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# Malletts Bay Sewer Project

May 15, 2018



## Introductory Comments

- ❑ Tonight's presentation is a condensed and refined version of what was presented to the Colchester Select Board on March 27, 2018.
- ❑ The Select Board reviewed multiple project scenarios and identified a preferred approach. To further refine the overall project scope, it is necessary to determine whether the Colchester School District will connect their Blakely Road facilities.
- ❑ All financial and cost analysis are based on preliminary planning level information for purposes of determining overall project viability. Specific project costs and user fees may vary.



## Why Sewers in Malletts Bay

- ❑ An integral part of the Town's planning for decades
  - Town Master Plan
  - Heritage Plan
  - Malletts Bay Initiative
  - Wastewater Master Plan
  - Integrated Water Resources Management Plan
  
- ❑ State Plans and Actions
  - Northern Lake Champlain Tactical Basin Plan
  - Project determination by Watershed Management Division
  
- ❑ Goals and Objectives
  - Improve and protect water quality in Malletts Bay
  - Address old and failing septic systems
  - Reduce bacteria levels in Malletts Bay
  - Increase enjoyment of Malletts Bay



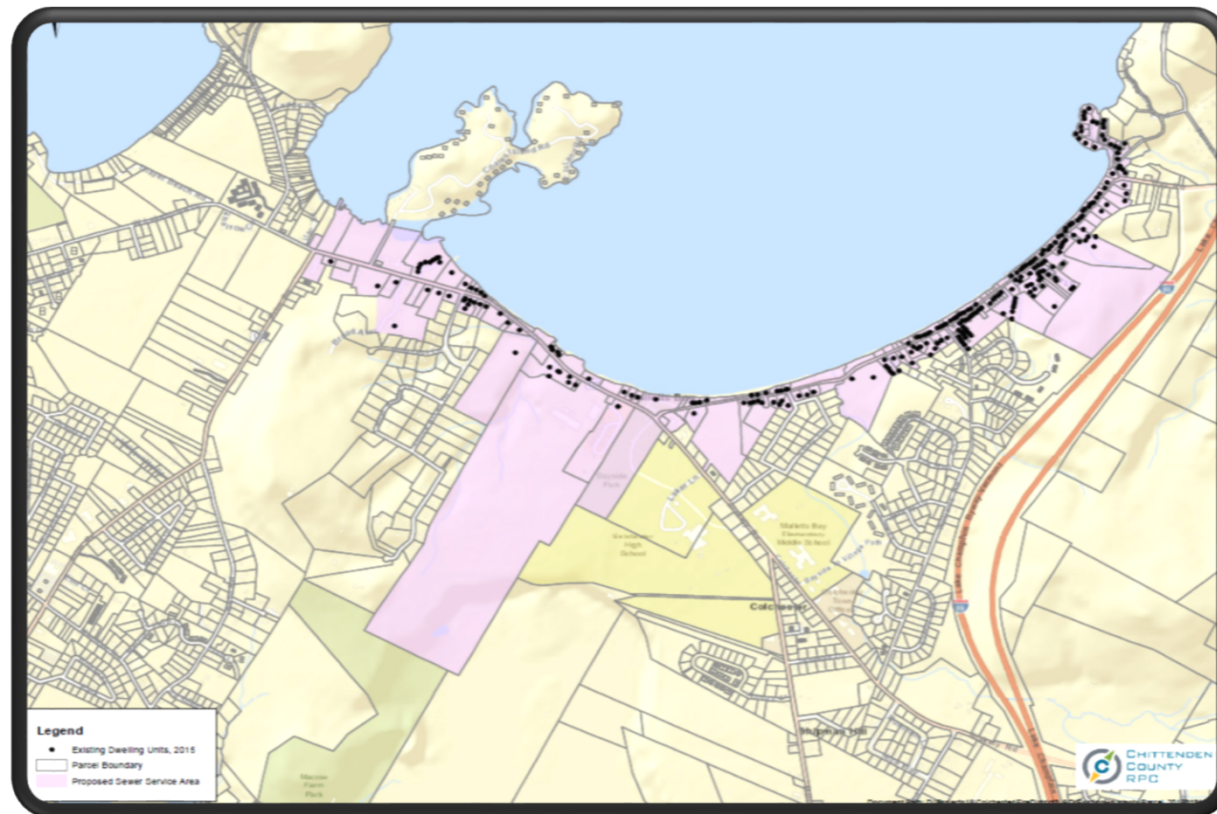
## Project History

- ❑ 2007 - CFD#2 begins Malletts Bay Sewer Project.
- ❑ 2013 - Town completes IWRM study. Documents points of pollution and need for sewers in Malletts Bay.
- ❑ 2015 - Town enters into MOU with CFD#2 for Project Management services.
- ❑ 2017 - CFD#2 elects to abandon project based on growing cost estimates and increasing uncertainties relating to the Burlington treatment option.
- ❑ 2017 - Selectboard directs staff to evaluate alternative design approaches and viability of a Town owned project.



