

PROJECT REVISIONS

CONSTRAINTS

- To meet the district's annual operating expenses 48 rate payers and fire protection income is required.
- The project is not feasible without grants.
- Filters are not a permanent solution.

REVISIONS BASED ON WORKSHOPS

Mandatory Hook-ups – Mandatory hook-ups will be limited to the Rural Development funded project area. The previously proposed ordinance required mandatory hook-ups district-wide, which raised concerns with residents outside the project area with regard to future expansion.

Well Decommissioning – The well decommissioning requirement will be limited to the contaminated wells. Home and business owners on public water with non-contaminated wells can still use their wells for non-sanitary purposes (e.g. watering the garden).

There will be no cross connections in buildings with both a private well and public water.

Exemptions – There will be a full agricultural exemption.

Non-contaminated or At Risk Service Connections – the 28 non-contaminated or at-risk wells will be fully connected (~ \$800 x 28 = \$22,400)



Special Town Meeting Information

A Special Town Meeting will be held to address groundwater contamination in New Gloucester's Upper Village.

Project Overview

Issue: 20 wells contaminated or at risk from Benzene & Salt in business district.

Impacts: Public health concerns, difficulties financing & selling properties, disinvestment in our traditional business district, and the costs of temporary measures.

Solution: Engineering professionals have designed a Public Water System to serve the contaminated area and provide fire protection, see map reverse side. The Town & District have raised \$1.4 Million in grant funding.

Project Capital Cost:

Committed Grant Funding	\$1,365,827.
<u>Town Commitment Sought</u>	<u>\$1,012,000.</u>
Total Project Cost	\$2,377,827.

Benefits: public health, increased property values and marketability, creating conditions for economic re-development in Town designated Village Growth district, convenience.

Town Commitment Sought: To utilize the grant funding, the Town must agree to service a 2.125% loan for \$800,000; and provide \$212,000 to assist with hook-up of salt contaminated and non-contaminated properties. This investment ensures viability of the small water system.

Estimated Annual Town Costs

RD Loan: \$800,000 40 yrs @ 2.125% = \$30,000
Hook-up: \$212,000 for 20 yrs @ 2.5% = \$13,500
Fire protection: year 1 projected = \$8,000
(up to 30% of system operating expenses by Maine statute)

Estimated Impact on Your Property Taxes

Assuming an assessed value of \$200,000

- Est. tax increase Water Project \$18/year
- Est. tax increase Fire Protection \$3/year
- Additionally, the Town will no longer pay for filter maintenance, resulting in an estimated \$2/year decrease.

Grant Funding Requirements:

- Enter into an Interlocal Agreement with the Water District
- Enact an ordinance entitled "Town of New Gloucester Upper Village Water Service Ordinance"
- Convey an easement to the Water District

Water Rates

First full year average or flat rate:
\$350 - \$400

For Additional Information

See www.newgloucester.com. Click Water District tab. Questions call Town Planner 926-4126 Ext. 4

Private vs. Public Water Cost Comparison: Non-Contaminated Well

Prepared by Paul First w/ cost data from: Ike Goodwin; homeowners Jordan, Punch, and Herrick; A&L Laboratories; and Varney, AAA, & Midcoast Insurance

Homeowner Costs	Private Well	Public Water	
installation & equipment	\$ 93.50	\$ -	
fire insurance savings*	\$ -	\$ (60.00)	
electricity cost	\$ 14.60	\$ -	
water testing	\$ 40.00		
water district fee	\$ -	\$ 400.00	
2% home appreciation**	\$ -	\$ (400.00)	
tax on higher value of home	\$ -	\$ 51.80	
reduced risk for homeowner	\$ -	\$ -	intangible
water when power out	\$ -	\$ -	intangible
Annual Cost	\$ 148.10	\$ (8.20)	

Assumptions

Replacement cost of tank, pump, and pressure switch installed	\$ 1,870.00
Replacement interval	\$ 20.00
Annual energy cost .5 hp pump	\$ 14.60
Annual homeowners' policy	\$ 600.00
Estimated % insurance savings	\$ 0.10
Insurance savings	\$ 60.00
Standard bacterial contamination water test	\$ 40.00
Estimated home value	\$ 200,000.00
Tax rate	12.95/1000

Notes:

* Varney Agency in Gray polled 12 underwriters. The savings associated with going from an ISO 8b (current rating) to an ISO 5 ranged from a 3% savings to a 34% savings. Individual savings will depend on the agency and your current distance from a hydrant. Homeowners currently within 1,000' of a dry hydrant will realize less savings.

