Informational Meeting For

PROPOSED
TOWN OF DARIEN
WATER DISTRICT NO. 6

September 28 and
October 1, 2016

Introduction

Agenda

1. Purpose of Meeting
2. Proposed Project
3. Need for Project
4. What is a Water District
5. Costs
6. Water District Formation Process
7. How to Proceed Forward
8. Questions

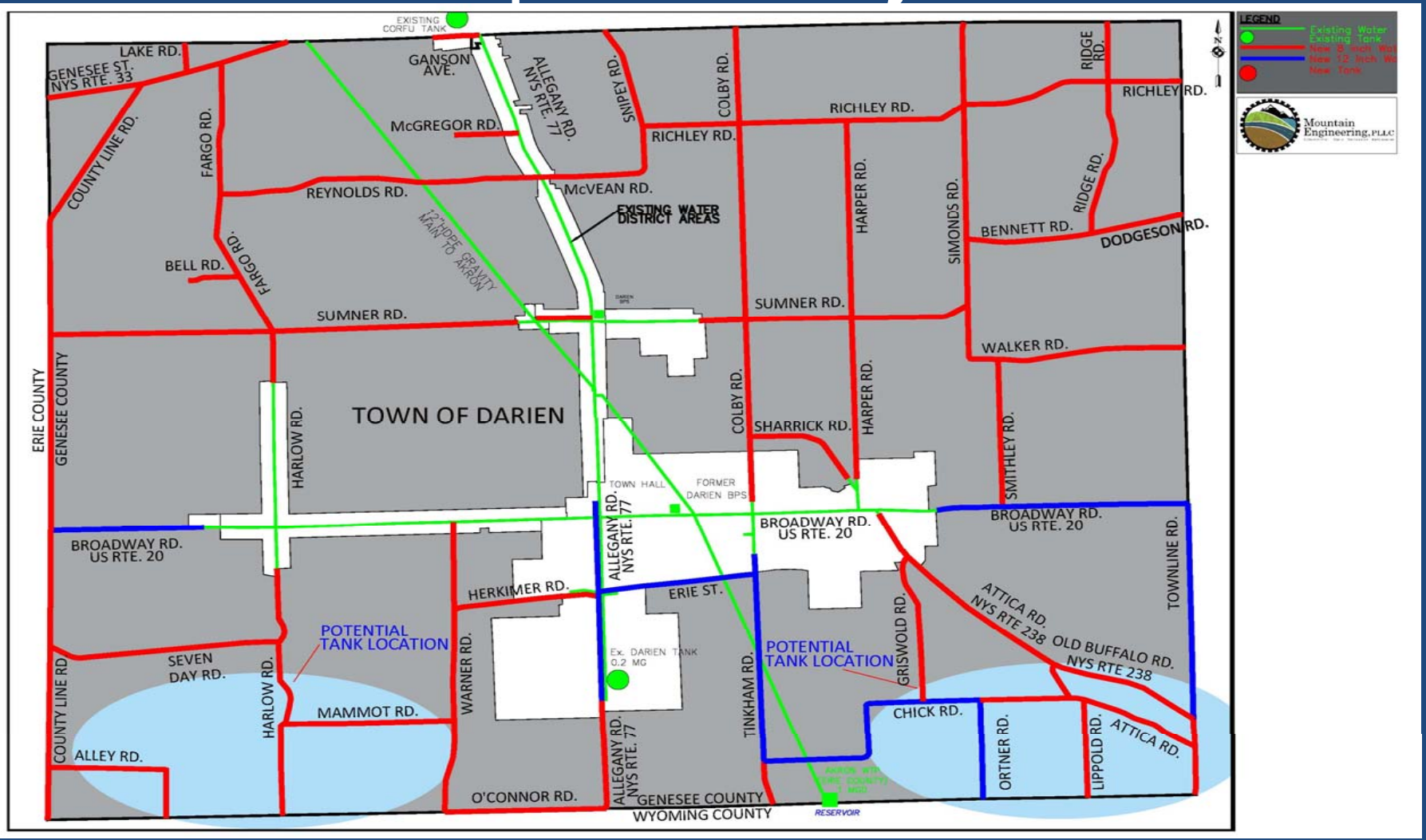
Purpose of Meeting

- 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?

