

**TOWN OF CUBA
CUBA LAKE – ROUTE 305 CORRIDOR
PUBLIC SEWAGE TREATMENT PROJECT
INFORMATION MEETING**

**Cuba Central School
August 26, 2006, 10:00 A.M.**

MEETING AGENDA

Open Meeting	Barbara Deming Cuba Town Supervisor
Comments by Cuba Lake District	???
Review of the Proposed Project	Tom Swift, P.E. Clark Patterson Associates
Project Financing Activities & Predicted User Fees	Catherine Rees RCAP Solutions, Inc.
Sewer District Formation, Public Approval	David Pullen Esq. Town of Cuba Attorney
Accomplishments to Date & Projected Schedule	J.C. Smith NYS Environmental Facilities Corp.
Questions and Comments from the floor	(moderated)
Closing	Barbara Deming Cuba Town Supervisor

Project History and Need

Preliminary investigations into a wastewater collection system can be traced back at least 30 years. Engineering reports were prepared in 1975 and 1990 that looked at a sewer system serving Cuba Lake and the highway corridor leading to the Village of Cuba. These reports were motivated by bacteriological testing in the 1960's, mid-70's, and 1988 that found fecal coliform bacteria in Cuba Lake. As a result of data from these reports and on-going monitoring coordinated by the Cuba Lake District, Cuba Lake is listing on the New York State Priority Waterbodies List. This is an inventory of streams lakes and rivers in NYS, and a description of water pollution problems for each. The NYS Priority Waterbodies List currently identifies use of Cuba Lake as an impaired due to bacteriological and nutrient contamination from on-site septic systems. More recently, an area of land along NYS Route 305 between the Village of Cuba and Cuba Lake has been designated an Empire Zone. Empire Zones are areas targeted for economic development activities through a NYS program that helps business establish or expand in those areas. The Empire Zone in the Town of Cuba is strategically located to take advantage of adjacent interchange with I86 at NYS route 305. Provision of wastewater collection down the Route 305 corridor, along with the Empire Zone designation, would make business development, with growth in jobs and tax base, more likely in the Town of Cuba.

Proposed System

The Cuba Lake District hired Clark Patterson Associates to re-examine the costs and feasibility of a wastewater collection system to serve Cuba Lake and adjoining areas. A report was published for the Cuba Lake District and shared with the Cuba Town Board and Village of Cuba. It re-affirms previous work that recommended a low-pressure sewer using individual grinder pumps at each connected property with discharge of wastewater into the Village of Cuba treatment plant. Each property connected to the collection system would be served by a grinder pump installed in a modular tank on the property. These pump units would be owned, operated and maintained by the Town through a sewer district. One advantage of this system is that almost all costs normally paid by the property owner to make a connection to the main sewer line across private property would be paid for by the overall project. Clark Patterson examined the operations of the Village of Cuba wastewater treatment plant, and met with NYS DEC, Village and Town officials. As a result, it has been clearly established that the Village's plant has sufficient capacity to treat new wastewater flows from the proposed project area. Cost estimates for construction, and for operation and maintenance, are prepared for two potential service areas. These are:

Cuba Lake Perimeter service area

A project to serve the Cuba Lake perimeter includes all the properties in the Town of Cuba adjacent to the lake shore road, as well as a few properties on the west side of NYS Route 305 between the intersections with the North Shore Road and the South Shore Road. The total cost to construct the lake perimeter project is estimated at \$5,192,000. The estimated annual operation and maintenance expense is estimated to be \$90,210.

Cuba Lake Perimeter and Route 305 Corridor service area

This includes the Cuba Lake perimeter plus numerous properties between the lake and the Village of Cuba. The additional properties in this service area consist mostly of those that have frontage on Rt. 305 between South Short Road and the Village of Cuba. The total estimated construction cost for this service area is \$5,531,000, and the estimated annual operation and maintenance cost is \$106,100.

Project Financing and User Fees

Since receiving the engineering report from Clark Patterson and the Cuba Lake District office, the Town Board has examined the types and sources of funding available. Preliminary eligibility applications have been made to:

USDA Rural Development Rural Utilities Services - This program could make a grant award of up to \$500,000. Competition for grant funds from this program is very high. The Town has made an application for a preliminary determination by this program, and awaits a response.

NYS Clean Water State Revolving Fund. – This program loans funds to municipalities for construction of wastewater treatment facilities. Loans can be for terms as long as 30 years, and for interest as little as zero (0) percent. The Town of Cuba has applied for an eligibility determination for a zero (0) percent loan. A determination was issued that the Town is eligible for such a loan for the Lake Perimeter/Rt. 305 corridor service area. This is due to the expected lower income status of property owners in the Rt. 305 corridor portion of the project. It may be necessary to perform an income survey within property owners or occupants around the lake perimeter to establish grant or zero percent loan eligibility if a decision is made to pursue a lake perimeter only project. The Clean Water State Revolving Fund is the most effective loan program that could benefit this project.

User costs are calculated using the Equivalent Dwelling Unit (EDU) method. In this method, a single family home is assigned one unit, and other types of properties are assigned a number of units that relates the use at the property (estimated amount of wastewater produced) to the use of the system by a single family home. For instance, a commercial property producing three times the wastewater of a single family home would be assigned three EDU's.

Total annual cost/EDU - Cuba Lake Perimeter only\$724
- based on zero (0) percent loan for 30 years and no grant support.

