

TOWN OF CASTLETON
SPECIAL MEETING (ARPA Funding)
SELECT BOARD MINUTES
Monday, November 01, 2021, 6:00 p.m.
Castleton Fire Department Community Room
273 Route 30N, Bomoseen, VT
In-Person & Zoom Virtual Public Meeting

https://us02web.zoom.us/rec/play/pXsYyNZSPYae4j4Z_MUQ4QnMlb3xxlLCuSPLoeVZDv7jdzDCrL8LMb2Zj_V_nyTVoLvUf3BtEasQt61.EQJ7Pft9Aaqismdg?autoplay=true&startTime=1635804016000

PRESENT: Jim Leamy, Chair; Joseph Mark, Parliamentarian and Secretary; Michael Holden, Member; Michael Jones, Town Manager; Eric Hall; Rutland Regional Planning Commission; Mary Lee Harris, resident; Sid Waite. Resident/Fire District #1; Tim Munks, resident/CDERAC & Otter Valley CUD; Matt Brown, resident. Participating Via zoom- Jim Thomas, resident; Laura Des Jardins, resident; Absent was Robert Spaulding, Selectboard member

CALL MEETING TO ORDER

The meeting was called to order by Select Board Chair, Jim Leamy at 6:00 p.m.

PLEDGE OF ALLEGIANCE

Mr. Leamy led reciting the Pledge of Allegiance

APPROVAL OF AGENDA

Mr. Holden made motion to approve the agenda. Mr. Mark seconded the motion. All were in favor. Motion carried 4-0.

EXPLANATION BY ERIC HALL FROM THE RUTLAND REGIONAL PLANNING COMMISSION ON THE TIMELINE FOR THE OBLIGATION AND EXECUTION OF THE SUM OF ~\$1.3M+ THE TOWN WILL RECEIVE IN AMERICAN RESCUE PLAN ACT FUNDS. THE SELECT BOARD WILL HAVE UNTIL 2024 TO OBLIGATE THE FUNDS AND UNTIL 2026 TO SPEND THE FUNDS. ERIC EXPLAINED WHERE TO FIND THE ELIGIBLE USES SET FOR THE U.S. TREASURY DEPARTMENT AND TOOK QUESTIONS FROM THE SELECTBOARD AUD AUDIENCE.

Mr. Hall provided this brief explanation.

Background - The Rutland Regional Planning Commission in this role in all of this. The State's RPCs were instructed to help towns navigate this ARPA process. Specific project development and management needs, help identify needs and priorities, responding to inquiries and eligibility questions, public meetings, and provide other assistance in coordination with the VLCT. They are jointly working with VLCT and have a team meeting and discussing the ins and outs of these funds as the process evolves. He is here to help with reporting, developing priorities. The final decision lies with the municipality. He advised the Town should have received half of the \$1.3M at this time, so now is the time to start generating ideas, generating prioritized lists, and how to make the most lasting impact with these funds. The goal should be to meet the pandemic response needs, but also rebuild a stronger more equitable economy as the country recovers. Eric stated we are early on in this process, so he recommended the municipality take their time. The U.S. Treasury has issued interim final rule, but the final rule is still due. The process is still developing and there are still many unknowns.

Funding Objections –

- Support the COVID-19 response efforts (decrease spread of the virus)
- Replacing lost public sector revenue (vital public services and retain jobs)

- Support immediate economic stabilization (households and businesses)
- Address public health and economic challenges

GENERAL ELIGIBILITY AREAS - for these funds to be spent (non-exclusive list)

- Supporting the public health response
- Replacing public sector revenue loss
- Water & Sewer Infrastructure
- Broadband Infrastructure
- Addressing negative economic impacts
- Premium pay for essential workers

Each municipality may have different priorities on their list of eligible projects. Match these priorities with projects that have lasting impacts and reach the greatest number of people in the community should be the goal. Eric reiterated the importance of taking our time to navigate this process.

INELIGIBLE USES (Not an all-inclusive list) –

- Changes that reduce net tax revenue
- Extraordinary Payments to pension funds are prohibited
- General Infrastructure and capital projects (building a new fire station is an example of an ineligible use)

Responses to questions were made by Eric Hall unless otherwise stated

- **Sid Waite- (Resident/Fire District #1)**

Q. What kind of projects would a fire district be able to refurbish or start anew should the fire district receive any of this money.

A. Upgrades to facilities or infrastructure are eligible. General maintenance is not. Studies to determine what needs to be updated need to be followed up with actual work that follow the findings. Projects that may reduce rates to those who are disproportionately affected by the pandemic could be eligible.

