

Edward Farrar Utility District
June 2, 2020
Minutes

Present:

Commissioners: P.H. Flanders, L. Sayah, C. Parks, R. Finucane, N. Sherman all by Zoom,
B. Woodruff, W. Shepeluk, K. Petrovic staff; A. Johnson RW

Chairperson Flanders called the meeting to order at 4:35 p.m.

Public: no comment

Consider Modification to the agenda: Chair P. Flanders requested time of the agenda to discuss the Dog Park and trails in the Water Works property. These items will be added to the agenda. W. Shepeluk requested time on the agenda to discuss the w/s bill for the Ice Center and also requested the agenda be modified to allow PWD B. Woodruff an opportunity to leave the meeting early. By Commissions consent the discussions were added and the order of items rearranged.

Waterbury Unleashed: N. Sherman spoke on behalf of the volunteers involved with the Dog Park. The recommendation from CDC and Recreation Director N. Nadeau is for the park to remain closed to the public at this time. N. Nadeau is working to establish rules that would allow the park to reopen. Volunteers have been keeping an eye on the park; there was an incident with an individual who jumped the park gate which resulted in a confrontation with a park volunteer. N. Sherman asked for guidance if a similar situation were to occur again, W. Shepeluk advised that volunteers should contact the State Police if they feel it's warranted.

Approve warning for EFUD Annual Meeting: W. Shepeluk reviewed the articles on the warning with the Commissioners. **L. Sayah made a motion to approve warning the EFUD Annual Meeting to be held on July 8, 2020; C. Parks seconded the motion; a vote was held and passed unanimously**

Consider how to hold the Annual Meeting considering COVID-19 restrictions: By consent the Commissioners agreed to hold the Annual Meeting in person in the Steele Community Room as well as using the ZOOM platform. The warning will include information to allow the public to attend by Zoom

Waste Water discharge permit renewal update: B. Woodruff stated EFUD received a 27 page draft permit renewal with an effective date of July 1, 2020. A meeting was held with the State to discuss the details of the draft permit, a new draft permit should be sent for public comment on July 15 with hopes of an effective date of Sept. 1, 2020. B. Woodruff will circulate the received draft permit to all the Commissioners to review.

Department Updates / Water Works: B. Woodruff updated the Commissioners on the progress of Main Street Construction. The new sewer line from Dac Rowe to Stowe Street is currently being installed.

EFUD received an email from a resident concerned about mountain bike use in the Water Works property. There was a discussion about installing signs as well as information C. Parks can

provide regarding how other water sheds deal with similar issues. B. Woodruff was excused for the remainder of the meeting

UDAG Fund Update: see Memo from W. Shepeluk

N. Sherman made a motion that the suspension of Penalty & Interest payments and the crediting of principal, on UDAG loans as if the borrower paid them, which was approved on March 18, 2020 by the commissioners, shall apply to the next three payments that were due from the borrower and shall not be specific to the months of April, May and June. C. Parks seconded the motion; a vote was held and passed unanimously.

N. Sherman moved to keep interest rates on all UDAG loans at 0% per annum through December 31, 2020, and authorize the municipal manager to work with businesses or organizations with outstanding UDAG loans to establish a timeframe when payments on the loan shall begin, but that all borrowers must begin monthly payments on terms and conditions agreeable to the commissioners no later than January 1, 2021 unless a further delay is approved by the commissioners. R. Finucane seconded the motion; a vote was held and passed unanimously.

R. Finucane made a motion authorizing manager W. Shepeluk to sign MOI to participate in the Restart Vermont Grant & Loan Program for up to \$250,000.00 of the UDAG money. C. Parks & N. Sherman seconded the motion; a vote was held and passed unanimously.

