

Town of Richmond Water and Sewer Commission Meeting Minutes of March 7, 2022

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

Members Absent: None

Staff Present: Josh Arneson, Town Manager; Kendall Chamberlin, Water and Wastewater Superintendent; Duncan Wardwell, Assistant to the Town Manager;

Others Present: The meeting was recorded for MMCTV. Gary Bressor, Meg Freebern, Rod West, Virginia Clarke.

Call to Order: 5:30 pm

Welcome by:

Sander: Congratulations to Superintended to Kendall Chamberlin for his election to the Essex Selectboard. Essex is lucky to have you with your years of managerial and municipal experiences.

Public Comment: None

Additions or Deletions to the Agenda: None

Items for Presentation or Discussion with those present

Sander: We are starting at 5:30 pm to accommodate Kendall's other duties. We are also starting with the Superintendent's Report tonight.

Superintendent's Report

Chamberlin: Scheduled for press tear down tomorrow. Lot of maintenance and repaired required. Filter sludge valve replacement is on order. We are waiting on costs for reservoir mixers to coordinate the prices for divers and replacement parts. There are two prospects for staff that will be interviewed in the next few weeks. In regard to the Rt 2 Bridge discussion at tonight's Selectboard meeting, I would echo Pete Gosselin's sentiment that it is a good bargaining chip when VTrans asks to do that work in regards to easement. Thanks for working out a flexible start time for everybody.

Review of sample bond payback schedule based on grand list value

Arneson: This 4-page document looks at every property from end of current line to Mobil Station which includes location and Phase 1 or 2. The use type came from preliminary engineering report (PER). Some properties were not on the original PER. The Real Value and Grand List Value are also listed based on their use. Some of these properties might not be included like the railroad property that has not value. There are farms on different sides of project, one with a Church St address, one with a Huntington Rd address and also a property with a Governor Peck Highway address. Kendall & I also realized that 282 West Main St (Bormann duplex) is already connected from Tilman Ave, so we need to make sure to factor them in as an old user.

Hill: I have a mathematical question. Why is the Grand List Value listed as 1% of Real Value?

Arneson: The Grand List Value is just the Real Value divided by 100 (also known as the Mill Rate). Some do not correlate the same way, like Conserved Land. It looks at the basic taxable value.

Freebern: Why is the Grand List Value listed that way?

Arneson: All Grand List Values are calculated that way to simplify the number. They use the same values to calculate education taxes. The Grand List Value is the taxable value. Current use or Conserved Land might reduce the Grand List Value. You base your taxes based on the proportion of your Grand List Value compared to total Grand List Value.

Chamberlin: Grand List Value is used to calculate the tax rate much like we do in the water department.

Arneson: Let's look at a few different scenarios:

The first scenario is a 12-inch water line (Phase 1 & 2) expansion from the end of existing water line in Village out to the Mobil Station. The total engineers estimate for design, permitting, and construction would be \$1.6 million. We asked the bond bank to run a scenario for a 30-year bond pay back every year. The spreadsheet shows how the bond payments would change over 5-year increments (although paying slightly less every year). Each property shows how much would be liable for bond payback based on the proportion of the Grand List Value. We did the same thing for wastewater expansion to get us to 80% capacity of the treatment plant. That cost would be \$827,773. I used the same methods for bond payback for wastewater. If we look at the combined costs for a 12-inch water line and wastewater at 80% capacity would total \$2.4 million. You can see on the spreadsheet that it lists the total bond payback for each property at 5-year intervals, although it is paid back every year at a slightly lesser amount.

Hill: Let's look at the example of 434 W. Main, a single-family home.

Arneson: The annual bond payback cost would be about \$9,000 a year for a house of Real Value of \$294,400 and Grand List Value of \$2,944.

Hill: This cost would not include site improvements.

Arneson: This shows the highest values so we could look at different sample bond payments.

Sander: This is just showing the bond repayment and not the usage fee.

Hill: Usage fees might be another \$1,200 and onsite improvements for \$3-5,000. This is a daunting cost to that type of property. This is probably not feasible.

Furr: I come to the same conclusion. I do not see how we can pay for this 12-inch water line.

Freebern: This is a tough expense for people who own that type and value of house. This is not feasible. I really want us to get a water line but that is tough.

Furr: The 12" water line does not benefit people on this list. The 12-inch water line benefits future development, fire protection, and a hydrant on the interstate. This benefits people down the line who would not be paying for this project. The current users do not need this capacity.

