
CFD2 | Regular Meeting

08.29.2022 via Zoom 5:30-7:15pm

Attendees

Jonathan Ashley (D&K)

Farley Brown

Kate C

Gina Campoli (President)

Nicole Civita (Board Member)

Lori Collins-Hall

Paula Davidson (Treasurer)

Christina Finkelstein (Secretary)

George Hall (Board Member)

Norm Hanson (Board Member)

Nancy Milholland

Michele Miller

Eli Morgan (D&K)

Renee Rossi (Board Member)

Rep. Katherine Sims

Steve Smith (Systems Operator)

David Stoner

Barbara Strong

Rep. Vicki Strong

ABSENT:

Ian Baldwin (Board Member)

Acronym Guide

DEC Department of Environmental Conservation

D&K Dubois & King, consultant engineers for CFD2

RCAP The Rural Community Assistance Partnership

WL-01 Well polluted with PFAS

WL-04 Well with no detectable levels of PFAS

WL-05 Reference to potential primary source well or its location

WL-06 Reference to potential primary source well or its location

WL-07 Reference to potential alternative source well or its location

Agenda

- Changes/Additions to agenda
- Finance committee update & recommendations
- Status of new water source
- WL-01 pump and motor replacement

Changes/Additions to the Agenda

ADD: status of all water meters (develop & prioritize replacement schedule)

Finance Committee Update & Recommendations

Norm Hanson provided a summary of the Finance Committee's deliberations and recommendations re how funds from an earlier legal settlement should be used.

- Background: In ~ 2000, CFD2 was awarded \$185k+ from a federal suit. To date, the Board applied accrued interest and principal to pay for any unbudgeted expenses as needed. The money is currently held in a 5-year CD. There is no written policy on how the funds should be used. Developing a written policy re the financial management of the system is part of CFD2's Community Services Agreement with RCAP [see minutes from 05.02.2022]. Given the urgency of CFD2's current situation, the Finance Committee met to discuss and outline a draft policy to provide general guidance as the Board navigates the current emergency.
- Establish two separate funds:
 - Capital Improvement Fund of \$100k – guided by the development of the asset management plan, funds will be applied to address long-term system needs
 - Reserve Fund of \$85k - cover urgent situations, repairs or replacement of equipment
- All funding requests to be reviewed and approved by the full Board
 - Exception: System Operator and Treasurer have authority to spend up to \$5,000 annually [from the Reserve Fund] without pre-approval from the full Board
- Treasurer to review current and potential investment strategies for future Board consideration and approval

- Paula Davidson added that there will be a penalty to take out the money from the CD before it matures but that the penalty will be less than what can be made in higher yielding investment options
- Gina suggested that we wait until the next meeting when we can get an update on exact cost for bulk hauling before we vote on using any of the reserve funds. Norm concurred.
- Nancy Milholland asked about a rate increase. Gina emphasized that there is a process that needs to be followed. The Board raised rates once already this year so it would need to reassess after all the bills are in and grants/loan forgiveness are tallied. Meanwhile, the reserve fund will provide a buffer. Norm added that the Finance Committee reviewed different rate increase scenarios. Rates would have to increase exponentially to cover the current expenses. An interim rate increase would have a negligible effect. So it's better to wait to have a comprehensive picture of total debt and potential expenses before establishing a rate increase schedule.
- Gina added that the state has made it clear that we will not get any additional funding for bottled water beyond what has already been allocated to CFD2, but that there is hope that more funding will be made available by the legislature in 2023. Norm added covering bottled water could be an appropriate use of the reserve fund if needed.
- Nicole would like to ask the state if the funding will reset and at what interval (first of the year, fiscal year). Gina will reach out to Bryan Redmond and Dana Nagy.

MOTION: Norm made a motion to approve the policy as outlined for managing and oversight and use of the reserved funds that are currently invested in the CD accounts. Nicole seconded. Motion passed unanimously.

Current expenses and income (Paula)

- There is a lot of money going in and out.
- The operating budget covers fixed expenses, but there are four concurrent project each with varying levels of completeness and loan forgiveness or grants from the state
 - PFAS emergency
 - Asset management plan
 - Power generator
 - New source well development

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- To date, CFD2 has paid \$80,000 from the Current Expense Note (line of credit) to cover PFAS emergency expenses and a combined \$40,000 from the Capital Improvement Note (line of credit) for the other three projects
 - There is some additional coordination required at the state level to ensure that the loan covering the new source well is active so that CFD2 can get reimbursed
 - Norm added that Paula has been following procedure and notifying the Finance Committee when she pays herself (as accountant) and when paying a bill that exceeds \$5k

Status of New Water Source

Update on WL-05 and lead up to WL-06 (Gina)

- Drilling was delayed a bit due to rain but commenced on August 11 with casing and grouting completed by August 12. Manosh drilled to 460 feet on Monday, August 15, and to 700 feet the following day. Preliminary observations suggested a yield of approximately 1 gallon per minute. The Infrastructure Committee accepted D&K's suggestion to immediately switch gears to WL-06.
- The suggested site for WL-06 is on Sterling College's land but the buffer zone overlaps with a private landowner.
- D&K had to work quickly to flag the work area. (Precise property/boundary lines to be surveyed at a later date.)
- Wetlands officials reviewed the site and confirmed that the site is not on protected wetland
- Nicole worked with Sterling College and the private landowner to develop a letter granting permission to drill and test for a potential new source well and if successful temporarily connect the well to the CFD2 water system.

