

Good afternoon:

I hope that everyone is well, and that you're ready to enjoy a potentially snowy Friday afternoon. The questions that follow relate to the structure and powers of the Edward Farrar Utility District charter. The questions are grouped by subject area. Your answers will assist the House Committee on Government Operations with their further consideration of the charter. In some questions, the terms "members" and "non-members" are used. "Members" refers to users located within the District boundaries, and "non-members" refers to users outside the District.

General

- Municipal powers related to water and sewer services vary depending on whether the municipality is providing water, sewer, or sewage disposal plant services. The charter provides broad powers that relate to both water and sewer. Is it the intent of the charter to provide identical authority with respect to water and sewer? Or does the charter intend to tie municipal powers to the existing law in these individual areas, such as providing water service in accordance with 24 V.S.A. ch. 89 (water works) and sewer service in accordance with 24 V.S.A. ch. 101 (sewage disposal system)?

Rates, Fees, and Taxes

- Does the District intend to establish a schedule of rates for District "members" and "non-members"? Are there existing policies for the establishment of rates for extraterritorial service?
- Would the District consider having universal rates that are differentiated only on customer class (industrial, commercial, and residential), not on geographic location?
- What will the Board of Utility Commissioners use as a basis for water and sewer service rates?
- Vermont law ties water and sewer taxes to the purposes of municipal water and sewer service expenses. Is it the intent of the District to "levy taxes" for the purposes outlined in 24 V.S.A. chapter 89 and chapter 101? Or does the district intend to have a more general taxing authority?
- Will the rates of a service only be put toward providing that specific service (for example, will water service revenues be applied strictly to water service infrastructure and service)?

- Does the District intend to provide extraterritorial services exclusively by contract? Would these contracts provide for withdrawal? Would they treat water and sewer services differently?

District Boundaries

- How does the District intend to interact with the Town of Waterbury or its resident users? Does the District intend to restrict the authority the Town may have under 24 V.S.A. chapter 95?
- Does the District intend to expand boundaries into other municipal corporations to incorporate additional “member” users? If so, what would be the process for doing so if it would be outside the Town boundary?
- How many “non-member” users does the District currently serve? How were those non-member users established?

District Fund Management

- Does the District intend to manage accounts and issue bonds as expressly provided by law? In holding, managing, and purchasing various forms of property and financial instruments, does the District intend to manage and use the assets strictly as a provider of water and sewer services?
- Does the charter provision stating that the District has the power to “incur debt for the purposes of and in the manner provided by general law” refer to laws governing indebtedness by municipal corporations broadly, or only those that relate specifically to municipal water and sewer services?
- How does the District plan to pay for 1) core infrastructure upgrades; and 2) water and sewer line extensions outside the District boundaries?
- How does the District plan to use the fund formerly known as the Urban Development Action Grant (UDAG)?

Please reach out if you have any questions for us, and be sure to include the recipients CC'd above.

Best,

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