



TOWN OF
WEST SENECA
'PROUD PAST - UNLIMITED FUTURE'

Conversion of Water System – Lease Managed to Direct Service

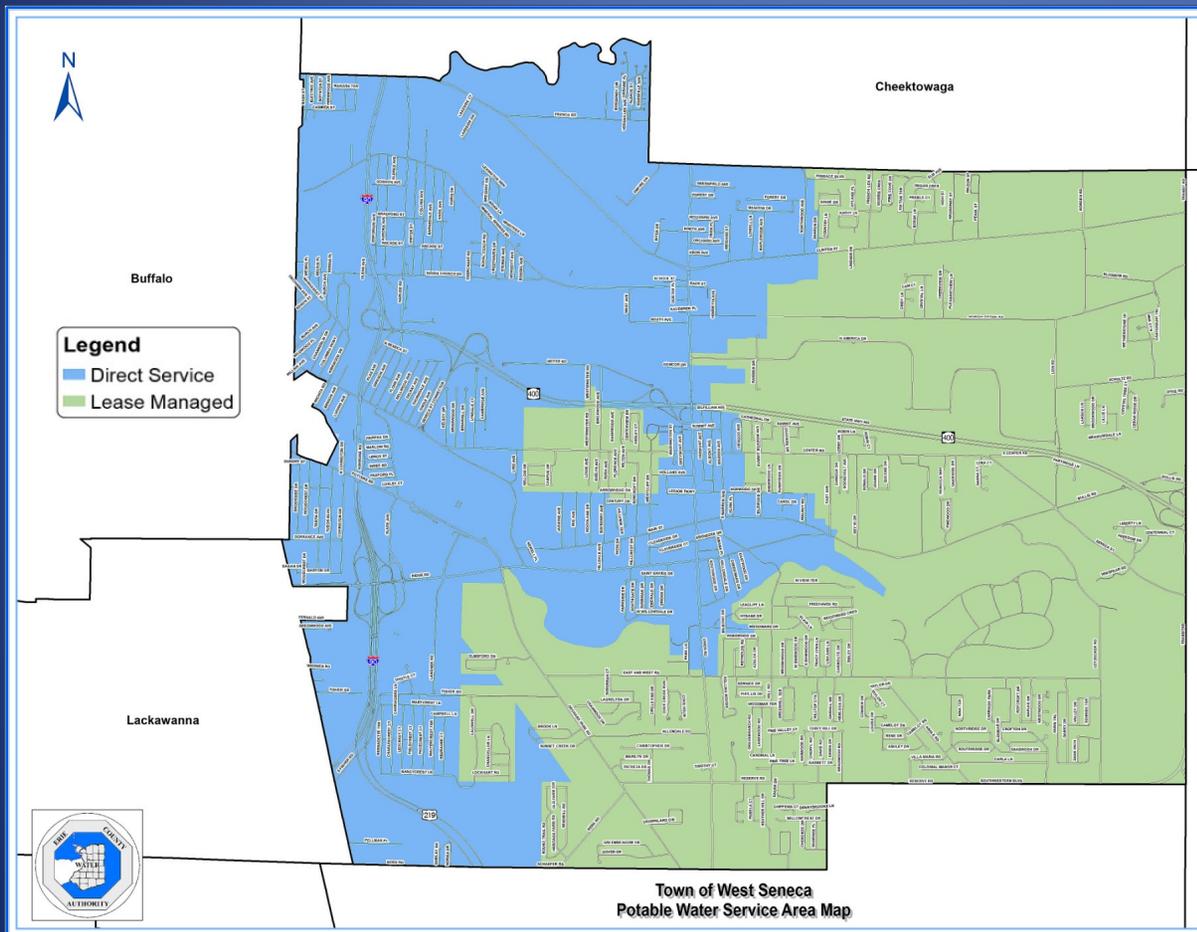
May 11, 2015

Summary

- Current Water Service Areas
 - Direct Service
 - Lease Managed
- Current West Seneca Water Districts
- Improvements Required by ECWA
- Cost of Improvements
- Next Steps