** one time 5% appreciation taken over initial 10 year period

Private vs. Public Water Cost Comparison: Salt Contaminated Well

Properties with reverse osmosis systems

Prepared by Paul First w/ cost data from: Ike Goodwin; homeowners Jordan, Punch, and Herrick; A&L Laboratories; and Varney, AAA, & Midcoast Insurance

Homeowner Costs	Private Well	Public Water	
installation & equipment	\$ 93.50	\$ -	
fire insurance savings*	\$ -	\$ (60.00)	
electricity cost	\$ 360.00	\$ -	
salt cost	\$ 400.00		
water testing	\$ 40.00		
water district fee	\$ -	\$ 400.00	
4% home appreciation**	\$ -	\$ (800.00)	
tax on higher value of home	\$ -	\$ 103.60	
adding more salt to groundwater	\$ -	\$ -	intangible
reduced risk to homeowner	\$ -	\$ -	intangible
water when power out	\$ -	\$ -	intangible
Annual Cost	\$ 893.50	\$ (356.40)	

Town Annual Operating & Maintenance Cost for 8 Salt Systems **\$ 5,000.00**

Note: Two properties exceed salt secondary drinking water standards but are not currently serviced by the Town. One property has spent \$22,503 on a private reverse osmosis system.

Assumptions:

Replacement cost of tank, pump, and pressure switch installed	\$ 1,870.00
Replacement interval	\$ 20.00
Annual homeowners' policy	\$ 600.00
Estimated % insurance savings	\$ 0.10
Insurance savings	\$ 60.00
Standard bacterial contamination water test	\$ 40.00
Estimated home value	\$ 200,000.00
tax rate	12.95/1000

Notes:

* The Varney Agency in Gray polled 12 underwriters. The savings associated with going from an ISO 8b (current rating) to an ISO 5 ranged from a 3% savings to a 34% savings. Individual savings will depend on the agency and your current distance from a hydrant. Homeowners currently within 1,000' of a dry hydrant will realize less savings.

** one time 5% appreciation taken over initial 10 year period

Town Debt Obligations

Current Debt Obligations	Loan Expiration Date	Cost for year 2013
Eco Maine ¹	Mar - 2014	\$ 15,000
MMWAC ²	Nov - 2014	\$ 169,000
Fire Station ³	May - 2018	\$ 174,000 ⁴
		\$ 358,000

Proposed Water System	Loan Expiration Date	Yearly Estimate	Est. Mil Rate	Est. Tax on 100,000 House
Hook-ups ⁵	2034	\$ 13,500	0.03	\$ 2.70
RD Loan ⁶	2054	\$ 30,000	0.06	\$ 6.00
		\$ 43,500	0.0870	\$ 8.70

Yearly Operations (Town)

For year 2012/2013

	Total
Cost of Filter Systems \$ 5,000	
Fire Protection (Fire Hydrants) \$ -	
\$ 5,000	

For year 2013/2014

	(EST.)
Filter Systems (no longer needed) \$ -	
Fire Protection (Fire Hydrants) \$ 8,000	
\$ 8,000	

1. Eco Maine Bulky Waste Landfill
2. Mid Maine Waste Action Corp. (Waste to Energy plant in Auburn where Town disposes our solid waste)
3. Fire Station on Lewiston Road
4. Payments are as follows: 2013 -174k, 2014 -168k, 2015 -163k, 2016 -157k, 2017- 152k, 2018 -146k
5. Hook-up estimate: 212,000; 20 yr loan; 2.5% = \$13,500 / year **CAN BE PAID OFF EARLY**
6. U. S. Department of Agriculture Rural Development Low Interest Loan
 6. (con't) \$800,000; 40 yr loan; 2.125% = \$30,000 / year **CAN BE PAID OFF EARLY**

Mil Rates based on a valuation of 500 Million
 All numbers for 2014 and beyond are best estimates.

