



2020-2021 Water System Improvements

December 7, 2020

History

- ▶ **2015, Town received a Drinking Water Planning Grant**
 - ▶ Completed mapping and modeling of the water system
 - ▶ Developed summary report and recommendations for improvements
 - ▶ Fire flow capacity
 - ▶ System resiliency
 - ▶ Ability to operate during and after a large storm event
 - ▶ Water quality and capacity
 - ▶ Lead removal in project areas



Recommendations

- ▶ ~~Install Wagoners Water Main Extension (Loop)~~ **Completed**
- ▶ ~~Install New Well~~ **(Completed)** and Construct Treatment Facility **(Under construction)**
- ▶ Build New Storage Facility
- ▶ Replace failing water mains:
 - ▶ **Atlantic Avenue**
 - ▶ **Chestnut Street**
 - ▶ Route 16, **Atlantic Street**, Orchard/Union Streets
- ▶ Improve low flow hydrants - ongoing with improvement projects



Fiscal Year 2021 Project Areas



Atlantic Avenue

Chestnut Street

Atlantic Street



Project Description

- Water main replacement beneath the roadway, to address frequent leaks and breaks due to in-part asbestos cement pipe material and long-term corrosion
- Improve water system distribution hydraulic conditions
- Increase fire flow capacity
- Upgrade dimension of existing water main, as follows:
 - Atlantic Ave - 4" Asbestos and 6" Ductile, upgraded to 10" C900PVC
 - Chestnut Street (Front Street to Coulter) - 6" Ductile upgraded to 8" C900PVC
 - Atlantic Street, portion - 6" Ductile upgraded to 12" C900PVC
- Replacement of services to remove lead corporations from the active service within the project area

Cost Estimates and Affordability

- ▶ Water System Improvements
 - ▶ Estimated cost: \$1,670,000
- ▶ Loan Approval was granted October 2020
 - ▶ 2% interest, 20-year term; **100% principal forgiveness at project completion**
 - ▶ **No fee increases as a result of this construction project**
 - ▶ Interest only payments during construction; paid from Transfer Tax Savings (allowable per Del Code Title 22 Chapter 16)



Town Charter Section 33

- ▶ Referendum required due to “borrowing” project funding, though 100% principal forgiveness upon completion
- ▶ Resolution 2020-021 to schedule a public hearing on the borrowing of \$1,670,000
- ▶ Public hearing legal notice and circular mailing sent November 23, 2020
- ▶ Resolution 2020-020 to schedule the referendum
- ▶ Referendum must occur between 30 and 60 days from the public hearing



Proposed Referendum Schedule

- ▶ Resolution 2020-21 to schedule a public hearing on the borrowing of \$1,670,000
 - ▶ November 2, 2020
- ▶ Public Hearing
 - ▶ December 7, 2020
- ▶ Resolution 2020-020 to schedule the referendum
 - ▶ December 7, 2020
- ▶ Referendum must occur between 30 and 60 days from the public hearing
 - ▶ January 16, 2021



Proposed Project Schedule

- ▶ Advertise Bids
 - ▶ February 2021
- ▶ Open Bids and Award Contracts
 - ▶ April 2021
- ▶ Construction Period
 - ▶ May - September 2021
- ▶ Initiate Operations, and Close project
 - ▶ September - October 2021



Frequently Asked Questions

1. What is the amount of estimated interest payments during construction? **\$16,700 (based on a 6-month period)**
2. How will the Town fund the interest only payments? **Transfer Tax Revenue, per Del Code Title 22, Chapter 16**
3. Will this construction project result in any fee increases for the Town citizens and businesses? **No; the Town's funding approval is interest only payments with 100% principal forgiveness at construction completion.**
4. Will there be an increase in the Debt Service Fee charged quarterly, as a result of this project? **No; project cost is 100% forgiven.**



Questions

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