

EDWARD FARRAR UTILITY DISTRICT

Annual Report

FOR THE YEAR ENDING DECEMBER 31, 2022



The 2022 Annual report is dedicated to Clerk and Treasurer
Carla Lawrence for her 13 years of faithful service.

INFORMATIONAL MEETING: THURSDAY, MAY 4 AT 7PM,
STEELE COMMUNITY ROOM AND ALSO VIA ZOOM.

PLEASE BRING THIS REPORT TO THE ANNUAL MEETING OF
THE EDWARD FARRAR UTILITY DISTRICT WEDNESDAY,
MAY 10 AT 7:30PM, STEELE COMMUNITY ROOM.

This 2022 EFUD annual report is dedicated to retiring EFUD Clerk and Treasurer Carla Lawrence for her outstanding service to the EFUD customers and the Waterbury community. Carla was elected Waterbury Village Clerk and Treasurer in March of 2009 and served faithfully and with distinction until July 2018 when the Village was dissolved. In July 2018 Carla was appointed the first Edward Farrar Utility District (EFUD) Clerk and Treasurer serving until retiring in July 2022. For 13 years Carla served the District residents answering their questions, running the elections, keeping their records all with a smile and a kind word. During this time Carla also served as the Waterbury Town Clerk and Treasurer performing similar duties including registering their dogs all with professionalism and a friendly attitude. Carla performed the duties of 4 positions simultaneously for 13 years for the equivalent of 52 years of service to Waterbury.

Carla best wishes in your retirement and thank you for your faithful service.

Carla
Best Wishes
J Hop

Thank
Bob E.

GREAT JOB
LAWRENCE SAYA

Many Thanks, Natalie
Carla -
With Gratitude.
Cindy Lewis

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**WARNING OF THE ANNUAL MEETING
OF THE
EDWARD FARRAR UTILITY DISTRICT
MAY 10, 2023 7:30 P.M.**

The inhabitants of the Edward Farrar Utility District who are legal voters in the District are hereby notified and warned to meet at the Steele Community Room at 28 North Main Street, Waterbury, Vermont on **Wednesday May 10th, 2023 at 7:30 P.M.** in the evening to act on articles 1 through 7 listed below.

The legal voters of the Edward Farrar Utility District are further notified that voter qualification, registration and absentee voting relative to said meeting shall be as provided in Chapters 43, 51 and 55 of Title 17, Vermont Statutes Annotated.

A public information meeting will be held in person and by Zoom, to allow for questions and discussions on these matters, on **Thursday May 4th, 2023 at 7:00 p.m.**

Join Zoom Meeting
<https://www.zoom.us/join>
Meeting ID: 846 6792 6742

Dial by your location
1 309 205 3325 US
1 312 626 6799 US

ARTICLE 1: To act on the reports of the officers of the Edward Farrar Utility District.

ARTICLE 2: To elect by Australian ballot the following officers: Two District Commissions for a term of one year; and one District Commissioner for a term of three years

ARTICLE 3: Shall general obligation bonds of the Edward Farrar Utility District in an amount not to exceed seven hundred fifty thousand dollars (\$750,000), subject to reduction from the receipt of available state and federal grants-in-aid, be issued for the purpose of acquiring, replacing, and constructing municipal water system improvements, namely replacement of approximately 2,000 feet of water line that runs from the Blush Hill Water Reservoir towards Kennedy Drive?

NOTE: THE POLLS FOR VOTING BY AUSTRALIAN BALLOT ON ARTICLES 2 AND 3 WILL BE OPEN FROM SEVEN O'CLOCK IN THE FORENOON TO SEVEN O'CLOCK IN THE AFTERNOON ON WEDNESDAY MAY 10TH, 2023 AT THE WATERBURY MUNICIPAL OFFICE, AT 28 NORTH MAIN STREET IN WATERBURY.

ARTICLE 4: To set the compensation of the District officers for the ensuing year.

ARTICLE 5: To see if the District will authorize the Commissioners to borrow a sum of money by note, for a period not to exceed five years, to make improvements to the water system.

ARTICLE 6: To see if the District will authorize the Commissioners to borrow a sum of money by note, for a period not to exceed five years, to make improvements to the wastewater system.


ARTICLE 7: To do any other business that may legally come before the meeting.

Dated at Waterbury, Vermont the 6th Day of April, 2023.

by Edward Farrar Utility District Commissioners



P. Howard Flanders, Chair



Robert Finucane



Lawrence Sayah

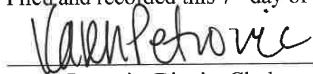


Cynthia Parks



Natalie J. Sherman

Filed and recorded this 7th day of April 2023



Karen Petrovic, District Clerk

**EDWARD FARRAR UTILITY DISTRICT
ELECTED OFFICIALS**

	Term Length	Term expires
P. Howard Flanders	3 years	2024
Natalie Sherman	1 year	2023
Lawrence Sayah	1 year	2023
Robert Finucane	3 years	2023
Cynthia Parks, P. E.	3 years	2025

APPOINTED OFFICIALS

Tom Leitz	District Manager
Karen Petrovic	District Clerk and Treasurer

The Edward Farrar Utility District Commissioners meet on the second Wednesday of the month at 4:30pm at the Municipal Office and via Zoom.

For meeting agendas, minutes, and Municipal contact information, please visit the Municipal website at <https://www.waterburyvt.com/boards/utility>

2022 The Year of Change and Transition

EFUD Commissioners Report

The year of 2022 turned out to be a year of change and challenges for the EFUD Commissioners and staff. The fiscal year for EFUD ends on December 31 and our Annual meeting is held on the second Wednesday in May to provide separation from Town Meeting held on the first Tuesday in March. Because of important circumstances the Commissioners will be reporting on events that occurred in 2023 and information from those events rather than waiting until May of 2024.

Early in 2022 long time Town and District Manager William "Bill" A. Shepeluk announced his retirement date of December 31, 2022. The EFUD Commissioners worked with the Selectboard to interview candidates and selected Thomas Leitz as the new Town and District Manager. Tom began work as the Deputy Manager on November 1, 2022 to learn from Bill the workings of the Town and District before Bill's retirement. Bill served 34 years as Waterbury Town Manager beginning in March of 1988 as Waterbury Village Manager and Waterbury Town Manager. One of the important historical legacies Bill gifted Waterbury with his detailed annual reports summarizing the important events of the previous year that are published in the Town, Village and District annual reports. In future years these reports will provide detailed background information to help future leaders and elected officials understand and appreciate the decisions that were made in the past. Please read Bill's final annual report providing a detailed summary of 34 years of accomplishments in managing and caring for the Village and now District Water and Sewer System.

The District Clerk and Treasurer Carla Lawrence retired on November 30, 2022. Carla had served 13 years as Village Clerk and Treasurer beginning in 2009 and continuing as the EFUD Clerk and Treasurer when the Village was dissolved in 2018. Carla performed her duties professionally with a helpful attitude and a smile. We have missed Carla and wish her well in retirement. Carla also served as Waterbury Town Clerk and Treasurer during that time as well. Former billing clerk Karen Petrovic was appointed as EFUD Clerk and Treasurer replacing Carla. Town employee Diana Calle is ably filling that position.

The chief operator Pete Krolczyk of the waster water treatment facility also decided to retire in October 2022 after 19 years of service to Waterbury. Pete took pride in the operation and maintenance of EFUD's waste water treatment facility and collection system Pete was awarded the Wastewater Operator Excellence Award in 2019 by the Green Mountain Water Environment Association. Pete was an innovator implementing and searching out creative ways to save energy and promote efficiency in all phases of the treatment and collection system. Pete was licensed as both a Waste Water operator and a Water Treatment Operator. Matt Jones is now the licensed operator hired in 2020 and his assistant Tony Millis who is in training to be a licensed operator.

At the Water Treatment facility Scott Guyette, who had been assistant operator with Bill Woodruff for 11 years and the chief operator for 7 years, left for a different job. Assistant operator Brad Roy also left for a different job in December.

Kenny Ryan and Kyle Guyette have been hired to work at the Earle P. Towne Water Treatment Facility and are training to become licensed operators.

During this transition period the District has been able to maintain compliance with required licensed operators because Manager Bill Shepeluk implemented a program requiring cross training and licensing the staff of the water and wastewater treatment facilities to provide for back up of each other in case of emergencies. This has proved key during these times and helpful to staff in day-to-day operations.

While Waterbury and the EFUD have benefited from stability in staffing and leadership for many years providing oversight over of these critical facilities, there is confidence in the new staff with new skills and creativity to continue the same effective and efficient service on into the future. The key piece in this transition is the leadership and experience of the Public Works Director Bill “Woody” Woodruff. Woody’s lifetime of experience of 40 years working in Waterbury on the streets, roads, water lines, water system and the sewers has provided invaluable knowledge on the infrastructure of Waterbury. Woody is able to lead the staff in demonstrating the professional, efficient and helpful attention to management of these critical services which the District has always provided and in compliance with the regulations.

