

Informational Meeting For

**PROPOSED  
TOWN OF ALEXANDER  
WATER DISTRICT NO. 5**

January 25, 2017

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**Introductions**

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## Agenda

1. Purpose of Meeting
2. Proposed Project
3. Need for Project
4. Costs
5. How to Proceed Forward
6. Questions



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## Purpose of Meeting

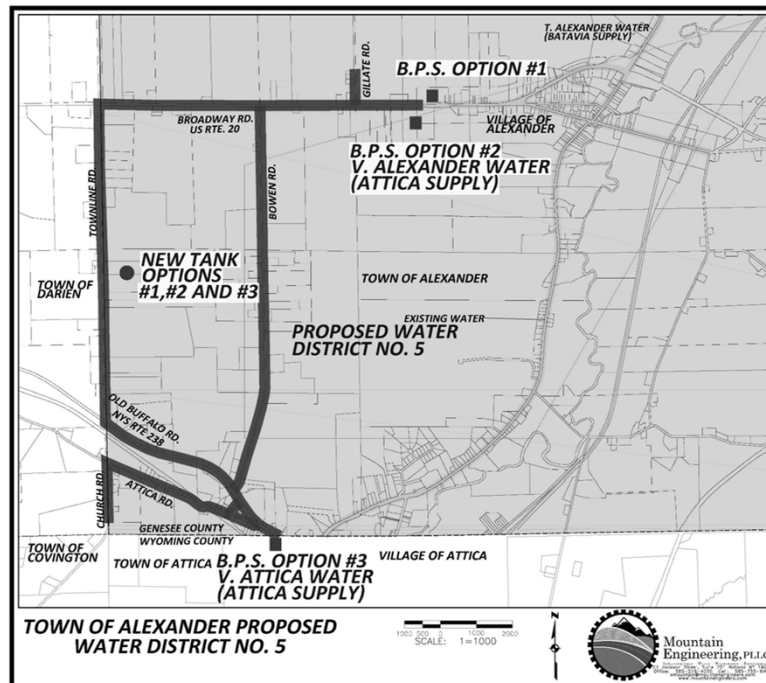
- Present an Opportunity for property owners to receive Public Water
- Present the Project's Details, Cost and Process
- Present what Steps the People need to take to continue the Process
- Answer all questions that the Public has
- For the Board to receive feedback as to whether the people want Public Water

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## Why Do This Project Now?

- Large interest from the property owners
- Possibility to share costs with Town of Darien
- Cost will only increase in future years
- Grant/Loan opportunities exist

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## Water Source Options

|  | Cost        |
|--|-------------|
| 1. Town of Alexander Source  | \$4,940,000 |
| 2. Village of Alexander Source   | \$4,648,000 |
| 3. Village of Attica Source  | \$4,775,000 |
| 4. Darien Source<br>– No Shared Tank/Pump Station                                | \$6,474,000 |
| 5. Darien Source<br>– Shared Tank/Pump Station<br>– Combine with Darien District | \$3,823,000 |

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## Need for Project

- Widespread poor private well quality and quantity-confirmed through written/verbal communications from residents
- Recent drought conditions have heightened awareness
- Several informal petitions submitted to Town expressing interest in public water
- Inadequate fire protection

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## Town Board's Role in Public Water Extensions

- To investigate providing requested service to property owners
- Develop a fiscally prudent plan to provide those services
- Determine through Public input if it is affordable to provide the service
- Form a Special District called a Water District
- Act as the Administrator of the Special District

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## How Much will it Cost?

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## Cost Breakdown

1. Project Cost (New Facilities)
  - Annual “Debt Service” Payments (similar to “Mortgage”)
  - One Time Connection Cost
2. Cost of Water
  - Supply of Water
  - Operation & Maintenance (O&M) Costs



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## Paths Forward

### Path 1:

- Start with Option #1, #2 & #3 – Can begin looking for funding
  - Allows the Town to negotiate with all entities and still be able to move forward with any of the three sources
  - Can amend funding applications if Darien project moves forward

### Path 2:

- Option #5 - Darien Source – Sharing
  - Lowest cost of all options, but contingent upon Darien project moving forward

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## Path 1- Cost of Project

|   |                     |
|---|---------------------|
| Construction Cost                           | \$ 3,743,000        |
| Legal and Administrative Costs              | \$ 247,000          |
| Engineering                                 | \$ 247,000          |
| Construction Administration and Observation | \$ 329,000          |
| Contingencies                               | \$ 374,000          |
| <b>Total Estimated Cost</b>                 | <b>\$ 4,940,000</b> |

- To be funded through grants and low interest loans
- Grants currently estimated at \$2,223,000
- Annual loan payment estimated at \$120,796
- Interest rate is currently at 2.75%
- Estimates utilized 3.0%

