



DORSET FIRE DISTRICT

Dorset Volunteer Fire Dept.
Dorset Water Co.

www.dorsetfiredistrict.org

January 25, 2021

Dear District Voter:

We are contacting all Dorset Fire District #1 voters, concerning an important bond vote on March 2, 2021. This bond will finance improvements to the Dorset Water System and will be repaid by the 178 property owners in Dorset Village who are served by the water system. As the water system is owned by the Fire District, all property owners in the District are eligible to vote on the bond. The Village of Dorset cannot exist without a healthy and dependable water system, so this bond, and the projects it finances, are in the best interest of everyone, regardless of whether you are on town water or not.

Water System Background

The Dorset Water System is over 100 years old. 100% of our water comes from the Kellogg Springs, which is an abundant source of high-quality water, but is susceptible to seasonal droughts. The entire system is gravity fed and much of the original distribution system is still in place. The water mains (large distribution pipes) are in good condition for their age. These pipes, made of cast and ductile iron, have shown little sign of degradation. Service lines, which deliver water from the mains to our homes and businesses, are mostly galvanized steel, which is susceptible to decay. These service lines are in poor condition and most have exceeded their normal lifespan.

Water Service Moratorium

The total amount of water used by our system, on a per-user basis, has been abnormally high for many years. Due to our high usage, the State of Vermont has mandated that our water system can no longer add new customers, nor can we provide additional water allocation to existing users. In practical terms, this means most properties in the village core cannot be developed, most existing homes cannot add bedrooms and most businesses cannot expand.

To lift the moratorium, the State will require us to demonstrate we have enough water to meet the demands of our users during drought conditions. This can be accomplished by increasing the supply of water to the system and/or decreasing the leakage in the system.

Initial Efforts to Solve the Problem

In early 2018, the District acquired the rights to drill a well on private property and received approval for a \$700,000 bond from District voters. Unfortunately, the test wells drilled to-date have suffered from either inadequate supply or water quality issues. Due to the difficulties encountered, we have not issued the bond, but we are continuing our efforts to develop a functional well on this property.

In November 2018, the District installed a system metering station. The meter measures water usage on a continual basis, allowing us to analyze consumption at any time of day. Over the past 2 years, we have witnessed consistent high usage in the middle of the night (our lowest usage time). Some of the nighttime usage can be attributed to in-home waste, such as a continually running toilets, but the rate far exceeds normal and confirms our suspicions of high system leakage.

In parallel with these efforts, the District's water operations team has continued to find and oversee the repairs of services lines. Over the past 5 years almost 100% of service line repairs were due to decaying galvanized pipes. Repairs in the last 2 years alone, have cut our nighttime usage in half, but we still leak and waste 50% of the water used.

Service Line Replacements and Meters

After consultation with Otter Creek Engineering, we have determined the best course of action is the system-wide replacement of our aging service lines. According to our bylaws, service lines are owned by the property owner, and the owner is solely responsible for all repairs and replacement. Therefore, in addition to getting bond approval from District voters, we will also need water customers to sign easements, permitting the District to perform the service line

work on their respective properties. We believe a system-wide approach is not only necessary, but it will also provide water customers with the economies of scale necessary to make this project affordable.

Otter Creek's plan also calls for installation of water meters on all service connections and shutoff valves. Meters will provide more equity in customer billing, replacing estimated water usage with actual usage. Meters also promote water conservation and can report in-home wasted water to the homeowners (running toilets, burst pipes, etc.). Shutoff valves will be essential for future detection of service line leaks.

Estimated Cost and Project Funding

The total cost of the project is difficult to estimate, since we do not know how many water customers will agree to participate. If everyone signs up, our engineers estimate a **maximum project cost of \$5 million** (actual costs will likely be less). This figure includes all costs involved with service line replacements, meters, and shutoff valves. The total also includes \$700,000 for the bond that was approved in 2018 for the supplemental well project.

The project bond will be provided by the Drinking Water State Revolving Fund (DWSRF). The District explored several funding options and the DWSRF money was clearly the best. They have offered the District a loan of up to \$5 million with 0% interest and a 30-year term. In addition, the DWSRF will provide principal forgiveness on 75% of the first \$1 million and 25% of the remainder. This means **the District would repay only \$3.25 million of a \$5 million loan** (a grant of \$1.75 million). These extraordinary terms are highly unusual and are due to a large surplus of money in the DWSRF's revolving fund.

The bond will be repaid by an equal share for each connection to the system. Almost all customers have a single service line connection to the mains and therefore will have a single share. A limited number of commercial customers have two or more connections to the system and therefore will have multiple shares. If 80% of service lines are replaced, **we estimate each share to be \$86 per quarter, paid as part of each customer's quarterly water bill.**

Project Benefits

If you are on town water, you will receive multiple benefits from participating in this project. First and foremost, you will be avoiding costly future repairs to your service line in the near future. Also, fewer repairs on the system will translate into fewer system outages and more resilience to droughts will result in fewer water restrictions.

Keep in mind **if you decide not to participate and your service line starts leaking (eventually it will), you will be responsible for 100% of the cost.** And if the bond is approved, your participation in the bond repayment is mandatory, so you would be paying for everyone else's new service lines, while getting no direct benefit.

Whether or not you are a water customer, the water-services moratorium hurts the entire community. Restricting development in Dorset's core has a negative effect on our local economy which will in time be reflected in our property values. Approving this bond is the right thing to do for you and your neighbors.

Next Steps and More Info

After bond approval, the project will be put out to bid and awarded to a contractor. We anticipate construction to begin no sooner than the fall of 2021 and the entire project to be completed no sooner than the fall of 2022.

We realize this is a lot of information to absorb, and therefore, we will be holding **Q&A sessions via Zoom video conferencing every Tuesday in February at 7 pm.** These meetings will be hosted by Prudential Board members and engineers from Otter Creek Engineering. Please check our website (www.dorsetfiredistrict.org) for instructions on how to join the meetings. Also, a formal District Informational Meeting is scheduled for March 1st at 4pm, via Zoom. Also, please feel free to reach out to us directly with your questions or comments.

The town offices will be mailing bond ballots to all District voters along with the town/school budget ballots. You can return these ballots to the town offices in East Dorset or vote in person on March 2nd at the town offices. **We urge you to vote YES on this bond vote.**

Sincerely,

The Prudential Board of Dorset Fire District #1
Ben Weiss, Lee Fox, Roger Squire, Abbott de Rham, Milton McWayne