

1 **Town of Richmond**
2 **Special Meeting of Water and Sewer Commission**
3 **Minutes of March 10, 2025**
4

5 **Members Present:** Erin Farr, Bard Hill, Jay Furr
6

7 **Members Absent:** Morgan Wolaver
8

9 **Staff Present:** Manager Josh Arneson, Assistant to the Town Manager Duncan
10 Wardwell, Admin Assistant Linn Caroleo, Finance Director Connie Bona.
11

12 **Others Present:** The meeting was recorded for MMCTV Erin Wagg.
13 <https://youtu.be/NPP4XLpyzB4?si=GJzaGxFBg1u4YniU>
14

15 **MMCTV Video:** MMCTV Erin Wagg, Samantha Ruggles and Heather Hunter from the
16 financial audit team of RHR Smith & Company CPAs.
17

18 **Call to Order:** 6:00 pm
19

20 **Welcome:** Farr
21

22 **Public Comment:** None
23

24 **Additions or Deletions to the Agenda:** None
25

26 **Presentation and Review of FY24 Audit**

27 Timestamp: 0:01
28

29 [https://www.richmondvt.gov/fileadmin/files/Water_Sewer_Commission/Meetings/2025/0](https://www.richmondvt.gov/fileadmin/files/Water_Sewer_Commission/Meetings/2025/03/3a1_Richmond_CTG-SAS_114_Final_24.pdf)
30 [3/3a1_Richmond_CTG-SAS_114_Final_24.pdf](https://www.richmondvt.gov/fileadmin/files/Water_Sewer_Commission/Meetings/2025/03/3a1_Richmond_CTG-SAS_114_Final_24.pdf)
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32 [https://www.richmondvt.gov/fileadmin/files/Water_Sewer_Commission/Meetings/2025/0](https://www.richmondvt.gov/fileadmin/files/Water_Sewer_Commission/Meetings/2025/03/3a2_Richmond_ML24_Final.pdf)
33 [3/3a2_Richmond_ML24_Final.pdf](https://www.richmondvt.gov/fileadmin/files/Water_Sewer_Commission/Meetings/2025/03/3a2_Richmond_ML24_Final.pdf)
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35 [https://www.richmondvt.gov/fileadmin/files/Water_Sewer_Commission/Meetings/2025/0](https://www.richmondvt.gov/fileadmin/files/Water_Sewer_Commission/Meetings/2025/03/3a3_RICHMOND_AUDIT_FY24_FINAL_01-16-25.pdf)
36 [3/3a3_RICHMOND_AUDIT_FY24_FINAL_01-16-25.pdf](https://www.richmondvt.gov/fileadmin/files/Water_Sewer_Commission/Meetings/2025/03/3a3_RICHMOND_AUDIT_FY24_FINAL_01-16-25.pdf)
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38 [https://www.richmondvt.gov/fileadmin/files/Water_Sewer_Commission/Meetings/2025/0](https://www.richmondvt.gov/fileadmin/files/Water_Sewer_Commission/Meetings/2025/03/3a4_FY24_QTR_4_Water_Sewer_Septage_Financial_-_v3.pdf)
39 [3/3a4_FY24_QTR_4_Water_Sewer_Septage_Financial_-_v3.pdf](https://www.richmondvt.gov/fileadmin/files/Water_Sewer_Commission/Meetings/2025/03/3a4_FY24_QTR_4_Water_Sewer_Septage_Financial_-_v3.pdf)
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42 People who participated in discussion: Arneson, Bona, Hill, Farr, Hunter, Furr, Ruggles
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44 Hunter explained that the Water and Sewer Department is considered an enterprise fund,
45 which are self-sustaining and run as a for-profit business entity. They require capital
46 assets, long-term obligations, and accounts receivable. She continued sharing her screen
47 while reviewing the FY24 Water and Sewer budget which starts on page 24 of the FY24
48 budget audit for the Town. Capital assets are property or equipment that are still being

49 paid for or that is owned and can be sold. It was clarified that septage is also treated the
50 same as water, because it's run as a for-profit business, and septage is included in totals
51 for capital assets. Hill mentioned that it's hard to understand how much money we
52 actually have and not just discussing projections. Ruggles clarified that there is a separate
53 cash basis budget, which quarterly shows how much cash you have raised and how much
54 you have paid in operating expenses, this is a separate budget that does not show
55 depreciation for example. Farr wanted to know more about depreciation. Ruggles said
56 that an item needs to be worth over \$5,000 to be a capital asset that depreciates. Bona
57 keeps track of the budget for depreciation of assets. Arneson asked about VMERS, which
58 Hunter said this relates to current employees as well as retired employees and involves
59 actuarial calculations of unfunded liability. Everyone was pleased with the explanations
60 and found it helpful to have the auditors present.