Total annual cost/EDU - Cuba Lake Perimeter/Rt.305 Corridor\$680
- based on zero (0) percent loan for 30 years and no grant support

Sewer District Formation

Formation of a sewer district would provide to the Town of Cuba the authority to borrow funds, build the proposed project and levy costs for the project on property owners. The process the Town can use to form a sewer district is regulated by state law and subject to approval by the Office of the State Comptroller. Property owners in the project area will have the opportunity to approve or disapprove the formation of the sewer district. The proposed project is unique in that many of the occupants of real property in the sewer district are tenants on state owned land. The Town's legal counsel will research how this impacts the project and make a recommendation to the Town Board on how to proceed. At this time, it can be reported that the Town Board expects to include all affected property tax payers within any proposed sewer district in the process of approving or disapproving such a project.

If and when a time comes for public vote on a sewer district, the Town Board, as required by law, will present information the following information to the public: the total estimated construction cost of the project, the total estimated annual operation and maintenance cost, the method of financing

the project, a report describing the proposed project, a map of the district boundaries and the estimated annual cost per user (single family home) for all costs associated with the project.

Project Tasks

Short Term

- State Environmental Quality Review (SEQR). SEQR reviews determine environmental impacts that might occur and address how those impacts may be avoided or reduced. The Town acting as Lead Agency has made significant progress on environmental review. Correspondence with numerous regulatory agencies so far supports the conclusion that the project will have no significant environmental impact. Some follow up work is needed to finalize this process so the Town Board can issue a formal determination that the project will have no significant environmental impact.
- Project funding. The Town Board will work to secure a funding eligibility determination from USDA Rural Development. A determination of grant funding can have a valuable impact on user costs.
- Scope of project. A decision needs to be made as to what the most appropriate project service area is. Feedback by the public, available funding and other issues will influence the size and location of the service area that may be considered for district formation.
- Legal counsel investigates role of all property tax payers in the potential sewer district and advises Town Board on method of district formation.
- Given the involvement of an extensive amount of lands owned by the State of New York, additional communication is needed to determine how this might impact construction or operation of the proposed project.
- Town Board makes decision to initiate district formation based on best funding availability and public input available.

Long Term

- *A process is initiated to formally measure public approval of a sewer district. There can be no further progress on project development if a majority of eligible property owners do not support the project in the voting process.*
- The Town Board adopts a bond resolution that authorizes the Town Board to borrow funds towards the design and construction of the project.
- Applications are submitted to funding agencies to secure all available grants as well as zero (0) % interest short term loans for construction.
- An agreement is executed by the Town Board for design and construction administration with a qualified consulting engineering firm.
- Once a design is approved by NYS Department of Environmental Conservation and all involved funding agencies, the project is advertised for bid.

- Bids received for construction are reviewed and qualified, and bid awards made to the lowest cost qualified bidder.
- Project construction proceeds, including installation of the main collection line and the grinder pump units on individual properties.
- At some point as the project nears completion, the system will be approved and individual properties will be able to make connection and begin use of the sewer system.
- At the close of construction, various funding agreements are closed out, and the short term financing for construction is converted to a long term bond.
- Operation and maintenance of the system becomes the responsibility of the Town of Cuba. The Town Board begins billing property owners for operation and maintenance costs, as well as debt payment costs.

FREQUENTLY ASKED QUESTIONS

Will I have to connect to the system? A specific policy decision on mandatory connection has not been made. It will be necessary however to require all properties in the district with access to the collection line to pay towards project debt service, whether the property is connected to the system or not. Property owners who choose not to be connected need to recognize that the project may not be able to finance at a later date the cost of installing a grinder pump and discharge line into the collection sewer.

Will I have to pay a cost to connect to the sewer if and when it may be constructed?

The proposed project financing does not anticipate an administrative connection fee at the time of connection. The project budget will pay for the cost of installing the grinder pump unit at each property, the line running from the grinder pump unit to the main collection sewer, and the cost of pumping out and properly securing the septic system at the property. There may be some modest cost for installation of the short wastepipe from the dwelling to the grinder pump unit. There is no estimate for that cost at this time.

Will I have an opportunity to vote on this project?

The public, by law, must be given an opportunity to approve or dis-approve the proposed project. The timing of such a vote cannot yet be determined but the Town Board is very sensitive to the matter of full and proper public review of this potential project.

How much will this project cost me?

The user costs shown earlier in this fact sheet predict the annual charge for everything associated with use of the sewer system once it is built. The annual charge estimate is based on a loan-only financing plan, and predicted costs may be lower if grant funds are secured. The total annual single family home cost for the project serving only the lake perimeter is \$724 and the total annual single family home cost for the combined lake perimeter/Rt. 305 corridor area is \$680.

What happens if I want to connect to the sewer system but my property is not in the sewer district? This is a very important question, since construction of the lake perimeter only project means the sewer line still would run down the highway right of way through the Rt. 305 corridor on its way to discharge into the Village system. If a property is not in the district, the project would not have authority to spend district funds to install the individual grinder pump needed to discharge wastewater into the collection sewer. Properties adjacent to the sewer line but not in the district would have to bear the cost of installation of the grinder pump unit (\$5000+/-), pay an operation and maintenance charge and some fair portion of the annual debt charge that properties in the district would have to pay.

How long will it take to form a sewer district, secure funding, build the project and make service available?

Based on similar projects, it is reasonable to expect this would take at least 3 to 4 years to reach the point where properties are served.

How soon might I get a bill if the project is approved? Property owners or occupants would not see a bill until the project reaches a point where the system is ready for use or close to ready to use.

What happens if construction bids come in so high the total project cost exceeds the amount authorized by the Town Board's district formation and bond resolution?

To continue with the project, the Town Board would have to reduce the cost of the project somehow, or go back to property owners in the sewer district to secure approval to construct the project at a higher user cost.

How will the system be taken care of?

The Town Board would have the final responsibility to operate and maintain the system. Experience with similar grinder pump sewer systems indicates most or all of the work can be completed through a contract with the Village of Cuba and/or a local plumbing contractor. It is too early to have an exact answer to this question.