CHAMPLAIN WATER DISTRICT
ANNUAL MEETING
April 7, 2020 - 7:00 P.M.

AGENDA

IMPORTANT

Presenters and members of the public are asked to participate remotely either by interactive online meeting or by telephone.

Interactive Online Meeting (audio & video): https://global.gotomeeting.com/join/692283485


In both cases, you will have the opportunity both to listen AND speak, as in a regular meeting. We ask for your patience as we make adjustments to this protocol.

Roll Call

Moderator calls meeting to order and reads warning

Approve Minutes of April 2, 2019 Annual Meeting

ARTICLE I - Reports By Joe Duncan, CWD General Manager

A. Champlain Water District Current Activities
B. Capital Reserve Fund
C. Report of Auditors

ARTICLE II - Election of Officers

A. Elect Moderator
B. Elect Clerk
C. Elect Treasurer
D. Elect 1 Auditor (3 Year Term)

ARTICLE III – Capital Reserve Fund Motion

For the fiscal year ending June 30, 2020, shall there be deposited into Champlain Water District’s Capital Reserve Fund created in 1993 unexpended and unencumbered budget appropriations, rate and revenue surplus and water connection fees?

ARTICLE IV - Act on Proposed Budget

A. Wholesale/Retail Budget Presentation
ANNUAL MEETING OF THE CHAMPLAIN WATER DISTRICT
APRIL 7, 2020

The legal voters of the Champlain Water District, a municipal corporation within the County of Chittenden and the State of Vermont, comprising the Towns of Essex, Williston, Shelburne, Colchester, Milton, the Village of Jericho, and the Cities of South Burlington and Winooski are hereby notified and warned to meet at the Champlain Water District Conference Room at 403 Queen City Park Road, South Burlington, Vermont at 7:00 p.m. in the evening, Tuesday, April 7, 2020, to act upon the following business:

ARTICLE I: To hear and act upon the reports of the Officers.

ARTICLE II: To elect all officers as required by the Charter of the Champlain Water District.

Moderator
Clerk / Treasurer
One Auditor (term of three years)

ARTICLE III: For the fiscal year ending June 30, 2020, shall there be deposited into Champlain Water District’s Capital Reserve Fund created in 1993 unexpended and unencumbered budget appropriations, rate and revenue surplus and water connection fees?

ARTICLE IV: To act upon a budget as presented by the Board of Commissioners for the ensuing year in the sum of $8,440,394 Wholesale, and $962,801 Retail Administration & Operations Department, and $311,236 Colchester Town Water Systems Budgets, and appropriate such sums as may be necessary to meet the expenses of the District.

Dated at South Burlington, Vermont February 11, 2020

Signed by: Katherine Chase, Clerk

Board of Water Commissioners
Annual Meeting Minutes
Champlain Water District
April 2, 2019 – 7:00 PM

The Champlain Water District (CWD) held its Annual Meeting at the St. Michael’s College Pomerleau Alumni Center on Lime Kiln Road in Colchester, Vermont on Tuesday, April 2, 2019. The following documents were made available to meeting attendees: Agenda, 2018 Annual Meeting Minutes, CWD background information, Wholesale Capital Reserve Fund Report, Elected Auditors Report, proposed Wholesale, Retail Administration & Operations Department, and Colchester Town Water Systems Operating Budgets for fiscal year 2019 - 2020, and a copy of CWD’s annual report for 2017-2018. In attendance from the CWD Board were Karen Richard, Aaron Martin, Dennis Lutz, Peter Gadue, and Bob Shand.

Moderator, Father Joseph McLaughlin called the meeting to order and read the Warning in its entirety, and the CWD Water Commissioners were introduced.

Father Joe asked for a motion for acceptance of last year’s Annual Meeting Minutes dated April 3, 2018. Jay Nadeau motioned to approve the minutes of April 3, 2018. Anthony Higgins seconded the motion. Father Joe asked if there were any corrections to the minutes, hearing none a unanimous vote was cast.

