

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

Present

Commissioners: Karen Richard, Colchester, chaired the meeting; Bob Shand, Jericho; Roger Hunt, Milton; John Stockbridge, Winooski; Aaron Martin, Essex; Liz Royer, Williston; Dennis Lutz, South Burlington; Peter Gadue, Shelburne; Guests: Jay Riedinger & Bill Uzzell, Colchester FD#3. Employees: Jim Fay, Joe Duncan, Christine Rongo & Tracy Bessette

Absent

No Commissioners were absent.

Karen Richard called the meeting called to order at 12:00 p.m.

Citizens to Be Heard

There were no citizens present.

Minutes of Regular Meeting of January 16, 2018

Karen Richard asked for a motion to approve the Regular Meeting minutes of January 16, 2018. Roger Hunt made a motion to approve the minutes, seconded by Dennis Lutz, with all Board members in favor. Peter Gadue abstained as he had not attended the meeting.

Colchester Fire District #3 (CFD3) Presentation/Discussion

Karen Richard stated that Jay Riedinger and Bill Uzzell from CFD#3 were attending today's meeting. Ms. Richard said that before they begin their presentation she wanted to disclose that she at one time was Clerk/Treasurer of CFD#3 and was in fact in that position in 1999 when the original tap took place. Ms. Richard said she has knowledge of what their explanation/presentation will be and said she would be willing to recuse herself if the Board thought it necessary, but she might also be able to provide some information. Following introductions Mr. Riedinger and Mr. Fay provided the following to the Board:

- A brief history of two water line taps by a CFD#3 customer, followed by a municipal extension in 2015 on Middle Road in Colchester by the same customer.
- The application for the tap done in 1999 was for a 2" tap on CWD's 16" transmission main headed to Milton. There was confusion when CWD Wholesale realized the 2" tap was actually done a 10" stub that was left for future growth in CFD#3. The 2" tap was eventually switched to the CWD 16" main.
- The Infrastructure Ownership MOU between CWD and CFD#3 spells out the ownership of both the 16" and 10" water lines, but it is still unclear why the 10" was tapped instead of the 16".
- In 2015 when the 10" stub was extended for additional CFD#3 growth, it was discovered to have a leak indicating it had possibly frozen sometime after the 2" tap was abandoned and CWD had re-closed the valve.
- On January 30, 2018 CWD answered questions over the phone during the mediation between CFD#3 and the CFD#3 customer on possible cost splitting for the 10" line repairs since there was confusion on the past taps.

Mr. Riedinger stated that the court had required mediation and it was suggested that the \$24,000 that was being asked for by the CFD#3 customer be reduced to \$15,000 and have a three-way split between CFD#3, CWD, and the customer. The customer was not in agreement and left mediation and his lawyer negotiated the amount down to \$20,000 in an agreement not to go to court. Mr. Riedinger said that Mr. Fay would put this on the next CWD Board agenda to see if the Board would cost share. Mr. Fay said he was in agreement with Mr. Riedinger's assessment. Mr. Fay said that CWD's records on this one are really confusing as far as what happened when this tap originally

occurred. To make matters more complicated CWD's Retail Department was doing work in CFD#3 and they performed the tap. Mr. Fay said he agrees in this particular set of circumstances that it is very unusual that ductile would freeze and crack. Mr. Fay said he is recommending to the Board some type of split given the long history, and confusion on CWD's part back to 1999. Mr. Fay answered questions from Roger Hunt, Dennis Lutz, Bob Shand, and John Stockbridge. Following discussion Board consensus was that CWD should share in the cost and Bob Shand asked Jay Riedinger if CFD#3 was looking for a 50/50 split. Mr. Riedinger said anything would help. Mr. Shand said that based on the circumstances he motioned that there be a 50/50 split between CWD and CFD#3 with each paying \$10,000. Motion was seconded by Peter Gadue, with all Board members in favor. Mr. Riedinger provided a copy of the settlement for CWD's records, and he thanked the Board and Mr. Fay.

