

FREQUENTLY ASKED QUESTIONS

PROPOSED NEW SALEM WATER DISTRICT TOWN OF NEW SCOTLAND, NEW YORK

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General Questions

Q: What is the proposed water district for New Salem? Who does it include?

A: The proposed New Salem Water District would be a legally established water district owned and operated through the Town of New Scotland. Water would be purchased through a metered interconnect. Distribution would include new watermains, pumping station, storage tank and other appurtenances included in the proposed Town project. The proposed district map including the concept layout and district boundary is presented in the Engineer’s Report on file at Town Hall. The Town project will serve a mix of current properties within the proposed district boundary including:

- Existing Bethlehem customers on Route 85/85A;
- Existing Bethlehem customers on the privately maintained pipe on New Salem South Road;
- Parcels with wells only.

There are 155 parcels within the proposed district.

Q: Why is the “buy in” from the Town of Bethlehem needed? How is the Bethlehem Water District contributing?

A: Currently, Bethlehem has certain responsibilities in the New Salem Hamlet. Those include the Helderberg Spring and watermains along Route 85/85A. Approximately 75 customers are currently served from the Bethlehem system.

Bethlehem has several maintenance activities that are being considered within the Hamlet. New Scotland approached Bethlehem to consider reallocating the money that would be spent on their maintenance toward the proposed New Salem Water District Project. Bethlehem has agreed to put that money toward the proposed project through a combination of reduced purchase rates for water in addition to constructing some of the improvements.

The “buy-in” from Bethlehem is necessary since it reduces the overall project cost and annual costs that the customers will recognize.

Q: Who is responsible for the maintenance and repair of current “spaghetti lines” on New Salem South?

A: In the context of this project, the term “Spaghetti lines” refers to pipe that has been installed over the years along New Salem South Road. Needed repairs are paid for by the homes served along the existing pipes, and NOT by the Bethlehem Water District. These pipes were installed by private individuals or groups of homeowners. The Bethlehem Water District does not claim ownership or maintenance responsibility for this pipe.

Q: [Will there be fire protection?](#)

A: Yes. The proposed district will include the installation of fire hydrants, spaced approximately every 500 feet. Hydrants will increase the effectiveness of the New Salem Volunteer Fire Department.

Q: [What is the Hardship Application?](#)

A: The Hardship Application is a subset of the NYS Drinking Water State Revolving Fund (DWSRF) program. Once the project scored above the “Funding Line” as published in the Intended Use Plan, the project was eligible for some sort of funding assistance. The Hardship Application was the mechanism that by which the Project applied for, and received, the zero-interest financing on the construction of the proposed improvements.

Q: [In a draught year where the reservoir is low, where will our water come from?](#)

A: Water will be supplied from the Bethlehem Water System, which includes several sources; City of Albany, and wells in addition to the Vly Creek Reservoir. Due to the proximity of the reservoir to the New Salem Water District, the actual source will most likely always be the reservoir. Bethlehem continually monitors and adjusts its water production sources to ensure adequate delivery of water to all of its customers (of which the New Salem Water District would be a customer).

Q: [What if I would like to be a part of the NSWd but my home is just outside the boundary?](#)

A: The proposed district boundary was refined over several years to arrive at a project that was affordable. Unfortunately, through the iterations, several outlying areas had to be excluded from this “foundational project” due to cost considerations. Future petitions for extension, subsequent to the main project’s completion may be considered.

Q: [What will happen to those who now get their water from the Helderberg Spring?](#)

A: One of the cornerstone objectives of this project is the decommissioning of the Helderberg Spring from public use in favor of the newer, more predictable system. Properties served by the Helderberg Spring will be connected to the new system.

Q: [How many customers are within the proposed New Salem Water District boundaries?](#)

A: There are 153 parcels planned for inclusion in the proposed district. Approximately half of those parcels are currently served by the Bethlehem Water District.

Q: [How will this impact new development?](#)

A: Naturally, the availability of public water does invite opportunity for growth. It is envisioned that some growth may occur, especially on vacant parcels within the district. The district boundary was drawn “tight” to minimize including large tracts of vacant, developable land. Subdivision development outside of the district (or inside) would be subject to Planning Board review and Town Board approvals. The Planning process allows for public review and discussion of a broad range of social, economic and environmental impacts of development.

