



Village of Williamsville Water System Consolidation Study

For consolidation with the Erie County
Water Authority

Prepared for: Village of Williamsville Board of Trustees
Prepared by: CRA Infrastructure & Engineering, Inc.



Agenda

- Study Background
- Study Overview
- Assumptions
- Results
- Questions



Study Background

- Rates are higher than some neighboring communities
- Potential of future water rate increases
- Potential long-term opportunity for cost avoidance
- Past consolidation studies



Study Overview

- Projected future water consumption
- Prepared two 10-year cost projection scenarios
 - Status Quo Operational Scenario
 - Consolidated Scenario
- Projected **O&M** costs under each scenario
- Forecast necessary **Capital Improvements** under each scenario
 - Developed CIP based on ECWA requirement for consolidation
 - Estimated construction costs and financing costs
- Compared Status Quo costs to Consolidated costs
- Estimated Village Savings/Cost Avoidance
- Estimated Customer Rate Impacts



Basic Assumptions

- Operation and Maintenance
 - Status Quo Scenario
 - Assumed 3% annual increases
 - Consolidated Scenario
 - Some O&M expenses will continue in general fund
 - Assumed 1 staff reduction may be possible through attrition
 - ECWA projected rates continue historic trend of increases
- Capital Improvements
 - Status Quo Scenario
 - Capital projects completed in year 5
 - Future capital improvements paid for by Village rates
 - Consolidated Scenario
 - Capital projects completed in year 1
 - Future capital improvements included in ECWA rates



Results

Overall Impacts to Village

Projected O&M Savings before Capital Improvement Costs

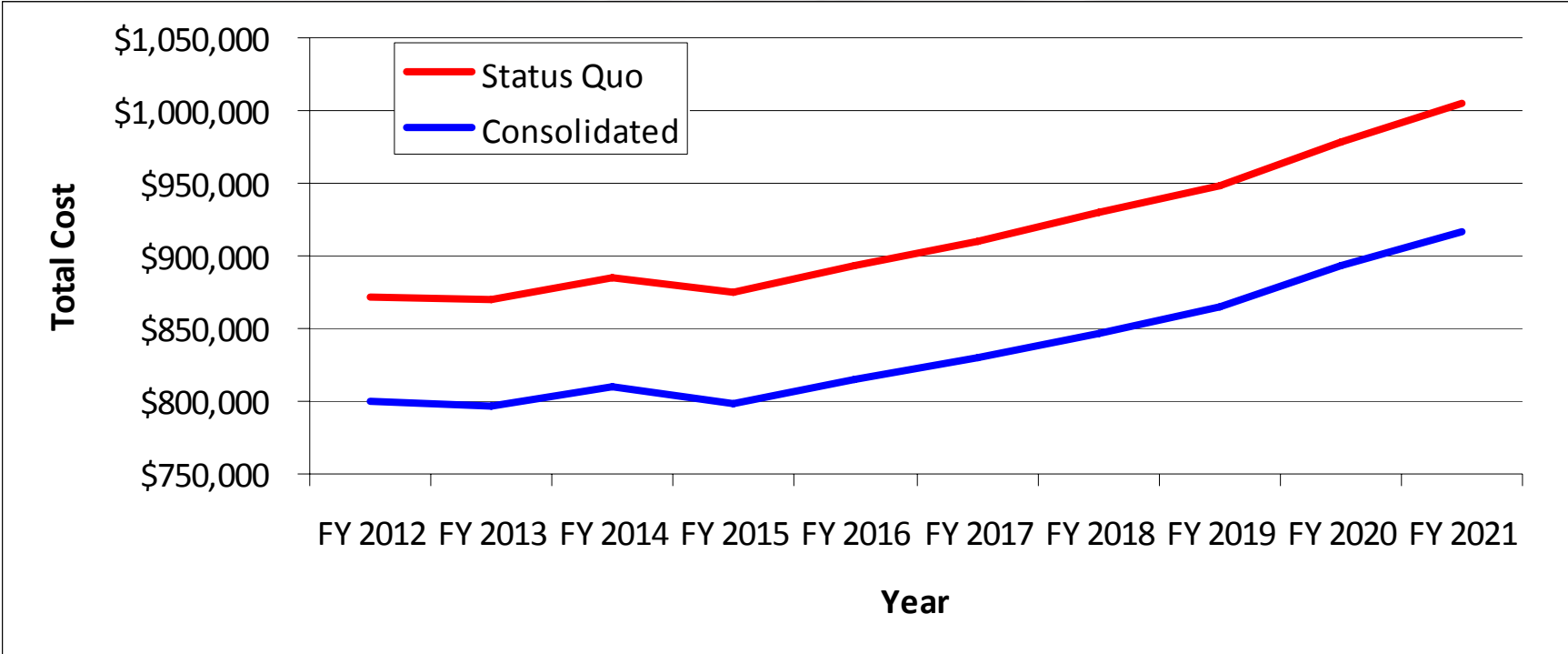
	FY 2012	FY 2021
Status Quo	\$871,401	\$1,004,892
Consolidated	\$800,583	\$916,621
Total Savings	\$70,818	\$88,271



