



Onondaga County Legislature

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WAYS AND MEANS COMMITTEE REVIEW OF THE 2015 TENTATIVE BUDGET ENVIRONMENTAL PROTECTION COMMITTEE DEPARTMENTS - SEPTEMBER 18, 2014 DAVID H. KNAPP, CHAIRMAN

MEMBERS PRESENT: Mr. Jordan, Mrs. Ervin, Mrs. Williams, Mr. May
MEMBERS ABSENT: Mr. Holmquist, Mr. Kilmartin,
ALSO PRESENT: Chairman McMahon, Mr. Corl, Dr. Chase, Mr. Shepard, Mr. Liedka, Mrs. Rapp, Mr. Plochocki and see also attached list

Chairman Knapp called the meeting to order at 9:17AM.

OFFICE OF ENVIRONMENT – pg. 5-6: David Coburn, Director; Rustan Petrela, Senior Manage Analyst

Mr. Coburn presented the following:

2015 ANNUAL BUDGET
Ways & Means Committee Report

OFFICE OF ENVIRONMENT

JOANNE M. MAHONEY, COUNTY EXECUTIVE
DAVID COBURN, DIRECTOR

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- Section 4: 2015-2017 Strategic Priorities

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2014 – YEAR IN REVIEW

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Key Accomplishments 2014

OFFICE OF ENVIRONMENT: MISSION

In 2014 the Office of Environment continued to carry out its role to help the County formulate environmental policy to ensure responsible planning and management of natural resources under the County's control, to reduce environmental liability, to act as a liaison with environmental regulatory agencies, to facilitate coordination between County departments and to provide general assistance to departments that have environmental issues or questions. Key areas of involvement in 2014 are described in the following pages.

2014 KEY ACCOMPLISHMENTS

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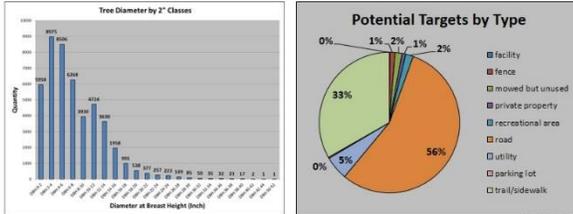
Priority Areas of Involvement in 2014

1. Emerald Ash Borer (EAB)

The Office of Environment continued directing County efforts to cost-effectively manage the County's response to the challenges posed by EAB.

EAB has now been positively identified in several locations in Onondaga County. With funds provided by the County Legislature in 2012 (\$96,250) and a state grant in 2013 (\$25,000), an inventory of ash trees on County-owned property (the County owns approximately 8,000 acres and 800 miles of highway right-of-way) carried out by the County Soil and Water Conservation District was completed in the first quarter of 2014.

Ash Tree Inventory Data



Priority Areas of Involvement in 2014

Emerald Ash Borer (EAB) continued:



In collaboration with DEC and the Onondaga County EAB Task Force, in 2013 and 2014 an extensive network of "sentinel trees" and "purple traps" were established in an attempt to detect EAB's presence in the County and to delineate EAB infestations in order to target resources.

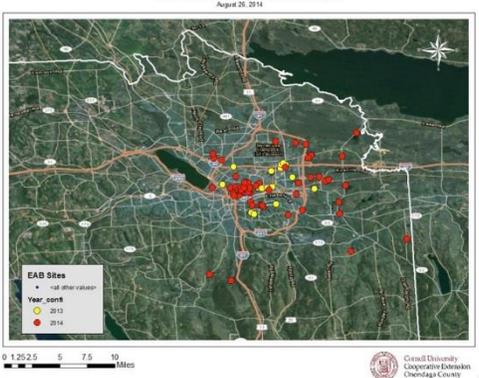
"Purple Trap" Locations 2014

- Purple traps aren't intended to capture and kill beetles, used to understand where infestations are
- Ring around city was attempt to delineate last year's infestation and see how extensive it was

Priority Areas of Involvement in 2014

Emerald Ash Borer (EAB) continued:

2014 Emerald Ash Borer Confirmations



Priority Areas of Involvement in 2014

Emerald Ash Borer (EAB) continued

The County Legislature appropriated \$250,000 in the 2014 Budget to finalize the County's ash tree inventory, to carry out EAB monitoring, to develop a long-term strategy to address the threat posed by ash tree mortality and to begin removing ash trees believed to be most susceptible to EAB mortality. This past winter 522 high risk ash trees were removed from County-owned land.



- Expanding pattern of identification

Priority Areas of Involvement in 2014

Emerald Ash Borer (EAB) continued

In June of 2014 the Office of Environment presented to members of the Legislature an Ash Tree Management Strategy calling for:

- Preemptive removal of approximately 95% of inventoried ash trees (a little over 44,000 trees)
- Replacement of approximately 10% of removed trees, primarily in the County parks and urbanized portions of drainage districts, with non-invasive, non-host tree species (a little over 4,400 replacement trees).
- Preservation of approximately 5% of inventoried ash trees - carefully chosen, high value trees that provide significant amenities (approximately 2,300 ash trees).

Key Accomplishments 2014

Priority areas of involvement continued:

2. Onondaga Lake Superfund/Honeywell Issues

In 2014 the Office of Environment continued to coordinate, in cooperation with the County Law Department, the County's involvement and response to issues involving the Onondaga Lake Superfund site and other Honeywell-related issues, including: 1) Natural Resource Damages; 2) EPA's and DEC's cost Recovery efforts; 3) EPA's designation of the County as a Potentially Responsible Party (PRP) with regard to the Lower Ley Creek Superfund sub-site; 4) Remedial investigation/feasibility study (RI/FS) actions undertaken by Honeywell on County-owned property (e.g., Wastebeds 1-6 & Murphy's Island).



2014 KEY ACCOMPLISHMENTS

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2014 KEY ACCOMPLISHMENTS

- Continue discussion with trustees over natural resource damages, DEC and EPA still interested in cost recovery and have named Onondaga County as one of several PRP's to try and cover \$12.5M
- Lower Ley Creek issue has intensified this year and will continue into next year, pursuing a remedy
- Much activity recently on Wastebeds 1-8

Key Accomplishments 2014



Efforts to limit the County's potential liability on the Lower Ley Creek site continued through 2014 and are expected to intensify in 2015



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2014 KEY ACCOMPLISHMENTS

Key Accomplishments 2014

Priority areas of involvement continued:

2. Onondaga Lake Superfund/Honeywell Issues



Continued to facilitate communication and coordination between County Parks, DOT and Honeywell with respect to construction and opening of the next segment of the Loop the Lake Trail over Nine Mile Creek and across Wastebeds 1-6.



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2014 KEY ACCOMPLISHMENTS

Key Accomplishments 2014

Priority areas of involvement continued:

2. Onondaga Lake Superfund/Honeywell Related Issues



In 2014 the Office of Environment, in cooperation with WEP and Law, coordinated negotiations with Lockheed Martin Corporation (LMC) that resulted in an Agreement obligating LMC to cover all "incremental" costs with respect to any future Bloody Brook Drainage District facilities or site maintenance issues as a consequence of impending remedies to be implemented by LMC in Bloody Brook, and which included replacement of aging cross culverts by LMC (at LMC's cost) during implementation of the remedy.



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2014 KEY ACCOMPLISHMENTS

Key Accomplishments 2014

Priority areas of involvement continued:

3. State Environmental Quality Review (SEQR) Compliance

- Helped coordinate the SEQR process and development of environmental review documents associated with the Lakeview Amphitheater Project.
- Helped coordinate the SEQR process and development of environmental review documents associated with the Bridge Street/Milton Avenue Revitalization Project.
- Helped coordinate the SEQR process and development of environmental review documents associated with the proposed Regional Solid Waste Partnership.



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2014 KEY ACCOMPLISHMENTS

- Important agreement with LMC - if they leave any residual contaminants on the site LMC will pay any incremental costs incurred by the County as a consequence; replacement of culverts was a good outcome from discussion

2015 BUDGET OVERVIEW



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- *Direct appropriation unchanged*

2015 Strategic Priorities

EMERALD ASH BORER:

Funding to implement the proposed Ash Tree Management Strategy will be requested in 2015 to:

- Monitor EAB infestations in order to target resources
- Systematically remove ash trees on County-owned property that represent a future hazard to humans, facilities, infrastructure or other assets prior to tree mortality due to emerald ash borer infestation
- Strategically replace removed trees where beneficial or desirable (e.g., for stormwater control, parkland, energy conservation/shade, etc).
- Selectively preserve high value ash trees that provide significant amenities

Work proposed for 2015 will be carried out through a contract with the Onondaga County Soil & Water Conservation District to prepare bid documents, administer contracts with vendors, mark trees for removal, oversee tree removal and replacement work by vendors and assist in EAB monitoring.



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- *Remains optimistic for funding to begin implementation of Ash Tree Program, hopefully sooner than later*
- *Lower Ley Creek will be accelerating and work on Wastebeds 1-8 will continue to be active in 2015*

2015 Strategic Priorities

LOOP THE LAKE TRAIL

In 2015 the Office of Environment will continue to assist the Parks Department with environmental review aspects of the next segment of the Loop the Lake Trail.



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- *Involved in SEQRA review work for next extension of Loop the Lake Trail over Harbor Brook and CSX*

2015 Budget Overview

Proposed 2015 BUDGET: \$188,461

This represents an increase of \$2,587 from the 2014 Budget due to interdepartmental charges

100% of Office of Environment Budget is charged against the Sanitary District (WEP) and the Department of Health (65% and 35%, respectively)



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2015 Strategic Priorities

ONONDAGA LAKE SUPERFUND SITE

In 2015 the Office of the Environment, in cooperation with the Department of Law, will continue to:

- Participate in the Natural Resource Damages process with Onondaga Lake Superfund Site Trustees
- Seek to limit the County's potential liability with respect to the Lower Ley Creek site
- Monitor Honeywell dredging operations and the Sediment Consolidation Area
- Serve as the County's liaison with respect to Honeywell remediation activities on Wastebeds 1-8
- Monitor the development of proposed remedies for Wastebed B/Harbor Brook
- Protect the County's interests with respect to proposed remedies at the "Murphy's Island" site
- Seek to limit the County's potential liability with respect to the EPA/DEC Cost Recovery Action
- Monitor development of proposed remedies for the Lower Nine Mile Creek site



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2015 Strategic Priorities

REGIONAL SOLID WASTE PARTNERSHIP

In 2015 the Office of Environment will continue to help coordinate the environmental review aspects of the proposed Regional Solid Waste Partnership.



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2015 Strategic Priorities

ONONDAGA LAKE PHOSPHORUS TMDL & PHASE II STORMWATER PERMIT WATERSHED IMPROVEMENT STRATEGY



In 2015 the Office of Environment will continue to coordinate the County's involvement in the development and implementation of a Stormwater Watershed Improvement Strategy as required by the Onondaga Lake Phosphorus TMDL and the County's Phase II Stormwater Permit.

2015 STRATEGIC PRIORITIES



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2015 – 2017 Strategic Priorities

ONONDAGA LAKE

- Superfund
 - Onondaga Lake Bottom Superfund Site process: Monitor
 - Lower Ley Creek: Limit the County's potential liability
 - Wastebeds 1-8 : Monitor implementation of remedy
 - Murphy's Island: Monitor selection and implementation of remedy
 - EPA/DEC Cost Recovery: Limit the County's potential liability
 - Wastebed B/Harbor Brook: Monitor selection and implementation of remedy
 - Lower Nine Mile Creek: Monitor implementation of remedy
- Loop the Lake Trail
 - Assist the Parks Department with strategic planning and implementation of the Loop the Lake Trail System
- MS4 Phosphorus TMDL Requirements
 - Provide leadership within the Central New York Stormwater Coalition in the development and implementation of a Watershed Improvement Strategy to satisfy TMDL and Stormwater Permit requirements

EMERALD ASH BORER

Continue to carry out strategic planning and implementation of an ash tree management strategy

SOLID WASTE MANAGEMENT PLAN

Continue to act as point of contact for County on the Comprehensive Solid Waste Management Plan

CLIMATE ACTION PLAN

Continue to coordinate Plan implementation

2015-2017 STRATEGIC PRIORITIES



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- *Point sources must reduce phosphorus as a consequence of TMDL, MS4's also have obligations, Watershed Improvement Strategy -must explain how they will manage their phosphorus under the TMDL*

OFFICE OF ENVIRONMENT



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In answer to Chairman Knapp, Mr. Coburn said that there is no money in the proposed budget for the EAB. Chairman McMahon said that this was potentially part of a Capital Improvement Plan and asked where the debt service would be potentially paid from. Mr. Morgan said that currently there is no debt service, there is no money in the operating budget and the CIP has the first request for borrowing in the fall of 2015; doesn't mean that they won't potentially be requesting funding sooner, but this would happen upon Legislative authorization.

In answer to Chairman Knapp, Mr. Coburn said that they have been and hope to continue using Soil and Water to administer the field component - releasing bid document, overseeing work of vendors, removals, injections and replacements. If it works out, they could also be doing some of the injections. Chairman Knapp noted that Soil and Water has certified people to perform the injections. Mr. Coburn responded that it depends on the strategy pursued. They have capacity to do 600-800 trees, which is their current proposal. Going beyond this number would stretch their capabilities; may have to do some outsourcing. The City outsourced about 1000 trees this year and the price was under \$6.00 per diameter inch, not much more than utilizing the district.