- Loan interest rates are very low
- The water supply source is available now (first come-first served)
- A funding source is available
- Requested funding includes a $6.8M Grant (27% discount on cost of Project)
- Cost will only increase in future years

Proposed Project



Need for Project

- Widespread poor private well quality and quantity-confirmed through well testing (past projects) and written/verbal communications from residents
- Recent drought conditions have heightened awareness
- Several informal petitions submitted to Town expressing interest in public water over the last 15 years
- Surveys and input during last Comprehensive Plan Update
- Inadequate fire protection

Facts and Figures

- Approximately 1,026 people currently served
- Approximately 2,095 people currently unserved
- Cost to a household to be served: $1,275/year plus a one time connection cost of approximately $2,000
- Cost to a business to be served: Same as a household if use the same amount of water or scaled linearly up if use more water

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

What is a Special District?

- Special District: an *area* with a *special purpose* that becomes a *municipal subdivision* as required by NYS Law
  - Area: all land within the District Boundaries
  - Municipal Subdivision: the owners of property within the District Boundaries (Town Board acts as the administrator for the owners)
  - Special Purpose: supplying public water service
  - The property owners share equally in the cost

Town Wide Approach

- Least costly per property and gets completed the soonest
- Only some small extensions are possible without storage tanks and pump stations
- If small extensions approach taken, could take over 20 years to complete and much more expensive per extension
- Takes advantage of the “economies of scale”
- Gets water to those that need or want it the soonest

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

Cost of Project

Construction Cost	$ 19,326,500
Legal and Administrative Costs	$ 956,500
Engineering	$ 956,500
Construction Administration and Observation	$ 1,700,500
Contingencies	$1,940,000
Total Estimated Cost	**$ 24,880,000**

- To be funded through grants and low interest loans
- Grants currently estimated at $6,800,000
- Annual loan payment estimated at $712,850
- Interest rate is currently at 2.25%

Funding Opportunities

- USDA – Rural Development
- NYS Office of Community Renewal
- NYS Drinking Water State Revolving Fund
- NYS Environmental Facilities Corporation
- Self Funded
- Private Contributions

Project Debt Distribution

RESIDENTIAL PROPERTIES

Residential Property – Single	1.0 Unit
Residential Property – Duplex	1.5 Units
Residential Property – Triplex	2.0 Units

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 Req'd/Actual Water Usage using this formula:

Water Usage / 300gpd = # units

-Not agricultural use

Project Debt Distribution

AGRICULTURAL USE PROPERTIES

Agricultural Use 1 Unit (min.)

-Can only be charged if connected and using water

-Based on Req'd/Actual Water Usage using this formula:

Water Usage / 300gpd / 3 = # units

Project Debt Distribution

Estimated Total Number of Units in Proposed Water District No.6

780 units

Project Debt Distribution
-Continued-

Annual Debt Cost of Project ÷ # of Units = Annual Cost/Unit

$712,850 ÷ 780 units = $914/unit/year

* $914/unit/year can potentially be reduced by:
1. Additional units (ie. from neighboring Towns)
2. Additional grants from other programs

