

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

**Cuba Public Library
November 30, 2006, 7 P.M.**

MEETING AGENDA

Open Meeting	Barbara A. Deming Cuba Town Supervisor
Review of the Proposed Project	Thomas G. Swift, P.E. Clark Patterson Associates
Septic System History in the Project Area	Thomas E. Hull Allegany Co. Dept. Health
Project Financing Activities & Predicted User Fees	Catherine S. Rees RCAP Solutions, Inc.
Accomplishments to Date & Projected Schedule	J.C. Smith NYS Environmental Facilities Corp.
Comments by Cuba Lake District	Lynn J. Sweet Town Board and Cuba Lake District President
Questions and Comments from the floor	(moderated)
Closing	Barbara A. 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 monitoring coordinated by the Cuba Lake District, Cuba Lake is listed 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 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 I-86 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

An engineering report prepared by Clark Patterson Associates recommends 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. Since the informational meeting in August, Clark Patterson updated cost estimates for the project. The total estimated construction cost is \$5,687,000 and the estimated total yearly operation and maintenance costs are \$106,100.

Project Service Area

The project service area would include Town of Cuba and Town of Ischua properties. As such, it is a joint effort of the Cuba and Ischua Town Boards. The proposed project would serve the Cuba Lake perimeter and a corridor along NYS Rt. 305 from Cuba Lake to a connection with the Village of Cuba. This includes properties abutting both sides of North Shore Road and South Shore Roads, properties abutting both sides of Rt. 305 from South Shore Road to the Village of Cuba, properties abutting Smith Road, the Moonwinks Restaurant property and the Cuba-Rushford Central School District property. It does not include the Oils Springs Indian Reservation.

What Will This Project Cost Me?

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. There are 439 total units in the proposed service area. There are an estimated 424 EDU's in the Town of Cuba and 15 in the Town of Ischua. About 23 of the total EDU's are attributed to vacant lots that would not share in operation and maintenance costs.

If this project is built, costs to property owners are estimated as follows:

<u>Total first year single family home cost</u>	<u>\$576</u>
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This includes a first year debt charge of \$321/unit and an operation and maintenance charge of \$255/unit.

Connection to the sewer system

The project will pay for connection of each eligible property to the sewer system. This connection will consist of the grinder pump tank located on the individual lot, the electrical service to the grinder pump, a pump alarm, connection to the household/building waste line near the building foundation, the discharge line from the pump tank to the main sewer line, pump out and abandonment of septic tanks, and associated site restoration. There will be no other fees for connection to the sewer if connection is made during construction of the original project.

Other Cost Considerations:

- Vacant parcels in the district will be charged a ¼ unit debt charge, equal to about \$80 in the first year.
- Properties other than single family homes will be charged a debt charge according to the number of equivalent dwelling unit (EDU's) assigned to the property.

Connection Policy:

No decision has been made yet regarding mandatory or optional connection.

Funding Plan

Loan	Clean Water State Revolving Fund, 30 years, zero (0)%	\$5,287,000
Grant	USDA Rural Development	\$400,000
Total Construction Cost		\$5,687,000

The Town of Cuba has received a determination the project is eligible for a zero (0) percent loan for 30 years from the CW SRF program. Since the August 2006 information meeting, the town has also received a determination the project is eligible for a \$400,000 grant from USDA Rural Development.

Sewer District Formation

Two sewer districts would have to be formed, one in Ischua and one in Cuba. Formation of sewer districts would provide to the Town of Cuba and the Town of Ischua the authority to build the proposed project and levy costs for the project on property owners. Since almost all construction work and costs would occur in the Town of Cuba, all the financing would be handled by Cuba, with work done in Ischua through an inter-municipal agreement. It has been determined that all property tax payers in the proposed project service area will be eligible to participate in the approval or disapproval of the proposed project.

District formation in the Town of Cuba

The Town of Cuba will present an opportunity for public approval of the proposed project through a referendum. The Town Board anticipates holding this referendum through an all absentee ballot process. A public hearing will be held as required by law at the January 9, 2007, after which the Town Board would adopt a resolution forming the district subject to the referendum. Absentee ballots would be mailed to all property owners of record in the sewer district area. Final count of ballots by the Allegany Board of Elections would be closed on or about March 13th, 2007. With out-of-town property owners and the cost of conducting a special election day, it is understood an all absentee ballot is the lowest cost and most effective way for the most people to participate in the Town of Cuba.

District Formation in the Town of Ischua

Formation of a sewer district in the Town of Ischua is proposed using a petition method. This method will be the simplest and least expensive to conduct because of the limited number of property owners (about 15 or less) involved in the Town of Ischua. Preparation and circulation of the petition will be sponsored by the Cuba Lake District office. Property owners who sign the petition will be effectively voting "yes" for formation of the district, and property owners who choose not to sign are effectively voting "no". The annual cost for service will be the same for Ischua property owners as it will be for Cuba property owners.

Project Tasks

Short Term

- State Environmental Quality Review (SEQR). Comments from regulatory agencies indicate the Town Board will be able to conclude that the project will have no significant impact on the environment. Final determinations under SEQR by the Town Board are expected during or before January, 2007.
- Cuba Town Board makes decision to initiate district formation based on present funding availability and public input.
- In the Town of Cuba, a public hearing will be held on district formation, followed by distribution of absentee ballots to all property owners of record in the sewer district.

- In the Town of Ischua, a petition is prepared and circulated by the Cuba Lake District for presentation to the Ischua Town Board.

Long Term

- If the tally of absentee ballots approves the sewer district (and the tally of signatures on the Ischua petition), the Town Board adopts a resolution that finds the sewer district to be a benefit and completes formation of the district.
- If a sewer district is approved in the Town of Ischua, an inter-municipal agreement must be executed to define how the project will be built in Ischua on its behalf.
- 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 USDA Rural Development and the Clean Water State Revolving Fund for grant and loan monies available to build the project.
- An agreement is executed by the Town Board for design and construction administration with a qualified consulting engineering firm.
- Property owners and the Town(s) will have to negotiate easements for placement of grinder pumps and discharge lines across each property.
- Once a design is approved by the 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 the project contractor will be able to connection individual properties to 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 (and Town of Ischua). The Town Board(s) begin billing property owners for operation and maintenance costs, as well as debt payment costs.

If a project is approved by the public this winter, the earliest construction start would probably be the spring of 2008. At the very earliest, property owners might see bills for debt and/or operation and maintenance costs at the end of 2008.

FREQUENTLY ASKED QUESTIONS

Will I have to connect to the system? A decision on mandatory connection had not yet 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 will not be able to finance the cost of installing a grinder pump and discharge line into the collection sewer at a later date.

Will I have to pay a cost to connect to the sewer if and when it may be constructed? Property owners will not have to hire a separate contractor or pay for connection to the sewer system. These costs, along with pump out and closure of septic systems, will be paid for by the overall project budget.

Will I have an opportunity to vote on this project? The Town of Cuba will conduct a referendum on formation of the sewer district and approval of the project through an all-absentee ballot. Every property owner of record will be mailed an absentee ballot. Because of the limited number of properties involved, the Cuba Lake District will sponsor the sewer district formation in the Town of Ischua through circulation of a petition.

How much will this project cost me? The user costs shown earlier in this fact sheet predict the first year charges for everything associated with use of the sewer system once it is built. The total first year single family home cost for the project is \$576. This includes debt charges and operation and maintenance charges. The cost to treat sewage at the Village of Cuba wastewater plant is included in the operation and maintenance charge.

What happens if I want to connect to the sewer system but my property is not in the sewer district? 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 2 if not 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.