Results

Overall Impacts to Village

Projected O&M Savings before Capital Improvement Costs





Results

Overall Impacts to Village

Total Net Projected Costs or Savings From Consolidation

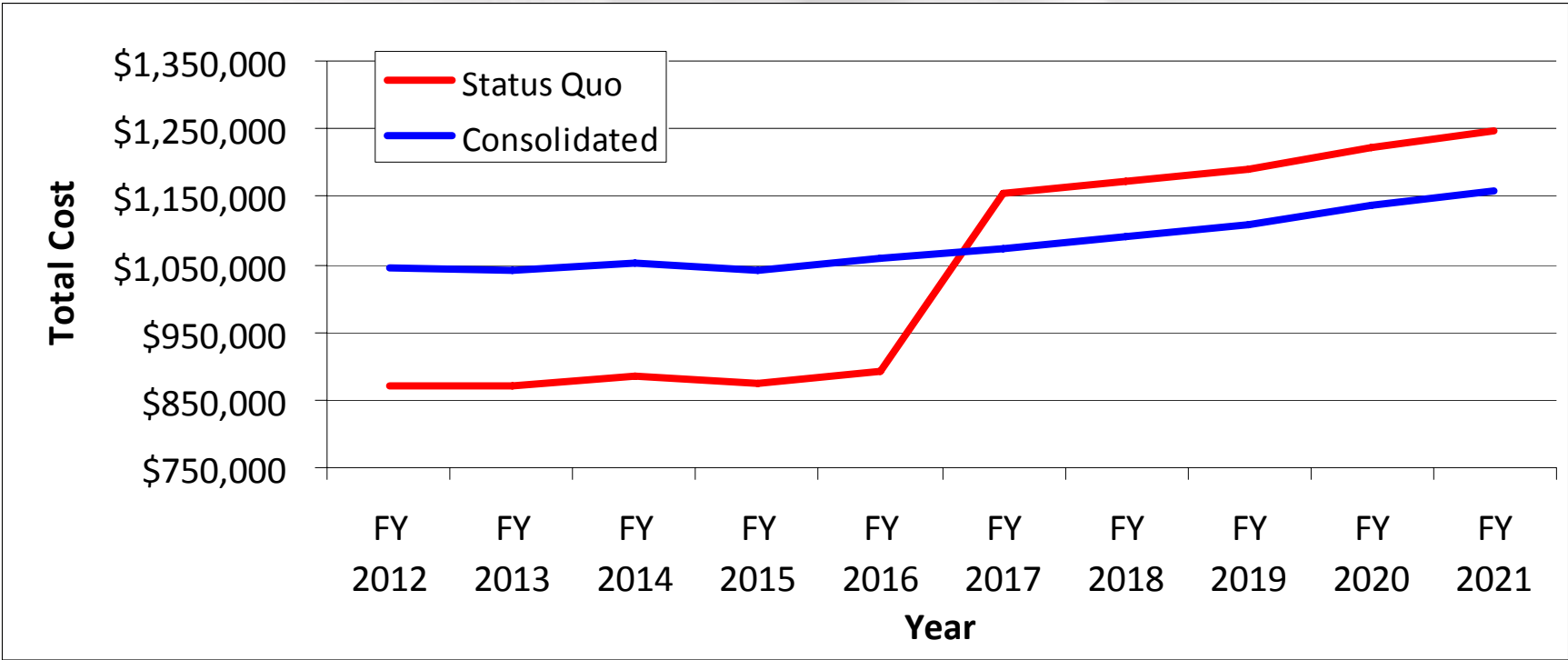
	FY 2012	FY 2021
Status Quo	\$871,401	\$1,247,892
Consolidated	\$1,043,583	\$1,159,621
Total Savings (Cost)	(\$172,182)	\$88,271



