

Informational Meeting For

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

January 25, 2017

Introductions

Agenda

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

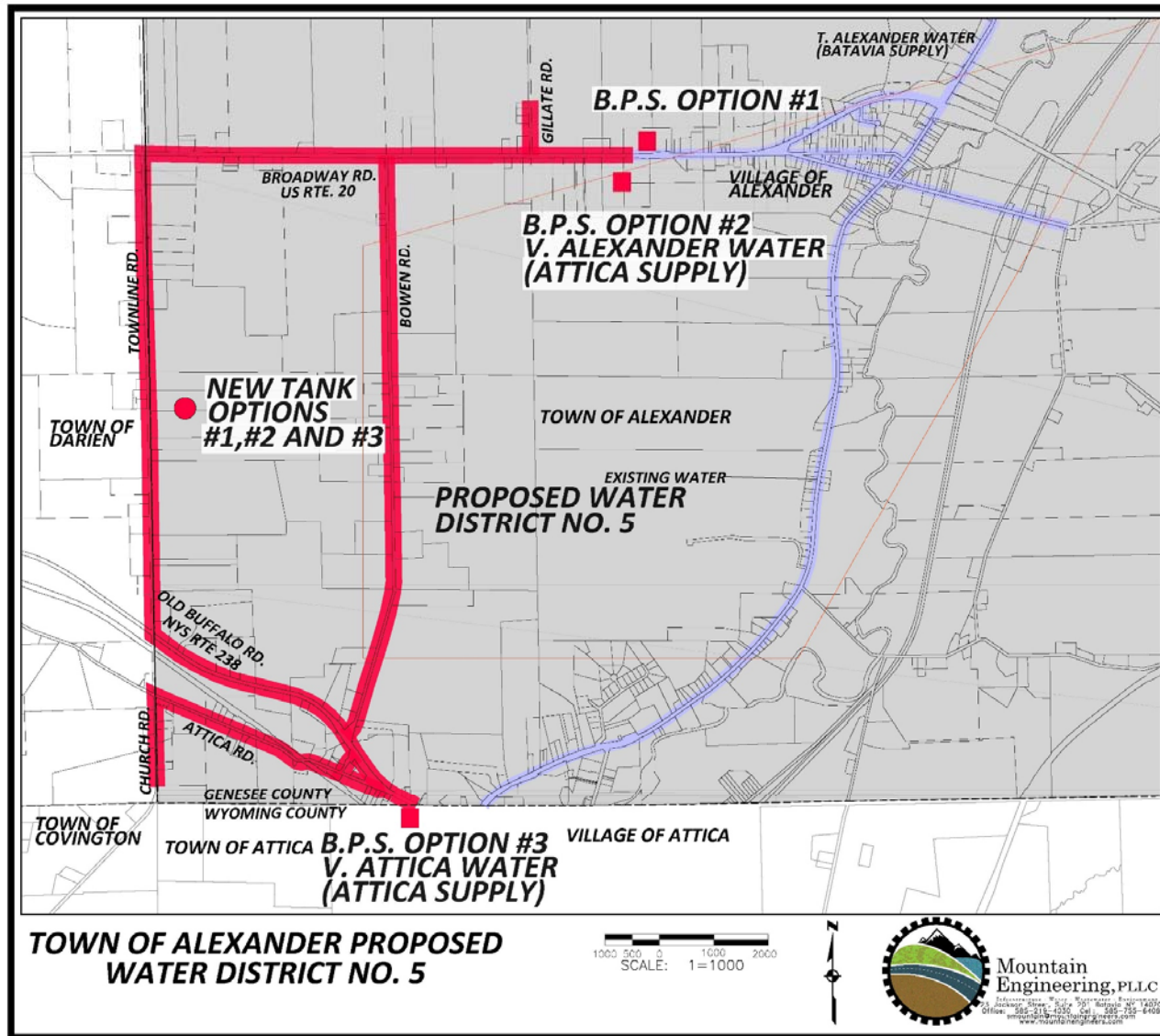


Purpose of Meeting

- 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

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



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 – No Shared Tank/Pump Station	\$6,474,000
5. Darien Source – Shared Tank/Pump Station – Combine with Darien District	\$3,823,000

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

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

How Much will it
Cost?

