

Town of Richmond Water and Sewer Commission Meeting Minutes of August 15, 2022

Members Present: Bard Hill, David Sander, Jay Furr, Greg Tucker, Morgan Wolaver

Members Absent: None

Staff Present: Josh Arneson, Town Manager; Duncan Wardwell, Assistant to the Town Manager; Linda Parent, Town Clerk; Kendall Chamberlin, Water Superintendent

Others Present: The meeting was recorded for MMCTV, Bob Reap, Matt Torrville, Meg Freebern, Rod West

Call to Order: 5:30 pm

Welcome by: Sander

Public Comment: None

Additions or Deletions to the Agenda:

Hill: We should talk about Commission membership between now and December. Maybe a future agenda item.

Superintendent's Report

Chamberlin: We finished up the required landfill testing. We are doing required water testing to get ready for Fall PFAS testing. We are wet testing our effluent. We located all the curbs on Rt 2. I am concerned about the Rt 2 dig on Friday overnight. We are posting for residents to be prepared to lose water for that project. I would have preferred doing this during the day. We are very confident of the location of the 4" waterline, main sewer line, and the 12" waterline. There are at least 10 separate old water lines in the ditches. There are all sorts of stuff they might uncover while digging up Rt. 2. I will get in touch with Munson and VTrans to make sure the most skilled excavator is on site. We found some curb stops by the doctor's office that need to be replaced. We are ensuring all the curbs on Rt 2 are operational or fixed during this project.

Follow up on Gateway Expansion Project

Arneson: Kendall, David Sander, and I met with the Reaps to discuss a possible expansion project. We are looking at an expansion from the end of the current line out to Tourville's 434 West Main St and how it might be funded by current users based on Cochran Rd expansion precedent. We discussed next steps for funding phases. I reviewed options with our attorney and the best plan. Phase 1A would be out to the Torrville's and Phase 1B would be out to the Reaps. We have \$148,000 grant which requires a 50% match. The best option would be to bid out the entire project. A better engineering report would be needed. We would take the total project cost, subtract out the amount paid for current users in 1A and then subtract out the amount paid for by the \$148,000 to arrive at how much you would have to bond for to cover the remaining costs.

If the project continues to Phase 2 at some point, we could then dissolve the special assessment district for Phase 1 and creating a new special assessment district to repay the remainder of the bond that would include properties in Phase 1B and 2. This would then split the remaining bond payback between all properties in Phases 1 and 2. However, we cannot guarantee that this will happen as the new special assessment district would have to be created and approved, and there is no guaranteeing that at this point. Phase 2 would also require a separate special assessment district to include the properties in Phase 2 to pay for Phase 2.

Hill: Phase 1A would be current users and current resources. Phase 1B is when we go outside the pre-existing district and there is a special rate structure. The bond would include past, current, and future users.

Furr: Have we decided about sizing for water and sewer?

Chamberlin: Tyler is focused on 3 to 4" line to service people to the mobile home. You would only do a 2" line if going to Torville's.

Furr: Do we have a repayment spreadsheet structure that would illustrate that cost payback per year?

Chamberlin: We do not have one yet.

Hill: We should bring this back to look at numbers for Phase 1A, 1B and 2 for different payback option so it would be a six-dimensional matrix. We need to communicate to current users about the differences between 1A or 1B.

Arneson: We have Tyler's estimates on 1A and 1B. Then we need to take a look at 1B less the grant for a 30-year bond payback.

Hill: We should post this as public agenda item as it pertains to Water/Sewer and Grand List Value for 1A, 1B, 2 and payback options.

Furr: When we looked at it this way last time, it was determined that the payback was too much for specific property owners to afford.

Sander: What conditions are associated with the funds we have on reserve?

Arneson: The Wastewater reserve funds can be used on wastewater projects. I agree we need a better comprehensive summary. We have around \$460,000-\$470,000 in Wastewater unassigned funds. We also have reserve funds associated with Collection Systems (~\$80,000-\$90,000), Short Term Capital (~\$115,000-\$117,000) and Wastewater Capital (~\$380,000-\$450,000).

Chamberlin: You could use the Collection Systems and Wastewater Capital but not the Short Term Capital.

Arneson: That summarizes the cash on hand we could put toward 1A.

Freebern: I would tread lightly on using reserve funds if it goes to this project.

Hill: Do we have the cost estimate for Cochran's expansion project?

Chamberlin: It was about \$30,000 and we gave them 7 years to hook on. The hook on costs were between \$700-\$5,000. There were nine properties.

Hill. The scale and the total cost is different looking a nine new properties versus one. We need to put this out in a public meeting before we move further on any paybacks.

Discussion draft Drinking Water State Revolving Fund Intended Use Plan

Arneson: We submitted 4-5 projects for the DWSRF consideration. The draft plan provides for 50% forgiveness of the projects. This is a draft plan, and it is expected to be final in September. It includes waterline replacement projects in Richmond which total an estimated \$1,450,000. The full draft plan is included in the packet for your reference.

Chamberlin: This is Richmond's swan song. This will make most of our waterlines brand new. We may end up with more than a 50% grant because we are shovel ready.

Review of the fourth quarter financials from fiscal year 2022

Arneson: Included in the packet are the year-end financials for the fourth quarter of FY22. The audit will be happening in a couple of weeks. There is nothing that jumps out.

