



**The City of
Rutland, Vermont**

**Board of Alderman
Public Works Committee**

Minutes April 15, 2023

Members present Barbagallo, Gillam, Cupoli, Adams, McCann, other BOA member Davis

Jim Rotonto, DPW Commissioner Patrick Smart, MSK Engineers, Water Dept Mgr, Scott Taggert, New Water Dept Mgr, Tom Garafano

5:30 meeting Call to Order Issue Water System Service Line Inventory

New federal regulations (lead and Copper Rule Revisions 40 CFR Part 141 Subpart 1 LCCRR) require every public community water system in the country to prepare a service line inventory and lead service line replacement plan prior to October 2024. With close to 6200 connections in Rutland City water system, this will be a massive project.

Patrick Smart from MSK Engineers of Bennington/Montpelier, briefed the committee on the project requirements for compliance with Agency of Natural Resources, Dept of Environmental Conservation, and federal law.

He explains what the process entails, how to build the plan, how would the information on 6200 connections be collected and who would file report with Vermont agencies.

Motion by Barbagallo, **"To move to the full BOA for approval and circulate for signatures to submit a(DWSRF) Service Line Inventory Loan Application in the Application in the amount of \$800K.
Committee vote 5-0**

See support documents

Motion by Barbagallo, **"to Move to the full BOA for approval to Contract with MSK Engineers to prepare a service line inventory and lead service line replacement plan for the City of Rutland Water Department at a cost not to exceed 800K, pending final review of the contract from the City Attorney before the mayor sign the agreement.**

Pending final review of the Contract Agreement by City Attorney Vote 5-0

Authorize the mayor sign the agreement for the City Of Rutland after city Attorney review Vote 5-0

See support documents

Finally, the committee thanked Water Dept Manager Scott Taggert for his 35 years of public service to the Taxpayers City Of Rutland. He will be retiring next week. Also, committee congratulated Tom Garafano the New Water Dept Manager

Committee Adjourned 6:37 pm



MEMO

To: Board of Aldermen, DPW Committee Members

From: James Rotondo, PE, Commissioner of Public Works/City Engineer

cc: Mayor Doenges

Date: April 19, 2023

Re: **Water System Service Line Inventory**

New federal regulations (Lead and Copper Rule Revisions - 40 CFR Part 141 Subpart I, LCRR) require every public community water system in the country to prepare a service line (SL) inventory and lead service line replacement plan prior to October 2024. With close to 6,200 service connections in our water system, this will be a massive project.

The goals of tonight's meeting are to obtain DPW Committee approval to send to the full board the following items:

- 1. Request for approval to submit a (DWSRF) Service Line Inventory Loan Application in the amount of \$800k.**
 - a. See VT ANR Amended Intended Use Plan for Federal Fiscal Year 2022.
 - b. For \$804,440k Loan: \$452,220 would be forgiven & \$352,220 would need to be repaid.
 - c. The City would pay back this loan using the Water Distribution Capital Fund which currently has a balance of approximately \$1.3M.
 - d. It is anticipated that appropriate charges would be assessed to Town of Rutland (approx. 159 accounts) & Alpine (approx. 63 accounts).
- 2. Request for approval to contract with MSK Engineers to prepare a service line (SL) inventory and lead service line replacement plan for the Rutland City Water Department at a cost not to exceed \$800k.**
 - a. We are asking to waive the RFP process because MSK is uniquely qualified and has the experience, expertise and capacity to perform this work accurately and have it completed by the October 2024 deadline.
 - b. Utilizing an RFP process for engineering selection at this time could be detrimental to completing the work by the mandated date.
 - c. The City does not have the personnel or capacity to perform this work in-house and must rely on outside help.

Vermont Drinking Water State Revolving Fund (DWSRF)

Service Line Inventory Loan Application

Municipal Water System Version (private systems please use the other version)

Technical review by Vermont Department of Environmental Conservation

Financial review and loan agreements by Vermont Bond Bank

Borrower Information and Contacts

Municipality legal name: Rutland City

Water system name: Rutland City Water Department

WSID # (3-5 digits): 5229

Mailing Address: 52 Washington street Rutland, VT 05702

SAM.gov Unique Entity ID (12 character): LK6TH1XS98C9

Full SAM.gov registration is not required, but to be a subrecipient of federal funds including a DWSRF loan, there must be a publicly visible entry that DEC staff can review.