Father Joe asked for the reports to be presented as called for in Article I.

Jim Fay recognized Jay Nadeau as CWD’s new Retail Superintendent who is John Tymecki’s replacement upon John’s retirement on June 28th. Mr. Fay stated that Mr. Nadeau previously worked for the District for 10 years and CWD is very pleased to have him return as John’s replacement. Mr. Fay then recognized Joe Duncan stating that Joe has been with the District for three years. He was hired as the Director of Projects & Programs/Chief Engineer, and promoted to Assistant General Manager in July of 2018 following Paul Tice’s retirement. Mr. Fay said, given his retirement on June 28th, the CWD Board chose Mr. Duncan as the next General Manager effective July 1st and he is very pleased to have Joe as his replacement.

Karen Richard stated that she wanted to acknowledge Jim Fay and his tenure with CWD. She mentioned the positions that he has held in his 42 years at CWD, including the last 23 years as General Manager, stating the Board’s appreciation for everything he has done for CWD.

Mr. Fay then turned the meeting over to Joe Duncan. Mr. Duncan briefly described the overall CWD organization, and CWD’s award winning optimized water treatment process.

Mr. Duncan summarized the following:

1. Mr. Duncan provided a brief overview of Champlain Water District Chittenden County Service area.


3. Mr. Duncan then reported on CWD’s current activities and capital projects, including CWD’s Pipe Integrity Program (PIP).
The Moderator then requested presentation of the CWD Wholesale Capital Reserve Fund, as of March 31, 2019, and the Auditors Report. Mr. Duncan summarized CWD’s Wholesale Capital Reserve Fund for the period ending March 31, 2019 stating the existing fund balance was $433,206, but this balance would grow to nearly $1M by the end of June with two revenue inputs. The Moderator asked CWD Auditor Peter Frankenburg to read the signed Report of the Auditors for the fiscal year ending June 30, 2019. He read the CWD Auditor’s letter that stated their review of the CWD Annual Audit, performed by A.M. Peisch, indicated everything is in order. Mr. Frankenburg stated that again this year the audit showed an unqualified opinion, with no recommendations for management, which is as good as it gets and a great compliment to staff. Mr. Duncan added that this was the District’s third year in a row that the Auditors did not supply a Management Letter with the Annual Audit as there were no accounting recommendations from the Auditors to improve overall performance.

The Moderator requested a motion for acceptance of all reports presented, Aaron Martin moved acceptance of all reports presented. Dennis Lutz seconded the motion. The vote was unanimous. Copies of these reports are filed in the minute’s book as a permanent record of this meeting.

The Moderator then read Article II and asked if there were any nominations for Moderator. Karen Richard moved to nominate Father Joseph McLaughlin as Moderator, seconded by Aaron Martin. The Moderator asked if there were any other nominations. Hearing none, the Moderator closed nominations. Vote was unanimous. Karen Richard cast one ballot for Father Joseph McLaughlin as CWD Moderator for a 1-year term.

The Moderator asked if there were any nominations for CWD Clerk. Karen Richard moved to nominate Katherine Chase for Clerk, seconded by Aaron Martin. The Moderator asked if there were any other nominations. Hearing none, the Moderator called for a vote and all were in favor of Katherine Chase for Clerk. Karen Richard cast one ballot for Katherine Chase as CWD Clerk for a 1-year term.

The Moderator asked if there were any nominations for Treasurer. Karen Richard moved to nominate Katherine Chase as Treasurer, seconded by Peter Gadue. The Moderator asked if there were any other nominations. Hearing none, the Moderator called for a vote and all were in favor of Katherine Chase for Treasurer. Karen Richard cast one ballot for Katherine Chase as CWD Treasurer for a 1-year term.

The Moderator asked if there were any nominations for Auditor. Karen Richard moved to nominate Peter Frankenburg for Auditor for a three-year term, seconded by Dennis Lutz. The Moderator asked if there were any other nominations. Hearing none, the Moderator closed nominations. Vote was unanimous. Karen Richard cast one ballot for Peter Frankenburg as Auditor for a 3-year term.

