

**From:** Kavanah, Brian W <Brian.W.Kavanah@maine.gov>

**Sent:** Friday, February 9, 2024 2:50 PM

**To:** Chuck Applebee <chuck@waterqualityme.com>; amiller@vassalboro.net; Bradstreet, Dick <dick.bradstreet@legislature.maine.gov>

**Subject:** Vassalboro Sanitary District (VSD)

Hello Chuck, Aaron, and Representative Bradstreet,

Attached is a letter to follow up the conversations I have had with all of you regarding the VSD and sewer user rates.

Unfortunately, I've determined the Department does not have any funds that could be used for the purpose of rate relief.

Please feel free to contact me with any comments or questions.

Thanks.

**Brian Kavanah**

Director, Bureau of Water Quality

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STATE OF MAINE  
DEPARTMENT OF ENVIRONMENTAL PROTECTION



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COMMISSIONER

February 9, 2024

Chuck Applebee  
Water Quality and Compliance Services  
47 Gardiner Road  
Wiscasset, ME 04578

**RE: Vassalboro Sanitary District**

Dear Chuck,

This is to follow up our conversations regarding an increase in the sewer user rate at the Vassalboro Sanitary District (VSD). I understand there is concern among ratepayers regarding the increase and that you are working on behalf of the VSD to investigate potential sources of funding that might reduce the rate increase. You had inquired if the Department had any sources of funding that could be used for this purpose. Over the last few months I have also discussed this issue with Representative Bradstreet and Town Manager Aaron Miller who are copied below.

As you know, the VSD had been licensed by the Department to discharge treated wastewater from three small sand filter systems to Outlet Stream from approximately 1982 to 2020. In 2015 the Department established a water quality-based discharge limit for total phosphorus for these discharges due to impacts to Outlet Stream. The 2015 license contained a five-year compliance schedule to attain compliance with the new limit. A consulting engineer hired by the VSD evaluated several options to achieve compliance with the phosphorus limit and concluded that connection to the Kennebec Sanitary Treatment District (KSTD) in Waterville via the Town of Winslow sewer lines was the most cost-effective option based on estimated initial capital costs and ongoing O&M costs identified in the feasibility report. During this evaluation, beyond the phosphorous limit issue, the consulting engineer noted that the existing sand filter system had reached the end of its useful life and was problematic for a number of reasons including pump failures requiring emergency pumping and service; sand filter beds flooding; the disinfection system not meeting discharge requirements occasionally; and proximity of the sand filters to existing buildings and public areas. The project to connect to the KSTD was completed in 2020.

The VSD and Town were proactive in moving the project forward and seeking financial assistance from several entities for the eventual ~\$7.6 million project. Although it took a few years, a funding package was put together involving six federal and state funding sources (USDA Rural Development, DEP State Grant, DEP Clean Water State Revolving Fund (CWSRF), Housing and Urban Development Community Development Block Grant, Maine DOT, and local Tax Increment Financing from the Town of Vassalboro.). The package resulted in grants of ~ \$4.6 million and loans to the VSD of ~ \$3 million.

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The DEP portion of this package was ~ \$2.7 million, consisting of \$1.04 million CWSRF low interest loan, \$1.049 million CWSRF principal forgiveness funding, and \$600,000 State Grant.

The Department understands that VSD user rates are high compared to typical Maine sewer user rates, and the recent increase is greater than what was originally projected during project development due to a variety of factors. Based on my discussions with you, Town Manager Miller, and Representative Bradstreet, the Department has investigated potential options for rate relief. Unfortunately, the Department does not have any funds that could be used to provide rate relief. The Department only has funds that can be used for wastewater infrastructure planning and construction as was provided during the construction phase of this project.

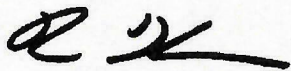
As we have discussed, a few communities in Maine have opted to fund municipal wastewater treatment operations from the general tax base, fully or partially, rather than solely via user fees. This approach allows the cost to be spread amongst a larger population and recognizes that wastewater infrastructure often provides benefits to the entire town, not just to the residents that may be connected to the wastewater system. These benefits include support for town businesses and future economic development, maintaining property values for resale, and protection and improvement of local water bodies that provide recreational opportunities. Given that VSD and the Town of Vassalboro are separate legal entities I expect a change to this type of system would require local approval.

Another option for reducing user rates may be reinstatement of TIF funds from the Town of Vassalboro as had been done in the past.

It is unfortunate the Department is unable to assist with additional funding at this stage and I hope you are able to find a source of funding to provide some rate relief for the rate payers of the VSD.

Please contact me with any comments or questions.

Sincerely,



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cc: Representative Richard Bradstreet  
Aaron Miller, Vassalboro Town Manager