



Onondaga County Legislature

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WAYS AND MEANS COMMITTEE REVIEW OF THE 2017 TENTATIVE BUDGET ENVIRONMENTAL PROTECTION COMMITTEE DEPARTMENTS - SEPTEMBER 23, 2016 DAVID H. KNAPP, CHAIRMAN

MEMBERS PRESENT: Mr. Jordan, Mrs. Ervin, Ms. Williams, Mr. May

MEMBERS ABSENT: Mr. Kilmartin, Mr. Shepard

ALSO ATTENDING: Chairman McMahon, Mrs. Rapp, Dr. Chase, Mrs. Tassone, Mr. Plochocki and see attached list

Chair Knapp called the meeting to order at 9:35 a.m.

DEPARTMENT OF WATER ENVIRONMENTAL PROTECTION – pg. 5-19: Tom Rhoads, Commissioner; Michael Lannon, Deputy Commissioner; Mary Voss, Administrative Director; Bonnie Karasinski, Fiscal Officer; Nick Capozza, Sewer Maintenance & Inspection Engineer

Mr. Rhoads introduced his team and presented the following:

2017 ANNUAL BUDGET
Ways & Means Committee Report

September 23, 2016

WATER ENVIRONMENT PROTECTION

JOANNE M. MAHONEY, COUNTY EXECUTIVE
TOM RHOADS, P.E., COMMISSIONER







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Operating Accounts
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Section 4:
Flood Control Budget



- Unique department - Consolidated Sanitary District, separate and distinct entity, complex department with many different things going on



ONONDAGA COUNTY DEPARTMENT OF WATER ENVIRONMENT PROTECTION

MISSION

To protect and improve the water environment of Onondaga County in a cost-effective manner ensuring the health and sustainability of our community and economy.

SECTION I: 2016 – YEAR IN REVIEW



Three Main Points of Today's Presentation

1. **Save The Rain** is communicating the benefits of using green, innovative, and sustainable solutions to manage stormwater and reclaim our resources.



Save the Rain

Onondaga Lake Fest 2016



KEY POINTS FOR THIS PRESENTATION



- Mission taken very seriously, underscored public sewer systems essential for economic development
- Save the Rain program started to keep rainwater out of the sewer systems in ACJ area, now evolved to entire sanitary district to keep clean water out of the sewers

Three Main Points of Today's Presentation

Save the Rain expanded its message with the Connect the Drops campaign launched on Earth Day 2016.



"connects" the relationship between disposing of trash and keeping our waters clean.

CONNECT the DROPS

Rain-activated sidewalk art
Syracuse OnCenter



KEY POINTS FOR THIS PRESENTATION



Save The Rain – Building Community Awareness

Clean Water Fair 2015



Save the Rain



KEY POINTS FOR THIS PRESENTATION

- 98% of detritus in waterbodies is associated with litter, almost all is street litter carried by rainwater
- Community awareness essential to make outreach happen

Save The Rain – Building Community Awareness



Save the Rain outreach program extended to include Earth Day celebrations and the Honeywell Summer Science Camp. Save the Rain builds community.

Save the Rain



KEY POINTS FOR THIS PRESENTATION



Infrastructure Matters!

2. **Infrastructure really does matter!** What value do you place on health and safety? Sewer systems were initially developed in response to disease outbreaks. Now, they are indicators of healthy, vibrant economies. Investment in these hidden assets will produce long-lasting noticeable benefits.



Water Street Gateway



Rosamond Gifford Zoo

KEY POINTS FOR THIS PRESENTATION



Infrastructure Matters!



Investment in infrastructure = Investment in the community.



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KEY POINTS FOR THIS PRESENTATION

Asset Renewal - Can we afford not to invest?

3. **Asset Renewal:** Can we afford not to invest in infrastructure of this magnitude?

Westside
Force Main



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KEY POINTS FOR THIS PRESENTATION

- Save the Rain program expanded to suburbs
- Vast system of ageing assets

Asset Renewal - Can we afford not to invest?

Brewerton WPCP Asset Renewal



- Aeration System Upgrades
- Electrical/HVAC system upgrades
- Site surveillance & security
- Odor control
- Raw sewage pumping improvements
- Design: Fall 2016/Construction to begin 2018
- Est. cost: \$8.9 million



Brewerton WPCP and Ford Pinto 3 door hatchback - both built in 1974. Ford could not continue to operate with 1974 technology...can our economy?



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KEY POINTS FOR THIS PRESENTATION

- Seeking continued investments; difficult to find parts, consider safety hazards and inefficiencies associated with 1974 technology

Asset Renewal - Can we afford not to invest?

Asset Renewal at Metro



Spending on Infrastructure:

- Generates productivity.
- Augments long-term growth.
- Increases economic activity and tax base Countywide.

Historically, periods of high economic growth have coincided with higher levels of public investment in infrastructure.

Because of the positive effects on productivity and economic growth that wastewater infrastructure rehabilitation creates, we can be comfortable with managing the effects of an additional debt burden in the long run. A solid program of wastewater infrastructure modernization pays for itself in economic activity, energy reduction, extraneous flow reduction, and the tax revenues that result from this wise investment.

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KEY POINTS FOR THIS PRESENTATION

- Lowest interest rates in 3 decades, long life investments, well beyond 20 year bond period

Key 2016 Accomplishments Toward WEP's Strategic Goals

1. Outreach and Communication – Open, effective communications with staff, stakeholders, and the public.

- Launched Connect the Drops litter reduction campaign.
- Received 2016 EPA Environmental Champion Award.
- Clean Water Fair held 9/10/16 at Clinton Storage Facility Trolley Lot.



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2016 KEY ACCOMPLISHMENTS

- Buried infrastructure out of sight and out of mind - outreach and communication critical to success

Key 2016 Accomplishments Toward WEP's Strategic Goals

2. Staff Development – Promote and develop the best team possible.

- Operations staff completed over 28 DEC-approved courses required for wastewater licensing.
- Received \$20,000 NYS DOL grant to provide OSHA safety compliance training.
- Partnered with OCM BOCES to provide on-site training for technical trades.



WATER ENVIRONMENT PROTECTION TEAMWORK



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2016 KEY ACCOMPLISHMENTS

- Large team with complicated assets, many difficult and complicated permit requirements, partner with BOCES to reduce training costs

Key 2016 Accomplishments Toward WEP's Strategic Goals

3. Organizational Excellence – Do it safe, do it right, do it once.

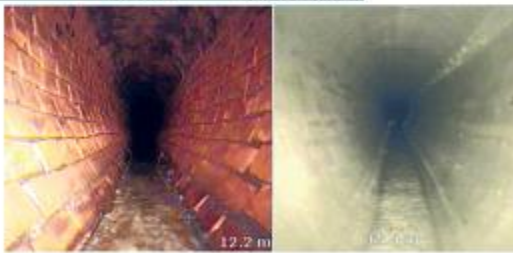
- NACWA Peak Performance Awards for Baldwinsville-Seneca Knolls and Oak Orchard Treatment Plants.
- Established sewer lining work plan – over 5 miles of lining in 2015-16. Original sewers vintage 1895 - 1920s.

Location	Footage	Year
Butternut	1,844	2016
Hillcrest Outfall	130	2016
Emerson Trunk	280	2016
James Burnet	2,700	2016
Saline Trunk	1,572	2016
James Rigi	4,700	2016
Elmhurst	4,200	2016
Seneca Turnpike	1,100	2016
Total 2016:	16,526 ft/ 3.13 miles	

Do it safe!
Do it right!
Do it once!



**25 flow meters
installed to monitor
system capacity**



Before After
No-dig cured-in-place piping



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2016 KEY ACCOMPLISHMENTS

- 1895 -1920 vintage sewers, using nondestructive technology and making good investment
- 600 miles of county-owned sewer, lifecycle 200 years at current rate of 3 miles per year; ask for continued support and understanding of critical need

Key 2016 Accomplishments Toward WEP's Strategic Goals

4. Legacy Planning and Infrastructure Management – Share the information, document the knowledge, plan for the future.

- Completed Brewerton Sewer System Evaluation Survey Report.
- Published white paper, "Infrastructure Asset Management in Action @ WEP", June 2016.
- Identified over 5,600 manholes to add to GPS data collection system.
- Completed NYSERDA Flextech energy evaluation.

Infrastructure Asset Management & Risk Assessment

Risk = (what is the) likelihood of failure X (how severe is) the consequence

Likelihood of failure?



pretty likely!

How severe are the consequences?



pretty severe!



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2016 KEY ACCOMPLISHMENTS

- Vast system, over 40,000 manholes, miles of pipes - asset management works to reduce risk

Key 2016 Accomplishments Toward WEP's Strategic Goals

5. Sustainability and Environmental Initiatives – Reduce and improve for environmental, social, and economic balance.

- The remarkable recovery of Onondaga Lake is now widely recognized in several technical and general publications.
- Recognized by the National Association of Clean Water Agencies for exemplary operations at two of six treatment facilities.



Celebrating our remarkable resource!



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2016 KEY ACCOMPLISHMENTS

Oak Orchard Wastewater Treatment Plant



- Upgrades to HVAC & boiler systems.
- Pump replacement & pipe restoration.
- Complete building rehabilitation.



\$12 million asset renewal project –
Scheduled to be completed in 2017.



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2016 PROJECT PHOTOS

- Huge assets, appreciate support to maintain good permit condition

Metro 002 Bypass Improvements



\$25 million project to maintain and meet new SPDES compliance by April 2017.