The Moderator asked if there were any nominations for Auditor to fulfill the two-year term of Peter Crowley. Karen Richard moved to nominate Laura Kimball for Auditor for a two-year term, seconded by Aaron Martin. The Moderator asked if there were any other nominations. Hearing none, the Moderator closed nominations. Vote was unanimous. Karen Richard cast one ballot for Laura Kimball as Auditor for a two-year term.
The Moderator then requested that all new CWD officers would enter their terms of office at the close of this 2019 Annual Meeting and thanked them for their continued service.

The Moderator read Article III and asked for a motion that for the fiscal year ending June 30, 2019, shall there be deposited into Champlain Water District’s Capital Reserve Fund created in 1993 unexpended and unencumbered budget appropriations, rate and revenue surplus and water connection fees. Motion was made by Dennis Lutz, with a second by Peter Gadue and all were in favor. Mr. Duncan explained that Paul Giuliani, CWD legal counsel, recommended that even though this was approved at CWD’s Annual Meeting in 1993 he recommended that it be included on the Warning each year so there is a clear paper trail for the future.

The Moderator read Article IV. Copies of all budgets and summary materials were made available to attendees. Mr. Fay Duncan the overall wholesale budget and highlighted that the uniform wholesale water rate is proposed to increase from $2.165/1000 gallons to $2.23/1000 gallons. This wholesale water rate increase calculates to an annual cost increase of $4.27 for the average family using 65,700 gallons per year (180 gallons per day). Mr. Duncan explained that if this CWD increase of 6.5 cents per 1,000 gallons is fully passed on, the average Retail water rate will increase an average of 1.36%, with a high of 2.00%, and a low of 0.98%, given the varying retail markups to the CWD uniform wholesale water rate across the twelve CWD served municipal water systems. Mr. Duncan noted that the ten-year annual wholesale rate increase impact for the typical CWD served family using 65,700 gallons per year has been $4.16 per year, or 35 cents per month. This is the rate impact that CWD has been predicting over the last ten years given the consistent, predictable sales we have been supplying. The Moderator then asked for a motion to approve the fiscal year 2019-2020 Wholesale budget of $8,083,274, $837,813 for the Retail Administration & Operations Department, and $274,110 for Colchester Town Water Systems Operating Budgets. Jay Nadeau made a motion to approve the fiscal year 2019-2020 budgets as presented. Motion was seconded by Dennis Lutz. The Moderator then asked if there were any questions or discussion. Mr. Duncan and Mr. Fay answered questions from Patricia Garvey on the District’s capacity and overall general water usage. The Moderator asked for a vote to approve Article IV as presented. Vote was unanimous.

Father Joe asked if there was any other business, hearing none he asked for a vote to adjourn the meeting. Vote was unanimous.

Signed By: ________________________________  
Clerk
CHAMPLAIN WATER DISTRICT

- Chartered by the Vermont Legislature in 1971 as a Municipal Consolidated Regional Water Supply District (Facility “online” April 1973).
- Each member Town/City elects one Commissioner to the CWD Board of Commissioners for a three year term.

<table>
<thead>
<tr>
<th>Present Elected Commissioners</th>
<th>Years of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shelburne</td>
<td>Peter Gadue</td>
</tr>
<tr>
<td>Williston</td>
<td>Liz Royer</td>
</tr>
<tr>
<td>South Burlington</td>
<td>Dennis Lutz</td>
</tr>
<tr>
<td>Winooski</td>
<td>Jonathan Stockbridge</td>
</tr>
<tr>
<td>Essex</td>
<td>Aaron Martin</td>
</tr>
<tr>
<td>Colchester</td>
<td>Karen Richard</td>
</tr>
<tr>
<td>Milton</td>
<td>Ron Hubert</td>
</tr>
<tr>
<td>Jericho Village</td>
<td>Robert M. Shand</td>
</tr>
</tbody>
</table>

- Staff of 28 Employees Wholesale / 7 Employees Retail

- **CWD Source**
  - 2500 feet off shore at a depth of 75 feet in the cold, deep, underwater canyon within Lake Champlain’s Shelburne Bay.

