
CFD2 | Special Meeting

Monday, 02.21.2022 via Zoom 5:30-6:59pm

Attendees

Farley Brown

Gina Campoli (President)

Nicole Civita (Board Member)

Paula Davidson (Treasurer)

Christina Finkelstein (Secretary)

George Hall (Board Member)

Norm Hanson (Board Member)

Sherilyn Peterson

ABSENT:

Ian Baldwin (Board Member)

Renee Rossi (Board Member)

Steve Smith (Systems Operator)

Jeremy Rathbun (Dubois & King)

Agenda

- Changes/Additions to the Agenda
 - Update re new source well
 - Update re existing wells / Do Not Drink timeline
 - Updates from subcommittees
-

Update re New Source Well

- **Current Status:** Gina Campoli reported that the easement with landowners was signed on February 11th.
 - Landowners' attorneys will record the easement with the Town Clerk
 - Discussion re need for easement if there is potential that the new source well could be at a different site (Sterling). Prudent to continue course with current site and easement is for land that includes the existing well and satisfies state's requirements to have a permanent easement. (Previously there was a 99-year lease.)
 - Legal fees for landowner will be paid by CFD2, but will be reimbursed by grants.
 - No meeting scheduled to date with Sterling, CFD2, and Jeremy Rathbun
- **Next Steps/Milestones:**
 - Nicole Civita will work with Jeremy and CFD2 Board Members to set up a meeting with Sterling College.
 - *Other necessary steps (copied from 1.26.2022 minutes):*
 - Submit easement to the State—approximately 30 days to complete the state review
 - The state permit review for the new source includes a 30 public-notice and comment period for nearby property owners re how the project might affect their well. D&K will prepare any responses
 - Obtain permit
 - Drill the well, contingent on weather [contractor already procured]
 - Confirm yield – stress system and pump water for three straight days
 - Personnel onsite for three days to monitor the wells within 2000 feet to ensure no undue influence on their yield
 - Collect battery of water samples for PFAS and other water quality testing
 - Purchase equipment (pumps and connectors)
 - Install equipment [will require a 3-week bidding window to be eligible for federal reimbursement]
 - **Likely timeline for WL-05 to be online: September**

Update re Existing Wells and Do Not Drink Timeline

- **Current Status:**

WL-01 continues to provide customers with non-potable water for daily use

WL-04 remains offline

- February 8 - Automated blending equipment ordered
- February 10 - WL-04 tested clean of PFAS
- Installation of blending equipment expected this week
- Awaiting additional water test results

- **Next Steps/Milestones:**

- Blend WL-04 with WL-01; blending will need to continue for one-week before the blended water can be sampled
- Sampled water will be sent for rushed PFAS testing (one week)
- Assuming the blended water comes back <20ppt for PFAS, the Do Not Drink order can be lifted
- **Current timeline for Do Not Drink order to be lifted: March 11 or later, contingent on above**

Special Projects

ANR's Site Management Section - PFAS Contamination of WL-01, Request for Initial Site Investigation

- February 11 - Response Letter from Gina Campoli to ANR declining to retain services of a qualified engineer and environmental consultant to undertake the actions specified in ANR's letter of January 18
 - ANR confirmed receipt on February 14. ANR will let us know of any next steps
 - Note, ANR's letter went directly to a Board Member's PO Box. We need ANR to update/expand CFD2's contact information. Gina will inquire.
- A "walk and talk" with Jeremy and Sterling College's President rescheduled for February 24th. This meeting is open to all CFD2 Board Members and the interested public. The purpose is to gain a better understanding of the area involved with the PFAS contamination and visit the potential new source well sites and existing wells.

Those interested in participating should meet outside Sterling's Dunbar Hall at 10:30am.

Financial Planning Subcommittee

1/ Current Expense Note

- Paula Davidson successfully opened a Current Expense Note (i.e., a line of credit) with Union Bank on behalf of CFD2 for \$60k, effective February 18th
- Immediately transferred \$36k to CFD2's checking account and paid outstanding bills

