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Water District Consolidation Study Burnt Hills-Ballston Lake Water District #2

Town of Ballston
Saratoga County, New York

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**WATER DISTRICT CONSOLIDATION STUDY
BURNT HILLS-BALLSTON LAKE WATER DISTRICT #2
TOWN OF BALLSTON
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1.0 EXECUTIVE SUMMARY

This report provides an analysis of the feasibility of consolidating Burnt Hills-Ballston Lake Water District #2 and its nine extensions, all located within the Town of Ballston. The report was prepared using 2013 fee and financial data for the water districts. The report found the following conclusions:

1. Water district consolidation is highly favorable for the Town and the Town Board should pursue district consolidation. If district consolidation is pursued, the fee structure for the districts (discussed in Section 5.0) should be updated to reflect 2015 property assessments and system conditions.
2. The current method of paying for operational costs and collecting revenue through separate accounts for Water District #2 and each of its extensions can lead to confusion, requires additional accounting resources, and leads to a higher possibility of mis-allocation of funds due the numerous number of accounts.
3. Water District #2 pays for all personnel cost and purchases all the meters. These costs are not applied to the extensions, which is inequitable.
4. Water District #2 has debts related to infrastructure projects that expanded service areas and provided improvements to the system. There are current five bonds or BANs under repayment, totaling \$2.5 million. The bonds are re-paid through special district assessments. Water District #2 and three of its extensions (#7, #12 and #14) pay a special district tax towards debt repayment, while the other five of the extensions pay no tax. This is inequitable given that all districts and extensions benefit from the infrastructure projects.
5. Two options for water district consolidation were discussed. Option #1 would consolidate all districts and extensions into one main district. Option #2 would consolidate all extensions except Extension #24 into one main district.
6. Under Option #1, all debts would be paid through a special district assessed rate estimated at \$0.364229 per thousand dollars of assessed value. For the average assessed parcel within the consolidated district, the charge would be \$72.17. This represents a decrease in charges for the users within the district and extensions that currently contribute to bond repayment, and an increase in charges for users that

current contribute \$0 to bond repayment. The difference in charges ranges from a decrease of \$334.09 for an average assessed parcel in Extension #12 to an increase of \$99.60 for an average assessed parcel in Extension #18.

7. Under Option #2, the bond for the Morningdale Court water main project would be paid by the parcels within Extension #24. The remaining debts would be borne by the consolidated district. Option #2 is in place so that the residents of Extension #24 pay for the Morningdale Court water main project, since that project only benefits the properties within Extension #24. Under Option #2, the special district assessment rate for users within the consolidated district is estimated at \$0.344366 per thousand dollars of assessed value. For the average assessed parcel, the charge would be \$68.23. For the residents of Extension #24, the special district assessment rate would be \$1.754366 per thousand dollars of assessed value, for a charge of \$422.42 for an average parcel. This is an increase in approximately \$83 dollars when compared with the estimated charges for Extension #24.

2.0 INTRODUCTION

The Town of Ballston retained C.T. Male Associates to perform a study of the Burnt Hills-Ballston Lake Water District #2 (herein referred to as the District). The study includes an assessment of operations and debt within the District. The report will provide information on the feasibility of consolidating the District and its extensions into a single district or into one district with one extension.

All information and figures presented in this report are based upon data provided by the Town of Ballston in the summer of 2013.

The current setup for the Burnt Hills-Ballston Lake water district includes six main water districts and ten extensions off the main districts. Figure 1 provides a map of the water districts and extensions. The majority of the users within the Town are within Water District #2 and its nine extensions. This study includes information regarding Water District #2 and its extensions only. Water districts #3, #4, #5, #6 and Milton Terrace are smaller water districts that are served directly by the Town of Glenville or the Village of Ballston Spa. These districts will not be discussed in this report.

2.1 Water District #2

Water District #2 and its eight¹ existing extensions include the majority of water users within the Town of Ballston. A total of 2,077 inside district and 23 outside district users receive service from the District. The District contains 2,626 taxable parcels². Customers within the District are provided water service via two intermunicipal connections. The Town does not produce its own water. Water from the Town of Glenville is provided via

¹ Effective November, 2013 there were nine extensions of Water District #2. Extension #24, which is for the Morningdale Court Water Main project (which was under construction), was added as a special district for tax purposes in 2014. Sections 3.0 and 4.0, which discuss the 2013 operation of the District, will not include Extension #24. Extension #24 will be included in Section 5.0, which discusses options for consolidation.

² The number of parcels within Water District #2 and its eight extensions includes all taxable parcels within the Districts. This includes parcels that do not have water service such as vacant parcels, utility easements and properties with structures that have elected not to connect to municipal water. There may also be multiple users on one tax parcel. The Town does not require properties to connect to the Town water system, even if they are within the District. Parcels within the District that are not connected to the water system may still pay taxes related to inclusion in the District; however, they do not pay water use or ad valorem fees.

the Lake Hill Road pump station located at the intersection of Lake Hill Road and Sherwood Lane. Water from the Saratoga County Water Authority is provided via a pump station located at Eastline Road and NYS Route 67. Both pump stations boost pressures from the sources and provide for chlorination. The water is pumped to two tanks within the District, with the system “floating” off the tanks. A 500,000 gallon elevated tank is located on NYS Route 50 in the Hamlet of Burnt Hills, and a 400,000 gallon elevated tank is located on McCrea Hill Road. The tanks are sized to provide adequate storage for peak system use and fire fighting activities.

Water District #2 was formed in 1968. Extensions to the main district were added as new infrastructure projects were constructed in order to expand the limits of the District and provide better water service. Table 1 provides a discussion on Water District #2 and its eight extensions.

