

Informational Meeting For

**PROPOSED
TOWN OF ALEXANDER
WATER DISTRICT NO. 6**

November 14, 2018

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Introductions

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Agenda

1. Purpose of Meeting
2. Review Conceptual Project
3. Need for the Project
4. Cost of the Project
5. How to Proceed Forward
6. Questions



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Purpose of Meeting

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

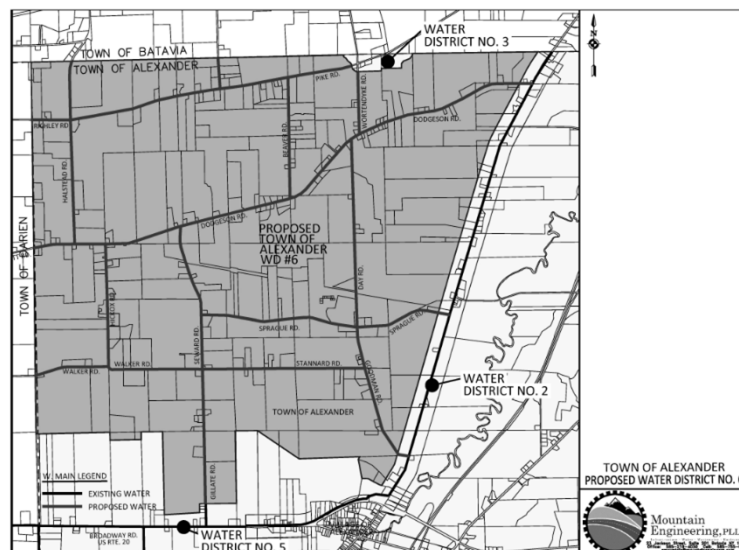
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Why Do This Project Now?

- Has been interest from property owners
- Water District No.5 recently received funding and is currently being formed which would allow higher elevations in this area to be served
- Cost will only increase in future years
- Grant and Low Interest Loan opportunities exist

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Conceptual Project Area



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Need for Project

- Is there poor private well quality and quantity?
- Drought conditions of a few years ago have heightened awareness
- Informal public communication has indicated an interest
- No public water supply 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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Cost of Project

Construction Cost	\$ 5,150,000
Legal and Administrative Costs	\$ 220,400
Engineering	\$ 275,500
Construction Administration and Observation	\$ 385,700
Contingencies	\$ 360,400
Total Estimated Cost	\$ 6,392,000

- To be funded through grants and low interest loans
- Grants currently estimated at \$2,750,000
- Annual loan payment estimated at \$168,255
- Interest rate is currently at 3.125%
- Estimates utilized 3.25%

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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

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Project Debt Distribution

VACANT PROPERTIES

Vacant lots in an Agricultural District	0 Units
Developable Lot (Meets zoning and Smart Growth requirements to build on)	0.1 Unit
Undevelopable Lot (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.6

190 units

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Project Debt Distribution -Continued-