Chairman Knapp asked what surrounding counties were seeing. Mr. Coburn said that the beetle has been found in Madison and he doesn't know what they have in Cayuga. The Onondaga County EAB Task Force will be

expanding to a regional task force, including the 4-6 counties in closer proximity and will have a better idea of what they are finding. In most cases, these counties are looking to Onondaga County to help them figure out how to get launched. Chairman Knapp asked if they were looking at this from a regional standpoint, as far as working with our neighbors to coordinate efforts. Mr. Coburn responded that within Onondaga County they have been through the taskforce; would have been nice if more municipalities had participated. As the beetle spreads, thinks more municipalities will get serious and they are in a good position to help them. As far as surrounding counties, Onondaga County is in a good position to help them understand what they need to do; not sure this will result in opportunities for savings through collaboration, but will be exploring this. Chairman Knapp added that it can't hurt and wouldn't make it worse.

Chairman Knapp asked for a brief update on the DEIS for the proposed Cortland-Onondaga Regional Solid Waste Partnership. Mr. Coburn:

- Comment period on scoping closed, have final scope
- Have been developing DEIS, had hoped to present for action this month, much information, primarily from Cortland County side, due to their construction of landfill and transfer station; decision was made to hold off for quality document given the budget schedule and other project work
- DEIS will be presented to November committees, take action at December Session, public hearings December-January, and on from there; doesn't allow much cushion on the backside for Cortland to get things built and to resolve contract issues

Mr. Jordan asked if they had brought in business entities that created or contributed to the problem with Lower Ley Creek, as part of addressing this issue. Mr. Coburn:

- Everyone understands and agrees that this site would not be an issue had GM not discharged PCP's down Ley Creek – a proven fact, GM bankruptcy dramatically changed the equation
- DEC had only gotten GM to address Upper Ley Creek from Rt. 11 north to the GM factory under a court order, federal government determined that only the portion of the creek under order would be eligible for funds set aside for remedy and restoration on GM's many sites; left Lower Ley Creek as an orphan
- Claims were put in under bankruptcy to try to get some of those funds to address Lower Ley Creek, about \$20-\$22M has been set aside to deal with Lower Ley Creek, challenge is remedy costs - early crude estimates were as high as \$50M
- Industrials created a group of their own; had discussions with them and the Town of Salina on how to deal with this issue – that dialogue continues
- Industrial side is a little different than the municipal side, not 100% partners through the whole thing but there is sharing of information and ideas

Mr. Jordan asked if they had discussions with the federal government. Part of what has created the problem with recovering from GM is the fact that they took advantage of the federal statute allowing them to discharge their debts - it is not as if Onondaga County created the problem. Since the County can't recover these funds because of a relief of liability, pursuant to a federal statute, he questions why the federal government doesn't then help us out, in term of at least a portion of the remediation costs. Mr. Coburn responded that this could end up being part of the equation. If the remedy actually ends up costing something less than \$20-\$22 million, then the bankruptcy funds are available to cover it. If it exceeds that amount, then there will have to be discussions about who pays for what among the potentially responsible parties and he would hope that there would be room to get some help at the federal level as well.

Mr. Jordan asked if there were any discussions with Albany about assistance, they have benefited from the tax revenue. Mr. Coburn said that DEC had been responsible for the whole Lower Ley Creek, they continue to be responsible for Upper Ley Creek, but the EPA has taken over responsibility for Lower Ley Creek. DEC has been on the sidelines as it relates to the lower portion, but just as they might have discussion with federal delegation, it might make sense to have discussion with the state delegation as well. They has been receiving information

from the County all along about the status of things and the why's and where fore's, believes our state delegation is aware of the issue.

Mr. Jordan asked if he had some since of a timeline, as they have been talking about this for years. Mr. Coburn responded that it is hard to predict how CERCLA (superfund legislation) will go. It goes at a glacier pace for years and then goes at avalanche mode with the feds or state allowing them have 30 days to do what they did in 10 years, then slows down again. This year things have accelerated and the EP has been issuing documents for them to see, for the first time. It was hard to do much work, until they saw the documents. They are currently in a comment period on the draft feasibility study for the project. It is hard to predict what will happen, but his guess is that the EPA would like to get going with a remedy as soon as possible. Between now and perhaps six months from now, he expects a lot of activity to occur in arriving at decisions on how things will proceed. Again, CERCLA activity is funny, if things get bogged down on how big the pie is and who has what piece, it could slow down again.

DEPARTMENT OF WATER ENVIRONMENT PROTECTION – pg. 5-23: Tom Rhoads, Commissioner; Michael Lannon, Deputy Commissioner; Mary Voss, Administrative Director; Bonnie Karasinski, Fiscal Officer; Nick Capozza, Sewer Maintenance & Inspection Engineer; Megan Murphy, Budget Analyst 2

Mr. Rhoads presented the following:

2015 ANNUAL BUDGET
Ways & Means Committee Report

WATER ENVIRONMENT PROTECTION

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



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: 2014 – YEAR IN REVIEW



Three Main Points of Today's Presentation

1. **Save the Rain** = Green, Innovative, Sustainable award winning solutions to stormwater and wastewater issues.

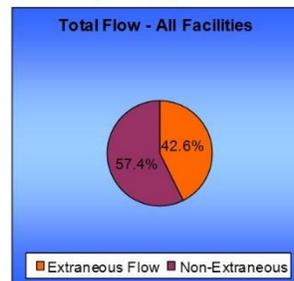


KEY POINTS FOR THIS PRESENTATION



Three Main Points of Today's Presentation

We must continue to **Save the Rain**. Over **40%** of the water we treated in 2013 was clean rain water or groundwater! Extraneous flow costs us all more for overtime, chemicals, energy and robs capacity.



KEY POINTS FOR THIS PRESENTATION



- *Save the Rain is critical to what they are doing, have had some great successes, left photo is 018 treatment wetland going on line next month, right photo zoo project, completed number of projects at the zoo reduced compound sewer overflows, improved animal habitat and reduced zoo utility costs*
- *Focused on reducing extraneous flow to reduce costs*

Three Main Points of Today's Presentation

2. We are the County's clean water utility – not a general fund expense. WEP's 'utility costs' are proposed to be **\$34.78 per month**. Is clean water worth more than a cell phone, cable, or internet? WEP's monthly utility charge compares favorably to our gas, electric, cell phone or cable TV bills. **WEP's fee is well below national averages.**

Utility graph national data from <http://bv.com/docs/management-consulting-brochures/50-largest-cities-brochure-water-wastewater-rate-survey>

KEY POINTS FOR THIS PRESENTATION

Three Main Points of Today's Presentation

3. Can we run a 21st century economy with 19th century infrastructure? Can we afford consent orders, amended consent judgments, premium emergency repairs, or constrained assets limiting economic growth?

KEY POINTS FOR THIS PRESENTATION

- *Photo of Ley Creek Pump Station, largest pump station and heartbeat away from being flooded out, can't expect to have a thriving 21st century economy with use of 100 year old infrastructure; continued support for CIP is most appreciated*

Save the Rain – An Award Winning Solution to Combined Sewer Overflows

- Over 175 green projects now installed.
- Tremendous national leadership and success.
- 22 Suburban projects awarded as well.

Save the Rain
www.savetherain.us

AWARD WINNING SAVE THE RAIN PROGRAM

Save The Rain – Award Winning Solutions and Green Projects

Save the Rain
The CSO treatment wetland pilot project at Harbor Brook becomes operational in October 2014. Will help abate 60 overflows each year.

Save the Rain projects are more than just rain barrels. *We are doing great green streets*
Onondaga Street

2014 PROJECT PHOTOS

Save the Rain

- *Green projects installed in ACJ area; Save the Rain projects are tremendous assets to the community as well as serving the environment*

Save The Rain – Award Winning Solutions and Green Projects



Save the Rain education programs efforts are focused on sustainable solutions for our future. Instead of displacing residents to build treatment plants, Save the Rain projects build community.

Connective Corridor Phase 2 & 3 demonstrates the continued partnership with the City and the County. Over 10 million gallons of runoff will be captured from four overflows making this one of the largest green projects to date. Equates to treatment savings of over \$150,000 over life of project.



2014 PROJECT PHOTOS

Save The Rain Award Winning Leadership and Solutions

Onondaga County took the lead with a video about its Save the Rain program. "We are very proud of Save the Rain, our award-winning green infrastructure program to manage stormwater, and this award will help us spread the word about how stormwater infrastructure can be an environmentally friendly solution," said County Executive Joanie Mahoney.



Another Win!

The 2014 StormTV Project recognizes videos of innovative stormwater practices, programs and solutions nationwide.

See the video here:
https://www.youtube.com/watch?v=PL4C88204EF5082D5B&feature=player_embedded&v=11h3fWvBxw



2014 AWARD WINNING SOLUTIONS

- Goals of Public Education Program are to help citizens realize their role in keeping the receiving waters clean, public engagement involves rain gardens, rain barrels and things like litter and how to keep litter and grease out of the sewers so that they don't cause blockages and emergency repairs; Save the Rain projects help reduce costs for what is pumped, treated and stored
- Green infrastructure no longer unique, now becoming part of almost every program; now seeing community sector investment because of public education, i.e. Carrier Dome Rainwater Project; private sector starting to do these projects, pays to spend money on public education and videos, leveraging that for tremendous savings in other sectors and investors

Save The Rain – Gray Projects



Clinton Storage Facility 6.5 million gallons of storage
 Over three city blocks long and five stories deep - great project came into service on 12/31/2013



2014 PROJECT PHOTOS

Save The Rain – Gray Projects



Lower Harbor Brook Storage Facility
 4.9 million gallon storage tank and a challenging consent order requirement - delivered on time.



2014 PROJECT PHOTOS

- Clinton Storage Project came in on time, continues to meet all the expectations of the combined sewer overflow ACJ
- Lower Harbor Brook Storage located off State Fair Blvd. near Hiawatha is resolving sewer overflows into Harbor Brook
- Huge part of 2014 and impactful on 2015 budget as these storage facilities and a number of other projects were financed through EFC in July 2014, closed on \$129M bonds with tremendous interest rate savings, also had \$11.7M of automatic loan forgiveness through ARRA grants; WEP team continues to work hard to secure grants and low interest loans to reduce costs

Key 2014 Accomplishments Toward WEP's Strategic Goals

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

- Storm TV video of the year prize awarded to Onondaga County for the Save the Rain Program
- Save the Rain Clean Water Fair – September 6, 2014
- Industrial User Award Ceremony recognizing 25 local business leaders
- Ambient Monitoring Program in partnership with Honeywell to avoid duplication of effort and save resources.
- Continued transparency and outreach via constant updates to the Save the Rain website <http://savetherain.us/>



Our next generation learning about Save the Rain



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2014 KEY ACCOMPLISHMENTS

Key 2014 Accomplishments Toward WEP's Strategic Goals

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

- Three additional wastewater treatment plant operators recertified or certified at a higher level
- Operations staff completed over 21 certification courses while pursuing required wastewater licenses
- Regularly assigned mentors to all new hires and promoted co-workers to place team members on a track for success.



TEAMWORK



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2014 KEY ACCOMPLISHMENTS

- Have done remarkable job with Onondaga Lake cleanup, communicating this has helped the community understand what they are doing and how; continue to provide quarterly reports to the Legislature, EPA, DEC and the community, everything they do is ported on www.savetherain.us, proud of their accomplishments and doing everything they can to communicate the successes they have had
- Staff development is critical to what they do, like many utilities are experiencing some turnover, have people retiring, need to bring in and develop licensed operators, have a lot of complex machinery and equipment, training is small but critical element of their budget

Key 2014 Accomplishments Toward WEP's Strategic Goals

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

- Green projects in the award-winning Save the Rain campaign now exceed 175 projects.
- Updated the Green Improvement Fund (GIF) to accommodate CSO capture success and improve economy and transparency.
- Safety is critical in the utility industry where we operate.

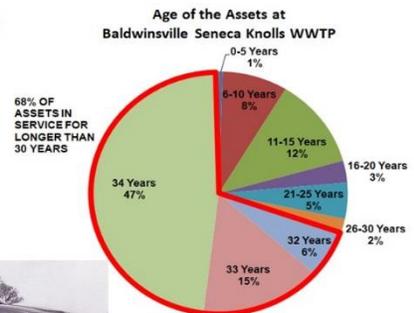


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2014 KEY ACCOMPLISHMENTS

Key 2014 Accomplishments Toward WEP's Strategic Goals

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



Assets of Similar Vintage – AMC Eagle and WEP Treatment Plants



2014 KEY ACCOMPLISHMENTS

- Have confined space entries, very unsafe environment, adds expense and complexity to their work; 2 persons died in sewer vault this year in Phoenix – inherent work requiring specific skills
- Hard to get parts for equipment that is old and obsolete, today's equipment is much safer, vintage equipment requires more energy and a lot of maintenance and is the reason for their Asset Management Program and asset restoration

Key 2014 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 five of six treatment facilities!
- Solar array at the Oak Orchard treatment plant will provide cost effective, sustainable power for at least two decades.



9 acres of new solar power at Oak Orchard WWTP!



2014 KEY ACCOMPLISHMENTS

In-House Work and Maintenance



WEP Flow Control – maintaining & televising sewers: an example of an illicit discharge to a storm sewer. WEP protects the environment.



Even the best maintenance can't always keep a Reagan era traveling bridge on the rails! Asset renewal is critical for operations at Oak Orchard and throughout the department.



Metro WWTP Aeration Cleaning: Staff from Maintenance, Flow Control and Operations collaborated in an aeration tank cleaning project. Aeration discs are later chemically cleaned to reduce plant operational energy costs.



