

**Bond Informational Meeting**  
**Monday, June 16, 2003**  
**7:00p.m.**  
**Board Room, Municipal Building**

The St. Johnsbury Board of Selectmen held a Bond Informational Meeting on Monday, June 16, 2003 to discuss the Bond Vote relative to the extension of new sanitary sewer lines in the vicinity of Breezy Hill. The informational meeting was held in the Board Room of the Municipal Building beginning at 7:00p.m.

Those present at the Informational Meeting included: SelectBoard Member Reginald Wakeham, Gary Leach from Leach Engineering, Neil Coe, Pauline Coe, Christine Walker, Dr. Spaulding, Alan Wilson, Robert Morriss, Albert Towle, David Cloutier, Rodger Hamilton, MaryAnne Hamilton, Jean McGregor, Donna Reed, Len Hychalk, Thomas McCaffrey, Arnold Munkittrick, Bill Vermeulen, Kim Achilles (Caledonian-Record), and Mike Welch Town Manager.

The Town Manager reviewed an informational hand-out with those present. The Manager reviewed the following:

**BOND VOTE** – Scheduled for Tuesday, June 24, 2003 Australian Ballot Voting – 10:00a.m. – 7:00p.m. – Lively Center (Former Adams School) Summer Street St. Johnsbury, VT.

**BALLOT QUESTION** – Shall General Obligation Bonds or other indebtedness of the Town of St. Johnsbury in an amount not to exceed \$312,500.00 subject to reduction for available state and federal grants-in-aid, be issued for the purpose of financing the Town's share of making certain improvements: viz: installing new sanitary sewer lines in an area located principally along, and westerly and easterly of, the Breezy Hill Road, so-called, and performing any other work incident thereto at an estimated cost of \$1,250,000.00?

**WASTEWATER PLANT CAPACITY** – Design Capacity = 1.6 Million Gallons Per day. Average daily flow currently approximately 1.1 Million Gallons per Day.

**BOND REPAYMENT** – USDA Financing available for 25% Local Share of \$312,500 financing period 30 years or 20 years at 4.5%. Remaining 75% of Cost estimated as a USDA Grant.

30 Year Annual Repayment = \$19,088

20 Year Annual Repayment = \$23,870

**AVERAGE SEWER BILL CURRENTLY:**

Based on 72,000 gallons per year (average family) Annual Sewer Bill is \$363.16.

Based on 72,000 gallons per year (average family) Average Water Bill is \$290.16

Note – Sewer Rates will continue to be increased based on Sewer portion of on-going Combined Sewer Overflow Elimination Project in St. Johnsbury, and increased operating costs. Town is under State Order to eliminate Combined Sewers.

**BOND REPAYMENT BY ELIGIBLE PROPERTY** – Sewer available for connection. Using Gary Leach’s estimate of 77 current housing units. Based on a 30 year repayment a Sewer Bond Assessment of \$250 per year, or \$62.50 per quarter would finance the 30 year payback. The Board will also need to consider potential development in the proposed service area – and could assess sewer Bond repayment for these areas as well. The higher the number of potential users – the lower the Sewer Bond Assessment. If it is determined, for example that there is the potential of another 50 lots, then an Annual Sewer Bond Assessment could be about \$150 per lot, or 37.50 per quarter. **If this is a repayment plan selected by the Board - this Sewer Bond Assessment would be in addition to Annual Sewer Operating Costs – once connection is made.**

The Board will also take into account the benefit of having new Sewer Customers on the system, and any incremental operating costs associated with the collection and treatment of sewage for those new customers.

**SEWER CONNECTION REQUIRED** – (Code of Ordinances – Section 13-24) “The owners of all houses, buildings or properties used for human occupancy, employment, recreation or other purpose situated within the Town and abutting on any street, alley or right-of-way in which there is located a public sewer of the Town, is hereby required, if wastewater is generated, to install suitable toilet facilities therein and to connect such facilities directly with the proper public sewer in accordance with the provision of this ordinance, within forty-five (45) days after date of official notice to do so, provided that said public sewer is within two hundred fifty feet (250 feet) (76.2 meters) of the building(s) requiring service. Installation or repair to a private wastewater system servicing a building located within 250 feet of a public sewer is not permitted unless the Board finds that connection would cause extreme hardship and the private wastewater system would meet all pertinent State rules.”

**COST RECOVERY FOR TOWN SEWER EXPANSION** – (Section 13-34) “Any expansion of the Town sewer service area to provide for new users shall be funded by the proposed users paying the portion of the cost of expansion and upgrade of the Town Sewer determined appropriate by the Board. In determining this portion, the Board may consider the percentage of existing development out of the total of existing and proposed development to be served. In determining this portion of cost the Board may also

consider whether or not the existing developments to be served have helped to finance the existing wastewater system. The Board shall assure that the portion paid by existing users can be financed within a three year period without causing a rate increase of more than 5% within the three year period.”