Q. Would replacing a 90+ year old pipeline coming from the reservoir that supplies the water be eligible? The cost to replace the pipeline is going to cost over\$1.2M. If the line breaks, all users in Fire District #1 and #3 would be negatively impacted. Could the ARPA funds be used to defer the replacement costs of the pipeline?

A. Keep in mind projects that meet the pandemic response needs. Was this an issue prior to the pandemic? Is the pipeline going to still serve the same people in the same capacity at a similar rate, or would it upgrade the service to those negatively impacted during the pandemic?

Q. A large facility has been proposed to be built in town (Fire District #1) and will require water. Water pressure from the reservoir must be able to meet the demand of the building. If it were necessary to install an additional pumping station to increase the pressure, could the ARPA money be used?

A. If it is considered an upgrade to provide a more efficient service and potentially reduce rates who are supplied with water, it could fall into an eligible category. Is the planned building being constructed tied to the pandemic? Is the building being built as a response to the pandemic? Eric advised he needs to do some more research on these questions.

Q. If water and sewer infrastructure is eligible, does it pertain mainly to the pandemic issue? Is it exclusively tied to the pandemic? The goal of water/wastewater is to provide greater number of people giving them access to water and wastewater services. The project eligibility has to be tied into the EPAs Clean Water State Revolving Fund or

drinking Water Revolving Fund.

DRINKING WATER STATE REVOLVING FUND PROGRAM

Categories of Eligible projects

- Treatment
- Transmission and Distribution (including Lead service line replacement)
- Source Rehabilitation and Decontamination
- Storage
- Consolidation
- New System Development (a new system or expanding a system to serve more customers are the focus, unless you are making upgrades that provide the service at a more economic rate to a group of people who may have been disproportionately impacted by the pandemic)
- **Sid Waite -**
 - Q. Do you know of any municipality who have used ARPA funds toward water or sewer What were their reasons for using money for those purposes?
 - A. I do not know of any municipality who have committed funds for these purposes, but it is early in the process.
 - Q. Does the decision of the distribution for the use of these funds lie solely with the power of the Selectboard or are there some issues for which it seems reasonable the distribution be a town-wide vote to decide what the people want to do.
 - A. That decision lies with the Selectboard.

PUBLIC COMMENTS

- **Francetta Tyson – (Owner of Misty Heather Morn)**
 - Q. Would extension of the water system on the Blissville Road to service the area on the south side of the railroad tracks on Blissville Road be eligible for ARPA funding? There are several businesses and residential homes that would be served by an expansion.
 - A. Businesses such as Mistry Heather Morn, childcare facilities would be eligible to expand.
 - Q. Would such expansion only serve businesses or would it serve individual residences?
 - A. Providing expanded services to more than businesses would strengthen the reasoning for this type of project.
 - **Matt Brown (Resident & Brown's Auto Salvage)**

The salvage yard employs 51-52 employees, and they are now on their own well and septic systems. They are constrained with expanding and hiring new employees due to the capacity of their domestic well and septic systems. Would these type constraints make and a good argument for the use of ARPA funds to expand water and sewer services?

A. I think all of those factors would play into making a case for this project idea. The number of people impacted by the restrictions of water and sewer should include employees.
 - **Mike Jones (Resident, Town Manager)**
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Q. Is the purpose of these funds (wastewater specific) designed to reduce the costs to residents to “zero”. If there is an ordinance that governs the sewer service and it states that those who reside with 300 feet of the municipal sewer are subject to paying the hookup and annual user fees, so would those fees be eligible for payment using ARPA funds? If we [Town] do it for one group of people now (pandemic recovery), it could set a precedent for the future because we did it for one, so we should do it for all.

A. Eric stated that it depends on the perceived need at the time. The ARPA funds are geared to these areas at this time. If the town feels it is a high priority to extend these services, then that is a perceived need. So long as they meet the eligibility criteria, those funds can be used to provide those services to resident and businesses. Eric advised that expanding services and reducing costs add to making a case to those type projects.

- **Laura Des Jardins (Resident, Sand Hill Road)**

Q1. Stated she saw in the Town Plan that if expanded services that the municipal wastewater facility would have to be upgraded or a new facility would have to be built. She asked how big of an expansion would we be able to do before a new wastewater facility? She stated that building a new facility would not likely reduce costs.

A. Eric advised that projects meet the eligibility criteria and align with goals in the town plan, could be considered a higher priority on a list because they are already identified as needs within the Town.

