

TOWN OF  
EAST MONTPELIER, VERMONT  
SELECTBOARD

Casey Northrup (2014 – 2017)

Gene Troia (2016 – 2018)

Chair, Seth Gardner (2015 – 2018)

Kim Swasey (2015 – 2017)

Carl Etnier (2016 – 2019)

January 9, 2017

Ashley Lucht  
VT Department of Environmental Conservation  
Drinking Water State Revolving Fund Program  
1 National Life Drive, Main 1  
Montpelier, VT 05620-3510

Re: East Montpelier Fire District #1; VT/EPA LASRF Water Planning Loan WPL-199

Dear Ms. Lucht:

As you are aware, the Town of East Montpelier is in the midst of an effort to merge the East Montpelier Fire District #1 with the town, reversing the 2010 creation of the fire district formed, with significant state encouragement and assistance, for the sole purpose of procuring and operating the privately owned Crystal Springs Water System. The Plan of Merger, which will make the town the responsible party for all fire district liabilities, will be voted on at the fire district's January 11, 2017 annual meeting and then at 2017 Town Meeting. Assuming the plan passes both votes, the plan will be submitted to the state legislature as an amendment to the East Montpelier charter with a proposed effective date of midnight, June 30, 2017.

In 2012 the fire district received a water planning loan for a feasibility study of the water system to provide engineering and financial parameters for the district's effort to acquire the system. The study, completed in July 2013, revealed a number of system deficiencies and a significant projected operating revenue shortfall. After many years of fruitless negotiation with the system's owner, the Prudential Committee running the fire district sees no alternative but to end its efforts to purchase the system and formally dissolve the district.

The town is seeking either a forgiveness of the loan or, in the alternative, a delay in the repayment schedule. The town continues to see the Crystal Springs Water System as an asset to the community and a vital component of the ongoing effort to revitalize the East Montpelier Village area. The town has every intention of investigating viable options for a town takeover of the system should such an opportunity arise in the future.

We appreciate your efforts on our behalf throughout this seven year saga. Please contact Town Administrator Bruce Johnson if you need anything further to process our request.

Sincerely,

Seth Gardner  
Chair, East Montpelier Selectboard

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