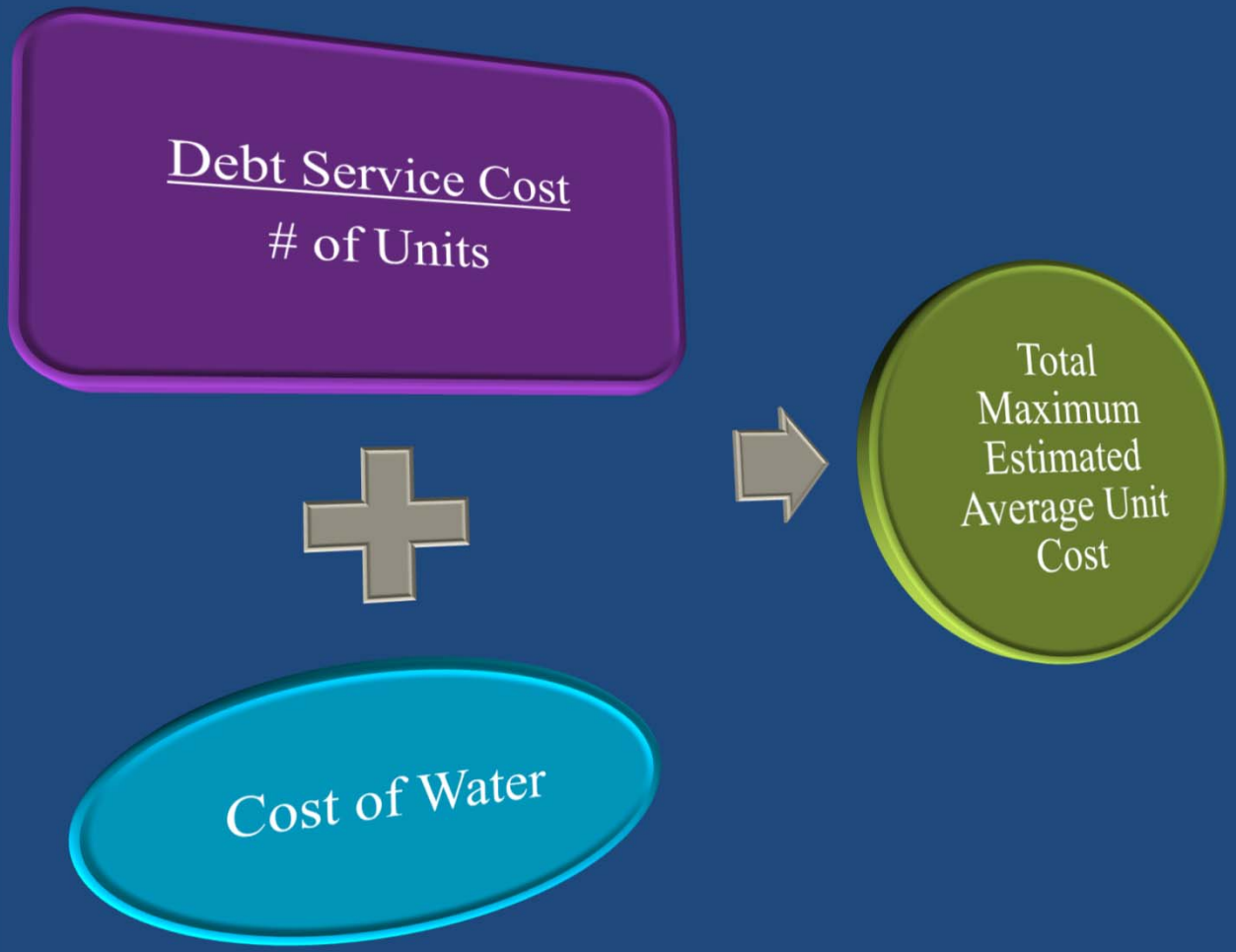
Water Supply and O & M Cost

- Based on actual water flow to household or business
- Current cost is $6.02/1,000 gals.
  (MCWA rate + County Surcharge)
- The estimated annual water usage per residential unit (typical user) is 60,000 gals.
- The annual operation & maintenance cost per “typical” residential unit is:

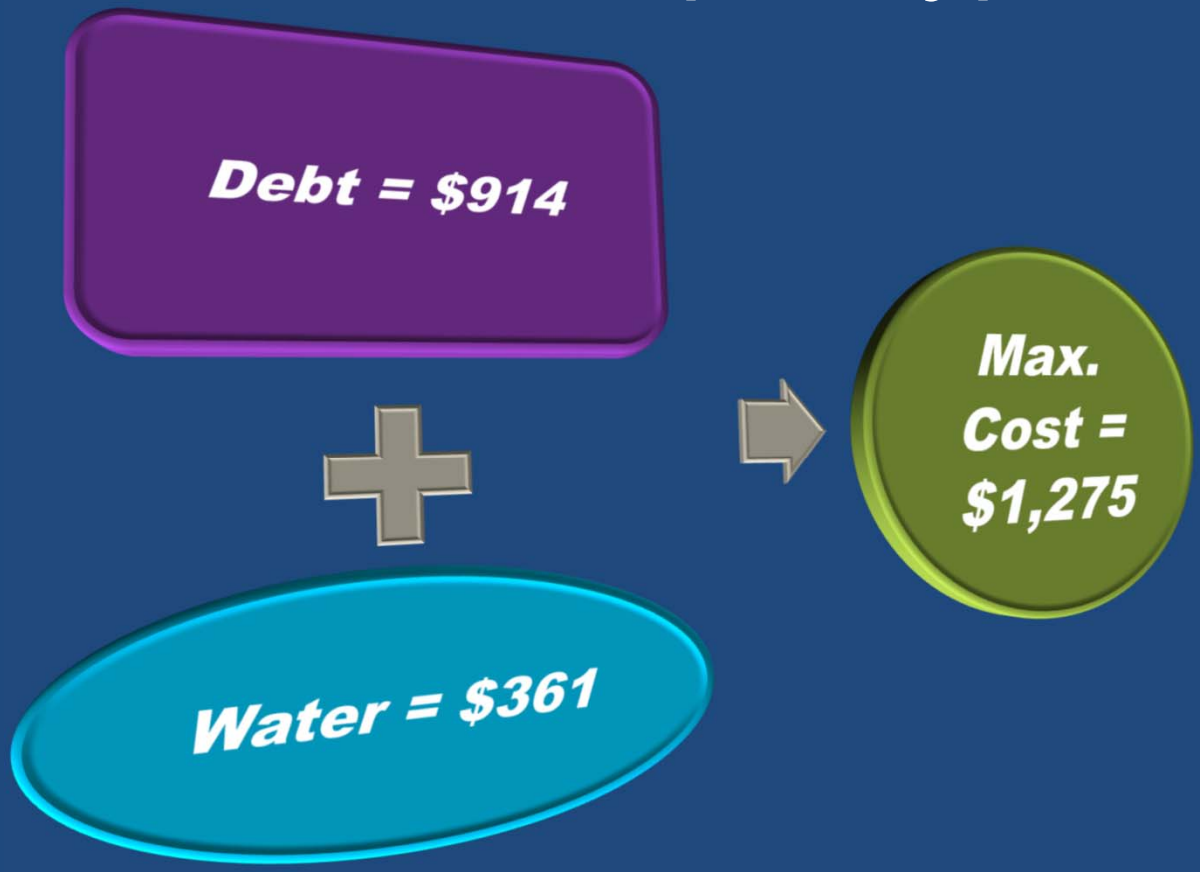
60,000 gals.

