

VILLAGE OF SHERMAN

AUGUST 15TH, 2018

PUBLIC HEARING OF THE SEWER COMPREHENSIVE STUDY UPDATE

PUBLIC HEARING OF THE PROPOSED WATER RENT LAW AND PROPOSED SEWER RENT LAW

REGULAR MEETING OF THE VILLAGE OF SHERMAN BOARD

Members: Mayor Meeder Trustees: Higginbotham, Reyda and Ayers
Others Present: Doug Crane, Jay Irwin, Matt Zarbo, Clerk Ramm and fourteen members of the public.
Apologies: Trustee Gratto

Mayor Meeder welcomed everyone to the meeting at 6:10 pm and lead everyone in the pledge of allegiance. She explained that there would be two separate public hearings, followed by a special meeting of the Board of Trustees.

Motion to move into executive session for legal reasons.

Moved: Trustee Ayers Seconded: Trustee Higginbotham
Ayes: 3 Ayers, Higginbotham, Meeder
Nays: 0

The trustees came out of executive session at 6:30pm. Mayor Meeder reminded everyone that each hearing would allow for public participation and encouraged the public to ask questions.

RES 2018-08-15.1:

Motion to authorize the Public Hearing for the Sewer Comprehensive Study update.

Moved: Trustee Higginbotham Seconded: Trustee Reyda
Ayes: 3 Higginbotham, Reyda, Ayers
Nays: 0

Mayor Meeder introduced Matt Zarbo from Barton & Loguidice. Mr. Zarbo informed us that a report would be submitted next week to the Environmental Facilities Corporation, a potential funding agency for the project. B&L have gone through the wastewater treatment plant (WWTP) in detail, coordinated with the DEC and come up with a plan. Essentially, they have done a lifecycle cost analysis, pricing all the costs of equipment and labor to upgrade the WWTP, factoring in operation and maintenance costs over thirty years. We're recommending the lowest upfront costs to the village which basically means renovating the existing plant. Changes include adding a new headworks building. This will replace the existing coarse bar screen (which used to be acceptable but is now out of date) with a much finer mechanical screen. The other major change will be at the solids handling process and drying beds, which is very labor intensive so we've planned to add a press to improve that. Mr. Zarbo added that B&L is responsible to determine the budgetary costs estimate so that the Board can vote on a bond resolution, which is essentially the maximum they will spend. The project is estimated to be around six million dollars, including the complete renovation of the plant and all soft costs (legal, engineering and administration) as well as a 20% contingency. Unfortunately, construction costs are high right now, and labor resources are scarce

which also push the price up. We have to be conservative so our estimate is based on the worst-case scenario, the actual costs could be lower. Changes in regulations mean that some of the major funding agencies have removed certain caps which means that the village could get as much as 75% funding, although nothing is guaranteed, as well as reduced interest rates. This significantly benefits the rate payers in the village. This year we will submit the report and next year we apply for the grants, so we have no definite costs at this time. Mayor Meeder added that we also have various criteria we have to comply with, including our rates and financials. Mr. Zarbo clarified that each funding agency has different point structures which we have to meet in order to qualify. These criteria include rates, permit limits, compliance with applicable standards, the financial situation of the village, and medium household income (MHI). These criteria determine how much funding the village will be awarded.

Mayor Meeder stated that over the last few years previous mayor, John Patterson, and Mr. Irwin had contracted other engineers because the DEC had strongly suggested taking action to improve the aging sewer plant. We have now rectified our points and are able to take the next steps to comply. Mr. Zarbo added that after being awarded funding and passing the relevant resolutions we would probably only start construction in 2021. Our first bond payment would then be 2021 or later. He commended Mr. Irwin and the previous WWTP workers for maintaining the system so well since most sewer plants' life expectancy is 30 years and ours in going on 40 years. Mr. Zarbo addressed some questions from the public, including the fact that this sewer study addresses building a reserve fund for future upgrades and replacement of short-lived assets in this system. B&L recommend \$22,500 per annum as the minimum reserve amount the village can budget for. This would help keep rates stable and avoid borrowing from the general fund.

In conclusion, Mayor Meeder expressed appreciation to Matt Zarbo, and his team of engineers at Barton & Loguidice, for all their time, hours of consulting, exceptional work and commitment. We've already made more savings than our \$2,500 investment.