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

$\$168,255 \div 190 \text{ units} \equiv \$886/\text{unit}/\text{year}$

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Water Supply and O & M Cost

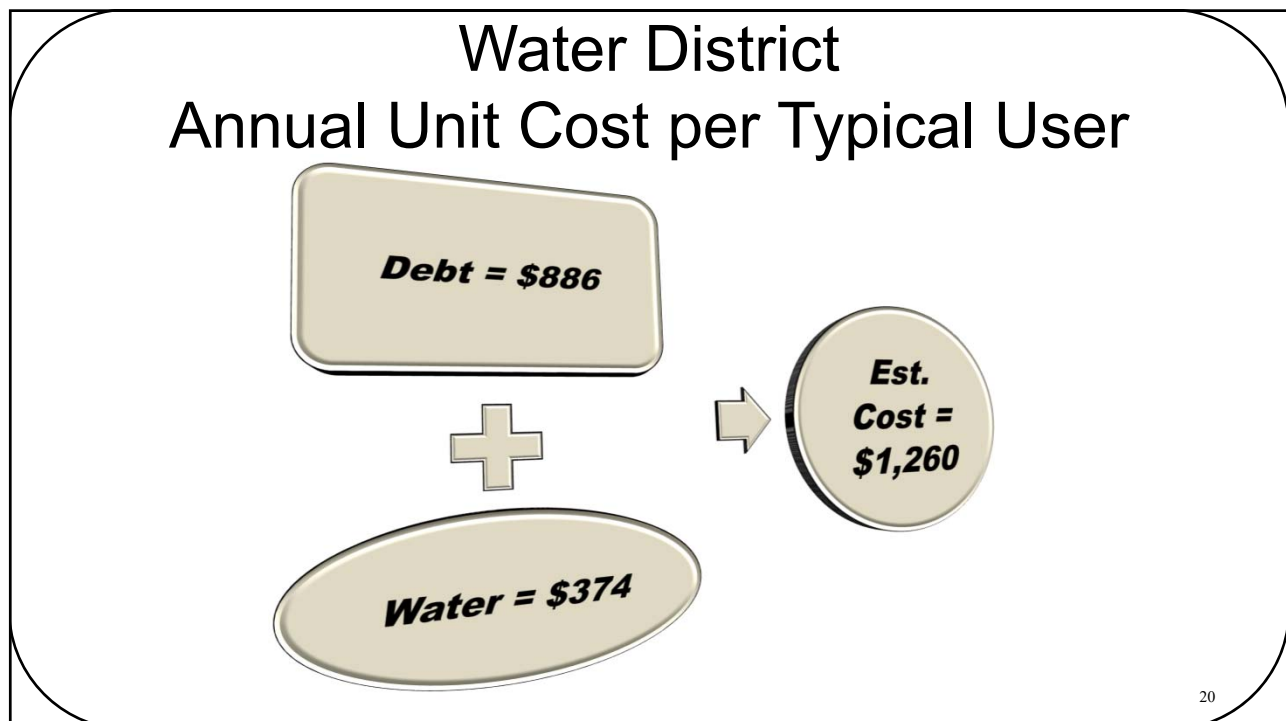
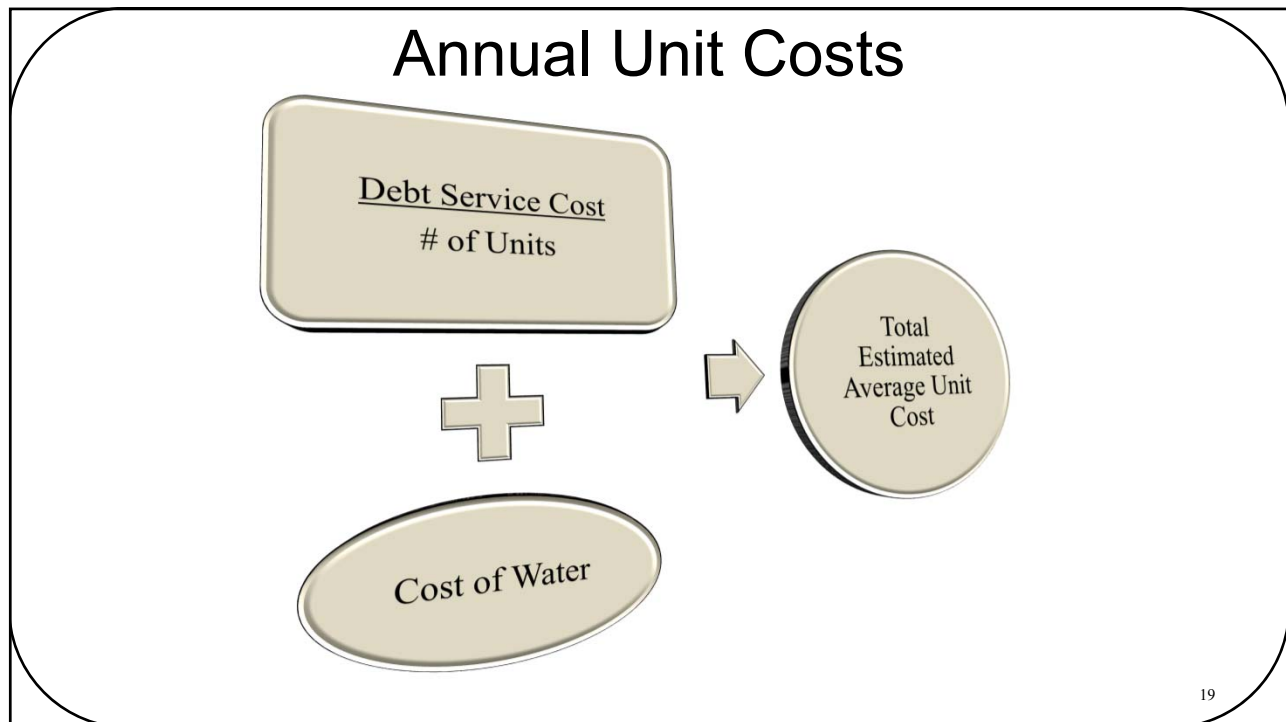
- Based on actual water flow to household or business
- Current cost will range from \$5.85 - \$6.23/1,000 gals.
- The estimated annual water usage per residential unit (typical user) is 60,000 gals.
- The annual operation & maintenance cost per “typical” residential unit is:



60,000 gals.