- Upgrades to disinfection system
- New tankage
- Improvements to flow monitoring system
- Improvements to chlorination feed system
- Increases to bypass tank volume
- Essential to meeting new fecal coliform limits
- Essential to meeting residual chlorine limits



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2016 PROJECT PHOTOS

- Critical part of phosphorous program and lake restoration – improving chlorination for secondary bypasses and dechlorination of affluent; 2 million gallon tank

Energy Savings - Cogeneration

Energy Savings at Metro: Cogeneration

- Uses anaerobic digester gas to produce electricity & thermal energy (heat)
- Actively redirecting industrial high strength food waste to produce heat & power
- Meets County's renewable energy goals - reduce greenhouse gas emissions



Sustainable use of renewable resources



- Provides availability of 'free' fuel to hedge against volatile utility prices
- Realized savings of approximately \$400,000



ENERGY SAVINGS

- Redirecting bio chemical demand waste (BOD) to Metro, costs money to treat at standard plant, must inject air

Performance Indicators - WEP is the County's Water Cleaning Utility

- Total Wastewater Conveyed and Treated: 31.9 billion gallons
- Compliance of SPDES Permits (all six plants): >99%
- Two NACWA awards for plant performance in 2015



- Number of Permitted Industries: 55
- Industrial User Inspections: 60
- Industrial User Permits Issued: 20



- Samples Collected: 15,600
- Analyses performed: 73,286



2016 OVERVIEW – Dirty Water into Clean Water

- Jail terms associated with violated state permits
- EPA requires industry permits and industrial user inspections
- WEP lab tests industry waste and WEP's affluent, certified to analyses over 100 different items

Performance Indicators (continued)

- Number of Sewer Maintenance House Calls: 3,438
- Number of Pump Station Alarm Responses: 1,086



- Number of Pump Stations Maintained: 154
- Miles of Sewer Maintained: 2,086



- Number of Plumbing Inspections: 6,816



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2016 OVERVIEW - Dirty Water into Clean Water

- House calls serviced 24/7, maintain county-owned and town pump stations, plumbing inspections countywide

Performance Indicators (continued)

- Maintenance Work Orders: 46,295



- Number of Fleet Work Orders: 4,256



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2016 OVERVIEW - Dirty Water into Clean Water

- Cover fleet for all parts of the county except DOT – budget reflects interdepartmentals, many are chargeback billings for fleet and fuel

Performance Indicators (continued)



The National Association of Clean Water Agencies (NACWA) awarded Peak Performance Awards to Brewerton, Oak Orchard, and Wetzel Road in 2014. Baldwinsville-Seneca Knolls and Oak Orchard received awards for 2015. Congratulations teams!



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2016 OVERVIEW - Dirty Water Into Clean Water



SECTION 2: 2017 BUDGET OVERVIEW

VISION

To be a respected leader in wastewater treatment, storm water management, and the protection of our environment using state-of-the-art, innovative technologies and sound scientific principles as our guide.



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Strategic Priorities For 2017

DEPARTMENT GOALS

Outreach & Communication

Open, effective communications with staff, stakeholders, and the public.

- Expand Save the Rain/Connect the Drops messaging for broader visibility in the community.
- Continue work with satellite collection system owners to develop infiltration and inflow reduction goals.
- Inform the community of Onondaga Lake's continuing remarkable recovery.

Staff Development

Promote and develop the best team possible.

- Continue development of employee skills to encourage professional and personal development.
- Promote leadership skills at all levels.
- Emphasis on retooling for new responsibilities to aid in succession planning.

Organizational Excellence

Do it safe, do it right, do it once.

- Begin implementation of Maximo Spatial – WEP's computerized maintenance management system.
- Continue digitization of underground pipes and manholes.
- 2017-2022 CIP

Legacy Planning and Infrastructure Management

Share the information, document the knowledge, plan for the future.

- Focus on "best in class" asset management practices.
- Begin design of Asset Renewal projects at Brewerton & Baldwinsville.

Sustainability and Environmental Initiatives

Reduce and improve for environmental, social, and economic balance

- Continue **Save the Rain** national leadership in CSO abatement.
- Fulfill remaining new SPDES Permit mandates (Metro, Meadowbrook, Baldwinsville, and Oak Orchard).
- Implement system wide ESCO project to reduce energy use.

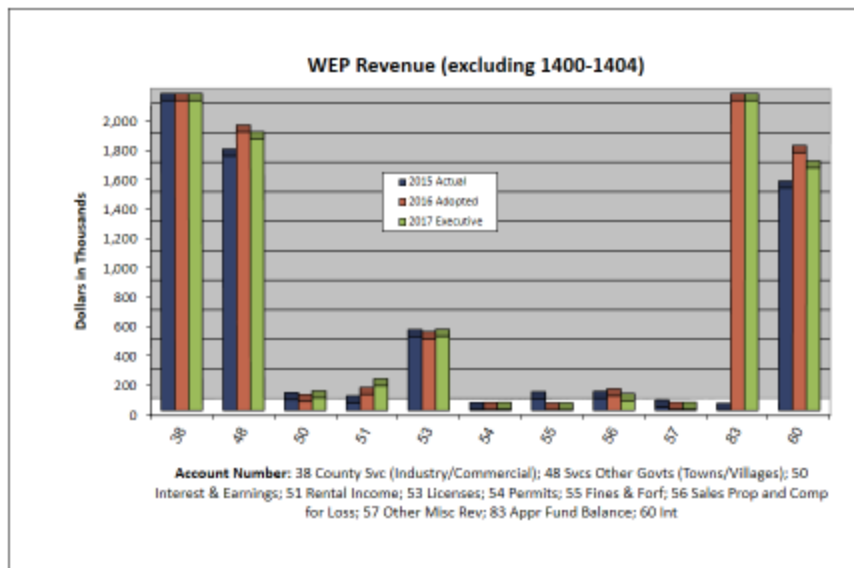
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STRATEGIC PRIORITIES FOR 2017

2017 Revenue Analysis

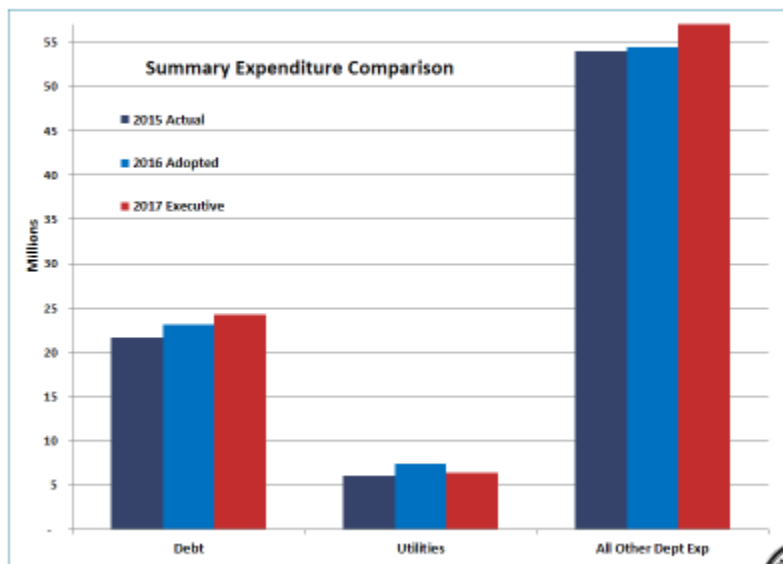
WEP is funded by its Unit Charge and Charges to Users.



2017 OVERVIEW Utility Charges, Not General Fund

- Revenues external to unit charge, appropriating fund balance to balance budget

2017 Expenditures – Debt, Utilities, All Other Expenses

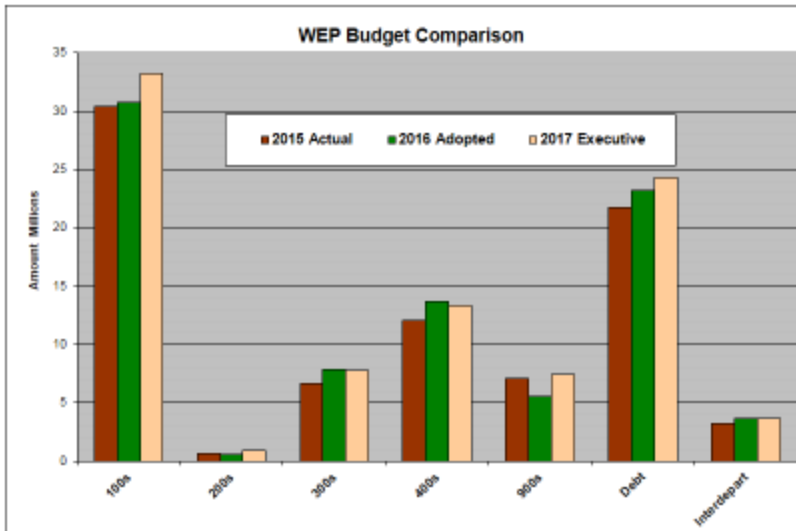


2017 EXPENDITURES – Major Drivers of Flux

- Debt service growth primarily ACJ, some asset renewal, wage increase largest driver of other expenses increase



2017 Expenditures – Budget Comparison



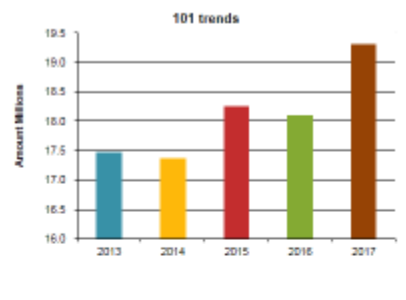
Major Account Descriptions: 101 Salaries, 102 Overtime, 103 Seasonal/Other, 120 Benefits, 205 Auto, 215 Furn/Equip, 300 Fuel & Chem/Supplies, 408 Prof Service, 410 All Other/Biosolids, 413 Utilities/Rent, 960 Provisions for Cap Proj, 972 Transfer to Grant

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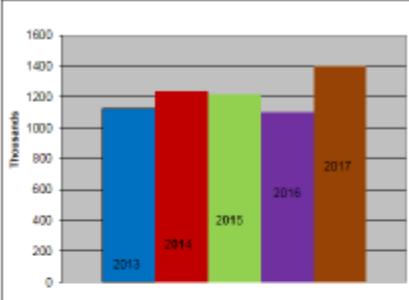


2017 EXPENDITURES – Budget Comparison

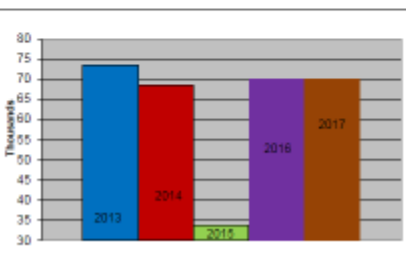
101: Full-time Regular Salaries



102: Overtime



103: Seasonal Employment



102 Notes

We anticipate 102 hours in 2017 to be consistent with 2014 actual; dollars increase as a function of labor rate. 2016 unusually dry and warm.