The Commissioners have confidence that Manager Tom, Public Works Director Bill, WWTF operators Matt and Tony, WTF operators Kenny and Kyle, District Clerk and Treasurer Karen and Billing Clerk Diana will provide the competent level of service for District residents on into the future. We are in good hands, thanks to the service and training of the staff.

The Commissioners through Attorney Joseph McLean have been defending against a claim of adverse possession by an adjacent landowner of a 3 rod square piece of property containing a spring purchased by the Village of Waterbury from James Demeritt on June 1896 for \$75. In preparation for defense of this claim it was necessary to research the history of the Village Water System that resulted in the purchase of this spring and other sources of water on the base of Mt Hunger.

At a Village meeting in 1896 the Village formed a Study Committee of three members former Governor William P. Dillingham, businessman George E. Moody and merchant C. D. Robinson to study the feasibility of a water system to supply the Village. The committee hired Burlington engineer William L. Lang of Lang and Goodhue Hydraulic of Burlington. Engineer Lang studied possible sources of water adequate to provide water sufficient for both domestic use and fire protection. The engineers measured flows from streams and springs in evaluating possible sources. The areas investigated were Crossett Brook in Duxbury, springs and streams on Blush Hill Waterbury, and springs and streams high up on the foot lands of Mt Hunger in Waterbury and Stowe.

The committee recommended purchasing the springs and spring rights located on Mt Hunger six miles from the Village. The Committee then hired Joel Foster the Water Superintendent of Montpelier to design the water system of source, collection piping, reservoirs and distribution system. The first spring purchased was that of Charles Stevens in deed dated January 22, 1896. The Village purchased a piece of land 3 rods square around the spring. This spring has continued to provide water by gravity in the Village system since that time and continues to provide a source of water today.

This spring was the subject of an adverse possession claim by the adjacent owner that Commissioners defended through Attorney Joseph Mclean of Stitzel, Page & Fletcher, P.C.

The Commissioners approved a settlement agreement negotiated through mediation in April 2023, that when approved by the courts will reinstate all the rights identified in Jan 22, 1896.

This effort and research reinforced the wisdom of the Committee making those decisions that impact the future of Waterbury for centuries. All the residents served by the water system have benefited from their wisdom as will future residents for generations.

While the staffing changes have been a challenge, the District completed a number of projects during the year. At the 2022 annual meeting it was approved that the District would transfer four pieces of property not used by the District to the Town of Waterbury. That transfer was completed.

The commissioners also proposed at a special meeting to sell the .8 acre municipal lot at 51 South Main street, location of the former Municipal office, to Downstreet Corp to be developed for affordable housing. District residents voted at a special meeting on October 24, 2023 - 208 yes to 69 no to approve the sale of the property. Downstreet is now securing financing and preparing preliminary plans and we expect the property to be transferred by the end of the year.

The Commissioners adopted new water regulation through updated Water and Sewer Regulations for the EFUD.

The Commissioners have agreed to take ownership of the Duxbury Moretown Fire District water system when the current legislature approves the dissolving of the Duxbury Moretown Fire District. EFUD has a current agreement with Duxbury Moretown FD to provide maintenance and billing services for them. When the Moretown Fire District is dissolved, EFUD would become owner of the water line and rights of way.

In closing the Commissioners and District residents extend our sincere appreciation to all of the former staff who have retired or have moved on to a different job in their career. We wish them and their families well in their retirement or their new careers.

A special thanks from the Commissioners and residents of Waterbury to Bill Shepeluk for serving a major part of his career protecting the health and welfare of all Waterbury residents. Bill's service is appreciated and the decisions he made, recommended and supported will benefit and serve Waterbury for decades. Thank you from all of us and best wishes for happy retirement.

We look forward Manager Tom Leitz's continued career in service to Waterbury and the District and have confidence his skills and abilities to continue the successful path for Waterbury. The Commissioners are committed to continued assistance and support of Tom in the future of Waterbury.

Edward Farrar Utility District Commissioners

P. Howard Flanders, Robert B. Finucane, Cynthia Parks, Natalie Sherman and Lawrence Sayah

District Managers Report I

It is nearing the end of March, 2023, as I sit to write this my last Manager's Report for the Edward Farrar Utility District. I believe it fitting that I finish my career here writing about this municipality, which not too long ago was known as the Village of Waterbury. The Village, now EFUD, truly is the engine that drives economic opportunity in Waterbury. Without its water and wastewater systems, the Town of Waterbury, as we know it today, would not exist.

When I came here in March of 1988, the Waterbury Wastewater Treatment Plant was "in significant violation" of its discharge permit. In other words, the treatment plant was not working properly and it needed to be fixed. A few months later, as a result of unusually dry conditions, the Village's surface water supply could not provide adequate water for the customers of the water system. A backup well in Rusty Parker Park was found to be contaminated with benzene and water from another well at Demeritt Place had high levels of iron and manganese. While the Village was able to adequately and safely reduce the volume of contaminants to safe levels, allowing the backup sources to be used for a time, it was clear new, permanent sources of water needed to be found, developed and brought on-line. Thus began a 35 year journey for me to understand the needs and workings of Waterbury's municipal water and wastewater systems.

Most know the Village built a state of the art water filtration and treatment plant in the early 1990s to treat surface water sources. At the same time the "Sweet's Field" was purchased and several deep, rock wells were drilled there. In addition, wells were drilled in the watershed near the intake dams. The Village issued \$4.36 million in bonds to move the project forward. The bonds also financed the replacement and upgrading of miles of its water transmission and distribution mains. Finally, with the completion of the Main Street Reconstruction Project, the last of the water pipes pushing 100 years old were replaced.

Thirty years ago, when the Village of Waterbury was in the midst of planning and implementing the upgrade of its water mains, especially the transmission mains that come through Waterbury Center, the private Luce Water System was having its own difficulties with its water sources and its distribution mains. That system served about 100 residences and a few businesses. The improvements necessary to keep that system operating safely were too expensive for its owner/operator and even for its customers and rate payers to afford.

In the end, the Village of Waterbury took an unselfish and neighborly action to pledge its full faith and credit to issue \$170,000 in bonds to gain access to about \$370,000 of state and federal grant funds to finance a \$540,000 project to make the necessary improvements. To obtain funding offered to finance the project, the Village agreed to take ownership of the upgraded system, agreeing to operate and maintain it. Those who connected to the system became customers of the Village Water Department. Those customers, however, are charged a premium on their quarterly water bills to offset a portion of the costs related to the issuance of those bonds. In the end, the private Luce Water System ceased to exist and its owners were relieved of all obligations of operating a public water system. This is an example of government working at its best, making "winners" of all parties.

To gain a complete perspective of the importance of the Village of Waterbury and EFUD, the significant improvements made over the last three decades to the sewerage system and wastewater treatment plant cannot be overlooked. Threats to public health have been dramatically reduced over time by these improvements and simultaneously, the environment and especially our local waterways, have become cleaner and healthier.

In early 1988, the Vermont Department of Environmental Conservation issued to the Village of Waterbury the equivalent of a court order demanding compliance with the discharge permit the state had previously issued to the Village of Waterbury. As it was, the treated wastewater being discharged into the Winooski River was not meeting standards and the effects on the river and its aquatic environment were deleterious, in violation of the Clean Water Act of 1972. The order required the Village to comply with the conditions of its discharge permit or face civil and criminal penalties. No new connections to the sewerage system would be allowed until discharges complied with all permit conditions.

The Village Trustees directed staff to take bold actions to correct the problems. Waterbury resident Tom Nesbitt led a team of engineers from Dufresne-Henry to find solutions. Working with the team from D-H and the regulators from the state, the Village gained cooperation from Ben & Jerry's, to get a pre-treatment facility built at its ice cream manufacturing plant. The pre-treatment process significantly reduced the strength of the dairy waste entering the public sewage treatment system. That was a big step in the right direction, but the Village took additional actions to improve the process. A new aeration system was designed and installed at the treatment plant and tons of organic sludge were removed from the treatment lagoons. A plan for systematic monitoring and removal of the accumulating sludge was developed and implemented.

The most consequential improvement made to the wastewater treatment plant, since its initial construction circa 1980, was the design and installation of the CoMag© system for the removal of phosphorus, which came on line in the fall of 2014. Even today, nearly 10 years after the commencement of its construction, Waterbury is the only community in the state that employs this unique and very effective phosphorus removal equipment.

