

## **Information Bulletin**

### **Town of Covington Water District #2**

The purpose of this public hearing is to hear from you on the following questions:

1. Are you interested in public water?
2. How much would you be willing to pay for public water on an annual basis?
3. Are you concerned about your current water quality and quantity?

#### **Why Create a Water District?**

A water district is a special use district required by Town Law where a specific area of the Town receives a specific benefit. The cost for receiving this benefit is borne solely on the property owners in that specific area.

#### **Study Area**

The study area was chosen based on public input received by the Town and is depicted on the map located on the back of this handout.

#### **Capital Costs**

The “District” will be responsible for the construction of the water main and service connections within the public right-of-way.

The capital costs associated with a “District” are paid for by the property owners in the district. The annual payment per unit is based on the amount of grants received, interest rate, and term of the loan from the funding agency. The annual payment is included on your property tax bill. The actual amount will not be known until the appropriate funding applications have been submitted, but currently estimated to be \$1,097 per year.

In addition, the home/business owner will also be responsible for the cost of and arranging for connection from the right-of-way to the interior plumbing (approximately \$10-\$20 per linear foot of pipe installed).

#### **Water Costs**

Each home/business owner will be responsible for their own water bill, based on the actual consumption and the water rate. The typical single family residential home uses 60,000 gallons of water per year. Based on the current Town of York water rates plus an assumed operation and maintenance charge from the Town of Covington, the average annual cost per year (2019) for a single family residential home is \$350 per year.

#### **Total Annual Costs**

The total annual costs are based on your portion of the annual debt service and your water bill. Some examples from recent projects in neighboring communities, some of whom received a grant/loan package from the USDA-Rural Development include:

Stafford Water District No. 8	\$1,017 per year
York Water District Extension 4	\$ 900 per year
Bethany Water District 2	\$1,230 per year

The Town of Covington recently completed an income survey for the area and assuming it is accepted by the USDA-RD, will be eligible for a \$750,000 grant and 38-year low income financing. The result is an estimated annual debt service of \$1,097 per year, when combined with the cost of the water is a total annual cost of \$1,447 per year. Without the grant, the total annual cost was estimated to be \$1,985 per year,

However, please be aware that the actual grant amount and interest rate could vary.