



Overview

2012 Waitsfield Community Wastewater Loan Program

For nearly two years, the Waitsfield Planning Commission's "wastewater committee" has been evaluating both the needs and the options for decentralized wastewater systems in our community, with the goal of addressing emerging environmental issues, land-use restrictions, and aging septic systems within Waitsfield Village and Irasville.

This process started more than 18 months after voters turned down a centralized wastewater proposal in the spring of 2008, but a few of the realities from that project have carried over into the current conversation.

Specifically, the Town remains burdened with significant debt from the work done on the failed centralized wastewater project (\$672,000) which must be repaid starting in 2013; there are still pockets of critical wastewater needs throughout the area; and a vast majority of surveyed residents and landowners (90%+) are dissatisfied with current wastewater options.

To directly address these issues, the wastewater committee has worked with local, state and federal officials to craft a creative financing program, the first phase of which will be on the Town Meeting Day ballot.

To be known as the Waitsfield Community Wastewater Loan Program, this voluntary program for local property owners would provide 20-year fixed-rate low-interest loans for shared wastewater projects that meet specific Town criteria. The program would use the resulting loan payments to leverage the Federal grant of \$906,000 the town received for the failed centralized project to pay down the debt from that project.

The Waitsfield Community Wastewater Loan Program would be purely voluntary, and would simply provide an alternative funding option for those with specific wastewater needs in the town center. At the same time, loan repayments coupled with available State and Federal funding would provide funds to pay off existing wastewater debt without burdening local taxpayers.

The plan and the Town Meeting Day ballot article will be discussed during a public meeting on February 29 at 7 pm in the Big Picture Theater.

Additional information regarding the plan and the meeting will be posted on the Planning Commission blog, <http://planwithus.blogspot.com>.



Q&A

2012 Waitsfield Community Wastewater Loan Program

- ***What is the 2012 Waitsfield Community Wastewater Loan program?***

It is a voluntary program for local property owners that will provide 20-year fixed-rate low-interest loans for repair, expansion or construction of privately-owned wastewater systems. Property owners receiving these loan funds must meet specific Town and State standards, to ensure the systems are designed, built, and operated properly.

It is extremely important to note that the program is purely voluntary, and would simply provide an alternative funding option for those with specific wastewater needs in the town center.

It's also important to know that the program is designed to be a revenue generator, and will pay down more than \$672,000 in Town debt from engineering the failed "big pipe" system which was voted down in 2008. . By creating a community loan fund, the Town will be able to make use of Federal grant funds and property owner loan repayments to provide wastewater capacity, and to repay its debt for the "big pipe" system.

- ***Will it cost the Town or local taxpayers any money?***

No. It is a loan program with funds provided by the State Revolving Fund (SRF) and the EPA STAG grant, and all funds [loaned out](#) will be repaid to the Town, plus interest.

To initiate the program and enable the Town to access available State and Federal funds, Waitsfield voters will be asked to approve a bond of \$250k on the Town Meeting Day ballot. The bond is needed to secure the State Revolving Fund (SRF) financing, but the financing will be paid back with property owner loan repayments and EPA STAG grant reimbursements, not by Town taxpayers.

- ***How is this different from the wastewater system that was proposed and voted down in 2008?***

The 2008 program was a "big pipe" program, in which large volumes of wastewater would be piped to a central treatment facility, which would have been owned by the Town.

The 2012 program is a decentralized or on-site wastewater loan program, in which the Town provides low-interest loans [for improving](#) shared, privately owned wastewater systems. Instead of trying to provide and manage the wastewater system itself, the Town is providing a funding solution that is mutually beneficial to both the owners and local taxpayers.



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- ***Why does the Town want any wastewater system at all?***

Although the “big pipe” sewer program was voted down in 2008, many businesses and properties within Waitsfield Village and Irasville still have problems with septic systems and wastewater capacity.

The Town has access to grant and loan funds to help property owners in Waitsfield Village and Irasville fix their wastewater problems, but these funds will revert to the state and federal government unless the Town takes action. If no wastewater progress is made, the US EPA will rescind the Town’s \$906,100 in State & Tribal Assistance Grant (STAG) funds.