The water-sewer commissioners and trustees of the Village of Waterbury and staff members Alec Tuscany, Pete Krolczyk, with a little assistance from the municipal manager deserve high marks for their perseverance to bring on line the best and most cost effective phosphorus treatment process available. As Trustee and Water Sewer Commissioner Skip Flanders is fond of quoting, "the good things take longer".

It was in the first two or three years of the 21st century when the state's Agency of Natural Resources first took steps to direct the Village of Waterbury to lower the concentration and total pounds of phosphorus being discharged to the Winooski River from its wastewater treatment plant. Given federal and state law in place at the time, federal dollars granted by the state to the Village of Waterbury would pay for 100% of the costs of equipment or treatment processes required to be installed or constructed in order to lower the discharge of phosphorus to acceptable levels. The Village's obligation in this arrangement simply would be to operate the improvements in to meet permit requirements and to pay the costs of the proper operation and maintain the system in perpetuity.

On its face, it could be viewed as a good deal for Waterbury. The village's management team and public works staff had concerns, however. They had knowledge of the significant costs, in terms of dollars paid to contractors and in staff labor, required to handle the sludge produced by the treatment of the organic waste held in the aerated lagoons. The state wanted the village to add chemicals to the wastewater to precipitate or "drop out" the phosphorus within the lagoons themselves. In effect, the recommended process would have generated additional sludge to be built up in the lagoons along with the organic sludge already falling to the bottom. The frequency of lagoon "cleanouts" and the volume of sludge needing to be handled, transported and disposed would have increased exponentially. The costs in dollars and in human resources would have been unsustainable.

The Village of Waterbury pushed back and engaged in discussions with the state on many levels in order to get the best outcomes for the environment at the most reasonable costs possible to the system and its

ratepayers. The state's proposal for in lagoon chemical precipitation was going to cost \$200,000 to put in place. The village staff believed it could cost that much, perhaps twice a decade or more, to remove phosphorus and organic sludge if the state's proposed method was implemented and we knew the costs of managing and disposing of all that sludge would only grow as time passed. It was not a good deal for the village.

In late 2004, staff asked the water-sewer commissioners to allow the village to work towards different and better solutions that would be far more cost effective in the long run. We hired Dufresne-Henry again as a consulting engineer to look at the requirement to reduce phosphorus and to develop a process to do it that was the most cost effective over the life of the improvement. Unless the village was going to fund the engineering study on its own, the state had not only to be convinced to allow the study to take place, but to pay for it as well.

The water-sewer commissioners and the staff prodded and cajoled staff members of the Department of Environmental Conservation. They lobbied and wrote letters to the Commissioner of the Department of Environmental Conservation, the Secretary of the Agency of Natural Resources, members of the Vermont General Assembly and the Office of Governor. In the end a bill was passed requiring a cost-benefit analysis to be conducted for all environmental improvement processes that would be funded with state and federal dollars and, most importantly, the costs for the entire process had to be analyzed over the life-cycle of the improvement.

After the law passed, the legislature had to figure out how to fund our project and many others across Vermont, as well. The state's obligation to pay for the installation of equipment and the construction of a treatment process to remove phosphorus from Waterbury's wastewater effluent jumped from \$200,000 to a multi-million-dollar project. It took time and effort, as well as an interruption by Tropical Storm Irene that generated a little more money. Finally, in 2012, after the Village of Waterbury approved a \$355,000 bond issue to fund some necessary upgrades at the plant that were not directly connected to the removal of phosphorus, the state found enough federal funding to allow the process to go forward. Construction began in earnest in 2013 and the treatment plant improvements, along with the CoMag® process was commissioned in November of 2014. The total cost of the project was about \$8 million dollars, including the Village's share that ended up about \$210,000.

I am very happy to report the CoMag® system is working quite well and am very pleased with the dramatic and significant reduction in phosphorus being discharged into the river and ultimately to Lake Champlain from the EFUD wastewater treatment plant. Prior to the upgrade, phosphorus concentrations were 8 mg/l and the discharge of phosphorus from the plant was about 2 tons per year. Today, thanks to Pete Krolczyk our recently retired chief operator, Matt Jones and Tony Millus, the present operators, along with Public Works Director Bill Woodruff and Municipal Engineer Alec Tuscany, this gem of a treatment plant is the envy of many communities around the state. It now is discharging about 90 pounds of phosphorus to the river each year, as the concentration level of phosphorus has dropped to as low as .02 mg/l. Just as was the case with the improvements made to the water system in the early 1990's, the completion of this project is a testament to good government in action and the quality of its operation is a testament to the committed municipal employees who labor to make it work and run well each day of every year. Thanks guys!

EFUD's water and sewer systems are governed by an elected 5-member commission, all of whom are generally volunteers, but the systems are professionally managed and operated. A trained, licensed staff performs all the day to day operations and they report to a full-time management team that develops and

executes an operational budget designed to insure the systems' compliance with rules, regulations and state law.

The EFUD commissioners took several significant actions and moved important projects forward in 2022. First, EFUD has continued to take steps to move away from operations related to its former "general government" status as the Village of Waterbury and towards a more limited government status—a water-sewer utility. Last year, EFUD voters authorized the District Commissioners to transfer four parcels of land, none of which was necessary for the operation of the water or sewer systems, to the Town of Waterbury. In addition to a tiny parcel near the Round About where a "Welcome" sign stands, the transferred parcels included the land on which Rusty Parker Memorial Park is situated, the Elm Street Parking Lot and a 40 acre parcel on River Road where the Ice Center, other recreational facilities, and a materials storage area are located. In a separate action, EFUD voters approved the sale to DownStreet, for an affordable housing project, an 8/10ths acre lot at 51 S. Main Street, where the municipal offices were formerly located.

The sale of 51 S. Main Street is notable. Waterbury's Town Plan, as written by its planning commission and adopted by the select board, prioritizes affordable housing as a major goal for the community. The EFUD Commissioners consulted with DownStreet to determine whether an affordable housing project was feasible on that site and if DownStreet could find the financing to develop the project. DownStreet was a willing partner and the EFUD Commissioners undertook a public process to determine whether or not the community supported the project. The commissioners included the discussion of the project at several of its monthly meetings in 2022 and two public information meetings, specific to the proposal, were held, as well.

EFUD has maintained a "General Property Management Fund" to pay for maintenance and other expenses related to the ownership of those five parcels. With the transfers and sale of those properties, the 2022 year-end balance of \$97,400 in that fund can be freed up for other uses that may be important to EFUD. Another \$138,000, the proceeds from the sale of 51 S. Main Street, to be received when the sale to DownStreet "closes", can be added to the existing balance of the General Property Management Fund, allowing about \$235,000 in total to be redirected for other uses.

With the assistance of Bill Woodruff, Public Works Director and Alec Tuscany, Municipal Engineer, the commissioners spent considerable time in 2022 and early 2023 working on amending the district's sewer and water ordinances. In addition to spelling out operating standards for the water and sewer departments, these documents provide standards property owners need to meet in order to be connected to these systems. Among other things, the ordinances regulate against leaks within the property owned by customers and they regulate the composition and characteristics of sewage being discharged to the sewerage system. The waters of the state are a public trust and the district must ensure that its use of the resource is in the public's interest.

During my long tenure in Waterbury, significant changes have taken place concerning the "mix of uses" and the variety and types of users of these two utilities. In the 1980s and 1990s, the State of Vermont was far and away the largest consumer of water and generator of wastewater for each of the utilities. For both systems, almost all of the use was domestic—used by homes, offices and institutions like hospitals and schools.

Ben & Jerry's had arrived in the mid-1980s and its water use helped drive the water shortage that occurred in 1988. More significantly, its wastewater which included dairy and food by-products of ice cream production, contributed to the inability of the treatment plant to adequately process and clean the Village's wastewater. Over time, more and more of the water usage and sewage discharges moved away

from domestic toward light industrial and in particular to use by food processors, restaurants, and now toward breweries. The discharge of high strength BOD, especially from breweries and the discharge of fats, oils and grease (FOG) from restaurants has become a significant challenge for the sewer system. The upgrade of the wastewater treatment plant to remove phosphorus is partly due to the changing composition of the influent needing to be treated.

The commissioners spent a great deal of time re-writing the sewer ordinance to address these issues. First, the ordinance requires the generators of the high strength BOD and phosphorus to remove as much of it as possible before it is discharged to the system. Ben & Jerry's has been pre-treating its dairy waste since the 1990s. The operators of the several breweries in Waterbury "side stream" as much of their process waste and wash water as possible, working with farmers who can use by-products as feed. Restaurants are encouraged to put cleaning procedures in place to eliminate as much FOG as possible from their wastewater. In addition, they are required to have adequately sized grease traps to prevent as much of the remainder from entering the sewerage system where it can clog pipes and pumps. All of these efforts are intended to require the generators of this waste to pay for its treatment or disposal, relieving rate payers the burden of higher maintenance and operating costs.