2/ Special Consideration re Rates

- The CFD2 Board is committed to ensuring that all customers are treated fairly and equitably
- The CFD2 Board recently approved an increase for the quarterly base rate from \$30 to \$45 (a 50% increase), effective January 1, 2022
- Based on verbal agreements preceding any current Board Member's tenure, the Historical Society pays CFD2 a flat annual fee. For many years, it was \$35, but recently increased to \$50
- Should the total annual rate for the Historical Society be consistent with other customers? If yes, should the rate be effective immediately?
- Discussion:
 - Important for us to get a written policy in place for any exemptions and not consider special fees on a case-by-case basis
 - The Historical Society's building is only in use during the summer months approximately twice a week and relies on membership dues, private donations, and an annual grant of \$100 from the Town of Craftsbury
 - Some Board members took pause with immediately increasing the Historical Society's annual rate from \$50 to \$180 (a 260% increase)
 - Although the Historical Society is a non-profit, there are many other institutions/customers that are non-profit and it would be unfair to extend any exemption or reduction on that basis alone
 - The Historical Society uses relatively little water (just occasional toilets and sinks), but the same could apply for some seasonal customers
 - Historical Society should pay the same as all customers, but give them extra time to plan for the increase
 - The Historical Society needs to plan for/budget the increase in the water utility rates. If needed, they can appeal to CFD2 for a reduction in the base rate due to financial hardship, an option available to all customers

- **MOTION: Norm Hanson moved that CFD2 increase the annual rate for the Historical Society from \$50 to \$80 [a 60% increase] for 2022 and that the annual rate will be consistent with that of all customers no later than January 1, 2024. George Hall seconded the motion. The motion passed unanimously.**

3/ Discussion: Eliminate any in-kind compensation (e.g., for land use, professional services) and instead record and bill water usage and have CFD2 pay for service (e.g., land, professional services) that can be recorded in ledger. No action was taken.

4/ Meters. Paula found a notable discrepancy between the amount of water pumped out (as recorded by the master meter at the pump house) and total gallons billed in Q4 2021.

- Discussion:
 - Need to verify that all customers have working meters and document any that do not. Ask Steve to develop a timeline for installation/repairs.

5/ Capital Improvement Loan amount. Per discussion at the last meeting, should we borrow up to the full amount of bond vote and invest? [Note, any Capital Improvement Note is still pending Board approval]

- Discussion:
 - Some concern expressed over the risk of investing significant sums [~\$300K] for a short period vs. paying the 1.5% interest on just the amount borrowed [~\$100k]
 - Skepticism that there are any very low risk investment products with returns that will exceed the 1.5% interest rate during term of loan (approx. 1 year)
 - Reach out to RCAP Solutions for additional guidance re borrowing the entire amount approved by the Bond Vote and investing monies not needed in an interest-bearing account

Other Business

- Paula will complete paperwork so that she can be a signatory for ANR reimbursement requests. Currently George Hall and Tim Patterson are signatories.
- Paula looking into how she can minimize any paperwork that D&K needs to do on our behalf (and therefore save on D&K billable time)
- Request to present the annual operating budget separately from the Current Expense Loan and the Capital Improvement Loan (if/when approved)
- A customer asked if the meetings are/can be recorded

- Discussion:
 - Concern that recordings may decrease participation
 - Need to look into file storage and costs for videos; audio files will be smaller so another option
- Discussion: Outstanding housekeeping matters. (1) Minutes from an Emergency Meeting held on January 6, 2022, were inadvertently not published to date. (2) Notes and recommendations from the Financial Planning subcommittee meeting on February 2, 2022, should be published.
 - **MOTION: Nicole moved to append the emergency meeting minutes and the Financial Planning subcommittee meeting notes to the minutes of this Special Meeting. Norm seconded the motion. The motion passed unanimously.**
- Discussion: Approved 2022 CFD2 Budget was inadvertently not published to date.
 - **MOTION: Norm moved to append the 2022 approved budget to the minutes of this Special Meeting. Nicole seconded the motion. The motion passed unanimously.**

Action Items

1. Nicole to help arrange meeting with Jeremy, CFD2, and Sterling
2. Christina will invite all customers/interested parties to attend the walking tour on Thursday, February 24th, at 10:30am with Jeremy. Group will meet in front of Dunbar Hall. Wear comfortable shoes.
3. Gina will inquire with Dana Nagy (ANR) re procedure for updating CFD2 contacts
4. Norm will inform Historical Society re annual payment amount and timeline
5. Christina/Paula to follow-up with Steve re customers and meter status
6. Financial Planning subcommittee to connect with John at RCAP Solutions
7. Paula to check with Jeremy re reducing workflow for D&K with respect to grants and invoices
8. Christina will investigate Zoom recording options, storage, and costs
9. Financial Planning subcommittee to meet again in next 10-14 days
10. George will hand-deliver any announcements to customers without email

Next Meeting

The next Regular Meeting will be on Monday, March 7, at 5:30pm.

Agenda:

- Changes/Additions to the Agenda
- Update re new source well
- Update re existing wells / Do Not Drink timeline
- Updates from subcommittees

Zoom Log-in:

<https://us02web.zoom.us/j/87324152544>

Addendum A

CFD#2 Finance Committee February 2, 2022

Meeting Notes and Recommendations . Attendees: Paula Davidson, Ian Baldwin, George Hall, Norm Hanson

P&L. The accumulating expense Of the PFAS Emergency.