No hard data at present on how many folks at WEP plan to accept the retirement offer; solid program – too early to tell.

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PERSONNEL - 2017

- 101 increases purely due to two salary increases
- 102 dollar difference due to rate change

205 Account - AutomotiveOperating account:

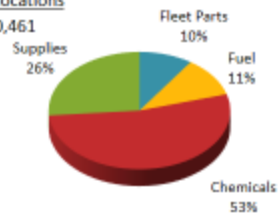
One "packer" truck (screenings)
 One "Aquatech" combination cleaner truck
 One Tanker truck (sludge hauling)
 Three ¾ ton 4X4 pickup trucks

One mower
 One tow motor/fork truck

Total Request: \$824,300

300 Account – Supplies and Materials300 Allocations

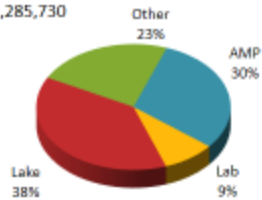
\$7,730,461



- Largest portion of chemical costs are for Metro Phosphorus treatment chemicals to meet ACJ limit of 0.10 mg/l.
- Fuel Costs are always dynamic.
- Chemical prices more stable with current purchase agreements in place.
- Sheriff's fuel use included.

408 Account - Professional Services408 Allocations

\$1,285,730



- AMP Technical consultants used in support of ACJ stipulated work.
- Lake contracts to meet ACJ stipulation work and mandates.
- Metro Treatment Plant Dilution Study mandated in recent permit draft, estimated cost \$200,000 – included in "Other".



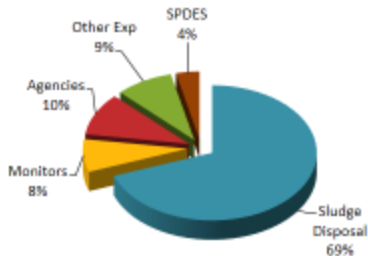
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2017 OPERATING ACCOUNTS

- 205 Account: "Packer" garbage truck, only one in the system, most garbage fleets won't haul the material, too aggressive to their fleet – Number 1 ask last year, cost a lot to keep on the road, well beyond service life; "Aquatic" vacuums and flushes sewer system, required to clean town and village assets – revenue driving equipment, bill for services; tanker hauls sludge from 5 treatment plants to Metro; other assets being replaced are beyond their useful life
- 300 Account: very strict permit limit - 1/10 of the typical due to discharges into the lake; fuel price difficult to forecast
- 408 Account: primary increase associated with Dilution Study; most other work required by ACJ – AMP and outsourced lab work

410 Account - All Other Expenses410 Allocations

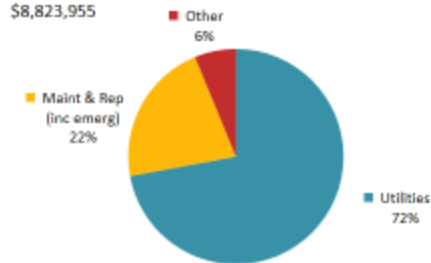
\$3,112,727



- Approximately 36,500 tons of sludge is disposed of yearly.
- Includes NYSDEC & ACJ Monitors, Agencies including CCE, Soil & Water, and stormwater assistance program fee.
- SPDES fees are mandated by NYSDEC.

413 Account Maintenance, Utilities, Rents413 Allocations

\$8,823,955



- Electric quantity down! Continued success in utility conservation efforts.
- Includes allotment for emergency repairs and generator rental.
- Outsourcing of Metro Cogen specialty maintenance.



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2017 OPERATING ACCOUNTS

- Volatile commodities, anticipating cost per kilowatt less than 2014 and anticipate using less, most energy costs due to wet weather, can't control; 2016 below budget energy use due to dry year

Debt Service

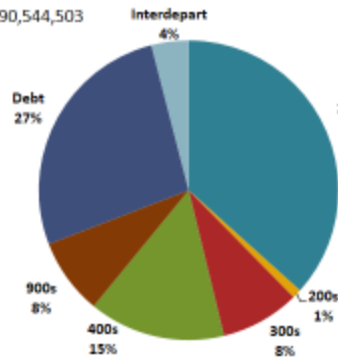
Actual 2014	Adopted 2015	Adopted 2016	Requested 2017
15,951,562	22,100,055	23,151,977	24,303,091

- Partial use of reserves for bonded debt; net debt service for 2017 still up by \$1,151,114 from 2016.
- 2017 net Debt Service = \$24,303,091

Unit Charge

WEP Budget 2017

\$90,544,503



2017 Unit Charge Summary

180,777 Units

Recommended Unit Charge:

\$430.92 per year (well below the National Average.) Increase: \$19.81 from 2016 rate.

WEP's monthly charge for service, as proposed, equates to \$35.91 per month; compares favorably to other utilities such as cell phone, gas, internet, or cable TV.

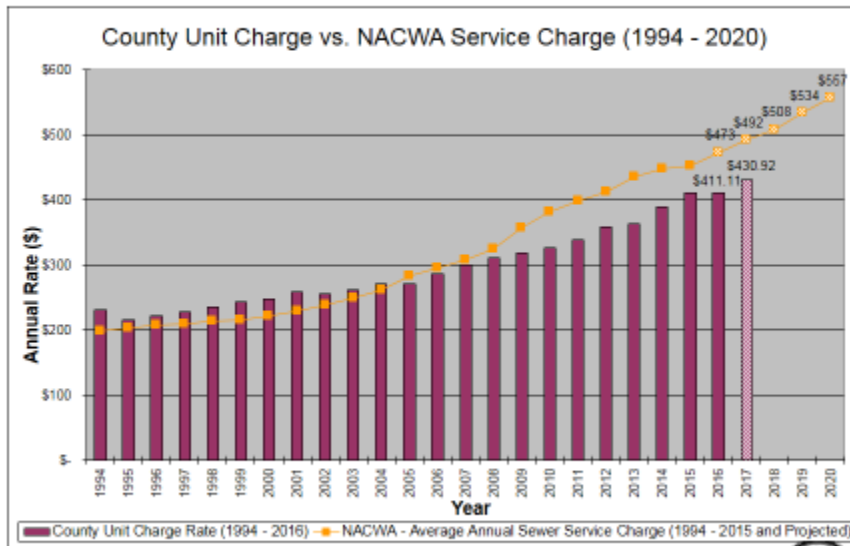


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2017 DEBT SERVICE & UNIT CHARGE

- Debt service growth predominately Clinton and Harbor Brook storage facilities – almost \$100 million dollars worth of assets online
- Unit charge decreased \$.09 in 2016; much better investment than other utilities

NACWA and WEP Sewer Unit Charges



NACWA - the National Association of Clean Water Agencies

<http://www.nacwa.org/>

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UNIT CHARGE COMPARISONS

- Well below national average, 50 largest utilities pay close to \$600 per year with rate based on 60,000 gallons per unit, Onondaga County has 140,000 gallons per unit, Oswego County \$800 per unit
- Doing everything possible to keep unit cost competitive, have unique permits – hope Legislature understands the need for the increase

SECTION 3: 2017 CAPITAL IMPROVEMENT PLAN PROJECTS

2017 960 Cash Provisions for Capital Projects

Project	Budget
Analytical Equipment	\$150,000
Art Flash Compliance	\$350,000
Asset Management	\$100,000
Chemical Tank Replacements	\$250,000
Clarifiers, Weirs, and Sprockets	\$100,000
Concrete Repairs	\$150,000
Confined Space	\$25,000
Door Replacements - POTWs and WWTP's	\$175,000
Fire Alarm and Suppression	\$225,000
Forcemain Air Relief and Cathodic Protection	\$250,000
Henry Clay Facility Improvements	\$130,000
High Voltage and Energy Meters	\$50,000
Holst/Crane Rehabilitation/Replacement	\$200,000
Internet Connectivity	\$175,000
Manhole Repair and Upgrades	\$250,000
MCC and Substation Repair	\$150,000
Meadowbrook-Limestone WWTP Wet Weather Storage Expansion and Collection System Improvements	\$1,000,000
Metro WWTP Miscellaneous Improvements	\$300,000
Metro WWTP Site Improvements	\$300,000
Miscellaneous Engineering Services	\$350,000
Miscellaneous Sewer Rehabilitation	\$450,000
Pump Station Header Rehabilitation	\$85,000
Replacement Pumps & Controls	\$400,000
Roofing/Paving/Lightning Protection/Fencing	\$300,000
Safety Projects	\$10,000
SCADA (supervisor control and data acquisition)	\$400,000
Site and IT Security	\$275,000
Trunk Sewers and Forcemain Repairs	\$500,000
VFD Project	\$150,000



2017 Bonded Capital Improvement Program

Project	Total
Baldwinsville Disinfection Upgrades	1,800,000
Phosphorous Optimization	21,355,000
MBL Disinfection & Clarifiers	11,725,000
Oak Orchard Secondary Clarifiers	950,000
Camillus Forcemain Replacement, Phase 1	2,000,000
Total:	\$37,830,000

First three bonded projects are required by permit or regulatory judgment.

Oak Orchard and Camillus Forcemain projects are to rehabilitate/replace aging assets.