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



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

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
Total Estimated Cost	\$ 4,940,000

- 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%

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

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 residential properties	1/3 Unit

Project Debt Distribution

VACANT PROPERTIES

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

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

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:

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

Project Debt Distribution

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

130 units

Project Debt Distribution

-Continued-

Annual Debt Cost of Project \div # of Units = Annual Cost/Unit

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

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

Water Supply and O & M Cost

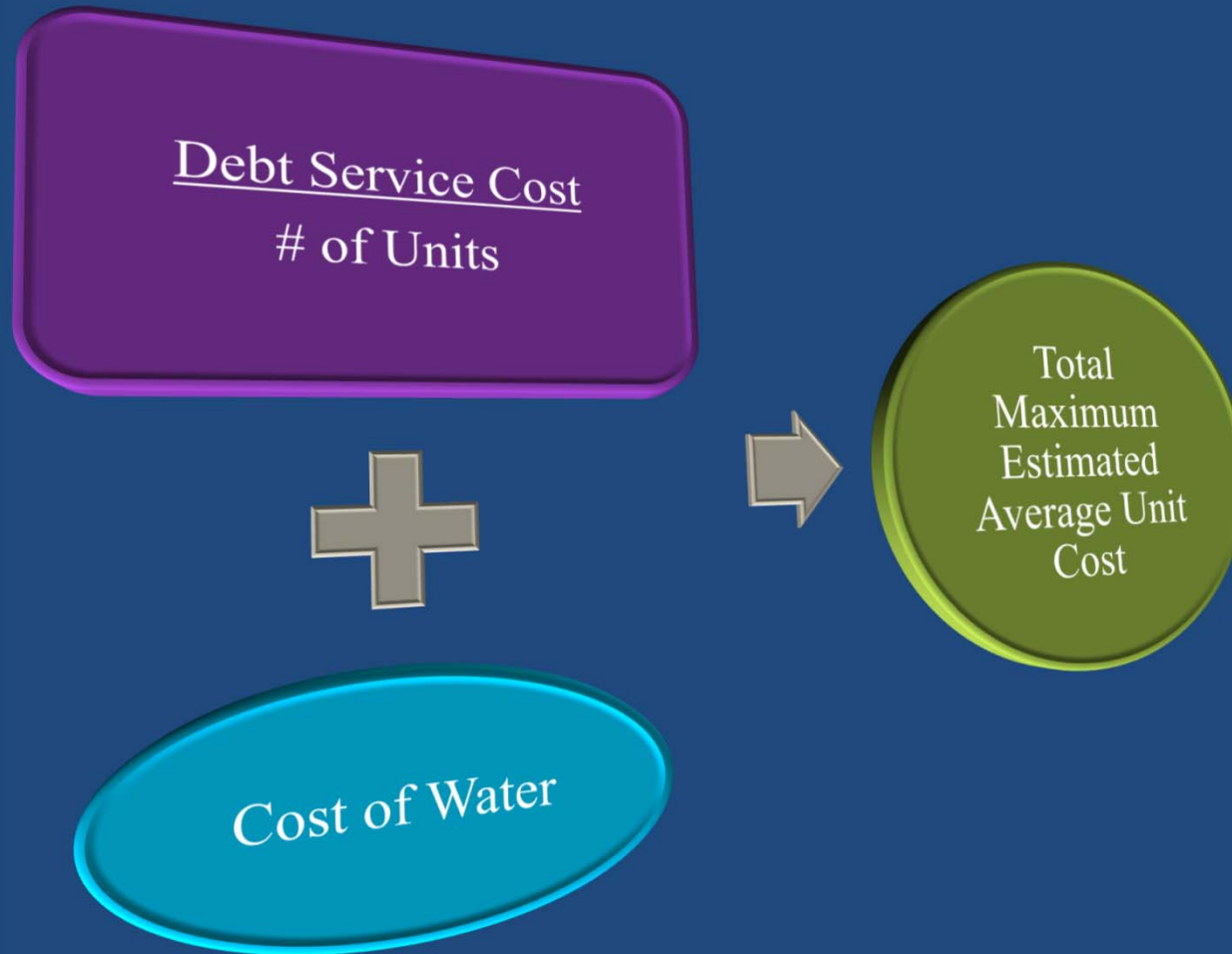
- Based on actual water flow to household or business
- Current cost is \$5.10 - \$5.85/1,000 gals.
- The estimated annual water usage per residential unit (typical user) is 60,000 gals.
- The annual operation & maintenance cost per “typical” residential unit is:

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

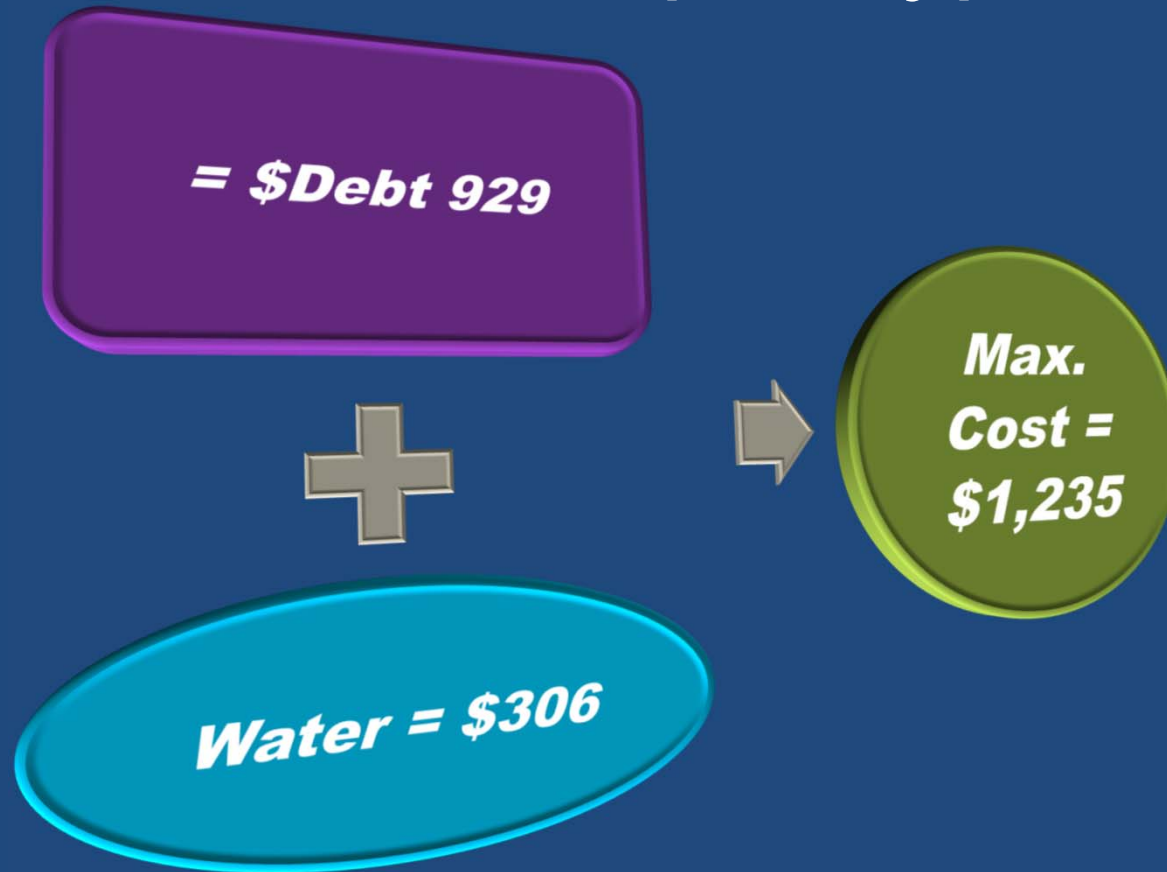


60,000 gals.