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## Options to Consider Now

- Apply for determination of funding (Path 1 for now)
- Form Water District
- Apply for full funding
- Monitor Darien project
  - If Darien is moving forward, then modify original funding application
  - Otherwise, continue to proceed on current path working towards selecting best source

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## Project Debt Distribution

### RESIDENTIAL PROPERTIES

|  |           |
|--|-----------|
| Residential Property – Single                      | 1.0 Unit  |
| Residential Property – Duplex                      | 1.5 Units |
| Residential Property – Triplex                     | 2.0 Units |
| Existing Out of District<br>residential properties | 1/3 Unit  |

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## Project Debt Distribution

### VACANT PROPERTIES

|  |          |
|--|----------|
| Vacant lots in an Agricultural District                    | 0 Units  |
| Developable Lot<br>(Meets zoning requirements to build on) | 0.1 Unit |
| Undevelopable Lot<br>(Administrative Fee, \$10/yr)         | 0 Units  |

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## Project Debt Distribution

### DEVELOPED NON-RESIDENTIAL PROPERTIES

Developed Non-Residential                      1 Unit (min.)

-Based on Water Usage using this formula:

$$\text{Water Usage} / 300\text{gpd} = \# \text{ units}$$

-Not agricultural use

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## Project Debt Distribution

### AGRICULTURAL USE PROPERTIES

Agricultural Use                                      1 Unit (min.)

-Can only be charged if connected to system

-Based on Water Usage using this formula:

$$\text{Water Usage} / 300 \text{ gpd} / 5 = \# \text{ units}$$

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## Project Debt Distribution

Estimated Total Number of Units in Proposed Water District No.5

130 units

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## Project Debt Distribution

-Continued-

Annual Debt Cost of Project  $\div$  # of Units  $\equiv$  Annual Cost/Unit

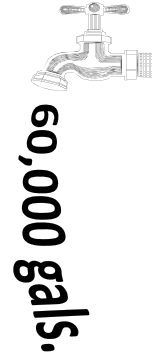
$\$120,796 \div 130 \text{ units} \equiv \$929/\text{unit}/\text{year} \text{ (1)}$

(1) Approximately a \$100 savings if sharing with Darien

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## Water Supply and O & M Cost

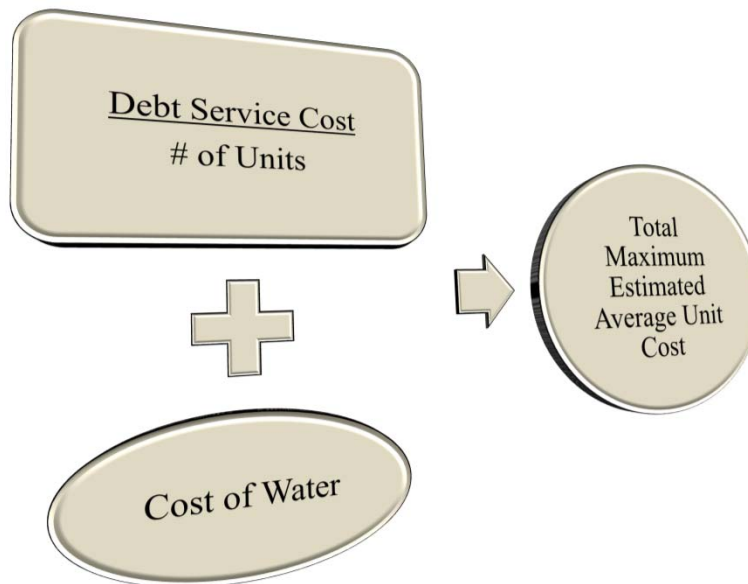
- Based on actual water flow to household or business
- Current cost is \$5.10 - \$5.85/1,000 gals.
- The estimated annual water usage per residential unit (typical user) is 60,000 gals.
- The annual operation & maintenance cost per “typical” residential unit is:



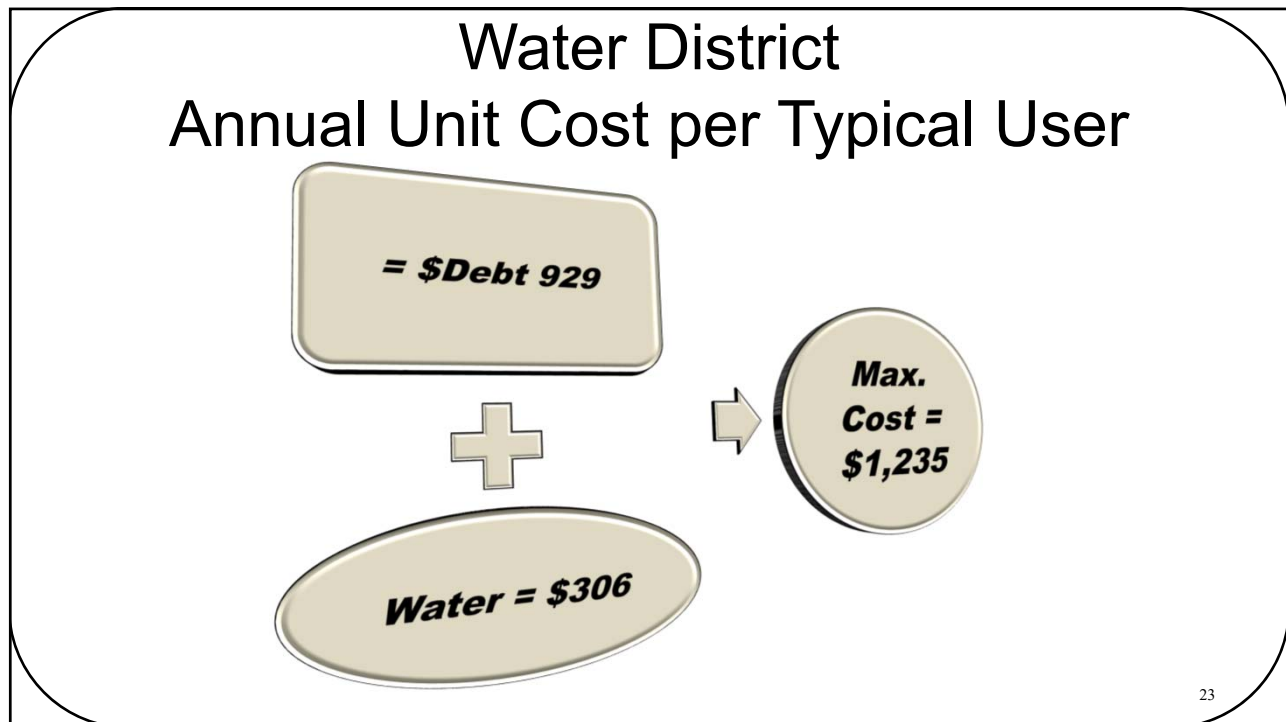
$$\text{\$5.10 ave./1,000 gallons} \times 60,000 \text{ gallons} = \text{\$306}$$

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## Annual Unit Costs



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## Other Costs

|  |             |
|--|-------------|
| • Meter Charge – 5/8”                                    | \$0         |
| • Fee  | \$0         |
| • Service line from property line to structure est. cost | \$8-20/LF   |
| • Well abandonment or separation                         | \$200-\$600 |

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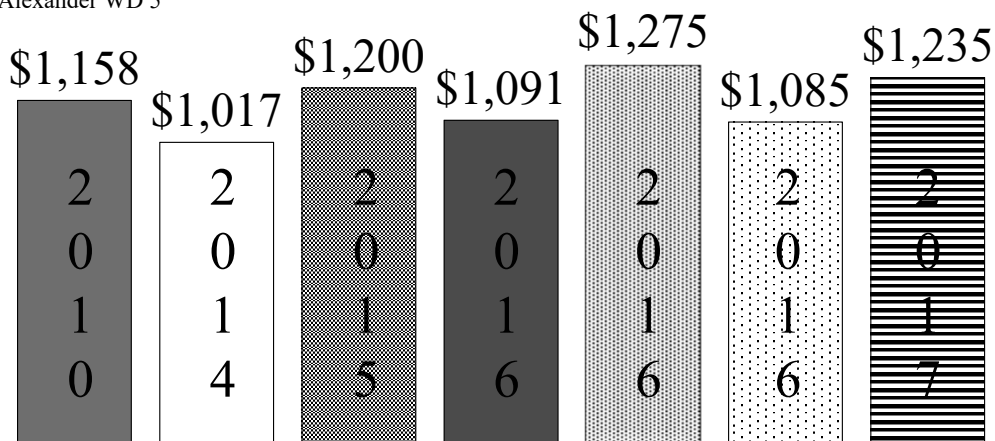
# Is this Cost Reasonable?