RES 2018-08-15.2:

Motion to close the Public Hearing regarding the Sewer Comprehensive Study update.

Moved: Trustee Ayers

Seconded: Trustee Reyda

Ayes: 3 Ayers, Reyda, Higginbotham

Nays: 0

RES 2018-08-15.3:

Motion to authorize the Mayor to enter the Public Hearing for the second reading of the proposed Water & Sewer Rents Laws.

Moved: Trustee Higginbotham

Seconded: Trustee Reyda

Ayes: 3 Higginbotham, Reyda, Ayers

Nays: 0

Mayor Meeder explained that there was one change the lawyers have strongly advised the trustees to make to the laws, which is why there was an executive session at the start of the meeting. The change removes the discount for timely payments from the library and the athletic field (as community facilities), and the religious organizations. The trustees were advised that these should be removed or discounts given to every tax exempt and non-profit organization in the village, and with such a small base to begin with this would be quite significant. Although the trustees all feel that the discount is appropriate, as a government entity there are certain guidelines the village is required to follow. What has always been is no longer accepted going forward. If we give out more discounts, our paying residents will have to carry the extra cost. Therefore, there will be no EDU or prompt payment discounts.

Mayor Meeder distributed copies for the members of the public to follow along, and then read the Water Rent Local Law and the Sewer Rent Local Law, as follows:

WATER RENT LOCAL LAW #2018-1

Section I. Title

The Village Board of the Village of Sherman hereby amends its Water Rent 2-1980, as follows:

Section II. Findings and Rates

The fees for the Water Rent are hereby amended to

- A. ALL properties with water connection are to receive water usage fees and sewer usage fees where applicable
- B. Increase usage fee to \$4.60 per hundred cubic feet of discharge for Village residents
- C. Increase usage fee to \$6.90 per hundred cubic feet of discharge for residents outside the Village
- D. Remove the Water Reserve Fee of \$5.00 per Meter
- E. Establish a \$25/month base water service charge per EDU (equivalent dwelling unit)
- F. Terms of Payment
 - a. **BILLING:** Bills will be sent out to consumers on a bi-monthly schedule, but failure of consumer to receive a bill promptly shall not excuse non-payment of the same.
 - b. **DISCOUNTS:** No prompt payment discounts.
 - c. **NONPAYMENT:** If any water/sewer bill is not paid within thirty (30) days from the bill date, a 10% penalty fee is assessed.
 - i. **RE-LEVY:** Village properties with outstanding water or sewer balances as of March 30th, the amounts shall be re-levied onto the property owners tax bill.
 - ii. **SHUT OFF:** Outside properties with outstanding water or sewer balances after forty-five (45) days from the bill date are susceptible to shut off without board approved payment. arrangements to remedy amounts in arrears. Shut off will commence with five (5) days' notice.
 - iii. **OFF/ON Fees:** Shut off for non-payment will receive a \$50 Shut Off Fee, and an additional \$50 Reconnection Fee when service is returned.
 - d. **USAGE CHARGE:** This bill is based on the number of hundred cubic feet (or its equivalent conversion in gallons) of water that have been recorded by the meter as used and discharged into the sewer system. Bills are sent six (6) times a year. Meters are read a minimum of four (4) times a year. All water passing through a meter will be charged for, whether wasted or used.
 - i. Properties outside the Village are charged one and one half (x1.5) times the usage fee set for Village property consumption.
 - e. **SERVICE CHARGE:** This is a flat rate fee and will be sent regardless of whether or not a dwelling or lot is vacant. It is based on the service provided or available to a dwelling or lot and maintenance on the water/sewer lines, pumps, and plant. The base SERVICE charge for EACH unit within the dwelling or on a lot is determined as specified on the Village Tax Roll.
 - i. Village properties and properties outside the Village receive the same charge per EDU (equivalent dwelling unit) allocation.
 - ii. Attached Row Building, Residential Multiple Dwelling, and Apartment property classifications will be evaluated on site to determine the number of EDU's (equivalent dwelling unit) for each property.
 - iii. Residential Vacant properties that are not Landlocked are to be billed one quarter (1/4) or twenty-five (25%) percent of the service charge for an EDU (equivalent dwelling unit) on the tax bill.