2014 PROJECT PHOTOS

- SUNY and OCC making significant investment at Inner Harbor – happening because of restoration to Onondaga Lake; based on early 2014 energy prices solar array will save WEP about \$42,600 per year, sometimes criticized for being environmentally correct, but are very concerned about ratepayers and are working hard to reduce the costs to the ratepayer
- Traveling bridge went off the rails last year and this year – just one of their aging assets

Asset Replacement and Critical Maintenance Activities



Metro Screen & Grit: WEP completes the replacement of screens at the headworks of the Metro plant. Teamwork and coordination toward critical replacement while flow always continues.

Several large sewers owned by WEP are over 100 years old. Here the emergency repair of the Butternut Trunk sewer shows the challenges of deep excavation while service continues.



WEP continues to operate in excess of 99% compliance with all regulatory permits



2014 PROJECT PHOTOS

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

- Total Wastewater Conveyed and Treated: 29 billion gallons (55,000 gallons per minute!)
- SPDES Permit Compliance (all six plants): >99%



- Industrial User Inspections: 61
- Industrial User Permits Issued: 22



- Samples Collected: 17,600
- Analyses performed: 115,000
- Information brochures on grease and wipes distributed



2014 OVERVIEW – Dirty Water into Clean Water

- Screens remove additional nonorganic material, protects the plant and improves the treatment process; flow never ends, have 100 year old pipes to maintain while managing the bypassing flow, do all of this while maintaining very strict permit compliance
- At current rate WEP fills about 5 Olympic swimming pools per hour, every day, all year long, with clean water; WEP is a large utility with a lot going on

Performance Indicators (continued)

- Number of Sewer Maintenance House Calls: 3,120
- Number of Pump Station Alarm Responses: 1,024



- Number of Pump Stations Maintained: 154
- Miles of Sewer Maintained: 2,085



- Number of annual Plumbing Inspections: 6,600

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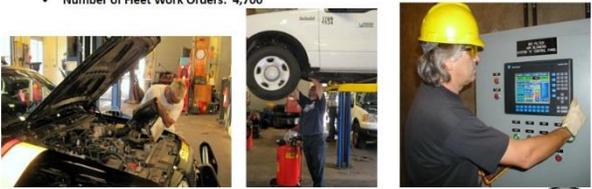
2014 OVERVIEW - Dirty Water into Clean Water

Performance Indicators (continued)

- Maintenance Work Orders: 55,000



- Number of Fleet Work Orders: 4,700



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2014 OVERVIEW - Dirty Water into Clean Water

- Sewer maintenance miles increase each year with continued expansions in the towns, sewer mileage is about the same driving distance as Syracuse to Salt Lake City, with well over 30k manholes
- WEP budget supports the majority of fleet maintenance for the County—all vehicles except DOT

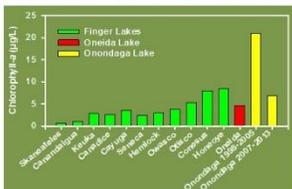
Performance Indicators

COMBINED SEWER OVERFLOW (CSO) CAPTURE COMPLIANCE SCHEDULE

ACJ Compliance Stage	ACJ Percent CSO Capture by Volume	Onondaga County Save the Rain Program Status Percent CSO Capture by Volume	ACJ Compliance Deadline
Stage I	89.5 %	92.9 % ✓	December 31, 2013
Stage II	91.4 %	TBD ✓	December 31, 2015
Stage III	93.0 %	TBD	December 31, 2016
Stage IV	95.0 %	TBD	December 31, 2018

✓ = Meeting and exceeding ACJ compliance schedule

Measuring Onondaga Lake's remarkable recovery and tremendous progress toward Amended Consent Judgment Compliance



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2014 OVERVIEW - Dirty Water into Clean Water



SECTION 2: 2015 BUDGET OVERVIEW

VISION

To be a respected leader in wastewater treatment, stormwater 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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- On track to meet goal of 95% capture, still have challenging goals to meet with regard to water quality metrics, especially in the tributaries; chlorophyll is the algae barometer—tremendous recovery in Onondaga Lake based upon what WEP is doing
- Onondaga Lake photo unstaged, random day in 2014 with citizens enjoying themselves on this tremendous natural resource

Strategic Priorities For 2015

DEPARTMENT GOALS

Staff Development

Promote and develop the best team possible.

- Minimize staff increases while recognizing age of infrastructure
- Focus on total safety culture with daily safety briefings

Outreach & Communication

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

- Expand stakeholder education campaign
- Work with satellite collection system owners to develop infiltration and inflow reduction goals
- Inform the community of Onondaga Lake's continuing remarkable recovery

Organizational Excellence

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

- Implement 2015 – 2019 CIP projects – with a re-focus on aging county infrastructure
- Pump station upgrades (Ley Creek and Westside)



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STRATEGIC PRIORITIES FOR 2015

Strategic Priorities For 2015

Legacy Planning and Infrastructure Management

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

- Asset Management - formalize asset system rating structure and prioritize maintenance and renewal needs
- Fix it First – intelligent asset management
- Plan and prepare for operational emergencies

Sustainability and Environmental Initiatives

Reduce and improve for environmental, social, and economic balance

- Continue **Save the Rain** national leadership in CSO abatement
- Fulfill required new SPDES Permit mandates (Metro, Brewerton, Meadowbrook- Limestone, Baldwinsville, and Oak Orchard)
- Final design of Metro WWTP Phosphorus Optimization Improvements
- Update SWMM Model and submit CSO Annual Capture Report
- Implement system wide efficiencies in energy use to offset Clinton and Lower Harbor Brook CSO storage projects by 2018

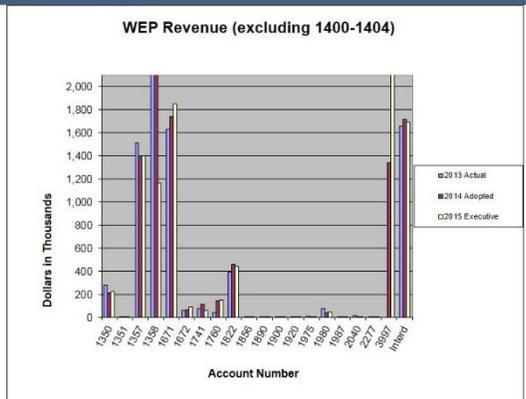


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STRATEGIC PRIORITIES

- Budget recognizes departments goals, excellence goals require significant CIP projects
- Like all utilities they are resource restrained with staff and dollars, asset management must be a risk based strategy – some assets will run to failure, some can't afford to fail, must apply scarce resources to most risk important asset; important to get their arms around correcting aging infrastructure; under sustainability and environmental initiatives debt is being driven by regulatory mandates, 5 of 6 treatment plants have new permits this year - tougher regulatory requirements from aging facilities

2015 Revenue Analysis



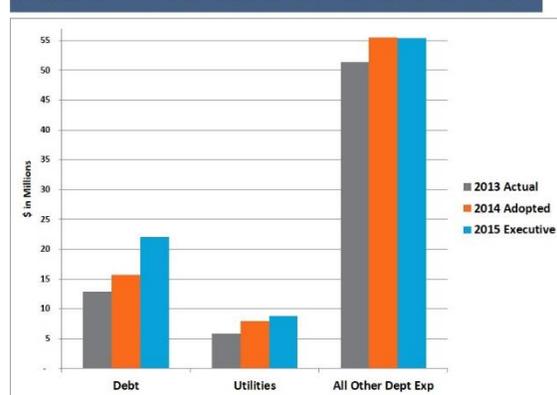
Major Accounts 1350 Sewage Treatment (waste haulers), 1357 Industrial Waste Surcharges
1358 Honeywell, 1671 Sewage Service Towns & Villages, 1822 Licenses Plumbing, 3097 Fund Balance



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2015 OVERVIEW Utility Charges, Not General Fund

2015 Expenditures – Major Drivers of 2015 Budget Flux - Debt & Utilities

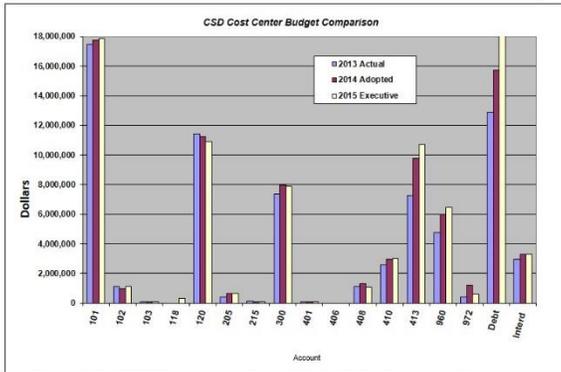


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2015 EXPENDITURES – Major Drivers of Flux

- Reduction of Honeywell revenue as they complete dredging phase, significant change in budget; increased use of reserves to partially offset debt service requirements, as planned – built up reserve balance knowing that ACJ project debt would be financed with EFC over 30 year term, now have appreciable debt service coming online and proposing use of fund balance to offset debt to the ratepayers
- Utilities and debt services are up, remaining budget is constant

2015 Expenditures

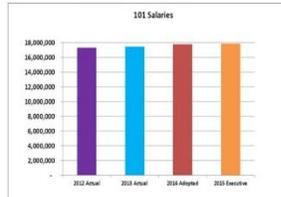


Major Account Descriptions: 101 Salaries, 102 Overtime, 103 Seasonal/Other, 120 Benefits, 205 Auto, 215 Furn/Equip, 300 Fuel/Chem/Supplies, 408 Prof Service, 410 All Other/Biosolids, 413 Utilities/Rent, 960 Provisions for Cap Proj, 972 Transfer to Grant

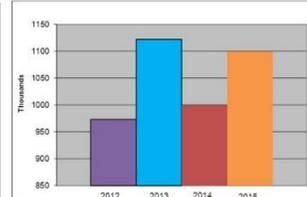


2015 EXPENDITURES

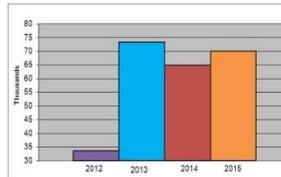
101: Full-time Regular Salaries



102: Overtime



103: Seasonal Employment



101 Notes

- Added Plumbing Inspector Program Assistant
- Exchanged Engineering Aide to Research Aide
- (3) Pump Maint to (3) WWTP Operators
- Public Information Spec to Project Coord

PERSONNEL - 2015



- Overtime is reflection of actual use due to weather and emergencies, anticipating 2014 102 line will be over budget due to considerable weather and several major repairs; 103 increase pertains to minimum wage

205 Account - Automotive

Operating account:

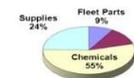
- Ten ¾ ton pickup trucks (295k)
- Two 4X4 ½ ton pickups (44k)
- One ¾ ton van (20.5k)
- One flatbed tow truck (93k)

- One F550 Crane Service Truck (105k)
- Two Stake Rack Trucks (78k)
- Total 17 vehicles
- Total Request: \$635,500**

300 Account - Supplies and Materials

300 Allocations

\$ 7,878,143

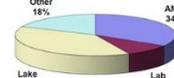


- Largest portion of chemical costs are for Metro Phosphorus treatment chemicals to meet ACJ limit of 0.10 mg/L.
- Fuel Costs are always dynamic.
- Chemical prices remain volatile, many fluctuating with fuel prices.
- Sheriff's fuel use included

408 Account - Professional Services

408 Allocations

\$1,064,925



- AMP Technical consultants used in support of ACJ stipulated work.
- Lake contracts to meet 4th stipulation work and mandates
- Lab services for specialty work

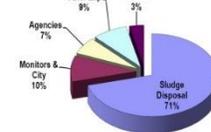


2015 OPERATING ACCOUNTS

410 Account - All Other Expenses

410 Allocations

\$3,028,886

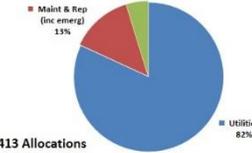


- Approximately 36,500 tons of sludge is disposed of yearly
- Includes NYSDEC & ACJ Monitors, city arborist, and stormwater assistance program fee
- SPDES fees are mandated by NYSDEC

413 Account Maintenance, Utilities, Rents

413 Allocations

\$10,736,164



- Electric quantity up due to new gray storage assets on line in last quarter 2013 (Clinton and Lower Harbor Brook storage)
- Includes allotment for emergency repairs and generator rental
- Outsourcing of Metro Co-Gen specialty maintenance

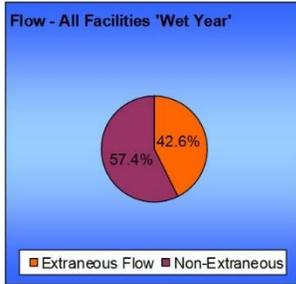


2015 OPERATING ACCOUNTS

- Vehicles are down overall by \$79k, supplies down \$101k, professional services \$230k year over year
- 410 - Sludge disposal contract up for rebid, creates \$73k increase due to forecast of minor increase; 413 up \$955k overall with utility portion being \$853k, almost all electricity use – quantity continues to be up and the unit cost of electricity is also forecast to be up, also have \$60k overhaul of cogeneration plant at Metro

972 Grants to Municipalities – Funding for Extraneous Flow Removal

- WEP spends millions of dollars each year to pump, store, and treat extraneous flow.
- We propose that you invest \$500,000 in cash to reduce extraneous flow.
- This would be cooperative work within the municipal conveyance infrastructure.
- We propose to use green and innovative solutions to reduce energy, chemical, and treatment costs for years to come.