Financial/Operations Report

Mr. Fay said January sales were 9.20 mgd, bringing fiscal year to date to 9.58 mgd, as compared to last year at this time of 9.72 mgd. Global Foundries averaged 3.33 mgd, bringing their fiscal year to date to 3.43 mgd, as compared to last year at this time of 3.36 mgd. Due to the wet summer start, overall year to date total sales for the first seven months of the fiscal year are down 0.17 mgd, as compared to last year at this time, with Global Foundries up 0.07 mgd from last year. The January cost per million gallons was \$2,001.72, bringing year to date to \$1,888.06/MG, versus last year at this time of \$1,836.34/MG. Mr. Fay said that if the winter remains cold we won't hit last year's sales, but we should be slightly above the budgeted water sales revenue.

Capital Projects Update

Joe Duncan summarized the following projects:

Update on High Service (HS) Electrical Emergency Tie Breaker – Bids were opened bids for this project on January 31st. The engineers estimate was \$90,000 with the bids ranging from \$79,300 to \$98,237. The contract was awarded to Peck Electric for \$79,300. They will begin to mobilize this week and should be done by August. Once completed we will have pumping and process redundancy in place to allow for a 16-hour plant shutdown to replace the failed tie breaker presently scheduled for the fall of 2018.

Master Meter Vault Replacement Projects – No updates since the last meeting. We will begin working with the Army on permitting and approval of the Well #7 meter vault.

Williston North Tank – This tank was placed in service on February 1st. The Williston East will run for a few more weeks, and then come off line, and be drained. Andy Legg is working on the plans for the demolition of this tank in the spring. Munson and DN tanks will be back in the spring to complete punch list items on the new Williston North tank.

Twin Filtered Water Tank/Wet Well Expansion – SDI has finished the final grade fill and we now have a usable space that will be seeded and mulched in the spring. They are currently demolishing the Venturi vault and digging down to ledge for the bottom of the wet well. They will be pouring concrete in April and wrapping up the project in August.

Close-in Cross-tie – The City's bid opening is March 6th which is the same day as their wastewater side bond vote. CWD's Close-In Cross-Tie transmission main work has been approved for funding under the DWSRF program and we are requesting that the Board approve the DWSRF Step III Construction loan application that was included in the Board packet. We would also want to the Board to execute the "Appointment of Alternative Authorized Representative" form allowing additional CWD managers to sign off of the SRF projects' related paperwork.

Pipe Integrity Program (PIP) – No leaks were detected in this section of our High Service (HS) #1 transmission main. A few pipe wall assessment anomalies were noted and we plan to conduct test pits in the spring to identify the cause of the anomalies and hopefully correlate the SmartBall signal responses to specific defects. We have been doing research on transient pressures within transmission systems and we are evaluating the development of a transient

pressure monitoring program (TPM) for our transmission system. We continue to work with Wright-Pierce on our transmission main risk prioritization framework which will enable us to focus our PIP efforts on the highest risk mains.

Tank Maintenance Program – We are reviewing this year’s Schedule of Work with Suez. This year’s major scope is recoating the interior and exterior of the 2.1 MG South Burlington East Tank beginning in early April and wrapping up in early July.

Long Term Contract for Filter (DF) and Adsorption Clarifier (AC) Rebuilds – Staff will be meeting with Suez on March 7th to discuss media top offs and assessments. Part of the discussion will be what has worked and what hasn’t during this last process.

Manager’s Report

Review of Public Comments on Fiscal Year 2018-2019 Proposed Budget

Mr. Fay reported that CWD’s proposed FY 2018-2019 Public Budget Informational Meeting was held at Lincoln Hall in Essex Junction at 7:00 p.m. on January 17th. Mr. Fay said we have not received any budget comments to date, so as is customary he would like the Board reaffirm their approval of these proposed Wholesale and Retail budgets. Karen Richard asked for a motion to reaffirm the CWD Wholesale budget in the amount of \$7,856,412, the Retail budget for \$812,381, and the Colchester Town/MBWC budget of \$244,569. Motion was made by Roger Hunt, seconded by Bob Shand, with all Board members in favor.

