

From: [Galford, Amy](#)
To: [Bristol Town Administrator](#)
Cc: [Bristol Clerk](#); [Treasurer](#); "[spalmer@vtmengineering.com](#)"; [Shaffer, Nathan](#); "[Jill Marsano](#)"; [Monks, Padraic](#); [Eagan, Denise](#)
Subject: RE: DWSRF Funding Authorization, Bristol Pine St, RF3-477-3.0
Date: Monday, March 18, 2024 12:59:34 PM

A Step 2 design loan project either (A) goes into construction and becomes part of a Step 3 construction loan, as is the case for this loan, or (B) goes into repayment because it did not go into construction within 5 years.

Had the Town received the step 2 loan, it would still have become part of the step 3 loan, as they are the same project for EPA reporting. The step 3 loan supersedes the step 2.

If the Town wishes to repay the design loan portion, or any portion of the loan, in fewer than 30 years, then the total cost of the loan is reduced accordingly. There is no penalty for earlier repayment.

Amy

From: Bristol Town Administrator <townadmin@bristolvt.org>
Sent: Thursday, March 14, 2024 3:06 PM
To: Galford, Amy <Amy.Galford@vermont.gov>
Cc: Bristol Clerk <clerk@bristolvt.org>; Treasurer <treasurer@bristolvt.org>; spalmer@vtmengineering.com; Shaffer, Nathan <Nathan.Shaffer@vermont.gov>; Jill Marsano <jill@vtums.com>; Monks, Padraic <Padraic.Monks@vermont.gov>; Eagan, Denise <Denise.Eagan@vermont.gov>
Subject: RE: DWSRF Funding Authorization, Bristol Pine St, RF3-477-3.0

Hi Amy,

Am I correct that the Pine Street Step II loan, with the 50% subsidy, would now be wrapped into the 30-year construction loan amount? When we thought we were going to qualify for 50% forgiveness for Step II and Step III, that seemed like an OK deal.

However, if the Pine Street Step II loan is able to remain a separate document, would it still qualify for the 50% principal forgiveness, be deferred for five years and be amortized over only five years? And if the answer to that is yes, how would that affect the metrics of the Step III loan?

My thinking is that amortizing the Step II loan over 30 years at 2% interest will add significant interest expense that could be avoided if it stayed a separate 5-year loan.

Thanks,

--Valerie

Valerie Capels, Town Administrator

Town of Bristol

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From: Galford, Amy <Amy.Galford@vermont.gov>

Sent: Thursday, March 14, 2024 2:48 PM

To: Bristol Town Administrator <townadmin@bristolvt.org>

Cc: Bristol Clerk <clerk@bristolvt.org>; Treasurer <treasurer@bristolvt.org>; spalmer@vtmengineering.com; Shaffer, Nathan <Nathan.Shaffer@vermont.gov>; Eagan, Denise <Denise.Eagan@vermont.gov>; Monks, Padraic <Padraic.Monks@vermont.gov>

Subject: DWSRF Funding Authorization, Bristol Pine St, RF3-477-3.0

Valerie Capels,

The Town of Bristol loan for the Pine Street waterline replacement project in the amount of \$780,259 has been processed internally at the Agency of Natural Resources (ANR) and will be forwarded to the Vermont Bond Bank (VBB) for underwriting. This email is to keep you updated and does not indicate final loan approval.

This project qualified for subsidy in the form of loan principal forgiveness to be applied after final disbursements, of 50% of eligible Step 2 (design and legal/admin) loan costs as outlined in our FFY2021 Intended Use Plan (IUP). Based on some cost approvals added over the last few weeks in separate email correspondence, that portion of the loan is currently estimated at \$37,427, so forgiveness is estimated at \$18,714.

Some of the step 3 construction costs may be eligible for funding under the DWSRF Lead Service Line Replacement funding source. Nathan Shaffer will work with you on that review. Determinations and any adjustments to underlying funding source and corresponding subsidy (50% Disadvantaged Subsidy for items eligible under LSLR) will be finalized prior to the start of loan repayment.

VBB will review the completed funding authorization package. This process usually takes 4-8 weeks. Please respond to their requests for documentation promptly. When that underwriting procedure is complete, you can expect an email with the final loan documents for review and signature. These documents need to be signed and returned to VBB to fully execute the loan.

At that time, ANR will contact you with instructions for submitting payment requests. Please include the DWSRF loan number (RF3-477-3.0) in future correspondence.

Sincerely,
Amy Galford

Amy Galford
Drinking Water State Revolving Fund (DWSRF)
VT Agency of Natural Resources, Dept. of Environmental Conservation, Water Investment Division
1 National Life Dr, Davis Bldg Montpelier VT 05620 802-585-4904 amy.galford@vermont.gov

General info about loan types & terms: [DWSRF Guidance Doc 10](#)
Annual funding cycle: [Annual Intended Use Plan including priority lists](#)

To apply for funding:

For DWSRF [Service Line Inventory](#) loans only see special forms & policies.

All other DWSRF loans:

Upload draft Engineering Services Agreements to [ANR Online site for draft ESA review](#)

Upload PDF loan application form + other attachments to [ANR Online site for loan application](#)

Written communications to and from state officials regarding state business are considered public records and may be subject to public scrutiny.