
CFD2 | Regular Meeting

03.06.2023 via Zoom 5:30-7:26pm

Attendees

Jonathan Ashley (D&K)
Gina Campoli (President)
Nicole Civita (Board Member)
Paula Davidson (Treasurer)

Christina Finkelstein (Secretary)
George Hall (Board Member)
Norm Hanson (Board Member)
Steve Smith (Systems Operator)

ABSENT:

Ian Baldwin (Board Member)
Renee Rossi (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 primary source well or its location

Agenda

1. Changes/Additions to agenda
2. Approve minutes from last meeting
3. Report from D&K - well 7 and the status of negotiations with Manosh
4. Report from D&K - status of state grant amendment
5. Bottled Water Distribution update
6. Insurance Update
7. Policy for compensation of landowners who provide land and access to CFD2 facilities.
8. Other business
9. Executive session regarding personnel compensation

1. Changes/Additions to agenda

None

2. Approve Minutes

MOTION: Gina made a motion to approve the February 6, 2023 Regular Meeting Minutes as printed. Nicole seconded. The motion passed unanimously.

3. Well-07 Status of Negotiations with Manosh (Jon Ashley)

- At the last meeting, Jon reported that D&K requested Manosh to get a higher level of insurance coverage to satisfy the access agreement (increased liability coverage and not tracking in invasive species). Manosh indicated that they would require an additional \$75k to meet the requirements of the access agreement. D&K reached out for specifics.
- Jon reported that Manosh has been non-responsive to all forms of communications for an extended period. However, he did hear from them this morning and they expressed interest in getting the well done, though they are concerned about tracking invasive species on site.

- Jon added that he was surprised Manosh added a line item to deal with invasive species (vehicle wash-downs) because at the on-site meeting, Manosh did not express any concern with that requirement.
- Jon is gathering quotes from four other firms and will split the road building and drilling work. He has identified a firm that can do the road and bridge building.
- Capital Well, which did some work on WL-01, is unable to do any drilling until late April. Another firm expressed concern with the insurance requirements.
- At least one firm is able to do a site visit this week.
- The timetable has been pushed back. Having a new water source by June is no longer possible.

Discussion

- Nicole confirmed that Jon's impression (Manosh was not concerned about tracking in invasive species) was correct and reiterated that if Manosh had performed the work as scheduled then any concern for invasive species would be moot given the season and weather. Nicole added that absent additional details, Sterling questioned what protocol would justify a \$35k fee. They had assumed trucks would be washed down with water.
- Board members expressed strong frustration with Manosh.
- Gina asked if a firm coming from a longer distance will cost a lot more. Jon expects the estimates to be similar to or much better than Manosh's final quote.
- Jon will continue to coordinate with Sterling to coordinate any on-site visits by prospective drillers and ensure that they meet the access agreement's requirements.
- Christina asked if there were any local excavators who could do the road work. Jon noted that experience with road building and bridge building are both needed, and the firm needs to have the appropriate level of liability coverage.
- Nicole reiterated that the access agreement requirements for WL-07 reflect the central and high-value infrastructure that could be affected given the path that the driller would need to travel (including having a road and bridge built) to reach the well site.

4. Status of State Grant Amendment (Jon Ashley)

- Jon reported that the state has not yet reviewed/approved the grant amendment. It was submitted on February 5, 2023.
- Gina has been reaching out to various DEC staff. She will try to schedule a virtual meeting with DEC and D&K.
- Imperative for funding to be in place so that D&K can pay their subs. This is another potential block to get the well drilled.

Discussion

- Gina asked how the funding delay will affect D&K's work. Jon said that they will continue to move along, but there will be some substantial costs forthcoming once a driller is scheduled. He is hopeful that having a firm date with a driller will push the state to review right away.
- Paula asked about the Asset Management Plan and getting that finalized so we can get the remaining loan reimbursement. Jon reported that he has not yet been able to review the final report but hopes to soon.

5. Bottled Water Distribution Update

- The Board is working to move the pick-up location exclusively to Dunbar Hall at Sterling College to alleviate the church of the pile-up of bottles in their limited space.
- Nicole is working with a Sterling College student who will build shelves outside of Dunbar Hall. Customers can leave empty bottles on the shelves and pick up water inside the dining hall. Once the shelves are completed, an announcement will go out to customers informing them of the change. Water will also be delivered directly to Craftsbury Academy.

6. Insurance Update

- Christina reported that she received the quote from Vermont League of Cities and Towns (VLCT) earlier today. The total annual premium is \$2533, compared to the current premium of \$3007. However, in order to qualify for VLCT's coverage, CFD2 would need to become a member, which costs \$1095 annually. The total for VLCT coverage is \$3628, \$621 higher than current and \$428 more than the 2023 budgeted amount (\$3200).

- Christina noted her appreciation for VLCT’s succinct 25-page proposal, which was easy to follow and understand. In comparison, the current policy stands at nearly 300 pages, the majority of which details all the exclusions in dense language.
- Christina highlighted some of different sub-policy’s annual limits and associated premiums. Overall, VLCT’s coverage was broader and less expensive, until factoring in the annual membership fee.

Discussion.