*Table 1
Water District #2 and Extensions- Summary*

<u>District/Extension</u>	<u>Description</u>	<u>Year Established</u>	<u># Users</u>	<u># Taxable Parcels</u>
Water District #2	Main District in Hamlet of Burnt Hills	1968	1,254 (11 outside)	1,407
WD #2, Extension 7	Route 50	1995	421	544
WD #2, Extension 12	Route 67 & Brookline Road	2001	146	132
WD #2, Extension 13	Blue Barns Road	2003	12 (7 outside)	8
WD #2, Extension 14	Goode Street (Skaarland Dr to Charlton Rd)	2005	44	96
WD #2, Extension 18	Chapel Hill Subdivision	2007	123 (5 outside)	142
WD #2, Extension 19	Stonebridge PUDD	2013	33	150
WD #2, Extension 21	Timber Creek Preserve Phase 1	2011	44	96
WD #2, Extension 22	Mourningkill Meadows	2013	0	51

Extensions #18, #19, #21 and #22 include recently developed residential subdivisions with a large number of vacant lots and homes under construction. Mourningkill Meadows, Extension #22 was added as an extension in 2013, and as of the date of this report, the roadways have not been dedicated to the Town of Ballston, and no homes have been constructed. Extensions #1-6, 15, 16, 17 and 20 do not exist. They were allocated as place holders for potential projects that were never constructed.

Extension #24, which covers the Morningdale Court water main project, will not be included in the discussion on the existing condition of the District, since the project is

under construction and the final BAN amount has not been determined. Any special district charges for these parcels will be determined in 2014.

3.0 WATER DISTRICT OPERATIONS

The operational costs for Water District #2 include day to day operations of the system and include: labor, administration, maintenance, lab testing, equipment, electricity for the pump stations and water purchases. The water purchases are for water bought from the Town of Glenville and Saratoga County Water Authority. The Town of Glenville rate is \$2.35 per 1,000 gallons and the purchase rate for the SCWA is \$2.112 per 1,000 gallons. The total ad valorem is \$159,310. The operational costs are paid for through revenues generated through water use rates. Water rates are \$3.30 per thousand gallons. Water bills are paid semi-annually. When new users are connected to the system, there is a \$1,100 connection fee and a \$397 meter fee. The connection fee covers labor and administration associated with setting up and inspecting the new connection and the meter fee covers the cost of the meter.

This report will not discuss the finances related to Water District #2, as well as whether the current water rate covers operational costs. It is our understanding that the Town Board is looking into this matter. C.T. Male's task in this report is to assess the operations of the District is solely to determine if consolidation would assist with district operations.

When revenues are received, the money is dispersed into separate accounts for Water District #2 and each of its extensions. Operational costs are paid from the revenue contained in each account. When the Water Department receives an invoice for which the costs are paid by the District and its extensions (for example for chlorine, which is used at the pump stations), the Water Department Clerk will pay the invoice and include a breakdown of the percentage of the bill to be applied to each district or extension based upon the number of users within the district or extension. The current invoice breakdown for Water District #2 and its extensions is as follows:

- Water District #2: 56%
- WD #2/Extension 7: 24%
- WD #2/Extension 12: 6%
- WD #2/Extension 13: 1%
- WD #2/Extension 14: 4%
- WD #2/Extension 18: 7%
- WD #2/Extension 19: 1%
- WD #2/Extension 21: 1%

If the invoice is applied to all water districts and all extensions within the Town, the percentages are slightly different.

As of 2013, Water District #2 pays for all personnel costs and purchasing of meters. These costs are not applied to the extensions, which is not equitable. The remainder of operational costs are applied to the district and extensions based upon the percentages documented above.

3.1 Assessment of Water District Operations

The current method of paying for Water District operations through separate accounts for Water District #2 and its extensions can lead to confusion and requires additional accounting resources each time an invoice is paid or a bill is received. Having separate accounts can lead to confusion and a higher possibility of mis-allocation of monies due to the fact that there are so many different accounts for each district and extension. Additionally, as the number of users in newer extensions increases (due to new residential construction), the proportion of paying invoices between the districts and extensions has to be updated. If Water District #2 and its extensions were consolidated into one district, it would streamline operations. There would be no need to have separate accounts for each district and extension. There would be less confusion of how to allocate payment for invoices and how to pay for personnel costs, as identified by the fact that Water District #2 pays for all personnel costs and meters, even though those costs should be borne by all users. It would also be easier to determine if operational costs are being adequately covered by payments to the district, if all operations were covered under one account.

4.0 WATER DISTRICT DEBTS

Water District #2 currently has debts related to five infrastructure projects that expanded service areas of the district and provided for improvements to the District itself. The Town of Ballston is the bond/BAN holder for the debts. Table 2 includes a summary of the debts. The outstanding balance is as of 2013.

*Table 2
Water District #2 Debt Summary*

<u>Description</u>	<u>Outstanding Balance</u>	<u>Issued Year</u>	<u>Type</u>	<u>Bond/Note Holder</u>	<u>Interest Rate (%)</u>	<u>Maturity Date</u>
Route 50, WD #2 Extension #7	\$1,120,000	2002	Bond	USDA	4.375	9/15/2037
Route 67/Brookline Road, WD #2, Extension #12	\$425,000	2002	Bond	NYS Environmental Facilities Corp	4.422	10/15/2021
Blue Barns Road, WD#2, Extension #13	\$105,000	2007	Bond	BSNB	4.4	6/15/2027
Eastline Road Pump Station	\$314,120	2011	Bond	BSNB	5.0	6/15/2031
Route 50 Water Tower Rehab	\$579,550	2012	BAN	BSNB	1.5	11/14/2013
Total	\$2,543,670					

The debts cover the following infrastructure projects include:

1. Route 50, Water District #2, Extension #7: The first major extension of Water District #2 with outstanding debt occurred in 1995 when a 12" water main was constructed on Route 50, extending the water district north along Route 50 from the Hamlet of Burnt Hills to the "V-Corners" at NYS Route 67, and included construction of a second water storage tank off McCrea Hill Road. This project also included providing water service to Carpenters Acres and Tomaselli Court.
2. Route 67/Brookline Road, Extension #12: This project was constructed in 2001 and extended water mains along Brookline Road and Route 67.
3. Blue Barns Road, Extension #13: This project was constructed in 2003 to service properties along Blue Barns Road in both the Towns of Ballston and Clifton Park. Residents had private wells without adequate capacity to service their homes. There is an intermunicipal agreement with the Town of Clifton Park to service Clifton Park residents off the Town of Ballston system. Residents of Clifton Park

are currently billed as outside users, however, this is not consistent with the intermunicipal agreement.