Discussion/Questions:

Q (Christina): Did the rocks on Farley & John's land get removed to everyone's satisfaction?

Gina recapped for attendees that Manosh put down a significant amount of stone that was inconsistent with what D&K had specified. This was a Class II wetlands violation. D&K worked with Manosh to remove the stone the next day. Within a few days they were

seeding the area. The state decided not to file a notice of violation against Manosh or the landowners.

Q (Farley Brown): There was communication between D&K and the wetlands division re the specific areas to be seeded. However, a portion of the road that leads to the log landing has not yet been seeded and is instead a mud path. Farley asked if this area would be seeded and mulched.

Jon was not aware of the specifics but would check with Jason and that if additional areas needed to be seeded he would coordinate. Farley said she would forward the email communication between D&K and DEC for background.

Update on WL-06 and Back-up Plans (Jon Ashley)

WL-06

- Manosh has the casing and grouting completed and estimated being able to drill 80-100 feet/hr tomorrow (August 30th).

Back-up Plan (Jon Ashley)

- Identify an alternative location near the intersection of the two photo lineaments. Jon reported that the D&K hydrogeologist suggests a spot east of the intersection. This area, including the buffer zone, is owned entirely by Sterling College.
 - Nicole asked what would be needed to connect WL-07. Jon responded that this alternative site is even farther from the contaminated well but also from the distribution line so would have cost implications (~\$80/foot)
 - Gina noted that there may be yet unknown permitting issues related to the site location

Discussion/Questions:

Q (Nicole): When should we expect to hit water or worry if we don't?

Difficult to predict and won't know until they are in the ground.

Q (Nicole): What is the minimum yield we need from WL-06 to meet demand either by itself or with WL-04?

The current demand is 15-16g/m but the permit is listed for 22-23g/m. WL-06 is not able to produce more than 6g/m. Jon added that we'd like to hit 15g/m but even 5g/m would be helpful at this point. Jon added that if the yield was in the lower range, they would likely hydrofrack to improve yield.

Gina added that we will need a back-up site.

Q (Nicole): At a recent meeting when Dana Nagy [from DEC] joined, he mentioned the possibility of a temporary overland connection between WL-05 and WL-04. Given that WL-06 is farther away and across the road, what are the logistics behind connecting WL-06 both temporarily and permanently?

Gina noted that the overland suggestion was to deal with wetlands between WL-04 and WL-05, but there are no wetlands between WL-04 and WL-06. The water would just need to get to the pipe near the road.

Steve added that we cannot put raw water into a treated system. The water would have to go up Auld Lang Syne and Sterling Drive and tap into the line for WL-01 so that the water from WL-06 gets treated.

Gina noted that the cost of connection hasn't even been considered yet because that would be part of the construction permitting process and is attached to a separate loan.

Jon added that there could be a chlorination point set up at WL-06 or it could be done as Steve described. There will be operational considerations that would determine the better option. Jon noted that the alignment between the lines could get tricky because of ledge and wetlands restrictions.

Gina summarized the next steps if water is found in sufficient yield: D&K will assess how to get it connected to the system, what it will cost, and how long it will take. We may need to consider an overland option, but the water will not be treated so will require a Boil Water Notice as Dana suggested at the last meeting.

Jon added that if water is found, D&K needs to complete the 72-hour pump test and hydrogeologic evaluation of the well, which includes water quality testing

Nicole added that she is looking for a written plan that outlines the steps and timeline involved in connecting WL-06. The letter granting permission to drill for exploratory purposes would need to be turned into a formal easement. For WL-07, she would like a better understanding of how the Sterling campus and activities will be affected.

Gina recognized Nicole's concern to get a plan for connecting WL-06 and added that if WL-07 is needed then it would require a great deal of work by D&K, the full Board, and the Infrastructure Committee. Jon added that D&K would initiate the planning for WL-07 while they completed the testing and permitting of WL-06...but that it wouldn't be completed in the next day or week.

Lori Collins-Hall added that if WL-07 is needed, CFD2 will need a different access agreement with Sterling College. Given the location of WL-07, Sterling College would require a detailed connection plan before they can consider an access/exploratory permission letter. They want to avoid CFD2 expending resources on exploratory drilling only to later learn that the connection would run through Sterling's farms or other infrastructure.

Q (Steve): Steve noted that there is a waterline that is next to the road/blacktop in front of Sterling's library (discovered while drilling through lots of ledge when installing fiber optic cables). Can we put the WL-06 water line above this existing 4" main or would there be freeze concerns?