While the commissioners have taken the tack to force the high-volume users of water and the generators of difficult to treat wastewater to pay their fair shares of operating costs, they still have to address the fact that costs to operate the two systems have outpaced revenue, particularly over the past 5 years. Unfortunately, this situation will have to be resolved through rate increases. The commissioners raised sewer rates by 5% in May 2022, but it is safe to say additional increases are in the offing for both water and sewer rates.

Several factors are at play and some had their genesis with the flooding that occurred in 2011 as a result of Tropical Storm Irene. As noted above, the state complex was historically the largest user of water and sewer services in Waterbury. In the wake of T.S. Irene, 1,200 workers were taken out of Waterbury over one weekend. Except for what was used in the cleanup process, water usage and sewer discharges dropped to near nothing in the fall of 2011 and water-sewer revenue generated at the complex plummeted. The new state complex was not completed and occupied until the late fall of 2015, so its water and wastewater use remained quite low for several years, depleting cash balances in the water and sewer funds.

Though warranted by the revenue loss, the water-sewer commissioners decided it un-wise to raise utility rates during the time when so many residents and businesses were struggling to rebuild or repair property damaged by the flood. And it must be remembered, more than one-third of all buildings in the Village suffered significant damage. Most of the property owners incurred substantial out of pocket expenses to make repairs, while at the same time suffering losses of income, whether in wages or business revenue.

When the state complex finally did come back on line, all of its internal plumbing had been modernized. Low flow fixtures had been installed and, as importantly, staffing levels were cut dramatically. Those factors combined to cut water usage even more from historic levels. Without an increase in rates, water revenue generated at the complex remained at historically low levels.

In addition, the state's old sewerage system, including a pump station that had been located right next to the river was abandoned and a new one was built in its place. Roof drains and foundation drains existing in the old complex that were piped through the sewer meter at the old pump station are not design components of the new buildings. As a result, wastewater flows from the state complex into our system has dropped even more significantly than did water usage, negatively affecting revenues.

In early 2020, eight years or so past the crisis brought by the flood, the commissioners were set to raise water and sewer rates to begin to close the gap between expenses and revenue. The COVID-19 pandemic struck in March of that year and normal life screeched to a halt here once again, as the economy all but shut down. Never had any of us experienced a time of such uncertainty about public health and the impacts to economic well-being was unknown.

The commissioners decided rates could not be increased as planned, but they went further, deciding to waive water and sewer base charges. In addition, fees for late payments were waived and interest rates on customers' balances that were in arrears were lowered. Just as in the crisis caused by the flood, these actions taken by the commissioners left money in the pockets of residents and business owners in times that were quite uncertain. The action "cost" the two utilities a quarter million dollars, but likely helped EFUD's customers to better weather another storm, allowing them to rebuild their lives and livelihoods.

While hundreds of additional customers have been added to the water system over the past three and a half decades, total daily water consumption across the system has remained flat. Just as was so in 1989, Waterbury's water customers use 325,000 – 400,000 gallons per day (gpd). The sewer system has added many customers over that time, too. It has the capacity to treat 510,000 gpd and prior to 2011 was treating upwards of 325,000 gpd. As stated above, a significant portion of the volume of wastewater was from inflow and infiltration to the system that ran through the state's meter. Today, with the improvements at the state complex and the continued addition of low-flow fixtures across the system, the treatment plant processes fewer than 300,000 gpd when the plant runs, but as it no longer operates 7 days a week, its average daily flow is in the low 200,000 gpd range.

The new plumbing standards and conservation measures encouraged by the commissioners are working! That we are using no more water and that we are generating less wastewater than we did 30 years ago, while at the same time we are serving greater numbers of customers, is a good thing. Water is our most precious resource and taking less from surface and ground water sources is a win for all of us and the environment we call home.

While the reduction in water consumption and the related decline in the generation of wastewater is welcome news, costs for labor, chemicals, electricity, and all manner of other supplies are rising. We are paying much more to provide less water to our customers and we are paying more again to collect and treat the wastewater before discharging it back to the river. More revenue must be generated in both systems to continue doing these critical jobs.

Consideration is being given as to how new customers can be added to the systems – the sewer system in particular. Spreading costs across a greater number of users can help keep rates lower for all. Developing new customers is a long game, however, and it will be quite some time before significant revenues can be generated in that fashion. So, the time has come "to pay the piper", and as such, water and sewer rates must be increased, likely this year and again in years ahead.

There is so much more I could write about concerning these two critically important utilities. It is time for me to move on, however, to allow Tom Leitz, our new municipal manager and utility district manager to take the reins of the district. I am confident he will continue to insure smooth day to day operations of the two utilities. I expect he will work hard to plan and direct the infrastructure projects that presently lie right before the community. Several critical projects are in the offing and moving them forward to completion will insure continued opportunities for businesses to prosper and for housing stock to be expanded and improved in our community.

While good management and direct day to day involvement by the professional staff is necessary to accomplish the tasks listed above, continued good governance of the system is IMPERATIVE if we expect the successes of the past to be carried on into the future. The Village of Waterbury and now EFUD, have been extremely fortunate to have had a number of highly qualified and motivated individuals step up for election to serve as commissioners of the water and sewer systems. Collectively, the five current members of the EFUD board of commissioners have 79 years of service on elected water or sewer boards. Their dedication is outstanding and admirable, but none of them are younger than 65 years of age!

Across the river, no one has stepped up to be elected to the Prudential Committee of the Duxbury-Moretown Fire District. That public water system has no governing board at present and is fortunate EFUD is willing to continue operating that system supplying it with water, by honoring an agreement made with the Fire District some years ago. Within the next year or so, it is likely EFUD will have to take ownership of the water system of that now leaderless municipality, taking on its 100 or so connected users as customers of the EFUD water system.

Who stands ready to take the leadership of the EFUD water and sewer systems in the next few years? Skip Flanders has served as the chairperson of the water system for 35 years now and has been involved in overseeing the sewer system since 1993. Bob Finucane has been an elected official overseeing water and sewer operations in two separate stints for a total of 24 years and Cindy Parks has served that board for 10 years. Lefty Sayah and Natalie Sherman are relative newcomers to the governance of utility systems, both taking on those responsibilities in 2018 when EFUD was created. Both, however, have served as elected Village officials for 29 and 12 years, respectively.

This historical perspective is not intended to suggest that any of these friends and neighbors are too old to serve or that they have served too long. It is meant to suggest, however, they have all done their duty. It takes time to build up some experience to effectively serve on any elected board. I dare say it takes longer when the members of the board have to become familiar not only with budgets and staffing, but also the significant regulatory environments in which water and sewer utilities must operate.

There are many well qualified, young and middle-aged people who live within the EFUD district who can and must find the time to serve their community. They must do so to insure EFUD will have high quality, well-run water and sewer systems well into the future. Three seats on the commission come up for election each year. There is no need to wait until an incumbent decides not to run or until a vacancy occurs on the board before one might express interest. Talk to a commissioner or two about your interest. One or more of them even may be willing to step aside if they knew someone was willing to step up to serve in their place.

Space makes it impossible for me to recount all the names of all the people who have helped me to do this job and to provide service here. I have worked with scores of elected officials who have served on the five boards, in their various iterations, to which I have directly reported. They have all made significant contributions to the community.

I have worked with eight wonderful people who served as Town Clerk or Village/EFUD Clerk during my tenure. We co-labored cooperatively together in all instances. That is not always the case when it comes to municipal clerks working with municipal managers. I am thankful to each of them – Ed Finn, Mary Martin, Barb Lyons, Evelyn Parker, Nicole Boyden, Donna Centonze, Carla Lawrence and now Karen Petrovic. A special thanks goes out from me to Carla and to Karen who served with me and assisted me during my last year when I transitioned toward retirement. My only regret is the too short time I got to work with Karen in her new role. She'll do a great job!

Almost all the employees who have worked here during my tenure have been hard workers and very competent. I must name four who have been invaluable to me. Francis Wilder, who served as Village Street Foreman and then as Town Highway Foreman, Alec Tuscany, Public Works Director/Municipal Engineer and Bill Woodruff, current Public Works Director and former Water Superintendent all have played a significant role in my success here. They all know and understand the community well and they all have exhibited a can-do attitude, always looking for ways to find solutions to problems facing the organization.

This list could go on and on, but as I said, it cannot be exhaustive here due to space constraints. I must, however, take this opportunity to thank Skip Flanders for his unflagging service to Waterbury and for his consistent support of me during my entire career here. Skip was elected as a Water Commissioner in the former Village of Waterbury in March 1988. The first board meeting I attended as the newly minted municipal manager here was his first meeting as a Water Commissioner. Skip has continued to serve as an elected official until this day, holding the additional elected positions of Village Trustee, Village Water-Sewer Commissioner, Village President and now Utility District Commissioner of the Edward Farrar Utility District.