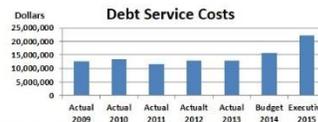
Even in dry years over 30% of flow is extraneous



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2015 OPERATING ACCOUNTS

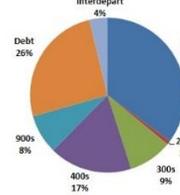
Debt Service



- Partial use of reserves for bonded debt; debt service for 2015 still up by \$6,379,788 from 2014.
- 2015 net Debt Service = \$22,100,055

Unit Charge – the total 2015 Unit Charge Increase is driven by Utilities and Debt Service

WEP Operating Budget by Account
\$86,269,457



2015 Unit Charge Summary

- 180,765 Units
- Recommended Unit Charge: \$417.41 per year (well below the National Average). Increase: \$2.38 per month.
- WEP's monthly charge for service, as proposed, equates to \$34.78 per month; compares favorably to other utilities such as cell phone, gas, internet, or cable TV.

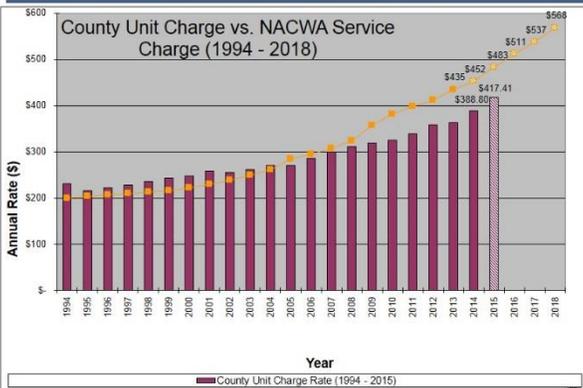


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2015 DEBT SERVICE & UNIT CHARGE

- 972 – down \$600k, proposing \$100k for public education component and \$500k for cash I & I projects in the towns and villages; Honeywell dredging revenue going away, paring back the amount of cash to support I & I funding projects, need to spend money on I & I but resources are scarce and must protect the ratepayers
- Net debt service up \$6.557M, includes \$4.4M in reserves for bonded debt, actual debt without that would be \$26.7M; monthly unit charge less than standard cable TV @ \$39.99 or cell phone with unlimited talk and text @ \$90 - \$90 a month for your cell phone or \$34.78 for your utilities is an important comparison to make

NACWA and WEP Sewer Unit Charges



NACWA (National Association of Clean Water Agencies)
<http://www.nacwa.org/>



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UNIT CHARGE COMPARISONS

SECTION 3: 2015 CAPITAL IMPROVEMENT PLAN PROJECTS



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- WEP's fees well below the national average, national average for all sizes of communities is about \$483 per year; NACWA also breaks this down by region (see link at bottom of slide 35), WEP's costs are lower than costs for the region and in areas with a lot of regulation, such as New England, the average cost is now over \$700 per year; very responsible about spending money but ask for understanding - the regulatory and utility costs, and aging infrastructure tends to cause some increase in their budget, which needs to be accommodated

2015 960 Cash Provisions for Capital Projects

Project	Budget
Analytical Equipment	85,000
Arcticash Compliance	150,000
Asset Management	200,000
Brewerton WWTP Service Area - Sewer Rehab.	100,000
Brewerton WWTP Asset Renewal	1,500,000
Chemical Tank Replacement	175,000
Clarifiers, Weirs and Sprockets	200,000
Concrete Repair	100,000
Door Replacement	174,000
Pump Station Foremain and WWTP Outfall Evaluation	250,000
Henry Clay Building Improvements	9,000
Hoist Project	60,000
Manhole Repair and Rehabilitation	300,000
Meadowbrook Limestone Disinfection and Clarifier Improv. Design	550,000
Metro Miscellaneous Improvements	500,000
Miscellaneous Engineering	300,000
Miscellaneous Sewer Rehabilitation Construction	100,000
Odor Control	50,000
Oak Orchard WWTP Disinfection and Lagoons, Design	875,000
Replacement Pumps & Controls	100,000
Roofing/Paving/Fencing	310,000
Safety Projects	70,000
Site and IT Security	45,000
VFD Project	30,000
Wetzel Rd Odor Control	250,000
Total	6,484,000

2015 Bonded Capital Improvement Program

Project	Total
Baldwinsville WWTP Disinfection and Asset Renewal (design)	3,400,000
Burnet Garage Demolition (food budget)	500,000
Hiawatha Trunk Sewer Rehabilitation	4,500,000
Ley Creek PS – Asset Renewal	4,980,000
Westside Pump Station Relocation and Sewer Service Area Improvements (design and construct)	14,700,000
Total:	\$28,080,000

*In 2015 WEP will also return to the Legislature to seek approval to perform \$20,000,000 in capital work to replace energy intensive equipment and process with self funded energy efficiency (ESCO) projects. That is annual energy savings to entirely cover the debt service of these capital costs.

Also in 2015 WEP will seek Legislative approval to perform \$2,000,000 in green and innovative extraneous flow removal grant projects.

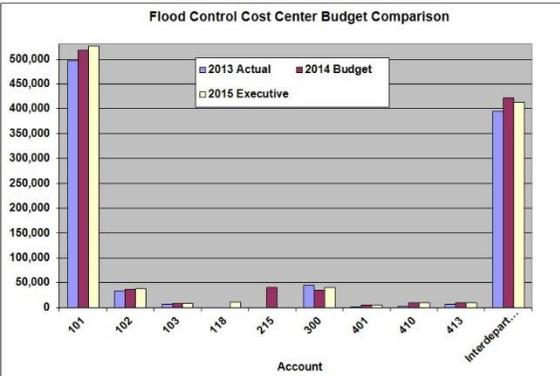
2015 CAPITAL IMPROVEMENT PLAN PROJECTS

SECTION 4: 2015 FLOOD CONTROL BUDGET

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Flood Control Expenditures - 2015



Major Accounts: 101 Salaries, 102 Overtime, 103 Seasonal/Other, 215 Fun/Equipment
300 Supplies, 410 All other, 413 Utilities/Rents

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Three Main Points of Today's Presentation

1. Save the Rain - Let's remove extraneous flow from future budgets with smart and sustainable investment today.
2. Our clean water assets are too important not to fund. WEP's \$34.78 per month user fee compares favorably to national utilities and is far less than cell phone or cable TV. Clean water is worth the investment.
3. Smart investment in the sanitary district assets cannot be deferred. Responsible investment today saves millions in energy costs, maintenance, avoided penalties, and extraneous flow management later. Aging assets, energy costs, and increasing regulatory change drive costs nationally and locally.



THANK YOU FOR YOUR CONSIDERATION AND SUPPORT

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- 4 Flood Control Districts, total appropriations \$672k, down more than \$412k
- County Executive's Save the Rain Program really helps them save money, is a Leadership Program winning national awards but also doing much to improve our local economy, neighborhoods and natural resources; asks that the Legislature take a hard look at what they are asking and understands that there is a fiduciary responsibly to ask the hard questions – they are doing everything they can to manage the cost to the ratepayer

Mr. Rhoads said this was the overview of their budget and they would be happy to take questions. Mr. May said it was a great presentation, as usual.

Mr. May asked that Mr. Rhoads refresh his memory on the solar array; County didn't have investment, per say as much as they allowed a provider to do this. Mr. Rhoads responded that a provider was allowed to do this and it is more or less a lease, in lieu of a utility payment, they make a payment for the power provided. There wasn't a capital investment per say, but there was a 20 year arrangement. Mr. May said this is a fantastic arrangement. Mr. Jordan said that instead of paying rent for using the land, they are giving us power. Mr. Rhoads added that they actually installed all of the array, so they made the capital investment and WEP pays them for the power coming from the capital investment. Based on 2014 figures, the power is cheaper than what they would normally pay.

Mr. May said that a year or two ago there was discussion of a use based structure. One point made was that the rate wasn't necessarily fair as some homes have four bathrooms and others have one. Mr. Rhoads said that because of changes, they did not proceed with the rate study, and it isn't in the 2015 budget. Mr. May asked how their rate compares in terms of structure, they are charging per unit, per household. Mr. Rhoads responded that the unit rate is based on 140,000 gallons per household. There are many other utilities who have a smaller volume in the household rate. That is part of the discussion, but on an annual basis, compared to the rest of the nation their household rate is less than the national average per household. Mr. May said that at the end of the day they are apportioning a rolled up number. Mr. Rhoads agreed. Mr. May asked if other municipalities had a usage based structure to bill for services; was this innovative, something that he was interested in or a trend that they could follow and perhaps benefit from. Mr. Rhoads responded that this was a complex question. Many other utilities are also providers of water and sewer so that metering becomes easier; they don't have that perfect correlation throughout the entire sanitary district. Some Onondaga County municipalities, outside of the sanitary district, have that direct billing correlation opportunity and that is often what they see in some of the other municipalities nationwide. There are some people on well water in the sanitary district, can't really measure the volume of water that they use. Mr. May asked if he still felt that it would be better to have a use based fee. Mr. Rhoads responded that they are backing off on this, at least for now. For very large users the fee is use based with a volume rate of 140,000 gallons; large industrial users are paying multiple unit charges. There are also high strength waste charges for users. **Mr. May said that he would like to understand why they are not pursuing the use based structure, if it is money, an opinion or industry knowledge gained that says they don't need to pursue this anymore.** At one end of his district there are 1,200 square foot homes, with 1 or 1 1/2 baths and the other end of his district has homes with 6 bathrooms. He understands that use is measured on the commercial or industrial level, but it is the tax dollars that they are sweating here. He believes this continues to bear some thought, as it is this side of the equation where public dollars tend to sneak up on the taxpayer. It was a great idea back then and still is now. **Mr. Rhoads said he understood.**

Chairman McMahan asked how a college dorm would be charged, as there are numerous toilet flushes by the hour. Mr. May brings up a very interesting point, and he doesn't understand their metrics. Mr. Rhoads responded that 140,000 gallons per year, is one equivalent unit. Chairman McMahan said the one thing he likes about this is that everyone is paying it, tax-exempt properties, everyone using the system. Mr. Rhoads said that tax-exempt properties pay it, but only those with a sewer connection are paying. Chairman McMahan responded that he was assuming that Syracuse University and the hospitals all have a sewer connection and asked where they fit into large industrial users and if they don't, are they using the wrong metric, should it be less than 140,000 gallons. Mr. Rhoads responded that commercial entities are charged 1 unit for every 140,000 gallons they use.

Chairman McMahan asked Mr. Rhoads and his team to address how the big trend in student housing for luxurious living facilities are being charged; are they falling in between or not. Mr. Rhoads responded that basically apartment type dwelling units are paying $\frac{3}{4}$ of a unit for every apartment, no matter how big. Understand also, that dormitories are not there year round, it gets to be almost too complex by half, but when talking about dormitories, a whole group of rooms, they are probably paying based on volume. Hospitals and academic buildings are based on flow volume. Chairman McMahan said this seems equitable for an apartment, but he is very curious about the new dorms and if they qualify as a high-end user. They may only be there 8 months per year, but there are a lot of flushes at a college dorm. He is just trying to see if there is something they are not catching, that they could adjust to catch, because these people aren't paying property taxes, are using all the services that everybody has and this is one of the only areas in which they can try to be equitable with them and the rest of the community; thinks this is something to look into. Mr. Rhoads said thank you.

Mr. May said the top priority is to make things as fair as possible for rank and file taxpayers, but the other side of it is that they have revenue objectives to meet. Where the usage is extensive, there could be a fair incremental revenue opportunity in certain areas. Looking at the report on infrastructure, 2/3's is over 30 years old and look what happened in Lysander.

Mr. May said that WEP did an awesome job keeping everything flowing in Lysander. Mr. Rhoads said this was due to Mr. Capozza. Mr. May said it was great work and a tough gig.

Mr. May said with respect to positions, plumbing inspectors more or less pay for themselves and asked if this was a fair statement in large part. Mr. Rhoads responded that this was their goal in life, plumbing fees pay for the plumbing inspectors. Mr. May said this was a simple question, but he wanted it on the record. Mr. Rhoads said that plumbing inspection is unique, going wall to wall and down into the sewer. Their plumbing inspectors charge a fee and do inspections for all the plumbing permits in Onondaga County.

Mr. Jordan said that he was a bottom line guy and was perplexed. They are proposing a sewer rate increase of \$28.61 per unit, but the budget shows revenues in excess of their expenses by over \$1.2 million. Mr. Morgan said that there is no actual surplus in the budget, revenues match expenses, Mr. Jordan, was looking at the variance and there was carryover that came into the 2014 modified budget.