- EPA requesting information on Meadowbrook-Limestone extraneous flow, want to develop response plan to include additional wet weather storage and tightening parts of the collection system - \$1 million dollars; most other requests are annual
- Phosphorous optimization required by ACJ, Meadowbrook-Limestone disinfection required by permit

Drainage Districts – Capital Improvements

- Special real property taxing districts
- Manage drainage of stormwater in areas prone to flooding

Harbor Brook Drainage District
Culvert Rehabilitation



- Restore 6,500 feet of deteriorated portion of culvert wall and related assets
- 4 year phased in approach
- Estimated cost: \$800,000
- Initial ask: \$200,000

Bear Trap - Ley Creek
N. Midler Culvert Rehabilitation



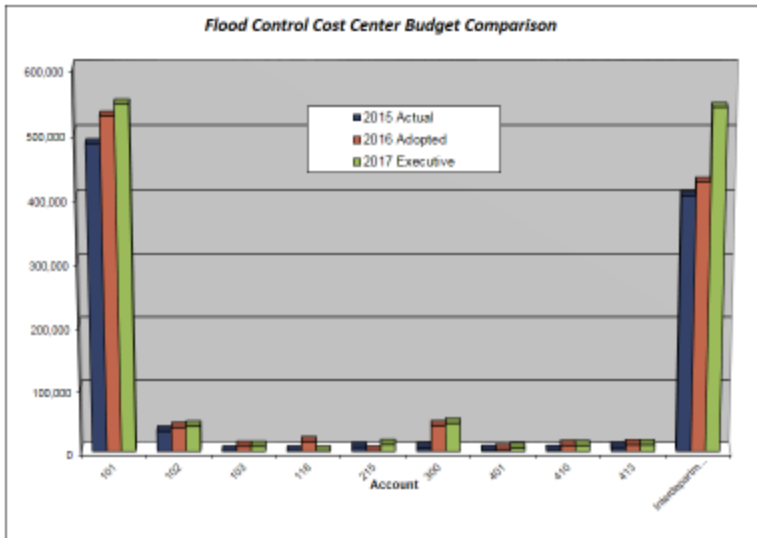
- Rehabilitate a portion of deteriorated concrete box culvert
- Previous cause of roadway failure
- Estimated cost: \$130,000

SECTION 4: 2017 FLOOD CONTROL BUDGET (Drainage Districts)



- Harbor Brook over 90 years old; Bear Trap-Ley Creek culvert collapsed

Flood Control Expenditures - 2017



The tax levy for Bear Trap/Ley Creek, Bloody Brook, Harbor Brook, and Meadowbrook drainage districts will remain the same.

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FLOOD CONTROL BUDGET

- Management and Budget team utilized reserves to keep tax levy flat; 101 increase associated with collective bargaining unit agreements

Three Main Points of Today's Presentation

- 1. Save The Rain** - With the addition of the Connect the Drops campaign, Save the Rain is increasing awareness to the benefits and sustainability of green infrastructure.
- 2. Investment in infrastructure** is a acute factor in the community's ability to prosper and grow. Investing today will impact the area economy now and long into the future.
- 3. Asset Renewal:** Can we afford not to invest in critical infrastructure of this magnitude? Wastewater infrastructure modernization pays for itself in economic activity, energy reduction, extraneous flow reduction, and the tax revenues that result from this wise investment.

Factoid: every time you turn the faucet on, you are creating wastewater. Let's try to conserve water and Save the Rain.



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THANK YOU FOR YOUR CONSIDERATION AND SUPPORT

- Over 40% of treated water is extraneous flow – need help increasing awareness for extraneous flow removal and litter
- Infrastructure investments critical for economy well into the future

Mr. Jordan:

- Asked where the permit limit increase for Oak Orchard stands

Mr. Rhoads:

- Made engineering investments to increase BOD permit limits, approved by DEC in 2016, must continue to meet all permit limits with aging facility, making investments to continue to be able to do so; 3,000 additional pounds of BOD approved

Mr. Jordan:

- Questioned what transfer to grants pertains to

Mr. Rhoads:

- Predominantly Connect the Drops program; ACJ requires floatable control program, using innovative source control approach, many communities use net bagging approach, typically cost between \$6 and \$30 million dollars - giant facilities capture litter at end of pipe
- Some net bagging in current system, source control more sustainable and cost effective; end of pipe treatment capital and resource intensive

Mr. Jordan:

- Asked how they address it at the source

Mr. Rhoads:

- Transfer to grant investment relates to the public education portion of the program
- Other things such as catch basin filter inserts capture litter at the source, litter doesn't go into the system when it's not raining, or cause blockage throughout the system or in treatment, skimmer boat operates at the harbor and lake, currently using catch basin hoods to rehabilitate City catch basins, litter stays in a box and is cleaned out, rather than entering receiving waters

Mr. Jordan:

- Asked for information on various revenue lines

Mr. Rhoads:

- A590038 – industrial waste surcharges, Honeywell discharges and waste haulers community septic
- A590039 – sewer use charge
- A590048 - funds received from towns, villages and the city – bill back for cleaning and maintenance
- A590051 – small rental income from cell towers at Metro and trolley lot parking – asset built with sanitary revenue, net revenues come back to the sanitary district

Mr. Jordan:

- Asked if Metro used all gas produced or had opportunity to sell excess

Mr. Rhoads:

- Still a net buyer of electricity; approved ESCO project – energy savings to pay for cost of delivery and debt for the projects, will enhance energy recovery at Metro
- Cogeneration expensive asset, haven't been able to make the numbers work to buy another one, still looking at it

Chair Knapp:

- Asked about ESCO project guarantee

Mr. Rhoads:

- Contractor guarantees projects will pay for themselves over the term, slightly over 15 years based on 2014 energy prices, typically 20 year borrowings, will be money ahead once complete

Chair Knapp:

- Asked if any had been implemented

Mr. Rhoads:

- In procurement phase, 2-years before they start to see delivery on some of the projects

Mr. Jordan:

- Asked about pretreatment of effluent for Pepsi plant in Cicero

Mr. Rhoads:

- County doesn't have program that pays for or requires pretreatment of large entities, referenced cogeneration slide (**see page 8**); actively working to redirect industrial high strength waste, i.e. bottling company, dairy and yogurt industry trucking waste to Metro
- Keep cost of delivery low to be attractive, saves need for expenditures at Oak Orchard and Baldwinsville – product digested at Metro and creates energy, fortunate to have 1965 anaerobic digesters, a critical part of this opportunity to create energy from waste

Mr. Jordan:

- Asked if physical capacity was increasing with infrastructure improvements

Mr. Rhoads:

- None of the capital improvements at the treatment plants themselves are capitalized toward increasing the permitted capacity of the plants - permits more intense, previously used chlorine, now required to dechlorinate or in some cases change process to ultraviolet light
- Many asset management programs are to maintain assets, capital programs at the satellite treatment plants are about meeting new SPDES requirements
- Removing extraneous flow restores capacity of the sewer conveyance pipes; due to dry year seeing 1/10th of the flow from a wet year, treatment plants have much capacity if extraneous flow is removed – mainly function of town, village and city sewers that are literally falling apart; restoring pipes keeps clean groundwater out and restores the capacity of the system

Mr. Jordan:

- Asked why they were seeking to add 12 staff positions

Mr. Voss:

- Want to add 2nd shift flow control to start doing scheduled maintenance in nonresidential areas from 3-11 or 4-12, not tying up traffic and using heavy equipment during the day, better to be proactive than reactive; adding 1 Sewer Maintenance Crew Leader, 2 Sewer Maintenance Worker 2's, 1 Pump Station Maintenance Worker 2, 2 Sewer Maintenance Worker 1's and 1 Pump Station Maintenance Worker 1, likely move 2 electricians to 2nd shift also

Mr. Jordan:

- Asked if the maintenance was currently being done during the day

Mr. Voss:

- Currently done during the day and on an emergency basis; emergencies not as bad this year, due to less weather
- 102 line barely above where they should be despite the dry year - \$766,000 out of \$1.1 million gone, still have 8 pay periods remaining

Mr. Jordan:

- Asked if staff could be moved from 1st to 2nd shift

Mr. Voss:

- No

Mr. Capozza:

- Trying to limit requirement for additional vehicles to fleet, very expensive, want to operate 16 hours per day, some very large cleaning projects, approximately 1,000+ yards of material per year, staff intensive, adding evening capacity to keep expensive pieces of equipment operating

Mr. Rhoads:

- Aquatech vehicle expensive, adding 2nd shift allows for better hardware utility
- Towns and villages continue to expand their network, more sewer miles to clean - need to add more equipment or another shift

Mr. Voss:

- Also adding, 1 Crew Leader for Metro maintenance division secondary treatment area, have been without leader for 6 years, trying to replace
- 4 WWTP Helper I/E's – training title for instrumentation electrical division, difficult time finding electricians, hired everyone existing in County government from DOT or Facilities, need to be able to train their own electricians, highly skilled technical people that need both computer and electrical backgrounds
- Had good partnership with ITT Tech for 6 months, hired 3 people; ITT Tech closed by federal government
- Title allows opportunity for current labor with aptitude for electrical and computer work to be trained before advancing to journeyman; need to grow their own talent

Mr. Jordan:

- Asked of OCC had any

Mr. Voss:

- OCC program is more technology based, also worked with BOCES; ITT had combination electrical technology program, nice fit with enough field practical hours to get graduates in

- OCC and BOCES graduates need field experience before coming to WEP, title allows opportunity to reach those graduates and provide field experience so they can qualify for the next move up
- Current entry level title is Worker Grade 7, equates to journeyman electrician, rate pales in comparison to what a journeyman can make working for a homebuilder; has been a struggle for 8 years, exhausted every avenue, other than growing their own

Chairman McMahon:

- Asked if there was money behind all 12 creations

Mr. Voss:

- Yes – proposing money behind all

Chairman McMahon:

- Thanked Mr. Rhoads for the presentation – great job
- Mr. Rhoads accurately stated sewer systems drives economic development, to be consistent with those remarked, should be looking to upgrade capacity whenever possible with multimillion dollar projects, maintaining existing infrastructure allows no room for growth, need to grow or will be pricing residents out of the community overall; already have highest property taxes in the country and state, capacity needs to be engineered in whenever possible
- Asked about year to date numbers for overall budget and if fund balance would be used