Waterbury would not be what it is today without his leadership. He was the driving force behind the construction of the water filtration and treatment plant and all the upgrades made in the watershed and in the distribution system that were completed in the 1990s. He played significant roles in necessary improvements to our wastewater system and many upgrades to the treatment plant over the years, culminating in its ability to treat and remove phosphorus from its discharge to the river. Skip, with assistance from the other water-sewer commissioners and trustees of the village, led the movement to dissolve the Village of Waterbury ending its role in the administration and provision of general government services in July 2018. I am hopeful the elimination of the Village of Waterbury and the establishment of the Edward Farrar Utility District in its place, which now provides only water and wastewater services in this community, will ultimately result in the establishment of one unified local government in Waterbury through an approved merger of the two municipalities.

I will close this final report to the EFUD District and to Waterbury as I always have, acknowledging the support, encouragement and love I have been shown by my wonderful wife Ingrid and my children, Andy and Linnea. The kids are grown now, making their way in other places, but Ingrid is still by my side, always supportive and trying to lighten my load. The successes I may have had here and the joys this job have given me are tinged only with the cloudiness of some regret knowing I have had to sacrifice precious time with these three wonderful and most precious people. My prayer and hope is for a long, healthy retirement, allowing me to spend lots of quality time with my loving wife, two children and my grandkids.

In grateful thanks to the Waterbury Community,

Respectfully submitted,

William A. Shepeluk
Municipal Manager, 1988-2022

District Managers Report II

Overview

I began my official employment as the EFUD Manager on January 1st, 2023, although for the prior two months I was the Deputy Manager and worked hand in hand with Bill Shepeluk. I thank Bill for his efforts to ease my transition and pass along his decades of knowledge. His report precedes mine and provides a detailed historical perspective on the water and wastewater systems.

Looking beyond the role of the manager, 2022 was indeed a year of broader transition. Peter Krolczyk, our long-time wastewater operator after which our facility is named, left EFUD for retirement. Similarly, the District lost both of its water operators in late 2022. We were fortunate to hire two well qualified individuals towards the end of the year, and were further aided by Brad Roy. Although Brad left the District in late 2022, he had worked at the water plant for several years and was helpful during the transition. His penchant for writing policies and procedures served as a wonderful guide for the new operators. When I include the long career of Bill Shepeluk the District lost nearly 75 years of institutional knowledge in 2022.

During this transition we were fortunate to have experienced Commissioners, led by Skip Flanders and his 35-years with both the Village of Waterbury and now EFUD, and Bill Woodruff, our Director of Public Works. In his role Bill oversees the water and sewer departments, including the plants, distribution and collection infrastructure, and the Town highway department. Bill has a long tenure here, and he spent many years as our Water Superintendent. His encyclopedic knowledge of EFUD's infrastructure has been invaluable.

Upon the start of my tenure Bill was serving as the Director of Public Works while also operating the water plant, and his background and dedication proved to be of great importance to EFUD in late 2022 and early 2023. For a few months both of our water operator positions were vacant, and without Bill Woodruff I would have had to resort to consultant assistance to operate the water plant and to train new hires – an obviously difficult and expensive endeavor. EFUD withstood the transitions of 2022 without impacting the sanctity of the public water supply or our ability to treat wastewater to the highest standard possible. Much of the credit for this lies with Bill Woodruff.

In the first part of this report Bill Shepeluk detailed some of the challenges faced by the District, from Hurricane Irene to the pandemic. These challenges eroded EFUD's balance sheet, and the story of 2023 and future years will, out of necessity, focus on some investment and financial rebuilding.

Financial Performance: 2021 and 2022

During the COVID years the EFUD Commissioners voted to reduce and eliminate some charges in an effort to assist businesses and families during the pandemic. By the end of 2022 that amount had totaled \$300,000. Towards the end of 2022 the EFUD Commissioners presented to the Town Selectboard to receive an allotment of ARPA funds as reimbursement for the assistance EFUD had provided to the community. The selectboard ultimately agreed to reimburse EFUD for \$150,000, and those funds were provided in early 2023 after the Town budget was passed by voters.

At the end of 2021, the latest year for which audited figures are available, the water department had a "Total Net Position" of \$7.8 million. However, this figure includes all assets of the department, such as land and the water plant. Governmental departments can be thought of differently than a private business because they cannot be sold. Of the \$7.8 million in total net position, only \$1.65 million was unrestricted. That is a healthy balance sheet.

The wastewater department had a total net position of \$10.1 million. However, the unrestricted portion is (\$498,119). Obviously a deficit is not a healthy financial position.

In 2021 the water department suffered an operating loss of \$103,176, while the wastewater department had an operating loss of \$118,716. In 2022 the departments also had operating losses, with the water department suffering a net loss of roughly \$220,000 and the wastewater department losing roughly \$75,000. The 2023 operating budgets for both the water and wastewater departments represent a balance between a sincere need to eliminate operating losses, particularly in the wastewater department, and the need to limit rate increases.

2023 Water Department Budget and Bond Vote

Because the water and wastewater departments are not similarly situated financially, the budgets have some key differences.

It is imperative to note that, when discussing water and wastewater budgets and rates, these are not items that require voter approval. The EFUD Board of Commissioners has legal authority to authorize these changes. It is also critical to note that the departments, by law, are financially independent of each other. In essence, despite having a high percentage of overlapping customers, the water and wastewater departments operate as separate and distinct businesses.

The water department is positioned to make some necessary investments. First, the water treatment plant has a roof that is 30-years old, and the budget contains the use of \$100,000 in reserve funds to replace the roof.

Second, and of the utmost importance, is a bond vote to replace a critical 10' water main. The main runs from the water storage reservoir on top of Blush Hill, towards the Best Western in the vicinity of Kennedy Drive and Ashford Lane. The bond vote is to replace 2,000' of water line that is 70 years old at an estimated cost of \$750,000.

This line is a critical part of our water infrastructure, and given its age it seems unwise to further postpone this investment. Since I joined EFUD we have only had one significant water line break. One only needs to read the news in Montpelier, St. Albans, Burlington and other nearby communities to see the consequences they are facing for failing to keep pace with necessary investments in their water distribution systems.

Not only do these communities face steep costs repairing broken mains, they impose a serious impact on the quality of life. Breaks in the system typically require turning valves to isolate the problem spot and depressurize the line before the break is repaired. Unfortunately, when the system is repressurized nearby breaks occasionally occur. It doesn't end there - breaks can stir up sediment in the system, and few people relish the prospect of turning on their kitchen sink to see water that has a brown tinge.

Last, but certainly not least, is the impact on our staff, who have to fix these breaks for safety reasons. A break during business on a summer day is treated no differently than a break during Thanksgiving dinner because the water distribution system is also the foundation of our fire protection system. Without sufficiently pressurized lines and a full reservoir our fire protection can be severely compromised. EFUD has historically avoided these problems through intelligent and proactive investment in the water system, and I am asking and recommending that EFUD voters continue that tradition.

The residents of Ashford Lane and Kennedy Drive also have a different, yet very compelling, reason to support this project. The Town has postponed repaving those roads, which are admittedly in terrible shape, until this waterline is replaced. It makes no sense to rebuild the road twice. Our plan, assuming the bond vote passes, is to replace the waterline in the early fall. We would begin rebuilding the road immediately, but it would not be paved until 2024. Nonetheless, we would leave residents with a better road surface entering the winter of 2023/2024 than exists today. Also, waiting until 2024 will allow for the new road surface to compact, which will translate to a longer road life once the paving is completed.

The budget effectuates a rate increase of 15% for all customers of the water department. For purposes of comparison water rates were last increased in August of 2014, and since that period inflation has been approximately 27%. However, the budget also contains short-term debt, which must be paid off in future years. This debt is an attempt to phase in the rate increases to mitigate the impact on customers. My hope is the need to pay off the debt in future years is reduced, at least in part, by the addition of new customers. There are several significant developments proposed within the service territory of EFUD, and every new customer allows for us to spread our overhead costs further and hold rates down for all. The sale of the lot at 51 South Main Street to Downstreet Housing, for example, will provide us with economies of scale once the housing is built.

2023 Wastewater Budget

The wastewater department budget does not contain funds for any major investment projects. However, included in the budget is a \$100,000 contribution towards the department's bottom line. In short, this is part of a multi-year attempt to eliminate the unrestricted deficit of nearly \$500,000. The budget increases wastewater rates 17%. While there have been some wastewater increases in recent years, this amount is necessary to achieve some financial stability. As with the water department this increase is minimized through the issuance of short-term debt.

