

**Special Meeting of the Town of Richmond  
Water and Sewer Commission  
Minutes of March 14, 2022**

**Members Present:** Bard Hill, David Sander, Fran Huntoon, Greg Tucker, Jay Furr

**Members Absent:** None

**Staff Present:** Josh Arneson, Town Manager; Ravi Venkataraman, Town Planner; Kendall Chamberlin, Water and Wastewater Superintendent; Linda Parent, Town Clerk; Duncan Wardwell, Assistant to the Town Manager

**Others Present:** The meeting was recorded for MMCTV. Rod West, Virginia Clarke, Heidi Bormann, Joy Reap.

**Call to Order:** 5:30 pm

**Welcome by:** Sander

Sander: Any public comments?

**Public Comment:** None

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

**Items for Presentation or Discussion with those present**

**Discussion of federal funding opportunities**

Arneson: I have included a memo for Commission and public which summarizes potential funding sources for Gateway water and sewer Expansion. At the last meeting we discussed using ARPA money. This money follows federal guidelines, so it qualifies for expansion of wastewater system. We are still gathering feedback from public on use of these funds. We can still use these funds, but a decision would at least be 6 or more months away. The project is not eligible for The Clean Water State Revolving Fund (CWSRF). State rules apply to this fund therefore it will not be applicable to this project. We might be eligible for the Drinking Water State Revolving Fund (DWSRF) if we can combine several smaller public water systems. We are waiting for more information to see if this project could complete such a task. I investigated a few other options for grant funds for putting a fire hydrant by the interstate. The State Fire Marshall is not aware of any grants for expanded water systems like that. I also investigated funding related to affordable housing. Town Planner, Ravi Venkataraman, looked into the Agency of Commerce, Community and Development in Chittenden County Regional Planning Commission to see if money is available for projects like this. We are not far enough along in our development to qualify. We would have to have a project from a developer in place and ready to go in order to trigger funding for affordable housing. A potential for affordable housing does not free up funds. We looked into if it was designated as a Growth Center Area it might be eligible for CWSRF. A few steps could accomplish that designation, but the process would take a couple of years. When we spoke with CWSRF, and it seems there are other designations available such as a Neighborhood Designation which might receive approval in a quicker process. We would need to add a walkable path from Village to designated area.

Venkataraman: We currently have a Village Center designation and there 5 other designation programs offered by Agency of Commerce, Community and Development. The Neighborhood designation is a lot easier to attain than a Growth Center designation. There are infrastructure and zoning requirement we will need to fulfill. It is a process that requires significant time. But it would still be less than trying to obtain a Growth Center designation.

Furr: It concerns me that the Growth Center designation would require the Gateway to accommodate 51% of our population growth. I do not think that is possible for that small an area. Does the Neighborhood designation have a similar requirement?

Venkataraman: No it doesn't. The Neighborhood designation program is geared towards easing permitting for developing affordable housing projects within available space and village centers that have existing water/sewer infrastructures. The Gateway area is a bit distant from our current designated Village Center, but the Agency of Commerce, Community and Development is willing to waive that requirement. We would still have to fulfill other requirements like being walkable within the rest of the village. We would need to construct sidewalks or paths that would follow water/sewer expansion from Village Center designated area to Neighborhood designated area. That would need to be planned out and invested for and included in a Capital. A lot of times the Neighborhood designation is applied for by a developer and a municipality. A developer may go through the permitting with the Town before getting the Neighborhood designation from the State to show that we are meeting those infrastructural requirements.

Hill: Given a possible path forward, should we meet with the dominant landowners, the Reaps, which is most of developable property? We need to talk about development with existing owners. The Water & Sewer Commission is just one part of this. We should involve many other Committees, as it is a complex conversation about feasibility and desirability.

Furr: I think a meeting would be a great idea.

Hill: If I were the Reaps, I would be frustrated about the number of years and paths we have tried.

Clarke: We have talked to the Reaps about their plans since they do seem to be a key piece based on location. The Village could be accessed by a path along Rt. 2 or across the top end by connecting to the school. A sidewalk along Rt. 2 seems difficult to get State cooperation. Do we have any sort of idea if we have an adequate amount of money?

Venkataraman: The benefits of the Neighborhood designation depends on how many units you put in. It is hard to say based on total units, cost per unit, and total benefits gained.

Arneson: The documentation from CWSRF shows we could get points in the application process, but it does not guarantee a grant or award amount. Some get interest free loans others get some subsidies of varying amounts. In the past it has ranged from 25% to 75% subsidies based on previous water projects. It depends on how much money is available each year and how well your application scores.

Hill: Is this path viable? I am daunted about getting two steps forward two steps back in this process. How much better than nothing is this?

Clarke: Does zoning enable a Neighborhood development to solve some of the other commercial strip development issues. From a planning point of view from any Act 250 approval it is undesirable. A walkable area is worth doing but we need to manage our expectations. It is something we want to pursue for other benefits.