4. Eastline Road Pump Station: Was constructed in 2011 to allow for an interconnect between the Water District #2 and the Saratoga County Water Authority, which provides a second source of water for the District.
5. Route 50 Water Tower Rehabilitation: This work included re-painting of the tank and other maintenance, which was needed due to the tank’s age. The project was financed through a 1-year bond anticipation note (BAN). When that expires, the Town will obtain a bond to finance the project.

4.1 Debt Repayment

The debts are paid through creation of special districts, and a charge is assessed on parcels with the special districts. The Blue Barns Road project debt is not assessed via a special district charge, but rather is set up as a fund balance. Table 3 provides a summary of the special district charges, based upon 2013 rates and assessments.

*Table 3
Water District #2 Special District Rates & Assessments*

<u>District/Extension</u>	<u>Description</u>	<u># Taxable Parcels</u>	<u>Ave. Assessment</u>	<u>Rate per \$ thousand</u>	<u>Annual Charge for Ave. Assessment</u>
Water District #2	Main District	1,407	\$201,011	\$0.492835	\$99.07
WD #2, Extension 7	Route 50	544	\$232,255	\$0.877199	\$203.73
WD #2, Extension 12	Route 67 & Brookline Road	132	\$267,520	\$1.613075	\$431.53
WD #2, Extension 13	Blue Barns Road	8	\$221,463	\$0	\$0.00
WD #2, Extension 14	Goode Street	96	\$217,018	\$0.662883	\$143.86
WD #2, Extension 18	Chapel Hill Subdivision	142	\$270,718	\$0	\$0.00
WD #2, Extension 19	Stonebridge PUDD	150	\$5,969	\$0	\$0.00
WD #2, Extension 21	Timber Creek Preserve Phase 1	96	\$129,054	\$0	\$0.00
WD #2, Extension 22	Mourningkill Meadows	51	\$4,712	\$0	\$0.00

The average assessments for the properties within Extensions #19, #21 and #22 take into account the presence of mostly vacant parcels in these newly constructed subdivisions. As the subdivisions are build-out, the average assessments will increase.

Water District #2 and three of its extensions (#7, #12 and #14) pay a special district charge towards debt repayment ranging from \$99.07 to \$431.53. The parcels within the remainder of the extensions pay no special district charge towards debt repayment.

4.2 Assessment of Debt Repayment

There are currently five outstanding bonds or BANs associated with five water district improvement projects. The debt for the Blue Barns Road water main is paid through a fund balance from monies paid by residents of that extension. The remaining debts are paid by charges assessed on parcels within Water District #2 and its extensions through special district assessments. The following are conclusions on the current method of debt repayment:

- The current method of debt repayment is inequitable. The special district rates differ depending on district or extension, and five of the extensions pay no special district charge, even though all users benefit from the projects currently financed through bonds.
- When Extensions #7 and #12 were constructed, the water mains and tanks associated with those projects provided water service to the parcels within those extensions only. At the time of construction, the infrastructure associated with those debts only benefitted the parcels in those extensions; therefore, it was reasonable to have the special districts set up so that the users within those extensions paid for the respective improvements, since those improvements only benefitted those users. However, in 2011, when the Eastline Road pump station was constructed, the water mains on Route 50 and Route 67/Brookline Road connected the other water district users to the second source of water through the Saratoga County Water Authority. After 2011, all users in Water District #2 benefitted from the water mains on Route 50, Route 67 and Brookline Road and the McCrea Hill Road tank even though only the users in Extensions #7 and #12 continue to pay the debt repayment on those projects.
- Extension #13, Blue Barns Road, has a fund balance set up to pay for the water main associated with this project, which is fair since that project only benefits the users on Blue Barns Road. However, the properties within this extension do not have a special district charge towards debt repayment for other projects within the District that

allow water to be provided to their extension. There are also inconsistencies between the intermunicipal agreement between the Towns of Ballston and Clifton Park related to how residents in Clifton Park are charged for water. The residents of Clifton Park are currently charged as outside users, which is not consistent with the intermunicipal agreement.

- Extensions #18, #19, #21 and #22 are all extensions associated with newer subdivisions. The water mains constructed within these subdivisions were paid by the developer of the subdivisions. However, the properties within these subdivisions do not contribute towards debt repayment of infrastructure that allows water to be provided to the subdivisions.

5.0 WATER DISTRICT CONSOLIDATION

This section will discuss the feasibility of consolidating Burnt Hills-Ballston Lake Water District #2 and its nine extensions into one District for the purpose of streamlining operations and paying off debt in a more equitable manner. Two options for consolidation are discussed in this report. Option 1 would be to consolidate all extensions into the main district and Option 2 consolidates all extensions except Extension #24 (Morningdale Court, Round Lake Road, Eastline Road) into the main district.

Consolidation would assist in streamlining operations, as discussed in Section 3.0. The current method of having separate accounts for each district and extension would no longer be necessary. There would be less confusion of how to allocate payment for invoices and how to pay for personnel costs. The Town would not necessarily see a cost savings related to water district consolidation, other than a minor amount of time saved for the water department clerk and bookkeeper no longer having to allocate funds between districts and extensions. The major benefit to consolidation from an operational standpoint would be reducing confusion, ensuring that costs are covered by all users and reducing the potential for errors to occur.

The benefits of water district consolidation as it pertains to debt would be to have the debt paid off in a more equitable manner. There are many district extensions that currently pay nothing towards debt repayment of infrastructure projects that directly benefit them.

Under both consolidation options, Extension #13, Blue Barns Road, would be included in the consolidated district(s) and would continue to have the debt associated with that water main project paid off through the existing fund balance. The debt for Blue Barns Road would not be paid off by the consolidated district.

5.1 Option 1: Consolidate All Extensions into Main District

Option 1 for consolidation would be to consolidate all nine extensions of Water District #2 into Water District #2 into for both operations and debt repayment. Figure 2 provides a map of this option. Under this option, the consolidated district would have 2,655 taxable parcels³, with the same number of users as currently exists between Water District #2 and

³ 2,655 taxable parcels include the 29 parcels from Extension #24- Morningdale Court/Round Lake Road/Eastline Road.

its extensions. The consolidated district will not be responsible for debt repayment associated with the Blue Barns Road water main project, since that debt is already covered under the fund balance. This assumes that the fund balance would remain as it currently is after consolidation occurs. The debt for the water mains associated with Extension #24, Morningdale Court⁴ will be borne by the consolidated district under Option #1.