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## Comparison of Unit Costs

### Recently Formed Water Districts

- Pavilion - South Street
- Batavia S W Water District
- (T) Alexander WD 5
- Stafford WD 8
- ▨ Darien WD 6
- ▨ Oakfield WD 4
- (T) Alexander WD 4



*Proposed District*

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## Water Rate Comparison

Cost/1,000 gallons



# What Do I Pay for Water Now?

## Summary of Well Costs - Ideal Scenario -

| Item                     | Annual<br>Cost  | Monthly<br>Cost | Notes                           |
|--------------------------|-----------------|-----------------|---------------------------------|
| Electricity              | \$50.00         | \$4.17          |                                 |
| Treatment Chemicals      | -               | -               | Not Necessary                   |
| Bottled Water            | -               | -               | Not Necessary                   |
| Replace Towels and Linen | -               | -               | No Damage Due to Water Quality  |
| Laundromat               | -               | -               | Not Necessary                   |
| Fixture Replacement      | -               | -               | No Damage Due to Water Quality  |
| Replace Washing Machine  | -               | -               | No Damage Due to Water Quality  |
| Replace Water Heater     | -               | -               | No Damage Due to Water Quality  |
| Pump Replacement         | \$50.00         | \$4.17          | Est. Replacement Every 14 Years |
| Replace Treatment System | -               | -               | Not Necessary                   |
| Well Re-Development      | \$75.00         | \$6.25          | Est. Replacement Every 40 Years |
| <b>Total =</b>           | <b>\$175.00</b> | <b>\$14.59</b>  | 29                              |

## Summary of Well Costs - Worst Case Scenario -

| Item                     | Annual<br>Cost    | Monthly<br>Cost | Notes                           |
|--------------------------|-------------------|-----------------|---------------------------------|
| Electricity              | \$50.00           | \$4.17          |                                 |
| Treatment Chemicals      | \$300.00          | \$25.00         | Salt, Chlorine, Filters         |
| Bottled Water            | \$400.00          | \$33.33         | 3 Member Family                 |
| Replace Towels and Linen | \$20.00           | \$1.67          |                                 |
| Laundromat               | \$120.00          | \$10.00         |                                 |
| Fixture Replacement      | \$20.00           | \$1.67          |                                 |
| Replace Washing Machine  | \$30.00           | \$2.50          | Est. Replacement Every 7 Years  |
| Replace Water Heater     | \$60.00           | \$5.00          | Est. Replacement Every 7 Years  |
| Pump Replacement         | \$100.00          | \$8.33          | Est. Replacement Every 7 Years  |
| Replace Treatment System | \$750.00          | \$62.50         | Est. Replacement Every 10 Years |
| Well Re-Development      | \$100.00          | \$8.33          | Est. Replacement Every 30 Years |
| <b>Total =</b>           | <b>\$1,950.00</b> | <b>\$162.50</b> | 30                              |

## Other Considerations

- If haul water, could spend more than \$5,000/year
- How much time do I spend maintaining my current system?
- How much do I pay for non-necessities?
  - cable; cell phone data plan; others
- How much value do I put on additional fire protection?
- How often am I out of power or have poor quality drinking water or no drinking water?
- Am I prepared to replace my system if it suddenly fails?

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## Frequent Cost Questions

- **Can the cost change?**
  - Project costs are estimates
    - The numbers shown are maximum costs
    - An increase in developed units will lower all unit costs
  - Water rate has the potential to change annually as operation and maintenance costs change
- **How would I be billed?**
  - The annual debt service will be applied to your Annual Tax Bill

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## Frequent Cost Questions

- **Do I still have to pay even if I don't hook up to the water?**
  - You would not receive a quarterly water bill
  - You would still be charged the annual debt service
    - According to state law, all properties within an established water district that are receiving a benefit must share equally in that benefit whether using the water or not
    - Agricultural properties only must share if connected to the water – unless by special agreement

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## Miscellaneous Questions

- How much will public water raise my assessment?
  - The existence of a water main or the connection to a water main does not in itself raise assessment values. Assessment values are based on the sale price of comparable houses in the area.
- What can I do with my well?
  1. Abandon the well
  2. Keep well but separate it from public water plumbing
  3. Keep well and install backflow prevention (RPZ)

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## Miscellaneous Questions

- Do I have to connect to the water main right away?
  - No...
    - There will be a future hook up charge for existing residents that do not connect right away
    - Service lines will not be installed to undeveloped lots and a future hookup fee would be required
- When will I have to start paying?
  - Typically once the project is complete and you have water

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## How Long Does the Process Take?

- District Formation
  - 2 months
- NYS Comptroller Approval
  - 2-4 months
- Funding Agency Approval and Grant availability
  - Estimated 6 months – 2 years
  - Could be longer, this project is very dependent on available funding
- Bidding and Construction (Dependent on funding)
  - Completed in multiple contracts and/or phases
  - 1-2 years after funding is approved



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## Summary

- Maximum Annual Debt Service per unit: \$929
- Annual Average Water Cost per unit: \$306
- One time connection cost could be in the range of \$2,000

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## In Closing

- Presentation will be available at the Town Hall or the Town's website
- Who to contact with questions:
  - Joseph Higley, Supervisor Town of Alexander
  - Steve Mountain, Mountain Engineering
    - 585-755-6408
    - [smountain@mountainengineers.com](mailto:smountain@mountainengineers.com)

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