Annual Unit Costs



Water District Annual Unit Cost per Typical User



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

Is this Cost
Reasonable?

Comparison of Unit Costs

Recently Formed Water Districts

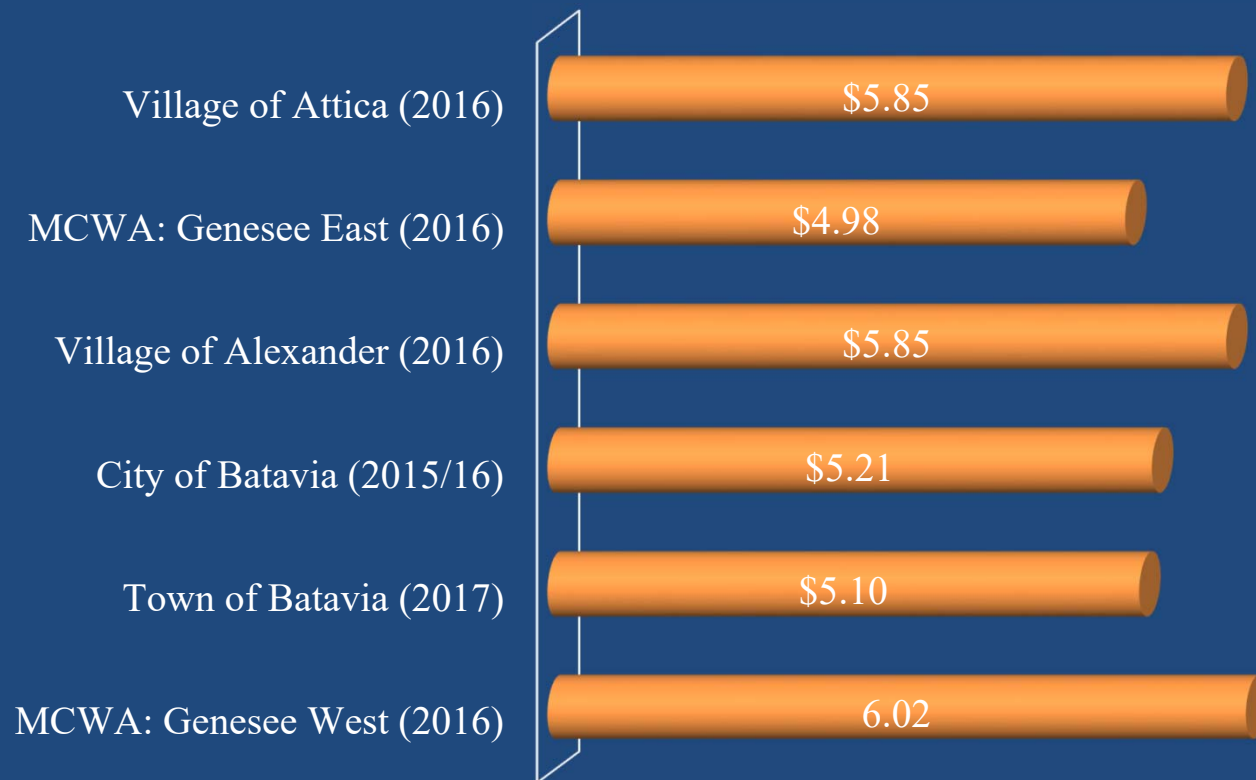
- Pavilion - South Street
- Stafford WD 8
- Oakfield WD 4
- Batavia S W Water District
- Darien WD 6
- (T) Alexander WD 4
- (T) Alexander WD 5



Proposed District

Water Rate Comparison

Cost/1,000 gallons



What Do I Pay for Water Now?

Summary of Well Costs

- Ideal Scenario -

Item	Annual Cost	Monthly 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
Total =	\$175.00	\$14.59	

Summary of Well Costs

- Worst Case Scenario -

Item	Annual Cost	Monthly 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
Total =	\$1,950.00	\$162.50	

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?

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

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

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)

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

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



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

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