

# Town of Shelburne Water Commission

Meeting minutes, March 8, 2021

Present: John Schold, Chair; John Day, Steve Smith, Pete Gadue; also Water Superintendent Rick Lewis, Finance Director Peter Frankenburg, Town Manager Lee Krohn, and Brian Precourt.

The meeting was called to order via Zoom at 5:00 P.M., with attendees identified. The agenda was approved by consensus.

Motion by Day to approve the January meeting minutes; seconded by Gadue and approved 3-0 (Smith not yet present).

Public comments: none.

Frankenburg presented a budget status update. Generally, we are in good shape. With the third quarter billing, retail water sales are at 86%, which is typical, as the 4<sup>th</sup> quarter is usually less usage. Bulk water sales are at roughly 100% already. Meter sales are also higher than budgeted, but based on billings, not yet actual payments. Interest appears less than budgeted, but with some notes soon to mature, additional revenue will be derived. Labor billings are up due to help given (and paid for) with private line breaks. Water tank rent from cell providers is on track or a bit above what was anticipated. However, we have roughly \$120K in delinquencies now, roughly twice last year. It's thought that this is due to the State's moratorium on the ability of public water systems to shut off users for nonpayment. We followed that approach due to COVID, even if not strictly required to. When this moratorium expires and shutoff notices can be delivered, this will create an incentive for some users to pay up as it has in the past. Smith arrived at this time.

Expenses are generally in good shape, as well. We're at 71% for purchase of water from CWD, and most other line items are at or under budget. Facility maintenance is up due to the need for a heater replacement in the office building, but facility maintenance overall is only at 58% (covers equipment/contractors for line breaks and the like). Hopefully, the spring season will be kind to the water system.

Lewis reported that recent COVID issues are resolved, and all staff are healthy and at work.

Krohn noted gratefulness that the voters approved the proposed FY 2022 budget and all other appropriations.

Radio read meter replacement: following up on support expressed last month, Lewis noted that if \$50K could be added to the \$35K already budgeted, that over 350 of these could be replaced. It would be good timing with COVID for staff to be doing this work outside of homes, and which would also save much time each quarter with meter reading. The primary question was financing – whether to cash in a CD, and/or use existing funds budgeted but unspent (for example, at this point, only \$46K has been spent on system repairs out of \$80K budgeted this year. Although there is \$63K slated for capital improvements, all of that may be needed for a water line upgrade project on the books. Frankenburg will check with the Town Treasurer re: timing of maturing CDs and amounts (also relevant for the Church Street water line matter discussed below). The Commission reaffirmed its support for accelerating the remote radio read replacement project, and asked that staff return at the next meeting with a specific financing plan.

Church Street water line: Precourt joined the meeting at this time. This matter had been considered previously, upon a request of Precourt to consider a 50% reimbursement of costs, upon which the line would be turned over to the Town. Based upon a prior draft policy and Lewis' calculations of the marginal 'upgrade' costs between what was proposed for this private line and the Town's required specifications, the Town offered to reimburse that marginal cost increase/difference of roughly \$7500. That offer was rejected.

It does not appear that that draft policy had ever been adopted formally. Thus, this *de facto* reconsideration of the request for 50% reimbursement, which Precourt confirmed would result in turning over the new water line to the Town. This would be the water main installed along the Parade Ground from RT 7 to the point where the lateral "tees off" to serve the Catholic Church; that lateral line would remain private for ownership and maintenance. The amount requested

is \$27,420, as reviewed and confirmed previously upon submittal of all records. Precourt also stated that he did not mark up materials costs, nor did he charge for his time overseeing this project, and thus believed the total cost was less than would have been charged by others for this work. Lewis believes that the Town's acquiring this water main for half price is a good deal, and provides present and future value to the water system. Noting that with no evidence that the prior policy was ever adopted (limiting options for reimbursement), yet with some hesitancy regarding potential precedent, there was unanimous support to pursue reimbursement and ownership as proposed. It was noted that value to the water system was an important foundational element here – that if another future party sought reimbursement and municipal ownership for a line thought to be of little or no value to the water system, then the Commission and the Town might well decline such a future request. Motion by Day that the Commission supports this conceptual agreement with Precourt and the Church, and that staff should return next month with a formal proposal for financing and with documents in hand needed to effectuate this transaction; seconded by Schold and approved unanimously.

Draft Policy on emergency repairs to private water lines: Lewis presented a draft for consideration. It was thought generally to be a good document and approach, with questions only asked about Section 2C, related to contractor selection and possible need for rapid repair by a qualified contractor. Staff will return with a revised draft for review and approval next month.

Commissioner concerns: Gadue reported that the CWD bond passed, which will result in system infrastructure upgrades. Questions were asked about the satellite leak detection project. As reported previously, more than 20 'points of interest' were thought to be found, but upon site-specific staff investigation of all locations, no actual leaks were found. It was an interesting project and worth a try.

With no other business, motion by Gadue to adjourn at 6:01 P.M., seconded by Day and approved unanimously.

Respectfully submitted by Lee Krohn.