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## Proposed Service Area







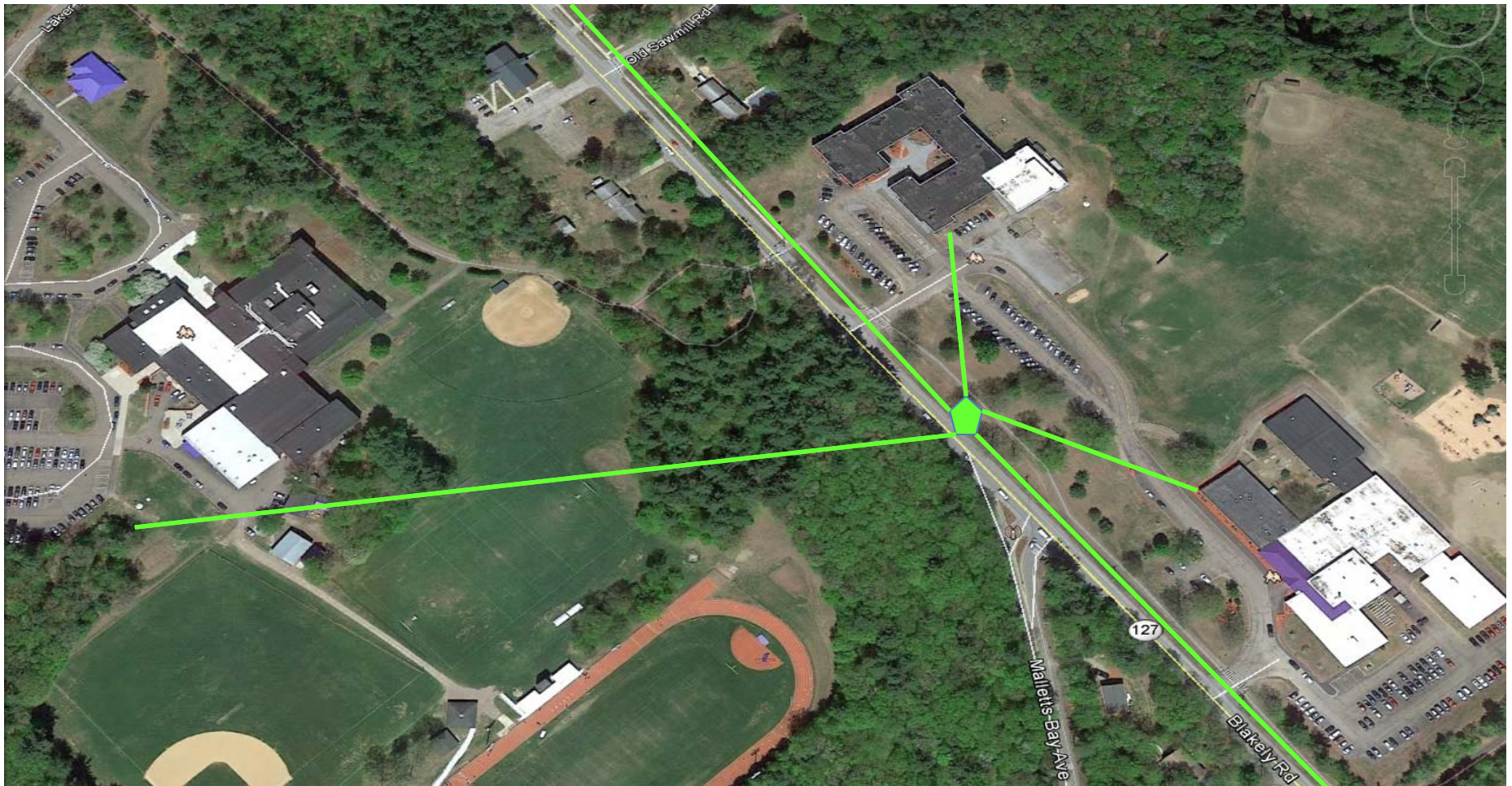






# School Connections

Approximately \$900,000 Funded by Project







## Preliminary Estimated Project Costs and Available Project Funding Sources.

### Project Costs: \$14,583,900

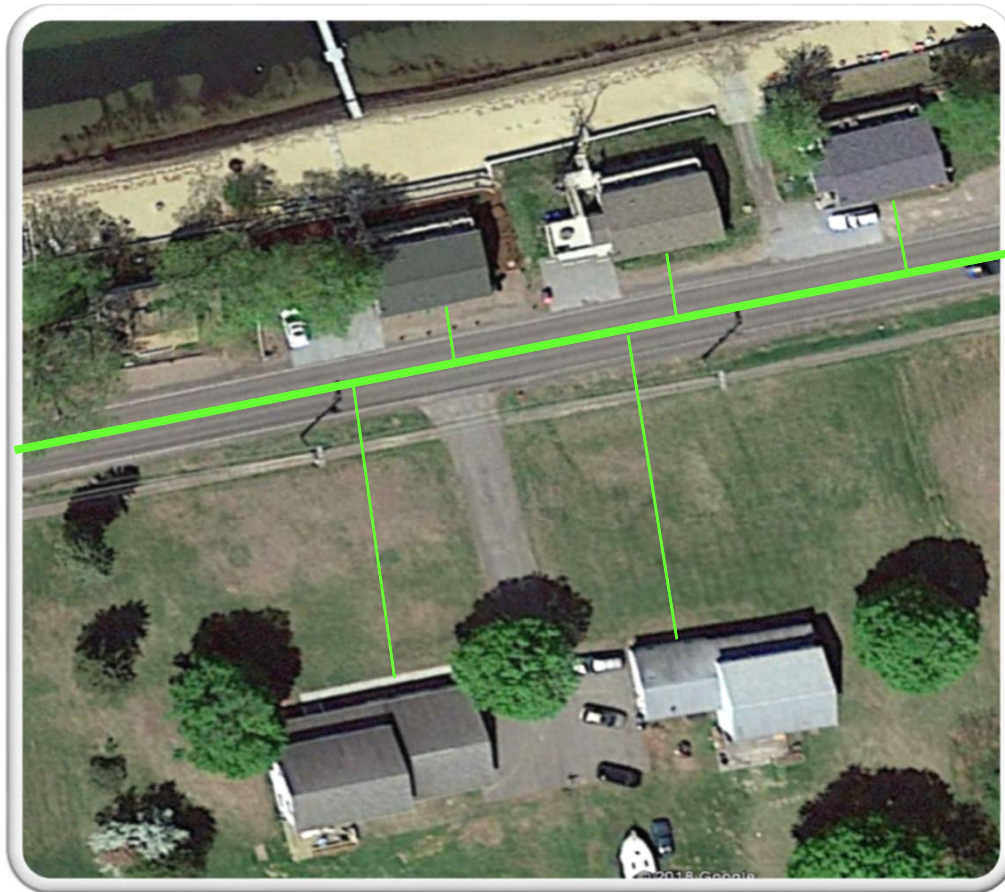
- Clean Water State Revolving Loan Fund
  - 2% loan over 30 years
  - \$500,000 in Loan subsidy
  
- Pollution Control Grant, (PCG)
  - Approximately 28% of total project costs.
  
- Local Option Tax Funds
  - Current LOT Funds
  - Future LOT Funds
  
- User Fees for Debt and O&M



## Local Option Taxes

- With voter approval, the Town can use Local Option Taxes to assist in the funding of debt related to capital improvement projects.
- Currently the Town collects approximately \$1.3 million per year in Local Option Taxes.