- iv. Commercial Vacant properties that are not Landlocked are to be billed one half (½) or fifty percent (50%) of the service charge for an EDU (equivalent dwelling unit) on the tax bill.
- v. Properties that are classified as Storage without water service connection are to be billed one half or fifty percent of the service charge for an EDU (equivalent dwelling unit) on the tax bill.
- vi. Barns, Garages, and Pools, where the property owner has elected to have an additional meter installed and read will receive water and sewer base service charges, where applicable, at the rate of one EDU (equivalent dwelling unit).
- vii. Laundromat(s) are to be billed one and one half (x1.5) times the service charge for an EDU (equivalent dwelling unit).
- viii. The main school campus is to be billed fifteen (15) EDUs (equivalent dwelling units).
- ix. Parking lots as classified by the NY State Property Tax Class Code which are specified on the Tax Roll are not subject to water and sewer base service charges and are not included as an EDU (equivalent dwelling unit).

SECTION III. Terms and Conditions

All other terms and conditions of the Village's Water Rent Law shall remain in full force and effect, except as may be amended herein.

SECTION IV.

This Local law shall take effect Monday, October 1st, 2018, on all usage and service charges accumulated beginning October of 2018. This Local law shall take effect after the passage by the Village Board and filing with the Secretary of State in the manner provided by law.

August 15, 2018 Resolution RES 2018-08-15.5

Mayor: Colleen Meeder

Trustees: Mary Reyda, Donna Lee Higginbotham, and Kirk Ayers

SEWER RENT LOCAL LAW #2018-2

Section I. Title

The Village Board of the Village of Sherman hereby amends its Sewer Rent Law 2-1980, as follows:

Section II. Findings and Rates

The fees for the Sewer Rent are hereby amended to

- A. ALL properties with water connection are to receive water usage fees and sewer usage fees where applicable
- B. Decrease usage fee to \$4.00 per hundred cubic feet of discharge for Village residents
- C. Decrease usage fee to \$6.00 per hundred cubic feet of discharge for residents outside the Village
- D. Increase the base sewer service charge to \$40/month per EDU (equivalent dwelling unit)
- E. Terms of Payment

- a. **BILLING:** Bills will be sent out to consumers on a bi-monthly schedule, but failure of consumer to receive a bill promptly shall not excuse non-payment of the same.
- b. **DISCOUNTS:** No prompt payment discounts.
- c. **NONPAYMENT:** If any water/sewer bill is not paid within thirty (30) days from the bill date, a 10% penalty fee is assessed.
 - i. **RE-LEVY:** Village properties with outstanding water or sewer balances as of March 30th, the amounts shall be re-levied onto the property owners tax bill.
 - ii. **SHUT OFF:** Outside properties with outstanding water or sewer balances after forty-five (45) days from the bill date are susceptible to shut off without board approved payment arrangements to remedy amounts in arrears. Shut off will commence with five (5) days' notice.
 - iii. **OFF/ON Fees:** Shut off for non-payment will receive a \$50 Shut Off Fee, and an additional \$50 Reconnection Fee when service is returned.
- d. **USAGE CHARGE:** This bill is based on the number of hundred cubic feet (or its equivalent conversion in gallons) of water that have been recorded by the meter as used and discharged into the sewer system. Bills are sent six (6) times a year. Meters are read a minimum of four (4) times a year. All water passing through a meter will be charged for, whether wasted or used.
 - i. Properties outside the Village are charged one and one half (x1.5) times the usage fee set for Village property consumption.
- e. **SERVICE CHARGE:** This is a flat rate fee and will be sent regardless of whether or not a dwelling or lot is vacant. It is based on the service provided or available to a dwelling or lot and maintenance on the water/sewer lines, pumps, and plant. The base SERVICE charge for EACH unit within the dwelling or on a lot is determined as specified on the Village Tax Roll.
 - i. Village properties and properties outside the Village receive the same charge per EDU (equivalent dwelling unit) allocation.
 - ii. Attached Row Building, Residential Multiple Dwelling, and Apartment property classifications will be evaluated on site to determine the number of EDU's (equivalent dwelling unit) for each property.
 - iii. Residential Vacant properties that are not Landlocked are to be billed one quarter (1/4) or twenty-five (25%) percent of the service charge for an EDU (equivalent dwelling unit) on the tax bill.
 - iv. Commercial Vacant properties that are not Landlocked are to be billed one half (½) or fifty percent (50%) of the service charge for an EDU (equivalent dwelling unit) on the tax bill.
 - v. Properties that are classified as Storage without water service connection are to be billed one half or fifty percent of the service charge for an EDU (equivalent dwelling unit) on the tax bill.
 - vi. Barns, Garages, and Pools, where the property owner has elected to have an additional meter installed and read will receive water and sewer base service charges, where applicable, at the rate of one EDU (equivalent dwelling unit).
 - vii. Laundromat(s) are to be billed one and one half (x1.5) times the service charge for an EDU (equivalent dwelling unit).
 - viii. The main school campus is to be billed fifteen (15) EDUs (equivalent dwelling units).
 - ix. Parking lots as classified by the NY State Property Tax Class Code which are specified on the Tax Roll are not subject to water and sewer base service charges and are not included as an EDU (equivalent dwelling unit).