Chairman McMahon said he wanted to address the capital projects. As Mr. Rhoads referenced, the last time many of their facilities were improved was decades, in some cases. The word economic development was referenced quite a bit, and if done right the referencing of economic development is correct, but if it is done wrong, what they are doing is status quo. One of his concerns, with the Seneca Knolls project, is that they are actually creating capacity. It is a part of the County with various state land amble for development with a large employer or business park, and there are other lands that the Economic Development team is anxiously trying to bring employers to; don't want to invest \$10-\$12 million and not have capacity for new development. If they are not adding capacity to the capital projects, in areas where they have opportunities for development, the projects will be harder to sell. Oak Orchard is another area where they are creatively working to gain capacity. They are being asked to invest millions and millions of dollars for capital projects, which will create years of debt service burdens on future Legislatures. They can't stay status quo, must have true economic development in areas with room to grow, i.e., Clay Business Park, Lysander and Baldwinsville. Mr. Rhoads:

- One important part of their Capital Program is trying to move the industrial or additional load to places with capacity
- Part of the Oak Orchard strategy pointed Gaskin Road Pump Station to Wetzel
- Agrana plant in Baldwinsville-Seneca Knolls area is starting to pinch capacity, not using as much as requested, open issue to see where they are going
- Working on Westside Pump Station Project, will take on Northside of Geddes currently going to Baldwinsville and will evaluate sending additional load to Metro
- Have tremendous amount of industrial capacity (BOD) at Metro, need to figure out how to work with Economic Development to put load in those areas or redirect the load to treatment plants with capacity; very, very expensive to expand a treatment plant, sometimes there are "bells and whistles" that can be added but it's like adding a turbo engine to an old car; will talk more in future discussions

Chairman McMahon said he appreciates what they are doing and knows that they are thinking outside the box on the Oak Orchard measures. The sustainability concept is a great concept in theory and utopian thought. However, as Ms. Primo can confirm, when certain employers come here they don't want to be where there is capacity at Metro, sometimes they want to have the new business park. Everyone needs to recognize the reality of the world and what is going on in regions seeing growth, that have as competitive, if not more competitive sewer rates, i.e. Texas. This is the big picture. When they're making these investments in infrastructure they must be Economic Development, which is progress, they need to be able to do the things just discussed, either fix it where they are or figure ways to divert it to create more capacity. Businesses, just like people, are going to go where they want to go and where they think they will succeed, can't force them to go somewhere just because there is capacity.

Mr. Jordan said he thought they approved money previously for sewer connections and improvements on Rt. 31, at the intersection of Caughdenoy Road, which would be servicing the White Pines Industrial Park and asked where the improvements stand. He knows that the state came in and they are planning certain improvements, but it seems as if nothing is happening. Mr. Rhoads said the only thing he recalls in the WEP budget was the potential connection of the White Pines Industrial Park. Typically, all sorts of local sewer issues like this, are town. Mr. Jordan said that Rt. 31 is a state road and he believes Caughdenoy is a county road. Mr. Rhoads reiterated that for the most part, sewer extension issues are town.

In answer to Mr. Jordan's questions on positions, Mr. Voss responded:

- Research Aide title (**pg. 5-29**) used in Asset Management, now have Asset Management team, new for Personnel and Civil Service- had to be creative in titles used for proper staffing; mechanic engineer is heading the group, chaired by Deputy Commissioner Lannon, have someone working now, title was the most Civil Service tolerant and appropriate, switching a DEO that is double encumbered, will be doing current work as research aide, propose abolishing Engineering Aide 2 (**pg. 5-27**) to pay for this –same grade and pay
- Plumbing Inspector 1 (**pg. 5-27**) revenue generating title; getting backlogged on commercial inspections, becoming more complex, also going to outlying developments in places such as Elbridge for plumbing permits; an increase in head count but a wash due to generated revenue
- Pump Maintenance (**pg. 5-28**) was a post and bid labor class title, Wastewater Treatment Plant Operator (**pg. 5-28**) is a tested title that can be licensed by the state, pump maintenance worker has become obsolete with changes and improvements in technology; didn't layoff anyone - done through attrition over the last 4 years, as they retire don't fill the position, come to the Legislature and ask for Wastewater Treatment Plant Operator, after this year will only have 1 out of 16 left, feel strongly about this and it has been successful; eliminating 3 positions and creating 3 positions with a higher level of competency
- Program Assistant (**pg. 5-27**) and Project Coordinator (**pg. 5-25**) are titles that were not funded last year, hadn't determined they would be using them, are in fact using them, Program Assistant is working on Green Infrastructure Maintenance and Project Coordinator is heading up Save the Rain; moved person from Public Information Specialist (**pg. 5-25**) to Project Coordinator, can unfunded Public Information Specialist, don't anticipate filling in the near future

In answer to Mr. Jordan, Mr. Voss confirmed that they would be unfunding the Public Information Specialist position.

Dr. Chase thanked Mr. Rhoads and said that what their department does is overwhelming. She knows that people are always looking at increasing capacity, but they have had a summer full of crisis with sewer breakage, especially in the City. Asked if there was any plan for replacement of old infrastructure, prior to it becoming a crisis, which is expensive and inconvenient for everyone; replace, rather than letting things brake and then fixing them. Mr. Rhoads:

- Asset Management - over 2000 miles of pipe, need to carefully look at where resources are applied
- **Slide 37** – significant monies are allocated for different types of specialty repairs, Mr. Capozza and his team have a pipelining contract, also try to use innovative technologies that are trenchless, utilize trenchless repair contract and manhole repair and rehabilitation contract, fund some of these through the 960 cash capital, miscellaneous sewer rehabilitation
- Hiawatha Truck Sewer rehabilitation significant project, pipelining thousands of feet with new material similar to dental filling, i.e. use UV light to harden, using innovative technologies and hope to get 50-70 years of live out of the repairs made
- Continue to make investments, but resources are tight; had a number of emergency repairs this year causing 413 account to be beaten up – aging infrastructure has its problems

Mrs. Rapp said that last month the Legislature passed a resolution looking at the feasibility of coordinating both the City, town and County sewer systems. It was “kind of” deferred to the Consensus Commission to look into. However, in talking with Neil Murphy, who chairs the Consensus with James Walsh, they have come up with a bunch of recommendations where collaboration between the County and towns could start saving money now. One of the suggestions was to put out a bid, with towns included, when doing slip lining of pipes, to allow for better pricing. Mrs. Rapp asked if WEP was on the commission or if anyone had talk to them about this. Mr. Rhoads responded that they are not on the commission, but their procurement process does allow the towns, villages and City to piggyback on any of the repair contracts. Mrs. Rapp suggested that WEP let this be known, a lot of town supervisors were not aware of that. Consolidation is a long time down the road, should it happen, but as these things come up, it would be very helpful.

Mrs. Rapp asked if there was anything like the solar array at the Water Treatment Plant planed for Metro, as this is the biggest cost. Mr. Rhoads responded, not at this time. Perhaps that is something they would look at in the future, the campus is pretty wall to wall. The first round of solar projects looked at areas where land was available. Mrs. Rapp asked about wind turbines. Mr. Rhoads responded that Mr. Lannon suggests alternative approaches to solar, on top of their buildings or over some of their tanks. It is not a subject that is completely lost on them, but they really don't have anything specific in mind. They will take this under advisement for the future.

Mrs. Rapp said that when Regional Planning presented their budget, they talked about a grant received to consolidate municipal solar arrays for better pricing and suggested that they should be in contact with them. Mr. Rhoads responded that this was a great point. The Legislature supported the rehabilitation of their digesters, so they have digestion of sewage sludge, a tremendous waste to energy project at Metro; already make heat and power from the waste material received. One of the things they will be further looking at, in their longer term capital plan or coming back as part of the ESCO projects, would be additional cogeneration equipment at the Metro campus, because it helps to keep the rate down for users. Mrs. Rapp said absolutely, the utility numbers are sky-high and if they can look at ways to capture waste and convert it, it is just smart business.

Mr. Jordan said that the utility usage has gone up, but the Legislature has approved a number of upgrades and improvements to specifically make the operation more efficient and decrease utility usage. Mr. Rhoads responded that they continue to make operations more efficient, but they also added two significant facilities – Clinton Storage and Harbor Brook Storage. For next year, the cogeneration equipment discussed is coming up on a required overhaul and will be offline; \$60,000 overhaul costs and will have to buy power. A big driver has also been the unit cost of power, which is also up.

Mr. Corl referenced slide 37 and asked if the \$2 million they are seeking for green projects would be traditional grants they have had in the past where towns would make application for funding of certain projects. Mr. Rhoads responded that at this time, that is what they are proposing. Historically, what they have done is come back to the Legislature for a bond ask and talk about reaching out to town and village municipalities and the City is eligible, outside of the ACJ area, to do I & I repairs and work also. This is not proposed here; typically would come in the 2015 year.

Mr. Plochocki asked Mr. Rhoads to speak about the money going toward the Save the Rain Educational Programs in general. Then, he is particularly interested in what portion, in the past as well as the current budget, would go toward the RFP that Baltimore Woods has traditional won for the Nature in the City Program. Mr. Rhoads:

- Nature in the City is funded out of the Save the Rain Public Education grant
- Right now Baltimore Woods is part of the dollars spent through the 3 year agreement, expiring with EFC; doing things such as the rain barrel workshops including suburban areas, assist with award grant projects to other towns, i.e. Dewitt

- EFC also assist with other events, doing maintenance event this fall to help municipalities, the City and some of the GIFT projects understand how to better maintain green infrastructure, Storm TV video created, Clean Water Fair and advertisements all part of the Public Education Program; small investments, but in total add up to be quite a value
- RFP on the street for a Nature in the City type program, has yet to be awarded, if there is an award it would be out of this particular account

In answer to Mr. Plochocki, Mr. Rhoads said the ballpark figure was in the neighborhood of \$50,000 for that Nature in the City work. Mr. Plochocki said that the balance in this budget line would predominantly go to the SU EFC and asked if he was understanding this correctly. Mr. Rhoads responded that what they are proposing, for the future, is that this would be for events like the Clean Water Fair and case based deliverables, instead of lump sums, it will be focused contracts on deliverables for each event.

Chairman Knapp asked if all sludge was processed at the digester, if they send some out and how this works. Mr. Rhoads responded that this was a complex question:

- At each satellite campus there is a little bit of aerobic digestion, actually thicken the sludge to reduce hauling costs
- Thickened sludge is brought to Metro from Brewerton, Meadow Brook Limestone, and Oak Orchard to digest and further reduce its volume and generate energy; Wetzel Road now has a digester online
- Baldwinsville is predominantly pressed, dried and taken off-site from the campus
- Managed in a couple ways, but for the most part have a hauling operation bringing it to Metro

In answer to Chairman Knapp, Mr. Rhoads said:

- Remaining product is taken to landfill
- Sometimes issues with prior processing created odors and other issues; long term plan is to look, but NYS is very difficult for land application of biosolids
- Currently going to Ontario County Landfill, previously went to Seneca Meadows; competitive bidding process, several upstate landfills interested in the product

Chairman Knapp said that they mentioned they thought they were going to be over budget on overtime for 2014 (**pg. 5-23 Line A641020**) and asked if the increase would cover the 2015 budget, realizing they don't know what the winter will be like. Mr. Voss:

- Believes 102 line will be \$1.3M for 2015; as of last Wednesday had spent \$840k, leaves them with \$159k for the rest of the year and they haven't plowed snow yet
- All weather driven - historically drove overtime down by \$200k since he started there in 2008, down \$160k in 1 year by changing sludge hauling to eliminate much of the built in overtime and added flow control 2nd shift to cover many of the house calls; only so much they can do, when salaries go up incrementally and they have a year like this one with storms in April and the incident in Baldwinsville costing a ton of overtime, can't control this
- Doing the best they can, no abuse of overtime, just a fact of life have people on call; have gutted the fat, there is no waste, pretty predictable they will be over budget in 2015

In answer to Chairman Knapp, Ms. Karasinski said gas was budgeted at \$2.96 for unleaded and \$3.38 for diesel in 2015, a little lower than 2014.

In answer to Chairman Knapp, Mr. Rhoads said that they are up just a shade on units from last year. The number of units in the sanitary district has been static for over a decade. It is an interesting discussion, the number of units is static, but over the same decade they have had a 20% increase in the number of pump stations to maintain. Chairman Knapp said, hence is question. Mr. Rhoads said he understands that the sustainable development is still a mixed bag, but they have a lot of extensions of sewers, more pump stations to maintain

and frankly what they are doing is just spreading those units around and farther apart. Chairman Knapp asked where they were losing units when adding developments. Mr. Rhoads responded that the older ring developments, immediately around the City, are starting to see some abandonment, not just in the City of Syracuse.

Chairman Knapp asked if they would receive any revenue from Honeywell in 2015. Mr. Rhoads and Ms. Karasinski:

- Honeywell's dredging portion was previously proposed to windup in 2015, now intend to complete the dredging portion by year end, will still do capping next year, but this doesn't bring back water for flow
- Still have ongoing groundwater projects, will see flow from them; (**see slide 27 NO.1358**) estimated at \$1.16M, down from \$2.7M

Chairman Knapp asked for clarification on funding amounts with Soil and Water and Cornell Cooperative Extension. Ms. Karasinski said that Cornell is estimated at the same, about \$142,000 and Soil and Water is at \$60,000.

