

Regular Meeting held in the Champlain Water District Maintenance Facility at 4:30 PM.

Present

Commissioners: Bob Shand, Jericho chaired the meeting from the CWD maintenance facility; Karen Richard, Colchester; Peter Gadue, Shelburne; Via Go to Meeting: Aaron Martin, Essex; Dennis Lutz, South Burlington; Liz Royer, Williston; Ron Hubert, Milton; Employees: Tracy Bessette, Melissa Hood, and Nate Pion CWD maintenance facility: Via Go to Meeting: Joe Duncan, and Chris Rongo

Absent

Jonathan Stockbridge, Winooski

Bob Shand called the meeting called to order at 4:30 p.m.

Citizens to Be Heard

There were no citizens present.

Approval of Regular Meeting Minutes of June 16, 2020

Bob Shand asked for a motion to approve the Regular Meeting minutes of June 16, 2020. Peter Gadue made a motion to approve the June 16, 2020 minutes, seconded by Karen Richard, with all Board members in favor.

Fiscal Year End Financial/Operations Report

Mr. Duncan reported that water sales for the month of June were very strong which followed a very strong May. Water sales for June were 11.35 mgd bringing year to date to 9.68 mgd as compared to last year at this time of 9.73 mgd. Global Foundries averaged 3.43 mgd, bringing year to date to 3.3 mgd versus last year at this time of 3.45 mgd. Total average fiscal year sales are down 0.05 mgd, as compared to last fiscal year, with Global Foundries down 0.13 mgd from last year. June cost per million gallons was \$2,410.65, bringing year to date to \$2,070.68, versus last year of \$1,951.72/MG.

Mr. Duncan said that water usage during COVID-19 is still above average. All of the CWD systems have indicated that they are seeing typical payments from their users which is allowing the systems to pay CWD on time.

Mr. Duncan referred to the graph titled "Historical CWD Water Sales" which breaks out the Global Foundries (GF) industrial usage and compares it against all other municipal water usage within our twelve served municipal water systems. For FY 2019-20, GF averaged 3.32 mgd or 34.98% of CWD's total sales of 9.68 mgd. GF has been fairly consistent over the last five years and CWD's non-GF water demand has been fairly flat dating back to FY 1995-1996. The bar graph titled "CWD Water Consumption Comparison" trends the annual average water use within each of our twelve served municipal water systems. We have the GF water use included in the Essex Junction usage which shows the historical industrial fluctuation, with the other eleven municipal water systems fairly flat over time dating back to FY 2006-2007.

Mr. Duncan summarized the following for the fiscal year end Wholesale budget:

- Fiscal year ed surplus of \$423,187. The Revenue side finished the year \$248,511 (1.03%) above the budget with the main contributor was water sales being \$226,791 above budget.
- The Expense side of the Wholesale budget ended the year \$174,676 (2.16%) under the approved budget at a total of \$7,908,598 expensed overall versus the budgeted value of \$8,083,274. The three contributing items, employee insurance, transmission line maintenance, and equipment purchase.

Retail Enterprise Funds – Retail Contracts Budget and CT/MBWC Budget:

- The Retail Operations Contract side had a surplus of \$38,270, while funding its full \$10,000 in Capital Equipment Transfer.
- The CT/MBWC budget had a surplus of \$18,191, while funding its full \$15,000 in Encumbered Cash Reserves. The CT/MBWC system experienced strong water sales in the early part of the fiscal year that balanced the drop in water sales experienced in the spring during COVID-19, resulting in a favorable bottom line for the budget.

Mr. Duncan said that we start the new fiscal year slowly to make sure we continue to be aware of COVID-19. We are doing what is necessary to operate and to fund operations and are off to a good start.

Capital Projects Update

Nate Pion summarized the following projects:

Suez/Utility Service Co. – The Essex West Tank was completed and brought back online on July 6th.

The Colchester South Tank was taken offline July 13th and Suez installed a new sump box in the tank interior floor, completing an ultrasonic thickness test on the interior floor in conjunction with the washout inspection, and touching up any interior coatings. The tank is being brought back online now.

Jericho Cell #2 was taken offline on July 20th so that Suez could complete an interior washout, and that will be back online by July 31st.

On July 15th Aquastore completed the installation of an air gap on the overflow pipe and a self-retracting lifeline (SRL) on the roof at the Williston South Tank (WST). The tank will be isolated on August 3rd in preparation for work by Suez the week of August 10th. Work at the WST will include application of elastomeric sealer around the roof and shell, installation of a new standard aluminum ladder gate, and inspection of cathodic anodes. The tank will be back online by August 21st.

CWD plans to isolate Jericho Cell #3 on August 10th so that Suez can complete an interior washout and place it back online by August 21st.

South Burlington West Tanks Tree Removal – Artistic Landscaping installed the 37 arborvitaes, regraded the site, and planted a pollinator mix on the eastern hillside last month.

Colchester East Tank Tree Removal – On July 31st DJ's Tree Service removed trees around the Colchester East Tank perimeter fence. All trees within 40' of our perimeter fence were removed.