A Note on Sludge

I do want to briefly discuss sludge at the wastewater plant. The sludge, more appropriately referred to as biosolids, is a byproduct of wastewater treatment. Our sludge is currently disposed of in Canada, where it is both land applied and used in mine reclamation. We are keenly aware of the known and emerging issues associated with PFOA, PFAS, and PFOS, commonly referred to as forever chemicals. Our water is tested for these chemicals, and our water is generally sourced from areas with little to no development and therefore little risk of contamination.

Our sludge, which effectively contains everything that enters the waste stream for all residents and businesses in the Village area, has greater potential to contain these chemicals. Although our testing thus far has given us encouraging results, we will continue to monitor this issue carefully and will always be vigilant about our need to protect public health.

Tom Leitz, District Manager

Water Fund

Revenue	Budget 2022	Actual 2022	Budget 2023
21-6-00-2-001.00 FROM SEWER DEPT	30,185	30,185	30,185
21-6-00-2-002.00 FROM TOWN HYW DEPT	63,250	63,250	62,590
21-6-00-2-003.00 GAS TAX REFUND	400	465	465
21-6-00-2-011.02 SOLAR LEASE	5,500	5,500	5,500
21-6-00-2-020.01 STATE GRANT	0	0	0
21-6-00-2-020.02 WR REVENUE	0	0	0
21-6-00-3-001.00 WATER RENT BILLING	800,000	837,121	991,623
21-6-00-3-001.01 LABOR/EQUIPMENT/MATERIALS	1,000	1,527	1,527
21-6-00-3-002.00 WATER RENT INTEREST	500	0	3,500
21-6-00-3-003.00 WATER PENALTY	1,000	1,485	5,000
21-6-00-7-001.00 WATER OPERATIONS REVENUE	4,000	12,039	11,430
21-6-00-7-002.00 SALE OF ASSETS/EQUIP	0	15,000	0
21-6-00-8-003.00 LOAN PROCEEDS	0	0	750,000
Loan Proceeds - Short Term Debt			200,000
21-6-00-9-001.00 INTEREST	22,500	35,758	30,000
21-6-00-9-001.01 SECURITIES GAINS/LOSS	0	(117,858)	
21-6-00-9-003.00 SPECIAL PROJECT INCOME	0	0	
21-6-00-9-021.01 INSURANCE PROCEEDS	0	88	
Use of Reserves			100,000
Total Revenue	928,335	884,560	2,191,820
Expenses			
21-7-31-1-110.00 WR-Regular Pay	245,000	260,627	276,155
21-7-31-1-115.00 WR-Commissioners Pay	3,125	3,125	3,125
21-7-31-1-120.00 WR-Part-time Pay	5,000	0	10,979
21-7-31-1-210.00 WR-Ins-Health	43,920	39,824	0
21-7-31-1-210.02 WR-Life, Disability LTC I	1,925	1,820	2,580
21-7-31-1-220.00 WR-Ins-Social Sec	18,745	19,813	22,205
21-7-31-1-230.00 WR-Retirement	12,850	13,344	18,640
21-7-31-1-250.00 WR-Ins-unemployment	525	3,192	3,256
21-7-31-1-260.00 WR-Ins-workers Comp	14,745	14,742	15,037
21-7-31-1-290.00 WR-Clothing Allowance	1,500	1,451	2,000
21-7-31-2-330.00 WR-Engineering & Prof Ser	100,000	28,882	60,000
21-7-31-2-330.01 WR-Lab Testing	4,000	2,635	5,500
21-7-31-2-333.00 WR-Legal Fees	12,000	11,857	12,000
21-7-31-2-340.00 WR-Clerical Services	500	455	500

21-7-31-2-340.01 WR-Professional Ser-Other	15,000	16,227	21,000
21-7-31-2-431.00 WR-Equip & Instru.Main Pl	80,000	25,658	80,000
21-7-31-2-431.01 WR-Equip Maint-Blush Hill	0	0	0
21-7-31-2-431.02 WR-Equip Maint-Old Plant	0	127	129
21-7-31-2-431.03 WR-Equip Maint-Wells	5,000	1,647	15,000
21-7-31-2-431.04 WR-Equip Maint-Other	1,000	598	1,000
21-7-31-2-431.05 WR-Meter Repair & Replace	8,000	2,460	4,000
21-7-31-2-441.00 WR-Lease Cv Railroad	400	0	400
21-7-31-2-490.00 WR-Property Taxes	18,460	16,469	17,293
21-7-31-2-530.00 WR-Utilities-Tele/Interne	6,000	5,527	5,638
21-7-31-2-531.00 WR-Postage	2,255	2,001	2,041
21-7-31-2-535.00 WR-Public Relations & Edu	500	100	102
21-7-31-2-540.00 WR-Advertising	250	527	500
21-7-31-2-610.00 WR-Office Supplies	2,800	1,489	2,000
21-7-31-2-611.00 WR-Chemicals & Purificati	16,000	24,774	25,000
21-7-31-2-611.01 WR-Lab Chemicals	2,800	2,631	3,100
21-7-31-2-660.00 WR-State Fees	7,500	4,196	7,200
21-7-31-2-741.00 WR-Small Tools	1,500	1,676	2,000
21-7-31-3-424.00 WR-Grounds Maintenance	7,500	1,091	7,500
21-7-31-3-430.00 WR-Building Maintenance	10,000	13,569	10,000
21-7-31-3-622.00 WR-Utilities-Elect	55,745	52,629	53,682
21-7-31-3-623.00 WR-Propane-Heat/Generator	7,000	6,330	6,457
21-7-31-3-623.01 WR-Propane-Well/Generator	0	755	770
21-7-31-4-432.00 WR-Vehicle Maintenance	3,500	4,503	3,000
21-7-31-4-626.00 WR-Fuel-Gas	8,250	12,587	12,838
21-7-31-5-240.00 WR-Training	1,000	1,946	1,985
21-7-31-5-241.00 WR-Dues	1,500	2,631	2,684
21-7-31-5-310.00 WR-Admin Fee-Town	96,390	96,390	111,610
21-7-31-5-310.01 WR-Admin Fee-Village	0	0	0
21-7-31-5-460.00 WR-Water Main Maint-Sourc	0	62	63
21-7-31-5-460.01 WR-Water Main Maint-Distr	30,000	6,638	30,000
21-7-31-5-460.02 WR-Water Shed Management	2,500	194	198
21-7-31-5-460.03 WR-Dry Hydrants	5,000	0	0
21-7-31-5-580.00 WR-Mileage Reimb	500	525	536
21-7-31-6-520.00 WR-Ins-Building & Other	15,750	15,771	16,086
21-7-31-6-520.01 WR-Insurance-Deductible	0	0	0
21-7-31-6-830.00 WR-Bank Charges	500	301	307
21-7-31-6-990.00 WR-Unclassified	0	98	100
21-7-31-7-460.00 WR-Tank Repair	0	0	0
21-7-31-7-741.00 WR-New Equipment	5,000	4,410	4,498
21-7-31-7-741.01 WR-Pick-up #1	0	0	0
21-7-31-7-741.02 WR-Pick-up #2	0	0	0
21-7-31-7-741.03 WR-Pick-up #3	45,000	39,508	62,000

21-7-31-7-741.04 WR-ATV/Snowmobile/Trailer	0	0	0
21-7-31-7-741.05 WR-Backhoe	4,000	0	4,000
21-7-31-7-741.06 WR-Equip,Computers,Furnit	2,500	2,257	3,000
21-7-31-7-741.07 WR-Lawn Tractor	25,000	26,849	0
21-7-31-7-741.08 WR-Brush Mower	0	0	0
21-7-31-7-743.00 WR-Bldg Improvements	35,000	0	35,000
21-7-31-7-743.02 WR-CAPITAL OUTLAY	1,000,000	0	0
New - Capital Outlay - Water Line Replacement			750,000
New - Capital Outlay - Roof			100,000
21-7-31-8-820.02 WR-Principal Expenses	223,610	223,610	224,500
21-7-31-8-830.00 WR-Interest Expenses	91,445	91,083	86,500
New Debt - Waterline Project			46,126
Total Expenses	2,307,990	1,111,612	2,191,819
Water Fund: Revenue Minus Expenses	(1,379,655)	(227,052)	0

