

---

# CFD2 | Regular Meeting

02.06.2023 via Zoom 5:30-7:20pm

---

## Attendees

Jonathan Ashley (D&K)  
Ian Baldwin (Board Member)  
Gina Campoli (President)  
Nicole Civita (Board Member)  
Paula Davidson (Treasurer)  
Christina Finkelstein (Secretary)

George Hall (Board Member)  
Norm Hanson (Board Member)  
John Kiernan  
Terry Martin  
Renee Rossi (Board Member)

## ABSENT:

Steve Smith (Systems Operator)

## 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 primary source well or its location

## Agenda

1. Changes/Additions to agenda
2. Approve minutes from Jan 9 and Jan 23
3. WL-06 Source Evaluation Report
4. Step II Loan Application
5. WL-07 (access agreement, spring schedule)
6. Finance Committee report and recommendations
7. 2023 insurance coverage status
8. Bottled water
9. Other business
  - a. Document storage
  - b. PFAS Investigation status
  - c. (Informational) Sanitary survey status
10. Executive session

### 1. Changes/Additions to agenda

Items 2, 9a, 9b, and 10 were added to the agenda.

### 2. Approve Minutes

**MOTION: Gina made a motion to approve the January 9, 2023 Annual Meeting Minutes as printed. George seconded. The motion passed unanimously.**

**MOTION: Gina made a motion to approve the January 23, 2023 Special Meeting Minutes as printed. George seconded. The motion passed unanimously.**

### 3. Well-06 Source Evaluation Report (Jon Ashley)

- Jon reported that the Source Evaluation Report, which includes the long-term safe yield of 11.87 gallons per minute, was submitted to DEC on February 2nd and is now awaiting review and approval.

- D&K expects a quick turnaround (hopefully 2-3 weeks) from DEC given the urgency of the situation.
- The state will need to concur with that yield number when they approve the source for use.
- There is radium above the drinking water standards, which will be treated within the existing water treatment building.
- Coliform was absent in the last set of testing.

#### 4. Step II Loan Application (Jon)

- The full loan application was submitted to DEC on February 5th. The application includes:
  - the engineering services agreement amendment
  - costs for Bottled water
  - water hauling costs that were not reimbursed under the grant program
  - short-term borrowing interest
  - extra administrative time for the treasurer
  - extra staff time from the systems operator
- Jon clarified that although at the last meeting he suggested a meeting with the funding agency, he later decided it is better to submit the application and await a response than incurring time setting up meetings.
- Jon is less sure what the timing on review will be. Suggests that Gina proactively check in with the agency at least bi-weekly.

#### Discussion

- Paula asked who the best person is to ask about additional reimbursement for the Asset Management Plan beyond 60%. Paula noted that other than a bill for \$400 for the final report, all costs have been incurred and billed.
- Jon will reach out to the appropriate person at DEC to inquire about the loan status.
- Paula asked when we can expect the Asset Management Plan. Jon said he needs to do a final review and hopes to have it completed in the next two weeks.
- Jon asked if the loan for the Standby Generator Project was complete. Paula confirmed that it was.

## 5. WL-07 Access agreement, spring schedule (Jon)

- The state has approved the source permit for drilling WL-07. Drilling is pending an executed Access Agreement and Manosh's schedule/weather. Jon noted that Manosh's pricing included road improvements during winter conditions.
- D&K did not have any changes to the access agreement.
- D&K has requested Manosh to get a higher level of insurance coverage to satisfy the access agreement. Jon warned that in his experience that may take a couple of weeks to complete.
- Everyone is hopeful we will know whether there is water by next month.
- Jon added that hydro fracking was not included in the plan but will be done (as it was for WL-05 and WL-06). The pump test will be less onerous than it was for the prior wells because there are very few wells to monitor in WL-07's vicinity.

### Discussion

- Nicole added that Sterling needs the extra coverage because of the higher risk location given its proximity to the center of campus, the farm, and parking.
- Nicole added that the higher level of coverage is not any different from what was required for the access agreement for WL-06 so unclear why Manosh does not have the coverage in place.
- Nicole asked that Jon keeps Nicole and Sterling apprised of the schedule as many people on campus will need notification.
- Brief discussion whether drilling could overlap with the next open house in mid-February. Given the current status of the access agreement, no.

## 6. Finance Committee Report and Recommendations

**Monthly Report.** Paula reported that per John Kiernan's advice, she included in the last financial report to the Board a list of all the checks written in the past month.

### Discussion

- Ian thought the detailed review may seem excessive so asked John to share the rationale. John explained that it's a matter of public transparency and checks and

---

balances. He added that it doesn't need to be so detailed (listing every check) but someone other than the person signing the checks should review.

