

Washington Crossing Estates Q&A

Questions regarding the existing system:

Question: What is the status of the water lines that connect the mains to the individual houses?

- ✓ Individual house services have not been an issue in the past and we do not expect any problems in the future.
- ✓ No upgrades are proposed for the existing source services.
- ✓ Township is responsible for services from the main to the curb stop. Curb stop to the dwelling is the homeowner's responsibility.

Question: What are the locations of the leach fields for homeowner's septic systems?

- ✓ Locations of septic system disposal beds vary.
- ✓ There is at least one bed on each lot.
- ✓ The Health Dept. has records and would have to provide this information to individual homeowners.

Question: Is our water supply at risk from local animal waste contamination?

- ✓ No. The water is tested monthly for bacteria and there have been no issues to date.

Question: How deep are the existing wells?

- ✓ Well No. 2 is 235 feet deep. Well No. 3A is 251 feet deep.

Question: Does service extend to properties on Route 579? Does it extend outside of the water service area?

- ✓ With the exception of one home that is on the north corner of Route 579 and Continental Lane that is within the service area, service does not extend to properties on Route 579 or outside the service area.

Question: Are there any other community wells in Hopewell Township?

- ✓ Yes, there are but they are privately owned. Hopewell Township only owns and operates the community wells at Washington Crossing Park Estates.

Question: Why did you make repairs temporary? Temporary repairs lead to future breaks which incurs more cost, versus making permanent repairs

- ✓ Temporary Repairs are made to limit/reduce disruption to the service and reduce the risk of contamination of the water system due to a loss of pressure in the system. During a temporary repair, pressure in the system is reduced only to a level that permits the repair while at the same time providing enough pressure to prevent backflow from the homes into the public water mains. This eliminates the possibility of cross contamination.

- ✓ When a permanent repair is done it requires that the system be shut down. Once shut down a portion of the existing main is cut and removed. During this shut down water from appliances within the affected homes (hot water heaters, boilers, sinks, etc.) will drain back into the public water mains and can cause cross contamination of the system. When the repair is complete, the affected portion of the system will then need to be decontaminated, flushed and tested. The affected homes will also need to be flushed and tested. During the time of repair and until negative tests results are received, a “Boil Water Advisory” will be issued to the houses affected. There is no water available to the homes during a permanent repair as the system is shut down in the affected area.

Questions regarding upgrades to the system:

Question: Do you have adequate space for a water storage tank?

- ✓ Yes. The location of the existing water plant has the space to accommodate a tank and due to its elevation would be a desirable location.

Question: Can the township mandate connection by all properties in the water service area?

- ✓ Currently the Township does not mandate that all residents in the service area connect to the public water system.
- ✓ An ordinance would be required to make this mandate.

Question: Why are we upgrading a working system?

- ✓ The system is 54 years old and it is experiencing an increasing number of failures.
- ✓ System outages are going to increase.
- ✓ Repairs previously made are temporary and will eventually need to be made permanent.
- ✓ The standard diameter for a water main has increased from 6 inches to 8 inches so while this project is a replacement project the mains would be upgraded to the new standard.

Question: What is the best material for mains to be constructed from (ductile iron/PVC)?
Which product has the longest life? Which is the easier to install?

- ✓ Ductile iron pipe (DIP) will provide the longest service life given the soil conditions that exist and is the industry standard.
- ✓ DIP is currently proven to have a longer service life as polyvinyl chloride (PVC) is a newer material and it has not been tested under long term conditions.
- ✓ Installation methods of DIP and PVC are similar. The only difference is the weight of the pipe with PVC being lighter.
- ✓ Either of these options is acceptable in the industry

Question: Who or what regulation has mandated our water system to be completely upgraded to the highest existing standards and is there a grandfather clause?

- ✓ NJDEP Bureau of Water System Engineering regulates the system under N.J.A.C. 7:10-11.10. There is no current mandate to upgrade the system. NJDEP does not require a permit for water main replacements that are under 3000 feet in length. Any replacement of 3000 feet or more would require a permit and would be subject to all current NJDEP regulations.
- ✓ The entire system is approximately 10,818 feet. The portion of Nathaniel Green that would not be replaced totals 2,618 feet. The remaining 8,200 feet is part of the proposed replacement project.
- ✓ The most significant compliance issue for the system is its required domestic storage capacity. NJDEP requires 25,000 gallons of domestic storage. The system currently has a capacity between 13,000 and 15,000 gallons.
- ✓ It is possible for NJDEP to issue a waiver of this requirement.

Question: How will water be supplied to residents during the shutdown to replace the pipes?

- ✓ Temporary water mains will be installed on the surface of the ground during construction.

Question: How will children safely walk to the school bus stop?

- ✓ Children will be provided with a safe path to all bus stops during construction. All excavation will be protected and covered.

Question: What is the full scope of the water main replacement project (i.e., what streets will be included and in what phase and time frame)? The letter mailed to homeowners included estimates for Areas C & D, but at the information session there were further phases mentioned.

The proposed main replacement project has been broken down into 4 phases as follows:

- ✓ Phase A – Includes main replacement on George Washington Drive and State Park Drive between George Washington Drive and Nathaniel Green Road.
- ✓ Phase B – Includes main replacement on State Park Drive between Grenloch Drive and Nathaniel Green Road. Replacement of the 3” main within the easement to the rear of State Park Drive is also included in this phase.
- ✓ Phase C – Includes main replacement on McKonkey Way and Continental Lane between the newer development and McKonkey Way.
- ✓ Phase D – Includes main replacement on Continental Lane between Route 579 and McKonkey Way, Reigate Way and Grenloch Drive.

