

DPW Committee report – 05/20/20

Chairman Clifford called the meeting to order at 5:30.

Present were committee members Clifford, Mattis, DePoy, and Gillam. Other aldermen present were President Whitcomb, Aldermen Davis, Talbot, Etori, and Gorruso.

Also present were Treasurer Markowski, Commissioner Wennberg, Business Manager Gorruso, Engineer Rotondo, Mark Foley, John Ruggiero, Joe Giancola and Mike Smith of Weston & Sampson.

Chairman Clifford explained that he hoped to cover the first two items on the agenda; the proposed sewer allocation policy revisions and the wastewater bond project update. Chairman Clifford invited City Engineer Rotondo and Commissioner Wennberg to review the proposed allocation policy changes.

Commissioner Wennberg explained that the current system, which has been in place for many years, has many problems. It depends upon inconsistent state records of allocations to existing properties, is cumbersome and often requires applicants to hire engineers to complete the application and is a burden on the Engineering Office. He illustrated part of the problem with the example of adding a fourth bedroom to a 100-year old house. Because of its age and the lack of major modifications there is no allocation on record. Under those circumstances the property owner would be required to pay for four bedrooms of allocation rather than one even though three of them have been there for a century.

City Engineer Rotondo went through how the new policy would function. He explained through a PowerPoint that an allocation would only be required when there is

- a.) New construction where water and/or sewer will be provided
- b.) A change in use of an existing building or space
- c.) Reuse of a building or space that has been vacant for more than (2) years

He walked through the revised process, emphasizing that the “baseline” for allocation calculations would be the current use of the property. It would no longer be based upon inconsistent records kept by the state. This essentially grants every building “amnesty”, and simplifies the entire process.

He explained that the policy would treat vacant properties with a two-year “look back”. This means a building can be vacant for two years and still retain its allocation based upon the last occupancy. But if it is vacant for over two years the prior allocation would go away and the baseline for a future reuse would become zero.

Fees would be based upon average daily flows as provided by the state for a wide range of uses. The Engineering Office has created a spreadsheet-based tool to allow most applicants to calculate the gallons and fees without requiring the services of an engineer.

Alderwoman Mattis asked about the provision that limits the effective life of an allocation to projects that are started within two years and completed within four years. Mr. Rotondo explained that this is to

prevent applicants from getting allocations and walking away, essentially tying up reserve capacity in the treatment plant. Commissioner Wennberg explained that the WWTP permit requires us to keep track of wastewater flows and allocations to ensure we do not commit more future capacity in the plant than allowed by the permit.

Following this was a discussion about the two-year look-back and the two-year to get the project started. Commissioner Wennberg stated that it is the current policy that projects must be started within two years or the allocation goes away, although he said extensions are sometimes granted when developers are making best efforts but unable to comply for reasons beyond their control.

Alderman Gillam asked what the allocation is for a vacant lot that previously had a home on it. Mr. Rotondo said in that case the allocation would be zero and any proposed development on that lot would be treated as new construction.

Alderman Gorruso asked why there is a fee for allocations. Commissioner Wennberg said it is a policy set by the Board, and the fee has not changed in about 25 years. The main argument in favor of the fee is the reserve capacity in the plant was purchased through the investment of the historical user base through bonding. Any new or expanded use of that capacity should at least partially compensate the existing users for the past investment that created the capacity in the first place. The funds are actually set aside and used for future capital improvements to the wastewater system. Alderman Gorruso disagreed with the concept and said he thought all of these costs should be billed based upon the actual use based upon metered consumption.

City Engineer Rotondo showed a table with the water and sewer allocation fees charged by other Vermont municipalities, along with their typical user fees. Fees range from a high of \$56.40 in Hinesburg to \$0 in Burlington. The next two lowest are Rutland and Springfield at \$4 per gallon per day, and the average is \$12.41.

Chair Clifford invited questions from the others on the call. Mark Foley, Jr., stated that he had no objection to tracking allocation but stated that two years is too short a time in the Rutland market, especially in downtown. He agreed that a fee for new construction made sense but recommended that changes of use and expansions/renovations should not require a fee for changes in allocations. He said doing so would help the property owner market vacant spaces.

Joe Giancola said he had been working with the city engineer on this for a couple of years, and said he agreed with Mark. He expressed concern for the marketability of existing vacant spaces.

Alderman Gillam asked if the fees can be waived as an incentive. Commissioner Wennberg said the water incentive program already waives the allocation fees for qualifying applicants.

Alderwoman Davis asked for clarification on which of the categories represent new or additional fees. Mr. Rotondo said the fees for new construction, redevelopment or change of use are all currently in place. The purpose here is to revise the process. Alderwoman Davis expressed concern for the two-year look-back and whether this is too short a time.

Alderwoman Mattis asked Mark Foley what a more reasonable timeframe would be and whether the incentive is enough to address the issue. Mr. Foley said the perfect timeframe may not exist. The incentive helped Roots but was not available to the Castleton dormitory. He said the best approach would be to eliminate the fees on these types of developments.

Alderman DePoy asked what the financial impact would be to the sewer fund and rates if these fees are eliminated. Commissioner Wennberg said he would get the information to the board.

Alderwoman Mattis suggested suspending the fee for a limited time. Alderman Gorruso said this may be great idea. Alderwoman Davis said she was sympathetic to Mark's argument, but wanted to see more information about where the City budget is going.

After additional discussion about the fees, John Ruggiero said that there is not a lot of documentation about the prior use of spaces and whether there was an allocation for the prior use. He expressed agreement with Joe and Mark. He added that allocations returned to the city might justify a payment back to the property owner under some circumstances.

Chair Clifford stated that the matter would stay in the committee and all those present would receive notice of the next meeting when it will be taken up again. He asked if the wastewater bond update could be deferred and all agreed it should be.

Alderman Gillam moved to adjourn, which passed unanimously.

The meeting was adjourned at 7:25 PM.