Project Summary

Construction Costs	$74,712,000
Design and Project Management Costs	$10,490,000
Closing and Interest	$770,000
Project Total to be Authorized/Bonded	$85,972,000

Net Local Impact

Clean Water Fund Grant (30.2% Est. excludes closing/interest)	$25,731,004
Neighboring Towns Served Share (29.95% based on Intermunicipal Agreements)	$18,042,178
Net Cost to Vernon	**$42,198,818**

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POSTAL PATRON

Town of Vernon
14 Park Place
Vernon, Connecticut 06066

This Question will be on the Ballot on Tuesday January 15, 2019. Polls are open 6:00AM to 8:00PM,
Voting location is at Center 375, 375 Hartford Turnpike Vernon, CT

Town of Vernon Connecticut

Explanatory Text for the Water Pollution Control Facility Upgrade Question

Referendum January 15, 2019

Question:
"Shall the $85,972,000 appropriation for upgrades and related improvements to the town's water pollution control facility and authorizing the issue of bonds, notes and other obligations to finance the portion of the appropriation not defrayed from grants be approved?"

Background:

The Town of Vernon provides municipal wastewater treatment to Vernon, Ellington, Manchester, South Windsor and Tolland. Within the town government, the Water Pollution Control Authority (WPCA) is responsible for the management and operation of the town's wastewater facility. As part of the WPCA operations, planning for the capital needs of the town's wastewater facility has been underway for several years and upgrades are now being proposed with a funding approval referendum vote scheduled for January 15, 2019.

What Needs to be Done?

The WPCA currently operates the facility located at 100 Windsorville Road (Route 74). Although wastewater treatment has been on the site since the late 1800's the current facility was built in 1959 and upgraded in 1973 and 1993. The facility collects wastewater, treats the collected flow and discharges treated effluent to the Hockanum River. The facility provides a high level of treatment using biological and chemical treatment that operates continuously 24 hours a day, 7 days a week.

The Connecticut Department of Energy and Environmental Protection (DEEP) has imposed a restrictive effluent phosphorous limit on the Vernon Water Pollution Control Facility (WPCF).

To select the most cost effective approach to meeting the new limit, the WPCA prepared a Wastewater Facilities Plan. The Facilities Plan outlines an upgrade project to cost-effectively upgrade the town's wastewater facility to meet the town's future needs and to meet the more restrictive effluent phosphorus limits imposed by DEEP.

The wastewater facility upgrade project consists of installing the equipment to remove phosphorous, improve the ability of the WPCF to remove nitrogen, replace existing treatment equipment and a replacement of the electrical infrastructure .

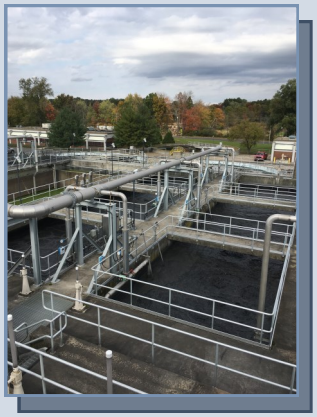
What will the Project Cost?

The current total cost is $85,972,000. Construction of the project will be competitively bid to select a contractor to build the upgrade.

How will the Project be Paid for?

The town is eligible for funding assistance for this project from the DEEP under the Clean Water Fund. The costs for the portion of the project that is related to providing nitrogen removal is eligible for a 30% grant, and the costs for the phosphorus removal portion of the project is eligible for a 50% grant.

The DEEP offers the town several funding assistance sources and all eligible project costs will receive 20% grant assistance with the balance of the costs funded with a low interest loan (2%).



State grant funding programs are estimated to cover about $25 million of the $85.7 million estimated total project cost.

In addition, the towns of Ellington, South Windsor, Manchester and Tolland, through their inter-municipal agreements with Vernon are required to contribute to this capital project based on their percentage of allocated flow.

Contributing towns will provide an additional $18 million towards the project cost.

The balance of the cost will be funded by the general tax base. The approach is similar to the funding program that was implemented to fund the last major upgrade to the WPCF in 1993.

When will the Project be Constructed?

The project schedule calls for advertising the project for construction bids in the spring of 2019, with execution of the construction contract to be completed by July 1, 2019 to comply with the deadline to receive the 50% phosphorous grant.

It is estimated that the project will take 42 months to construct with a finish date of January 2023.