- Gina asked if a member of the finance committee can take turns reviewing each month without the whole Board having to review. John confirmed that a systematic review by someone other than the person signing the checks would suffice.
- Christina noted that the Vermont League of Cities & Towns insurance application includes a section about financial management policies in which she had to answer "no" to almost every question. She noted that the Finance Committee is working with John to review and finalize the financial policies and procedures John shared previously. As part of contingency planning, Christina would like access to the list of checks written but did not think it needs to be a part of each month's agenda.
- Paula suggested that she have the list of checks approved by a member of the finance committee and the list will be included in her monthly finance report.

**Rate Policy.** Paula reported that the Finance Committee met to discuss (a) a policy for property owners with CFD2 equipment on their land and (b) whether there should be a different rate for customers with larger meters. No conclusion reached on either matter. More discussion and consideration from affected stakeholders and the Finance Committee are required.

- Paula and Norm met with Joan Simmons. Joan would like the matter discussed with her son, David, who is the executor of the estate. The water trucks outside her front door all summer were a large nuisance and caused damage to her lawn.
  - Gina added that the damage done to the Simmons lawn will be repaired as soon as weather permits.
  - Norm reported that he spoke with David Simmons and that he invited him to share his thoughts.
- Paula and Norm have also been in touch with Zabar/Brown. The Biddles, on whose property WL-01 is located, are paying for their water.
- Norm reported that the Finance Committee needs to gather additional feedback from the affected landowners: what, if any, out-of-pocket expenses do they incur; effect on property value; emotional value of providing a necessary service to the community. Norm added that the compensation (in the form of no water charges estimated to be \$300-400/year) each party has received to date also needs to be considered.

- Paula said that Joan was open to having her water metered so that usage can be tracked and thereby making a large leak more easily detectable. WL-01 is contaminated and will be capped once a new source well is in place. WL-04 and WL-05 will also be capped. We still need a policy in place for the new source well(s).

## Discussion

- Gina asked if CFD2 has a policy that water fees are waived if there is CFD2 property on the land. Board Members concurred that there is no written policy of which anyone is aware as the arrangements have been in place for over 30-40 years.
- Factors, among many, that need to be considered: land value at time of installation, no water fees to date, effect on current land value, any compensation at time of installation (with current or prior landowners), and change of ownership.
- Gina added that any policy needs to consider CFD2's bottom line.
- John Kiernan offered his experience on this matter:
  - There is no standard procedure or arrangement between landowners and municipalities, but strongly warns against any compensation in the form of royalties.
  - The inconsistent arrangements currently in place together with new water sources in development make this an opportune time for the Board to consider a formal policy.
  - In many cases, municipal property is on land outside of the service area and the landowners do not receive any direct benefit. Here it's best to pay for the value of the land. In some cases, however, the landowners are also customers, in which case land donation is not uncommon since they also stand to benefit.
  - The cleanest and simplest approach outside of a donated easement is to pay for the value of the land at the outset. John added that the State Revolving Fund allows the cost of land as an eligible project expense so CFD2 can get reimbursed in full or part.
  - There are at least a few ways to establish value: (a) one party can make an offer and the other accept; (b) get estimates from at least two appraisers and take the average.
- Gina asked what happens when a property changes hands. John emphasized that it's important to have a permanent easement in place for this reason. Nicole reminded everyone that there is an easement for WL-05. There was a question

whether there is an easement for the pump house. Yes—Christina will distribute current easements for the pump house and the generator.

- Christina added that she was surprised to learn that the Biddle property had been paying for water due to the inconsistent application of a non-existent policy. Others added that since agreements were in place that are decades old with no written records, it's difficult to conclude anything. For example, the original landowners could have been compensated. Everyone agreed some consistent policy going forward is necessary.
- Gina expressed her hesitation to provide free water as compensation and supports paying for the fair land value. John added that while it would be wildly unpopular, research could be done to ascertain land values from which years of water use could be deducted.
- There was general agreement that the Simmons property on which CFD2 has the pump house and the generator will likely need to be considered differently than landowners with a wellhead. There is also a long history of the late Mr. Simmons' involvement with CFD2 and the pump house (named after him) that needs to be acknowledged.
- Ian pointed out that we're talking about a very small number of affected landowners/customers given that WL-01, WL-04, and WL-05 will be turned off as soon as there is a new water source so really we need to come to an agreement with Sterling since they make up for half the water consumption and will have two new wells on their land. He added that the ideal negotiation would be for Sterling to donate the land and if that is not agreeable, then we do as John suggests and get the land appraised by different appraisers.
- Nicole agreed with a consistent approach and added that since there are no accessible records of any prior arrangements between prior Board members and prior or current landowners, it's best for this current Board to ensure that any relevant easements are in place and properly recorded going forward.