- **Water Treatment:**
  - Preoxidation/Zebra Mussel treatment
  - Primary Disinfection to inactivate pathogens
  - Coagulation/Flocculation with adsorption clarification as pre-filtration
  - Deep Bed Multimedia Filtration for particle and natural organic material removal
  - Fluoridation for Vermont Department of Health Dental Division recommendations
  - pH adjustment to consistent, neutral pH
  - Secondary disinfection to ensure safe, effective residual throughout the distribution system, and to reduce formation of disinfection by-products
  - Corrosion control treatment to reduce lead and copper leaching from home plumbing
  - Reliable Capacity - 20 Million Gallons Per Day (MGD)
    - 2018-2019 Average: 9.73 MGD
    - Historical Peak Day: 13.50 MGD

- **Water Storage:**
  - Capacity – 15.5 MG in 19 separate storage tanks

- **Operating Budget:**
  - Wholesale: 2018-19 $7,856,412 Retail: 2018-19 $1,056,950
    - 2019-20 $8,083,274 2019-20 $1,111,923
    - 2020-21 $8,440,394 2020-21 $1,274,037

- **Water Rate**
  - FY 2020-21 - $2.313 / 1000 Gals.

- **Population Served** - ± 75,000
Champlain Water District (CWD) is a regional municipal organization supplying drinking water and fire protection to the following (12) municipal water systems since 1973: South Burlington, Shelburne, Williston, Essex, Essex Junction, Village of Jericho, Winooski, Milton, Colchester Fire District #1, Colchester Fire District #3, Colchester Town, and the Mallets Bay Water Company. This past year CWD celebrated our 20th anniversary of continuing to maintain the Partnership for Safe Water Program’s Excellence in Water Treatment Award criteria. CWD was the first water supplier in North America to receive the Excellence in Water Treatment Award in 1999, and is presently one of 16 water utilities that have attained this level of water treatment optimization, which signifies continuous performance protective of public health. CWD has maintained this level of excellence through successful submission of a comprehensive annual report that is reviewed for water quality test results, as well as demonstration and documentation of the operational tenacity toward continued quality improvement as required by the Partnership for Safe Water Program. The Partnership for Safe Water program utility membership collectively serves a total population of over 100 million people, or two-thirds of the U.S. population using surface water as their source of drinking water. In June of 2015, CWD was chosen as the People’s Choice Award winner as the best tasting drinking water in North America at the American Water Works Annual Conference and Exhibition.

Over the past year CWD has steadily continued its efforts toward completion of its Ten-Year Master Plan (2016-2026). This past fiscal year CWD’s accomplishments are as follows:

- Began Phase II of a water transmission pipe condition assessment plan, titled Pipe Integrity Program (PIP), toward potential replacement of aging underground infrastructure using a GIS based risk prioritization scoring matrix
- Continued to manage a long-term asset management contract with Utility Services Company Inc. for on-going inspection, maintenance, and rehabilitation of (15) of CWD’s welded steel water storage tanks and (2) of CWD’s non-welded steel water storage tanks
- Continued to manage a long-term asset management contract with Utility Services Company Inc. for on-going inspection, maintenance, and rehabilitation of (3) Adsorption Clarifiers and (8) Multimedia Filters at CWD’s Water Treatment Facility
- Continued our annual transmission system valve replacement program
- Completed the rehabilitation and recoating of a water storage tank in South Burlington
- Installed (6) new filtered water wet well pumps in the newly expanded wet well at the Treatment Facility site
- Completed the construction of 1300 LF of 24” pipeline on Farrell Street (Close-In Cross-Tie) to connect two high service transmission mains for reliability and redundancy purposes
- Completed secondary electrical upgrades to allow dual electrical supply to all critical pumping systems for reliability and redundancy purposes
- Replaced (2) aging bulk chlorine storage tanks and installed new concrete containment walls at theTreatment Facility site
- Started the design of a new booster pump station is Essex to improve redundancy and promote operational efficiencies within CWD’s overall transmission system
- Began the design of a new water main loop in the Colchester Town water system to form a redundant feed and draw line to the Colchester South Tanks while addressing water quality issues along Orion Drive
- Began the second phase of a Site Master Plan to optimize the remaining water treatment facility acreage
- Continued investment with Efficiency Vermont to optimize daily energy usage and reduce overall annual electrical costs
- Continued implementation of a long-term asset management database system for all CWD property, plant, and equipment
- Completed construction on the full replacement of a wholesale master metering vault in Milton

