

ANNUAL MEETING MINUTES
CHAMPLAIN WATER District
April 2, 2019 – 7:00 PM

The Champlain Water District (CWD) held its Annual Meeting at the St. Michael's College Pomerleau Alumni Center on Lime Kiln Road in Colchester, Vermont on Tuesday, April 2, 2019. The following documents were made available to meeting attendees: Agenda, 2018 Annual Meeting Minutes, CWD background information, Wholesale Capital Reserve Fund Report, Elected Auditors Report, proposed Wholesale, Retail Administration & Operations Department, and Colchester Town Water Systems Operating Budgets for fiscal year 2019 - 2020, and a copy of CWD's annual report for 2017-2018. In attendance from the CWD Board were Karen Richard, Aaron Martin, Dennis Lutz, Peter Gadue, and Bob Shand.

Moderator, Father Joseph McLaughlin called the meeting to order and read the Warning in its entirety, and the CWD Water Commissioners were introduced.

Father Joe asked for a motion for acceptance of last year's Annual Meeting Minutes dated April 3, 2018. Jay Nadeau motioned to approve the minutes of April 3, 2018. Anthony Higgins seconded the motion. Father Joe asked if there were any corrections to the minutes, hearing none a unanimous vote was cast.

Father Joe asked for the reports to be presented as called for in Article I.

Jim Fay recognized Jay Nadeau as CWD's new Retail Superintendent who is John Tymecki's replacement upon John's retirement on June 28th. Mr. Fay stated that Mr. Nadeau previously worked for the District for 10 years and CWD is very pleased to have him return as John's replacement. Mr. Fay then recognized Joe Duncan stating that Joe has been with the District for three years. He was hired as the Director of Projects & Programs/Chief Engineer, and promoted to Assistant General Manager in July of 2018 following Paul Tice's retirement. Mr. Fay said, given his retirement on June 28th, the CWD Board chose Mr. Duncan as the next General Manager effective July 1st and he is very pleased to have Joe as his replacement.

Karen Richard stated that she wanted to acknowledge Jim Fay and his tenure with CWD. She mentioned the positions that he has held in his 42 years at CWD, including the last 23 years as General Manager, stating the Board's appreciation for everything he has done for CWD.

Mr. Fay then turned the meeting over to Joe Duncan. Mr. Duncan briefly described the overall CWD organization, and CWD's award winning optimized water treatment process.

Mr. Duncan summarized the following:

1. Mr. Duncan provided a brief overview of Champlain Water District Chittenden County Service area.
2. Mr. Duncan covered CWD's Annual Report for 2017-2018.
3. Mr. Duncan then reported on CWD's current activities and capital projects, including CWD's Pipe Integrity Program (PIP).

The Moderator then requested presentation of the CWD Wholesale Capital Reserve Fund, as of March 31, 2019, and the Auditors Report. Mr. Duncan summarized CWD's Wholesale Capital Reserve Fund for the period ending March 31, 2019 stating the existing fund balance was \$433,206, but this balance would grow to nearly \$1M by the end of June with two revenue inputs. The Moderator asked CWD Auditor Peter Frankenburg to read the signed Report of the Auditors for the fiscal year ending June 30, 2019. He read the CWD Auditor's letter that stated their review of the CWD Annual Audit, performed by A.M. Peisch, indicated everything is in order. Mr. Frankenburg stated that again this year the audit showed an unqualified opinion, with no recommendations for management, which is as good as it gets and a great compliment to staff. Mr. Duncan added that this was the District's third year in a row that the Auditors did not supply a Management Letter with the Annual Audit as there were no accounting recommendations from the Auditors to improve overall performance.

The Moderator requested a motion for acceptance of all reports presented, Aaron Martin moved acceptance of all reports presented. Dennis Lutz seconded the motion. The vote was unanimous. Copies of these reports are filed in the minute's book as a permanent record of this meeting.

The Moderator then read Article II and asked if there were any nominations for Moderator. Karen Richard moved to nominate Father Joseph McLaughlin as Moderator, seconded by Aaron Martin. The Moderator asked if there were any other nominations. Hearing none, the Moderator closed nominations. Vote was unanimous. Karen Richard cast one ballot for Father Joseph McLaughlin as CWD Moderator for a 1-year term.