Q: [Why would I want to sign the petition if I am currently getting water from Bethlehem?](#)

A: It is recognized that the aging infrastructure is in need of repair soon regardless of whether the Project is undertaken or not. It is unclear how these needed repairs would be financed by “out-of-district” customers – those properties that are in the Town of New Scotland who are

currently receiving Bethlehem water. The Project has been awarded zero-interest financing for the cost of the Project and reduced Bethlehem purchase rate for 30 years. Lack of support for the Project would result in loss of these two incentives and price reducing aspects. Completion of this project provides a more stable, predictable cost to its customers for the foreseeable future. The project also improves firefighting capabilities by the installation of fire hydrants throughout the District.

Service Connection Questions

Q: Do I have to tap into the water line if I have a good well? Or can I do so at any time?

A: Under New York State Health Department regulations, owners are not required to make connection to the new system if they have a good well. Being a member of the District that pays tax on the bonded project, the Owner would have the right to make that connection by obtaining a service connection permit and making the physical connection of the service lateral. Owners of good wells could consider this project to be a backup plan in case their wells fail, or a positive selling point if they wanted to sell their house in the future.

Q: Can I use my existing water lines that are in my home?

A: Yes, this project does not include the installation of any pipes outside of the public right-of-way (approximately 10-15 feet off of the public roadway).

Q: How will you control the water pressure coming into my home?

A: Depending on where you live, the watermain in the street could recognize pressures of 80 to over 100 psi. Every home within the proposed district will be required to have a Pressure Reducing Valve (PRV). The PRV mechanically limits the downstream pressure to an adjustable level. Most PRV's are factory set at 50 psi but can be adjusted downward if there are concerns about the integrity of plumbing or fixtures within the house.

Q: What is the process for getting the water from the road to my home?

A: This question varies based on your current situation.

- If you are on the public system currently, the Town project will include making the connection or "cutting over" your existing service lateral to the new system. The connection will occur somewhere in the front lawn in the vicinity of your existing service lateral.
- If you have a well and are not on public water, the Town project will install the service lateral to your property line. When the owner chooses to connect to the waterline he/she is financially responsible to continue the service into the house and make any necessary plumbing connections. The Contractor for the Town project will work with owners to put the service lateral stub in a convenient location.
- If you have vacant property, no service lateral will be installed as part of the Town Project. Owners would follow the Water Department permitting process at the time of lot build-out.

In all cases, Owners will be required to obtain a Permit from the Water Department to ensure that the connection is inspected, and that accounts are established. Every attempt is being made to limit permit fees to include the purchase of a (New Scotland) compatible water meter, a pressure reducing valve, and a nominal inspection fee. We are currently envisioning this cost to be approximately \$200.

Any costs associated with installation of the water meter assembly will be the responsibility of the customer.

User Cost Questions

Q: What makes up the “annual cost of water” and what would be the minimum I would pay?

A: The anticipated “Annual Cost of Water” or “Projected Service Charge (PSC)” is explained in the Engineer’s Report in more detail. The PSC consists of two charges:

- The “Water Tax” is levied to each property within the water district. The function of the water tax is to repay the bond associated with the construction of the system (the Town Project) or future bonded costs (none planned since this will be a new system). Since every property within the district benefits from the ability to connect to the system, every property will share the cost of repaying the bond.
- The “Water Bill” is issued to pay for water used by the Customer and varies based on usage. The function of the water bill is to pay for the production and delivery of the water. The Water Bill recovers costs associated with such aspects as purchasing water from Bethlehem, labor for Water Department staff, routine maintenance and electricity for pumping. If you use a well or have vacant property and are not connected to the system, you will not receive a water bill. The water bills will most likely be issued 2 times per year.

The first-year Projected Service Charge for a typical customer is:

Water Tax:	\$589.02 per year
Water Bill:	\$280.76 per year * Typical usage
Projected Service Charge:	\$869.78 per year

It is reasonable to expect that water bills will increase gradually over time as labor, electricity and other variables change. The purchase rate from Bethlehem, which constitutes a major share of the bill has been negotiated for the next 30 years. The negotiated rate with Bethlehem is presented in the Technical Planning Report and rises with the Consumer Price Index at about 1 to 2% per year.

Q: For how long would residents of the water district pay \$589 a year?