Question: Does Phase 1 (C &D) and Phase 2 (A&B) include all phases of this project, reflecting the bottom line cost?

- ✓ The proposed main replacement project includes 2 phases.
 - Phase 1 (C&D) at an estimated cost of \$340,000.00
 - Phase II (A&B) at an estimated cost of \$390,000.00
- ✓ An additional phase would be required to address system storage for firefighting at an estimated cost of \$295,000.00.

Question: When the township dissolves our management and sells to a private company will it then be overseen by the State of NJ Dept. of Utilities?

- ✓ If the system is sold to a private company, it will be regulated and overseen by the Board of Public Utilities or BPU. The BPU oversees all private water companies, and oversees all public utilities that provide water service to more than 1,000 customers N.J.A.C. 14:9-1.2

Questions regarding financing:

Question: What will be the estimated increase in water rates to cover the \$2,000,000 debt?

- ✓ The current annual budget of the water utility approximately \$75,000.
- ✓ The current project consists of three parts totaling \$1,025,000.00. These parts may all be undertaken or only a portion of them.
- ✓ A pro forma debt service schedule that reflects a financing of \$1,000,000 at 4% over 40 years is included at the end of this Q&A.
 - It should be noted that it will be difficult to finance for 40 years in the current market
- ✓ The interest rate may vary depending on the market and perhaps availability of lower cost financing through the New Jersey Infrastructure Bank.
- ✓ Assuming there are 105 users who will repay \$1,000,000 of debt, the annual debt service average is about \$55,000 a year. If you divide that by 105 users, it is approximately \$525 per year per user over 40 years. This example does not consider any alternate means of financing that may be available.

Question: How will bonds be repaid? Will there be a flat fee changed to the home owners? Will replacement be based on consumption of current rate? Is there an estimate of new rate?

- ✓ One option is that the debt service on the bonds will be paid by the ratepayers embedded in the rate.
- ✓ The rate structure could change to provide a base rate that included the appropriate repayment of capital costs per end user.
- ✓ If there was a special assessment instead, then it would be paid by the special assessment in addition to whatever the rates are excluding debt service.
- ✓ The Township would engage the services of a financial advisor to best structure the repayment of the debt over the life of the issue.

- ✓ A new rate structure will be developed with the assistance of a Financial Advisor. This structure will take into consideration the cost of the project and any offsetting funds that are available.

Question: Since we have to incur the debt do we get the right to vote?

- ✓ The Township Committee votes on all debt issuances.

Question: Are you going to use the escrow to reduce the bond amount?

- ✓ The Water Utility currently has a surplus balance of \$159K and an additional \$72K in funding in the Water Utility Capital fund.
- ✓ These funds can be used in whole or in part to offset the improvements
- ✓ Caution must be used to ensure the continued operation of the system so it would be wise to reserve some of these funds for unforeseen expenses: ie. meter replacements, collection shortfalls.

Question: Can these improvements be financed through a special assessment rather than embedded in the rates?

- ✓ The Township can specially assess the costs of these improvements.
- ✓ The assessment is not the actual cost but the “benefit” conferred to the property from the improvement as determined by the Assessor.
- ✓ If the benefit conferred is determined to be less than the cost the difference is made up by the taxpayers of the Township.

Question: What is the process if the Township decides to sell the system? You referenced an “auction” process.

- ✓ NJSA 40:62-1 et seq. sets up the process which requires a public sale to the highest bidder which is then subject to a referendum of the voters in the Township (not just the properties comprising the utility).
- ✓ NJSA 40:62-3.1 provides that the public sale and referendum requirements do not apply if the utility system being sold serves less than 5% of the population of the municipality, in which case the sale could occur through an RFP or a negotiated sale.

Questions regarding fire suppression:

Question: Is it necessary to update our system to comply with the current fire regulations as well as the domestic ones? Who decides this?

- ✓ No because it was never intended to be anything other than a domestic water system.

Question: Can the existing [water] system be used for fire suppression?

- ✓ No, the existing water system was never designed for use in fire suppression.
- ✓ System lacks the volume (Capacity) to provide fire suppression water. Minimum required is 1500 gallons per minute at 20 pounds per square inch for a two-hour duration.

Question: Is the creek along Nathaniel Green an alternate water source for fire suppression?

- ✓ No, the water source is not accessible for fire apparatus to use.

Question: Will local fire companies respond to a fire in our development and how will they work to put out the fire.

- ✓ As with any other fire in the Township, local companies will respond, unless already out on another fire. At that point, mutual aid companies are called from surrounding municipalities. When this situation exists, a mutual aid company is moved to cover Union Fire Company to be in position should another call happen.
- ✓ Any reported smoke or fire in a dwelling will automatically have all three Valley fire companies dispatched on the initial assignment. (Valley All Call) This brings multiple pumper trucks, and the three water tankers in the valley. As soon as a responding officer determines that there could be a need for additional water supply, multiple additional tankers are dispatched from Bucks, Hunterdon, and Somerset Counties.

Question: Since we are the only community, in Hopewell that has a community well, and the tanker comes out to any fire call that comes in, I find it hard to accept that we need to put new lines in since every other property in Hopewell relies on tankers and other water supplies (Pools, creeks)

- ✓ Properly installed and maintained fire hydrants are the preferred water source for fire suppression operations as they provide the needed fire flow to allow for safe and efficient fire suppression operations.
- ✓ In areas of the Township that do not have fire hydrants, the fire companies use a water shuttle operation. (Tankers) This operation is labor intensive and requires time to establish an adequate water supply.
- ✓ Water shuttle operations require at least on tanker fill site supplied by an adequate water source. Examples: ponds, canals, and established draft sites like Janssen's pond. The fill site requires another pumper to fill the tankers.