

Route 9 Sewer Feasibility Study
Preliminary Findings

Laberge Group 50th Anniversary
Moreau Route 9 Sewer Feasibility

History

- A Route 9 Sewer was considered multiple times.
- Most recently - On December 20, 2016 a public hearing on the Route 9 sewer project was held.
- \$22.87 million project cost
- Projected debt service cost \$382.10 per Equivalent Dwelling Unit (EDU) per year.


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Moreau Route 9 Sewer Feasibility

History

- In response to public comment, Laberge Group was retained to perform a feasibility study.
- The feasibility study would attempt to identify:
 - Sewer system alternatives that might be more broadly supported.
 - Fair and equitable sewer rate strategies.
 - A project that would both address environmental concerns and promote economic development needed to eventually drive down sewer rates (and property tax rates).

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Moreau Route 9 Sewer Feasibility

2016 Proposal Summary

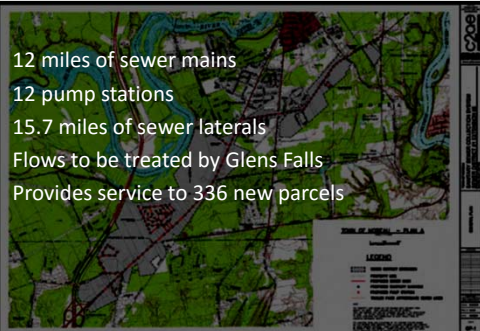


From November 2016 "Map, Plan and Report Town of Moreau Sewer District #1 Extension #5" prepared by Capital Consultants Architecture and Engineering

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2016 Proposal Summary

- 12 miles of sewer mains
- 12 pump stations
- 15.7 miles of sewer laterals
- Flows to be treated by Glens Falls
- Provides service to 336 new parcels

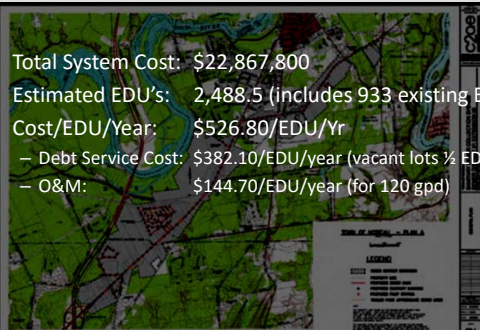


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2016 Proposal Summary

- Total System Cost: \$22,867,800
- Estimated EDU's: 2,488.5 (includes 933 existing EDU's)
- Cost/EDU/Year: \$526.80/EDU/Yr
 - Debt Service Cost: \$382.10/EDU/year (vacant lots ½ EDU)
 - O&M: \$144.70/EDU/year (for 120 gpd)



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2016 Public Comments

- Sewer infrastructure was said to be needed to allow growth, with growth in turn creating jobs, increasing sales tax revenue and property tax revenue.
- Inclusion of 933 EDU's from existing sewer districts was of concern.
- Financing calculations using over 450 EDU's from stalled developments was of concern.

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2016 Public Comments

- The entire Town paid for the Industrial Park sewer, and the Town never saw a return on that investment.
- There is limited growth potential on Bluebird Road and it may be more economical to discharge to the Village's system near Route 9.
- Concerns were expressed about a rushed project with a request for a study be done to identify a plan that can have public support and be successful.

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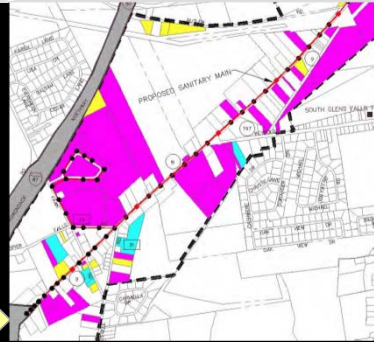
Initial Findings

- Reliance on contributions from existing sewer district customers (approx. 933 EDU's) to fund the debt service for the Route 9 extension was not supported by the public.
- Contributions from approved projects on vacant land with inactive developments (over 247 EDU's) puts project financing at risk if development is delayed.

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Initial Findings

- Support appears to exist for sewer service near Northway exit 17.