The Ice Center: W. Shepeluk provided a memo to the Commissioners regarding the Ice Center. **L. Sayah made a motion to forgive the amount of \$7,534.41 of water and sewer invoices for the Ice Center. R. Finucane seconded the motion; a vote was held and passed unanimously.**

Penalty & Interest for Water and Sewer Bills: The Commissioners voted in March to waive penalty and interest charges for water and sewer bills due March 20 and June 20. **R. Finucane made a motion to approve waiving penalty and interest through September 20, 2020 at which time it will be charged to any outstanding 3rd quarter invoice amounts. C. Parks seconded the motion; a vote was held and passed unanimously**

Minutes: C. Parks made a motion to approve the minutes of May 13, 2020 as written. **R. Finucane seconded the motion; a vote was held and passed unanimously**

N. Sherman made a motion to adjourn at 6:30, C. Parks seconded; a vote was held and passed unanimously.

The next meeting of the Edward Farrar Utility District is scheduled to be held on July 8, 2020 and is their Annual Meeting

**Edward Farrar Utility District
Commissioners Meeting**

Tuesday June 2, 2020

4:30 pm at Steele Community Room

Via internet connection on phone or Zoom

Please note no one will be at Steele Community Room

Edward Farrar Utility District is inviting you to a scheduled Zoom meeting.

Join Zoom Meeting

<https://zoom.us/j/93246728134?pwd=ZXFpelNSRUNjSmVlVFJ5bUJdT0pUT09>

Meeting ID: 932 4672 8134

Password: 376581

Dial by your location

+1 929 205 6099 US (New York)

+1 312 626 6799 US (Chicago)

Find your local number: <https://zoom.us/j/93246728134?pwd=ZXFpelNSRUNjSmVlVFJ5bUJdT0pUT09>

Agenda

- 4:30 pm Call to Order: Under the general restrictions concerning the health concerns for COVID-19 the commissioners are holding this meeting on video media program Zoom
- 4:31 pm Public
- 4:36 pm Consider any modifications to the Agenda
- 4:36 pm Approve Warning for the EFUD annual meeting, on July 8, 2020, as allowed by recent legislation.
- 4:45 pm Consider how to hold the annual meeting in the safest way possible considering the restrictions for COVID -19.
- 5:00 pm UDAG fund update.
- 5:10 pm Penalty and Interest for water and sewer billing.
- 5: 20 pm Waste Water Discharge Permit Renewal update
- 5:30 pm Department Update
- 5: 40 pm Minutes
- 5:45 pm Adjourn

* * * Department of Economic Development * * *

Sec. D.1. RESTART VERMONT LOAN AND GRANT PROGRAM

(a) Authorization; purpose.

(1) The Agency of Commerce and Community Development, in partnership with participating nonprofit lenders, shall establish a Restart Vermont Loan and Grant Program to provide economic support to businesses with less than \$1,000,000 in gross revenue and fewer than five employees.

(2) The program will encourage the state's non-profit lending network to utilize more than \$10 million in unutilized capital to help with the COVID-19 response by:

(A) Creating a loan guarantee program at the Vermont Community Loan Fund that participating lenders may access in the event of an eligible loan's failure.

(B) Providing an interest rate subsidy to participating lenders when they make an eligible loan to a business or non-profit to assist with recovery from the COVID-19 closure.

(C) Providing grants to businesses and non-profit organizations that either closed or had a 40 percent reduction in revenue due to the COVID-19 pandemic.

(b) Eligible borrowers and grantees. Participating lenders may make loans and grants to:

(1) Businesses with employees in the State of Vermont and that are in the form of a corporation, partnership, sole proprietor, independent contractor, for-profit business, private non-profit, or agricultural enterprise;

(2) A business closed or open at a reduced level as a result of the COVID-19 pandemic, provided that a closed business has a good faith plan to reopen;

(3) a business in operation prior to February 15, 2020;

(4) a business with no greater than five full-time employees or their equivalent and which cannot be adequately served by the Restart Vermont Emergency Action Grants Program or the Vermont Economic Injury Disaster Loan and Grant Program;

(5) a business that has not received a grant or loan through the Restart Vermont Emergency Action Grants Program or the Vermont Restart Loan and Grant Program;

(6) a business with annual gross revenue of less than \$1 million as determined by a submitted tax return for 2018 or 2019; and

(7) A business that attests to having unmet need related to the COVID-19 pandemic.