Mr. Rhoads:

- Anticipate using fund balance in 2016, less than budgeted as overtime, energy consumption and fuel prices are down

Chairman McMahon:

- Approved up to \$8.2 million in 2016, used zero in 2015; asked how much will be used in 2016

Mr. Morgan:

- Clarified adopted budget was \$5.4 million, additional fund balance appropriated during the year for a specific project, actually asking to use more fund balance in this budget
- Will use all appropriated fund balance, except \$800,000, based on most recent projections

Chairman McMahon:

- Fuel budgeted at \$2.37 per gallon, asked what they buy it for now and how much is used per year

Mr. Rhoads:

- Averaging \$1.43 per gallon for unleaded, 390,000 gallons including interdepartmental fuel

Chairman McMahon:

- Asked if figure includes DOT

Mr. Rhoads:

- DOT does not typically fuel with them, anyone with a fuel card can fuel – mostly Sheriff

Chairman McMahon:

- Asked for confirmation that packer truck was No. 1 on their wish list

Mr. Rhoads:

- Yes – No. 1 last year as well

Mr. Voss:

- Really a need, not a wish

Chairman McMahon:

- Propose adding 12 positions, salary savings comes off that, resulting in net increase of \$1.2 million dollars

Mr. Morgan:

- Actually 14 positions - two positions being funded that are currently unfunded, proposing unfunding 4 positions, net 10 positions; salary savings \$250,000, also includes raises and steps – many pluses and minuses

Chairman McMahon:

- Asked if the retirement incentive dropped down to WEP's budget

Mr. Morgan:

- Yes – to be clear, did not factor in any potential retirees into this budget, only throughout funds supported by the general fund
- No increased salary savings factored into WEP or water; WEP funded with sewer unit charge

Mr. Voss:

- No way to tell how many will retire, he is usually the last to know, big secret

Mr. May:

- Thanked WEP for the good presentation noting the strategic properties slide (**see page 10**) was excellent at putting the numbers into prospective with their priorities – very well done
- **Asked the total cost of the ACJ and the County's portion, at this point, within a few million dollars**

Mr. Rhoads:

- ACJ started before his time, in 1998 – round number probably \$600 million dollars total, **will get back with the local number**
- County very aggressive at getting grants, Congressman Walsh was very good to the program, currently enjoying grant programming for green infrastructure projects, federal government moved away from grant model to low interest loan as national needs are so great

Mr. May:

- Knows they are working very hard on this, getting at how much debt service is being carried for this since the beginning of time; if they can get that number it would be fantastic

Mr. May:

- Asked if revenue would be associated with the 2nd shift positions and the percentage

Mr. Capozza:

- Hard to characterize, only bill revenue when working on town and village infrastructure; trying to transition from reactive to proactive to keep facilities from failing; 2nd shift implemented 3-4 years ago

Mr. Voss:

- Small crew, swing shift used to avoid having to call people in for emergencies at night

Mr. Capozza:

- System growing 7-10 miles per year, now have pump stations popping up all over
- Based on scheduling would likely be 50/50 split, some recovery of cost, if doing emergency response in towns and villages to reestablish sewer flow, helpful to perform cleaning then, rather than remobilizing in the morning, would allow focus on projects, often kicked down the road due to emergencies – night blockages are then cleaned the next day, replaces their scheduled task and fall behind continually
- This year great due to dry weather, can't bank on that

Mr. Rhoads:

- Revenues for town, village and city bill backs on 2-year delay, 2016 work billed in 2017 and payable in 2018, won't see direct response to 2017 work in 217 revenue

Mr. May:

- Asked why the delay

Mr. Rhoads:

- Many municipalities need the actual number to bill their town district

Mr. May:

- We're floating costs for towns and villages until they bill for it – pretty nice service, good deal; 50% of the 2nd shift would be covered by some kind of offsetting revenue sometime off in the horizon

Mr. May:

- Asked for more detail on the revenue generated by the packer, aquatech and tanker trucks, large ticket items
- Asked the percentage of cost and return on investment – starts with percentage of work for WEP's own infrastructure

Mr. Rhoads:

- Anticipate billing \$1.73 million to towns and village in 2017

Mr. Capozza:

- Aquatech cost about \$360,000 and \$380,000

Mr. Rhoads:

- Will get more out of it by not having to invest in more equipment and using a 2nd shift; looking to replace a 1997 combination cleaner, get a number of years out of them; can run the business case a little more to answer the question, believe keeping assets on the road more often helps recover costs faster - the more its used the better the investment

Mr. May:

- That's good enough – thank you

Chairman McMahon:

- Asked if the trolley lot revenue was \$58,000, the amount of increase

Mr. Morgan:

- Believes the number is more than \$58,000, in the process of getting that number as well as the Facilities number for him

Mr. Plochocki:

- As Environmental Protection Committee chair, often received calls from people critical of lake clean up noting litter was floating on the lake, especially near Onondaga Creek and asked who was cleaning the surface - explained county had skimmer boats but was still getting complaints
- About 1 year ago complaints drastically dropped off to the point of not receiving any – not surprised as he toured the new Clinton storage facility where all kinds of garbage is caught in grates before water then goes through the rest of the process, the bottom of the massive storage facility looks like a garbage dump, the amount is unbelievable and that doesn't count all the stuff caught in the grates – amazing to see the amount of garbage carried by stormwater that would have been going directly into Onondaga Creek and lake
- Asked Mr. Rhoads to confirm that even skimmer boats are collecting less

Mr. Rhoads:

- Continue to collect less from the harbor area because of source control; now able to use contract for some peripheries of the lake where there are legacy materials from 20 years ago

Mr. Plochocki:

- Solid antidotal evidence that big strides have been made with floatable control and are being noticed
- Asked if projects reducing infiltration and inflow (I & I) actually increase de facto capacity, killing two birds with one stone

Mr. Rhoads:

- Precisely the point he hopes everyone understands, i.e. Westside pump station upgrade increasing flow capacity from 30 million gallons to 42 million gallons, 6 million gallons typical for dry weather flow – additional 36 million gallons of capacity needed just for extraneous flow
- Almost all treatment and pump station assets constrained are constrained by extraneous flow

Mr. Plochocki:

- I & I factored into the amount of capacity a pump station can handle, if I & I were reduced there could be increased development

Mr. Rhoads:

- If pipes are filled with extraneous flow there is no room for growth, if flow is taken out of the pipes they can continue to grow

Mr. Plochocki:

- Following up on the fund balance issue - \$800,000 remaining for 2016

Mr. Rhoads:

- Conservative estimate - using \$800,000 less than budgeted

Mr. Plochocki:

- Asked if the amount of fund balance proposed for 2017 was less than 2016

Mr. Morgan:

- Yes

Mr. Plochocki:

- Asked if it would be prudent for the Legislature to allocated more fund balance in the name of lower sewer rates

Mr. Rhoads:

- Using much fund balance now, budget as modified includes additional \$3 million dollar transfer, projecting fund balance will continue to decrease, in 6 to 7 years there will be no fund balance, believes the citizenry is more comfortable with a steady even projection, sudden spike in rate creates the most turmoil; other utilities, i.e. cable TV increases 7% per year, like it or not
- Most all utilities recommend a slow and steady increase rather than using up all reserves and then having a 20% rate increase

Mr. Morgan:

- Mr. Rhoads absolutely correct; modeled this out for years to include the debt service that will come on for infrastructure projects and lake cleanup, along with regular operating cost increases - using steady use of fund balance as well as increase in rate to avoid rate shock
- At one point County Executive said they were looking at 25% over 5 years, haven't reached that, came close, a goal they are still reaching for

Mr. Rhoads:

- Paraphrased - Dr. Chase is concerned that even though there is a County system the City of Syracuse residents might not enjoy the benefit

Dr. Chase:

- Not to the same degree as the areas around the city, even though they contribute at the same rate as everyone else

Mr. Rhoads:

- \$600,000 million dollars of ACJ investment was all within the City of Syracuse, ongoing work at Metro is serving the city, Save the Rain projects going on now at South Avenue and Mitchell improves the city, green infrastructure project on State Street now will benefit many different neighborhoods, actively working on green street project at Lancaster Avenue for fall construction, doing project in 061, recently completed 063 project in the northwestern area of the city
- Trolley lot could have been regional treatment facility in Armory Square, parking lot was falling apart, restored to remarkable asset for water quality and created one of the best above ground parking facilities in the city
- Two sides to every coin, but the City of Syracuse has seen a number of very beneficial projects; in scarce resource environment everyone would like to see more in their area, continue to make a number of very significant investments within the city

Dr. Chase:

- It is hard to answer people who have sewage flowing in their basement, that the trolley lot has now been fixed up

Mr. Rhoads:

- Some of the more significant problems observed in the city sewer system are related to the city sewers - County only responsible for the main highways, i.e. State responsible for Route 81 and Route 690, if small connector street wasn't being plowed by the Syracuse DPW, wouldn't blame that on the state
- The city has a sanitary sewer fee, just as all the towns and villages do, each is responsible for maintenance and responsibilities; bill back town and villages for work done on their sewer, city has its own DPW responsible for their own maintenance, County does small amount of emergency maintenance for the city - if blockages in the city cause backups, it is the city responsibility

Mr. Jordan:

- Asked how the packer truck was constructed, if caustic would want plastic instead of metal tank

Mr. Rhoads:

- Corrosion is one issue, the other is abrasive grit materials, packer pushes trash into the truck, each time it moves with glass or grit it will erode the bottom of the truck, plastic not ideal as inner body component, grit would erode it away; can't get a stainless steel packer truck

Chair Knapp:

- Digester was built in the 1960's

Mr. Rhoads:

- 1965

Chair Knapp:

- Even older than the Pinto; asked about capacity

Mr. Rhoads:

- Digesters have some capacity – Metro campus strongpoint of the system, largest treatment plant and has an abundance of capacity, the most capacity to treat high strength waste and handle flow
- Best efforts are to find ways to push economic development in the Metro service area, part of the Ley Creek and Salina service areas – many of the old industrial campuses, i.e. Carrier, New Venture Gear, Bristol Meyers Squibb
- Changes in legacy industries has created opportunities for restoration of economy, now have capacity remaining in main mother ship campus; satellite plants smaller with original design primarily for residential, becomes problematic when industry is added
- Looking to add additional capacity to store digester gas as gas volumes and energy demands fluctuate, one project in the long-term CIP

Chair Knapp:

- Asked for thoughts on use of meters to more accurately bill for what is generated or coordinating with OCWA to see what is going in and use an equation to determine typical outcome

Mr. Rhoads:

- Water meters are expensive, home meters are not his bailiwick and clean water is different than the water they manage in that the meters require a lot more service, typically not done at a household level; most sanitary sewer rates are built around water use
- In the sanitary district itself not all parts have a public water supply, rate base built around designated volume, many households have seen water use decrease; may be able to discuss in the future – right now metering doesn't seem to make sense

Chair Knapp:

- Asked the Save the Rain budget for this year

Mr. Rhoads:

- Save the Rain Connect the Drops public education budget is \$185,000, actual work is coming out of 4 active capital budgets for CSO abatement, not out of this operating budget

Chair Knapp:

- Asked if there was a number for this year

Mr. Rhoads:

- Only thing they are doing now is reducing the Midland budget and increasing the Harbor Brook budget by an equal amount

Chair Knapp:

- Asked if there was any way to measure the extraneous flow for this dry year

Mr. Rhoads:

- Will try to get something together comparing a wet month; not done with 2016 but have seen record low flows at Metro, some overnight flows at the relationship of 20 million gallons per day, average daily basis is 66 to 67 million of late – a lot of extraneous flow

Chair Knapp:

- Asked current fees for proposed increases included in local law as part of the budget

Mr. Rhoads:

- Groundwater permit \$185, masonry fee \$150, asbestos permit \$100, industrial user permit \$250 and SIU \$400; fees established in the 1990's or older; cost more than \$150 to turn a masonry permit around, not asking for a lot and not a huge part of their budget, persons should be responsible for those costs, rightsizing fees

- Waste hauler fee, annual license, going from \$25 to \$50 per year – not sure it was included in local law; shouldn't be losing money on transactions to manage one-time use things

Chair Knapp:

- Asked if the waste hauler was independent

Mr. Rhoads:

- Septic hauler, pays per gallon, also has to be issued a permit

Chair Knapp:

- Similar to an OCRRA permit

Mr. Rhoads:

- Yes

Mrs. Ervin:

- Other departments cutting back, adding 10 people doesn't vote well, asked for clarification as to why some of the day shift couldn't move to the night shift

Mr. Rhoads:

- Several fundamental discussions, equipment pieces are expensive, will get better return on investment by using jet and vacuum equipment additional hours per day, also able to perform more work, continue to see growth in town and village sewers they serve, also much time spent on maintenance of traffic when maintenance work is done during the day, better to complete in the evening in industrial areas where people aren't sleeping - more productive and better economy for 2nd shift

Mrs. Ervin:

- Asked why people currently doing the work during the day couldn't work at night going forward

Mr. Voss:

- Backed up, have enough scheduled maintenance for both shifts, night industrial work will help keep their head above water

Mr. Rhoads:

- Need to add another shift, best to add a night shift that doesn't need additional capital resources to support it – more economical with less capital investment

Mrs. Ervin:

- Not sold, let's move on

Mrs. Ervin:

- EOC and many other build to work programs are out there, asked if they worked with anyone beside ITT to find people they could train as electricians, rather than hiring and training

Mr. Voss:

- BOCES and OCC are two resources looked into - complicated because of civil service, must already be county employee to work at WEP or have enough of a track record through the IBEW or another union to qualify at the journeyman level
- Don't currently have entry level title, asking for the titles so they will have the ability to find people through places like EOC, get them the 2 years of experience needed to be a journeyman and promote from within

Mr. Rhoads:

- Asking for creation of titles to accommodate what Ms. Ervin is asking

Mrs. Ervin:

- Still not sold, but thank you

Chair Knapp:

- Thanked Mr. Rhoads for his time

METROPOLITAN WATER BOARD – pg. 5-52: I. Holly Rosenthal, Executive Director; William Fisher, Deputy County Executive

Chair Knapp apologized for having to leave the meeting and noted that Mr. Jordan would chair the meeting until he returned.

Mr. Fisher:

- Budget would change dramatically if transfer of personnel and operations is authorized from MWB to OCWA
- Ms. Rosenthal will present accomplishments for last year and provide an update on mission and goals, Mr. Fisher will describe the budget

Ms. Rosenthal presented the following:

Good morning,

As it has been each and everytime over the past seven budgets, it is an honor and a privilege and an absolute pleasure to appear before you, the dedicated leaders of our community. I have been humbled by the trust and respect you have given me in the stewardship of our region's water system over these years, and as Mr. Plochocki has noted, I have been forthright in outlining what I believe to be the best and most responsible course. Our Country is on the verge of a public water crisis with the potential to lose public trust at best and to cause harm at worst. It is now common knowledge that sound management and critical investment in our complex drinking water systems is essential and long overdue.



- Nearly limitless and high-quality water supply MWB has access to for the community – county blessed everyday with respect to abundance and quality of water



- People around the world aren't as fortunate, pictures represent examples of water crisis and shortages experienced around the world, lower right corner largest water supply for China



- Closer to home, Hoosick Falls experienced their own water quality tragedy; image of tap water and infrastructure from Flint, MI, sobering to note what has happened in the course of the last year in a country so rich and advanced
- Image on right from Albany - SUV fell into sink hole from water main break

“Our energies have to be focused on not betraying the public in the first place.”

-Marc Edwards

“Flint’s Water Crisis and the ‘Troublemaker’ Scientist” *The New York Times Magazine*, August 16, 2016



FLINT MICHIGAN

Winner
Local Water Taste Contest - Third Year Running
Regional Water Contest - Second Place



WINNING TEAM

- Commend the Legislature and the County Executive for making sure MWB is not betraying the public, but there is much more to be done
- Example of award winning water on tables, hope to use it to toast continuing to do the right things for the system as they move forward

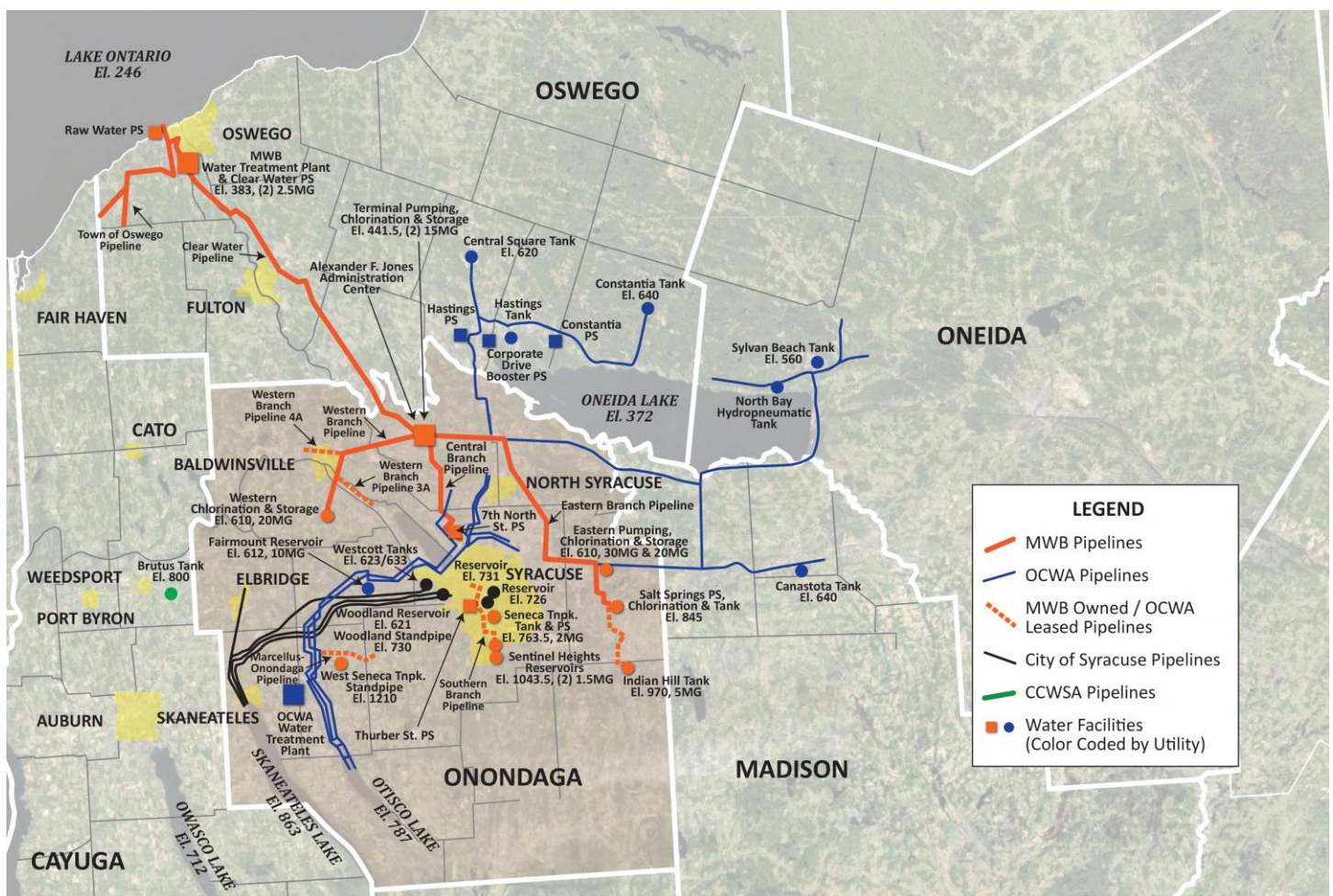


- Won award for work completed at terminal site, included sustainability practices, innovation and alternative energy
- Much more to be done, thanks to County Executive and Legislature for past leadership and recognizing there is much more ahead, MWB accomplished monumental work over the past 6-years infused with sustainability and innovation, despite many challenges
- Opportunity to make history this year as a community that takes action to continue to protect our precious water resources for economic and public health benefit

