

TOWN OF CAPE VINCENT WATER DISTRICT NO. 7 – UPDATE

PUBLIC HEARING

Town of Cape Vincent – Water District No. 7 Update

Presentation Outline

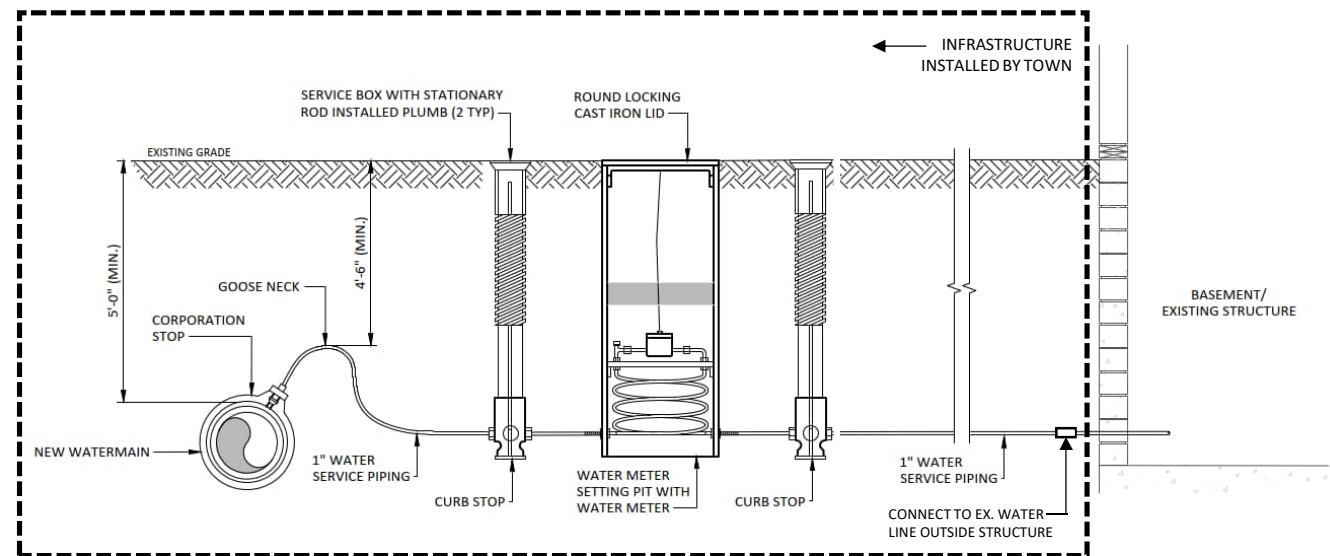
- I. Project Background and History
- II. Project Delays
- III. Bidding Results
- IV. User Cost Impact
- V. Potential Project Outcomes



Project Background

Project Infrastructure

- Project includes water distribution mains, valves, hydrants and **service laterals**
- Service laterals **will be provided** to each developed property in the district
- Lateral work includes meter pit at the road and connection to private plumbing outside of structure



Original Project User Charge

- WD7 was put to vote in November 2021 at an annual user cost of **\$873**
- User charge of \$873 was just below 2021 NYS Comptroller threshold of **\$887**

User Cost Breakdown	Cost
Debt Service (fixed fee)	\$600
Water Usage Charge (varies based on water usage)	\$260
Short Lived Assets (SLA)	\$13
Estimated Annual User Charge per 1 EDU	\$873

- Water usage of \$260 represents year round typical single family home (1 EDU)
- Usage charge calculated from Town water purchase rates (\$5.60 / k-gal)
- Seasonal residents will generally see a lower usage charge based on **actual usage**

Project Delays

Funding Delays

- The Town received initial USDA RD funding package in **September 2019**
- Additional State grants that were needed were delayed an entire year due to 2020 Pandemic
- Co-funding hurdles between State and Federal agencies further delayed progress
- **Several funding rounds** were required to secure necessary funding
- Project was fully funded in **December 2023**
- Ultimately funding delayed engineering design **3 years** from original schedule