The Moderator asked if there were any nominations for CWD Clerk. Karen Richard moved to nominate Katherine Chase for Clerk, seconded by Aaron Martin. The Moderator asked if there were any other nominations. Hearing none, the Moderator called for a vote and all were in favor of Katherine Chase for Clerk. Karen Richard cast one ballot for Katherine Chase as CWD Clerk for a 1-year term.

The Moderator asked if there were any nominations for Treasurer. Karen Richard moved to nominate Katherine Chase as Treasurer, seconded by Peter Gadue. The Moderator asked if there were any other nominations. Hearing none, the Moderator called for a vote and all were in favor of Katherine Chase for Treasurer. Karen Richard cast one ballot for Katherine Chase as CWD Treasurer for a 1-year term.

The Moderator asked if there were any nominations for Auditor. Karen Richard moved to nominate Peter Frankenburg for Auditor for a three-year term, seconded by Dennis Lutz. The Moderator asked if there were any other nominations. Hearing none, the Moderator closed nominations. Vote was unanimous. Karen Richard cast one ballot for Peter Frankenburg as Auditor for a 3-year term.

The Moderator asked if there were any nominations for Auditor to fulfill the two-year term of Peter Crowley. Karen Richard moved to nominate Laura Kimball for Auditor for a two-year term, seconded by Aaron Martin. The Moderator asked if there were any other nominations. Hearing none, the Moderator closed nominations. Vote was unanimous. Karen Richard cast one ballot for Laura Kimball as Auditor for a two-year term.

The Moderator then requested that all new CWD officers would enter their terms of office at the close of this 2019 Annual Meeting and thanked them for their continued service.

The Moderator read Article III and asked for a motion that for the fiscal year ending June 30, 2019, shall there be deposited into Champlain Water District's Capital Reserve Fund created in 1993 unexpended and unencumbered budget appropriations, rate and revenue surplus and water connection fees. Motion was made by Dennis Lutz, with a second by Peter Gadue and all were in favor. Mr. Duncan explained that Paul Giuliani, CWD legal counsel, recommended that even though this was approved at CWD's Annual Meeting in 1993 he recommended that it be included on the Warning each year so there is a clear paper trail for the future.

The Moderator read Article IV. Copies of all budgets and summary materials were made available to attendees. Mr. Fay Duncan the overall wholesale budget and highlighted that the uniform wholesale water rate is proposed to increase from \$2.165/1000 gallons to \$2.23/1000 gallons. This wholesale water rate increase calculates to an annual cost increase of \$4.27 for the average family using 65,700 gallons per year (180 gallons per day). Mr. Duncan explained that if this CWD increase of 6.5 cents per 1,000 gallons is fully passed on, the average Retail water rate will increase an average of 1.36%, with a high of 2.00%, and a low of 0.98%, given the varying retail markups to the CWD uniform wholesale water rate across the twelve CWD served municipal water systems. Mr. Duncan noted that the ten-year annual wholesale rate increase impact for the typical CWD served family using 65,700 gallons per year has been \$4.16 per year, or 35 cents per month. This is the rate impact that CWD has been predicting over the last ten years given the consistent, predictable sales we have been supplying. The Moderator then asked for a motion to approve the fiscal year 2019-2020 Wholesale budget of \$8,083,274, \$837,813 for the Retail Administration & Operations Department, and \$274,110 for Colchester Town Water Systems Operating Budgets. Jay Nadeau made a motion to approve the fiscal year 2019-2020 budgets as presented. Motion was seconded by Dennis Lutz. The Moderator then asked if there were any questions or discussion. Mr. Duncan and Mr. Fay answered questions from Patricia Garvey on the District's capacity and overall general water usage. The Moderator asked for a vote to approve Article IV as presented. Vote was unanimous.

Father Joe asked if there was any other business, hearing none he asked for a vote to adjourn the meeting. Vote was unanimous.

Signed By: _____
Clerk