

Remember to vote on August 24, 2010.

August 23, 2010 at 5:00 p.m.

Answers to frequently asked questions about this important project are inside and the next informational meeting is on

Would you like to know more about what's being proposed?

Proctor Public Drinking Water System Improvements

TOWN OF PROCTOR
45 Main Street
Proctor, VT 05765

BULK RATE
U.S. POSTAGE
PAID
Proctor, VT 05765
Permit No. 3

Occupant
Proctor, VT 05765

Frequently Asked Questions About the Proctor Public Drinking Water System Proposed Improvements

1. What are we voting on?

You are voting on whether or not to support a new public drinking water system. The total project cost of the proposed system improvements is \$6.4 million dollars. The Selectboard is asking for your permission to spend \$250,000 of the Town's water system reserve funds to assist with the replacement of a source(s) of water for the outer district customers—those who live in Chittenden and Pittsford. We're also asking for your permission to spend the remaining \$6.1 million dollars on improvements to the water system infrastructure within the Town of Proctor.

2. What are we getting for \$6.1 million dollars?

For an estimated total project cost of \$6.1 million dollars we will make comprehensive public water supply source, storage, treatment, transmission and distribution improvements. These improvements will resolve water quality and water pressure problems that must be corrected by December 1, 2012 according to our State-issued operating permit. A copy of the 2009-2012 Public Drinking Water System Temporary Permit to Operate and a cost breakdown of the proposed project elements is available on the municipal website at: proctorvermont.com.

3. Why do we need a 680,000 gallon storage tank on the east side?

The tank needs to be a minimum of 500,000 gallons to meet current consumer demand. We have chosen to address fire fighting deficiencies on the west side of town by increasing the amount of storage on the east side by 180,000 gallons. The cost per gallon to add storage is \$0.40, a bargain compared to increasing storage at a later time. We considered other ways to resolve this deficiency, but in the end believe this is the most cost effective solution for us in order to continue to provide fire protection in a way that is allowed by the State.

4. Why do we need water meters?

They are required in order to be eligible for grant funding through the Rural Development Program, the best source of funding at this time.

5. How will we pay for the proposed water system improvements?

To date, the most competitive source of funding to pay for these improvements is through the federal Rural Development Program. Due to our median household income level, we are eligible for a grant of up to 45% of the total project cost (i.e., 45% of \$6.1 million dollars). A positive bond vote is needed in order for the Program to finalize our funding package. The remainder of the total project costs that are not paid for with a grant will be paid for with a loan from this Program at an estimated interest rate of 3.25% over 40 years.

6. Why do we need to use \$250,000 of the local reserve funds for the outer district?

We are proposing to discontinue service to the outer district customers. The money we propose to give to them to help them secure an alternate source of water is not an eligible cost for financing through the Rural Development Program.

7. Why do we have to do all of these project now?

We must come into compliance with State and Federal regulations by December 1, 2012. Almost all of these projects are necessary to resolve a regulatory deficiency in our system. Meters are required only if we obtain funding through the Rural Development Program. The pipe replacement on upper Park Street and Chatterton Park are not a regulatory requirement, but cannot be completed by town crew. We chose to include this project because it will have to be done at some point in the future and want to take advantage of the funding available now to get the job done.

8. How will this project affect my water rates?

Water rates will go up in order to repay the loan. We are working with the funding programs to keep rates below \$540 per year for a single family household. However, we cannot finalize funding without a positive bond vote.

9. Have you obtained a second engineering opinion on the project scope and costs?

Both state and federal engineers have analyzed the proposed improvements and approve of them to date.

10. What happens if the bond vote fails?

The project will be delayed. Project delay can result in us not meeting our regulatory deadline, which could result in enforcement action by the state or federal government, possibly raising the costs of compliance even more.