Arneson: We have an engineer's estimate for a 4-inch line, but we would need to require another one for an 8-inch line. Kendall thinks an 8-inch water line would provide some fire protection. Do we want to look at a 4-inch water line or both 4-inch and 8-inch water line?

Hill: This gives us a useful stake in the ground to explore pay back options. The payment is daunting but helps us figure out if this is feasible. This type of project does not seem viable to put on the current users unless there is a subsidy to reduce the cost.

Sander: It would be interesting to see the difference in cost for a 4-inch and an 8-inch line. Would the 4-inch line be able to handle to day-to-day water usage minus the sprinklers, buildings, hydrants, and fire protection?

Chamberlin: I would not consider anything less than 8-inch line. I don't think 4-inch would be adequate for what we have down there now. The wastewater alone is a good deal for the Mobil Station and Reap commercial properties.

Sander: Is the 8-inch line able to be done with line boring or open trench and extra labor.

Chamberlin: Green Mountain had first recommended the 8-inch line at about \$1 million. It is a little bit more than the wastewater line which would be \$1.1 million

Sander: So basically, we are talking about material and installation between 8-inch versus 12-inch. We should explore the difference in cost for both labor and materials to see if we can bridge that gap from 8-inch to 12-inch for fire protection. The implications for fire protection should be part of a future discussion.

West: Looking at the first scenario and applying it to a \$360,000 property over 30 years would be \$183,000 in payments for the length of the bond. You are all on the right track here about the cost burden being too much.

Sander: Yes, and that would just be for the bond payment and not usage fees.

Arneson: I added a column for the full amount of payback. If you look at 434 W. Main Street valued at \$300,000 the total payback for water and sewer would be over \$222,000 over 30 years. That is quite significant.

Freebern: That is almost the cost of the house.

Hill: I cannot picture 2/3rd of this cost being charged to the Town for fire protection. The benefit of putting a fire hydrant out by the interstate is bumping up against the cost. Does even reducing the cost from \$222,000 to \$190,000 make enough of a difference?

Sander: The two variables we haven't figured out yet is potential funding in the form of grants or infrastructure improvements. Is there a way to shift the fire protection costs?

Furr: What about ARPA funds? I keep getting asked that. We might like to use a third of that for this payment because we don't know what other uses the ARPA Committee may come up with for options.

Hill: I have been observing the Legislature this year and our ARPA funds will be oversubscribed at the State level. In terms of water/sewer, there is no community willingness to have non-users pay for overall residential benefits. Not sure that dog will hunt. We should not bank the future of this project on the use of ARPA funds.

Tucker: The State is offering funds to help people replace old and failed septic systems. This is going against what we are trying to do by expanding system.

Sander: My understanding is existing failed systems have a priority over expansion of current systems.

Chamberlin: Yes, that is correct. Do we want to pursue a wastewater only option? It is more cost effective.

Furr: Yes, it is more cost effective. But I have heard that even a 4-inch water line would make the area more developed as a growth center. But the cost should not be a burden on the current users. Let's not break the backs of the people who live there.

Hill: There is no obligation to do both at the same time. Is wastewater only a desirable and viable option?

West: There will be no affordable housing built if you do not put in water.

Chamberlin: Can we get money for affordable housing avenue rather than water & sewer?

Hill: Is there an organization or way to help us figure out this part of the problem of affordable housing and water/sewer. You are not getting water & sewer funds unless you have affordable housing. You are not getting affordable housing until you put in water & sewer. Is there a package deal to be pursued?

Sander: We need to explore other avenues.

Discussion of federal funding opportunities

Arneson: I reached out to the Vermont Bond bank about the federal infrastructure money available. The wastewater would be eligible for ARPA funds as it follows federal guidelines for Clean Water State Revolving Funds (CWSRF). We are not eligible for funds at the State level for wastewater expansion but would be for ARPA. Jay already outlined the timing issues of using that money. The money from the federal infrastructure bill will be distributed to drinking water from DWSRF and wastewater from CWSRF. This money will be following the State rules. The infrastructure money will not be able to be used for this expanding. We might qualify for drinking water funds if it is a State designated growth area which would require a 2-year process. We might be considered for DWSRF if the system expansion consolidates Smaller Public Systems (like condo developments on private wells is called a Community System). Examples of smaller public systems include Transient Non-Community Systems which serve 25 or more people, 60 days per year, businesses like bed & breakfasts, rest stops, restaurants fit this criterion. The Mobil Station might be in this category. Another type is a Non-

Transient Non-Community System which serves 25 or more people, 6 months a year, like Reap property, Fieldstone offices, Doggie Daycare might qualify. The Reap/Willis Farm property looks like the best example of Non-Transient Non-Community System. If we have more than one system, then there is the possibility of making this project eligible. More information to come. We now know how the federal money will come into the State. We need to explore if there is money for affordable housing coming from another source. I will also reach out to the State Fire Marshall to see if we qualify for money to put in the fire hydrant.

