

**ANNUAL MEETING MINUTES
CHAMPLAIN WATER District
April 3, 2018 – 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 3, 2018. The following documents were made available to meeting attendees: Agenda, 2017 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 2018 - 2019, and a copy of CWD's annual report for 2016-2017. In attendance from the CWD Board were Karen Richard, and Liz Royer.

Moderator, Father Joseph McLaughlin called the meeting to order and read the Warning in its entirety. CWD Water Commission Chair, Karen Richard, introduced the CWD Board members that were present.

Father Joe asked for a motion for acceptance of last year's Annual Meeting Minutes dated April 4, 2017. Ed Richard motioned to approve the minutes of April 4, 2017. Joe Duncan 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 briefly described the overall CWD organization, and CWD's award winning optimized water treatment process. Mr. Fay said that we are all very proud of the District's accomplishments, and he thanked the Board and staff for allowing CWD to be very proactive in its approach to water treatment and public health protection.

Mr. Fay summarized the following:

1. Mr. Fay provided a brief overview of Champlain Water District Chittenden County Service area.
2. Mr. Fay covered CWD's Annual Report for 2017-2018.
3. Mr. Fay then reported on CWD's current activities and capital projects, including CWD's Pipe Integrity Program (PIP). Mr. Fay answered a question from Mr. Richard regarding the potential remedies if issues with underground piping were identified.

The Moderator then requested presentation of the CWD Wholesale Capital Reserve Fund, as of March 31, 2018, and the Auditors Report. Mr. Fay summarized CWD's Wholesale Capital Reserve Fund for the period ending March 31, 2018 stating the existing fund balance was \$679,291. Jim Fay asked CWD Auditor Peter Frankenberg to read the signed Report of the Auditors for the fiscal year ending June 30, 2018. 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. Frankenberg stated that again this year the audit showed a clear opinion, with no recommendations for management, and that the District's financial position was strong.

The Moderator requested a motion for acceptance of all reports presented, Joe Duncan moved acceptance of all reports presented. Ed Richards 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 Liz Royer. 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. Liz Royer moved to nominate Katherine Chase for Clerk, seconded by Joe Duncan. 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. Liz Royer moved to nominate Katherine Chase as Treasurer, seconded by Joe Duncan. 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 Crowley for Auditor for a three-year term, seconded by Joe Duncan. 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 Crowley as Auditor for a 3-year term.

The Moderator then requested that all new CWD officers would enter their terms of office at the close of this 2018 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, 2018, 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 Ed Richard, with a second by Joe Duncan and all were in favor. Paul Giuliani, CWD legal counsel, explained 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 summarized the overall wholesale budget and highlighted that the uniform wholesale water rate is proposed to increase from \$2.100/1000 gallons to \$2.165/1000 gallons. This 3.10% 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. Fay 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 1.42%, with a high of 2.00%, and a low of 1.00%, given the varying retail markups to the CWD uniform wholesale water rate across the twelve CWD served municipal water systems. Mr. Fay noted that the nine-year annual wholesale rate increase impact for the typical CWD served family using

65,700 gallons per year has been \$4.15 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 asked if there were any questions. Hearing none he then asked for a motion to approve the fiscal year 2018-2019 Wholesale budget of \$7,856,412, \$812,381 for the Retail Administration & Operations Department, and \$244,569 for Colchester Town Water Systems Operating Budgets. Ed Richard made a motion to approve the fiscal year 2018-2019 budgets as presented. Motion was seconded by Joe Duncan. The Moderator then asked if there were any questions or discussion, hearing none, he 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

DRAFT