Q2. How many residents would constitute a large expansion?

A. Mr. Jones explained that residences have a low flow rate

Q. Is this the same money as the sidewalks or is it different.

A. Eric advised that the sidewalk project in the Village is not funding using ARPA.

- **Tim Munks – (Resident/CDERAC member/Castleton Rep to the Otter Valley CUD)**

Q. Broadband. We have Consolidated Communications putting in broadband in the area now, but not all areas will be served, so can some of these funds potentially be available to hook up certain areas in town that the private companies are not going to do?

A. Eric stated that broadband infrastructure needs to deliver services offering reliable 100 upload and 100 download speeds. Any companies providing the service must meet the criteria. The Town could work with a company like Consolidated Communications to deliver these services and pay for it.

Mr. Combs advised section 5.16 covers broadband “last mile” projects.

- **Mary Lee Harris (Resident, Sand Hill Road)–**

Q. Asked if Brown’s Auto Salvage is on well water and septic system and asked Sid Waite how far the water goes now.

A. Matt Brown advised they are on well water and septic. He also advised that there is fire hydrant near the apartment building north of the railroad tracks, which is town water. Ms. Tyson advised she is on Town sewer but not water. Mr. Waite advised there is no such thing as “Town water” and water is supplied by fire districts. He advised that the area being discussed is in Fire District #3 and they buy their water from Fire District #1. He further explained that if Fire District #3 wants to expand, it impacts Fire District #1 because it impacts their infrastructure and users in Fire District #3 do not pay for the upgrades to infrastructure in Fire District #1. Mr. Waite advised he thinks the Town should take over providing drinking water to all users and they all pay the same rates.

- **Ted Molnar (Resident and CDERAC Member)–**

Q. Asked if there is a list of residents in town who have broadband internet?

A. Tim Munks interjected and discussed that there is Comcast in some areas of town but there are underserved areas. He also believed there is a way to get a list of where Broadband Internet is currently offered as a service within Castleton.

- **Joe Mark –**

Q. It is his understanding that the Town does not have to get pre-approval for these projects?

A. Eric advised they do not need approval but should meet the eligibility requirements.

Q. Mr. Mark asked Eric to explain the reduction in revenue clause.

A. Replacing public sector revenue cost. Eric explained there is a formula to determine lost revenue due to the pandemic. The revenue loss calculation will provide an amount that is deemed as lost revenue as a result of the pandemic and the ARPA funds up to that calculated loss can be used for any provision of government services. That opens up options. In the revenue loss, we would compare actual revenue to an alternative representing what could have been expected to occur in the absence of the pandemic. To calculate, we would take our last full fiscal year prior to the public health emergency (June 30, 2019) and project forward either at our average annual revenue growth over the three fiscal years prior to the public health emergency, or we can use 4.1%, which is the national average of State and local government revenue growth rate from years 2015-2018. If our revenue growth projection using 4.1% is greater than the actual, then that difference is where potential use of funds for any provision of government services comes from. This is still subject to change. There is a calculator on the Vermont League of Cities and Towns website.

Q. This doesn't increase the amount of money we will receive; it just increases the amount of money we can use without having to worry about all the guidelines published by the U.S. Treasury. Is this true?

A. Your allotment is your allotment. This calculated amount can be used for any provision of government services.

Q. What is the effective timeframe? Are we talking lost revenue for one year or more?

A. It is calculated annually, but it can be calculated for more than one period. It is still evolving, so he recommends taking our time and letting the guidelines come out and be finalized.

- **Jim Thomas (Resident, Crystal Heights) –**

Q. Asked if expanding sewer services on the west side of the lake past Woodard Marine and the Conversation Camp. It has always been denied due to density and cost, but would the Selectboard consider this expansion again?

A. Mr. Leamy advised it could be something the board could consider.

- **Ted Molnar (Pond Hill Road)**

Q. When do you think the board will come to a decision.

A. Mr. Leamy advised when they have all relevant facts.

- **Mary Lee Harris (Resident, Sand Hill Road) –**
Q. is there are packet she can have that are relevant to this topic
A. Mr. Jones advised he had a copy she could have and that the packet was posted on the Town’s website.

SELECT BOARD COMMENTS & CONCERNS: NONE

ADJOURN

Mr. Holden made a motion to adjourn at 6:56 p.m. Mr. Combs seconded the motion. All were in favor. Motion carried 4-0. Meeting adjourned.

DRAFT