Current Water Service Areas



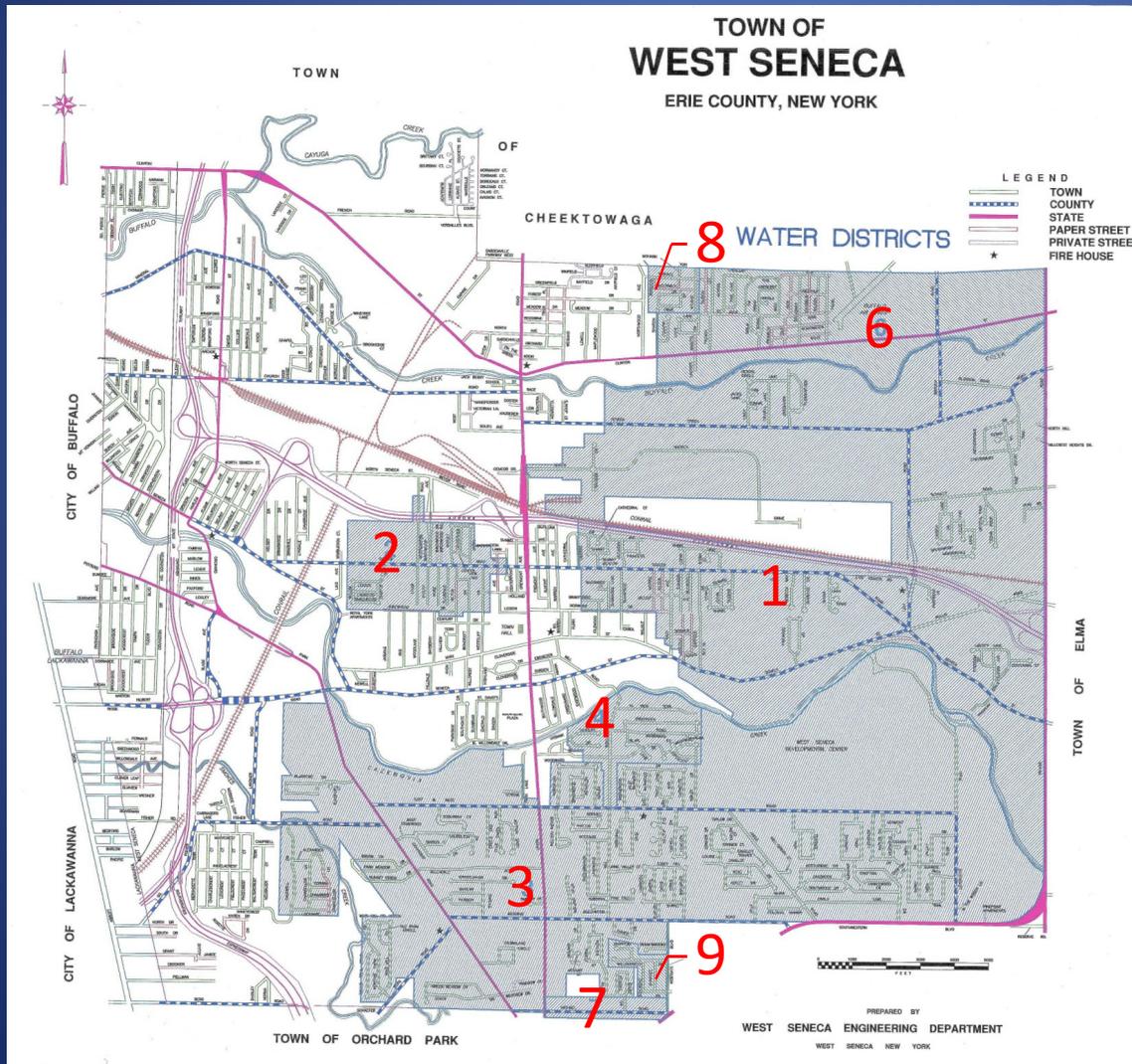
Lease Managed

- ECWA is responsible for customer service, billing, meter reading, and maintenance
- Town is responsible for all capital improvements