- Outside of MWB role she has been dedicated to the community in many capacities, including 14-years as treasurer of OCWA, before coming to MWB - County Executive's proposal is the right move for our regional water system and an action that can demonstrate the value of government consolidations
- Excited MWB can take the lead and believe so strongly that she is willing to put her own self-interests on the line to do the right thing – this has been discussed many times over MWB's 50-year history, time to get this done, take the politics out of water and avoid the tragedies of other communities through the more efficient and independent governance OCWA affords

Mr. Fisher:

- Recognized 2 MWB members: Deb Somers, Commissioner of Water, City of Syracuse and Professor Sam Salem, distinguished Chair at Syracuse University in Civil and Environmental Engineering and Sustainable Civic Infrastructures
- City important part of MWB – Mayor makes 3 recommendations, among 7 appointees that County Executive and Legislative Chair make to the board; Professor Salem expert in asset infrastructure planning, budgeting and building; all MWB members very instrumental in educating Mr. Fisher on how MWB works, the relationship with OCWA and wise counsel as alternatives were explored
- MWB will remain to help guide the county and region down a path established many years ago
- Since 1962 MWB has pulled water out of Lake Ontario, vision of John Mulroy, Steven Rogers and other board members, saw community was growing and would need more water than supply from Skaneateles Lake to City of Syracuse, considered Otisco Lake but County had financial resources to borrow money needed to create water treatment facilities, filtration plants, interconnect pipes, and storage – now face challenges with infrastructure



- Orange lines county property - bring water from Lake Ontario to Onondaga County, blue lines OCWA - delivers water to residential and commercial customers in Onondaga and adjacent counties
- Two systems for a long time – MWB wholesaler, OCWA retailer; over the years OCWA has grown much larger than MWB, for sense of scale 2016 budgets \$11 million for MWB and \$40 million for OCWA, OCWA 4 times larger, makes sense as retail has become more significant and they do their own direct intake of water from Otisco Lake
- Proposal would fundamentally change relationship by transferring all MWB employees, operation and maintenance of County property run by MWB to OCWA

- 31 people transferring – not transfer of titles, actual transfer of people in those titles; transfer of function means people must be selected by OCWA'S board, will select all employees - an absolute requirement, will not go forward without each having their job, none will have to interview or pass another civil service exam, and no break of service in retirement system; must negotiate impact on CSEA members to insure seniority and all other collective bargaining unit rights are resolved in manner satisfactory to union and current employer
- Transfer date around January 1, 2017, need to work out details to ensure one paycheck ends and next is picked up and there are no lapse of benefits for health coverage
- MWB budget simple way to describe what will happen

Metropolitan Water Board Budget

Page:D57-Metropolitan Water Board, F20011-Water Fund

Account Code - Description	2015 Actual	2016 Adopted	2016 Modified	2017 Executive	2017 Exe vs 2016 Mod
A641010 Total-Total Salaries	1,426,319	1,651,781	1,651,781	0	(1,651,781)
A641020-Overtime Wages	48,169	50,848	50,848	0	(50,848)
A641030-Other Employee Wages	44,886	66,988	66,988	0	(66,988)
A644180-Prov for Sal & Wage/Ben Adj	39,841	27,000	27,000	0	(27,000)
A693000-Supplies & Materials	516,059	852,832	906,824	0	(906,824)
A695700-Contractual Expenses Non-Govt	3,557	10,000	10,000	200,000	190,000
A694130-Maint, Utilities, Rents	2,571,913	2,123,788	2,283,751	0	(2,283,751)
A694080-Professional Services	155,639	180,126	240,375	0	(240,375)
A694100-All Other Expenses	1,068,774	1,083,270	1,083,270	0	(1,083,270)
A694010-Travel & Training	14,883	20,000	23,920	0	(23,920)
A694060-Insurance Policies	958	6,000	6,000	0	(6,000)
A667110-Certiorari Proceedings	2,433	3,000	3,000	0	(3,000)
A692150-Furn, Furnishings & Equip	52,869	65,900	65,900	0	(65,900)
A671500-Automotive Equipment	30,913	24,750	24,750	0	(24,750)
A674600-Provision for Capital Projects	628,117	600,000	600,000	0	(600,000)
Subtotal Direct Appropriations	6,605,331	6,766,283	7,044,407	200,000	(6,844,407)
A691200-Employee Benefits-Interdepart	936,196	1,134,059	1,134,059	346,052	(788,007)
A694950-Interdepart Charges	393,423	555,180	555,180	74,516	(480,664)
A699690-Transfer to Debt Service Fund	2,252,555	2,613,377	2,613,377	2,399,212	(214,165)
Subtotal Interdepart Appropriations	3,582,174	4,302,616	4,302,616	2,819,780	(1,482,836)
Total Appropriations	10,187,505	11,068,899	11,347,023	3,019,780	(8,327,243)
A590002-Real Property Tax - Special District	1,688,915	1,674,136	1,674,136	1,685,729	11,593
A590003-Other Real Prop Tax Items	192,471	120,000	120,000	0	(120,000)
A590038-Cty Svc Rev - Home & Com Svc	8,695,243	8,693,425	8,693,425	0	(8,693,425)
A590048-Svc Oth Govs - Home & Com Svc	50,000	50,000	50,000	0	(50,000)
A590050-Interest and Earnings on Invest	8,023	0	0	0	0
A590056-Sales of Prop and Comp for Loss	11,914	0	0	0	0
A590057-Other Misc Revenues	0	0	0	1,334,051	1,334,051
A590083-Appropriated Fund Balance	0	531,338	531,338	0	(531,338)
Subtotal Direct Revenues	10,646,566	11,068,899	11,068,899	3,019,780	(8,049,119)
A590060-Interdepart Revenue	16,740	0	0	0	0
Subtotal Interdepartmental Revenues	16,740	0	0	0	0
Total Revenues	10,663,306	11,068,899	11,068,899	3,019,780	(8,049,119)
Local (Appropriations - Revenues)	(475,801)	0	278,124	0	(278,124)

- 2016 Modified \$11.3 million, 2017 Executive direct appropriations down to \$200,000 – no salaries or benefits will be paid by the County, drafting contract, under state legislation OCWA able to enter into cooperation agreements with municipalities, has been done many times and is how OCWA has grown, MWB would be the largest transaction

but very similar, County Executive needs Legislative approval to enter into agreement, budget cannot be done without contract and vice versa

- Two costs will continue to be paid out of the water fund - a standalone fund, all money coming into the water fund, stays in the water fund and is spent from there, not the general fund, the water fund will remain responsible for its own retirees and workers comp (**see Line A691200**), and interdepartmental charges for ongoing services to MWB from the Law department (**see Line A694950**), Law also has 6-7 page due diligence check list, all things that must happen to put this into effect, *estimated figures will be reimbursed by contract for the exact amount*
- Debt previously authorized will be paid out of the water fund (**see Line A69690**), but if there is not enough funding from the only revenue source, the ad valorem, the contract ensures that OCWA will provide the funding needed to balance MWB's budget, including payment of principal and interest on existing bonds and any bonds issued that have already been authorized by the Legislature

Mr. May:

- Asked if this would be ongoing or onetime

Mr. Fisher:

- Would be a yearly MWB budget until the assets are transferred, if ever, will be a lease, currently drafted as 30 –years
- An ad valorem fee levied on water district members comprised of 17 of the 19 towns - Spafford and Skaneateles sued to stay out of the water district and are not in it; propose levying same ad valorem next year, and so on, as debt is not being transferred; bond debt will be retired in 22-23 years
- Future Legislature may decide to transfer assets after debt has been extinguished, subject to mandatory referendum – on a ballot

Mr. Morgan:

- On the expense side liken it to Van Duyn, continue to have legacy costs to support retiree health care, workers comp claims and any debt service costs until all are gone
- Proposal keeps ad valorem the same and budgets amount sufficient to balance the budget – actual costs contractual obligation of OCWA, won't build up fund balance but will balance each year with exact cost

Ongoing Responsibility



ASSET MANAGEMENT



- Why do this – assets, particularly in Oswego, aging substantially, authorized funding for Treatment Assurance Program (TAP) budgeted amount \$40 million, authorized bond of \$5.72 sits on the books, only plan to borrow what they spend till yearend, as long as OCWA and its bond council are ready to finance remainder of project
- Potential efficiency to be gained, people do similar work, MWB workforce tends to be younger, OCWA starting to have a problem, don't have expertise to replace some senior level staff retiring, integrating workforces provides better composition to last next 20-30 years
- Mr. Hooker, Executive Director, OCWA estimates 11 positions could be eliminated by yearend 2017 via attrition and holding some position - no layoffs, going from 179 to 168, saving between \$500,000 and \$1 million dollars by the end of 2017; not huge number in proportion to expenditures, but paid back over 20 years the amount really matters

- When trying to ensure ratepayers get high quality, safe, and competitively priced water must look at the costs – can't pass up efficiency, found previous obstacles could be overcome, started talking to legislative leadership, mood in community says they need to look at things like this; Consensus recommended smaller water district look at combining with larger districts – saw this as a challenge and responded; hogwash to those that say there are no efficiencies from putting these together

MWB'S MISSION

To provide clean, safe, reliable, sustainable and cost-efficient wholesale drinking water from Lake Ontario to the Central Upstate New York region. Integral to this mission is the MWB's role as an essential public health resource and economic development asset for the community.

