

Water Project Financing

August 9, 2017

Three Project Areas – Exchange Street, S. Route 7, & Happy Valley Road. Estimated costs- Exchange St. \$1,144,150, S. Rt 7 - \$1,100,000. Happy Valley Road - \$550,000. Total ~ \$2,800,000.

Consider breaking the 3 projects into separate construction projects. Might get a project done in fall of 2018, if projects are town funded through a bond vote, with a very aggressive timeline. Do one in 2019 and one in 2020.

<b>Planning Advance Loan</b>	<b>Town - Funded</b>
First Project goes to construction in 2019	First project goes to construction in fall 2018 (very aggressive timeline)
Annual payments of \$222,000 start in 2022, assuming construction of one project per year for three years, starting in 2019	Annual payments of \$222,000 start in 2019, assuming construction of one project per year for three years, starting in 2019
Principal of \$2,800,000, interest of \$1,011,354, assuming a 20-year loan at 3.343% (Bond Bank March 2017 rate), \$3,811,354 total	Principal of \$2,800,000, interest of \$1,011,354, assuming a 20-year loan at 3.343% (Bond Bank March 2017 rate), \$3,811,354, plus interest on interfund borrowing of \$500,000 for engineering for 1 year @ 3% = \$15,000
Impact on User Rates: \$26.43/quarter and \$105.72/year, all on the base rates based 2,100 users	Impact on User Rates: \$26.43/quarter and \$105.72/year, all on the base rates based 2,100 users