

1 **BENNINGTON SELECT BOARD WATER/SEWER WORK SESSION MEETING**

2 **130 RIVER STREET**

3 **BENNINGTON, VERMONT 05201**

4 **JUNE 23, 2021**

5 **MINUTES**

6 **SELECT BOARD MEMBERS PRESENT:** Jeannie Jenkins-Chair; Jeanne Conner-Vice Chair; Bruce
7 Lee-Clark; Jim Carroll; Sarah Perrin; Tom Haley; and Gary Corey.

8 **ALSO PRESENT:** Stuart Hurd-Town Manager; Dan Monks-Assistant Town Manager; R.J. Joly-
9 Director of Public Works; Larry Gates-Assistant Director of Public Works; Melissa Carrier-
10 Finance Director; Jon D'Amour-Chief Operator-Wastewater Facility; Mike Cutler-CAT-TV; and
11 Nancy H. Lively-Secretary.

12 At 5:00pm, Ms. Jenkins called the meeting to order

13 **1. FY22 WATER & SEWER BUDGET WORK SESSION**

14 Mr. Hurd explained that the Fund budgets last year created rate increases of 0.0% for
15 the Water Fund budget and 8% for the Sewer Fund budget principally due to the waiver of
16 admin and interest on our bond monies. We then set a straight line rate increase for the Sewer
17 Fund of 10.5% for four successive years to prepare for the bond payments and depreciation
18 relating to the upgrade project. The rate increases proposed for the FY22 fiscal year are 0% in
19 the Water Fund and 10.5% in the Sewer Fund. We have two more years of the 10.5% rate
20 increases ahead of us in order to secure adequate depreciation in that Fund and will be using a
21 \$23,100 fund balance infusion to balance the budget so as not to increase the rate more than
22 10.5%.

23 The major project in the Water Fund is to finish the south side waterline project that will
24 give Jefferson Heights and Crescent Boulevard additional pressure and the Sewer Fund has no
25 major projects planned.

26 Each fund includes wages and benefits costs for all Water Resources employees - wages
27 at 3.53% and benefits as approved by the Board last year. Health insurance costs are budgeted
28 at a 10% increase in January 2022; we have PACIF through the VLCT and liability insurances
29 increased slightly in both Funds due primarily to increases in property values; and, Workers
30 Compensation Insurance stabilized this year.

31 ***WATER:***

32 Mr. Hurd reviewed some of the Water Fund Highlights as follows:

- 33 • #41-5900.720 - Properties owned by a municipality that are located in another
34 municipality - such as Pownal, Woodford, and Stamford - are subject to real estate tax.
35 We have our water treatment facility, water tank, and a collection pond in Woodford
36 and properties in Pownal and Stamford that surround Sucker Pond.
- 37 • #41-5900.720 - a major cost of \$31,000 is for our Operating Permit that we pay to the
38 State.
- 39 • #41-5980.560 - Synthetic Organic Compounds (SOC)'s, such as, pesticides and
40 herbicides, are tested every three years and are due to be tested this year for \$1,400.
- 41 • #41-5900.860 Transfer to General Fund - For administration with amount usually
42 remaining the same each year at \$72,000.
- 43 • #41-5900.861 Transfer to Highway Fund - For administration with amount usually
44 remaining the same each year at \$28,500.
- 45 • Any funds not expended stay in the fund balance.

46 Mr. Gates added the following comments:

- 47 • We budget \$300,000-\$400,000 each year and are constantly seeing water main breaks
48 all over town.
- 49 • Another large project for \$110,000 is painting the inside and outside of the water tank
50 on the West end with all of the allowances that need to be done to drain the tank.
- 51 • #41-5900.670 - Safety is a new line item where the expense for all the equipment
52 related to safety now is that used to be within other line items in previous years.
- 53 • #41-5900.410 - Educational is where training expenses are.
- 54 • We are currently working on the waterline on Burgess Road down to East Street where
55 we have found 3 breaks in the line that is 11' deep. There are no good records to tell us
56 where the weaknesses are so we are prioritizing the areas where the most people would
57 be affected.
- 58 • We use slip line pipe in our repairs which is more expensive than the open trench.

59 Ms. Currier added the following comments:

- 60 • Depreciation is based on the useful life of our fixed assets. Each year we book a portion
61 of the total expense so we have enough money to pay for the future replacement. We
62 are not currently in a position to do this because it hadn't been done in the past for
63 several years but we have been working to be in that position since ~2014. Reserves are
64 earmarked for specific purposes, whereas depreciation is within the fund balance and
65 not specific to any one item.
- 66 • #41-5900.380 - Depreciation. In FY22, the \$818,213 for depreciation is our current
67 depreciation plus future forecasting.