## Service Laterals



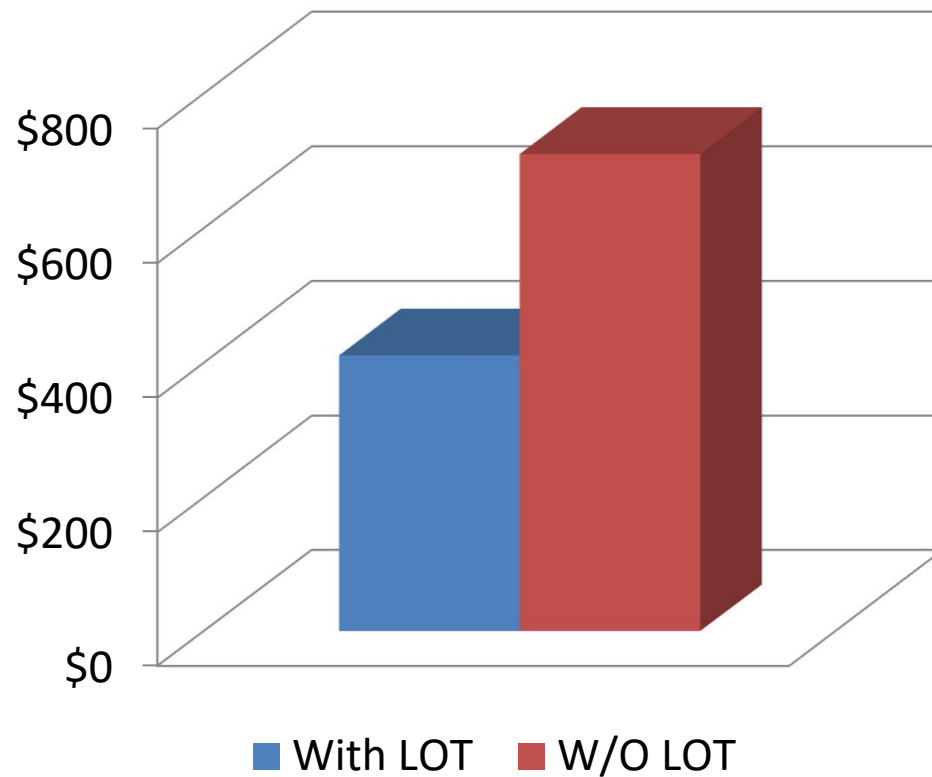
- Sewer service laterals are projected to cost \$1.7 million.
- If funded through the CWSRF, the Town must own and operate the laterals.
- Ownership places a significant and unusual burden on the utility.
- It is unreasonable to place the responsibility for funding and construction of the laterals on individual property owners.
- With voter approval, use \$1.7 million in LOT funds to construct service laterals.





## Projected Debt Costs (Single Family Home)

Annual LOT Contributions  
of \$165,000 for 30 years.





## Projected Annual Debt Fees

### Debt Fee Calculations

\$226,866/115,920 gals. = \$1.96/gal.

**Note:**

115,920 gpd is based on State EPR's design criteria.

	Project Loan
Total Project Estimate	\$14,583,900
Service Laterals	(\$1,700,000)
CWSRF Loan subsidy	(\$500,000)
PCG Funding	(\$3,607,492)
<b>Total Loan amount</b>	<b>\$8,776,408</b>

	Debt Fee
Annual Loan Payment	\$391,866
Funded by LOT	(\$165,000)
Funded by Users	\$226,866
<b>Initial Year Flows</b>	<b>115,920 GPD</b>



## Projected Annual User Fees

System	Annual O&M Budget	Total Annual Sewer Flows	O&M Rate
Integrated System (Fixed & Variable Costs)	\$1,314,267	130,081,396	\$0.0101/gal.

### User Fee Calculations

$\$1,314,267 / 130,081,396 \text{ Gals.} = \$0.0101/\text{Gal.}$

Note: Water consumption used for rate calculation





## Colchester School District Estimated Total Annual Costs

- Initial Connection Costs: \$0
- Annual User Costs: 2,345,855 Gals. X \$0.0101/Gal. = \$23,693
- Annual Debt Costs: 35,724 GPD x \$1.96/Gal. = \$70,019
  
- Total Estimated Annual Costs: \$93,712

Notes: User Costs based upon annual water consumption provided by School District  
Debt Costs based on State EPR design criteria



## Next Steps

- School Board decision to be included in the project: 6/24/18
- Select Board decision to proceed or abandon: 7/24/18



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Thank You!