## 7. 2023 insurance coverage status

- Christina thanked John Kiernan for his sage advice to look into Vermont Leagues of Cities and Towns (VLCT) as a potential source of insurance coverage. She submitted the application and necessary documentation. A VLCT staff member visited the site on February 2nd to inspect the pump house.

- VLCT sent additional verification questions. Christina reported that she was unable to answer the technical questions and passed them on to Steve for completion.
- The VLCT rate is expected to be comparable to or slightly better than the 2023 rate. CFD2 may also have additional coverage benefits such as Workers Compensation.

## Discussion

- Gina asked whether there is an officers and directors rider in the current policy and in the proposed policy by VLCT. Christina will check and report back.
- Paula confirmed that we would need to cancel the current policy by March 27. Christina noted that VLCT has been moving very quickly so is confident that a quote will be available in time.
- Gina added that Bruce Urie is on the VLCT Board and recommended we look into the coverage.

## 8. Bottled Water

- Christina reported that water continues to be delivered, usually on Tuesdays, to the church and Sterling's dining room. The supplier has a shortage of 3 gallon jugs so we can only get as many as we bring back. A note will be sent to customers reminding them to return empty bottles.
- Discussion about why there may have been a shortage of bottled water at the church prompting a customer to email last week.
- Members will continue to monitor bottled water supply at both locations so changes can be made to delivery frequency if needed.
- Norm noted that the church would prefer if bottles are not left anywhere in the foyer or on the benches. A note will be sent to customers alerting them to this and to suggest Sterling's dining hall as an alternate drop-off point.

## 9. Other business

### Document storage

Polly has a box of CFD2 documents stored at her home. Discussion of who can store at their home, but the group concluded it would be best to store at Town Hall. Christina will



---

alert Polly that Gina will pick up the documents. Christina will reach out to the Town Clerk to ask about storage.

### PFAS Investigation status

Waite-Heindel Environmental Management, the company hired by the state to investigate the PFAS detections in WL-01, will be on the Common on Wednesday and Thursday to install groundwater monitoring wells. Drilling required for the installation is expected to be noisy. Gina will alert the Town and local neighbors.

### Sanitary survey status

Gina reported that the responses to the state's Sanitary Survey were submitted, but DEC had follow-up requests to provide verification of certain items. Receipts and images were shared to DEC's satisfaction. Gina also shared that the DEC agreed with Steve that the observed corrosion in the pump house is from previous storage practices and not an issue if a dehumidifier is in place.

## 10. Executive Session

The Board entered into executive session at 7:04 pm to discuss contractors' compensation.

- Paula recused herself from the discussion.

The Board left executive session at 7:18 pm.

**MOTION: Gina made a motion to award a \$2,000 bonus for the water system operator, Steve Smith, so long as the state approves at least \$2,000 worth of compensation for the requested services in the loan amendment. Nicole seconded. Remaining members voted in favor.**

*Secretary's Note, 2.13.2023: The above motion may contain language that is inconsistent with the Board's original intent. Revisions or corrections, if needed, will be addressed at the next Board meeting.*

## Actions Items

- Gina will check in with DEC at least bi-weekly regarding the status of the Step II Loan application.
- Jon will reach out to the appropriate person at DEC to inquire about the loan status for Asset Management Plan. .
- Jon will complete the final report for the Asset Management Plan in the next couple of weeks.
- Jon will work with Manosh to get the insurance requirements fulfilled.
- Jon will immediately notify Sterling of any construction dates.
- Christina will distribute current easements related to the pump house and generator.
- The Finance Committee will continue to study the rate situation for landowners with CFD2 well heads and for larger institutions and to send the Board a policy proposal for consideration prior to the Regular Meeting in March.
- Steve will respond to VLCT's technical questions.
- Christina will confirm whether there is an officers and directors rider in the current insurance policy and in the one proposed by VLCT.
- Christina will send a reminder to customers to return jugs promptly and to not leave empty bottles in the church's foyer.
- Christina will reach out to Polly and Michelle regarding document storage.
- Gina will notify the Town and local neighbors about the drilling work scheduled for 2/8 and 2/9 in relation to the PFAS source investigation.
- George will hand-deliver these minutes and any announcements to customers without email.

## Upcoming Meetings

The next Regular Meeting will be on **Monday, March 6th 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 2023 meetings.

Call in Details:

Meeting ID: 873 2415 2544

One tap mobile

+13092053325,,87324152544# US

+13126266799,,87324152544# US (Chicago)

Dial by your location

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 646 876 9923 US (New York)

+1 646 931 3860 US

+1 301 715 8592 US (Washington DC)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 386 347 5053 US

+1 408 638 0968 US (San Jose)

+1 564 217 2000 US

+1 669 444 9171 US

+1 669 900 6833 US (San Jose)

+1 719 359 4580 US

Meeting ID: 873 2415 2544

Find your local number: <https://us02web.zoom.us/j/87324152544>