Chairman McMahon questioned the interest and earnings on the investment line (**pg. 5-23 Line A590050**), asking how it could be possible to have a 50% cut. Mr. Morgan:

- Goes hand in hand with the actual costs to issue debt; debt issued this past spring incurred interest cost just over 2% - market gives it that way and takes it on the other side
- Banks don't want their money anymore, can't make money on it, have to fully collateralize all County deposits and new banking requirements will require higher liquidity within the assets banks maintain
- Tirelessly working with local, regional & national banks to get largest amount from investments allowed to invest in, also can't tie money up indefinitely; anticipate current interest rate environment to last at least another 1 or 2 years

Chairman McMahon said that the modified number for 2014 was the same as budgeted and they are taking a \$60,000 cut; kind of understands how these things work and they are not going to take a 50% cut. Mr. Morgan said actual was \$77,000, so they are taking a little bit of a dip. Chairman McMahon said the \$77,000 was in 2013, he is talking about the budgeted and modified for 2014. Mr. Morgan said he understood, but that was based on an estimate. **Chairman McMahon asked what the actual 2014 numbers are for interest and earning on investments.** Mr. Morgan responded that he doesn't know what the actual 2014 numbers will be. Chairman McMahon said that they are going to have the same type of thing in every single budget were cash is being held, collectively throughout the entire budget, it turns out to be a decent amount of money and something that they need an accurate reflection on. Mr. Morgan responded that it is sadly not a decent chunk of money any longer, it used to be. Chairman McMahon said that he understands that it is down and they can talk further, but he doesn't believe that it is probable that their interest earnings on money is going to take a 50% cut. If it happened already, it would have happened in 2014. **Mr. Morgan said that 2014 is not over and he doesn't know what the actual number will be; will provide accounting of all interest supporting operations and compare it to what they had in 2013 and the budget for 2014.**

In answer to Chairman McMahon, Mr. Morgan confirmed that the provision for salary and wages (**pg. 5-23 Line A644180**) was for the CSEA.

Chairman Knapp thanked Mr. Rhoads and his team and recessed the meeting at 11:08 AM.

METROPOLITAN WATER BOARD – pg. 5-54: I. Holly Rosenthal, Executive Director

Chairman Knapp reconvened the meeting at 11:21 AM.

Ms. Rosenthal said they are very excited and proud of the things they have accomplished over the past few years and are looking forward to continuing that good work into the future and presented the following:

2015 ANNUAL BUDGET

Ways & Means Committee Report

METROPOLITAN WATER BOARD

JOANNE M. MAHONEY, COUNTY EXECUTIVE
 ROBERT J. ANDREWS, CHAIRMAN
 I. HOLLY ROSENTHAL, EXECUTIVE DIRECTOR




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.

MWB MISSION



MWB 2015 TABLE OF CONTENTS

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MWB Delivering on the Mission
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Proposed Organizational Chart
Proposed Water Rate Change
- Section 4:** Capital Improvement Plan
Terminal Tank Project
Comprehensive Asset Renewal & Energy (CARE) Program
Upcoming Capital Projects: Water Treatment Plant Improvements





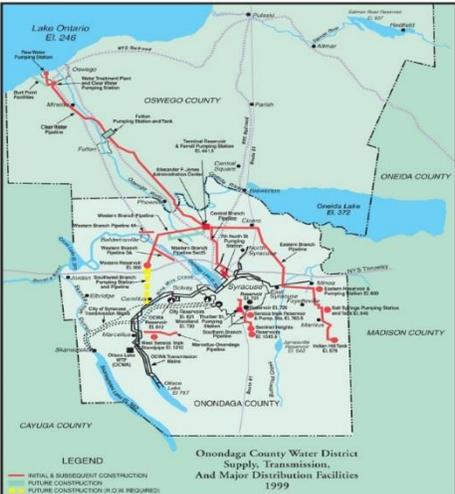
- Financial Sustainability
- Environmental Sustainability
- Safety & Security
- Appropriate Technology
- Water Quality Compliance
- Energy Efficiency
- Operational Efficiency
- Asset Management

MWB: DELIVERING ON THE MISSION



- Mission statement is a reminder of how important and valuable water is

MWB SYSTEM MAP



Onondaga County Water District Supply, Transmission, and Major Distribution Facilities 1999



MWB 2014 YEAR IN REVIEW



- *System begins in Lake Ontario with shared intake with the City of Oswego, continues through Raw Water Pump Station, onto water treatment plant where water is purified and filtered, sent to Clear Water Pump Station and sent to center of map where terminal tanks are located, Farrell Pump Station then pumps water out East, West and South to storage facilities in connection with OCWA and the City of Syracuse*

ADMINISTRATION & MANAGEMENT

- Terminal Tanks and Associated Site Improvements – Project Completion
 - Completion of Terminal Tanks signals completion of the final component of the MWB Water Storage Realignment Master Plan and delivers new primary storage facilities system-wide, in accordance with the Stipulation Agreement with the U.S. Environmental Protection Agency for compliance with Long-Term 2 Enhanced Surface Water Treatment Rule (<http://water.epa.gov/lawsregs/rulesregs/sdwa/lt2/index.cfm>). Open reservoirs have been replaced with concrete tanks to provide targeted microbial protection. In addition, the tanks will reduce MWB's chemical costs and reduce risks associated with disinfection byproducts (DBP's). Drinking water security and system modernization are further benefits.
 - Tanks have been completed and are on line with site work to be completed in September 2014. Work has been completed on time and below Authorization and Engineer's Budget, and in advance of Stipulation Agreement requirements.
 - In partnership with a private developer, a 1.2 MW solar array has been installed on the tank roofs. This array is projected to offset Farrell Pump Station electrical grid demand at on par or below market rates.
 - The surrounding site restoration exceeds Save the Rain standards and is the first County site to do so outside of the Onondaga Lake Watershed.
- Comprehensive Asset Renewal and Energy (CARE) Program – Project Launch
 - Completed construction of Farrell Pump Station Energy Reduction/Process Upgrades (pumps, motors, drives, hydraulic system and valve refurbishing). Systems improvements are online and energy savings has been verified by National Grid.
 - Projected Annual Savings of approximately 163,000 kWh and \$170,000 total savings through energy efficiency and market optimization, using 2010 baseline.
 - Received National Grid Energy Grant for \$232,000 reduction in capital investment.
 - Bid and awarded Phase II Energy and Facility improvements, now under construction.
 - Completed basis of design for energy improvements, instrumentation, security, reliability and facility upgrades for other primary pump stations and system infrastructure.
 - Projected Annual Savings of over 3M kWh and \$500,000 annual savings through energy efficiency, market optimization and operational efficiency, using 2010 baseline.
- Comprehensive Water Treatment Plant Improvements – Project Initiation
 - Completing Facility and Process Assessment to identify needs and costs associated with upcoming capital project scheduled for design phase in 2015.
- Completed design of renovations to New York State Accredited Environmental Laboratory for modernization and continued compliance. Under construction Fall 2014.

MWB 2014 KEY ACCOMPLISHMENTS
HIGH PERFORMANCE DELIVERY: ADMINISTRATION & MANAGEMENT



- *MWB story for 2012-2015 is their Capital Program; many studies have been done about the need for investment in water infrastructure – American Water Works Association report, “Buried No Longer” estimates \$350B worth of investment will be required just for national water infrastructure, September 9, 2014 NYS Comptroller issued an update to 2012 report, “Growing Cracks in the Foundation” about declining local investment in water and other infrastructure, specific to water infrastructure sited a NYS Dept. of Health study finding a need for \$10.7B in water infrastructure investment over the next 20 years in NYS alone; proud Onondaga County has been proactive in investing in essential improvements required for our water infrastructure for the past 4-5 years – have a great story to tell, will be showing pictures of what has been accomplished, are ahead of many communities, have been strategic and proactive, but can't sit on their Loral's, much more investment needs to be made, important to continue investment to our infrastructure*
- *Replaced 30M gallons of reservoir water with 2-15M gallon tanks; going forward should see comparable grants for improvements to Raw Water, Clear Water, and Eastern Pump Stations, more importantly will be delivering energy savings year after year once completed; aside from infrastructure already replaced, all infrastructure is about 50 years old, Water Treatment Plant facility is starting to show it's age, assessment will identify the needs for process and facility improvements looked at through lens of environmental and financial sustainability, and innovation – all things they are looking at with the CARE project, how to best implement technology, will be next project they come to the Legislature to discuss*

ADMINISTRATION & MANAGEMENT CONT'D

- Advanced the implementation of MWB's Asset Management Program to be integrated with system technology being delivered through the CARE Program. Created and electronically archived equipment and appurtenance data, converting records and manuals from 1967 construction through present improvements.
- Expanded collaborative initiatives to explore and implement best practices, shared services and resource efficiency, with other regional water utilities and County agencies.
- Further explored the costs, feasibility and benefits of new revenue sources through partnership with area municipalities and authorities.
- Continued development of MWB workforce through Operator and Maintenance cross-training and cross-assignment, resulting in reduced overtime and travel, better ability to adapt to leave absences and retirement transitions, as well as improved communications and employee relations, despite unplanned vacancies and reduction in personnel.
- Continued participation in the U.S. EPA **WaterSense** Program, a U.S. EPA partnership program which promotes the value of water efficiency.
- Expanded technology implementation to facilitate modernization of data collection, communication, accounting, training and project and asset management. Other technology improvements will remain ongoing and be expanded through the CARE Program.
- Continued American Water Works Association (AWWA) eLearning Program for High Tech Water Plant Operators and Operator Continuing Education to prepare for upcoming technology, create consistency in quality of training, greater accessibility for off-shift Operators, and greater choice of course topics, while reducing travel time, expense and greenhouse gas footprint.
- Advanced TRACC (Trust, Respect, Accountability, Communication and Collaboration), an on-going employee engagement process, particularly valuable in communicating with breadth of changes taking place through the CARE Program.
- Continued development of MWB web site, including Annual Lake Monitoring Reports and Capital Project reports and Historical and Construction Progress photos: www.ongov.net/mwb



MWB 2014 KEY ACCOMPLISHMENTS
HIGH PERFORMANCE DELIVERY: ADMINISTRATION & MANAGEMENT

- Continuing to be proactive with Asset Management Program, have combination of new equipment and infrastructure combined with very old, how they balance the capital projects to replace the portions of the systems committed to replacement and still maintain the aging components of their system is handled through asset management planning*



TREATMENT & TRANSMISSION

- Purified, treated and conveyed nearly 7 billion gallons (annual) of Lake Ontario water in compliance with New York State Department of Health (NYSDOH) standards for drinking water, meeting or exceeding all state and federal regulatory requirements.
- Continued Disinfection Byproduct (DBP) sampling to develop a strategy for improving water quality in outlying areas. Expanded scope of water quality advanced monitoring program to include additional sampling for disinfection by-products throughout the distribution system in source and filtered water to further develop control strategies.
- Completed Phase III Self-Assessment Report for the Partnership for Safe Water, an EPA endorsed, peer reviewed, water treatment evaluation program sponsored designed to assist in the optimization of water treatment plant performance.
- Monitored and maintained water quality throughout the treatment, transmission and distribution system, through the performance of nearly 11,000 chemical, bacteriological and microscopic analyses by the MWB NYS Department of Health Certified Environmental Laboratory.
- Continued reactivation of granular activated carbon (water plant filter material). Reactivation allows for staggering filter material replacement through regeneration of existing material, providing optimal long-term performance at a reduced cost compared to replacement with new.



MWB 2014 KEY ACCOMPLISHMENTS
WATER QUALITY: TREATMENT & TRANSMISSION

- Highlight- phased in replacement of granular activated carbon, using more sustainable method both financially and environmentally, phasing in over several years to get most life out of material*



MWB 2014 KEY ACCOMPLISHMENTS
WATER QUALITY: TREATMENT & TRANSMISSION

TREATMENT & TRANSMISSION CONT'D

- Maintained aging Water Treatment Plant and Pump Station infrastructure as required in anticipation of upcoming Capital Projects. Self-performed the following Water Treatment Plant Maintenance Projects:
 - Replaced Sodium hypochlorite chemical feed pumping system to allow better dosing control and precision, increase reliability, reduce operations and maintenance problems, and enable remote control through Supervisory Control and Data Acquisition (SCADA).
 - Insulated chemical storage tanks. Storage system employs closed-loop hot water system for temperature control of liquid caustic soda. Insulation, along with new natural gas condensing water heater, further increase system efficiency and result in significant energy savings.
 - Completed rebuild of Water Treatment Plant steam traps for steam boiler heating system, improving system efficiency and reducing operations and maintenance problems.
- Further increased savings through in-sourced management of Lake Ontario water quality testing performed by contract laboratories and support of the Annual Lake Monitoring Report.
- Met quarterly with regional water agency/utility water quality managers to review current topics and best practices.



DISTRIBUTION AND STORAGE

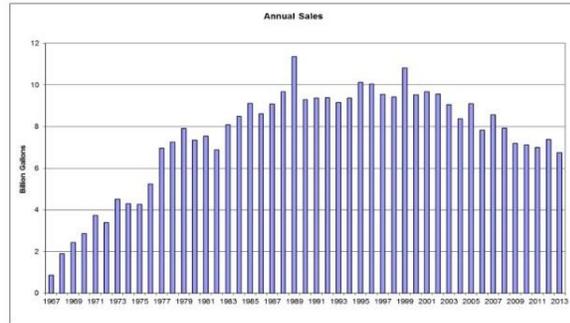
- Continued implementation of system-wide Meter Replacement Program to replace obsolete meters with advanced technology that will integrate with the CARE Program and provide more accurate, real-time data and allow more timely system trouble shooting.
- Progressed Right-of-Way clearing Program to improve daily and emergency access to MWB pipeline and appurtenances. This Program was started in 2012 after many years of overgrowth of approximately one hundred miles of pipeline easement.
- Continued system-wide valve performance testing program and replacement of original line valves/operators as required.
- Completed upgrades to MWB Thurber and Seneca pump stations in collaboration with OCWA.
- Provided safer access and replaced aging valves and appurtenances at MWB Control Structure at the Terminal site. The Control Structure is the main intersection of transmission pipelines from Oswego to MWB connections and storage facilities throughout the County.
- Continued to develop and implement proactive asset management program for all MWB system infrastructure and facilities.
- Continued effort to protect buried water system infrastructure from damage caused by unsafe excavations through response to nearly 3000 dig requests from Dig Safely New York (DSNY).