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62

63 **Review and discussion of draft FY26 Water and Wastewater Budget**

64 Timestamp: 0:45

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66 [https://www.richmondvt.gov/fileadmin/files/Water_Sewer_Commission/Meetings/2025/0](https://www.richmondvt.gov/fileadmin/files/Water_Sewer_Commission/Meetings/2025/03/3b1_FY26_Water_Wastewater_budget_Draft_03-10-25_1_.pdf)
67 [3/3b1_FY26_Water_Wastewater_budget_Draft_03-10-25_1_.pdf](https://www.richmondvt.gov/fileadmin/files/Water_Sewer_Commission/Meetings/2025/03/3b1_FY26_Water_Wastewater_budget_Draft_03-10-25_1_.pdf)

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69 [https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.richmondvt.](https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.richmondvt.gov%2Ffileadmin%2Ffiles%2FWater_Sewer_Commission%2FMeetings%2F2025%2F03%2F3b2_FY26_Water_Wastewater_budget_Draft_03-10-25_1_.xlsx&wdOrigin=BROWSELINK)
70 [gov%2Ffileadmin%2Ffiles%2FWater_Sewer_Commission%2FMeetings%2F2025%2F0](https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.richmondvt.gov%2Ffileadmin%2Ffiles%2FWater_Sewer_Commission%2FMeetings%2F2025%2F03%2F3b2_FY26_Water_Wastewater_budget_Draft_03-10-25_1_.xlsx&wdOrigin=BROWSELINK)
71 [3%2F3b2_FY26_Water_Wastewater_budget_Draft_03-10-](https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.richmondvt.gov%2Ffileadmin%2Ffiles%2FWater_Sewer_Commission%2FMeetings%2F2025%2F03%2F3b2_FY26_Water_Wastewater_budget_Draft_03-10-25_1_.xlsx&wdOrigin=BROWSELINK)
72 [25_1_.xlsx&wdOrigin=BROWSELINK](https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.richmondvt.gov%2Ffileadmin%2Ffiles%2FWater_Sewer_Commission%2FMeetings%2F2025%2F03%2F3b2_FY26_Water_Wastewater_budget_Draft_03-10-25_1_.xlsx&wdOrigin=BROWSELINK)

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75 People who participated in discussion: Farr, Arneson, Bona, Hill, Furr

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77 Arneson shared his screen and went through the FY26 budget line by line. Hill asked why
78 are debt and reserves combined in the total? To which Arneson replied, because they're
79 not operational expenses. Bona was asked if she could revise the budget so that operating,
80 total debt, total reserves, and total expenses are separated out, which she agreed would be
81 a useful improvement. Farr thinks the uniform budget should be increased. Arneson
82 explained that by the next meeting he will have a full year of rate data from March 31,
83 2024 to April 1, 2025. Hill asked about labor costs and Arneson said right now it's a 70%
84 and 30% split between water and sewer, because of the installation of the new water
85 meters. Farr asked about the health insurance, which Bona replied that health insurance
86 premiums are budgeted for a year with a two-person coverage even if a position is open.
87 Hill added that the same thing is done in the Town budget, even if a position is only filled
88 for parts of the year. Arneson stated that currently there are \$119,000 in Unrestricted
89 funds, but he thinks this will change in the next month and Cote may decide that a big
90 project is coming up and he would need funds from that account. Hill asked that Cote
91 come to the April meeting about the budget in case he has projects, Arneson mentioned
92 the 20-year study. Bona said it is possible to put funds from Unrestricted funds into the
93 Restricted funds to pay for big projects or it's possible to get a low interest loan. Hill
94 asked that loan percentages be added to the budget sheet.

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97 **Items for Next Agenda:**

98 Sewer sample numbers
99 Water rates
100 March water data
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103 **Adjournment**
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105 *Hill moved to adjourn. Furr seconded.*
106 *Roll Call Vote: Hill, Farr, Furr in favor. Motion approved.*
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109 **Meeting adjourned at: 7:29 pm**
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111
112 **Chat file from Zoom: None**
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114