

Water System Bond Informational Hearing

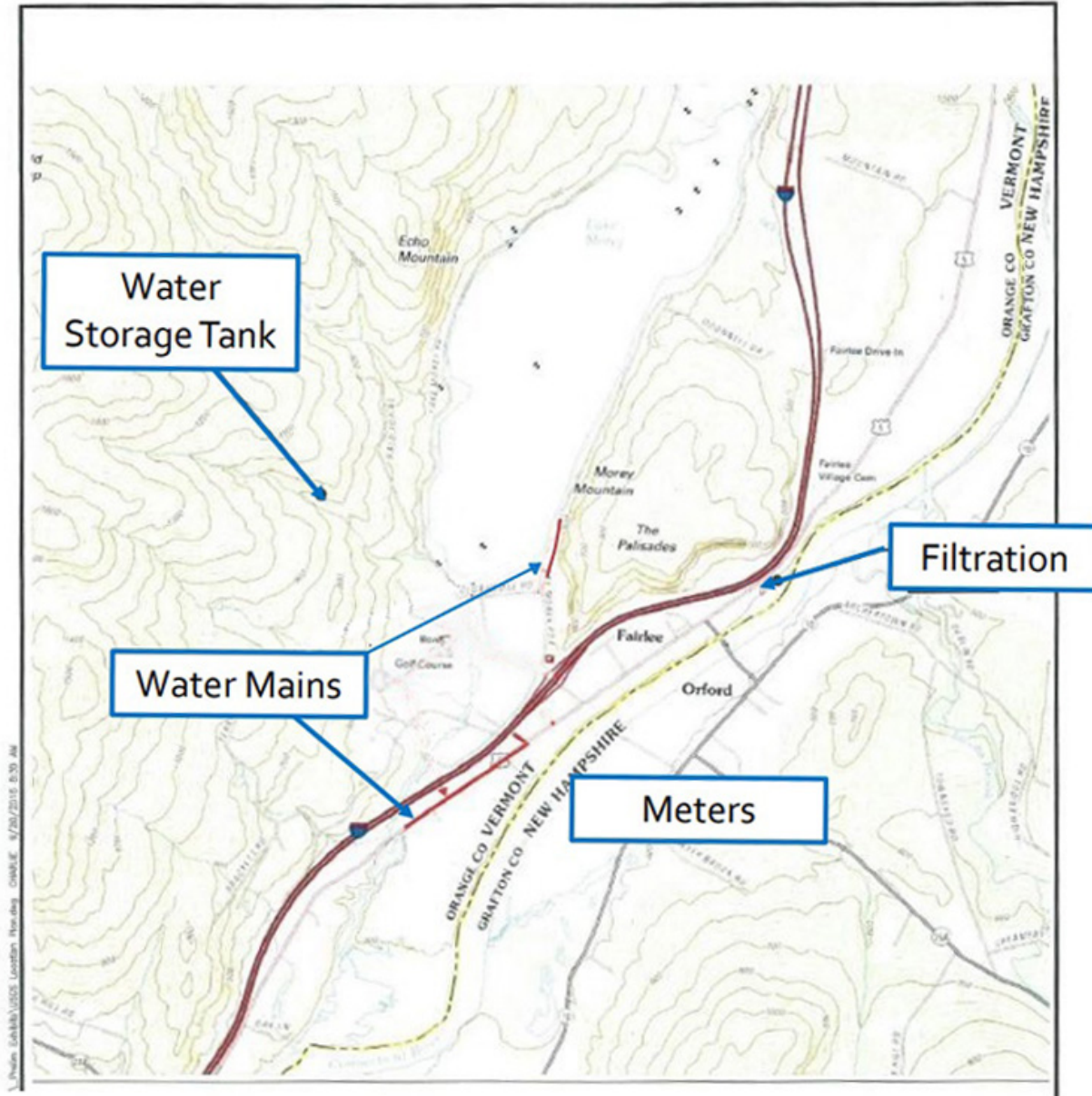
February 20, 2018



Agenda

- Welcome & Introductions
- Water System Quality Concerns
- Articles 1 & 2
- Financing Possibilities
- Costs, Investments & Impact
- Question & Answer

Upgrades Throughout the Water System



Water System Quality Concerns

- Defective water storage tank
- Inequitable billing
- Water quality complaints
- Aging distribution system

Article 1: Water Tank & Meters

- From State and legal counsel, Town has a mandate to address defective tank this year.
- Tank repair is the preferred approach.
- Meters are a pre-requisite for USDA-RD funding and provide an opportunity for fair billing.

Article 2: Filtration & Water Mains

- Upgrade water quality through filtration.
- Improve water distribution in areas with deficiencies.
- Article 2 will only move forward upon approval of Article 1 and upon being awarded USDA-RD grant.

USDA-RD Financing Possibilities

Article 1
Only

40-Year Low
Interest
Loan, 100%

Articles
1 & 2

Grant,
Up to 45%

40-Year Low
Interest Loan,
55% or More

Estimated Costs & Fairlee's Investment

	ARTICLE 1 ONLY	ARTICLES 1 & 2
Water Tank & Meters	\$1,215,000	\$1,215,000
Filtration & Water Mains	\$0	\$1,365,000
Plan, Design, Legal, Conting	\$500,000	\$1,095,000
TOTAL	\$1,715,000	\$3,675,000
Minus 45% Grant	-\$0	-\$1,653,750
FAIRLEE INVESTMENT	\$1,715,000	\$2,021,250

Difference of \$306,250

Cost Allocation

	TAX-PAYERS	WATER USERS
Water Storage Tank (\$965K)	33%	66%
Meters (\$250K)	0%	100%
Article 1 PDLC (\$500K)	33%	66%
Filtration (\$1,050K)	0%	100%
Water Mains (\$315K)	0%	100%
Article 2 PDLC (\$595K)	0%	100%

Impact on Tax Rate

Article 1 Only	Articles 1 & 2
Adds to tax rate per \$100 approximately 1 cent per year	Adds to tax rate per \$100 approximately ½ cent per year



Impact on Water Users

Until the water meters are installed, water users will pay their regular water rate plus a base fee to cover the amount of the bond.

Article 1 Only	Articles 1 & 2
Bond Amount ~\$12.50 per month (\$150 per year)	Bond Amount ~\$18.00 per month (\$214 per year)

Tentative Project Schedule

- Water tank repair must be underway in summer of 2018.
- Should we receive USDA-RD funding, all projects must be completed prior to March 2021.

Questions & Answers

Water System Bond Vote

10:00 AM – 7:00 PM

February 28th, 2018

Town Hall, Grange Room