MWB 2014 KEY ACCOMPLISHMENTS
SYSTEM RELIABILITY: DISTRIBUTION & STORAGE



- *Have series of essential ongoing programs that maintain the value of operations within the system; have full grown trees over pipelines, trying to mitigate any damage caused by neglect, adding Pipeline Assessment Program to identify potentially weak components of pipeline infrastructure and to be proactive in maintaining or replacing those; staff is to be recognized for what they have accomplished in 2014, smaller staff with many Capital Projects underway, everyone at MWB wears many hats, has a lot of responsibility and delivers*

MWB CONDITIONS & TRENDS



ANNUAL WATER SALES

2012 (dry) and 2013 (wet) anomalies as a result of significant weather variations

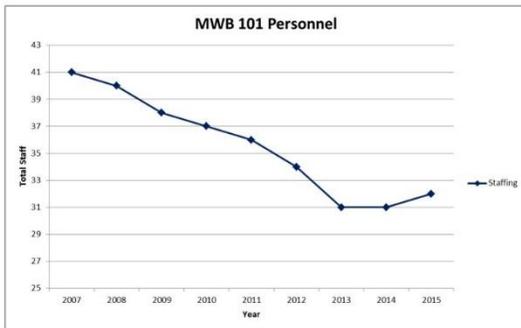
National & Regional Trends for Decreasing Water Consumption due to:

- Water Conservation
- Economic Downturn
- Green Initiatives
- Plumbing Fixture Improvements
- Smaller Households
- Climate Change/Weather Variations

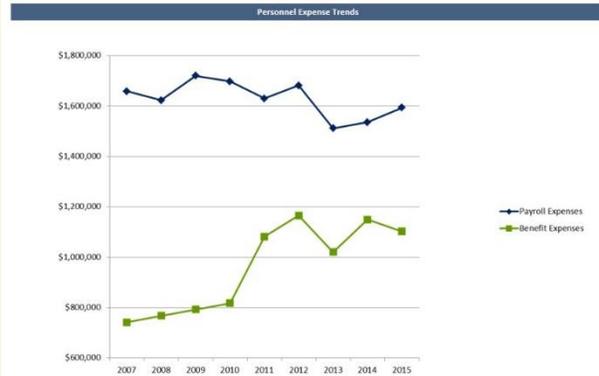


- 2014 wet also, weather trends impact water sales and production, also a lot of initiative for water conservation in the community, green initiatives and more efficient plumbing equipment and fixtures, and smaller households; hope trend is stabilizing, hovering around 7B gallons per year in water production

Realignment of Operations and Maintenance personnel to address current and upcoming needs
 ->No impact to existing personnel. All changes through retirement and other attrition.



PERSONNEL TREND

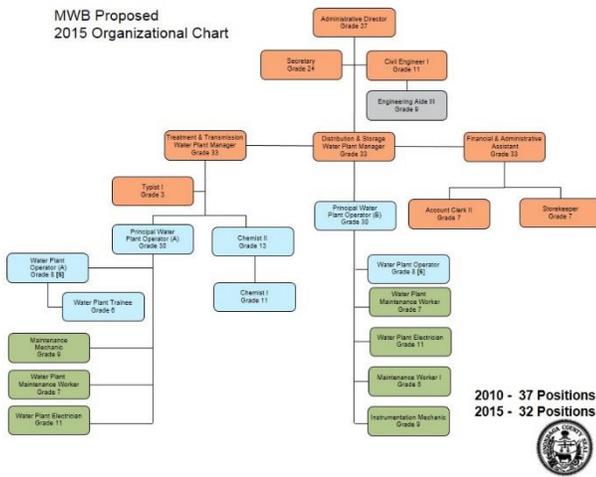


PERSONNEL EXPENSES



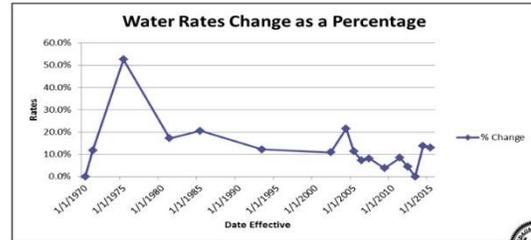
- Requesting additional position of Typist 1 (pg. 5-56), was a fulltime position at one time, cut a few years ago, now need to have it back

MWB Proposed 2015 Organizational Chart



MWB 2015 Wholesale Water Rate Increase 13 Cents/1000 gallons

No increase in OCWA Water Use Rate in 2014 despite MWB increase of \$0.09/1000 gallons
 Proposed 2015 MWB Wholesale Water Rate increase could impact as follows, although OCWA budget is not yet finalized:
 2.5% increase before other OCWA program impacts/offsets
 ->Average Household Bill impact = \$6.20/yr
 +/-5% increase on Wholesale and Industrial Customers
 ->Possible impact on Largest Industrial Customer→\$90,600/yr (based on 2014 consumption)



PROPOSED WATER RATE CHANGE

- Important page but not accurate because MWB is only a portion of OCWA's water source, gets remaining water from Otisco Lake and they fund that portion of the program within their rates, until OCWA completes their budget don't know what the impact will be on the end user; OCWA used stored savings to hold the line on their rate and not pass any increase onto their customers from MWB's 2014 increase; had further discussions with OCWA this morning, OCWA thinks the average impact per household is likely to be \$4.20 or less per year, impact on their largest industrial users, Solvay Paperboard about \$60k and Anheuser Busch about \$55k per year

MWB CAPITAL IMPROVEMENT PLAN

PURPOSE OF CAPITAL NEEDS:

Currently, the MWB draws an average of 20 million gallons of water per day from Lake Ontario, starting at the intake in Oswego. The 'raw water' is pumped to the Water Treatment Plant where it is filtered, treated and tested prior to the transmission of 'finished water' through the MWB pipelines and pump stations to various storage facilities and customer connections.

The MWB system has been in operation for 47 years with few capital improvements and limited preventive maintenance funding resulting in increased risk of component failure, operational and energy inefficiencies, outdated instrumentation and controls and limited availability of replacement parts.

CAPITAL PROJECTS DELIVERED/PLANNED:

Compliance:

Terminal Tanks: Completed replacement of Terminal Reservoir and conversion of water storage to two (2) 15 MG concrete tanks as a means of compliance with the United States Environmental Protection Agency (EPA) Long Term 2 Enhanced Surface Water Treatment Rule (LT2).

Standby Generation: Emergency generators to assure pump station operation during power outages per Department of Health recommendations. Initial installation at Farrell Pump Station in 2014.

System Reliability, Security, Energy and Operational Improvements:

Comprehensive Asset Renewal and Energy (CARE) Program
 Replacement of original process and facilities infrastructure with premium efficiency improvements, including high-tech instrumentation and controls to optimize staff and energy resources and improve reliability and security.

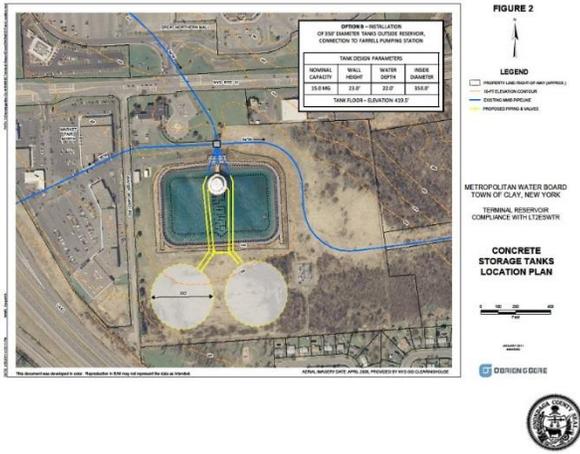
Water Quality:

Water Treatment Plant: Various Water Treatment Plant (WTP) improvements in preparation for CARE and subsequent WTP capital improvement program. Assessment is underway in 2014 to pursue program funding.



2015 STATUS OF MWB CAPITAL PROJECTS

- Compliance, system reliability, security, energy and operational improvement and water quality drive the Capital Plan – things that will save MWB money, year in and year out, those items all tie into early pages about foundational values and strategic initiatives and is the connection between Capital Programs and what they deliver

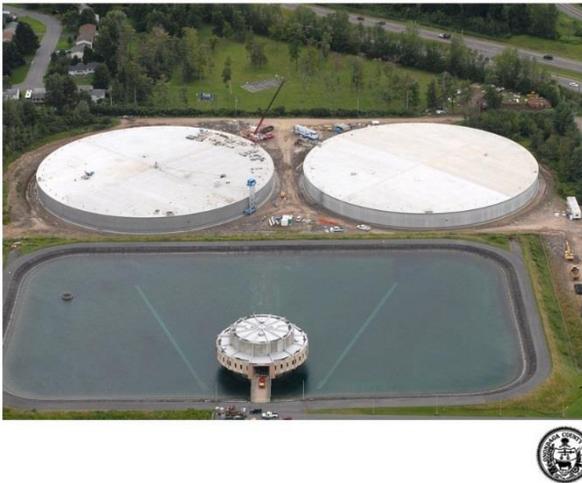


2013: TERMINAL TANKS AND FARRELL PUMP STATION



2012: TERMINAL TANKS

- Planning photograph for the Terminal Tank and Farrell Road Project; then 2012 construction season



2013: TERMINAL TANKS & FARRELL PUMP STATION - SOUTH



2014: TERMINAL TANKS & FARRELL PUMP STATION - SOUTH

- 2013 tanks were completed but reservoir was still in place; 2014 reservoir is gone and site restoration is underway, as of today site restoration is complete, have grass and landscape material growing there



2013: TANK 1 - NORTH



2014: TANK 1 - NORTH



2014: FARRELL PUMP STATION

PROJECT DRIVERS:



2014: COMPREHENSIVE ASSET RENEWAL AND ENERGY (CARE) PROGRAM

- Ongoing work at pump station but essentially all work for the Terminal Tank Project has been completed, highlights to tank project -asked consultants to employ as many methods as possible for compliance with LEED standards, reduced construction waste and greenhouse gas emissions during construction, kept all soil on site instead of hauling it off, first County property to meet or exceeded Save the Rain standards on site in terms of stormwater retention, have bioretention basins and bioswales, also have 1.2 megawatts of solar panels on top of tanks, not seen in pictures as project was completed recently in partnership with Solar City, will help reduce site energy costs - great package of innovation, energy savings, environmental sustainability and compliance
- CARE project is ongoing, will have much more to talk about next year, this can't be the end of investments to the system, still dealing with major components nearing 50 years old



UPCOMING CAPITAL PROJECTS: WATER TREATMENT PLANT



TREATMENT PLANT – CLEAR WATER BUILDING

- Rendering of Water Treatment Plant from 50 years ago, still looks much the same on the outside
- Inside starting to see some of the wear and tear and deterioration that is happening; currently working on assessment identifying those issues so that they have a plan for going forward



In answer to Ms. Williams questions of the 150 line (pg. 5-54 Line A692150). Ms. Rosenthal:

- Going under contract for renovations to the laboratory at the Water Treatment Plant - laboratory was in very poor condition and was at risk of not meeting compliance for overseeing agencies reviewing their work, investment in laboratory equipment is the majority of the cost increase on that line
- The laboratory itself - facility work, HVAC, electrical, cabinets, etc. is under contract for facility improvements, but there is some equipment that they still need to upgrade and those costs are on this line
- Is the most variable line in their budget - furnishings and equipment that exceeds \$5,000; some years they have a lot of things below \$5,000 and some years they push ahead of that limit
- This should bring all equipment up to date in the laboratory itself, other water quality monitoring equipment throughout the system will still need to be replaced, some of it will happen under the CARE Project and some of it will happen under other maintenance type projects

In answer to Mr. Jordan's questions, Ms. Rosenthal said:

- It is important to know that the majority of their accounts have stayed the same or decreased, real story of their budget is the cost of debt service for the Capital Projects
- All transmission pipeline are owned by Metropolitan Water Board Onondaga County Water District
- No overlap between MWB system and OCWA system, they are end to end; OCWA gets its water from Otisco Lake, in the 1960's there was water shortage and community leaders realized there was a need to supplement the water source for OCWA in order to maintain viability of the community, made big investment into MWB infrastructure to bring water in from Lake Ontario to supplement the OCWA supply, now day in and day out MWB provides 50% of the water sold by OCWA – MWB is the wholesaler and OCWA is the retailer/distributor, OCWA pipelines connect to MWB's water storage facilities, OCWA takes water from the storage out and pays for that portion of the systems within their own program and MWB pays for pumping and transmission portion of the system within MWB

Mr. Jordan asked if it would be fair to say the distribution system within the district, so to speak, is owned by OCWA and the distribution system bringing water down from Lake Ontario to Metro and the two other storage facilities would essentially be the pipeline owned by MWB. Ms. Rosenthal said, "Yes, but not exactly", in a way, it's like National Grid making a connection to your house, there is no overlap there, but National Grid brings all the big power in and then it gets distributed to all the outlets in your house. This is similar to what happens with OCWA and MWB - OCWA then bills 100,000 customers for their water connections and MWB bills three customers.