(c) Eligible uses.

(1) Participating lenders may use the funds to make loans and grants to businesses and non-profit organizations. The eligible uses of these funds include:

(A) Working capital;

(B) Payment of fixed costs, including mortgage and rent;

(C) Accounts payable;

(D) Tax payments;

(E) Payroll;

(F) Costs incurred to change business strategy, delivery method, or other operational changes in response to COVID-19 impact;

(G) Business services, including marketing and consulting;

(H) Other bills ordinarily paid from on-going operations prior to the COVID-19 pandemic; and

(I) Loan payments for loans originated before April 1, 2020, where the proceeds were used to support the operations of a business.

(2) Participating lenders receiving an allocation of funds under the Restart Vermont Loan and Grant Program may use a portion of their

allocation to subsidize not greater than 3 percent of the interest on any loan made for one or more of the eligible uses described above.

(3) Participating lenders may use up to 2.5% of the funds awarded under this act to pay for administrative costs associated with participating in the program.

(d) Ineligible uses. No funds from the Restart Vermont Loan and Grant Program shall be used for any of the following purposes:

- (1) Business expansion not related to COVID 19 impact;
- (2) Physical repairs;
- (3) Acquisition of real property;
- (4) Construction of renewable energy projects;
- (5) Payment of bonuses or dividends; and
- (6) Debt consolidation or refinancing of long-term debt.

(e) Loan amount; terms.

(1) Participating lenders will use their existing capital, and the existing capital of other non-profit lenders and municipalities, to make loans.

(2) To be eligible to participate in the Vermont Community Loan Fund loan guarantee program [established pursuant to this act] and to use funds appropriated in this act to subsidize the interest of a loan, each loan must conform to the following criteria:

- (A) Not exceed \$20,000;
- (B) Be a minimum of a five-year term;
- (C) Have an effective interest rate of zero percent;
- (D) Made to a proprietor with a credit score of at least 620. In the event the business has multiple owners, the lender may accept the highest credit score; and

(E) Made only after a complete application using VCLF's approved template was submitted by the loan recipient.

(f) Grant amount; terms.

(1) Eligible applicants for a grant must demonstrate:

(A)(i) They were closed for at least 30 days due to the pandemic; or

(ii) They had a reduction in gross sales of at least 40 percent for any one-month period between March 1, 2020 and September 1, 2020 as compared to the same one month period between March 1, 2019 and September 1, 2019;

(B) They applied for a Small Business Administration Economic Injury Disaster Loan or the Small Business Administration's Paycheck Protection Program after March 1, 2020; and

(C) They applied for a loan from a participating lender.

(2)(A) Applicants will apply for a Restart Vermont Grant through a participating lender when they apply for a loan from that lender.

(B) Participating lenders may make grants to eligible applicants for the payment of operating expenses in a maximum not greater than \$25,000.

(C) Participating lenders will calculate the amount of a grant by employing the following formula as a standard basis for estimating expenses across all Vermont businesses: $(\text{Annual revenues} \times 10\%) \times 25\%$.

(3) If an applicant has received a Paycheck Protection Program Loan from the Small Business Administration, the participating lender shall calculate the amount of a grant using the following formula: $(\text{Annual revenues} \times 10\%) \times 20\%$.

(4) If an applicant has received an Economic Injury Disaster Grant from the Small Business Administration, the participating lender must reduce the grant awarded by an amount equal to the grant payment.

MEMORANDUM OF INTENT

to

Participate in the Restart Vermont Grant and Loan Program

This agreement is not intended to be a legally binding document. The Intent is to facilitate a recovery process for local businesses across the State of Vermont. It is to express the intent of the municipality in their participation in the Restart Vermont Grant and Loan Program,

Town/City/Village of Edward Ferrar Utility District (Former Village of Waterbury) agrees to work with the Vermont Agency of Commerce and Community Development (ACCD) to facilitate the use of the local revolving loan fund dollars for the purpose of providing loans and grants to local businesses.

