottle we send and at the lab they test for what you have if it shows a color test.

### **Follow up on efflorescence on the water tank**

Sander: A former Commissioner expressed concern about the seepage affecting the rebar in the concrete because it is not epoxy coated. The engineering consensus is that the pH of the water seepage would not be corrosive to the rebar in the tank.

Arneson: The report is in the packet.

Wolaver: Seepage seems to be the nature of the concrete. You can inject as much epoxy as you want but it will find another crack.

Sander: I have been assured it is still a 100-year tank.

Hill: Most concrete tanks like this would be embedded in soil so you wouldn't see the seepage.

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

#### **Minutes**

*Wolaver moved to approve the Minutes of 12/5/22 as presented. Hill seconded.  
Roll Call Vote: Farr, Furr, Hill, Sander, Wolaver in favor. Motion passed.*

#### **Warrants**

*Wolaver moved to approve the warrants of 12/19/22 as presented. Hill seconded.  
Roll Call Vote: Farr, Furr, Hill, Sander, Wolaver in favor. Motion passed.*

#### **Purchase Orders**

*Wolaver moved to approve PO#4546 to East Engineering, PLC for waterline replacement project engineering for Tilden Ave., Bridge St., Cochran Rd. not to exceed \$98,773.74. Hill seconded  
Roll Call Vote follows discussion.*

Arneson: This cost is Step 2 so it does not include construction costs.

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

### **Discuss Items for Next Agenda**

\*Gateway costs to-date

- \*Gateway expansion update
- \*Equivalent Unit and Audit
- \*Superintendent Hiring

### **Adjournment**

*Furr moved to adjourn. Hill seconded.*

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

Meeting adjourned at 6:59 pm

**Chat file from Zoom:** None