



TOWN OF HATFIELD
MASSACHUSETTS

MEMORIAL TOWN HALL
59 Main Street
Hatfield, MA 01038

ARTICLES 10 AND 11

WATER AND SEWER INFRASTRUCTURE PROJECT – RT. 5

This highly anticipated project received support from the MA Executive Office of Housing and Economic Development, by awarding Hatfield \$2 million. The infrastructure improvements will extend sewer service on Route 5 from Linseed Rd to Rocks Rd, and water service for 2200 ft along Route 5 south of Rocks Rd. Recent water main improvements (fully funded by the Town) have previously extended to the northern end of the project area. The sewer improvements comprise a gravity sewer, pump station, and a 4-inch force main to convey wastewater from the project area to the Town's existing sewer system.

This route 5 project is part of the towns overall commitment to improve and replace aging infrastructure throughout town to provide clean and safe drinking water and expand sewer services for our residents and businesses. To date, The Town has invested significantly in its water infrastructure in excess of \$2.5 million dollars.

This particular infrastructure improvement will provide necessary water and sewer service to the area which will benefit homeowners and businesses and allow for continued business growth/expansions and have a positive impact to our tax base.

Overall project cost estimate of \$3,600,000 will be funded through the MassWorks grant (\$2,000,000) and through local appropriation (\$1,600,000). The Town will seek approval for a \$1,600,000 appropriation at the 2020 Annual Town Meeting.

\$1,600,000 Funding Options Borrowing

\$1.6 m – 30 year loan at 3.46% interest rate
\$90,000 payoff amount of Principal & Interest per year
Effective date of loan after July 1, 2021

Straight borrowing: \$90K would have to come out of the 2.5% the Town is allowed to increase taxes each year. The 2.5% currently is \$195,651. That would leave us only \$105,651 in remaining taxation to distribute across all departments in the coming year.

Debt Exclusion: A debt exclusion option would increase the tax rate by \$.16 per thousand. The average home in Hatfield is now \$325,000, average yearly increase would be \$52 a year. The benefit of a debt exclusion is that it would leave all of our annual 2.5% increase in taxation available to cover annual operating costs of all departments.