Results

Overall Impacts to Village

Total Net Projected Costs or Savings From Consolidation





Consolidation Results

General Customer Impacts

- **ECWA Rates**
 - Projected 2012 rates will be 40% less than Village (\$3.13/1000 gal)
 - Min bills 9,000 gal. rather than 4,000 gal.
- **Required Capital Improvement Costs**
 - A surcharge added for infrastructure (\$2.33/1000 gal)
 - Other future improvements included in ECWA rate
- **Property Taxes**
 - Property tax would increase to cover new general fund costs previously paid for through water rates (\$0.32/\$1000 assessment)



Example of Typical Residential Savings Calculation

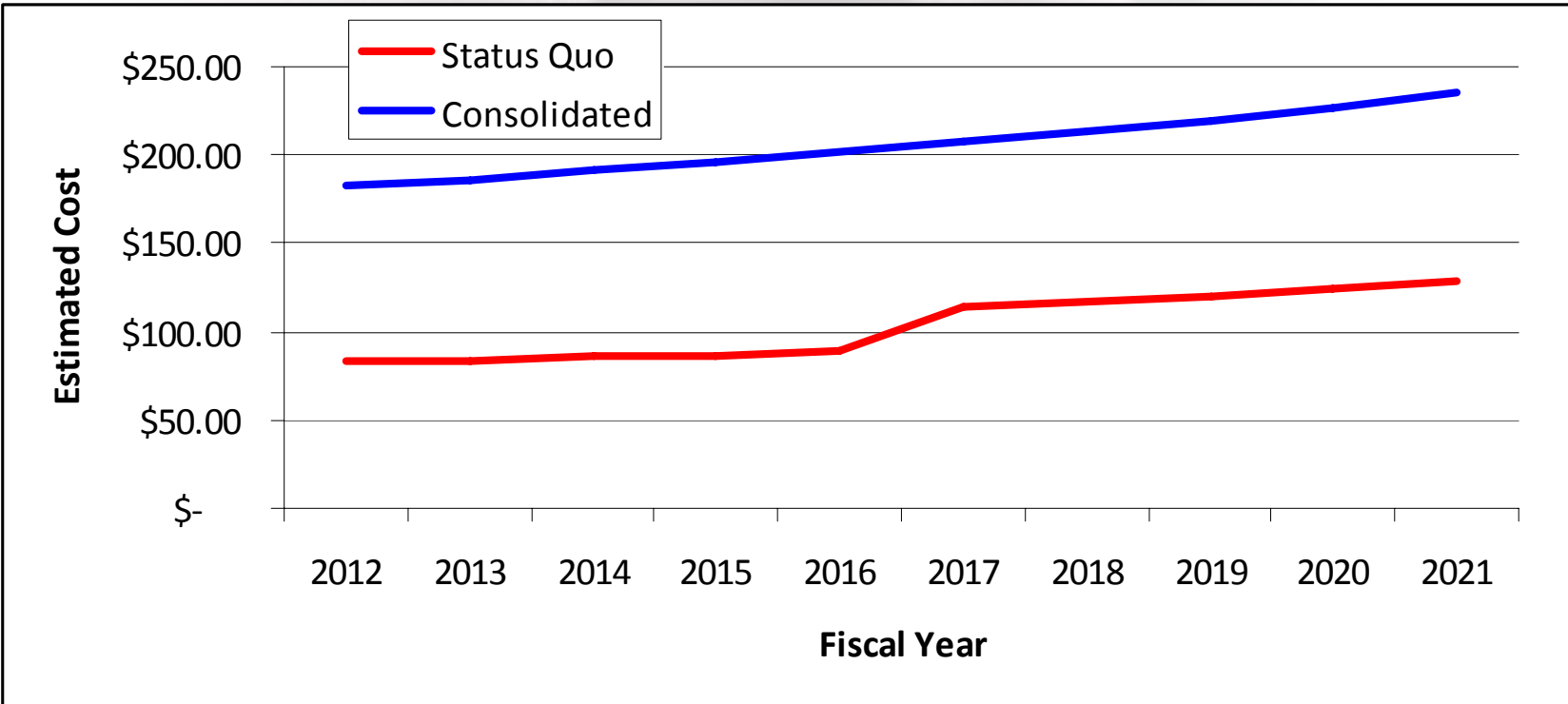
	2012	2021*
Average Annual Usage (1,000 gal)	78	69
Estimated Status Quo Costs	\$404.39	\$555.54
Estimated Consolidated Costs:		
Water Usage	\$244.23	\$278.22
Debt Service Surcharge	181.58	149.23
Est. Additional Property Tax (\$150,000 assessed home)	48.65	70.22
Total Consolidated Costs	474.46	497.67
Total Net Savings or (Cost) from Consolidation	(\$70.07)	\$57.87