As of today invoices received for cost related to PPFAS total \$24,417. A substantial portion of this qualifies for reimbursement. Paula has been in contact with staff of the 1) State Emergency Fund for Contaminated Water Sources, 2) State Revolving Loan Fun for CCFD#2, 3) the State Bond Bank for working out procedure and timelines. Jeremy Rathbun and Paula will confer by phone later this week or next to further sort through the various resource funds and procedures. *It could be helpful to Paula for one of us to join that call, Gina, or Christina or Norm ?*

Meanwhile, the invoices from venders should be paid by CFD#2 as promptly as possible. Loan and grant funds rarely pay vendors directly and require proof payment made to vendor prior to reimbursement . CFD#2 operating budget cannot cover these expenses . Therefore, we must procure cash from another source.

The Committee discussed two possible sources of cash.

1) Withdrawals for CD Reserve Funds. Advisors from RACP, and others, highly recommend protection of Reserve Funds if at all possible. The aging infrastructure will undoubtedly require costly repairs within next several years. Some could be an emergency. Withdrawals from CD's are not free loans: There are penalties for withdrawal prior to maturity plus loss of interest income.

Asset Management will be essential tool for planning strategy for use of Reserves in the months and years ahead.

2) Establish a Line of Credit with a bank. Union Bank currently charges 1 ½ % interest with no additional fees for municipal entities. Given expectations of forthcoming reimbursements, it appears likely that the loan-credit balance can be repaid in a timely manner. Looking ahead beyond the current PFAS crisis, there will likely be more expenses that will require short erm cash outlays for which a credit line would be most useful. Paul will obtain further details from Union Bank the specific conditions of such an agreement.

It would be highly desirable to develop a “running account “and timing of expenses anticipated over the next 4 to 6 months, with the help of Jeremy and Steve.

Variances of Base Rate charged to customers.

Over the years the Board of CFD#2 has accorded special consideration Rate charges for several customers. Two customers have reduced rates as a way of providing them compensation for their expense and time in providing on-going necessary services for CFD#2. From standpoint of consistency and accounting, it would be reasonable to provide appropriate compensation in the form of a line item budget expense, rather than as a discounted water rate. In a different situation, the Craftsbury

Historical Society has been charged a fraction of the standard base rate for special considerations which include being open just 2 days per week and only in summer months, extremely minimal use of water, and the minimal funding they receive from the Town of Craftsbury and individual donations. The Ordinance for CFD#2 states that the base rate for all customers should be the same, regardless of whether they are full time or part time residents. The situation for the Historical Society is unique compared to all other customers. The Committee recommends a base rate increase for 2022 from \$50 per year to \$80 per year; and to review this year to year. The Society is a Community organization. We encourage increasing support from the Town of Craftsbury and donations to meet the needs of their program and facility.

Recorded by Norm



Fwd: Craftsbury Water - Annual Meeting Agenda

Tim Patterson <[REDACTED]> Thu, Jan 6, 2022 at 8:03 PM
To: Nicole Civita <[REDACTED]>
Cc: Steve Smith <[REDACTED]>, Polly Allen <[REDACTED]>, Gina Campoli <[REDACTED]>, Ian Baldwin <[REDACTED]>, Norm Hanson <[REDACTED]>, Craftsbury Fire District <craftsburyfiredistrict2@gmail.com>, George Hall <geomhall@gmail.com>, Paula Davidson <[REDACTED]>, Barb Strong <[REDACTED]>, Renee Rossi <[REDACTED]>, Christina <[REDACTED]>

Hi all,

I'm happy to report that we had a quorum this evening and a good, substantive discussion. Notes are as follows.

Emergency Meeting via Zoom, 7 - 8 PM, 1/6/21

Board Members Present: Tim Patterson, Gina Campoli, Paula Davidson, Ian Baldwin
Incoming Board Members: Christina Finkelstein, Renee Rossi, Nicole Civita

The board discussed the emergent situation with Well 4 underproducing. Ian moved to approve a motion delegating authority to the Special Projects committee (Tim, Polly, and Gina) to make executive decisions regarding water hauling and other emergency measures until the Annual Meeting is held on Monday evening, and to append this email thread to public meeting minutes. The motion passed.

The board discussed the regulatory environment for water systems, and the particular challenges for institutions under the Do Not Drink Notice.

The board discussed the plan to have water delivered by truck tomorrow morning, to have Well 4 evaluated, and to leave open the possibility of turning Well 1 back on if there is not a fix available for Well 4.

Gina gave an update noting that the Craftsbury Food Shelf is working with the Fire District to deliver drinking water to households who are not able to access it independently.

[Quoted text hidden]