Furr: I noticed our trash removal fees have almost tripled.

Chamberlin: The cost has gone up due to landfill issues and limitations. It is up everywhere and getting very expensive.

Staffing update

Chamberlin: I am overwhelmed with applications, as we are looking for one Operator-In-Training. We have one potential applicant with previous experience but otherwise many newbies.

Discussion of commercial fixed fees

Arneson: There have been questions about fixed fees as it applies to commercial or how many fixed fees we apply to a building. It usually goes by the number of entrances which would be one commercial fixed fee. If there is a door for a resident and a one for a business, then there would be a relevant fixed fee for both. Even though there is one meter to the building, there would be two fixed fees. It gets complicated if two businesses share a space with one entrance as it would still be one commercial fixed fee. It is equally complicated if you are living in a house and start a business with an office in the house. We just charging a residential fixed fee unless the business is setup with a different entrance. There are also shared office spaces like at Buttermilk or the Victorian

Inn. The questions are whether this is equitable, can we do it a better way, and how would we track it.

Hill: This has its roots to residential units six years ago. Some buildings have one meter for five apartments. Some buildings have five meters for five apartments. You can count residential units based on kitchen, bathroom or bedrooms. I know the difference between commercial and residential terms. I think it is a fool's errand to pursue a shared commercial unit compared to the residents of an establishment. I do not know how we count commercial units that are shared. I do not know if we should use the term business as that is tough to define.

Sander: Have we defined commercial and residential as it applies to the billing structure?

Chamberlin: My understanding is that commercial is based on if you are making money.

Arneson: A home office would be challenging to pull apart. Do we want to look at shared offices which might be easier to figure out? Is one big building with three office spaces have one or three fixed commercial fees? There could be a lot of complications if an office leaves mid-year.

Hill: Is it manageable? Like counting people living in a house or a bedroom, we might not be successful.

Furr: It is like counting cats in a 12-foot circle.

Wolaver: Why is this not done on a square-foot basis. If it is residential, then you eat there and sleep there. Commercial might not depend on if there is one person or fifty people.

Parent: A lot of this started based around the Masonic Lodge which is being charged for seven commercial units. The Masonic Lodge is upstairs with commercial businesses, Hey June Stationery, A Clover and One Bee florist, Food Shelf, and Home Interiors all of which have one sink and one toilet. The Masonic Lodge currently pays more on Water & Sewer than they do on taxes. There are not apartments in that building.

Hill: Who are the people who walk in and look they are going to sleep at night.

Parent: Nobody sleeps up there. They were charging for multiples on the second and third floors.

Sander: I think we should research what our definitions are before adjusting our billing policy.

Parent: There is another building in Richmond that has one main entrance but have four separate businesses in that building. I am not the only one to bring this to the attention of the Water & Sewer Commission.

Hill: We are looking for equity.

Arneson: We need to ponder the comparison between the Masonic Lodge and another building with 4 different businesses with one shared office space.

Hill: I think residential has been solved. Commercial has the ability to set rates based on different businesses. Equity is based on how we define a Commercial unit.

Chamberlin: Commercial units are based the allocation and capacity of the building. The Masonic Lodge has one Commercial space but can be two or three or four for the allocation of units. Likewise, a Residential rate for a family living in a place with 6 bedrooms has greater allocation than the same family living in a 2-bedroom place. The fixed fee for Residential is the same up to 3 bedrooms. You pay a higher fixed fee for 4, 5, 6 bedrooms. Not everybody has the same water usage. There are 700 billable units compared to the actual 300 lines.

Hill: Is there anyone willing to research this topic and an equitable approach?

Sander: I would like to see the definitions of the rate structures before we discuss the applications. Is the Town Center the same billing schedule as the School?

Arneson: The Town pays a commercial rate.

Chamberlin: There are School, Commercial, and Residential rates.

Parent: The Masonic Lodge have leases for four tenants. We could not pass on to Food Shelf because they have such minimal rent for sake of charity.

Wolaver: We need to determine what is a Commercial unit.

Chamberlin: If you are not Residential then you are considered Commercial or School.

Hill: The number of units is the sticky wicket.

Chamberlin: There are other businesses like the Masonic Temple. Harrington's of Vermont only has one entrance but they pay a lot for a Commercial fixed fee.

Wolaver: I will work with Josh and Kendall to bring something back to the next meeting about the definitions and applications of Commercial fixed rates.

Follow up on request for details VTrans Rt. 2 plans

Arneson: I forwarded the most detailed plans to Kendall for upcoming VTrans projects. This is what he was looking for, so he has what he needs from VTrans as it pertains to Water and Sewer.

Approval of Minutes, Warrants and Purchase Orders

Purchase Orders

Hill moved to amend PO# 4040 to CSWD for shipment of dewatered sludge not to exceed \$156,966.76. Furr seconded.

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

Minutes

Furr moved to approve the Minutes of 8/1/22 as presented. Hill seconded.

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

Warrants

Hill moved to approve the Warrants as presented. Furr seconded.

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

Discuss Items for Next Agenda and Adjourn

*Commercial Units definition

*Gateway Expansion updates

*Rt 2 Updates

*Commission Recruitment

Adjournment

Furr moved to adjourn. Wolaver seconded.

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

Meeting adjourned at 6:29 pm

Chat: None