Municipal Water System Personnel and/or Board Members

List all people who will authorize or manage the loan in roles such as

Town/City: Manager; Public Works Director; Clerk; Treasurer; Financial Manager; etc.

Governing Body/Selectboard/Prudential Committee: Chair; Treasurer; Clerk/Secretary; Member.

Start with the Authorized Representative and Alternate Auth. Rep. and provide their contact info. Add pages for additional names if needed. Have each person sign the application. **A signature below certifies review and approval of the entire completed loan application.** The Consultant will be added in the next section. The Designated Operator role does not need to be added to the loan application unless they are in one of the other roles.

Authorized Representative (who has authority to sign legal and financial agreements):

Name James Rotondo, PE

Title/Role: DPW Commissioner/City Engineer

Phone: 802-773-1813

Email: jimr@rutlandcity.org

Signature

Date

Alternate Authorized Representative (backup for Authorized Representative):

Name Ted Gillen, EI

Title/Role: Assistant City Engineer

Phone: 802-773-1813

Email: tedg@rutlandcity.org

Signature

Date

Other personnel/board members:

Name: Mary Markowski

Phone:

Signature

Title/Role: Treasurer

Email:

Date:

Name: Lynne Holmquist

Phone:

Signature

Title/Role: Assistant Treasurer

Email:

Date:

Name: Michael Talbott

Phone:

Signature

Title/Role: Board of Alderman President

Email:

Date:

Name: Sharon Davis

Phone:

Signature

Title/Role: Board of Alderman Member

Email:

Date:

Name: Alex Adams

Phone:

Signature

Title/Role: Board of Alderman Member

Email:

Date:

Name: Cheryl Hooker

Phone:

Signature

Title/Role: Board of Alderman Member

Email:

Date:

Name: John McCann

Phone:

Signature

Title/Role: Board of Alderman Member

Email:

Date:

Other personnel/board members:

Name Anna Tadio	Title/Role: Board of Alderman Member
Phone:	Email:
Signature	Date
Name Joe Barbagallo	Title/Role: Board of Alderman Member
Phone:	Email:
Signature	Date
Name Bill Gillam, Jr.	Title/Role: Board of Alderman Member
Phone:	Email:
Signature	Date
Name Carrie Savage	Title/Role: Board of Alderman Member
Phone:	Email:
Signature	Date
Name Kiana McClure	Title/Role: Board of Alderman Member
Phone:	Email:
Signature	Date
Name Larry Cupoli	Title/Role: Board of Alderman Member
Phone:	Email:
Signature	Date

Consultant / Contractor:

Firm Name: MSK Engineers	Contact Name: Patrick Smart
Mailing Address: 150 Depot St Bennington VT 05201	
Phone: 802-447-1402	Email: psmart@mskeng.com

Relevant experience and qualifications for service line inventory:

MSK Engineers has been working with the Town of Bennington to identify and replace lead service lines since 2017, and is a leader in implementation of a stepwise approach to identify buried SL pipe materials. MSK is currently contracted with VTDEC to prepare service line inventories and lead service line replacement plans for 11 very small community water systems in Vermont.

Project Details and Loan Request

Project Title: Service Line Inventory

Loan purpose and terms: Community and NTNC water systems are required under the Lead and Copper Rule Revisions to submit a service line inventory (SLI) by October 2024. Specific requirements for the inventory format and its development are set by the Drinking Water and Groundwater Protection Division. The most current funding information will be available from the DWSRF program. Loan terms will be 0% interest and fees. Repayment will start 5 years after the loan agreement, split into 5 annual payments. Any loan forgiveness proposed on SLI priority list may be issued in portions as the annual portfolio of loans under that grant develops. If the SLI leads to a subsequent DWSRF construction loan, the SLI loan may be rolled into that construction loan.