Wastewater Fund

Revenue	Budget 2022	Actual 2022	Budget 2023
22-6-00-2-001.00 From Water Dept.			
22-6-00-2-002.00 FROM TOWN HYW DEPT	1,140	1,140	0
22-6-00-2-003.00 GAS TAX REFUND	200	138	199
22-6-00-2-020.03 SW REVENUE			
22-6-00-2-011.02 Solar Lease	2,000	2,000	2,000
22-6-00-3-001.00 SEWER RENT BILLING	725,000	764,862	916,214
22-6-00-3-002.00 SEWER RENT INTEREST	1,000	0	2,800
22-6-00-3-003.00 SEWER PENALTY	1,000	1,611	4,400
22-6-00-9-003.00 SPECIAL PROJECT INCOME			
22-6-00-7-001.00 SEWER OPERATIONS REVENUE	1,500	7,115	5,000
22-6-00-8-003.00 LOAN PROCEEDS	200,000	1,129	115,000
22-6-00-9-001.00 INTEREST	2,000	(11)	1,200
22-6-00-9-001.01 SECURITIES GAINS/LOSS	0	(8,440)	0
22-6-00-9-021.01 INSURANCE PROCEEDS			0
Total Revenue	933,840	769,544	1,046,813
Expenses			
22-7-32-1-110.00 SW-Regular Pay	161,000	139,635	150,553
22-7-32-1-115.00 SW-Commissioners Pay	3,125	3,125	3,125
22-7-32-1-120.00 SW-Part-time Pay		0	10,252
22-7-32-1-210.00 SW-Ins-Medical	29,270	29,005	21,840
22-7-32-1-210.02 SW-Life Disability LTC I	1,500	1,551	1,740
22-7-32-1-220.00 SW-Social Sec	12,555	11,297	12,541
22-7-32-1-230.00 SW-Retirement	10,465	9,367	10,162
22-7-32-1-250.00 SW-Ins-unemployment	220	271	240
22-7-32-1-260.00 SW-Ins-Workers Comp	6,940	6,938	7,000
22-7-32-1-290.00 SW-Clothing Allowance	1,200	777	1,200
22-7-32-2-330.00 SW-Engineering	12,000	8,607	15,000
22-7-32-2-330.01 SW-Testing Services/lab	11,000	3,744	11,500
22-7-32-2-333.00 SW-Legal Fees	5,000	1,856	5,000
22-7-32-2-340.00 SW-Clerical Services	500	455	500
22-7-32-2-340.01 SW-Profess Service-Other	20,000	15,919	20,000
22-7-32-2-441.00 SW-Railroad Leases	600	776	800
22-7-32-2-450.00 SW-Contractors		0	
22-7-32-2-530.00 SW-Utilities-Tele	7,000	6,594	6,500
22-7-32-2-531.00 SW-Postage	900	1,029	1,100
22-7-32-2-540.00 ADVERTISING	1,000	791	800
22-7-32-2-610.00 SW-Office Supplies	1,000	952	1,000

22-7-32-2-611.00 SW-Chemicals	82,800	56,022	75,000
22-7-32-2-611.01 SW-Lab Supplies & Maint	7,000	5,676	6,500
22-7-32-2-660.00 SW-State Fees	3,400	2,530	2,800
22-7-32-3-411.00 SW-Water	4,500	3,065	4,500
22-7-32-3-424.00 SW-Grounds	11,400	4,520	12,400
22-7-32-3-430.00 SW-Building Maintenance	10,000	15,119	15,000
22-7-32-3-622.00 SW-Utilities-Elect/Solar	82,000	82,271	83,000
22-7-32-3-623.00 SW-Fuel-Propane	2,400	2,226	2,400
22-7-32-3-624.00 SW-Fuel-heat	4,200	7,649	8,000
22-7-32-3-624.01 SW-Fuel-Equip & Service	2,000	2,958	3,500
22-7-32-4-432.00 SW-Vehicle Maintenance	2,200	2,062	2,200
22-7-32-4-626.00 SW-Fuel-Gas	2,400	2,109	2,200
22-7-32-4-627.00 SW-Fuel-Diesel	1,000	0	1,200
22-7-32-5-240.00 SW-Tuition	0	497	1,200
22-7-32-5-241.00 SW-Dues	1,000	402	600
22-7-32-5-310.02 SW-Admin Service Fee-Wate	30,185	30,185	35,000
22-7-32-5-320.00 SW-Training	600	758	600
22-7-32-5-431.00 SW-Plant & Process Maint	92,000	72,452	100,000
22-7-32-5-431.01 SW-Equipment Maintenance	1,200	251	1,200
22-7-32-5-460.00 SW-Collection Sys Maint	70,000	59,148	75,000
22-7-32-5-460.01 SW-Coll Sys Emerg Rpr/Rpl	0	24,700	
22-7-32-6-520.00 SW-Ins-Prop & Gnral Libil	13,370	13,365	14,000
22-7-32-6-830.00 SW-Bank Charges	500	301	500
22-7-32-7-460.00 SW-Lagoon Cleanout	2,000	0	2,000
22-7-32-7-460.05 SW-Sewer Main Repair/Repl	40,000	59,759	40,000
22-7-32-7-460.06 SW-Aeration System	10,000	20,782	34,500
22-7-32-7-460.07 SW-Plant Upgrade	150,000	0	0
22-7-32-7-741.00 SW-New Equipment	12,000	3,890	47,000
22-7-32-8-820.00 SW-Principal Expenses	205,710	205,710	79,560
22-7-32-8-830.00 SW-Interest Expenses	14,960	18,500	16,100
Contribution to Fund Balance	0	0	100,000
Total Expenses	1,144,100	939,595	1,046,813
Sewer Fund: Revenues Minus Expenses	(210,260)	(170,052)	0

EDWARD FARRAR UTILITY DISTRICT
RESERVE and DEVELOPMENT FUNDS

The Edward Farrar Utility District has several reserve funds that were authorized by the voters and Commissioners of EFUD and its predecessor, the Village of Waterbury. These funds include capital improvement funds, economic development funds, and a fund for general property management.

The former tax stabilization fund was established in 2015 and was split into two funds by voters in 2019—the Utility Capital Reserve Fund and the General Property Management Fund. The CDBG Fund was established in the 1990 and was used to develop infrastructure in Pilgrim Park. The outstanding loan to Ladd Hall, Ltd. Helped finance the affordable housing project on that former state property. The UDAG Fund, established with a federal Urban Development Action Grant (UDAG), was used to bring Ben & Jerry’s to Waterbury in 1984. Proceeds of principal and interest from that loan were used to establish EFUD’s revolving loan fund, which has been used to provide capital to many local businesses.

While not technically “Reserve Funds”, the Water and Sewer Funds have assets that are invested. Activity and balances for both are included below in the several brief reports detailing the status of all these funds. Please call the Municipal Manager if you have questions.

UDAG FUND

Balance January 1, 2022		Balance December 31, 2022
Cash and Money Market	\$ 416,527	\$ 424,223
Certificates of Deposit	0	0
Bonds	0	0
REITs	0	0
Other Equity Securities	106	98
Loans to Other Funds	0	0
Mutual Funds	<u>229,503</u>	<u>248,768</u>
Total Cash/Investment Value	\$ 646,136	\$ 673,089
Loans & Accrued Int. Receivable	\$1,123,651	1,080,121
Total Assets	1,769,787	1,753,210
Tot. Liabilities (Deferred Revenue)	<u>(1,123,651)</u>	<u>(1,080,121)</u>
Fund Balance	\$ 646,136	\$ 673,089
Transactions during 2022		
Total Fund Value 1/01/22	\$ 1,769,787	
Int., Dividends on Investments	13,486	
Interest on Loans Receivable	6,508	
Unrealized gain/(loss) on investments	(35,752)	
Legal Expense \$817, Loan Adjustment \$2.00	<u>(819)</u>	
Total Value 12/31/22	\$ 1,753,210	
Principal on loans Received	\$ 43,527	
Loans Made	\$ 0	

General Property Management Fund

Balance January 1, 2022	\$ 122,539
Interest	2,552
Gains/(Losses)-Securities	(14,517)
Other Revenue	3,821
Expenses	<u>(16,962)</u>
Balance 12/31/2022	\$ 97,433

	Investment Balance 1/1/22	Investment Balance 12/31/22
Cash	\$ 0	\$ 0
Money Market	14,192	14,349
Mutual Funds	<u>88,480</u>	<u>76,351</u>
	\$ 102,672	\$ 90,700

Utility Capital Reserve Fund

Balance January 1, 2022	\$ 457,905
Interest	14,746
Gain/Losses	(54,258)
Expense	<u>0</u>
Balance 12/31/2022	\$ 418,393

	Investment Balance 1/1/22	Investment Balance 12/31/22
Cash	\$ 44,150	\$ 44,298
Money Market	51,790	49,390
Mutual Funds	<u>361,965</u>	<u>324,706</u>
	\$457,905	\$418,394

CDBG FUND

Balance 1/1/22	\$ 74,580
Interest	8
Expenditures	<u>0</u>
Balance 12/31/22	\$ 74,588

*\$72,071 of asset balance is a loan to Ladd Hall Partnership, \$2,517 in cash.