Office Renovation – Cornerstone Construction plans to have all work associated with the front office renovation project complete by July 31st. Office Environments plans to deliver and install the cubicles for the back offices on August 11th and once these improvements are complete, employees will begin moving into the new spaces to promote adequate separation per COVID-19 guidelines.

Pipe Integrity Program (PIP) – We have been working with our served systems to develop a Satellite Leak Detection Partnership Program with Utilis. All of our served systems have committed to participating in the partnership program developed by CWD and we anticipate Burlington will participate as well. In the coming weeks, CWD will issue an Interlocal Agreement capturing the proposed cost sharing for each system.

WTP Gates – We are installing a new motorized cantilever gate at the WTP main entrance and replacing two (2) other manual swing gates and installing a third will be installed at the other curb cuts to the site. The black decorative gates are 6' high and will match the future fence proposed along Queen City Park Road. The gates and fences are proposed in phases under CWD's overall site planning.

Colchester South Tank Loop – The final Permit to Construct was issued today and we are still waiting on the easements from Camp Johnson. The Army Corps of Engineer, real estate agent for the Army National Guard, is working on these easements. CWD hopes to have a draft easement for review and acceptance by mid-September.

Essex West Pump Station (EWPS) – CWD hopes to have easements executed with the two (2) private landowners in the next couple of weeks. The EWPS was listed in the fundable range in the Final DWSRF IUP. This is positive news as the Draft DWSRF IUP had the EWPS outside of the fundable range until additional points were requested and granted under the Asset Management criteria.

Manager's Report

DWSRF Step III Loan Applications – Summarized by Nate Pion

The Colchester South Tank Loop and the EWPS both within the fundable range for FY 2020 Intended Use Plan. Both projects are eligible for additional subsidies which is on a first come, first serve basis. The additional subsidy will be allocated to the application for up to 75% in total loan value in principal forgiveness for the first \$1M. Any amount over the initial \$1M will be eligible for 25% loan forgiveness. Submission of applications for FFY20 opened on July 17, 2020 and CWD is looking to be one of the earlier applicants.

Mr. Duncan reminded the Board that for the Colchester South Tank Loop (PCE) is a 50/50 split for construction and any of the engineering and preliminary work to identify the problem and solutions. Therefore, of the \$900,000, approximately \$100,000 is Colchester Town's responsibility but will be split between CWD Wholesale and Colchester Town because it does create a redundant loop that does provide a benefit to served systems that utilize that tank.

For the EWT the \$2.6M the payback will be \$1.45M, essentially a 44% grant for this project.

Bob Shand asked if there was any discussion, hearing none he asked for a motion Approve the DWSRF Step III loan application for the Colchester South Tank Loop project in the amount of \$900,000. Motion was made by Karen Richard, seconded by Peter Gadue with all Board members in favor.

Bob Shand then asked for a motion Approve the DWSRF Step III loan application for the Essex West Pump Station & Transmission Main project in the amount of \$2,600,000. Motion was made by Peter Gadue with a second by Aaron Martin with all Board members in favor.

Revised Check Signing Procedures

Mr. Duncan said that during the audit being conducted by A.M. Peisch they identified a minor issue with the recent adopted policy. Because the Director of H.R. (Tracy Bessette) is responsible for reconciling the bank statements for the checking accounts, that position should not be responsible for being the holder of the signature stamp in order to maintain separation of duties. Our recommendation is to have the Utility Billing Supervisor (Julie Ringuette) assigned the responsibility of holding the stamp.

Bob Shand asked for a motion to approve the revised Check Signing Procedures as presented. Motion was made by Ron Hubert, seconded by Aaron Martin with all Board members in favor.

GMWEA Michael J. Garofano Water Operator of the Year

Mr. Duncan congratulated Vilas Gentes on being selected for this award and is proud to have Vi on staff at CWD.

Commissioners Term Expirations

Mr. Duncan said Karen, Peter, and Jonathan terms expire in March of 2021. Mr. Duncan said even though it is early he would like to get a sense of who may or may not be seeking reelection. Mr. Duncan said he would follow up with each Commissioner as we get closer to January.

Rick McGuire Retiring

Mr. Duncan said that Rick McGuire is our alternate Commissioner for Williston and he is retiring as Town Manager in early August after 22 years in that position. He has always participated at our Board meetings whenever the primary Commissioner could not attend and he has been great to work with as a served system representative. Mr. Duncan thanked him for his years of service.

Monthly Board Meeting Schedule

Mr. Duncan said that August meeting will be on Tuesday, August 18th. Bob Shand stated he would like to have that meeting in the conference room. Mr. Duncan said if we have it in the conference room the meeting will be at Noon. Go to Meeting will still available for Commissioners and the public as the building remains closed.

Sign Warrant #0620

Bob Shand asked for a motion to approve the warrants in the amount of \$704,467.75. Motion was made by Dennis Lutz, seconded by Aaron Martin, with all Board members in favor.

Executive Session – Discussion on Potential System Acquisition and GM Annual Review

No executive session was warranted. Discussion of the GM Annual Review will occur at the August 18th regular meeting.

Any Other Business

At 5:10 p.m. Bob Shand asked if there were any other business. Hearing none Karen Richard made a motion to adjourn, seconded by Peter Gadue with all Board members in favor.

Clerk