Project General Tasks: General categories of tasks that are eligible for these loans and may need to be completed are listed below and should be considered in development of the contract or Engineering Services Agreement. Note that the final SLI must cover portions owned by both the water system and the customer. Do not include the scope or budget of other planning work the contractor may complete for the water system (e.g., asset management planning, preliminary engineering). If other DWSRF-eligible and fundable work will be completed on a similar timeline, a single loan agreement may be developed, but loan applications must be submitted separately.

1. Record Review

- Meet with water system personnel. Review water system records for service line info.
- Review other available documentation (e.g., Town Clerk office, DEC regional office (including online permit search), Act 250 permits, local plumbers and former water system staff, etc.)

2. Survey and Inspection

- Survey customers for service line information.
- Where necessary, inspect the customer side of the service line (building inlet).

3. Inventory Spreadsheet and Replacement Plan

- Enter inventory data for each service line into the state inventory spreadsheet template.
- Where required based on the inventory, develop the Lead Service Line Replacement Plan.

Project Specific Information: Describe the anticipated tasks to be completed by the contractor for this specific water system and the general methods. These will differ among water systems depending on current records, system age, material types, history of distribution upgrades, etc. If including a draft or executed contract or ESA that includes this information, enter "see attached".

MSK Engineers will be responsible for development and implementation of a project database, records review, data analysis, conducting service line observations, preparing a service line inventory and lead service line replacement plan (if necessary).

Number of service lines to be inventoried (per DWGPD instructions): 6121

General budget explanation for tasks (costs per project and/or per service line, or enter "see attached"):

Cost per service connection is \$131. The MSK Engineers' project cost is \$800,000, a draft agreement and level of effort table are attached.

Anticipated total inventory project cost: \$ 800,000

Amount requested for this loan: \$ 800,000

Borrower financial info

Borrower fiscal year: ☐ Calendar (Jan – Dec) ☒ State Fiscal (July – June)
☐ Federal Fiscal (Oct – Sept) ☐ Other:

Current water system debt (not including this loan): Total: \$2,752,561

Expected to pay off within 5 years: \$896,505

Not expected to pay off within 5 years: \$1,856,056

Annual Debt payments: Current: \$179,301

Anticipated in 5 years: \$179,301

Other projects the water system anticipates in the next 5 years that may require a loan:

The Vermont Bond Bank may require additional information for financial capacity review and underwriting, and/or may use information from other pending DWSRF loan applications.

Email completed application and the following attachments to: amr.dwsrfnyloan@vermont.gov

Amy Galford, DWSRF Program Lead, 802-585-4904

- This loan application, all fields completed and all signatures completed.
- Contract or Engineering Services Agreement (ESA) that matches the info above. We recommend submitting a draft for DEC staff review with this loan application or earlier prior to signing the contract.

The Vermont Drinking Water
State Revolving Fund

Amended Intended Use Plan

for Federal Fiscal Year 2022

Amended January 5, 2023

Initially Adopted September 26, 2022

Prepared by The Water Investment Division
Department of Environmental Conservation



DWSRF FFY 2022 Priority List - Lead service line removal and service line inventories

Water System / Borrower	WSID	User Popln	Priority List Application Score	Lead Service Line Loan Amount	Loan forgiveness	Loan portion to be repaid
Service line replacement construction projects (including lead goosenecks) from priority list applications						
Town of Springfield, Contract 1 Bridge St area, 40 yrs, 0% interest+admin.	5333	9800	180	\$ 2,000,000	\$ 1,000,000	\$ 1,000,000
Town of Bethel, Distribution Contract 2, 30 yrs, 2% interest+admin.	5315	1929	170	\$ 850,000	\$ 425,000	\$ 425,000
Town of Northfield, Main St & Prospect, 40 yrs, 0% interest+admin	5275	5145	155	\$ 3,200,000	\$ 1,600,000	\$ 1,600,000
Construction subtotals				\$ 6,050,000	\$ 3,025,000	\$ 3,025,000

Loan forgiveness for lead service line removal construction projects is Disadvantaged Subsidy at 50% for all three projects, each of which has local median household income (MHI) less than the state MHI. Years and rate details are based on local MHI and user rate calculations per state statute and program guidance documents. See section 9.4.2.2 of this LUP. Local MHI by town or Census Designated Place most similar to the water service area, 2020 American Community Survey 5 yr avg.