- The Board expressed concern over the cost difference and whether CFD2 would take advantage of the membership benefits.
- Paula noted that VLCT offers Board & Officers coverage. We currently do not have B&O coverage and would need to add that to our policy. Nicole added that the membership includes access to legal consultation.
- Gina asked what the experience has been to date with our current provider when we filed a claim after the lightning strike. Christina and Paula reported that the claim process was straightforward and invoices were reimbursed quickly. Christina also noted that VLCT has been very responsive and easy to work with.
- Paula noted that the VLCT fees are not in the approved budget.
- Nicole suggested that we reach out to VLCT first to inquire if they would consider a reduction in the annual membership fee considering our financial hardship. Christina will follow-up.
- Nicole suggested that instead of a Board vote, the Finance Committee study the options and make a decision after hearing back from VLCT. The Finance Committee agreed.

7. Policy for compensation of landowners who provide land and access to CFD2 facilities

- Norm learned from John Zaber, a former Board Member in the 90s, that the current compensation agreements with landowners were put in place 30-40 years ago by the Board at that time. The agreements were open-ended. There was no specificity in duration or method for review.
- Norm shared that John was on the Board when the agreement for WL-04 was passed. For the Zabar/Brown property, in addition to the easement, the agreement is for Zabar/Brown to safeguard access to CFD2’s facilities or equipment in exchange

for no water fees. Norm added that to keep the area to the wellhead accessible and unfettered, John plows as needed.

- Norm reiterated some of the potential concerns of property owners. In addition to keeping the area unfettered, property owners have to contend with the visual and physical disturbance of the CFD2 property (i.e., wellhead, water tank), vehicular traffic, and CFD2 representatives on site for maintenance. The people and vehicle traffic can be of particular concern (e.g., when CFD2 had trucked water delivered numerous times a week (or day) for several months). Still, both the Simmons and Zabar/Brown find any disturbances only an inconvenience and understand their significant contribution to the CFD2 community.
- Norm shared that after discussions with Simmons and Zabar/Brown, neither are interested in pursuing the impact the equipment has on their land value. The appraisals would take time and likely be inaccurate estimates. Indeed, if the equipment did/does affect the land value, then both Simmons and Zabar/Brown would consider that depreciation a donation to CFD2.
- Norm reiterated that neither the Zabar/Brown nor the Simmons property currently have meters. So it is not possible to say how much in waived fees either property received to date. However, Norm added, that if you assume an average cost of \$200/year [using rates before the recent rate increases] for multiple decades, then those figures could be used as an approximation.
- WL-01 was installed before Stark Biddle acquired the property, but no fee waiver is in place. It was Stark's decision not to ask for a waiver as he felt it was his responsibility to pay for the water.
- Norm added the Finance Committee favors ceasing any compensation agreements when there is a change in ownership.
- In thinking through the many considerations and discussing each at length, the Finance Committee wants to develop a compensation policy that is reasonably fair, equitable, doable, and affordable. We don't have revenue other than from water fees.
- As a municipality, it is imperative that these waivers with landowners are accounted for. Whatever the ultimate policy, all properties need to be metered and accounted for equally in the accounting system. The Historical Society is another outlier and needs to have a meter installed.
- The Finance Committee proposes that the two properties continue to have fees waived thru the end of 2024. Meanwhile, metering during that time will give both

the property owners and CFD2 a good sense of the value of the waiver and what changes may be appropriate.

- For WL-07, the Finance Committee believes it is too early to say what recognition to Sterling will be appropriate.

Discussion

- Gina noted that the action item is for every customer to get a meter for accounting and usage.
- Gina suggested that the Historical Society should only pay for months that they are open. Norm countered that many homeowners are seasonal and pay year round but noted that the Historical Society is different from a homeowner. Gina added that the Historical Society is essentially a camp since it is not winterized.
- Steve is out of residential meters. He will get new ones ordered and installed as soon as he can.
- Norm noted that the storage tank is a particular eye sore for the Simmons. Painting would be very expensive, but perhaps some landscaping could be done in the future. Christina added she thinks the Simmons should get the water fee waived until the property changes hands, but in any case landscaping is something strongly worth considering. Gina expressed concern with cost. Nicole urged everyone to refocus the conversation as CFD2 is currently not in a position to pay for any improvements.
- Board members present expressed strong agreement in the importance of having every customer metered and having an accurate accounting of fees, credits, and usage by all customers.

8. Other Business

Budget update

- Paula asked if there were any questions about the latest monthly report. [None]
- Paula noted that two customers, including the Craftsbury Academy, are delinquent in their payments. She has reached out to both.

9. Executive Session

The Board entered into executive session at 6:56 pm to discuss contractors' compensation.

- Paula recused herself from the discussion.

The Board left executive session at 7:25 pm.

MOTION: Nicole made a motion to grant Steve Smith a bonus for his work in 2022 in the amount reimbursed by the state. In the event that the state does not provide the funding, then the Board will reconvene to assess what amount, if any, of additional compensation it can provide from its own resources. Gina seconded. Remaining members voted in favor.

Actions Items

- Gina will check in with DEC regarding the status of the Step II Loan application and will arrange for a virtual meeting.
- Jon will complete the final report for the Asset Management Plan in the next couple of weeks.
- Nicole will work with Sterling student to have outdoor shelves built outside Dunbar Hall for empty jug storage.
- Christina will reach out to VLCT to inquire about a lower membership fee.
- The Finance Committee will meet to determine which insurance policy best meets CFD2's needs and budget.
- George will hand-deliver these minutes and any announcements to customers without email.

Upcoming Meetings

The next Regular Meeting will be on **Monday, April 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 2023 meetings.

Call in Details:

Meeting ID: 873 2415 2544

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