Easement Delays

- Legal easements are needed in any location work is to be done on private property
- Easements are needed for the following instances:
 - All water distribution main installed on private property **(77 easements)**
 - All water service laterals installed on private property **(180 easements)**
- Legally, the Town could not complete design and bid the project without at least **all mainline easements secured**
- Ultimately, efforts to prepare and secure all mainline easements resulted in further delays

Bidding Results

Bidding Results

- All requirements to go to bid were satisfied in November 2025
- Entering the bidding phase of the project the service area, user cost, and scope **all remain unchanged** as discussed above
- Due to project delays the construction bids were higher than originally budgeted
- Bids were received from 4 competitive bidders on December 5, 2025

Item Description	Cost
Original Construction Contract Budget	\$6,340,000
Low Bid Received December 5, 2025	\$8,029,320
Project Budget Deficit	(\$1,689,320)

User Cost Impact

- Project deficit can be covered by USDA RD loan (1.875%)
- Covering deficit with loan **increases debt service** by 50%
- This results in user cost increase from **\$873 to \$1,173**
- Increased user charge would be below 2026 NYS Comptroller threshold of **\$1,213**

Increase equates to \$25/month than original estimate

User Cost Breakdown	Original Budget	Updated Budget
Debt Service (fixed fee)	\$600	\$900
Water Usage Charge (varies based on water usage)	\$260	\$260
Short Lived Assets (SLA)	\$13	\$13
Estimated First Year User Charge per 1 EDU	\$873	\$1,173

Next Steps

Steps to Move Forward

- Time is of the essence! The low bidder will not hold their price forever
- The Town **legally cannot proceed** without going back to Public
- Following tonight's meeting, the Town will consider reforming WD7 at \$1,173 subject to either permissive or mandatory referendum
- If the district is reformed at \$1,173 the Town can proceed with construction in 2026
- Potential future user cost of \$1,173 **can be reduced** with future grant awards
- Increased user charge would be below comptroller threshold so no further approval needed