$6.02/1,000 gallons x 60,000 gallons = $361

Annual Unit Costs



Water District
Annual Unit Cost per Typical User



Other Costs

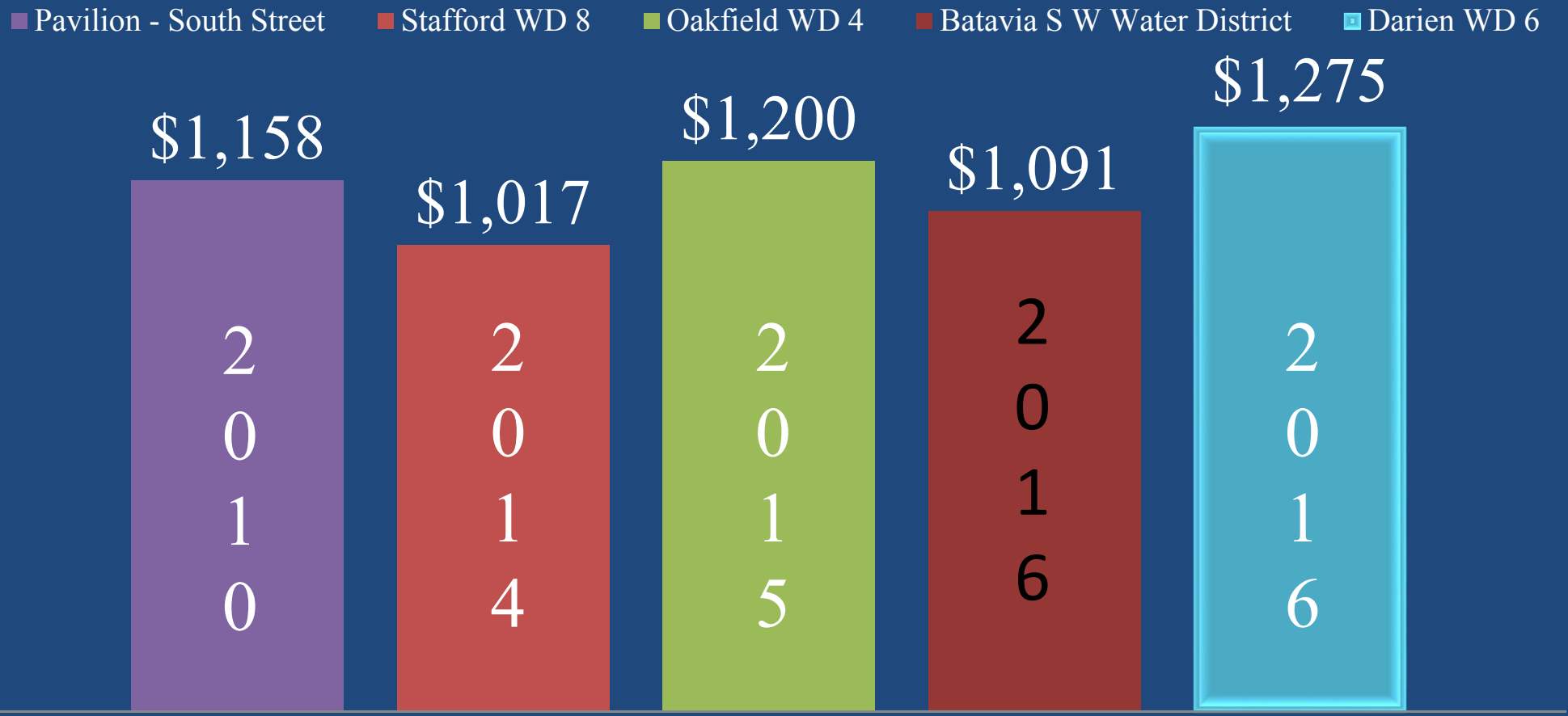
• Meter Charge – 5/8”	$215
• Account setup fee	$25
• Service line from property line to structure est. cost	$8-20/LF
• Well abandonment or separation	$200-$600
• Well Separation Inspection Fee and Access Agreement	$580

These one time costs could be in the range of $2,000

Is this Cost Reasonable?