We thank our employees and elected officials for their effort, support, and dedication in allowing CWD to be proactively managed and operated to supply a drinking water product protective of public health. As always, we welcome groups of any size to tour our facility. Please call 864-7454 to arrange a tour, or if you have questions, or need further information on CWD.

Respectfully Submitted,
Bob Shand, Chair CWD Board of Water Commissioners
Joe Duncan, CWD General Manager
Capital Reserve Fund Balance as of July 1, 2019  $248,876

Revenues

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Earned</td>
<td>$1,984</td>
</tr>
<tr>
<td>Connection Fees</td>
<td>$675</td>
</tr>
<tr>
<td>Encumbered Cash for Capital Reserve - from Wholesale Budget</td>
<td>$325,000</td>
</tr>
<tr>
<td>Audited Surplus Fiscal Year 2018-2019</td>
<td>$607,442</td>
</tr>
<tr>
<td>Audited Surplus Not Yet Transferred to Capital Reserve</td>
<td>($300,000)</td>
</tr>
</tbody>
</table>

Total Revenue Year To Date FY ’19-'20  $635,101

Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicle Purchase</td>
<td>$107,282</td>
</tr>
<tr>
<td>Filtered Effluent Pump System Upgrade</td>
<td>$419,713</td>
</tr>
<tr>
<td>Milton Meter Vault</td>
<td>$100,407</td>
</tr>
<tr>
<td>Plant Valve Actuator Replacement Program</td>
<td>$5,860</td>
</tr>
<tr>
<td>Well #7 Meter Vault</td>
<td>$78,060</td>
</tr>
<tr>
<td>Pipe Integrity Program - Phase I</td>
<td>$14,500</td>
</tr>
<tr>
<td>Transmission System Valve Replacement</td>
<td>$20,798</td>
</tr>
<tr>
<td>Double Diamond - Exit 16</td>
<td>$2,095</td>
</tr>
<tr>
<td>Filter #7 Rehabilitation</td>
<td>$160,260</td>
</tr>
<tr>
<td>Essex West Pump Station</td>
<td>$90,631</td>
</tr>
<tr>
<td>Spear Street PRV</td>
<td>$4,000</td>
</tr>
<tr>
<td>Allen Road Meter Road</td>
<td>$32,736</td>
</tr>
<tr>
<td>T-Rex</td>
<td>$72,763</td>
</tr>
<tr>
<td>Old Filtered Water Tank Rehab</td>
<td>$12,001</td>
</tr>
<tr>
<td>Colchester South Tank Loop</td>
<td>$21,336</td>
</tr>
<tr>
<td>Overall Site Planning</td>
<td>$45,580</td>
</tr>
<tr>
<td>Colchester South Tank Concrete Painting</td>
<td>$16,000</td>
</tr>
<tr>
<td>Close-In Cross-Tie - SRF</td>
<td>$4,960</td>
</tr>
</tbody>
</table>

Total Expenses Year To Date FY ’19-'20  $1,208,980

Capital Reserve Fund Balance as of March 31, 2020  ($325,004)

SUBMITTED BY JOE DUNCAN, GENERAL MANAGER, AT THE CHAMPLAIN WATER DISTRICT ANNUAL MEETING ON APRIL 7, 2020
February 06, 2020

Board of Commissioners
Champlain Water District
403 Queen City Park Road
South Burlington, VT 05403

Dear Commissioners,

We, the elected auditors of the District, have reviewed the audit report of the Champlain Water District for the year ending June 30, 2019 as submitted by A.M. Peisch & Company.