Sander: I wouldn't be surprised if something is there. That could be a piece to help fund this.

Furr: It might be worth working with the Planning Commission the 2-year process to get that area designated as a growth center. It might not help us now but might be useful later.

Freebern: What does it take to get it designated as a growth center?

Clarke: A growth center is something we have been looking at but there are many criteria that we are still investigating in terms of affordable housing. What is the vision for that area? What are the equity considerations? The State has more information coming.

Hill: If we put Water & Sewer out there, the concern is what will it grow?

Clarke: In order to get water & sewer you need an amendment to Act 250, but it cannot promote sprawl. The zoning needs to change if this project is going to proceed. We are moving towards smaller residential units as the fate of commercial is unknown. Smaller units would be more affordable in general. The area is pretty small so hard to look at multi-family units that would help finance. We need to actually see what the land would provide for affordable family units. This is being investigated as we speak.

Hill: We are limited by our height of our buildings. We cannot build 5-story buildings like we see in other local communities.

Clarke: A lot of people tell the Planning Commission that they like not having the taller buildings. The outreach to Gateway tells us they do not want to look like Williston.

Freebern: There is concern from residents that we don't want the Gateway district to be a Dollar General. Yet, we do not want to be anti-development. How do we make it work?

Clarke: We do not want commercial strip development. The State through Act 250 does not want commercial strip development nor does the community. We are looking at more residential. We might not be putting in 5-story, 90 units but an additional 30 single family or cluster housing can be written for the zoning. The units will be fairly affordable due to location of railroad and highway.

Freebern: Can affordable housing pay back the type of bonds suggested here? Would businesses be able to afford that?

West: The farm on the south side of Rt 2 is looking to add affordable housing units. Adding more affordable units would change the numbers a lot as expanding from 15 properties to 45 properties.

Discussion of when to reimplement an in-person meeting location and start time of future meetings

Sander: Looking for consensus to start the meeting at 5:30 pm. Does anyone have any problems with the 5:30 pm meeting time? No. The following meetings will be at 5:30 pm. Is it time for in-person or hybrid?

Huntoon: I am fine in person but also want to provide hybrid for being able to schedule travel. Can we still keep the hybrid going even if in-person?

Furr: I agree.

Hill: I would like to include the hybrid as we get people to participate who might not show up in person. If we return in person, then we should make the best efforts to be in-person as well. We shouldn't ask Town staff to show up if we are not showing up.

Sander: Are we fine having hybrid meetings starting at 5:30 pm starting next time? Sounds like a plan.

Clarke: What is the plan for the next Gateway project expansion

Sander: We are exploring the costs and funding sources. This will be a topic of discussion for the next meeting. We will look at other options.

Hill: We should reach out to affordable housing community members and resources. Are there any infrastructure funding sources available?

Chamberlin: The cost of gas is also an obstacle to requiring meetings to just be in-person.

Approval of Minutes Warrants and Purchase Orders:

Minutes

*Furr moved to approve the Water & Sewer minutes from 2/22/22. Hill seconded
Roll Call Vote: Hill, Huntoon, Furr, Sander, Tucker in favor. Motion passed.*

Warrants

*Furr moved to approve the warrants as drafted. Huntoon seconded
Roll Call Vote: Hill, Huntoon, Furr, Sander, Tucker in favor. Motion passed.*

Purchase Order

*Furr moved to approve Purchase Order 4165 to People's United Bank for East Main Street Planning loan in the amount of \$12,021,12. Huntoon seconded
Roll Call Vote: Hill, Huntoon, Furr, Sander, Tucker in favor. Motion passed.*

Next Meeting Agenda

- ...Hybrid meeting at 5:30
- ...Other discussion on Gateway Expansion for costs and funding
- ...Affordable housing funding sources
- ...Fire protection funding sources
- ...Discuss with Regional Planning about other possible funding sources

...Commission will touch base on Thursday, March 10 to see if we have enough information to meet again on Monday, March 14th or to wait until next scheduled meeting on Monday, March 21st.

Adjournment

Furr moved to adjourn. Seconded by Huntoon.

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

Meeting adjourned at 6:33 pm

Chat file from Zoom:

None