

**Minutes of the Water Commission
December 12, 2014
Town Clerk's Office**

No quorum.

Jes Alexant, Chairman, meeting with Ashley Lucht of the State of Vermont, 12

Meeting Notes

Jes Alexant met with Ashley Lucht of the State of Vermont on Friday, December 12, 2014, at the Franklin Town Office at 2:00 pm. This meeting was a follow-up to the December 8 letter sent by Jes to Ashley in response to her October 14 letter; and also in part addressed the December 10 letter from Megan Young of the State to Tim Magnant of the Fire District, which contained a new Permit to Operate. At the beginning of the meeting, Jes noted that the water system had not yet been formally transferred to the Town, and that the transfer from the Fire District to the Town was expected to occur in early January through action of the State Legislature.

The meeting focused largely on available funding programs, primarily those related to the Drinking Water State Revolving Fund (DWSRF) program. Ashley summarized the features of the Planning Loan Program. She provided brochures for the Planning Loan Program and the Construction Loan Program. There are other funding programs available. Ashley noted that the Planning Loan Program would be well suited to the Town of Franklin at this point, particularly given the transition period with the turnover from the Fire District to the Town. She encouraged Jes to start the online application process and noted that John Kiernan of Phelps Engineering had worked with her on many of these loan applications. She said that the Planning Loan program has no annual deadline, but rather accepts rolling applications. Ashley said that the State was in the process of revising the Planning Loan application package.

Ashley discussed some discount features of the loan program, including those related to partial or total loan forgiveness, which are dependent in part on Median Household Income (MHI). A key factor is 2.00% of MHI for annual water rates, related to water system affordability. As the annual water rate approaches or exceeds 2.00% of the MHI, the % of loan that may be forgiven increases, up to a maximum of \$50,000 of loan forgiveness. She said that new guidelines detailing this would be formally issued by the State in January.

She said that different items of the water system upgrades are either eligible or not eligible; for example: installation of a master flow meter would be eligible, but installation of sample taps would not be eligible. She said that the Planning Loan would not cover any actions which would be considered normal operations, such as cleaning of the water tank.

Ashley also mentioned the Rural Development grant money available, which is different from the DWSRF program. She said that the different programs have some different requirements; for example: the RD program requires customer water meters, but the DWSRF program does not. Under the DWSRF Planning Loan, routine required monitoring testing is not eligible for funding, but treatability testing for treatment design would be eligible.

Jes referred to the State's December 10 letter to Tim Magnant of the Fire District which transmitted a new Permit to Operate. Jes noted in Section II-B of that permit, Paragraph 3 specified submission of a corrosion control treatment recommendation. Jes stated that early USEPA guidance of the Lead-Copper Rule had allowed alternative actions other than treatment to address the issue of copper corrosion. Jes noted that addition of chemicals for corrosion control would be potentially more problematic for a very small Town such as Franklin, when compared with larger systems which could afford more continuous staffing and monitoring and response to possible chemical upset emergencies. Ashley responded that other alternatives that might be considered might include finding another water supply such as a less corrosive groundwater source. Jes responded that searching for and developing an alternative water source would represent a major change, and would probably not be feasible for the Town of Franklin.

Jes noted that Section II-B, Paragraph 5 of the new permit specified a hydraulic engineering assessment of the water distribution system, including peak (fire flow) conditions. Jes noted that he had not seen this requirement in other recent correspondence from the State. Ashley stated that the Town would have to determine whether or not the water system was a Fire Suppression system, and if it did not meet the requirements for a Fire Suppression system, could not use the hydrants for fire suppression, but only for periodic flushing.

Jes told Ashley that he would confer with the Select board, the Fire District, and Phelps Engineering to start the Planning Loan application process.

The meeting ended about 3:00 pm.

Submitted by Jes Alexant