Exit 17

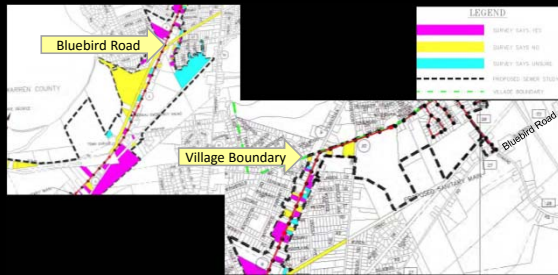
From November 2016 "Map, Plan and Report Town of Moreau Sewer District #1 Extension #5" prepared by Capital Consultants Architecture and Engineering



Moreau Route 9 Sewer Feasibility

Initial Findings

- Support for sewer service is lacking for northern portions of Route 9 and Bluebird Road



From November 2016 "Map, Plan and Report Town of Moreau Sewer District #1 Extension #5" prepared by Capital Consultants Architecture and Engineering



Moreau Route 9 Sewer Feasibility

Initial Findings

- There is considerable vacant property on Route 9 near Northway exit 17.
- Under the EDU approach vacant land would not contribute much toward initial sewer costs.
- Developable properties would be greatly benefitted if sewer access were provided.
- Project costs may be reduced by installing a forcemain using trenchless methods in lieu of gravity sewer mains.



Moreau Route 9 Sewer Feasibility

Conceptual Sewer District Options

- Option 1 (Areas 1-5): \$16 million
- Option 2 (Area 4 & 5): \$12.5 million

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2016/2018 District Comparison

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2016/2018 Comparison


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2016/2018 District Comparison

	2016	2018
Pump Stations	12	4-5
Gravity Sewer Main	12 miles	5.7 miles
Forcemain	1.1 miles	5.3 miles
Low Pressure Sewer	None	1,700 feet
Parcels Served	368	99
Total Cost	\$22.87 mil	\$16 million
Total EDU's	1,555.5	646

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Plan of Finance – Option 1




Project Cost:	\$ 16,000,000*
NYS Water Grant (assumed)	-\$ 3,750,000
Cost To Be Financed	\$11,250,000 at 0% interest
Total Assessed Value	\$52,439,100
Sewer Debt Service Cost	\$7.63/\$1,000 or \$619.10/EDU

*Assumes a \$500,000 cost to reserve treatment capacity from the City of Glens Falls

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Plan of Finance – Option 2



Project Cost:	\$ 12,500,000*
NYS Water Grant (assumed)	-\$ 2,875,000
Cost To Be Financed	\$8,625,000 at 0% interest
Total Assessed Value	\$32,225,600
Sewer Debt Service Cost	\$9.70/\$1,000 or \$624.38/EDU

*Assumes a \$500,000 cost to reserve treatment capacity from the City of Glens Falls

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Operation And Maintenance Costs

- Operation and Maintenance (O&M) Costs should be collected based on actual usage.
- The 2016 Map, Plan and Report projected an O&M cost of \$3.27 per 1,000 gallons usage.
- Until contracts with Glens Falls for treatment are in place, and until preliminary designs are developed, a budget of \$3.50 per 1,000 gallons should be maintained.

Conceptual Costs

Option 1 (Areas 1-5):

Debt Service Rate	\$7.63 per \$1,000 value
O&M Rate	\$3.50 per 1,000 gallons

Option 2 (Areas 4 & 5):

Debt Service Rate	\$9.70 per \$1,000 value
O&M Rate	\$3.50 per 1,000 gallons

Assessed Value vs. EDU

Representative Examples (Option 1 : Areas 1-5):

- A \$150,000 vacant parcel would pay:
 - EDU approach \$ 310/yr No O&M
 - Assessed Value \$1,145/yr No O&M
- A \$250,000 commercial storage building would pay:
 - EDU approach \$ 620/yr plus \$130/yr O&M**
 - Assessed Value \$1,908/yr plus \$130/yr O&M**

**Assumes 100 gpd usage and O&M of \$3.50 per 1,000 gallons

Assessed Value vs. EDU

Representative Examples (Option 1 Only):

- A \$150,000 single family house would pay:
 - EDU approach \$ 620/yr plus \$256/yr O&M*
 - Assessed Value \$1,145/yr plus \$256/yr O&M*
- A \$30,000 mobile home would pay:
 - EDU approach \$620/yr plus \$256/yr O&M*
 - Assessed Value \$290/yr plus \$256/yr O&M*

*Assumes 200gpd usage and O&M of \$3.50 per 1,000 gallons

Assessed Value vs. EDU

- A spreadsheet presenting annual debt service cost for each parcel is available at Town Hall.

Effect of Growth

- There are several large vacant properties located on Route 9 near Northway Exit 17.
- For Option 1, every \$10 million in new assessed value will reduce the debt service rate by \$1.14/\$1,000.
- For Option 2, every \$10 million in new assessed value will reduce the debt service rate by \$2.11/\$1,000.

Next Steps

- Income Survey - Preferred Financing and Grants.
- Identify If Support Exists For Proposed Sewer District
 - If not, evaluate additional alternatives or suspend project.
- Complete Map, Plan and Report as required for Sewer District Formation.
- Schedule Public Hearing on Map, Plan and Report.
- SEQRA Determination
- Board Resolution to Create District and Finance Costs Subject To Permissive Referendum.
- Complete and submit funding applications.

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Questions?

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