The average assessed value for taxable parcels within the consolidated district would be \$198,131. The total outstanding debt for the consolidated district would be \$2,685,670. The total value of debt repayment to be paid by parcels within the consolidated district as a special district charge would be \$2,580,670, since the \$105,000 debt for the Blue Barns Road water main project would be paid through the existing fund balance.

Table 4 provides a summary table of the estimated special district tax rates necessary to pay back each of the bonds. An interest rate of 4% was applied for simplicity. The analysis assumes 20 year bonds for the Route 50 Water Tower Rehabilitation debt that is currently under a BAN, and the Morningdale Court Water Main project, which was under construction in 2013.

⁴ The June 7, 2012 *Water District Report for BHBL WD#2 Eastline Road, Round Lake Road and Morningdale Court Area*, prepared by C.T. Male describes the estimated project costs. The estimated project cost was \$142,000. The project is under construction, with the low bidder providing a bid comparable to the engineer's estimate. This estimated project cost of \$142,000 will be assumed as the debt for this project.

Table 4
Option 1 Water District Consolidation- Debt Repayment & Special District Assessments

<u>Description</u>	<u>Outstanding Balance</u>	<u>Maturity Year</u>	<u>Years Remaining</u>	<u>Annual Payment</u>	<u>Rate per \$ Thousand Assessed Value</u>
Route 50, WD #2 Extension #7	\$1,120,000	2037	24	\$73,457.25	\$0.139643
Route 67/Brookline Road, WD #2, Extension #12	\$425,000	2027	14	\$40,234.31	\$0.076486
Eastline Road Pump Station	\$314,120	2031	18	\$24,813.38	\$0.047170
Route 50 Water Tower Rehab	\$579,550	2033	20	\$42,644.30	\$0.081067
Morningdale Court	\$142,000	2034 ⁵	20	\$10,448.61	\$0.019863
Total	\$2,580,670			\$191,597.86	\$0.364229

Table 4 represents an estimate of the special district assessed rate if the water districts were consolidation under Option #1. For the average parcel within the consolidated district, valued at \$198,131, the annual special district charge would be \$72.17 for debt repayment.

Table 5 compares the changes in charges for each existing district or extension if the water districts were consolidated under Option #1.

⁵ Assumes Morningdale Court bond will begin repayment in 2014.

Table 5
Option 1 Water District Consolidation- Charge Rate Comparison (Existing versus Proposed)

<u>District/Extension</u>	<u>Description</u>	<u>Ave. Assessment</u>	<u>2013 Rate per \$ thousand</u>	<u>2013 Annual Charge for Ave. Assessment</u>	<u>Consolidated Rate per \$ thousand</u>	<u>Consolidated Annual Charge for Ave. Assessment</u>	<u>Difference</u>
Water District #2	Main District	\$201,011	\$0.492835	\$99.07	\$0.364229	\$73.21	-\$25.85
WD #2, Extension 7	Route 50	\$232,255	\$0.877199	\$203.73	\$0.364229	\$84.59	-\$119.14
WD #2, Extension 12	Route 67 & Brookline Road	\$267,520	\$1.613075	\$431.53	\$0.364229	\$97.44	-\$334.09
WD #2, Extension 13	Blue Barns Road	\$221,463	\$0	\$0.00	\$0.364229	\$80.66	\$80.66
WD #2, Extension 14	Goode Street	\$217,018	\$0.662883	\$143.86	\$0.364229	\$79.04	-\$64.81
WD #2, Extension 18	Chapel Hill Subdivision	\$270,718	\$0	\$0.00	\$0.364229	\$98.60	+\$98.60
WD #2, Extension 19	Stonebridge PUDD	\$5,969	\$0	\$0.00	\$0.364229	\$2.17	+\$2.17
WD #2, Extension 21	Timber Creek Preserve Phase 1	\$129,054	\$0	\$0.00	\$0.364229	\$47.01	+\$47.01
WD #2, Extension 22	Mourningkill Meadows	\$4,712	\$0	\$0.00	\$0.364229	\$1.72	+\$1.72
WD #2, Extension 24 ⁶	Morningdale Court	\$240,783	\$1.41	\$339.50	\$0.364229	\$87.70	-\$251.80

Under Option #1, the difference in special district charges would result in decreases in charges for users within the districts and extensions that currently contribute to bond repayment, and an increase in charges for users that contribute \$0 to bond repayment. The differences ranges from decrease of \$334.09 for an average assessed parcel in Extension #12 to an increase of \$98.60 for the average assessed parcel in Extension #18.

For Extensions #19, #21 and #22, in which the average assessment values are low due to the presence of vacant lots or lots under construction, the assessment values will increase when the lots are developed, and thereby increase the special district charges paid.

⁶ The June 7, 2012 *Water District Report for BHBL WD#2 Eastline Road, Round Lake Road and Morningdale Court Area*, prepared by C.T. Male describes the estimated project costs and provides an estimate of the special district rate for the 29 parcels within Extension #24. The estimated rate to pay off the estimated bond is \$1.41 per \$thousand assessed value, assuming 4% interest rate and 20 year bond.

5.2 Option 2: Consolidate All Extensions Except Extension #24 into Main District

Option #2 for consolidation would be to consolidate eight extensions of Water District #2 into Water District #2, and leave Extension #24 as a separate extension. Figure 3 provides a map of Option #2. The purpose of Option #2 is to allow for the debt associated with the Morningdale Court Water Main project to be borne by the residents of Extension #24. The reasoning is that this project only benefits the properties within Extension #24, so that debt repayment should not be borne by the entire consolidated District. Extension #24 will also pay their portion of debt repayment for other infrastructure projects within the District.

Under this option, the consolidated district would have 2,626 taxable parcels, with the same number of users as currently exists between Water District #2 and its extensions. Extension #24 would have 29 parcels. The consolidated District will not be responsible for debt repayment associated with the Blue Barns Road water main project, since that debt is already covered under the fund balance. The debt for the water main associated with Extension #24, Morningdale Court will be borne Extension #24.