**CURRENT SEWER SYSTEM USERS & REVENUE:**

Commercial	281
Residential	1,305
Industrial	18
<b>Total Users</b>	<b>1,604</b>

Calendar Year Sewer Revenue – 2002 - \$846,569

Calendar Year Water Revenue – 2002- \$745,605

**CURRENT DEBT – WATER/SEWER FUND**

**CONNECTION FEES** – Current Sewer Connection Fee is \$100 – SelectBoard members are discussing the increase of this fee in order to more reasonably represent a cost-sharing in the infrastructure of the existing Sewer Collection and Treatment System (see Long Term Debt). Some members of the Board have indicated a further incentive to connect by reducing or waiving the connection fee for this project – given connection within a reasonable time period, which would need to be established by the Board.

Those present asked questions of the Town Manager and Gary Leach, Leach Engineering.

How much will it cost for the sewer connection from the home to the sewer line? Leach estimated that this would be about \$20.00 per foot – but a lot depends on distance, depth, and location of plumbing fixtures, location of other utilities.

Who gets to vote? Registered voters of the Town of St. Johnsbury are eligible to vote on this article – as the Town is actually responsible for the bond.

What if I don’t have money to connect – I can’t afford to live here anymore. Gary indicated that there may be some potential for low interest loans to assist individual homeowners with connection costs.

What about removal of existing septic system?

What if I don’t want to connect? What are you going to do?

What if existing septic system is working – won’t there be a grace period? The Manager responded that that is one of the items that will be discussed by the SelectBoard. There will be a period of time to allow for connections to the system.

Len Hychalk asked those in attendance how many people are having problems with their septic systems now? No one indicated that they were.

Gary Leach explained that in 2007 the State of Vermont will require that Septic System for Single Family Dwelling be engineered and permitted. Gary said that given the soils conditions in much of the area surrounding Breezy Hill this could mean that some areas would require mound systems – which will be much more expensive than the traditional systems that have been installed.

Christine Walker asked if any research had been done by the Town regarding increase in property value as a result of installing the sewer. The Manager said that this had not been done.

It was pointed out that for financing purposes banks may look more favorably upon a property that is serviced by a sewer line, vs. a septic system of unknown status.

Gary Leach indicated that the timeframe following the bond vote will include engineering, right-of-way, design, permitting, and preparation of bid documents. Gary said that the entire process could take up to five years to complete.

Bill Vermeulen asked about the potential for additional development. Has this been calculated? This is one of the items that the Board of Selectmen will need to consider when they determine Sewer Assessment. Presently, there has been no calculation of the number of potential development lots that could be served by this sewer extension.

Bill Vermeulen pointed out that 30 more lots would make a big difference in any sewer bond assessment.

Some residents said that they did not want to see additional development in this area – the traffic is already a problem.

Len Hychalk said that a sewer line would need to be very deep in some locations in order to flow by gravity.

Gary Leach said that USDA programs will allow for the project to pay for utility work within the Right-of-way of the road. He said that there may be additional low interest loans available through the USDA to assist homeowners with plumbing conversions and sewer service connections.

Someone asked about the hidden costs – what are the other costs that will increase. The Manager said that the primary capital cost for the current sewer system is the separation of sanitary sewer lines and storm sewer lines.

Some residents asked how mandatory hook-up would work? What will be the timeframe. The Manager could not give a detailed timeframe – he indicated that there would be a grace period to allow time for people to connect.

What is the cost of doing additional planning – why isn't the Town doing more of the research in advance of the bond vote? The Manager said that the Town is responding to a funding opportunity and that ordinarily there would be more planning and engineering in advance of a bond vote.

Someone asked if the bond is defeated will it come up again? The Manager said that he believed that the issue would come up again. He said that the Town would probably try to get some planning funds to answer many of the questions that residents have raised – and would bring the item up for consideration again. Gary Leach said that the issues associated with private septic systems in poor soils will not go away. As the state permitting program begins – and as financing institutions ask more questions about existing sub-surface disposal systems.

Len Hychalk asked who developed standards about separation distance between water lines and sewer lines. Gary Leach responded that is the Department of Health.

Everyone was reminded about the Bond Vote on Tuesday, June 24<sup>th</sup>, between 10:00a.m. and 7:00p.m. at the Lively Center (former Adams School), Summer Street.

Having no further questions, the Bond Information Meeting was adjourned at approximately 8:20p.m.

Respectfully submitted,

Michael A. Welch  
Town Manager