A: This number refers to the Water Tax. The anticipated bond to pay for the Town Project is for 30 years. In a perfect world, nothing breaks or needs replacing. In reality, as debt retires (gets paid off), new debt for repairs usually occur. Good long-term capital improvement planning tries to balance debt retirement with managing improvements to maintain a stable tax structure.

Q: How does growth of the system with new customers affect the costs to existing customers?

A: Expansion of the system due to private development is done at no cost to the existing users, and is overseen by the Town Board/Planning Boards. Developers are required to pay for any improvements necessary to make their project work. This includes pipe extensions and pump station upgrades. However, existing Bond repayments would be spread over a larger tax base resulting in a slight lowering of tax as seen by an existing customer.

Water Bills are generally unchanged with new development since new users are paying for the water they consume and existing customers pay for water they consume.

Q: What user rate would we pay to the Town of Bethlehem if the water district is approved?

A: Customers of the new district would not pay anything directly to the Bethlehem Water District. The payment for the bulk purchase of water would be done between the New Salem Water District and the Bethlehem Water District (at a municipal level). The proposed rate schedule for the district will be: \$6.00/1,000 gallons used for the first 15,000 gallons, then \$6.50 for 15,001 gallons and above, billed semi-annually. The typical user (125 gallons per day) would receive a bill for \$140.38 two times per year.

Q: Why do some property owners pay double the rate for water usage to the Town of Bethlehem and others pay nothing at all?

A: The “Double the In-District Rate” is a standard rate structure that was developed by Bethlehem to recover the cost of serving existing customers in New Scotland. Bethlehem has no legal mechanism to levy taxes to New Scotland properties. The first half of the “Double the In-District Rate” pays for the “Water Bill”. In a round-about way, the second half helps to pay for bond repayment that Bethlehem has incurred on their infrastructure. It is a different way to recover their “Water Tax” component.

There are approximately 12 properties that have historical agreements with Bethlehem to pay no water bills. New Scotland is currently reviewing the legal implications of these agreements.

Q: How would being a part of a water district affect my homeowners / fire insurance?

A: It has been reported by a resident in the proposed district that her insurance would decrease by approximately \$150 per year with the availability of public water/fire hydrants.

Q: Does having town water increase my assessment?

A: Generally speaking, access to public water increases the value of the property. For those already served by Bethlehem, that benefit is already considered in the assessment.

Q: How many years are we locked into the Bethlehem 1.1 [favorable] rate?

A: One of the key successes in reducing the anticipated “Projected Service Charge” was the cooperation with the Bethlehem Water District. Through formal agreement, Bethlehem has committed to participating by offering the sale of water for what it costs them to produce, plus a small mark-up. The reduced rate is effective for 30 years and has an estimated present worth value of \$1.5 million dollars. The favorable rate was negotiated in-lieu of a single payment contribution.

Q: If Bethlehem were to improve the current water line what would we be charged?

A: From the perspective of current Bethlehem supplied customers along Route 85 and 85A; unknown. Bethlehem currently claims no responsibility for maintenance of the watermain along New Salem South Road and would most likely not undertake that as a project. Bethlehem would also not be motivated to extend the watermains to unserved areas considered in this project.

Q: What are the comparative costs of water to cellular / internet / cable services?

A: Please refer to your own bills to compare these services. The question asks users to reflect upon the comparable costs of “essential” versus “non-essential” services.

Q: Who/what are the “free water” users being referred to?

A: There are approximately 12 users on the current system that may have “deeded rights” to free water. The Town of New Scotland has obtained several of the deeds in the possession of the Town of Bethlehem. Those deeds appear to represent that parcels were granted access to water from the “Felter Spring” that was originally owned by the Suburban Water Works Company, and subsequently purchased by the Bethlehem Water District.

For the purposes of estimating the user charges, the parcels with “deeded rights” have been excluded from the tax basis. The Bethlehem Water District’s Letter of Commitment has represented that Bethlehem would reduce the master water purchase amount by the recorded flow from those customers. The water bills for these customers have been resolved by the commitment from Bethlehem to pay for the water consumption.

Exactly who is entitled to the “deeded rights” is being investigated by legal counsel and will be resolved prior to construction.