$\$6.23 \text{ ave./1,000 gallons} \times 60,000 \text{ gallons} = \374

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Other Costs

- Meter Charge – 5/8” \$0
- Fee \$0
- Service line from property line to structure est. cost \$12-20/LF
- Well abandonment or separation \$200-\$600

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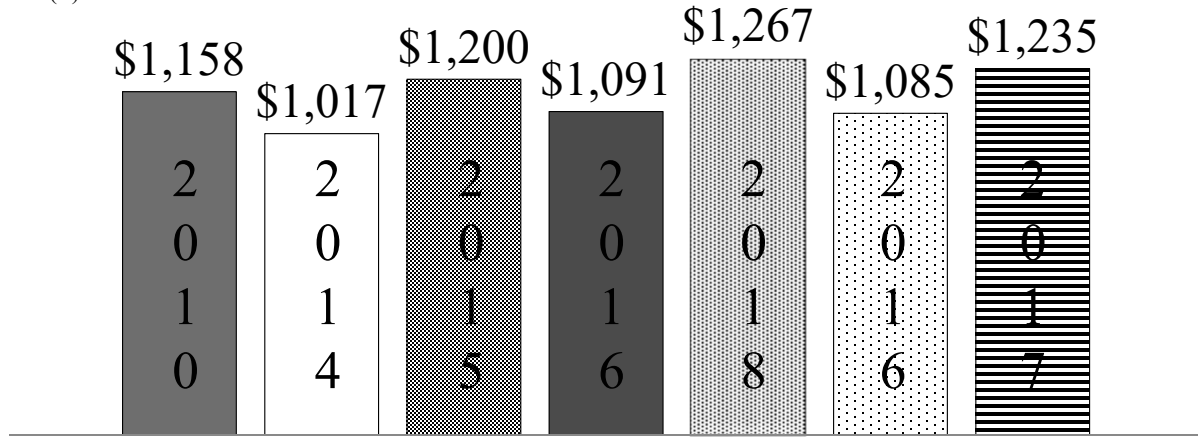
**Is this Cost
Reasonable?**

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Comparison of Unit Costs

Recently Formed Water Districts

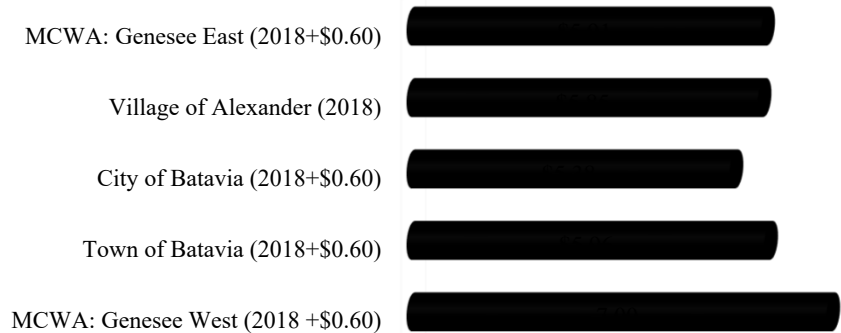
- Pavilion - South Street
- Batavia S W Water District
- (T) Alexander WD 5
- Stafford WD 8
- Batavia Bat/Bethany Townline
- Oakfield WD 4
- (T) Alexander WD 4



Proposed District

Water Rate Comparison

Cost/1,000 gallons



*2018 water costs above include the recent \$0.60/1,000 gal increase to Genesee County Surcharge

What Do I Pay for Water Now?

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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	

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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	27

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 Project Costs 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 not 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

- Estimated Annual Debt Service per unit: \$886
- Annual Average Water Cost per unit: \$374
- One time connection cost could be in the range of \$2,000

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Steps to Move Forward

- Determine whether to complete income surveys
- Complete well testing
- Apply for determination of funding
- Monitor Alexander Water District 5 project
- Form Water District
- Apply for full funding

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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

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