WATER FUND INVESTMENTS

	Balance January 1, 2022	Balance December 31, 2022
Cash and Money Market	\$ 156,682	\$ 103,110
Bonds	0	15,782
CDs	0	11,005
Loans to Other Funds	168,976	74,232
Mutual Funds	<u>721,406</u>	<u>735,575</u>
Total	\$1,047,064	\$ 939,704

\$34,467 in investment interest posted to investment portfolio in 2022. Unrealized losses on investments were (\$117,857). An Intra-fund transfers within this fund accounts for discrepancies in investment gains/losses and the balance in the investment portfolio.

SEWER FUND INVESTMENTS

	Balance January 1, 2022	Balance December 31, 2022
Cash and Money Market	\$ 1,328	\$ 4,595
Bonds	0	0
Stocks	0	0
Mutual Funds	<u>60,065</u>	<u>51,625</u>
Total	\$ 61,393	\$ 56,220

\$3,268 in interest posted to investment portfolio 2022. Unrealized losses on investments were \$8,440.

Waterbury Unleashed Dog Park (WUDP)-2023 Annual Report

Prepared for the Edward Farrar Utility District (EFUD)

Pursuant Memorandum of Understanding for WUDP and EFUD, 3/15/2019

WUDP Leadership

Carla Francis (Finance) and Suzanne Whitney (Communications)

Our mission is to preserve, maintain, and cultivate the WUDP as a vital resource for residents and visitors to let their dogs run freely in a safe, well-cared for, community-run environment. WUDP accomplishes this through the help of volunteers, donations, and community sponsors.

2022 Year in Review

- 1) No outstanding concerns were reported to the WUDP committee.
- 2) The EFUD designated day-to-day managers are Kim Greenwood and Katherine Jo Nopper.
- 3) All finances and donations are managed through FORWARD. Quarterly and annual reports are compiled and shared by Tami Bass (FORWARD) to Carla Francis (WUDP)
 - a. WUDP ended the year with a balance of \$3,589.22. This allows for ongoing maintenance needs with a buffer for rainy day expenses.
 - b. All expenses incurred in 2022 were related to park maintenance and signage
- 4) The primary work in maintaining the park was done by the maintenance committee and additional volunteers. Throughout the spring, summer, and fall the maintenance team hosted monthly work days. Ongoing projects included cleanup, weeding, mowing, debris removal, weatherizing furniture, and poop pick-up. Specialty projects including repairing agility equipment, building a new poop composting system, mower repair, and winter poop chutes. There are also many park visitors who volunteer their time while on-site with their dogs doing tasks such as leaf raking, trash pickup, etc.
- 5) The communications committee put in much time and effort to update an informational kiosk in the interior of the park, creating signage related to “picking up after your dog,” and online marketing of events.

2023 Projections

- 1) Through ongoing community volunteerism and financial support, WUDP will maintain the dog park as a valuable community asset.

Edward Farrar Utility District
May 3, 2022
Minutes
Hybrid meeting held in person and by Zoom

Present in the Steele Community Room: Commissions: P. Flanders, L. Sayah; Staff: C. Lawrence, K. Petrovic; Public: M. Bard, A. Johnson, L. Scagliotti

Present by Zoom: Commissioners: R. Finucane, N. Sherman, C. Parks; Staff: W. Shepeluk; Public: A. Imhoff, G. Andersen

Invited Guests: I. Shepeluk, P. Veazey, L. Veazey, K. Veazey, H. Veazey, A. Shepeluk

Chairperson Flanders called the Special Public Informational meeting to order at 7:00pm

Approve Agenda: L. Sayah made a motion to approve the agenda. R. Finucane seconded the motion; a vote was held and passed unanimously.

Public: No public comment

Introductory Comments: P. Flanders presented the dedication of the 2022 EFUD Annual Report to W. Shepeluk and his family all present via Zoom.

Consider reports of the Officers of the District-Events and Spending of Past Year: L. Sayah moved to approve the Commissioners report. C. Parks seconded the motion; a vote was held and passed unanimously. W. Shepeluk presented an overview of the 2022 Water, Sewer and General Government Budgets. P. Flanders moved to approve the Managers Report and three budget reports. Motion was seconded and passed unanimously.

Presentation of Compensation for District Officers (Article 2 of Warning): P. Flanders reviewed Article #2 of the warning explaining that the Clerks compensation had not been listed on previous warnings.

Presentation of Borrowing for the Waste Water System (Article 3 of the Warning): W. Shepeluk explained the wastewater department may need borrowing power but would most likely perform inner municipal borrowing opposed to bank borrowing due to interest rates with the water department being able to loan at a much lower rate than banks.

Presentation of the Transfer of the District's UDAG & CDBG Funds to the Town of Waterbury (Article 4 of the Warning): P. Flanders provided an overview and history of the UDAG (Urban Development Action Grant) and CDBG Funds which included fund balances.

Presentation of the Transfer of District Property to the Town of Waterbury (Article 5): P. Flanders reviewed the MOU draft being considered as part of the land transfer. A. Johnson posed a question to the Commissioners asking why 51 South Main is not included in the proposal. Flanders indicated the Commissioners would like additional time to consider how to

dispose of 51 South Main. W. Shepeluk stated Downstreet Housing is also considering 51 South Main Street for housing development.

Presentation of Instructions for Australian ballot voting: C. Lawrence stated voting has opened at the Municipal Office Monday – Friday 8am – 4:30pm and polls will be open Wednesday, May 11, 2022 7am – 7pm

The Informational Meeting was closed at 8:10pm

Open Discussion on Recruitment Plan Questions from VLCT: Discussion of the questions from VLCT followed. No actions taken

Adjourn: L. Sayah made a motion to adjourn which was duly seconded and passed unanimously.

The next meeting of the Edward Farrar Utility District is scheduled for Wednesday June 8, 2022

OFFICIAL RESULTS

EDWARD FARRAR UTILITY DISTRICT

May 11, 2022

Instructions to Voters: To vote for a person whose name is printed on the ballot, make a cross (X) in the square at the right of that person's name. To vote for a person whose name is not printed on the ballot, write the person's name on the blank line in the appropriate block

For DISTRICT COMMISSIONER for a 1 Year Term Vote for not more than TWO		For DISTRICT COMMISSIONER for a 3 Year Term Vote for not more than ONE	
LAWRENCE SAYAH	40	CINDY PARKS	40
NATALIE SHERMAN	40	Write-In	
Write-In			
Write-In			

ARTICLE 2: Shall the District set the compensation for the Edward Farrar Utility District Officers for the ensuing year as follows: Chair \$1,450, Commissioners \$1,200 each, Clerk/Treasurer, \$1,650 to compensate for 2020 and 2021 when the approved payment was not made?

YES 43
NO 1

ARTICLE 3: Shall the District authorize the Commissioners to borrow a sum of money by note, not to exceed \$200,000, for a period not to exceed five years, to make improvements to the wastewater system including engineering and construction costs for sewer main replacement and repair and upgrades to the aeration system and the solids management systems?

YES 43
NO 0

ARTICLE 4: Shall the District authorize the transfer to the Town of Waterbury ownership of the District's UDAG and CDBG revolving loan funds and all liabilities and assets contained in those funds including cash, investments, and the outstanding loan portfolios along with all of the mortgages, security and collateral associated with those loans, such transfer to be executed by December 31, 2022?

YES 19
NO 25

ARTICLE 5: Shall the District authorize the Commissioners of the District, by December 31, 2022, to sell or transfer to the Town of Waterbury, on terms and conditions acceptable to the Commissioners, the real property and associated improvements described as follows:

- The 50+/- Square Foot Parcel adjacent to the Roundabout where the Welcome Sign is located
- The .16 acre parcel, including the improved parking lot at 4 & 6 Elm Street
- The 1.3 acre parcel known as Rusty Parker Park
- The 40+/- acre parcel on River Rd, where a former dump was located, including the land where the Ice Center is situated.

YES 24
NO 20

OFFICIAL BALLOT

EDWARD FARRAR UTILITY DISTRICT

May 10, 2023

Instructions to Voters: To vote for a person whose name is printed on the ballot, make a cross (X) in the square at the right of that person's name. To vote for a person whose name is not printed on the ballot, write the person's name on the blank line in the appropriate block

For DISTRICT COMMISSIONER for a 1 Year Term

Vote for not more than TWO

LAWRENCE SAYAH	
NATALIE SHERMAN	
Write-In	
Write-In	

For DISTRICT COMMISSIONER for a 3 Year Term

Vote for not more than ONE

ROBERT FINUCANE	
Write-In	

ARTICLE 3: Shall general obligation bonds of the Edward Farrar Utility District in an amount not to exceed seven hundred fifty thousand (\$750,000), subject to reduction from the receipt of available state and federal grants-in-aid, be issued for the purpose of acquiring, replacing, and constructing municipal water system improvements, namely replacement of approximately 2,000 feet of water line that runs from the Blush Hill Water Reservoir towards Kennedy Drive?

YES
NO