Comparison of Unit Costs

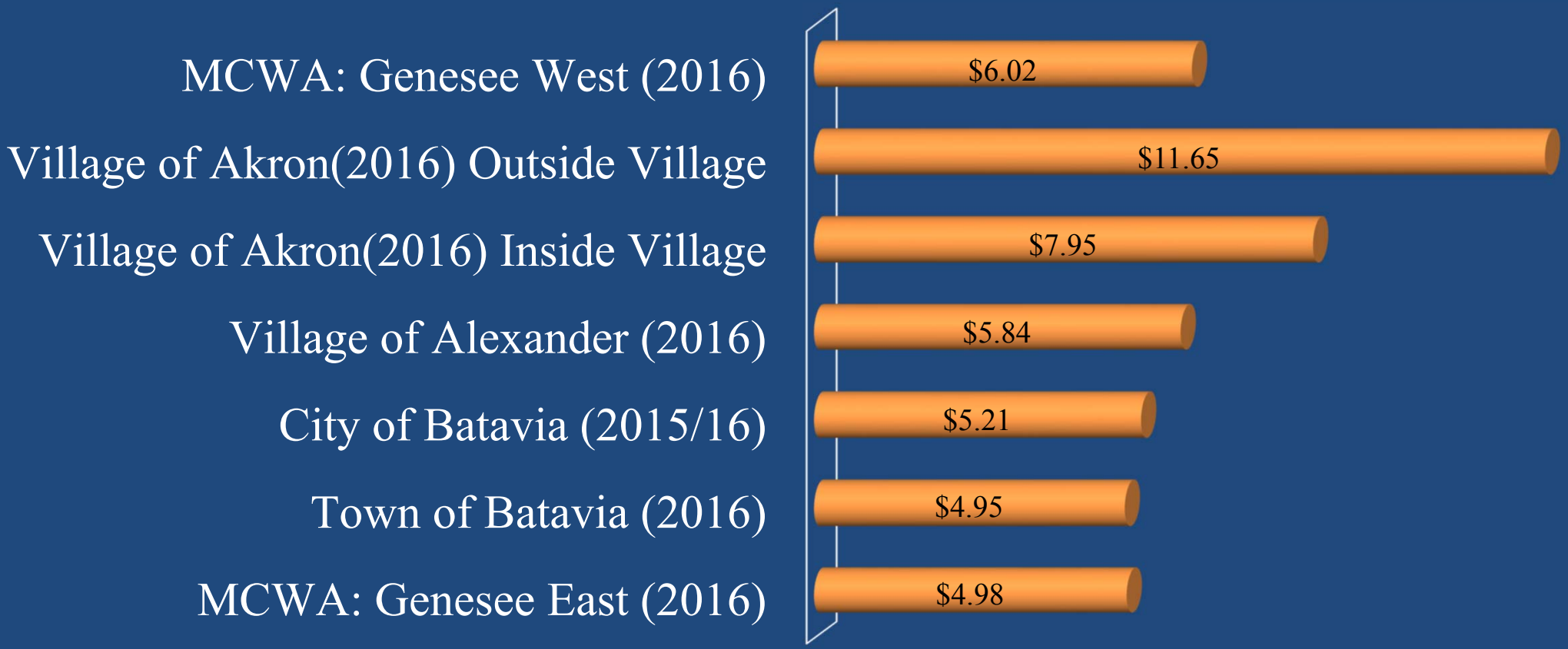
Recently Formed Water Districts



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 and County surcharge will be applied to your Annual Tax Bill
  - Water usage is read and billed quarterly

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 using the water – unless by special agreement

How is a District Formed?

Two Options for District Formation

Option 1: Legal Petition by property owners

Option 2: Town proposes creation of District on its own

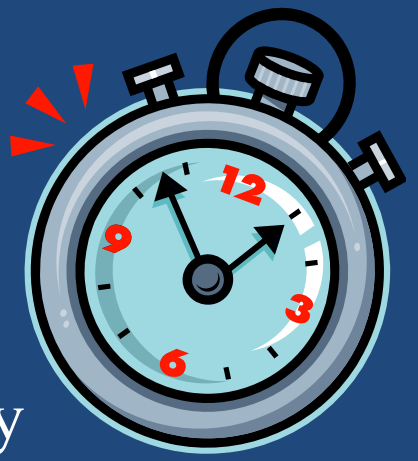
Town Board sets a Public Hearing

Public Hearing is held

Town Board determines by resolution whether or not to establish the District

Subject to NYS Comptroller's Approval (2-4 months)

How Long Does the Process Take?



- District Formation
  - 2 months
- NYS Comptroller Approval
  - 2-4 months
- Funding Agency Approval and Grant availability
  - Estimated 6-18 months
  - Could be longer, this project is very dependent on available funding
- Bidding and Construction (Dependent on funding)
  - Completed in multiple contracts and/or phases
  - 1-3 years after funding is approved

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
      - MCWA fee schedule, currently $2,290
    - 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, at least 3 years from now

Summary

- Project would provide public water to the remainder of Town
- Maximum Annual Debt Service per unit: $914
- Annual Average Water Cost per unit: $361
- One time connection cost could be in the range of $2,000

How do we Proceed Forward?

1. Town Board needs to hear from you

A. Is there still an interest, given the information and costs presented here tonight

B. Is a household cost of up to $1,275/year affordable?

In Closing

- Presentation will be available at the Town Hall or the Town's website
- The Project's Frequently Asked Questions (FAQ) will be continually updated and available at the Town Hall or Website
- Who to contact with questions:
  - David Hagelberger, Supervisor Town of Darien
  - Steve Mountain, Mountain Engineering
    - 585-755-6408
    - smountain@mountainengineers.com

DON'T FORGET TO HAND IN YOUR POSTCARDS