Mr. Jordan asked what the projected energy savings were from the solar array and if they were reflected in their budget. Ms. Rosenthal:

- No actual energy savings to MWB, energy consumption savings realized at that site are coming out of the process in facility improvements made to Farrell Road Pump Station, estimated to be \$170k per year compared to \$210 baseline used for the study prior to those improvement being made
- Solar array benefit is fixed costs for energy, when cost of energy increases will have saving between the current rate and the fixed rate agreed to with the developer – Power Purchase Agreement, same thing WEP is doing for Oak Orchard site, 1st two sites within the County employing this
- Will purchase as much power as the solar array can provide, remaining balance to come from National Grid, estimate 25%-30% of their power will come from the solar array

Mr. Jordan said essentially they are buying all the power the solar array can produce, but that is not enough to power the entire system and the additional will be purchased from National Grid. Ms. Rosenthal confirmed this was correct. Each and every day they won't be able to get enough power for all of their operations; may be some days when they can and some days when they can't, depending on how much pumping they are doing from that facility.

In answer to Mr. May, Ms. Rosenthal addressed the provisions for Capital Projects line **(pg. 5-54 Line A674600)**:

- Making major capital investments to the CARE Project and Terminal Tank Project, and hopefully in the Water Treatment Plant Project going forward, some midsize Capital Projects are integral to those projects or are standalone
- Right now request is focused around the Water Treatment Plant, as they get information from the assessment there are things they want to move forward right away and for both the CARE and Water Treatment Projects there are things that are essential for them to do in advance so that those projects can be most productive

Mr. May said they are sort of running this through their operating side. Ms. Rosenthal:

- This is typically where midsize Capital Projects would reside, even without a robust CIP
- Smaller maintenance type projects are done within the O&M budget.
- To provide a prospective, roof of the Water Treatment Plant needs to be replaced, likely to be over \$1 million in and of itself
- These are some of the things that would fall outside the CARE Project or won't be able to be completed in a timely fashion for the Water Treatment Plant, investment to Water Treatment Plant work is a ways out

Ms. Rosenthal said it was important to know that 8 cents of the 13 cents is for debt service of the CIP, only a ½ cent per thousand of that rate is avoidable cost – some of the things are interdepartmental charges and benefit charges that they don't control and about 2.5 cents is the increase on the provisions for Capital Projects line **(pg. 5-54 Line A674600)**. Mr. May said this was a good point to make.

Chairman McMahon questioned the maintenance, utilities and rents line **(pg. 5-54 Line A694130)** and the difference between the 2015 proposed budget and the 2014 modified budget. Mr. Morgan said that this is most likely carryover from 2013 for expenditures that weren't incurred yet, the funds from the previous year are carried into the next and they modify the budget. In this case, that is why they rolled the number back to the adopted. Ms. Rosenthal added that at the end of last year they were unsure of where their water sales would end up because of the wet season. And so they held back on some of the maintenance projects until yearend, once initiated they carried forward those costs into the 2014 budget and completed the projects in 2014. Chairman McMahon said that the money was leftover from 2013. Ms. Rosenthal said it wasn't leftover, it was budgeted and initiated work that wasn't completed by yearend.

In answer to Chairman McMahon's questions, Ms. Rosenthal:

- Confirmed laboratory costs are onetime improvements
- Clients are the Town of Hannibal, City of Syracuse and OCWA
- Bill the City of Syracuse on a flat fee basis - \$50k per year, amount of water City can draw changes as MWB's rate changes - as rates increase they get less water for the \$50k

Chairman McMahon asked if they were in discussions with the Village of Phoenix. Ms. Rosenthal:

- Legislation approving MWB language says "*we are authorized to provide water service to authorities and municipalities within and without Onondaga County*" – assume they meant inside and outside of Onondaga County
- Have talked to Phoenix, Fulton and Cayuga County; people come to them with interest in potentially connecting to MWB lines to provide them service, sometimes they move forward and sometimes they don't

Chairman McMahon said that MWB has a revenue problem in their budget because they are tasked with maintaining an infrastructure for a vital service. Their clients are stagnate so the only option is to raise rates on the existing clients, which is a terrible business model. He thinks looking at municipalities, like the Village of Phoenix or anyone else, is a positive thing and would strongly encourage it. If some of the projects they are advocating for are approved, the debt service is not going to get better, it is only going to get worse. Realizing that Chairman Andrews is here today, he wants to be very clear that the answer to the problem, in his opinion and he believes many of his colleagues will agree, can't be continual double-digit rate increases over the next 5 years, hoping that OCWA doesn't pass them onto the consumers. This just can't be the answer to the problem, it can be part of the solution, but there needs to be a better and more thought out plan for the Legislature to continue investing in infrastructure and maintaining the quality of water that they do. One of the answers is to get more clients. Ms. Rosenthal responded that she couldn't agree with him more, this is their interest as well. However, one of the things that differentiates MWB from OCWA is that they have the ability, as a special district, to levy an ad valorem. Chairman McMahon said that this is the Legislature's decision. He is telling them that he doesn't think that is the best answer. Ms. Rosenthal responded that she was just saying that there are two potential sources of revenues for MWB, one is the ad valorem and one is the rate. Chairman McMahon said they are in a situation where they have to make upgrades to continue doing what they are doing and do it well, no one is going to disagree. What he is saying is that an increase of .13 cents on the dollar for the next 5 years is not an acceptable approach for him, if that is the plan and he's not saying that it is, there needs to be a more comprehensive approach and bringing on new customers will help alleviate the stress that the debt service will be under.

In answer to Chairman McMahon, Ms. Rosenthal confirmed that they have plenty of capacity for adding new customers. However, a customer like Phoenix is not going to generate the revenues needed to cover much of their debt service. Chairman McMahon said he understands that, they are going to need more than the Village of Phoenix. Mr. Jordan asked if there were other dependent factors out there – didn't the City of Oswego also have rights to some of the water drawn from the lake. Ms. Rosenthal responded that the City of Oswego has their own water system and they share the intake at Lake Ontario. Mr. Jordan asked what the competing factors would be terms or marketing and if others were cheaper. Ms. Rosenthal:

- Comes down to whether they want to manage their own distribution system; some smaller municipalities choose not to manage their distribution system and use OCWA for distribution, OCWA purchases the water from MWB at the same rate the municipality would, adds on a cost for improving and managing distribution system
- Town of Hannibal is a customer of MWB's because they choose to create and maintain their own distribution system - doing a great job and a model for other smaller Oswego County communities;

Hannibal takes on the responsibility, risk and liability of maintaining their distribution system from their point of connection with MWB out to their customers

Mr. Jordan said that MWB should be gaining regardless, whether they have their own distribution system or use OCWA, who is buying half of the water from MWB. Ms. Rosenthal:

- OCWA buys 100% of their water from MWB for that area
- OCWA is constrained by the amount of water they can produce and sell, they exceed the amount they can draw from Otisco Lake each day, every additional gallon they sell is MWB water
- When OCWA increases their customer base it is essentially with MWB water

Chairman McMahon said they make a pilot payment to the City of Oswego and asked when this was up. Ms. Rosenthal:

- Actually 2 pilot payments - \$186k Town of Oswego pilot expired in 2014, pay the City of Oswego \$1M per year for the purchase of the easement for continued use of the intake at Lake Ontario
- 2 payments remain for the easement, 2015 & 2016; after 2016 amount allocated for payment could be used for debt service

In answer to Chairman McMahon, Ms. Rosenthal said that the \$186,000 payment came out of the all other expenses line (**pg. 5-54 line a694100**), and was the reason for the decrease in the 2015 budget, for that line.

Mr. Jordan said to get back to his original question, what are the impediments for MWB selling water to other municipalities, where are they getting their water from now; doesn't understand the impediment, either they have their own system and buy from MWB or use OCWA and OCWA buys from MWB. Ms. Rosenthal:

- It is a mixed bag, i.e. Phoenix has an aging distribution system, about 80 years old and not in great condition, they get their water from groundwater wells that are now being condemned, so to speak, for water quality issues – they are looking at either building a Water Treatment Plant or purchasing water from another source which would be MWB
- Cayuga County Water and Sewer Authority gets their water from the City of Auburn and have issues with the cost of the water from Auburn, have a young distribution system in fair condition; have gone back and forth – do they want to buy water from MWB as supplemental water supply or buy water from MWB in place of the City of Auburn, there is a bunch of Cayuga County politics that they can't respond to
- Each community has its own story and condition, MWB and OCWA try to make themselves available to provide good information they can use in making their decisions

Chairman McMahon said that hypothetically, if Cayuga County became a client of MWB, what kind of capacity would they be looking at and what would it do for their budget. Ms. Rosenthal responded:

- Not a lot, they would be the largest of the prospective customers, but not a significant portion of their excess capacity
- Real answer is to get industry that needs water to set up shop in CNY
- Regionally efficient to be selling water to smaller communities, have excess capacity, already treat the water, and are bringing finished water from the Clear Water Pump Station down, all water in that pipeline is already treated and ready to connect to any of those communities, won't raise substantial revenues, but all around it is a good consideration

Mr. Jordan asked how this would be done from a logistical standpoint, are there existing structures that they would tie into to supply the water or would they have to buy easements and install pipeline in order to provide access. Ms. Rosenthal responded that there is actually both. MWB has a 16 inch pipeline in the northern part of Cayuga County that stops at the county line and there is consideration of a connection along the thruway within easements that they wouldn't have to secure individually. Then it would be up to the Legislature and the

County Executive to determine what kind of contribution Cayuga makes to those costs and the contributions that MWB may or may not make to those costs. At this point in time those discussions are stalled, keep circling back to see where they are at. There is some potential there.

Mrs. Rapp said that OCWA and the City of Syracuse have been in conversations and asked if they know anything about this and if it were to happen would MWB water be utilized instead of Skaneateles water. Ms. Rosenthal said she thinks the conversations are pretty casual at this point. However the City of Syracuse improves their water system, it would continue to use water from Skaneateles Lake; very low cost source of water, lowest cost of the 3 major water utilities. The issue is that so much water is lost to leakage. Mrs. Rapp said that the problem is more in the delivery system. Ms. Rosenthal agreed. Mrs. Rapp said that the system is so low cost that they never fix anything. Ms. Rosenthal said that MWB has also suffered from that, but has changed their perspective.

Ms. Rosenthal said that water is still exceptionally low cost compared to any other type of service or utility that a homeowner would purchase.

Mr. Jordan asked if MWB had similar leakage out of their system. Mrs. Rosenthal:

- MWB has very little leakage, less than 5%; is a reflection of the type of construction for their system – large pipelines made out of prestressed concrete pipe, generally remains in good condition, about 50 years old, just by its means of construction, lower likelihood for system leakage
- Smaller pipes with more joints, and different types of materials are prone to more leakage

Mr. Jordan asked if there was some type of monitoring system or anyway to ensure there were no leaks, other than seeing water gushing out of the ground. Ms. Rosenthal said that in the years to come they will be back because they are just starting down this road. There is great technology available for identifying leaks in the type of pipeline they have, which is harder to identify than in the smaller distribution lines. They want to target areas that have a greater potential for failure or greater liability, will be looking to investigate and assess those lines and then continue a program throughout their system. Chairman Knapp said that when he toured the OCWA facility in Marcellus they were estimating that the City losses over 50% of the water pulled out of Skaneateles Lake, by the time it gets to the end user. They draw out twice what is needed every day. He would say less than 5% leakage is pretty great, at this point.

In answer to Chairman Knapp, Ms. Rosenthal said the Typist 1 position would be a shared position between the Oswego Water Treatment Plant and the Clay facility, and would be doing some clerical work. Chairman Knapp said that typist is not a title used much anymore. Ms. Rosenthal said that Mr. Morgan made that point, they will come back next year and ask for a different title.

Chairman Knapp said that laboratory equipment is not cheap and is rather specialized, asked if this was something they could share with WEP or others. Ms. Rosenthal:

- Can't share, wishes they could, equipment needs to be on site
- Looking at accomplishments - process 11,000 different tests, processes and samples over the course of a year from laboratory in Oswego
- On site take samples of the water from the Water Treatment Plant before and after processing, also bring samples there from other parts of their system
- Contract out some laboratory services not provided at that location

Ms. Rosenthal said that OCWA's Water Treatment Plant is a 20 million gallon per day, maximum capacity plant and MWB's Water Treatment Plant is a 54 to 60 million gallon maximum capacity plant; MWB is bigger and has a lot of extra capacity, two points that have already been made.

Mr. Plochocki said that it had been a pleasure to work with Ms. Rosenthal this past year and thanked her.

In answer to Mr. Plochocki, Ms. Rosenthal confirmed that there is an existing ad valorem. Essentially, the strategy for the ad valorem is to maintain it at its current level. Mr. Morgan said that the value is almost \$1.7 million

Chairman Knapp recessed the meeting at 12:22 PM.

Respectfully submitted,



KATHERINE M. FRENCH, Deputy Clerk
Onondaga County Legislature

ATTENDANCE

COMMITTEE: 2015 BUDGET REVIEW OF ENVIRONMENTAL PROTECTION COMMITTEE DEPARTMENTS

DATE: September 18, 2014

NAME	DEPARTMENT/AGENCY
PLEASE PRINT	
Nick Capozza	OCDUEP
Talley Farka	Personnel
MARTHA CHRISTIANO	DMB
MADISON QUINN	OCDWEP
Meegan Murphy	DMB
PAUL SMITH	Personnel

ATTENDANCE

COMMITTEE: 2015 BUDGET REVIEW OF ENVIRONMENTAL PROTECTION COMMITTEE DEPARTMENTS

DATE: September 18, 2014

NAME	DEPARTMENT/AGENCY
PLEASE PRINT	
T. RHODES	OCDWEP
M. VOSS	OCDWEP
M. Lannon	OCDWEP
B. Kanasiasc.	OCDWEP