

Special Meeting
Water Commission Minutes
8/9/2021

Members Present in person: David Sander, Fran Huntoon

Members by Zoom: Bard Hill, June Heston

Absent:

Staff Present in person: Josh Arneson, Town Manager

Staff Present by Zoom: Kathy Daub-Stearns, Admin. Assist.; Kendall Chamberlain, Water & Sewer Superintendent

Others Present in person: Jack Linn, Steve Palmer; Green Mountain Engineering (GME) the meeting was recorded for MMCTV Channel 15

Others Present by Zoom: Ashley Lauke; Bond Bank

Called to Order: 6:00 PM

1. Welcome by David

Public Comment-

Jack Linn thought the people who are paying the bills for water and sewer should be able to have a say in the expansion. David replied that all the voters will have a say, Jack said renters pay bills and thought it would be a kind thought to ask what they want. Fran said users vote, property owners do not. Bard said that in previous meetings it had been discussed who had statutory authority to vote and who did not, that there would be a vote for the residents, another for property owners. He said the practice has been to go above and beyond the statute.

2. Additions or Deletions to the Agenda- none

3. Items for Presentation or Discussion with those present

a. Review of items related to the Gateway Sewer Expansion Project

1) Review of draft loan payment schedule for engineering and construction costs related to Phases 1, 2, and 3 of the project

Josh reported:

- that costs for the expansion were categorized by phase. The overall costs were provided to Ashley Lauke from the bond bank who provided the repayment information
- that analysis of repayment costs per property was described
- that the estimates were conservative

Kendall reported:

- that the information was based on the state allocations

Discussion included:

- that Bard noted that costs were based on estimated use, not actual numbers
- that what users actually use is what they would be billed
- that Ashley Lauke said in terms of allocations, at the onset, costs could be based on unitized daily flows for new systems, and there are metered and unmetered users so billing

people on the allocation would be ok as long as everyone was treated the same. The mobile home park does have meters because they have to report to the state the information on their private system. She said individual residences with wells do not have meters and she did not suggest metering their wells.

- that metering septage is difficult, expensive and maintenance heavy
- that the town does not meter wastewater now
- that Bard said for years the conversation has been metered wastewater for the expansion, Josh said metering in the past was one meter for the Reap project and not an individual meter per house and a meter for the mobile home park. Bard said he wanted to be clear that not metering septic has not been the discussion in the past. Steve Palmer of GME said there were several ways to do this. It can be water, sewer or based on allocation.

2) Discussion of calculation for metered usage in the expansion area

Josh reported:

- that there are three possibilities as described above
- that having small and large users makes it more difficult

Discussion included:

- that Peter Brown (mobile home park owner) thought there would be an annual fee, a fixed monthly and usage fee. Josh confirmed his thought. Peter Brown said he was convinced mobile home park users were running water during the winter to keep their pipes from freezing. He said he thought he would have one meter for the whole property and then have their own meters where they thought they needed them. He thought using an estimated cost to start was fine but wanted to know there would be a reality check after a year. Bard said when we say metering is expensive what are we talking about. Peter Brown said maintenance is the issue and freezing. Kendall noted the meter costs were \$250 water, \$1500 septic plus installation is paid for by the property owner/ user, not the system.
- that the state requires the Stone Corral who is the only customer with a wastewater meter to calibrate the meter annually. Bard thought that having the customer calibrate the meter was not ideal. Peter Brown thought it should be a third party. Steve Palmer said there would be costs associated with the meter and the actual costs would not be \$1500, it would be more like \$4000. This will be a discussion at a later meeting when costs can be better known.
- that having differing methods of calculating costs was problematic
- that Ashley Laucke said in terms of financing, the bond bank provides financing for all types of infrastructure projects. This projects loan would be combined with other municipalities and would require a bond vote, application, and be through permitting because there would be no backing out. The schedules that were provided are estimated because rates cannot be known beforehand. The interest rate would be locked in on the day the loan went out to be financed. That currently it looks like the rate would be about 2.25%. That principal payments can be put off for up to 5 years while infrastructure is being built. There could be a "Bond Anticipation Note" (BAN) with interest only payments also.
- that Bard asked Ashley Lauke about the ARPA money. Ashley said ARPA money is money that will just go to towns for whatever they want to use it for. Then there was stimulus money that is being considered. Peter Brown asked if there would be any prepayment penalty. Ashley Lauke said it was complicated and prepayment was more work than it was worth and not much savings.