In addition, if the Town makes no effort to implement a wastewater program, Waitsfield taxpayers will be required to start paying back the \$672,000 from the “2008 big pipe” engineering loan beginning in May 2013. That loan repayment would come from Waitsfield taxpayers at the rate of \$36,484 per year for 15 years.

Faced with this situation and with ongoing property owner input that sewer capacity help – in some form – still was needed, the wastewater committee decided to re-assess options other than the “big pipe” system.

- ***Why is the big pipe idea no longer viable?***

It was voted down by the community in 2008, and there is little local support for a return to the idea.

Additionally, that 2008 concept provided minimal bang for the buck...only 18,000 gallons per day of capacity for a Phase 1 construction cost of \$5.7 million. With the Waitsfield Municipal Water Project coming on line, there is a greater opportunity to renovate or expand existing septic systems to fix problems or provide additional wastewater capacity.

- ***Will the 2012 Waitsfield Community Wastewater Loan allow the town to generate enough funds to actually repay the ‘big pipe’ debt without burdening taxpayers?***

That’s the whole goal of this approach. By authorizing the bond and this loan program on Town Meeting Day, Town voters will solve two standing problems in the community. First, they will enable property owners to access long-term financing for fixing and expanding existing or new wastewater systems. Second, they will create an income stream that can help the Town pay back its \$672,000 of outstanding debt.

- ***What about people who fixed or replaced systems recently? How will this help them?***

Property owners in Irasville and Waitsfield Village will be able to apply for funds to construct repairs, enhancements, or expansions of their systems regardless of the age of the system or



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how recently it was replaced.

In some cases, property owners who did a “best fix” due to site or financial constraints could use the loan fund to finance installing a treatment unit or improving a leach field to gain more capacity and flexibility for changing or expanding the property’s use.

Others might be able to connect to a nearby system that is being replaced or expanded, reducing their exposure to future costs.

• *Is this loan program model being used in any other Vermont towns?*

Yes. The Town of Colchester has administered a loan program for several years using the same concept of a bond vote to authorize loan funds, and a long-term repayment schedule at very low interest rates.

As “big pipe” projects for small communities become less and less affordable and practical, the US EPA is trying to encourage more states and communities to use this less expensive, incremental approach to improving wastewater capacity.

• *Is this what Warren Village has?*

This approach is a bit different from Warren Village. This program is a funding mechanism for improving privately owned systems in Waitsfield Village and Irasville.

Warren Village is served by Town-managed decentralized wastewater systems, including several individual septic systems, a small shared system for 5-6 houses, and a 20,000 gallon-per-day shared system that serves about 45 properties, including the Pitcher Inn and the Warren Store. The Town owns and operates the shared system, whereas in the proposed loan program, the Town of Waitsfield would not own or operate any of the systems.

• *Do Waitsfield Village and Irasville need help with wastewater?*

When you look at the huge variety of soil types and capacities in this area (sand, clay, ledge, wetlands, etc), as well as the increased Vermont regulations for siting of wastewater systems, it becomes quite clear that we are already quite challenged in our village area on the wastewater front.

Failing, malfunctioning or aging septic systems in Waitsfield’s town center are an environmental health concern and potential contributing factor in the Mad River’s status on Vermont’s List of Impaired Waters. This concern has been part of the impetus for Waitsfield’s dedication to developing a wastewater solution.

This information and more is available in the *2011 Assessment of Decentralized Wastewater*



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Options, which is available on the Town website (http://www.waitsfieldvt.us/docs/Assessment_of_Wastewater_Options_Waitsfield_SEI_Report_01-25-2011.pdf).

During the creation of that report, a property owner survey clearly showed that a vast majority of respondents (90%+) are dissatisfied with their current wastewater options. They indicated that they are struggling with providing wastewater capacity, that high costs and challenging options for financing are major barriers, and that lack of wastewater treatment capacity was limiting their ability to make a sustainable living in the valley.

- ***Can you give an example of a place where one might be needed and how it might work?***

There are two primary situations that would be good fits for this program. The first is a failing system that needs immediate support; the second is the replacement of system in a way that provides extra capacity for those who may need help in the future.

In either case, a group of landowners would create an “association”, then apply to the Town for a loan. To receive the loan, they would be required to meet a list of specific criteria, such as clear regulations for default, and providing the town with updates of system maintenance.