Service line inventory loans available to systems with user population >1000 and >250 connections.

Water System	WSID	User Popln	LSI score ¹	Loan Amount ²	Initial loan forgiveness ³	Loan portion to be repaid
Castleton FD1	5212	1940	60	\$ 47,049	\$ 47,049	
Johnson Village	5156	1350	50	\$ 52,963	\$ 52,963	
Lyndonville	5040	4500	45	\$ 197,135	\$ 148,567	\$ 48,567
Springfield	5333	9800	45	\$ 328,558	\$ 214,279	\$ 114,279
Brattleboro	5290	12200	40	\$ 473,123	\$ 286,561	\$ 186,561
Brighton	5105	1782	40	\$ 93,442	\$ 93,442	
Derby Center	5195	1400	40	\$ 118,281	\$ 109,140	\$ 9,140
Enosburg Falls	5116	1700	40	\$ 77,671	\$ 77,671	
Ludlow Village	5323	2818	40	\$ 107,767	\$ 103,883	\$ 3,883
Richford	5126	1700	40	\$ 101,327	\$ 100,664	\$ 664
Windsor	5341	2350	40	\$ 128,663	\$ 114,332	\$ 14,332
Bellows Falls	5298	4000	35	\$ 256,275	\$ 178,137	\$ 78,137
Bethel	5315	1929	35	\$ 45,998	\$ 45,998	
Fairfax	5117	1550	35	\$ 37,587	\$ 37,587	
Richmond	5084	1000	35	\$ 43,370	\$ 43,370	
St Johnsbury	5045	5000	35	\$ 235,510	\$ 167,755	\$ 67,755
Wilmington Water District	5310	1400	35	\$ 34,564	\$ 34,564	
Barre City	5254	14000	30	\$ 545,406	\$ 322,703	\$ 222,703
Hardwick Town	5039	1900	30	\$ 105,533	\$ 102,766	\$ 2,766
Poultney	5227	2400	30	\$ 88,053	\$ 88,053	
Randolph	5179	2700	30	\$ 105,007	\$ 102,504	\$ 2,504
Royalton FD1	5330	1500	30	\$ 49,284	\$ 49,284	
Bradford Village	5170	1512	25	\$ 75,305	\$ 75,305	
Bromley Water Company	5024	4300	25	\$ 52,569		\$ 52,569
Chimney Hill	5312	2594	25	\$ 71,626	\$ 71,626	
Grand Isle FD4	5139	1078	25	\$ 47,969		\$ 47,969
Hinesburg	5070	2800	25	\$ 118,938	\$ 109,469	\$ 9,469
Newport City	5202	4766	25	\$ 289,131	\$ 194,565	\$ 94,565
North Bennington	5017	1700	25	\$ 88,579	\$ 88,579	
Pittsford Florence	5225	1923	25	\$ 80,562	\$ 80,562	
West Rutland	5244	2400	25	\$ 118,281	\$ 109,140	\$ 9,140
Arlington	5013	1250	20	\$ 69,129	\$ 69,129	