Hill: Worth it to whom? We discussed the new users who pay for the water/sewer system. Is it the new users, current users, or somebody else who would most benefit from its worth? We recognized that \$10,000 payment to hook up to system is not viable. If we don't get Federal/State support, then who is subsidizing it? We know that the users of the system have lower household income than the rest of Richmond residents. It does not make sense for current users to fund the bill for future development.

Clarke: We are not ready to do this yet. Affordable housing or more housing is an important value to the Town of Richmond. Then it is worth looking at the capital budget and plan. We need to invest in housing via water/sewer, buying land, rights of way as it would be an important goal to pursue.

Hill: I agree but it would not be the Water/Sewer Commission or customers who would invest in that. We are not in the position to ask the Town to pay for that. Some of us might need to revisit the history of this. There are cases where Town funds are used to support Water/Sewer infrastructure. We do not have authority to do that in this Commission. We wouldn't expect the current users to pay for an expansion into a new system. The costs are daunting enough.

West: We are not sure what the DeGraaf intentions are for the 4.5 acres in the near future. We have also heard many times about the \$300,000 loan that keeps getting rolled over. The money set aside for Borden St might be reinvested in different housing if giving back to Town. This is not a Water/Sewer Commissioner's role to think about it. We will talk about this in Selectboard too.

Hill: Before we leave, we can set some agenda items on how to pursue Neighborhood designations.

Sander: Yes, we see a lot of closed doors but there are other doors to knock on.

### **Review of sample bond payback schedule based on grand list value**

Arneson: Last meeting we looked at the most expensive sewer option to Mobil Station and a 12-inch waterline. Today I wanted to look at the lower cost options. I received bond payback schedules for:

- Phase 1, 4-inch water line
- Phase 1 & 2, 4-inch water line
- Phase 1, most expensive wastewater line
- Phase 1, most expensive wastewater line with 4-inch water line.

We previously identified that we wouldn't construct 4-inch water line as it provides no fire protection. But these do provide some cost estimates. Originally, we looked at every property for bond payback. Do we remove railroad property, conserved land, and farmland? We also know that 282 West Main St already has service from Tilden Ave so

no need to include them in payback or hookup. We can look at inclusion, exclusion, and bond payment options.

Sander: The scenarios for bond payback based on assessed value threw me for a loop. How do we do this equitably?

Furr: I have a question about the bond bank service schedule. Each page shows different scenarios. We all realize this is a huge burden on the people who live there. This is a significant bond payment. If we only did one, it would be sewer.

Arneson: Even the least cost option is still a significant annual bond payment in that district. The heading on pg. 4 should read Phase 1 for wastewater line extension.

Furr: We agreed that a 4-inch line is not enough. Is there a part of the project where we would consider just water? It is my impression that if we only do one, then it would be sewer.

Huntoon: Yes, that is the original premise. The Reaps originally requested an investigation of the sewer line but we recently added the water in.

Furr: The one that makes the most sense to the Town, and not just the landowners, is Phase 1, 4-inch water line and wastewater expansion. We cannot afford to do this without the other funds. Right now, the ARPA committee is putting together surveys and public forums and I envision no money being available until 2024 at the earliest. I do not see how we can do this. We need ARPA or other funds to make this feasible.

Huntoon: Are we looking at 4-inch or 12-inch for water lines? Is 8-inch line still an option based on similar costs?

Sander: We previously discussed that the 4-inch line is too small.

Chamberlin: The original P.E.R. lists the 8-inch line at about a \$1,000,000 which would be less than the 12-inch line. Putting in a 12-inch line is very big and expensive. The 8-inch line is about halfway between the two costs. The Public Work specifications do not recommend less than an 8" line.

Hill: If Public Works specifications require at least 8-inch then should we be talking less than 8-inch lines?

Furr: We have a quote for the 4-inch line, but we do not have quote for the 8-inch line. That was the best we could do for an estimate of the pricing.

Hill: We should not ignore our own specifications.

Arneson: We cannot get a quick update for 8-inch line. The 4-inch line gives us another price point but if we cannot afford that then we should be prepared to get funding first. In other words, we should pay money for a cost estimate of an 8-inch line if we don't think we can afford the 4-inch line.

## **Discuss Items for Next Agenda and Adjourn**

Next Meeting Agenda for Monday, March 21 at 5:30 pm

\_ARPA Funding updates

\_Meet with relevant property owners to discuss benefits

\_Refine bond payback list based on Grand List Value (e.g. Cemetery, Conserved Land, 282 West Main already has water/sewer).

**Adjournment**

*Furr moved to adjourn. Seconded by Huntoon.*

*Roll Call Vote: Hill, Huntoon, Furr, Sander, Tucker in favor. Motion passed.*

**Meeting adjourned at 6:08 pm**

**Chat file from Zoom: None**