68 **SEWER:**

69 Mr. Hurd reviewed some of the Sewer Fund Highlights as follows:

- 70 • #42-5400.380 - \$651,240 Depreciation has increased slightly based on the completed
71 upgrade of the WWTF. Next year this will stabilize. And, we have several capital
72 purchases planned for FY22 for depreciation of \$8,035 that is within that amount.
- 73 • #42-5420.830 - Machinery and Equipment - We propose the purchase of a new skid
74 steer to replace Bobcat for snow plowing, etc. at an estimated \$70,000 with trade. This
75 is part of the Capital Asset Schedule.
- 76 • #42-5480.680 - Repair and Maintenance - \$90,540. These repairs would have been
77 included in the upgrade had we opted for the original upgrade amount of \$16M-\$17M.
- 78 • The system is/will become very equipment dependent which should reduce overtime.
79 However, the overall operation of the system will not become less expensive.
- 80 • #42-9100-9110 - Principal and Interest. Last year we benefited when the State waived
81 interest and admin fees on our borrowing for the upgrade. This year we must add the
82 admin fees and interest back in (\$179,320).
- 83 • We have two more years of the 10.5% increase to bring depreciation where it should be,
84 unless we have funding available elsewhere.
- 85 • There will be some funding for infrastructure coming that will be discussed at a later
86 date.

87 Mr. Gates added the following comments:

- 88 • #42-5480.560 - Treatment Plant. We resurrected our composting operation from the
89 1980's and with the addition of the wood chips that we make from our brush pile, we
90 can then bring the finished compost to augment the highway's top soil product. The
91 skid steer purchase is how we move the wood chips.
- 92 • During the upgrade we put up a Pre-Screening Building where a mechanical screen
93 conveyor removes all of the rags, wipes, etc. - the amount of which has increased due to
94 COVID - washes them, and dumps them into a press hopper which is then taken to the
95 Transfer Station.
- 96 • #42-5480.680 - Repair and Maintenance - \$90,540. We are looking at a 3-year process
97 to replace wear rings in raw sewage pumps that haven't been replaced since 1985
98 (\$25,000 each/1/year) with a life expectancy of 15-20 years. Several electric motors
99 need repair (\$10,000) and electrical repairs that were not included in the upgrade
100 (\$10,000) are the major added expenses to last year's budget of \$56,250.
- 101 • #42-5440.680 - Repairs and Maintenance - Pump station repairs that have copper lines
102 that are no longer dependable and radio communication from the pump station to the
103 plant. We will continue this work each year as needed by staying within the \$19,500
104 budget plus inflation.
- 105 • We have worked to keep the rate increase at the 10.5% by postponing the following:
 - 106 ✓ Sand filter work at wastewater. A loan application for engineering on this
107 project will be coming through soon - \$15,900.
 - 108 ✓ A snow pusher that we can do with a plow - \$5,000.

- 109 ✓ Rent for a machine to put the rubber rings around the manhole covers -
110 \$12,000.
111 ✓ And some others.

112 **WATER AND SEWER RATES:**

113 These are the proposed rates:

- 114 Water - Flat Rate - \$145.95/Quarter - same as FY2021
115 Per 1,000 Gallons -\$ 5.41/Quarter - same as FY2021
116 Meter Surcharge - \$87.73/Quarter - same as FY2021
117 Sewer - Flat Rate - \$130.89/Quarter - 10.5% increase from FY2021
118 Per 1,000 Gallons - \$4.54/Quarter - 10.5% increase from FY2021
119 Meter Surcharge - \$81.34/Quarter - 10.5% increase from FYY2021

120 The following was noted:

- 121 ➤ Water and Sewer - All commercial buildings, all but one mobile home park, all multi-
122 family properties, and a handful of single-family residences are metered. The individual
123 mobile homes are not metered, just the park, itself.
124 ➤ The calculations are normally based on the last 12 months of usage with follow-up
125 research done on any significant changes, however, these calculations are based on pre-
126 COVID from 2 years ago.
127 ➤ We send out notices to those on meters if there is a spike in usage.
128 ➤ North Bennington is not part of the water system but is part of the sewer system.
129 ➤ The flat rates remain the same for a single-family residence regardless of the number of
130 people in the home.
131 ➤ Businesses benefit by being metered as would the single-family home with 1 or 2 people
132 living in it. We were moving to have everyone metered by requiring multi-family
133 properties and mobile home parks to be metered.
134 ➤ We are using 1.5M gallons of water/day and treat 4M gallons of water/day.
135 ➤ On the relocation of Morgan Springs:
136 ○ Our original estimate to run the pipe from Morgan Spring to the new location on
137 Main Street and install the pump system was \$487,000.
138 ○ We have gotten two bids with the low bid being \$608,000 with COVID causing
139 an increase in the cost of everything.
140 ○ We are in discussion with two vendors on loaning us the money for a reduction
141 in their cost for water. One is serious and the other is holding back a bit.
142 ○ We have told them that we need \$100,000-\$110,000 in sales and will not go
143 below that.

- 144 ○ When we have the new facility in place, we are looking at twice what we are
145 currently charging.
146 ○ We may end up using some of our reserves due to the increase in the cost of
147 relocation.
148 ○ The Water Fund budget does not include the cost of the relocation of Morgan
149 Springs.

150

151 **OTHER BUSINESS:**

152 Mr. Carroll announced the Bennington's 1st Dog Park will open at Willow Park on
153 Saturday, June 26, 2021 at 2:00pm. Dogs will be welcome on the following day.

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157 *At 6:22pm, Jim Carroll moved and Sarah Perrin seconded the adjournment of the*
158 *meeting. The motion carried unanimously.*

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162

163 Respectfully submitted,

164 Nancy H. Lively

165 Secretary

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