The average assessment rate for taxable parcels within the consolidated District would be \$198,131. The total outstanding debt for the consolidated district would be \$2,543,670. The total value of debt repayment assessed as a special district charge to the consolidated district would be \$2,438,670, since the \$105,000 debt for the Blue Barns Road water main project would be paid through the existing fund balance.

Table 6 provides a summary table of the estimated special district charge assessment necessary to pay back each of the bonds. An assumed interest rate of 4% was applied for simplicity. The analysis assumes 20 year bonds for the Route 50 Water Tower Rehabilitation debt that is currently under a BAN, and the Morningdale Court Water Main project, was under construction in 2013.

Table 6
Option 2 Water District Consolidation- Debt Repayment & Special District Assessments

<u>Description</u>	<u>Outstanding Balance</u>	<u>Maturity Year</u>	<u>Years Remaining</u>	<u>Annual Payment</u>	<u>Rate per \$ thousand Assessed Value</u>
Route 50, WD #2 Extension #7	\$1,120,000	2037	24	\$73,457.25	\$0.139643
Route 67/Brookline Road, WD #2, Extension #12	\$425,000	2027	14	\$40,234.31	\$0.076486
Eastline Road Pump Station	\$314,120	2031	18	\$24,813.38	\$0.047170
Route 50 Water Tower Rehab	\$579,550	2033	20	\$42,644.30	\$0.081067
Total Consolidated Districts	\$2,438,670			\$181,149.25	\$0.344366
Extension #24 Morningdale Court	\$142,000	2034	20	\$10,448.61	\$1.410000
Total Extension #24					\$1.754366

Table 6 represents an estimate of the special district assessed rate if the water districts were consolidation under Option #2. The rate for the consolidated district would be \$0.344366 per thousand dollars of assessed value. For the average parcel within the consolidated district, valued at \$198,131, the annual special district charge would be \$68.23, which is approximately \$4 less than Option #1 due to the fact that the debt repayment for the Morningdale Court water main project is not borne by the consolidated district. The rate for Extension #24 would be \$1.754366 per thousand dollars of assessed value and includes both the Morningdale Court water main debt and the rate of \$0.334366 to cover debt repayment for the other infrastructure projects, which that extension benefits from. The average assessment within Extension #24 is \$240,783; therefore the average special district charge within that extension would be \$422.42.

Table 7 compares the changes in charges for each existing district or extension if the water districts were consolidated under Option #2.

*Table 7
Option 2 Water District Consolidation- Charge Rate Comparison (Existing versus Proposed)*

<u>District/Extension</u>	<u>Description</u>	<u>Ave. Assessment</u>	<u>2013 Rate per \$ thousand</u>	<u>2013 Annual Charge for Ave. Assessment</u>	<u>Consolidated Rate per \$ thousand</u>	<u>Consolidated Annual Charge for Ave. Assessment</u>	<u>Difference</u>
Water District #2	Main district	\$201,011	\$0.492835	\$99.07	\$0.344366	\$69.22	-\$29.84
WD #2, Extension 7	Route 50	\$232,255	\$0.877199	\$203.73	\$0.344366	\$79.98	-\$123.75
WD #2, Extension 12	Route 67 & Brookline Road	\$267,520	\$1.613075	\$431.53	\$0.344366	\$92.12	-\$339.40
WD #2, Extension 13	Blue Barns Road	\$221,463	\$0	\$0.00	\$0.344366	\$76.26	\$76.26
WD #2, Extension 14	Goode Street	\$217,018	\$0.662883	\$143.86	\$0.344366	\$74.73	-\$69.12
WD #2, Extension 18	Chapel Hill Subdivision	\$270,718	\$0	\$0.00	\$0.344366	\$93.23	+\$93.23
WD #2, Extension 19	Stonebridge PUDD	\$5,969	\$0	\$0.00	\$0.344366	\$2.06	+\$2.06
WD #2, Extension 21	Timber Creek Preserve Phase 1	\$129,054	\$0	\$0.00	\$0.344366	\$44.44	+\$44.44
WD #2, Extension 22	Mourningkill Meadows	\$4,712	\$0	\$0.00	\$0.344366	\$1.62	+\$1.62
WD #2, Extension 24	Morningdale Court	\$240,783	\$1.41	\$339.50	\$1.754366	\$422.42	+\$82.92