Once approved, the 2012 Waitsfield Community Wastewater Loan Fund will be established with a list of criteria to help prioritize applications, such as being listed by the Vermont board of health as a potential risk area, or providing extra capacity for nearby homeowners and landowners.

- ***Why should voters approve this loan program at Town Meeting?***

The 2012 Waitsfield Community Wastewater Loan Fund represents an opportunity to turn the “big stick” of the impending SRF loan repayments into a “big carrot”, using the STAG grant funds and program precedents from other Vermont towns to provide long-term, low-interest funding for decentralized wastewater improvements in Waitsfield Village and Irasville.



Cost comparisons

2012 Waitsfield Community Wastewater Loan Program

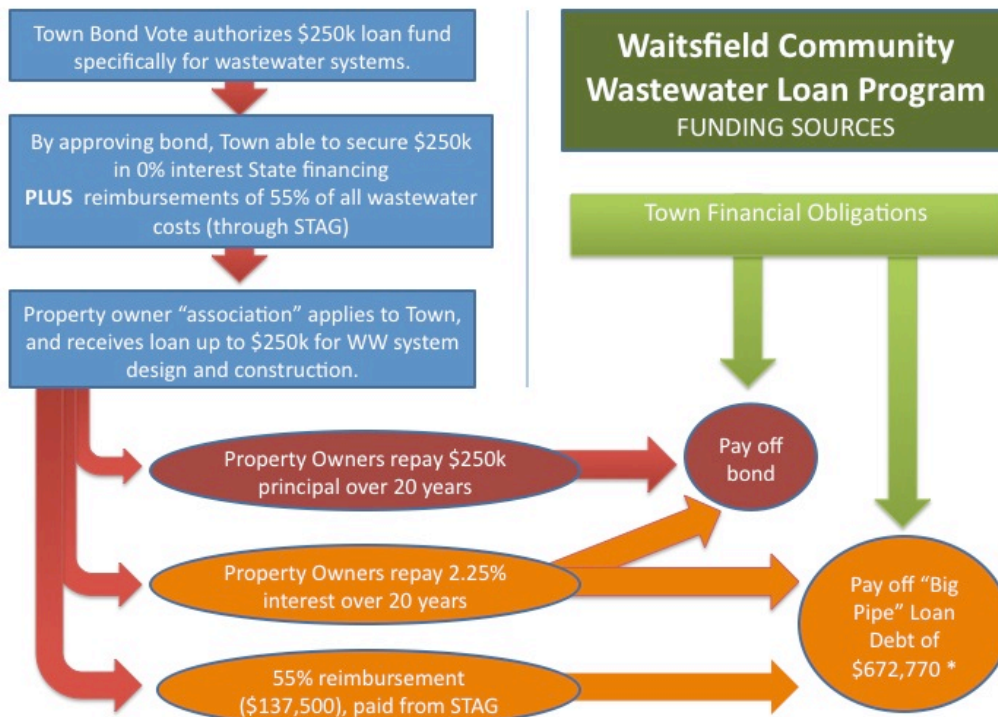
**Waitsfield Community
Wastewater Loan Program**
COST COMPARISONS

Anticipated costs for a shared wastewater system:	If you used private financing, such as a standard bank loan:	If you applied and received a state grant (VEDA):	If you used the Community Wastewater Loan Fund
Engineering & Legal agreements, \$20,000	The property owners would pay all costs.	The property owners would pay all costs	Town covers up to \$20k in pre-construction engineering & legal costs.
Construction, \$230,000	Best bank terms would be a 5-year loan at 4% interest. Annual repayment would be \$51,664	Best available loan terms through VEDA would be a 7-year loan at 2.5% interest. Annual repayment would be \$36,223	Fund offers loans of 20 years at 2.25% interest. Annual repayment would be \$14,407.
Operation & maintenance, \$2,000 annually	The property owners would pay all costs	The property owners would pay all costs	The property owners would pay all costs; Town would receive copies of all State permit reports



Funding Sources

2012 Waitsfield Community Wastewater Loan Program



* To pay off "Big Pipe" loan completely, \$1,200,000 in total wastewater construction costs would be needed.