

Richmond Water Resources

Public Information Meeting

July 7, 2015

7:00 PM

Richmond Town Center

Agenda

- Presentation of Project and Question (10 min)
- Description of Project (15 min)
- Existing Projects; Existing Debts (10 min)
- Questions and Answers (45 min)
- Adjourn

East Main Street

Bond Vote

- Election Day July 14th
- Early Voting Now Open

The Question:

- Shall general obligation bonds of the Town of Richmond in an amount not to exceed One Million Two Hundred Thousand Dollars (\$1,200,000), subject to reduction from the receipt of available state and federal grants-in-aid; be issued for the purpose of financing the cost of replacing water lines and mains on East Main Street, the aggregate estimated cost of all such improvements being One Million Two Hundred Thousand Dollars (\$1,200,000)

East Main Street

Why another bond vote? Didn't we just pass one?

- Agency of Transportation will begin reconstruction of Route 2 this year and enter the village area next year
- It would be prudent to replace the water lines on East Main before or in conjunction with this road work
- Our design for this project is complete, and permitted by the State
- State of Vermont has placed Richmond's East Main project at the top of the priority list for FY2016

East Main Street

- To begin this project and continue to qualify for negative interest rates, we need to have a bond vote
- Despite the other recent projects and debt issuance, this is the best time to complete East Main because of the availability of negative interest and the timing of the Route 2 project
- West Main Street is wholly independent of this vote, and constrained by its own set of demanding conditions

Why East Main, and Why Now?

- The East Main water lines are the most expensive and disruptive lines in the system
- Over 60% of all water leaks from past 10 years were on East Main
- These lines serve our largest water customer, Harrington's, who have difficulty with service disruption
- Currently only one fire hydrant, which is not used due to line condition

East Main – Dollars and Cents

Projected total cost of \$1,073,380

- Construction = \$1,073,380
- Engineering (including prior outstanding planning loan payments) = \$133,700
- Other Costs = \$16,780

East Main - Repayment

- Payments on a 30 year loan for \$1,073,380 at negative 0.7% would be \$32,029 per year
- Not only saves any interest, but forgives \$112,510 of principal
- Repayment expected to begin in 2019
- Added account revenue and slight rate increases (2%) expected to cover this repayment
- Payment estimated to be \$67.57 per unit annually, if no changes

Financial Impacts – Capital Projects

This will summarize the impacts to the Water & Sewer Budget from our capital plans, showing current and projected indebtedness

- 2006 Treatment Plant Upgrades = \$3,740,000
repayment of \$348,378 over 20 years = \$22,220
per year
- 2010 Sewer Lining & Manholes = \$445,999; 50%
forgiveness – repay \$222,999 over 20 years @ 2%
= \$14,500 per year
- 2011 Jericho Road = \$941,200 total; repay over
20 years at variable rate, decreasing over time =
\$77,000 last year

Financial Impacts – Capital Projects

- 2012 Browns Court = \$70,000 payable over 5 years, with a \$45,000 balance and 3 years left
- 2013 Depot Street = \$67,000 paid in full with cash reserves
- 2014/15 Water Storage Tank & Chlorine Project = \$1,575,000 bond plus \$464,000 cash; bond repayable over 30 years at -0.7% interest; projected to be \$43,120 per year starting 2017

Financial Impacts – Future Projects

- 2016 East Main Street = \$1,073,380 payable over 30 years beginning in 2019; estimated to be \$32,029 per year
- West Main Street = impossible to predict at this time. \$2,500,000 borrowing authorized to be repaid by new connections
- Bridge Street, Pleasant Street, other projects over time