It meets with our approval.

Board of Auditors
Champlain Water District

Lauren Morrisseau

Laura Kimball

Peter Crowley
Champlain Water District
Proposed FY20-21 Budget Summary

Wholesale

Wholesale Operating Budget
2019-20 $ 8,083,274
2020-21 $ 8,440,394
Delta $ 357,120

Wholesale Rate
2019-20 $ 2.230/1,000 gallons
2020-21 $ 2.313/1,000 gallons
Delta $ 0.083/1,000 gallons

The average family using 65,700 gallons per year will see an increase of $5.45 per year (45 cents/month)

Revenue Side
Account #100 - Water Sales
Existing Budget FY19–20 = 9.4 mgd @ $2.230/1,000 gallons

Expected Actual FY19–20 = 9.5 mgd @ $2.230/1,000 gallons

Proposed FY20-21 = 9.4 mgd @ $2.313/1,000 gallons

Account #120 – Interest
Money that we receive from refunded bonds is allocated to this line item and we have two refunds coming due in FY20-21.

Account #150 – Reimburse Water Supply Fees
Please note that this account is a pass through “wash” against Account #588. July 1, 2018 was the State’s three-year cycle for increasing these drinking water fees but Governor Scott held the line. Per discussions with the Drinking Water and Groundwater Protection Division there is no indication at this time that the fees will be revised but they also noted that anything is possible a year from now. As a result, we are budgeting for a potential fee increase for FY20-21.

Account #170 – Williston Tank Bond Reimbursement
This line item is the reimbursed portion from the Town of Williston for the debt service associated with the Williston North Tank project. It is associated with expense Account #560H and #560I.
Expense Side
On the expense side of the budget, the “Top 10” deviations from FY19-20 and FY20-21 are as follows:

<table>
<thead>
<tr>
<th>Acct. #</th>
<th>Description</th>
<th>FY19-20 Budget</th>
<th>Proposed FY20-21 Budget</th>
<th>Delta</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>525</td>
<td>General Insurance</td>
<td>$153,750</td>
<td>$127,530</td>
<td>($26,220)</td>
<td>Decrease with new provider</td>
</tr>
<tr>
<td>560</td>
<td>Debt Service</td>
<td>$727,700</td>
<td>$1,070,575</td>
<td>$342,875</td>
<td>Debt from recent projects</td>
</tr>
<tr>
<td>589</td>
<td>Current Year Capital Contribution</td>
<td>$925,000</td>
<td>$630,000</td>
<td>($295,000)</td>
<td>Corresponds to debt service increase</td>
</tr>
<tr>
<td>620</td>
<td>Employee Insurance</td>
<td>$727,300</td>
<td>$812,890</td>
<td>$85,590</td>
<td>Rate increases (this year and next year)</td>
</tr>
<tr>
<td>665</td>
<td>Employee Salaries</td>
<td>$2,019,425</td>
<td>$2,121,375</td>
<td>$101,950</td>
<td>BU Contract increases (this year and next year) and new 0.5 employee</td>
</tr>
<tr>
<td>669</td>
<td>Water Treatment Supplies</td>
<td>$401,200</td>
<td>$444,977</td>
<td>$43,777</td>
<td>Increase in unit costs</td>
</tr>
<tr>
<td>672</td>
<td>Equipment Purchase</td>
<td>$105,300</td>
<td>$77,100</td>
<td>($28,200)</td>
<td>Cost savings in required equipment</td>
</tr>
<tr>
<td>682</td>
<td>Booster Pump Station Maintenance</td>
<td>$41,000</td>
<td>$31,000</td>
<td>($10,000)</td>
<td>One less pump and motor inspection required next year</td>
</tr>
<tr>
<td>683</td>
<td>Water Storage Tank Maintenance</td>
<td>$478,000</td>
<td>$569,827</td>
<td>$91,827</td>
<td>Contract Amendment for pressure washing &amp; WST/Jericho inspections; additional non-contract improvements</td>
</tr>
<tr>
<td>690</td>
<td>Physical Security</td>
<td>$0</td>
<td>$23,500</td>
<td>$23,500</td>
<td>New account with items shifted from existing account and new security hardware/software</td>
</tr>
<tr>
<td></td>
<td>Totals</td>
<td>$5,578,675</td>
<td>$5,908,774</td>
<td>$330,099</td>
<td></td>
</tr>
</tbody>
</table>
Retail