Yearly Debt Obligations	Yearly Debt (Mill Rates) (Estimated)	ESTIMATED TAX ON HOUSE VALUED AT \$ 100,000
For Year 2012 / 2013 Eco Maine \$ 15,000 MMWAC \$ 169,000 Fire Station \$ 174,000 Hook ups \$ - RD Loan \$ - \$ 358,000	For Year 2012 / 2013 Eco Maine 0.03 MMWAC 0.34 Fire Station 0.35 Hook ups 0 RD Loan 0 0.72	For Year 2012 / 2013 \$ 3.00 \$ 33.80 \$ 34.80 \$ - \$ - \$ 71.60
For Year 2013 / 2014 Eco Maine \$ 16,000 MMWAC \$ 169,000 Fire Station \$ 168,000 Hook ups \$ 13,500 RD Loan \$ - \$ 366,500	For Year 2013 / 2014 Eco Maine 0.03 MMWAC 0.34 Fire Station 0.34 Hook ups 0.03 RD Loan 0 0.73	For Year 2013 / 2014 \$ 3.20 \$ 33.80 \$ 33.60 \$ 2.70 \$ - \$ 73.30
For Year 2014 / 2015 <i>Paid in full</i> Eco Maine \$ - MMWAC \$ 169,000 Fire Station \$ 163,000 Hook ups \$ 13,500 RD Loan \$ 30,000 \$ 375,500	For Year 2014 / 2015 Eco Maine 0 MMWAC 0.34 Fire Station 0.33 Hook ups 0.03 RD Loan 0.06 0.75	For Year 2014 / 2015 \$ - \$ 33.80 \$ 32.60 \$ 2.70 \$ 6.00 \$ 75.10
For Year 2015 / 2016 <i>Paid in full</i> Eco Maine \$ - MMWAC \$ - Fire Station \$ 157,000 Hook ups \$ 13,500 RD Loan \$ 30,000 \$ 200,500	For Year 2015 / 2016 Eco Maine 0 MMWAC 0 Fire Station 0.31 Hook ups 0.03 RD Loan 0.06 0.40	For Year 2015 / 2016 \$ - \$ - \$ 31.40 \$ 2.70 \$ 6.00 \$ 40.10
For Year 2016 / 2017 Eco Maine \$ - MMWAC \$ - Fire Station \$ 152,000 Hook ups \$ 13,500 RD Loan \$ 30,000 \$ 195,500	For Year 2016 / 2017 Eco Maine 0 MMWAC 0 Fire Station 0.30 Hook ups 0.03 RD Loan 0.06 0.39	For Year 2016 / 2017 \$ - \$ - \$ 30.40 \$ 2.70 \$ 6.00 \$ 39.10
For Year 2017 / 2018 Eco Maine \$ - MMWAC \$ - Fire Station \$ 146,000 Hook ups \$ 13,500 RD Loan \$ 30,000 \$ 189,500	For Year 2017 / 2018 Eco Maine 0 MMWAC 0 Fire Station 0.29 Hook ups 0.03 RD Loan 0.06 0.38	For Year 2017 / 2018 \$ - \$ - \$ 29.20 \$ 2.70 \$ 6.00 \$ 37.90
For Year 2018 / 2019 Eco Maine \$ - MMWAC \$ - <i>Paid in full</i> Fire Station \$ - Hook ups \$ 13,500 RD Loan \$ 30,000 \$ 43,500	For Year 2018 / 2019 Eco Maine 0 MMWAC 0 Fire Station 0 Hook ups 0.03 RD Loan 0.06 0.09	For Year 2018 / 2019 \$ - \$ - \$ - \$ 2.70 \$ 6.00 \$ 8.70

All numbers for year 2014 and beyond are best estimates. *See notes on other side