Q: [What would I have to pay for if I now get free water because of a prior agreement with the Bethlehem Water District?](#)

A: The question is being reviewed from a legal perspective by the Town of New Scotland. For the purpose of the petition, New Scotland has excluded the “free water” customers from the count of taxation units. The Bethlehem Water District has committed to paying for the cost of the water consumed through the metered connections for the “free water” customers as a pass-through cost to the New Salem Water District. District Operation and Maintenance for these customers has been distributed amongst the remaining customers.

Q: [If there are two dwellings on a single lot, are they billed as one or two properties?](#)

A: In this case, the two dwellings will be provided two separate service laterals

Petition Process Questions

Q: [What does the petition process involve?](#)

A: The petition (to the New Scotland Town Board) involves obtaining signatures of affected property owners within the proposed district boundary. Attached to the petition is the Technical Planning Report that identifies the proposed district boundary, a description of the project including the layout and cost opinion, as well as the financial analysis that details the anticipated costs to the users.

The petition (and report) will be available for approximately 1 month (refer to dates elsewhere) which gives the public an opportunity to review the information and arrive at a decision as to whether they will sign the petition in support of the project. There will be at least one New Scotland Water Committee meeting during the petition window where the New Salem Project Engineer will be available to answer questions.

The petition and report will be available at Town Hall (Town Clerk’s office) during normal business hours for review and signature. Delegates may also be going door-to-door asking for support.

After the solicitation window closes, the Town Board will consider the level of support as a component of its decision making process.

Q: [What percentage does the New Scotland Town Board hope to see from the petition process?](#)

A: The Town Board takes the desires of the public into consideration when deciding whether or not to proceed with the Project. The formal petition is one method to gauge public interest. Historically, the Town Board prefers to see overwhelming support by the affected residents. By the Article 12 (Petition) method, the petition requires at least 50% of the aggregate assessed valuation and 50% of the resident occupied property within the proposed district.

Q: [By what date does a decision have to be made?](#)

A: **The time for decision is now.** We can’t stress this enough. The commitment for the zero-interest loan is only valid for two (2) years. After that, the project would have to reapply and could lose out on this opportunity to other projects throughout New York State that are more “ready”. Within that two year commitment, several actions need to be completed. It is the goal to have the petition solicited and returned to the Town by April 27, 2012.

Q: [Next steps?](#)

A: The simplified version of the sequence is:

Step 1: Formalize and Solicit Petition (1 month)

Step 2: Town Board Establishment of District	(2 months)
Step 3: Engineering Design/DWSRF	(6-8 months)
<u>Step 4: Regulatory Agency Approvals</u>	<u>(4 months)</u>
Step 5: Procurement / Bidding	(3 months)
Step 6: Construction of Infrastructure	(5-6 months)
Step 7: Service Connections	(1 month)
Step 8: Assume Normal Operations	

Step 4 is underlined because obtaining regulatory approvals is a prerequisite to closing on short-term financing loan.

- Q: [What happens if we don't meet the August 2013 deadline?](#)
 Failure to close on the short-term loan by August 2013 could result in losing the zero-interest loan awarded in the Hardship Application. The Hardship Application process would have to start over again and there is no guarantee that the Project would qualify or be awarded.
- Q: [What are the Town Clerk's office hours?](#)
 Monday – Friday 8:30AM to 3:30PM.
- Q: [What if we are out of town when the Petition is being signed?](#)
 Contact the Town Clerk's office at 518-439-4865. The Town will do everything possible to get your support recognized.
- Q: [My property is in the process of being sold. What is the cutoff date for ownership for signing the Petition?](#)
 The legal owner at the time the petition is signed for that parcel governs. If the parcel is being sold within the petition window (March 27 to April 27), please contact us at the Town Clerk's office, 518-439-4865.

Keeping Informed

- Q: [Who is the contact person I can call or email if I have a question?](#)
 A: The contact is Jo Ann Davies. Emails will be routed to the appropriate staff person. Please use the following link to send an email (a web page form will be opened):

<http://www.townofnewscotland.com/townreporter/common/emailme.asp?id=102.179>

- Q: [Where can I send my email address to be sent updates?](#)
 A: The Town is preparing an email distribution list to assist in keeping everyone informed of key dates and upcoming meetings.
 Please send an email to the above referenced link to be added to the distribution list.
- Q: [Is the hardship application on line on the Town web site for me to review?](#)
 A: The Hardship Application, Engineer's Report and proposed district boundary area will be available on the Town's website.