

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

Present

Commissioners: Bob Shand, Jericho chaired the meeting; Pete Gadue, Shelburne; Karen Richard, Colchester; John Gifford, Milton; Aaron Martin, Essex; Via Zoom: Dennis Lutz, S. Burlington; Liz Royer, Williston, Employees: Joe Duncan, Chris Rongo, Ruchel St. Hilaire; Public Citizens: Ralph Perkins, JD Piette, David Young, Matt Lawless

Absent

Jonathan Stockbridge, Winooski.

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

Citizens to Be Heard

David Young addressed the committee to inquire what could be done about the lack of water pressure at his residence in South Burlington. Joe Duncan explained that CWD is technically a wholesale provider of contract services to the City of South Burlington and that Mr. Young would need to address the issue with the City of South Burlington. Mr. Duncan collected Mr. Young's contact information and offered to connect him with the City Department of Public Works Director and our Director of Distribution, Jay Nadeau. No other comments.

Approval of Regular Meeting Minutes of June 20, 2023

Bob Shand asked for a motion to approve the Regular Meeting Minutes of June 20, 2023. John Gifford made a motion to approve, seconded by Peter Gadue, with all Board members in favor.

Financial/Operations Report

Mr. Duncan reported that water sales for the month of June were 10.45 mgd, bringing year to date to 9.52 mgd as compared to last year at this time of 9.72 mgd. For the month of June Global Foundries averaged 3.12 mgd, bringing year to date to 3.11 mgd versus last year at this time of 3.31 mgd. Total average fiscal year sales are down 0.20 mgd, as compared to last fiscal year, with Global Foundries down 0.20 mgd from last year. June cost per million gallons was \$2,591.94 bringing year to date to \$2,272.56 versus last year of \$2,336.02/MG.

Wholesale Budget

The FY22-23 Wholesale budget finished with a surplus of \$617,170 (6.66%). On the Revenue side, we finished the year \$555,726 (6.00%) over the approved budget at a total of \$9,824,500 in overall revenue versus the budgeted value of \$9,268,774. The main contributor was miscellaneous revenue (Account 4060) being \$300,879 above budget, which included prior year DWSRF reimbursements (\$128,272) and a significant Efficiency Vermont rebate (\$158,773). We also had solid water sales (Account 4000) over the entire fiscal year, which accounted for \$273,726 (3.21%) in additional revenue.

On the Expense side of the Wholesale budget, we ended the year \$61,444 (0.66%) under the approved budget at a total of \$9,179,743 expensed overall versus the budgeted value of \$9,268,774. With the increases experienced with chemicals and other materials, combined with Global Foundries reduced usage that started in October 2022, we worked throughout the year to make sure we maintained a healthy operating budget. We also had some staff turnover that resulted in salaries and benefits running under budget. Given that we had some cushion with the water sales and miscellaneous revenues we ended the year right around our budgeted expenses.

Retail Enterprise Funds – Retail Contracts Budget, CT/MBWC Budget, CFD #1 & CFD #3 Budget

There are four CWD Retail enterprise fund budgets with the Retail Department Operations Contract budget, the Colchester Town/Mallets Bay Water Company (CT/MBWC) water systems budget, the Colchester Fire District (CFD) #1 water system budget, and the CFD #3 water system budget.

The Retail Operations Contract side had a surplus of \$42,932 (3.24%). Most of the surplus is attributed to staff turnover resulting in salaries and benefits being lower than originally budgeted.

The CT/MBWC budget had a surplus of \$18,228 (5.52%). We attribute the CT/MBWC surplus to larger sales than anticipated. The CT/MBWC overage in expenses is the result of increased staff time associated with meter installs and simultaneous Lead Service Line inventories. Coming out of COVID and the Albany College of Pharmacy closing, we budgeted for lower water sales. Fortunately, the water usage for the primarily commercial CT system rebounded nicely from COVID while MBWC's primarily residential system maintained historical usage levels.