SECTION III. Terms and Conditions

All other terms and conditions of the Village's Sewer Rent Law shall remain in full force and effect, except as may be amended herein.

SECTION IV.

This Local law shall take effect Monday, October 1st, 2018, on all usage and service charges accumulated beginning October of 2018. This Local law shall take effect after the passage by the Village Board and filing with the Secretary of State in the manner provided by law.

August 15, 2018 Resolution RES 2018-08-15.6

Mayor: Colleen Meeder

Trustees: Mary Reyda, Donna Lee Higginbotham, and Kirk Ayers

Mayor Meeder further explained that in previous years money was borrowed from the General Fund to subsidize the Water Fund and the Sewer Fund, and last year the General Fund loaned the Sewer Fund \$100,000 to install the Direct In-line Pump (DIP) System. Even though the sewer plant will be completely paid off by the end of this year, both the Water Fund and the Sewer Fund are deficient and have no reserves.

In response to a question from the public about our high costs, Mr. Zarbo explained that nothing is free. All the costs have to be paid by someone. He added that when we take all the operating costs i.e. salaries of operators, electricity, chemicals, maintenance, administration and all other expenses to run a sewer plant; and then add a portion to establish a reserve fund so that we don't have to borrow from the General Fund in the future. This is the total amount (the operating cost) which needs to be budgeted for regardless of the new capital project. He added that 2A Operators are scarce. Mayor Meeder stated that our operators are underpaid in comparison to others in the industry. If our operators left we could not replace them at their current rate of pay. Mayor Meeder reminded everyone that these are two separate utilities, she answered questions and gave some examples of actual cost increases. She explained that with the old rate structure the average water rate was basically \$9 per month which doesn't even cover the salaries for Mr. Crane to read the water meters or Clerk Ramm to do the billing, let alone operational and maintenance expenses, plus reserves for equipment upgrades.

Mr. Zarbo explained that the State Comptroller's Office publishes an average rate across the state which is just over \$900 per utility per year, which is significantly more than this village is currently charging. Funding agencies look at 1.5% to 2% of the medium household income (MHI) for each utility to determine what is affordable for water or sewer. The State says the appropriate average should be between \$525 and \$700 for water, and between \$525 and \$700 for sewer for this MHI. This is what NYS says is affordable, and if we want funding we are required to be in this range. When applying the new rate structure to our last billing cycle, an average for both utilities is \$1090 which puts us very close to the 3% (the minimum requirement). Mayor Meeder concluded that she is trying to secure as much funding and grants as possible by correcting the rate structure, and she will continue to keep work in-house and look at intermunicipal opportunities to keep costs down.

RES 2018-08-15.4:

Motion to close the Public Hearing and return to the Special Public Meeting of the Board.

Moved: Trustee Ayers

Seconded: Trustee Higginbotham

Ayes: 3 Ayers, Higginbotham, Reyda

Nays: 0

SPECIAL BOARD MEETING

It was noted that the original rents law from 1980 will remain available on the website at shermanny.org along with the new Water Rents Law and Sewer Rents Law, under the DPW tab. It should also be noted that the last