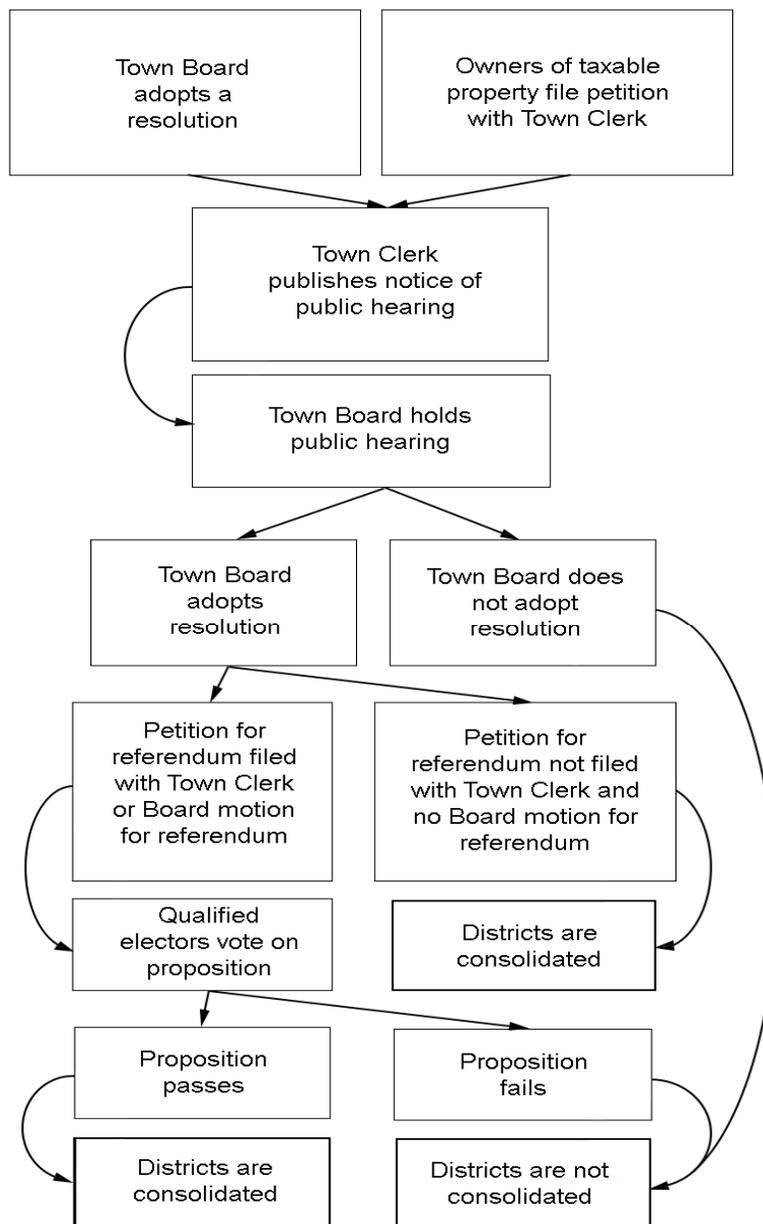
Under Option #2, the difference in special district charges is similar to Option #1 for the parcels being included in the consolidated district. It would result in decreases in charges for users within the districts and extensions that currently contribute to bond repayment, and an increase in charges for users that contribute \$0 to bond repayment. The differences ranges from decrease of \$339.40 for an average assessed parcel in Extension #12 to an increase of \$93.23 for the average assessed parcel in Extension #18. There is a slight decrease in charges for the parcels within the consolidated district between Option #1 and Options #2, since under Option #2, the consolidated district would not be paying for the Morningdale Court water main project.

The difference between Option #1 and Option #2 lies in the fact that under Option #1, the parcels within Extension #24 see a significant decrease in the special district charges to \$87.70 (since Extension #24 would no longer be solely paying for the water main project to service their area). Under Option #2, their charges increase to \$422.42 cover the cost of the infrastructure projects within the consolidated district that those users benefit from.

5.3 Consolidation Process

The process for consolidating water districts is shown in the flowchart on Figure 4. The Town Board should first determine if consolidation is recommended, and which consolidation option to choose.

*Figure 4
Water District Consolidation Process*



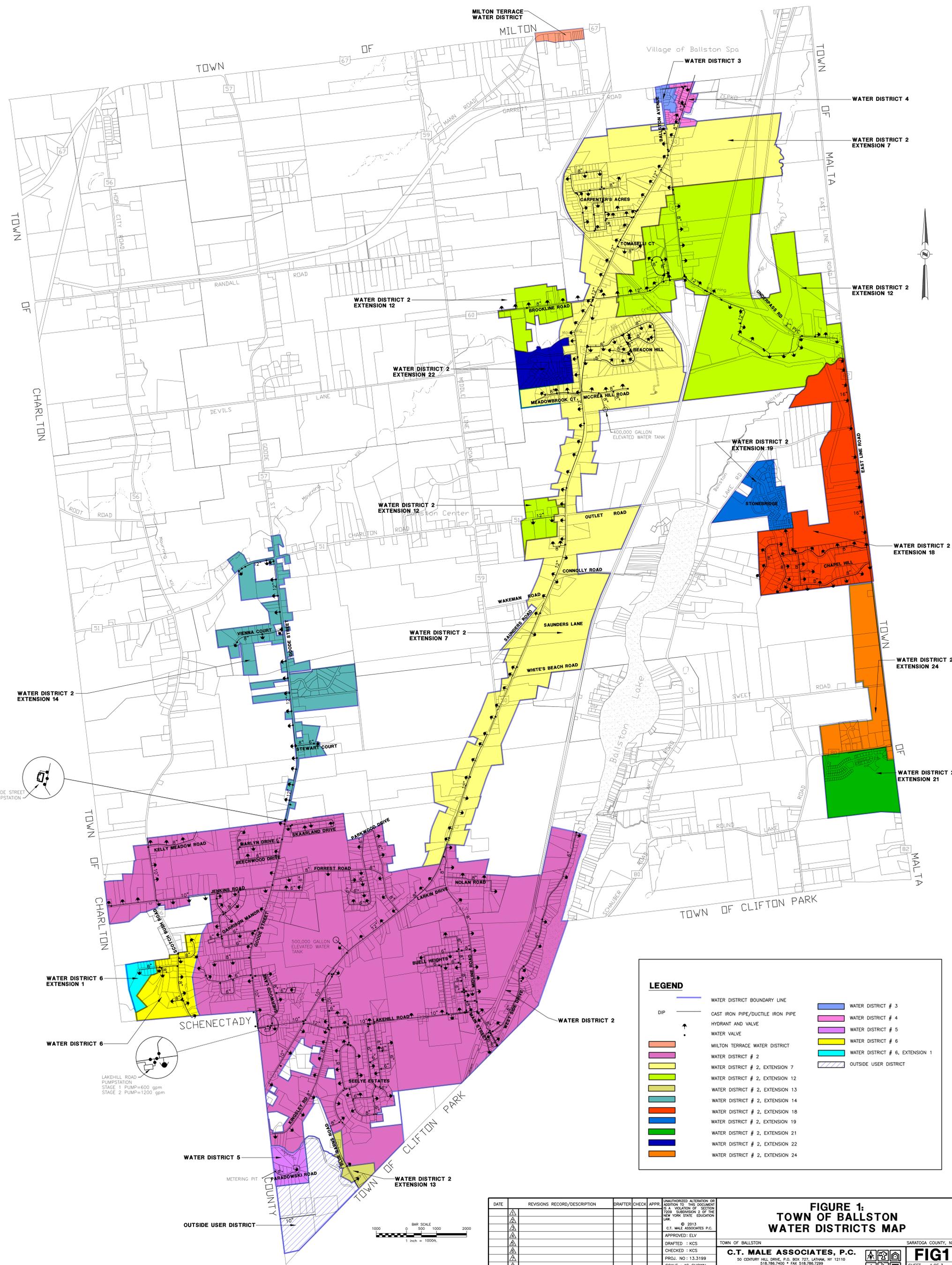
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Consolidation must occur for each extension separately. It is possible that if permissive referendums occur, that some of the extensions could opt to not be consolidated, while other extensions are consolidated. If a permissive referendum were to occur, it is not unreasonable to assume that residents of the extensions that currently pay nothing towards debt repayment (and would see an increase in charged if the extensions were consolidation) may vote against consolidation.