The CFD #1 budget had a surplus of \$31,218 (15.34%). Given that this was our second year of operation, we continued to approach the CFD #1 expenses with caution while being conservative in our water sales estimates when the budget was developed. The CFD #1 water system had more water usage than expected due to St. Michael's College (SMC) seeing increased enrollment numbers as they moved out of COVID. The result was a surplus in the CFD #1 budget.

The CFD #3 budget had a surplus of \$144,571 (12.61%). Being that this was our first year of operation, we approached the CFD #3 expenses with caution. This was important since water sales were slightly less than estimated. There was a large amount of connection fees (Account 4040) collected which made up a large portion of the surplus.

Capital Projects Update - Mr. Duncan summarized the following projects:

Exit 16 Utilities – The Contractor attempted to fill the waterline up to test pressure and found that a small leak exists in the new waterline. The Contractor has located and fix this leak. Over the next couple weeks we anticipate the new line will be flushed, tested, and placed back into service.

Tank Maintenance Program – CWD is awaiting additional information from USG regarding contract pricing. Information received prior to the July board meeting was incomplete. We intend to present information to the board at the next meeting in August.

SHSP FY2023 HSGP – CWD received conditional approval from the Department of Public Safety for a 2023 Homeland Security Grant. The grant will cover the costs to furnish and install security cameras, cellular equipment, and appurtenances at remote sites and the water treatment plant. The conditionally approved total award is \$208,133. Final approval will be received in October/November.

Income Survey – CWD has contracted with Steadman Hill Consulting, Inc. to assist CWD with conducting an income survey. The income survey will analyze data to calculate the median household income (MHI) for CWD and the 12 served systems. CWD intends to use this data in discussions with the VT Drinking Water State Revolving Fund (DWSRF) to reevaluate the definition of "disadvantaged" community. The results of the survey will be shared with the individual served systems.

Manager's Report

Essex CWD Board Representation

On July 1, 2022, by virtue of an act of the Vermont Legislature, the Village of Essex Junction became the City of Essex Junction, a separate municipal corporation from the Town of Essex, creating two separate members of CWD where there had previously been one member. The Village of Essex Junction has never been a "member town" of CWD. Its residents were considered part of the member town that is the Town of Essex, which historically made sense because they could vote in Town elections. When the Village became the City of Essex Junction, it ended the ability of City voters to participate in the election of the Town's representative. However, the Village/City voters did participate in the election of the current representative (Aaron Martin). Given that Mr. Martin was elected by both Town and City voters, it is the desire of both the Town and City to let him serve out his term which ends in March 2025.

With this understanding, CWD has been working with the Town of Essex and City of Essex Junction on a Memorandum of Understanding (MOU) that outlines a process whereby the District will recognize that one member town has split into two member towns and will then change the number of commissioners by adding a commissioner. The attached MOU contemplates an additional member town and creation of a new commissioner position from the City of Essex Junction in 2025 when Mr. Martin's term expires.

Dennis Lutz made a motion to approve the MOU, seconded by Karen Richard, with all Board members in favor.

Commissioners Term Expirations

The list of Commissioners Term Expirations was reviewed. There are three Commissioners whose terms expire in 2024. Mr. Duncan will be reaching out to those three Commissioners to confirm their plans to run again.

Sign Warrant #0623

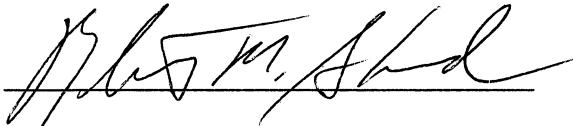
Bob Shand asked for a motion to approve the warrants in the amount of \$1,207,675.59. Motion was made by Aaron Martin, seconded by Peter Gadue with all Board members in favor.

Executive Session

There was no Executive Session held.

Any Other Business

Dennis Lutz commented that in the last week he had attended a memorial service for former CWD founding chairman Peter Jacobs. Mr. Lutz shared that he was struck by the tremendous amount of effort that went into starting CWD and at how far the District has come over time. At 12:44pm, Bob Shand asked if there was any other business. Hearing none, John Gifford made a motion to adjourn, seconded by Pete Gadue, with all Board members in favor.



Clerk