Retail Operating Budget
2019-20   $ 837,813
2020-21   $ 926,801
Delta        $ 88,988

Under this budget, the Retail Department provides administrative and operations services to the two CWD owned Colchester Town and Malletts Bay Water Company water systems, as well as contract services to the City of South Burlington, Colchester Fire District #1, and the Village of Jericho.

The increase in this year’s budget is primarily related to the proposed addition of 1.5 full-time employees (FTEs): an additional Distribution Maintenance Tech (1 FTE) and a new Customer Service/Utility Billing Assistant to be split 50/50 between Retail and Wholesale (0.5 FTE). The new 1.5 FTEs result in increases to line items 4500 (Employee Salaries), 4510 (Employee Insurance), and 4550 (Employee Retirement). Given the cost increase related to adding the 1.5 FTEs, we are proposing to purchase the new Distribution Maintenance Tech’s truck out of the Retail Department Capital Reserves. That plan allows for the decrease in line item 4710 (Equipment Purchase) from last year’s budget. For the remaining line items there is generally very little change from last year.

It is important to note that the Distribution Maintenance Tech is being added to address the needs in South Burlington related to a combination of aging infrastructure and system growth. It is further noted that it has been over 20 years since we last added a field tech to the Retail Department. Therefore, as shown under the Retail Revenue, the majority of this year’s budget increases are applied to South Burlington.
**Colchester Town Water Systems Operating Budget**

<table>
<thead>
<tr>
<th></th>
<th>2019-20</th>
<th>2020-21</th>
<th>Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 274,110</td>
<td>$ 311,236</td>
<td>$ 37,126</td>
</tr>
</tbody>
</table>

**Colchester Town Water Systems Rate**

<table>
<thead>
<tr>
<th></th>
<th>2019-20</th>
<th>2020-21</th>
<th>Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 4.745/1,000 gallons</td>
<td>$ 5.140/1,000 gallons</td>
<td>$ 0.395/1,000 gallons</td>
</tr>
</tbody>
</table>

*The average family using 65,700 gallons per year will see an increase of $25.93 per year ($2.16/month)*

Under this budget, the Retail Department manages and operates the Colchester Town (CT) and Malletts Bay Water Company (MBWC) water systems.

**Revenue & Expense Side**

**Revenue Line Items 5000 (Residential Water Sales) & 5010 (Commercial Water Sales)**

Water sales are forecasted to be nearly flat as we do not anticipate substantial increases in new demand in the next year.

**Expense Line Items 6040 (CWD Management Fee) & 6070 (Salaries)**

The increases for these line items are primarily associated with the addition of the new 1.5 FTEs.