The Town Board should be aware that as the Water Board, they are permitted to allocate certain capital costs, such as the Eastline Road pump station and tank rehabilitation costs to the extensions regardless if consolidation is approved. It is cleaner to perform a consolidation of the districts, but this option could be pursued if the Town does not move forward with consolidation, or if the some or all of the districts cannot be consolidated due to permissive referendum voting against consolidation.

FIGURES

FIGURE 1: Water District Map



LEGEND	
	WATER DISTRICT BOUNDARY LINE
	CAST IRON PIPE/DUCTILE IRON PIPE
	HYDRANT AND VALVE
	WATER VALVE
	MILTON TERRACE WATER DISTRICT
	WATER DISTRICT # 2
	WATER DISTRICT # 2, EXTENSION 7
	WATER DISTRICT # 2, EXTENSION 12
	WATER DISTRICT # 2, EXTENSION 13
	WATER DISTRICT # 2, EXTENSION 14
	WATER DISTRICT # 2, EXTENSION 18
	WATER DISTRICT # 2, EXTENSION 19
	WATER DISTRICT # 2, EXTENSION 21
	WATER DISTRICT # 2, EXTENSION 22
	WATER DISTRICT # 2, EXTENSION 24
	WATER DISTRICT # 3
	WATER DISTRICT # 4
	WATER DISTRICT # 5
	WATER DISTRICT # 6
	WATER DISTRICT # 6, EXTENSION 1
	OUTSIDE USER DISTRICT

DATE	REVISIONS RECORD/DESCRIPTION	DRAFTER	CHECK	APPR.

**FIGURE 1:
TOWN OF BALLSTON
WATER DISTRICTS MAP**

TOWN OF BALLSTON

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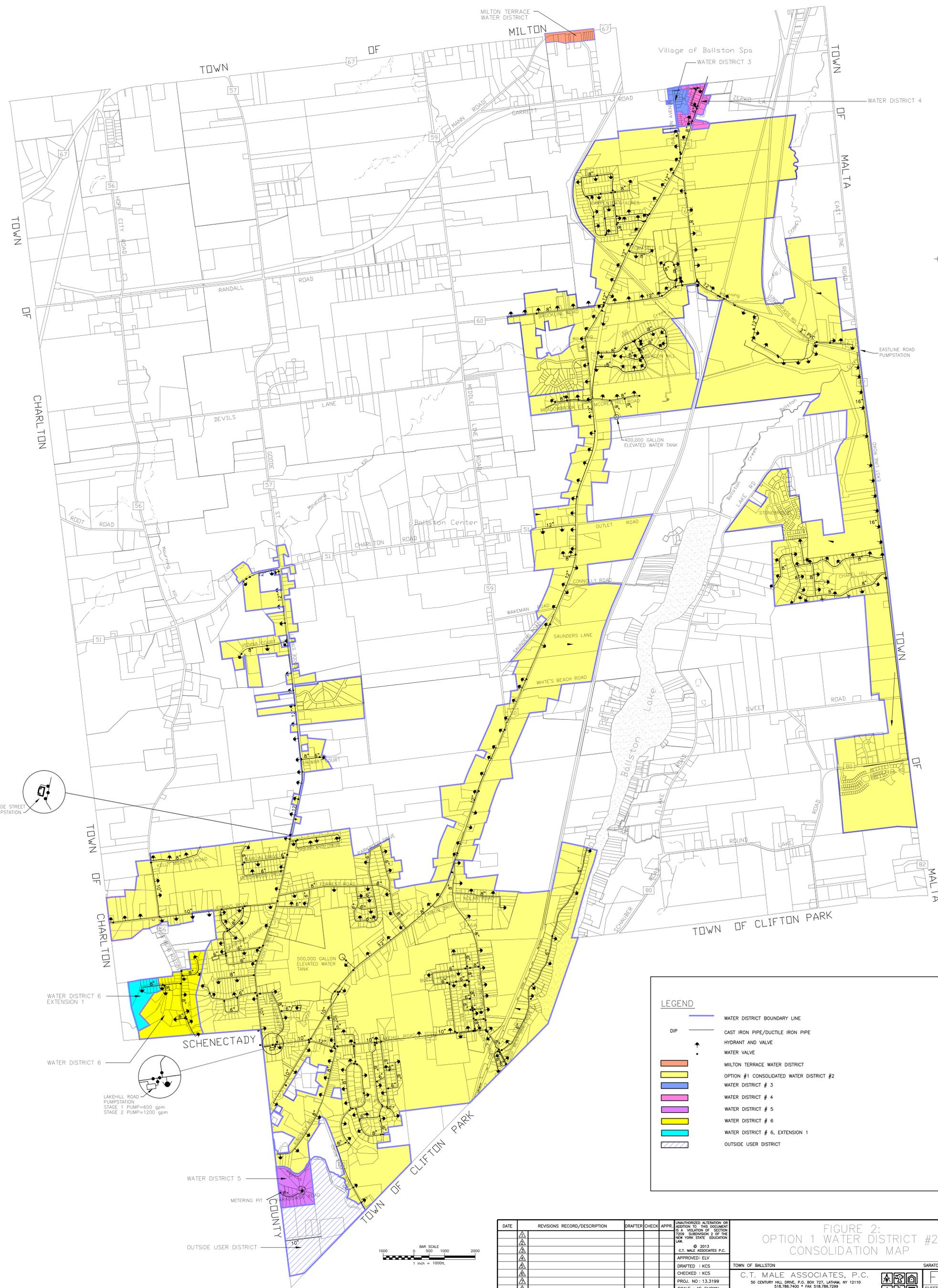
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SARATOGA COUNTY, NY
FIG1
SHEET 1 OF 3
DWG. NO.