Brandon Fire District 1	5211	3865	20	\$	157,708	\$	128,854	\$	28,854
Bristol	5002	2103	20	\$	91,339	\$	91,339		
Chester	5318	3200	20	\$	73,597	\$	73,597		
Jay Peak	5565	6740	20	\$	68,471	\$	68,471		
Morrisville Water and Light	5160	2935	20	\$	147,194	\$	123,597	\$	23,597
Mountain Water Company	5281	2400	20	\$	85,688	\$	85,688		
Northfield	5275	5145	20	\$	165,330	\$	132,665	\$	32,665
Quechee Central	5320	2262	20	\$	113,418	\$	106,709	\$	6,709
Rutland City	5229	18500	20	\$	804,440	\$	452,220	\$	352,220
Winooski	5102	8500	20	\$	229,202	\$	164,601	\$	64,601
Barre Town	5566	1638	17	\$	71,757	\$	71,757		
Proctor	5228	2000	17	\$	105,270	\$	102,635	\$	2,635
Burlington	5053	42000	15	\$	1,301,088	\$	700,544	\$	600,544
Edward Farrar Utility District	5284	6003	15	\$	142,857	\$		\$	142,857
Fair Haven	5218	3076	15	\$	154,291	\$	127,145	\$	27,145
Grand Isle Consolidated Water District	20614	1600	15	\$	91,996	\$		\$	91,996
Hartford	5319	7600	15	\$	275,988	\$	187,994	\$	87,994
Middlebury	5004	8000	15	\$	302,273	\$	201,136	\$	101,136
Milton	5079	8000	15	\$	328,558	\$	214,279	\$	114,279
North Hero	20562	2750	15	\$	75,831	\$		\$	75,831
Smugglers Notch	5151	2960	15	\$	83,848	\$		\$	83,848
St Albans	5130	10200	15	\$	525,692	\$	312,846	\$	212,846
Swanton Village	5132	2986	15	\$	173,347	\$	136,673	\$	36,673
Jericho Village	5077	1410	15	\$	75,568	\$		\$	75,568
Woodstock Aqueduct Company	5343	2473	15	\$	102,116	\$		\$	102,116
Montpelier	5272	8700	12	\$	381,127	\$	240,563	\$	140,563
Stowe	5163	3250	12	\$	162,570	\$	131,285	\$	31,285
Tri Town Water District	5001	3800	12	\$	236,561	\$	168,281	\$	68,281
Vergennes Pantown Water District	5010	5100	12	\$	281,245	\$	190,623	\$	90,623
Colchester FD2	5059	8300	10	\$	367,985	\$		\$	367,985
Colchester FD3	5060	7733	10	\$	247,732	\$		\$	247,732
Essex Junction	5066	9500	10	\$	433,696	\$		\$	433,696
Manchester	5022	4140	10	\$	207,648	\$		\$	207,648
Shelburne	5087	5764	10	\$	341,700	\$		\$	341,700
Williston	5098	7259	10	\$	423,971	\$		\$	423,971
Winhall Stratton FD1	5305	6200	10	\$	297,936	\$		\$	297,936
Essex Town	5065	9734	5	\$	436,982	\$		\$	436,982
South Burlington City	5091	19500	5	\$	1,078,326	\$	589,163	\$	489,163
Inventory subtotal: Initial subsidy offers ²				\$	14,929,000	\$	8,122,315	\$	6,806,685
Inventory subtotal: Full subsidy portfolio goal ²				\$	14,929,000	\$	10,866,500	\$	4,062,500
Sum of construction and inventory loans:				\$	20,979,000	\$	13,891,500	\$	7,087,500

1. LSI scores are calculated based on subscores for number of service connections and affordability as shown in 9.4.2.1 and used for sorting order in the table. Equal LSI scores are sorted alphabetically above.

2. Loan amounts are estimates only and are based on the number of service connections. Actual loan amounts will be determined as loan applications are approved. Inventory loans will start repayment in 5 years, with 5 annual payments to follow, with 0% interest+admin fee. See SLI loan application for further details.

3. Subsidy (loan forgiveness) estimates are based on criteria described in the IUP section 9.4.2.1. Actual subsidy awarded is subject to availability. All Lead Service Line subsidy is Disadvantaged Subsidy per the terms of this IUP. For service line inventory loans, subsidy will be awarded based on the MHI criteria described in section 9.4.2.1. Subsidy will be awarded to eligible borrowers as follows. For water systems with a local MHI of up to 120.1% state MHI, loan agreements will provide for 100% subsidy up to \$100,000, and 50% subsidy for the portion over \$100,000, as shown in the table above. Depending on the availability of subsidy after all projects are funded, subsidy may be increased up to 100% of total costs.