Approval of Warning for April 3, 2018 Annual Meeting

Mr. Fay referred the Board to the Warning for CWD’s upcoming Annual Meeting to be held on Tuesday, April 3, 2018 at 7:00 p.m. This meeting will be held at the Pomerleau Alumni Center on the campus of Saint Michaels College off Lime Kiln Road. Karen Richard asked for a motion to execute the Annual Meeting Warning. Motion was made by Roger Hunt, seconded by Bob Shand, with all Board members in favor.

Close-in Cross Tie DWSRF Construction Loan Application Approvals

Mr. Fay said as explained by Joe Duncan CWD is seeking approval of this Step III loan application as well as the Appointment of Alternative Authorized Representative form allowing additional CWD managers to sign off on the SRF projects’ related paperwork. Karen Richard asked for a motion to approve the \$750,000 DWSRF Step III Construction Loan Application, Dennis Lutz made the motion, seconded by Roger Hunt, with all Board members in favor. Mr. Duncan said five Board members would also need to sign the authorized representative form.

Update to Shelburne Infrastructure Ownership MOU

Mr. Fay said there has been some progress on this issue. In working with the railroad, it was discovered that Shelburne does have a water railroad master license agreement. There is not another Shelburne Water Commission meeting until April but all indications are that the Town will sign the MOU then. Mr. Fay said the Spear Street water storage issue is still ongoing and the Town will resume discussions with the City of South Burlington. Tim Raymond did attend the last meeting and it appears we are headed in the right direction.

Village of Essex Junction Water Break – 2/1/18

Mr. Fay said this is one of the largest breaks he has seen in the County at 5,000 gpm. The State dictated a boil water order due to low pressure in the north westerly area of this specific Village pressure zone. The Village had the leak repaired, flushed, and their system back on line by 7 PM and both Essex storage tanks were back to normal high operating levels by early Saturday morning. CWD’s laboratory and Mike Barsotti’s group sampled Thursday night for the Village and read the 24-hour incubation period test results on Friday night with the Village rescinding this

precautionary boil at 9:30 PM Friday night. Discussion followed led by Mr. Lutz on how the Village information was disseminated and how situations like this should be addressed in the future.

Wind Storm Damage

Mr. Fay said that we did receive a payment from the insurance of \$9,334.21 and will now apply to FEMA for the \$5,000 deductible. On a related note, Mr. Fay said that the State wants to change the Water Supply Rule to require that fire flow volume be included in the average day volume water storage requirement. Water systems will have to look at their stored volume, and not only have average day flow covered, but the local fire flow requirement as well. The only way around this is to have a generator at the remote pump stations, as CWD is the only water supplier in the State that has a fire flow credit from the treatment plant supply. FEMA has an assistance grant program that water systems may be able to utilize to help getting a generator in place at pump stations that have a history of losing power. The only one that this would apply to in the CWD served systems would be in the Village of Jericho. John Tymecki will bring this to Jericho's Board when we have more information available from FEMA.

Sign Warrant

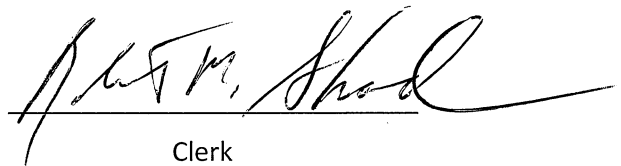
Karen Richard asked for a motion to approve the Warrants for \$804,068.09. Motion was made by Aaron Martin, seconded by Peter Gadue with all Board members in favor.

Executive Session

This session was not used by the CWD Board.

Any Other Business

At 1:12 p.m., Karen Richard asked if there was any other business. Hearing none, Roger Hunt made a motion to adjourn. Motion was seconded by Dennis Lutz with all Board members in favor.



Clerk