**Revenue Line Item 5015 (Commercial Assessment) & Expense Line Item 7035 (Transfer to Capital – Assessment)**

This proposed budget includes the planned monthly Commercial Assessment to fund CT’s portion of the debt service for the Colchester South Tank (CST) loop which addresses the CT PCE issue. Loan repayment is anticipated to begin in FY21-22 and this assessment is being implemented in calendar year 2020 so that we have sufficient funds available when the first loan payment is due. Assessment fees collected will be transferred each year to the Capital Reserve and earmarked specifically for annual loan payments for the CST loop debt. Tiered flat assessments based upon usage will be implemented to cover the anticipated annual loan payment.
CHAMPLAIN WATER DISTRICT
FY 2020-2021 BUDGETED WHOLESALE REVENUE OF $8,440,394

Water Sales: 93.80%
Water Supply Fees: 2.33%
Services: 1.44%
Other: 2.43%
CHAMPLAIN WATER DISTRICT
FY 2020-2021 BUDGETED OPERATIONS EXPENSES OF $6,296,447

- Equipment Purchase: 1.34%
- Employee Salaries: 33.69%
- Maintenance: 18.88%
- Computer Maintenance: 1.51%
- Other: 3.01%
- Power & Heat: 17.96%
- Treatment Supplies: 7.07%
- Laboratory: 1.15%
- Employee Ins. & Retirement: 15.39%
COMPARATIVE RETAIL WATER RATES  
Survey Compiled December 2019

The following list represents the cost per 1000 gallons and the annual cost for the Chittenden County average household occupancy (2.4 people per home) multiplied by 75 gallons per day per person for an average household usage of 65,700 gallons per year. The annual cost of water reflects individual characteristics of the communities water rates, i.e. any base rate per quarter, incremental rates based upon usage, or any minimum charges.

<table>
<thead>
<tr>
<th>Water System</th>
<th>Total Cost per 1,000 Gallons (Including any Base Rates)</th>
<th>Annual Cost Average Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>CWD Wholesale (Uniform Rate)</td>
<td>$2.230</td>
<td>$146.51</td>
</tr>
<tr>
<td>City of South Burlington</td>
<td>$4.09</td>
<td>$268.71</td>
</tr>
<tr>
<td>Village of Essex Junction</td>
<td>$4.15</td>
<td>$272.66</td>
</tr>
<tr>
<td>Colchester Town</td>
<td>$4.74</td>
<td>$311.42</td>
</tr>
<tr>
<td>Malletts Bay Water Company</td>
<td>$4.74</td>
<td>$311.42</td>
</tr>
<tr>
<td>Colchester Fire District #2</td>
<td>$4.81</td>
<td>$316.02</td>
</tr>
<tr>
<td>City of Winooski</td>
<td>$5.30</td>
<td>$348.21</td>
</tr>
<tr>
<td>Town of Williston</td>
<td>$5.37</td>
<td>$352.81</td>
</tr>
<tr>
<td>Town of Essex</td>
<td>$5.56</td>
<td>$365.29</td>
</tr>
<tr>
<td>Colchester Fire District #3</td>
<td>$5.66</td>
<td>$371.86</td>
</tr>
<tr>
<td>City of Burlington</td>
<td>$5.94</td>
<td>$390.26</td>
</tr>
<tr>
<td>Town of Milton</td>
<td>$6.48</td>
<td>$425.74</td>
</tr>
<tr>
<td>Town of Shelburne</td>
<td>$6.65</td>
<td>$436.91</td>
</tr>
<tr>
<td><strong>Village of Jericho</strong></td>
<td>$3.27</td>
<td>$214.84</td>
</tr>
<tr>
<td>***Colchester FD#1</td>
<td>$3.45</td>
<td>$226.67</td>
</tr>
</tbody>
</table>

*Bolded water systems are served by CWD

Note: The annual average retail cost of water is $325.54 for the 12 above "bolded" CWD served municipal water systems for a family using 65,700 gallons per year. Of this $325.54 average annual family cost, $146.51 ($12.21/month) is paid to CWD for the uniform wholesale purchase price, and the remaining dollars is retained by the respective CWD served water system.  
**Village of Jericho – Rate does not include Village Tax Rate assessment charge.  
***Colchester FD#1 - Rate does not include bond special assessment charge.