These funds will become a part of the "Restart Vermont Loan and Grant Program" that is currently before the Legislature for consideration to be finalized as part of the recently passed Restart Vermont Economic Recovery Package. ACCD will provide grant applications, a review structure and sample loan and grant documentation to municipalities.

The grant and loan application process and administration will be overseen by your Regional Development Corporation or a designated lending agency. You may market the loan and grant program or allow the RDC to do that marketing in your local area. The Regional Development Corporation will receive the applications and provide an initial review. The result of that review will be a recommended list of businesses for the grants and loans. The RDC will send the names and a brief summary of the application for the recommended businesses to the Selectboard or Council, or Committee for their final approval. Upon approval, the RDC and its partner lending organization will coordinate the management of the grant dollars and the loan.

The Municipality is under no obligation to approve the recommended business applicants for either grants or loans.

Agreed to by: Edward Ferrar Utility District Commissioners
at a duly warned meeting held June 2, 2020

Municipality Edward Ferrar Utility District -

by Name and Title William A. Shepeluk
Date William A. Shepeluk
Municipal Manager
6/3/2020

commits, conditionally and dependent on final wording of legislation, between \$200,000 - \$250,000 of its "VDA&" RLF to this program.

To: EFUD Commissioners
From: W. Shepeluk, Municipal Manager
Date: June 2, 2020



Re: Water-Sewer Bill, Ice Center

Earlier today, Jonathan Siegel of the Ice Center of Washington West, called me to discuss several issues. During our conversation I learned the Ice Center just received a water-sewer bill totaling more than \$7,500. I was surprised as I expected the bill to be significantly lower given that EFUD had waived water and sewer base charges for the second quarter billing period.

After some discussion, it became evident there was a previous balance due on the bill. As I was not in the office when I took his call and because Karen was not yet in either, I told Jonathan that I would get back to him later today to confirm the balance due. He told me he couldn't understand why the Ice Center had not paid as the bill that was due in March. He told me he would make sure the entire bill was paid by the June 20th due date.

After Karen came in around 3:00 today, I confirmed with her the total outstanding amount due is \$7,534.41. The second quarter bill is in the amount of \$1,565.59 and includes only consumption charges—no base charges. A previous balance is due in the amount of \$5,968.82. My guess for why this previous balance is still due is because I suggested to them, after your March 18th meeting when you agreed to waive late fees and interest, that they might want to hang onto their money to allow them to pay other bills as their revenue stream was about to dry up completely.

I am going to go out on a limb for the Ice Center and ask the Commissioners to credit the Ice Center's account in full for this entire outstanding balance. Please understand, no one at the Ice center asked for this consideration. The Ice Center is a unique organization in our town. It is a Not-for-Profit organization that was built by and is now led by volunteers from this community. Its mission and purpose is to provide a recreational facility for the residents of this community, in large part, school aged kids. It was built at no direct cost to the tax payers of the town or the village. And except for a few rather nominal "tax expenditures" approved by voters now and then over the years to exempt the facility from property taxes, (before the legislature made it permanent), it operates without a tax appropriation from Waterbury or the Harwood Union School District.

There are very few not-for-profit organizations in Waterbury that can say that. In fact, of the 28 not-for-profit organizations Waterbury appropriates \$71,300 for through its budget operating budget, 22 of them are not located in Waterbury. The Ice Center, to the best of my knowledge, has never sought a direct appropriation from our town or the former village. While the organizations the taxpayers vote to support provide service to many residents of Waterbury and the region, none of them is the economic engine the Ice Center is. Skaters and their families who travel to the Ice Center fill local hotel rooms and restaurant seats. They buy gas and sundries at local stores and shops. I guarantee their presence in our community has been missed over the past 12 weeks.

If you cannot agree to simply forgive this balance due from the Ice Center, please consider offering the Ice Center a UDAG loan to cover this expense. EFUD has forgiven about \$6060 in principal from their UDAG loan over the April-June timeframe. If you add this to their loan, which I recommend stay at 0% through the end of the year, they can pay off this whole water bill over 7 months without incurring additional expenses, allowing them to preserve cash.

Please consider my recommendation.