

Regular Meeting held in the Champlain Water District Conference Room at Noon.

Present

Commissioners: Bob Shand, Jericho chaired the meeting; Aaron Martin, Essex; Karen Richard, Colchester (via phone); Ron Hubert, Milton; Peter Gadue, Shelburne; Liz Royer, Williston; Jonathan Stockbridge, Winooski; Dennis Lutz, South Burlington; Employees: Joe Duncan, Nate Pion, Chris Rongo, Jay Nadeau and Tracy Bessette

Absent

No Commissioners were absent

Bob Shand called the meeting called to order at 12:00 p.m.

Citizens to Be Heard

There were no citizens present.

Approval of Regular Meeting Minutes of December 10, 2019 & Special Meeting of December 17, 2019

Bob Shand asked for a motion to approve the Regular Meeting minutes of December 10, 2019 and the Special Meeting of December 17, 2019. Ron Hubert made a motion to approve the December 10, 2019 and December 17, 2019 minutes, seconded by Dennis Lutz, with all Board members in favor.

Quarterly Financial/Operations Report

Mr. Duncan reported that water sales for the month of December were 9.03 mgd, bringing year to date to 9.69 mgd as compared to last year at this time of 9.93 mgd. Global Foundries averaged 3.18 mgd, bringing year to date to 3.33 mgd versus last year at this time of 3.46 mgd. Total average fiscal year sales are down 0.24 mgd, as compared to last fiscal year, with Global Foundries down 0.13 mgd from last year. December cost per million gallons was \$2,042.99, bringing year to date to \$1,969.14/MG, versus last year of \$1,883.26/MG. Mr. Duncan said that sales are trending the same as last year.

Capital Projects Update.

Nate Pion summarized the following projects:

Filtered Water (FW) Effluent Pumping System – Pumps #1 and #4 will be reinstalled on January 15th. SDI will be starting Phase II of this project on February 3rd and expect it to last for two months.

Meter Vault Improvements – Nicom Coatings will be working at the Well #7 vault on January 22nd doing grout injections to seal groundwater leaks the vault.

Essex West Pump Station – There was a 90% review meeting on the design in December and the Permit to Construct was submitted on December 30th. There was discussion regarding urban soils between, Dennis Lutz, Aaron Martin, Nate Pion, and Joe Duncan.

Colchester South Tank Loop – A 90% design review meeting was completed December 19, 2019. The Permit to Construct application was submitted on December 31st and is currently under review by the Drinking Water and Groundwater Protection Division. Easements continue to be an ongoing discussion and anticipate the review completed by the end of January.

Exit 16 Waterline – VTrans has indicated that they intend to advertise the Diverging Diamond Interchange project on May 20, 2020. If all goes to plan, construction of the waterline and other underground utilities could begin as early as August 2020.

Suez/Utility Service Co. – Suez is scheduled to complete filter cleanings for DF# 1-3 in February, and Ireland will be working on the process piping at that time.

South Burlington Holiday Redevelopment - CWD has submitted comments to the South Burlington DRB. The project as currently proposed will be fed off from High Service #2. Construction of the proposed infrastructure will be in close proximity to High Service #2 and we wish to ensure that High Service #2 is protected during construction.

Manager's Report

Proposed Retail & Colchester Town Water Systems Capital Reserve Fund Plans

Mr. Duncan stated that the CWD Capital Reserve Fund plans need to be approved as part of the proposed 2020-2021 budgets. The Retail Department has a healthy reserve fund balance of \$380,000 and we look to use some of those funds for minor purchases over the next couple of years, and that model will continue to have a balance in the \$300,000 range. The Colchester Town water system reserve fund balance is in the \$130,000 to \$160,000 range and there is a need within that system to start looking at valves and hydrants and using some of the Capital Reserve funds to complete that work. Staff looks to begin that program in 2021 and continue until 2024. Because this proposal does dip into the reserves slightly the program will be evaluated after the first year to see where we are at, but thinking long-term there is a need to deal with the aging infrastructure. There are also some small equipment purchases proposed with this plan for the AMR project. Mr. Duncan said that the recommendation is to approve the enclosed CWD Retail Department and Colchester Town Water Systems Capital Reserve Fund Plans. Bob Shand asked for a motion to approve the Capital Reserve Fund Plans. Motion was made by Ron Hubert, seconded by Peter Gadue with all Board members in favor.

Colchester Town Debt Service Assessment

Mr. Duncan said that we will be pursuing a drinking water SRF loan for this project. This may end up being a 3%, 20-year loan with no subsidies. CWD Wholesale is paying for 50% of the construction, and CWD Retail paying the remainder of that 50% as well as any engineering costs associated with the project including the preliminary studies through design. Repayment of the Retail portion of the loan will be borne by just the CT system users through a debt assessment charge paid by the commercial customers. The loan payment for Retail will be approximately \$36,000/year assuming the full bond amount is utilized. Assuming that this is the worst-case staff has developed some tiers and strategy for trying to recover that \$36,000 over an annual basis. This will be done with a monthly assessment fee which will be billed with the regular monthly water billing. The goal is to begin billing on July 1, 2020 so that we are collecting a year's worth of fees prior to the first loan payment being due. In mid to late March 2020 we will hold an informational meeting at CWD with the CT users to present the purpose and need for the assessment fees and to answer any questions prior to rolling out the assessment in July 2020. Mr. Duncan then summarized how the eight tier charges would work and answered questions from the Board on the different tiers and how often the plan would be reevaluated. Following discussion Mr. Duncan said it is recommended that the Board approve the Colchester Town Water System Debt Service Assessment Fees to be assessed monthly with an implementation start date of July 1, 2020 and to be re-evaluated as necessary. Bob Shand asked for a motion to the Colchester Town Water System Debt Service Assessment Fees. Motion was made by Ron Hubert, seconded by Peter Gadue, with all Board members in favor.

Remaining Budget Process

Mr. Duncan said the public meeting to discuss the proposed FY20-21 Wholesale and Retail budgets is at 7:00 pm on Wednesday, January 29th at CWD. If there are any public comments, they will be acted upon at the February 11th Regular Meeting. The annual meeting is Tuesday April 7th.

Bond Vote Information Handout

Mr. Duncan referred to the informational flyer which will be included in the local papers in advance of the bond vote.

Sign Warrant #1219

Bob Shand asked for a motion to approve the warrants in the amount of \$735,771.40. Motion was made by Aaron Martin, seconded by Peter Gadue, with all Board members in favor.

Executive Session – Discussion on Potential System Acquisition

At 12:43 p.m. Ron Hubert made a motion that executive session was warranted for the discussion of potential system acquisition. Motion was seconded by Liz Royer, with all Board members in favor. Ron Hubert then made a motion to go in to executive session, seconded by Peter Gadue, with all Board members in favor. At 1:00 p.m. Ron Hubert made a motion to come out of executive session, seconded by Peter Gadue, with all Board members in favor. No action was taken in executive session.

Any Other Business

At 1:00 p.m. Bob Shand asked if there were any other business. Hearing none Ron Hubert made a motion to adjourn, seconded by Peter Gadue with all Board members in favor.

Clerk