Jon recounted his experience in a different town with lots of very hard shallow ledge. They used the existing trenches but it was not at a depth that anyone was comfortable with so they hammered the ledge as much as they could to go deeper. Still they had to add a lot of installation. The most shallow part was 3.5 feet with 6" of insulation in just a few spots. Most were a minimum of 4 to 4.5'. Ideal depth is 6'. Jon added that it's a balancing act given the costs involved in drilling to that depth when faced with very hard ledge.

Nicole reiterated Sterling's need to have a written plan. Gina noted that for WL-06, D&K will provide specifics on how to get the well connected to the system and what the cost will be in the coming weeks. CFD2 needs to work out the costs with the state. WL-07 will require a large effort on everyone's part. She doesn't want to get too far into WL-07 until we know what is happening with WL-06.

Nicole confirmed that she's not asking for a plan for WL-07 before drilling on WL-06 is completed, but would like a better understanding of what the connection plan for WL-06 will be by the next meeting. Gina added that the planning for WL-07 will require a lot of work and that D&K's will be looking to everyone involved in getting questions answered or issues resolved as needed.

WL-01 Pump and Motor Replacement

D&K's electrical engineer confirmed that the lightning strike on July 21 in the vicinity of WL-01 caused the pump and motor to fail. Prior to confirming that the failure was due to lightning, the Board did not pursue replacement because drilling of WL-05 was imminent and the cost of replacement was quoted at ~\$20k.

- Insurance confirmed the lightning strike. Pending receipt and acceptance of D&K's electrical engineer's report, the pump and motor are covered expenses less a \$500 deductible. Christina reported that the insurance agent did not think the claim

would have an exorbitant effect on future premiums. Board members quickly agreed that the claim should be filed.

- D&K received a quote from Capital Well for \$5539.07.
- Steve asked if insurance could cover any of the bulk water since it was due to equipment that failed due to lightning. Christina responded that we had a similar question when we started bottled water early on and it was not a covered expense. She will ask but doubts it will be covered under personal property.
- Norm added that it is critical to get WL-01 back up and running since the cost of hauling water is enormous and that any reserve funds would be depleted within weeks. Moreover, it could serve as a back-up even if it's contaminated because it can blend with WL-04 and be used for non-cooking/drinking needs.
- Gina asked if we need to review reviving WL-01 with the state. Jon confirmed that we do not need the state's permission to replace failed equipment.

MOTION: Gina made a motion to file a claim with insurance to replace the pump and motor for WL-01 with out-of-pocket costs not to exceed \$10,000. Nicole seconded. Motion passed unanimously.

Status of Water Meters [added agenda item]

Christina inquired about an inventory of water meters and their operational status because there are some customers who are not able to pay for their complete water use because a meter is either lacking or not functioning properly.

- Steve reported that at his last meter reading he made comprehensive notes on every meter that was not reading properly. He found 15-16 that need repair or replacement.
- Each meter costs between \$160-200. Some of the meters are supposed to have lifetime warranties so there may be a 1-2 week period when the manufacturer either repairs or replaces those meters, but meanwhile we won't be able to capture usage while those meters are out.
- Recognizing that Steve is very busy with the current emergency, Norm asked if this is a task others on the Board can help with. Steve said that it would take about 30 minutes per meter, which involves disconnecting the wiring from the inside meter to the outside reader and then confirming whether it's the wiring, the inside meter or the outside reader.

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- Gina asked if this was a task that could be contracted out as that would be money from the capital fund well spent. Steve noted that he didn't know anyone who could do it, but it would be a huge load off for him if CFD2 could find someone as he's been very busy handling the details of the current emergency.
 - Eli offered to send Steve a few names.

Other Business

- On behalf of the Finance Committee, Norm noted that there are several customers who are behind in their payments. The Finance Committee would like to send customers who are more than six months behind a notice that they are at risk of having their water turned off.

Representative Katherine Sims said it was discouraging to hear that some folks may be in arrears but wanted to make sure that they are aware of ARPA funding that can be used to cover utilities for those who have had financial hardships due to Covid. She said she would send additional information to the Board.

- Gina added that she learned there is at least one toilet at Craftsbury Academy that is running all the time, but they do not have the manpower to repair. Discussion about best approach to address – inform parents at a school board meeting about CFD2's challenges and possibly have Steve do a walk through to flag water wasting issues.
 - Nancy offered that her husband is a home inspector and handyman and could also do this (and the water meter) task if needed.
- Gina is out of the country for a few weeks. Christina will sign on her behalf as needed.

Actions Items

- Gina to send note to Bryan Redmond and Dana Nagy re potential for bottled water coverage in 2023
- Eli to send names of potential contractors to Steve
- Representative Sims to send additional information re funding for those with financial hardships due to Covid
- George will hand-deliver these minutes and any announcements to customers without email

Next Meeting

The next Regular Meeting will be on **Monday, October 3rd at 5:30pm**. A special meeting will be called if there are developments or other issues that merit full Board deliberations.

A reminder announcement with the Zoom link (<https://us02web.zoom.us/j/87324152544>) will be posted on Front Porch Forum.

NOTE: The Zoom link (<https://us02web.zoom.us/j/87324152544>) and call-in details are the same for all remaining 2022 meetings.

Call in Details:

Meeting ID: 873 2415 2544

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