*Assumes 1% reduction in overall Village and individual water usage – consistent with industry and historical Village trends. If this reduction in usage is not realized, then savings could increase up to an additional \$60. However, this would not be consistent with industry and historical Village trends, and is unlikely to occur.



Current Minimum Bill Customer

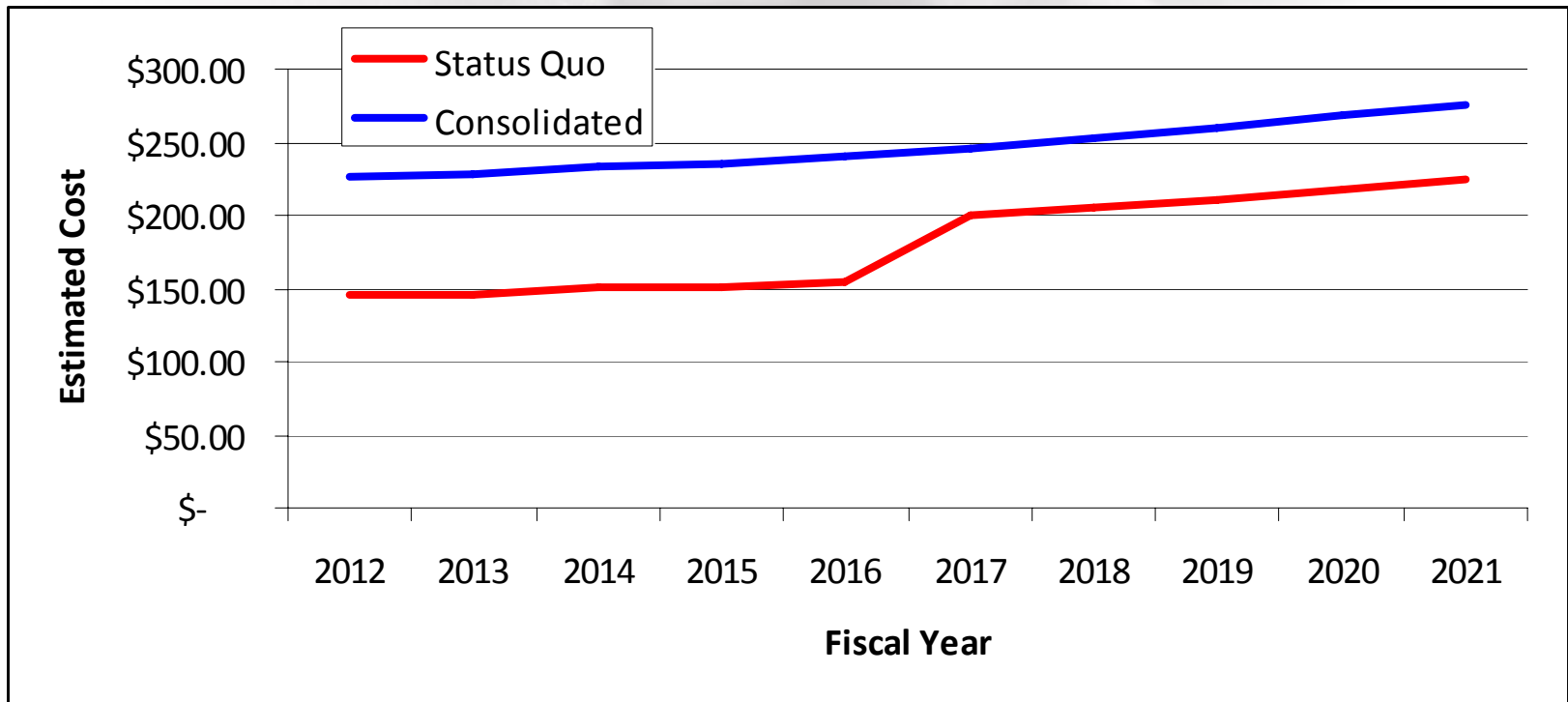
- Quarterly Usage: Less than or equal to 4,000 gal
- Assessed Home Value: \$150,000
- Percentage of Total Customers: 12% (247 customers)
- Approximately \$8.28/month increase





