



CHAMPLAIN WATER DISTRICT
Dedicated to Quality Water & Service



First In The Nation ~ Excellence In Water Treatment, Partnership For Safe Water

February 6, 2023

Heather Devine
Tarrant Gillies Shems LLP
44 State Street, PO Box 1440
Montpelier, VT 05601-1440

RE: Westbury Mobile Home Park Municipal Village Creation and Water Service

Dear Heather:

Champlain Water District (CWD) understands that the Westbury Homeowners Association, Inc. (WHOA) is seeking to become a municipal village. The WHOA is also pursuing the ability to receive the wholesale water rate from CWD for the Westbury MHP water system in the event they do become a municipal village. In our January 13, 2023 letter to Gayle Pezzo we presented that the CWD Board of Commissioners considers the Westbury MHP to be a customer of Colchester Fire District (CFD) #3 and does not support giving Westbury the wholesale water rate if it were to become a village. I am writing in response to your email on February 1, 2023 to provide clarification on CWD's position on the wholesale rate. Ultimately, WHOA's desire to become a wholesale water customer runs counter to the structure that CWD has been implementing over the past several years.

In my initial meeting with the WHOA in May 2022, I presented CWD's history of wholesale water service and the wholesale rate for its current wholesale customers. When CWD was first formed in 1973 we began providing wholesale water to ten water systems in six municipalities. This did not include the Town of Milton or Village of Jericho. In the 1990s the Town of Milton and Village of Jericho became members of the District and their townwide locally owned distribution systems began receiving wholesale water from CWD at the wholesale rate. When I met with the WHOA in May I explained that CWD's practice is to only provide the wholesale rate to municipalities. I also indicated that there is a potential path in our charter for the WHOA to receive the wholesale rate. That path included receiving approval from the CWD Board of Commissioners.

CWD's charter identifies the requirements for changes in membership, including adding member towns. Ultimately, the Commissioners acting on behalf of CWD make the determination as to accept or deny adding a member town. CWD's charter also gives it the power to sell water to any or all municipalities or private entities. This too is at the discretion of the Commissioners.

When Ralph Perkins, a WHOA representative, attended our December 13th Board meeting he presented the desire for the Westbury Mobile Home Park (MHP) water system to receive the wholesale rate if the

WHOA were to become a municipal village. Following that meeting we reviewed the charter with the Board and discussed past practices regarding the wholesale rate. Ultimately the Board determined that they consider the Westbury MHP to be a customer of CFD #3 and does not support giving Westbury the wholesale water rate if it were to become a municipal village.

This decision is based on the fact that CWD's model for providing wholesale water is to sell water to town or city owned water systems. That is the case for 7 of the 8 municipalities that CWD serves. The current exception is the Town of Colchester, which has several small non-Town owned municipal water systems. To implement our preference, CWD has acquired 4 of the municipal water systems in the Town of Colchester, including CFD #3, with the goal of merging them into one system and giving that combined system to the Town. The idea of adding another separate municipal entity, which happens to be a single property owner, within the Town of Colchester is counter to what CWD's Board of Commissioners has been trying to achieve. That approach would serve to unwind CWD's model of providing wholesale water to large municipal areas through townwide locally owned distribution systems.

CWD feels strongly that allowing HOAs to become municipal villages is not in the best interest of the communities we serve, especially with regards to water systems. We have seen all over the State of Vermont, and particularly Colchester, what happens over time to water systems owned and operated by small villages or fire districts. The capacity to maintain the necessary leadership and structure to operate such systems is lost over time and puts the systems and their users at risk. That is the reason why CWD currently owns four water systems in Colchester – the leadership who ran those systems for years could not find the next generation of leaders to step up and run things.

The precedence of allowing an HOA to become a municipal village has the potential to fracture the town structures that we believe are critical for the long term operation of a water system. It is for this reason that CWD will not consider providing the wholesale rate to HOAs who convert to municipal villages. CWD intends to follow our practice of providing wholesale water at the wholesale rate to large municipal areas through townwide locally owned distribution systems.

We respect the efforts of the WHOA but we cannot support it. Upon your review, please feel free to contact me with any questions.

Sincerely,
CHAMPLAIN WATER DISTRICT

A handwritten signature in blue ink, appearing to read 'Joseph Duncan', with a stylized flourish at the end.

Joseph Duncan, PE
General Manager