

Information Relating to the Bond Vote for the Bridge Crossing and Upper Bridge St. Projects

The Town of Richmond, VT is interested in commencing work on the following three projects in the summer of 2020

1. Bridge St. bridge waterline crossing
2. Upper Bridge St. waterline replacement
3. Upper Bridge St. storm water drain replacement

The storm water project is being paid for out of the storm water budget line and reserves.

The two waterline projects were initially approved in a bond vote on March 6, 2018 for a total project cost of \$415,000, with a bond of \$400,000 to cover most of that cost. The cost of both waterline projects is now expected to be \$650,000.

The bond vote being held on November 5, 2019 is for \$250,000 and would allow for funding for both projects. (Total project cost of \$650,000 equals the initial approval for \$400,000 plus the current bond vote of \$250,000)

This is a Water and Sewer bond and as such it is a general obligation, secured by a pledge of the full faith and credit of the Town of Richmond as the issuer. The entire grand list stands as security for the payment of bond debt service. However, the actual source of payment will be revenues generated by the Water and Sewer utility.

The bridge crossing project consists of replacing the existing waterline that runs underneath the Bridge St. bridge with a more durable material and re-positioning it to a more protected location under the bridge. This is to prevent damage that may occur when the river runs high and debris could damage the line.

The upper Bridge St. project has been in the planning phase since 2007. The project is necessary to replace failing infrastructure, the failure of which would create a catastrophic situation. The total project consists of two projects 1) replacing the 50 year old asbestos cement water main 2) replacing the storm water drain which has mostly failed at this point. The upper Bridge St. section runs from the traffic light down to just below the railroad tracks for the waterline and just above the railroad tracks for the storm water drain.

If the Town completes the waterline projects by Sept. of 2020, there will be a 50% subsidy off of the total cost of the projects through income sensitivity as calculated for Federal Fiscal Year 2018 (FFY18). There will be no interest on this loan and it will be a 40 year term. If the project is not completed by the end of Sept. of 2020 the FFY18 income data would no longer apply and the income sensitivity subsidy would be lost. Thus, the project would then be more expensive.

On upper Bridge St., portions of the existing water line are under the proposed storm water line, so it makes sense to do both projects at the same time. There will be savings on the excavation since they will only have to disturb the area once to complete both projects. The Town will hold meetings prior to the construction to work with residents and business owners to develop a plan for traffic and parking during the construction phase.