Direct Service

- ECWA owns and operates the system
- Town pays a hydrant maintenance fee

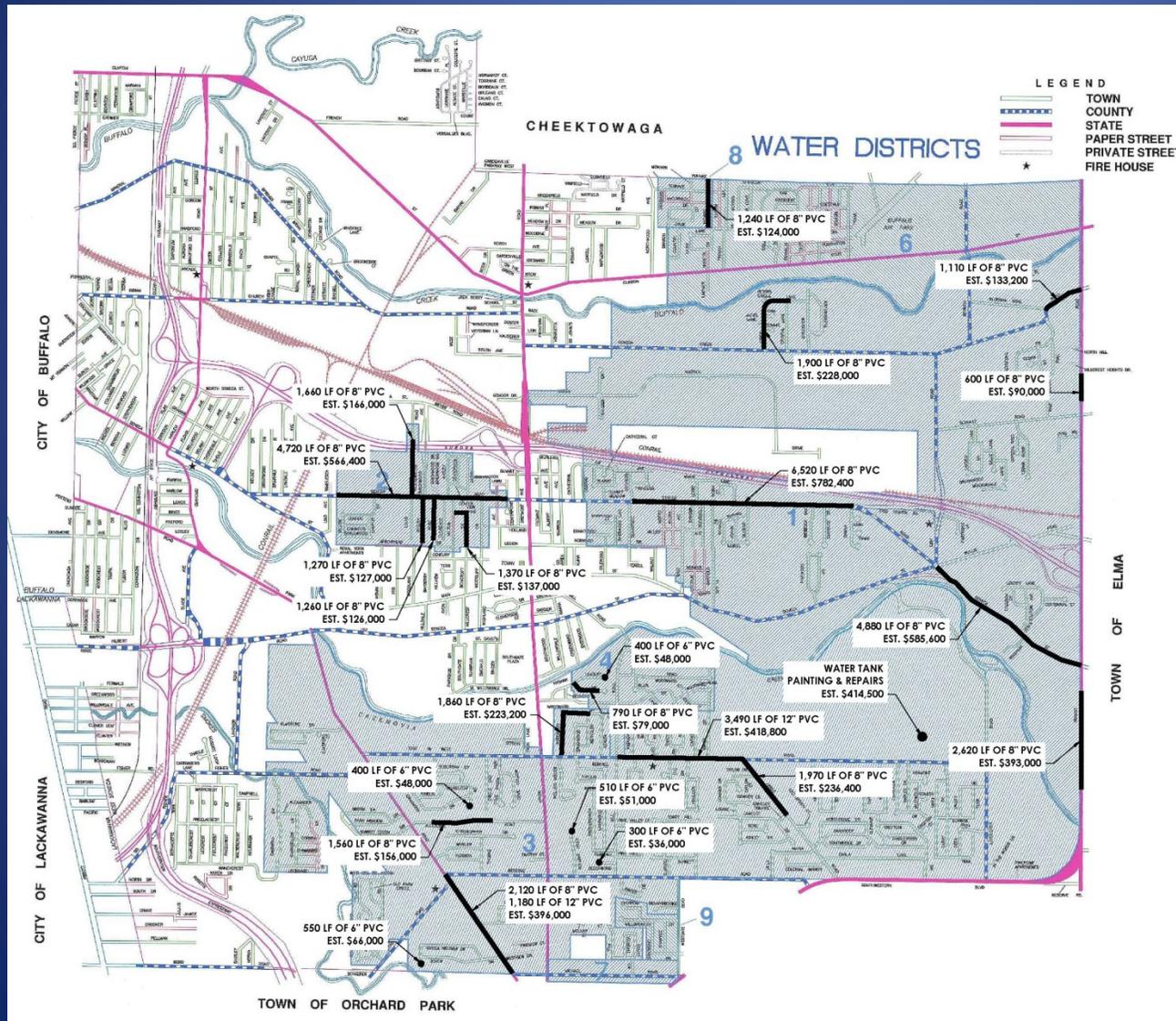
Current West Seneca Water Districts



8 current
Water Districts

| | |
|---|---|
| 1 | 6 |
| 2 | 7 |
| 3 | 8 |
| 4 | 9 |

Improvements Required by ECWA



- + replace 44,280 LF of old watermain
- + replace 57 hydrants
- + eliminate redundant lines in 2 locations

Reduce annual Town O&M costs by \$41,000

Annual hydrant fee to ECWA will increase

Cost of Improvements

| | | |
|-------------------------------------|---------------|-----------|
| TOTAL CAPITAL COST | \$8.0 million | |
| Est. Debt Service (4% for 20 yrs) | \$589,000 | - |
| Est. Debt Service (3% for 30 yrs) | - | \$409,000 |
| Number of EDUs | 9,971 | |
| ESTIMATED DEBT SERVICE PER EDU/YEAR | \$59.05 | \$40.95 |

Range of Rate Increase

\$41/year - \$60/year

(\$10.25/qtr) - (\$15.00/qtr)

Cost of Improvements - Sample

| Sample Resident - Annual Water Expense | | | |
|--|-----------------|-----------------|-----------------|
| | Current | Remain | Convert |
| Usage (say 60,000 gal/yr @ \$3/1,000 gal) | \$180.00 | \$180.00 | \$180.00 |
| Hydrant Fee (\$160.80 for LM / \$229.08 for DS)* | \$11.80 | \$11.80 | \$15.82 |
| Operation & Maintenance Fee** | \$3.20 | \$3.20 | \$0 |
| District Debt Service** | \$25.00 | \$25.00 | \$25.00 |
| Water Main Replacement | \$0 | \$400.00*** | \$0 |
| Overlay District Debt Service | \$0 | \$0 | \$55.00 |
| TOTAL ANNUAL COST | \$220.00 | \$620.00 | \$275.82 |

* Rates will vary by fire district

** Rates will vary by water district

*** Reflects amount paid in year 10 assuming 2.5% of system is replaced annually

Why Convert to ECWA?

- No more budgeting for unexpected W.M. repairs
- ECWA adds to list of W.M. repairs annually
- Entire Town under one jurisdiction, no confusion
- Town does not have a Water Department
- Improved response to W.M. emergencies

Next Steps

- Map, Plan, & Report Delivered to Town Board Complete
- Town Board Votes to Proceed..... Complete
- Finalize MOU Complete
- Set Public Hearing Complete
- Public Hearing / Informational Meeting Tonight
- Town Board Adopts Bond Resolution Month
- Design & Approval of W.M. Improvements Ongoing – 95% complete
- Construction 2015-2016 construction seasons
- Transfer of Water System to ECWA2 years after execution of the MOU



Questions??