Low Usage Bill Customer

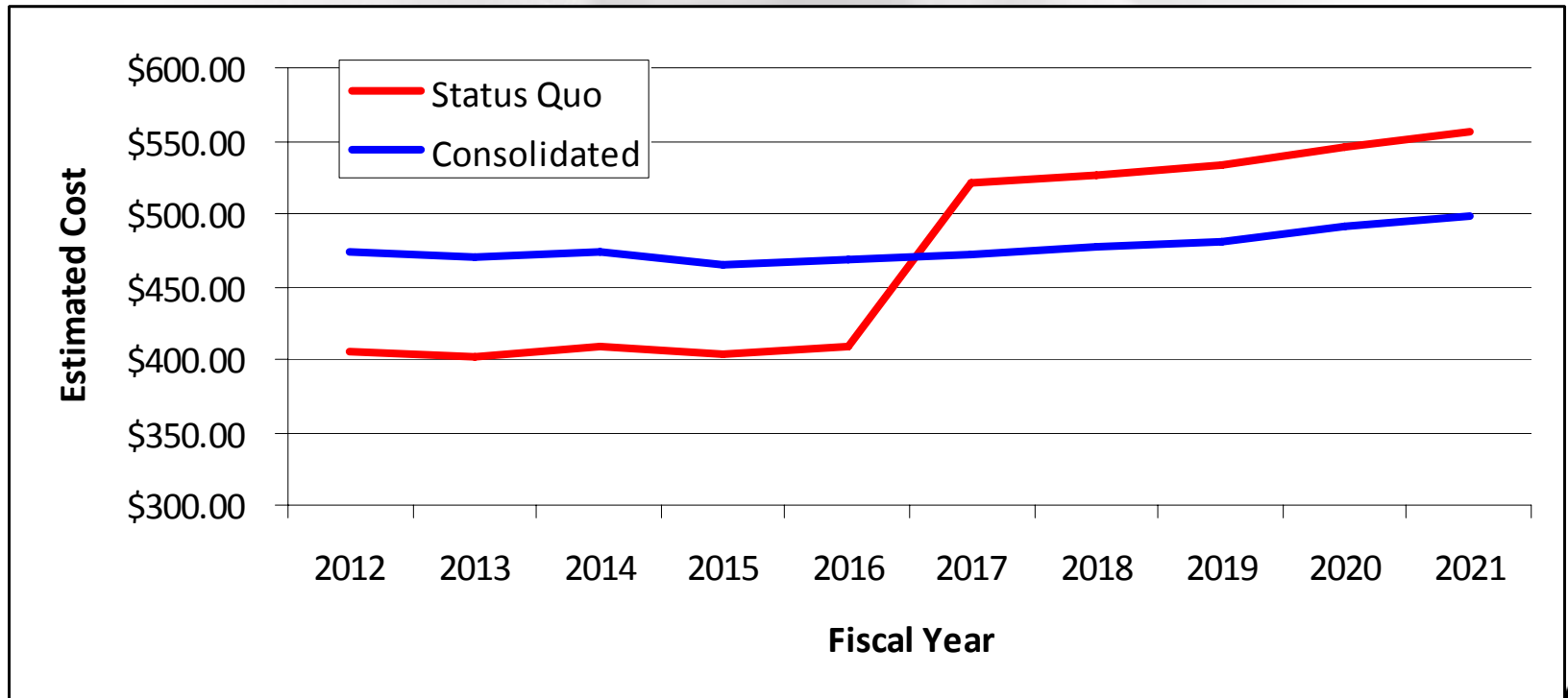
- Quarterly Usage: 7,000 gal
- Assessed Home Value: \$150,000
- Percentage of Total Customers: 24% (481 customers)
- Approximately \$6.78/month increase