**FIGURE 2: Option 1, Water District
Consolidation Map**



LEGEND

- WATER DISTRICT BOUNDARY LINE
- CAST IRON PIPE/DUCTILE IRON PIPE
- HYDRANT AND VALVE
- WATER VALVE
- MILTON TERRACE WATER DISTRICT
- OPTION #1 CONSOLIDATED WATER DISTRICT #2
- WATER DISTRICT # 3
- WATER DISTRICT # 4
- WATER DISTRICT # 5
- WATER DISTRICT # 6
- WATER DISTRICT # 6, EXTENSION 1
- OUTSIDE USER DISTRICT

WATER DISTRICT 6 EXTENSION 1

WATER DISTRICT 6

LAKEHILL ROAD PUMPSTATION
STAGE 1 PUMP=600 gpm
STAGE 2 PUMP=1200 gpm



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**FIGURE 2:
OPTION 1 WATER DISTRICT #2
CONSOLIDATION MAP**

TOWN OF BALLSTON

SARATOGA COUNTY, NY

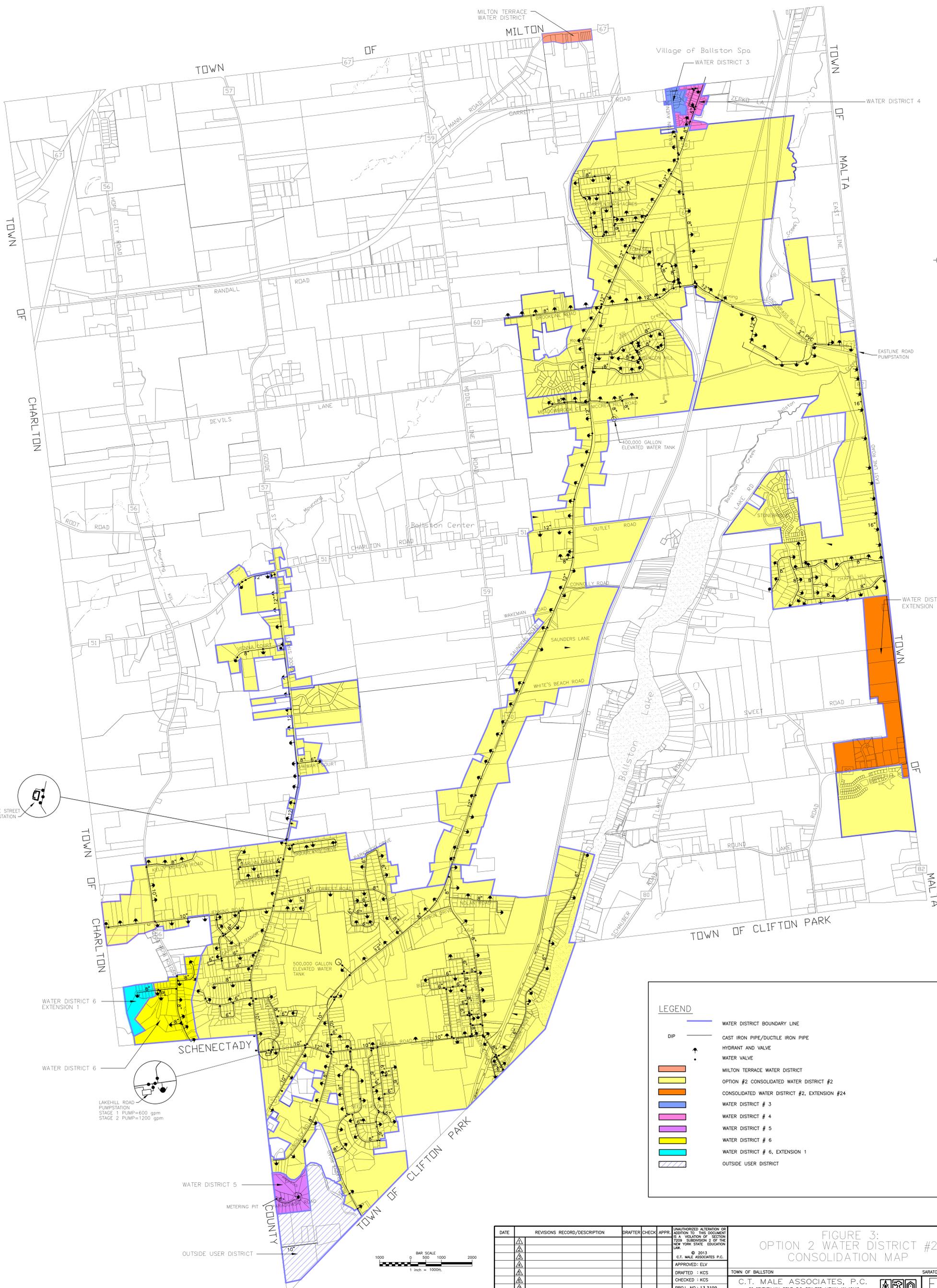
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FIG2
SHEET 2 OF 3
DWG. NO.

**FIGURE 3: Option 2, Water District
Consolidation Map**



LEGEND

- WATER DISTRICT BOUNDARY LINE
- CAST IRON PIPE/DUCTILE IRON PIPE
- HYDRANT AND VALVE
- WATER VALVE
- MILTON TERRACE WATER DISTRICT
- OPTION #2 CONSOLIDATED WATER DISTRICT #2
- CONSOLIDATED WATER DISTRICT #2, EXTENSION #24
- WATER DISTRICT # 3
- WATER DISTRICT # 4
- WATER DISTRICT # 5
- WATER DISTRICT # 6
- WATER DISTRICT # 6, EXTENSION 1
- OUTSIDE USER DISTRICT

WATER DISTRICT 6 EXTENSION 1

WATER DISTRICT 6

LAKEHILL ROAD PUMPSTATION
STAGE 1 PUMP=600 gpm
STAGE 2 PUMP=1200 gpm



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**FIGURE 3:
OPTION 2 WATER DISTRICT #2
CONSOLIDATION MAP**

TOWN OF BALLSTON
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FIG3
SHEET 3 OF 3
DWG. NO.