3) Discussion of State statutes regarding mobile home lot rent and mobile home utility payments

Josh reported:

- that legally lot rent could be increased by CPI +1%
- that infrastructure can be passed along to renters

Discussion included:

- that Peter Brown said he has not passed costs along to his renters because they cannot really afford it. He thought he might pass a small amount on but did not think he would do more than the CPI increase.
- that June Heston asked if the load was something Peter Brown was willing to bear. Peter Brown said he had done the calculations with his accountant and he was not willing to pursue it with the numbers what they are.
- that Bard said we may be back for Phase 3 if there is some new variable for financing. He said that in the last 2 years there had not been funding opportunities for low-income housing but that could be changing. Peter Brown said there is a tipping point. He said he was thinking about expanding another 75 spaces and maybe have it as a new park with no infrastructure that would be eligible for funding.
- that Peter Brown thought there were not enough users to spread the costs. Bard said Phase 1 and Phase 2 have expansions contemplated by the users that could support the costs.

4) Discussion of private costs which will be incurred by individual properties to connect to public sewer system

Josh reported:

- that it is challenging to provide estimates for individuals and encourage individuals to get their own estimates

Discussion included:

- that there would be excavation costs,
- that June thought there should be a way of getting a per foot cost based on the soils in the report because she was concerned that the costs are paid by the users and they are not going to like it.
- that Bard asked if we could say you would need a pit, it costs "X", then you need a line that is estimated to cost "X" per foot, that would be helpful. Steve Palmer thought something could be provided and would follow up with some basic costs.
- that Bard said a meter is an additional cost and asked if it would need another pit or would it be in the same, but larger pit.
- that Peter Brown asked if they were opposed to metering the water supply to determine wastewater costs. Bard said there would need to be easements or agreements and wondered if it was legally viable and cost effective.

5) Consideration of calling a meeting to review the project with building owners and residents in the proposed expansion area

Josh reported:

- that more information was needed to discuss this and the topic would be brought back to a later meeting

6) Other items related to the Gateway Sewer Expansion Project

Discussion included:

- that June asked where we are with surveying the homeowners and users in the proposed expansion. Josh said we passed on the survey knowing there would be a meeting and vote. June was concerned that this was a full vote decision and that the minority may vote no and feedback from them is important. Bard said we want some consensus from the expansion users before going down the expansion path. Fran hoped by the next meeting there would be more information to go on.
- that Bard suggested meeting weekly to keep things moving.

4. Adjourn

Bard moved to adjourn; June seconded. Roll call vote: David, June, Fran, and Bard voted affirmatively. The meeting adjourned at 7:07 PM.

CHAT

00:14:43 Kendall: It would be very hard to allocate a fixed bond on a changing consumption number.

00:17:05 Kendall: Fixed costs are in the fixed charge. Usage charges are billed based on usage

00:18:13 Kendall: The state estimate is the portion each property owns

00:19:25 Kendall: That is what we do with some connections now.

00:30:10 Kendall: Best is to bill the MHP on the water produced - they have a master meter.

00:32:48 Kendall: A water meter is \$250. A WW meter is \$1500 plus needs yearly calibration.

00:33:43 Kendall: Plus you need to calculate what % of the total usage other customers are paying for gardens, pools, etc...

00:36:30 Kendall: For clarity, we require independent contractor.

00:50:27 Ashley: I'm going to log off. if you would like me to come to another meeting or contact me individually, my email is Ashley@vtbondagency.org or 8028610074

01:03:37 Kendall: I agree if legal!

01:04:04 Kendall: That is still preferred.

01:05:04 Kendall: Sets us up for eventual waterlines down there