Referendum Town Law

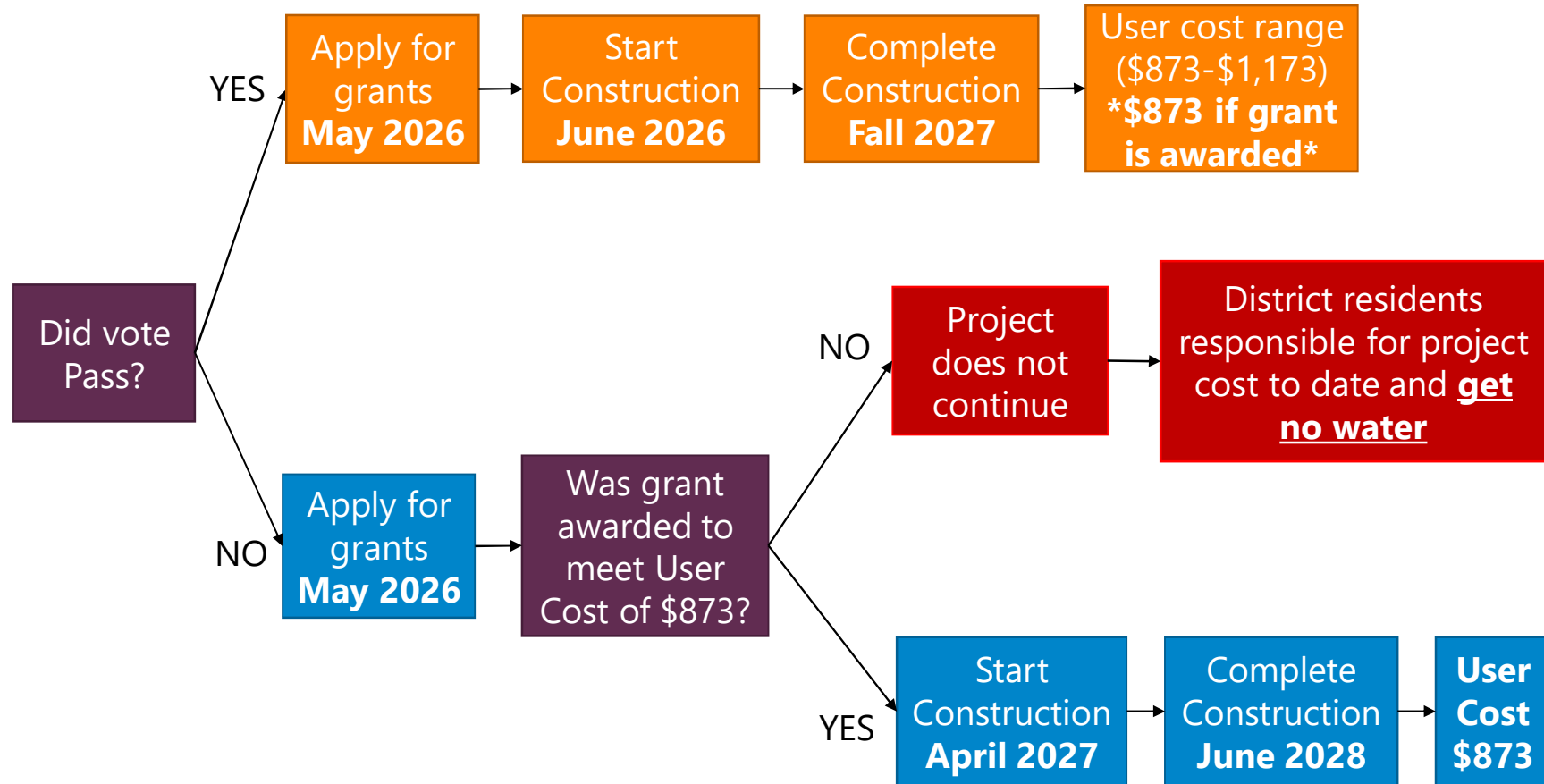
- **Each person** listed on the deed for a parcel gets a referendum vote
- If you are the deeded owner on several parcels within the district **you only get one vote**
- Town Attorney completes deed research for all parcels to prepare eligible voter list
- The above legal requirements are established by **NYS Town Law!**

Additional Grant Funding

- The Town is actively pursuing **additional grants** to offset the \$1.7M overage
- Grant awards would be announced **by the end of 2026**
- Grants can be **retroactively** applied to eligible project costs
- If the district moves forward at a user cost of \$1,173 this spring, and the grant is awarded it can be applied to the project after the fact **to lower user cost!**
- The Town is adamantly pursuing all options to lower the user cost back to the original rate of \$873 or as close to it as possible!

Potential Project Outcomes

Referendum Flowchart



Consequences of not moving forward

- If the district increase is voted down, the **district still exists** at \$873, **it does not go away!** The vote is to allow a user cost increase up to \$1,173
- If the increased user cost is **voted down** the Town will need to await outcome of grant applications before the project can move forward
- Grants are only offered **annually**, so each year grant is not secured the project is delayed another year, and **construction costs go up**
- If the increase is voted down and **grants are not received** with 2026 application, the Town Supervisor will recommend the board **cease further actions**
- If the district is **never constructed**, district users will have to pay back approximately \$1.2M for expenses incurred to date and will not receive water
- Project costs for a referendum vote, loan interest, legal and engineering fees **will continue to grow for next 3-6 months**

Summary and Take-Aways

- The Town has been engaged in **productive conversations** about additional grant
- **Delaying** the project further will continue to **increase construction cost** and the additional grant needed
- If the district increase is voted down, the **district still exists** at \$873, **it does not go away!**
- Increasing the user cost to \$1,173 allows the Town to proceed with construction this year while also pursuing grants to return the cost to \$873

Questions?