Typical Residential Customer

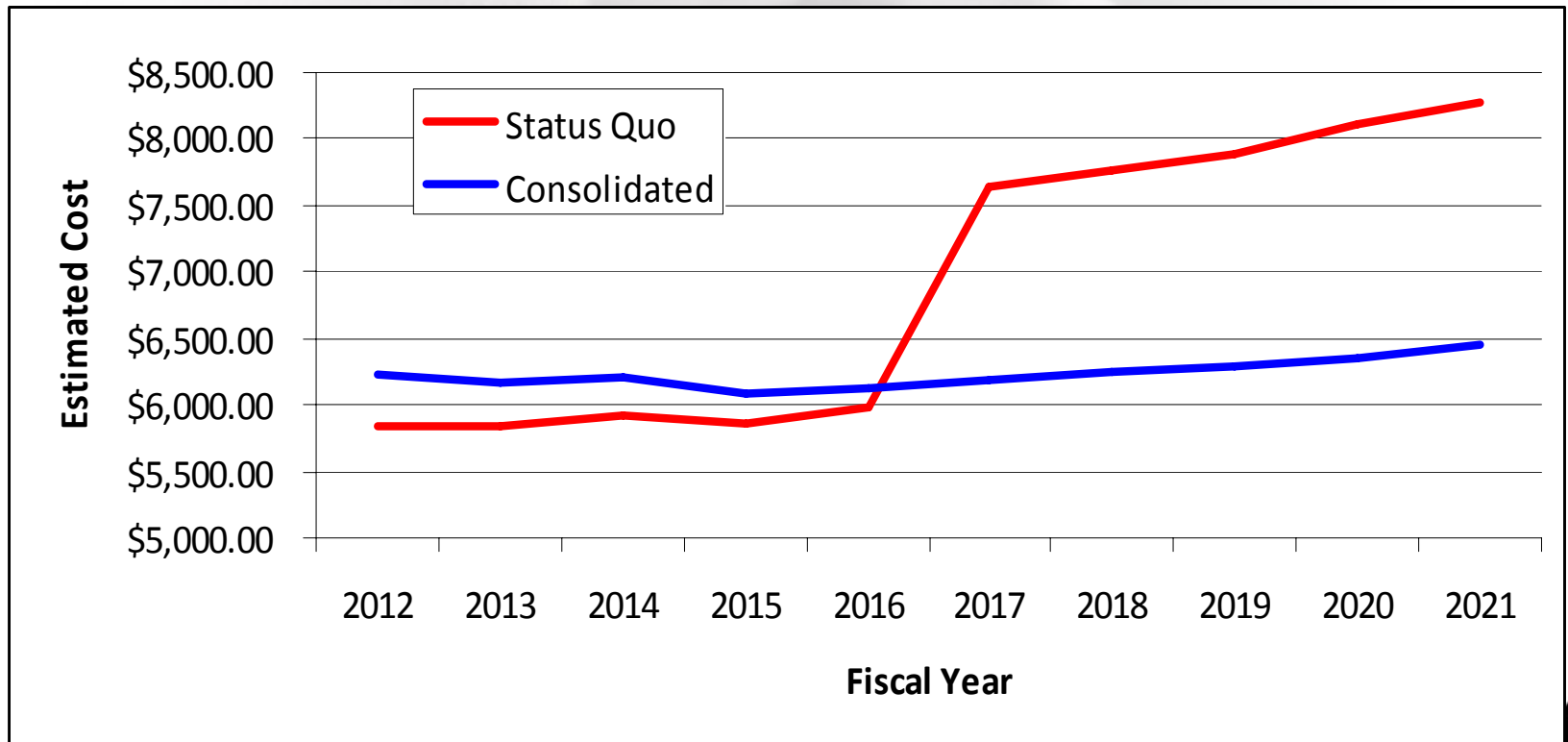
- Quarterly Usage: 19,500 gal
- Assessed Home Value: \$150,000
- Percentage of Total Customers: 61% (1220 customers)
- Approximately \$5.84/month increase to \$4.82/month savings





Typical Large User

- Quarterly Usage: Greater than 50,000 gal
- Assessed Property Value: \$150,000
- Percentage of Total Customers: 3% (69 customers)





Summary of Customer Impacts

- Approximately 64% of customers would realize a savings in their water bills in relation to Status Quo after 5 years
- Approximately 36% of customers are minimum users that would realize an increase in their water bills in relation to Status Quo.



QUESTIONS?

Thank You