OCWA's MISSION

As a Public Benefit Corporation created by the New York State Legislature, OCWA's primary purpose is to supply water to the residents and businesses in the Central New York region for the improvement of their health, welfare and prosperity, in a manner protective of the resource and environment.



MWB & OCWA Regional Service Area

Central New York's Wholesale Regional Water Supply

- Portions of (5) Counties:
 - Onondaga
 - Oneida
 - Oswego
 - Madison
 - Cayuga
- City of Syracuse – Back-up and supplemental water supply as specified by NYS Filtration Avoidance Agreement
- Consideration of future connections east and west



ESSENTIAL REGIONAL WATER SUPPLY

Ms. Williams:

- Asked if all 39 positions would have the same pay grade

Mr. Fisher:

- Not all 39 will be going to OCWA, 8 are not filled, 31 people will be going over and none will be left worse-off than they are – some CSEA positions at OCWA are 40 hours, where MWB's are 35 but paid more per hour, other CSEA positions may be represented by Teamsters, attorneys have advised that it is a matter for the employees, collective bargaining units, and collective bargaining agreements - gets worked out when each of the transfer of functions goes into effect, also some management confidential employee counterparts at OCWA are represented by CSEA, very likely they would become CSEA employees

- Mr. Hooker look at each persons salary and where they would slot in, each will make as much or more than their base salary, also assured benefits to be equal or superior; has much experience brining smaller water districts in, has worked through all those issues; there will be meetings between Mr. Hooker, his team and MWB employees between now and October 11; understand employees will be worried, Ms. Rosenthal met with all MWB employees on the day this was announced

Ms. Rosenthal:

- Assured MWB employees they would make as much or more, and jobs would be secure

Ms. Williams:

- Concerned for workers that tend to get left out when decisions are made, don't want them getting the short end of the stick or making less

Mr. Fisher:

- Can have confidence, Ms. Rosenthal going with her team, senior manager

Ms. Williams:

- Will be contacting Ms. Rosenthal to follow-up

Ms. Rosenthal:

- MWB employees have heard rumors for years, presentation was positively received - they are excited

Mrs. Rapp:

- Asked if the contract would be ready before the budget was passed

Mr. Fisher:

- Yes – draft contract back and forth 3-4 times, need to be close by September 30 when Ways and Means adoptes its report, don't want a lot of uncertainties left to be resolved between then and session
- Want public hearing to be based on what Legislature decides to do with County Executive's proposed budget

Mrs. Rapp:

- Doesn't allow much time to review the proposal - sooner rather than later

Mr. Fisher:

- Point taken

Mrs. Ervin:

- Asked if assets were going to OCWA without compensation

Mr. Fisher:

- No, in general there is real property and personal property, real property easier, know what land, building and storage tanks they have, easy to list - the least OCWA will pay is \$1 as MWB balances their budget and OCWA pays the bills, if OCWA paid more than the actual expenses it would sit in fund balance and drive up rates, all costs covered through the lease; not like transaction with arm's length buyer, don't need assessed value
- Personal property more complicated, good inventory of trucks, computers, and such, still have to determine if property is owned, require OCWA to maintain it or actually move some trucks so OCWA owns them, again would not need compensation as funds would sit in water fund

Mr. Rosenthal:

- Currently have some leases with OCWA, i.e. Southern Branch pipeline, built by the County, leased from MWB to OCWA; law department used that lease as template for lease of these assets

Mr. Plochocki:

- Asked why OCWA would not buy or be given the assets

Mr. Fisher:

- Would be subject to mandatory referendum, could not be done now, would have to put on ballot next year and wait to see what voters said, would require decisions on price and other complex items, looked at airport for model, faced the same question; City owns the airport, Airport Authority has 40 year lease and makes all the decisions
- Transferring property and satisfying bond holders to trust another organization gets complicated, all assets must be written down and depreciated, once the depreciation is down to zero it becomes pretty easy to transfer

Chairman McMahon:

- OCWA probably doesn't have the funds - can't sell for next to nothing, on the books at a price

Ms. Rosenthal:

- Same model used by OCWA to acquire or lease other smaller water systems, i.e. Camillus

Mr. Fisher:

- OCWA would likely have to go into debt to take on MWB debt, MWB would need property appraisals and Legislature would have to authorize the price – no value added doing it that way

Ms. Rosenthal:

- This is an elegant solution that addresses many issues in a simple way, which were used as obstacles when considered in the past

Mr. Plochocki:

- MWB much larger situation, fundamentally following same model OCWA used for towns and villages
- Asked why MWB was created separately when OCWA was already in place

Mr. Fisher:

- County had deep pockets, OCWA not as substantial - didn't have the credit history the County had or could achieve
- Previous bipartisan push for this to happen by Mr. Rhinehart and Mr. Masterpole, before taking the job 23-years ago Mr. Hooker was advised that these might merge; eventually somebody says its time

Ms. Rosenthal:

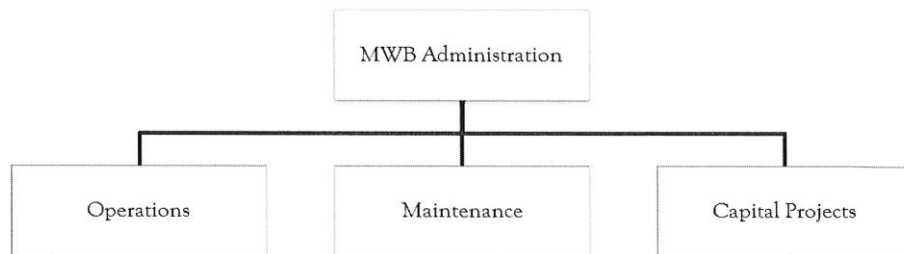
- Merger first considered in 1971 - MWB created in 1962, water first flowed through the system in 1967

Chair Jordan:

- Clarified proposal - MWB to retain ownership of all real property and physical assets, turning over use to OCWA, OCWA to maintain assets and is responsible for any shortfall between expenses and revenue

Mr. Fisher:

- Referenced org chart – capital projects will also be transferred



- CARE projects already authorized and funds appropriated; Ms. Rosenthal to ensure projects are done properly, OCWA to take on the capital projects and planning

Chair Jordan:

- Asked if OCWA would be bearing the costs

Mr. Fisher:

- Lawyers are going back and forth, particularly OCWA's bond counsel, on how they can receive rights to these assets that allow them to bond for further improvements, as long as OCWA's counsel feels confident that they can borrow against improvements to MWB assets it will be done that way, some chance MWB would have to borrow to continue to improve MWB assets, knowing that OCWA would be paying those debt service payments; rather not do it this way but must find away that satisfies all and reduces the risks

Chair Jordan:

- Asked if Line A590002 was the water district charge on the tax bills

Mr. Fisher:

- It is the ad valorem; asked Ms. Rosenthal how it goes on the tax bill

Ms. Rosenthal:

- County water district, separate line item, same basis as the property value within Onondaga County

Chair Jordan:

- Asked revenue source for Line A590057

Mr. Fisher:

- Balancing revenue payments from OCWA under cooperation agreement: likely bill OCWA quarterly

Chair Jordan:

- Elaborate on contractual expenses – Line A695700

Mr. Fisher:

- Curtail services, including program and project management and administrative services, will be contractual to maintain some control over how work is carried out - OCWA obligated to provide those services back to MWB; would like to maintain for at least a year, if comfortable that assets are operated, maintained and improved properly may go away, provides more control over service and quality

Chair Jordan:

- Asked how the MWB and OCWA boards would work, and relative responsibilities

Mr. Fisher:

- MWB management and board relationship would go away, board responsible for planning and strategy around county assets; hope they have opportunity to look at bigger picture to provide vision
- MWB recommends water rate to the Legislature each year and is just absorbing all of this, County Executive asked that they adopt a \$0 rate for OCWA – doesn't make sense to charge for water they are producing; for other parties a water rate needs to be adopted, i.e. City of Syracuse; budget contains assumed water rate, board weighs in on rate, Legislature adopts water rate by October 11
- MWB would presumably weigh in on whether ad valorem needs to continue when county doesn't own any property

Chair Jordan:

- Asked what happens if the whole thing falls apart with respect to maintenance and repair costs

Mr. Fisher:

- OCWA will be responsible for operations, maintenance and capital improvement for all assets, if that's not possible, MWB may have to take on improvements but not operations and maintenance, agreement will define service levels and rights to ultimately take back property if there is a breach of the agreement
- Have seen OCWA operate for 60 years take over others and do an outstanding job, 5 members of OCWA board are appointed by the Legislative Chairman and are accountable to the County

Chair Jordan:

- Asked if the City was part of the merger plan

Mr. Fisher:

- No – has no impact on the relationship between the City and OCWA, City gets 3% of its water from OCWA and 97% from Skaneateles by contract; City indicated they are comfortable with this transaction, lawyers would have to weigh in; City also has a filtration avoidance permit, would have to be transferred; City is not a party to this transaction

Chair Jordan:

- Ask if the City could enter into a similar arrangement with OCWA even if the County did not; looking at this in separate pieces, concern that city structure becoming part of OCWA would put a burden on the system

Mr. Fisher:

- Not aware of anything in the cooperation agreement that would change the City or OCWA's options or rights as it pertains to agreements with one another

Ms. Rosenthal:

- City has always had the opportunity to merge, this doesn't change that - currently the concern has been on OCWA's part in that consideration

The meeting adjourned at 12:33 p.m.

Respectfully submitted,



KATHERINE M. FRENCH, Deputy Clerk
Onondaga County Legislature

ATTENDANCE

COMMITTEE: 2017 BUDGET REVIEW OF ENVIRONMENTAL
PROTECTION COMMITTEE DEPARTMENTS

DATE: September 23, 2016

NAME	DEPARTMENT/AGENCY
PLEASE PRINT	
MARTY VOSS	WEP
Nick Capozza	OCDWEP
Taffey Poplar	Personnel
Corbin Cox	IT
Bonnie Karsner	WEP
Tom Rhoads	WEP
Mike Lannon	WEP