

Village of Coxsackie

Water & Sewer Rates

October 2015

Village of Coxsackie

- **The Village of Coxsackie water and sewer systems provide service to the Village of Coxsackie and portions of the Town of Coxsackie and the Town of New Baltimore.**
- **The Village has long standing contracts with the Towns to provide water and sewer service.**
- **Residents in both towns pay double or nearly double the rate of Village residents. This reflects the capital investment that the Village has made over many decades to establish & maintain these systems.**

Village of Coxsackie

- **Village of Coxsackie**- owns and operates the distribution system of pipes, valves, pressure relieve valves, hydrants etc., within the Village.
- **Town of Coxsackie** – owns the distribution system of water and sewer line, valves and hydrants located in the Town of Coxsackie. The Village maintains and operates these lines and bills the town for any repairs.
- **Town of New Baltimore** – owns the distribution system of water and sewer line, valves and hydrants located in the Town of New Baltimore. The Village maintains and operates these lines and bills the town for any repairs.

Village of Coxsackie

- **Reservoirs** - The Village of Coxsackie operates two reservoirs
 - Medway Reservoir** - located off Rt. 54 in the Town of New Baltimore, created in the 1960's with a capacity of 550 million gallons. Public access is allowed.
 - Climax Reservoir** – located in the Town of Coxsackie with capacity of 50 million gallons. The Village also monitors and maintains the creek between the two reservoirs. Public access is strictly denied.
- **Water Treatment Facility**- The Village operates a new state of the art \$3.5 million Parkson Filters Facility opened in 2011.
- **Distribution / Collection System** – nearly 20 miles of distribution water mains, valves, pressure relief valves & hydrants in the system and sewer lines.
- **Sewer Plant** – built in 1973, aging plant, upgrade is scheduled to start in 2017 and is estimated at \$10 million.

Village of Coxsackie

Systematic Addressing of Infrastructure/Operations

2009 – Clear cut reservoir dams bringing them into DEC compliance

2010 – Repaired a long standing leak in the Climax dam, the cost to repair was \$45,000

Started every 6 month maintenance program on PRV's

Started program to upgrade the tools and equipment for water breaks and stock repair parts to speed up repair time and reduce boil waters.

2011 – Opened the new Dynasand Water Treatment Facility (replaced one built in 1999 that never operated correctly)

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Systematic Addressing of Infrastructure/Operations

2012 – Mapped for first time water distribution system - pipes, valves & hydrants

Started using the Code Red notification system

2013- Purchased GPS locator and GPS located all water valves and hydrants

Brought in water expert Joe Meyers to act as Chief Water Plant Operator under contract

2014- Started comprehensive hydrant testing, logging and update program. Identified some “lost” hydrants and establish baseline pressures.

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Systematic Addressing of Infrastructure/Operations

2015

- a) Completed a \$590K grant for sewer line work on Bailey, Raymond & Cato Sts., gaining some small capacity in the sewer system.
- b) Completed installation of backflow preventers on two sewer outflow pipes to stop river water from entering the system. Grene County IDA paid for these at a cost of \$50,000 so no cost to taxpayers and gained some capacity for the business parks.
- c) GPS located all sewer manholes and logged condition as part of yearly DEC Consent Order work.
- d) Utilized a \$30,000 grant to start engineering design for upgrade to Sewer Plant, Pump Station & collection piping (Estimated \$10 million project)

2016

- a) Continue Consent Order work and engineering development of the sewer plant upgrade with goal of zero discharge into the Hudson River and Moratorium relief
- b) Start looking at funding for water line replacement
- c) Continue to work with the New York Rural Water Association to locate and repair water leaks

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The Financial Problem

- **Revenues**: The revenues produced by the water & sewer user fees have fallen far behind the expense of producing and distributing water and collecting the waste.
- **Environmental Facilities Corporation (EFC)** : The Water Plant 30 year EFC, 0% Interest Loan Payment is due each year in October - \$173,000/year (second payment 2015)
- **NYS General Municipal Law**: the General Fund can loan the Water Fund monies, but, any monies loaned are supposed to be paid back. Technically, the General Fund cannot loan money to the Sewer Fund.
- **Money Owed**: the Village General Fund for more than 15 years has loaned the Village Water & Sewer Fund money to operate. The Water & Sewer Funds currently owe the General Fund over \$700,000.

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The Financial Problem (continued)

- Village Taxpayer: has been unfairly burdened with keeping the user fee based Water & Sewer Funds afloat with General Fund taxpayer dollars. The Water & Sewer Funds should not be a financial drain on the Village taxpayer.
- Water & Sewer Funds: must generate sufficient revenue to cover all expenses. The General Fund should only be tapped in case of emergency and then only on a temporary basis.
- Only two water rate increases in the last 20 years, they were in 2008 and in 2013. The last documented sewer rate increase was 1979.

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Office of the State Comptroller – Financial Condition and Water and Sewer Fund Accountability June 1, 2012-May 31,2014

Page 10 - ...”water and sewer user rates do not generate sufficient revenues to pay the totals cost of operating and maintaining the facilities.....It is essential that Village officials adopt structurally balanced budgets for the water and sewer operations, so that recurring revenues finance recurring expenditures and a reasonable fund balance is maintained.”

Page 12 – “While the Board increased water rates in 2013 (also in 2008), sewer rates have remained unchanged” (last documented sewer rate increase was 1979.

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Water & Sewer Fund

Expenses > Revenues

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Problem Identified - What have we done?

- Comprehensive analysis of all costs with Water & Sewer
- Determined that we needed expert help
- Brought in Delaware Engineering to assist in new model development. They have developed models for almost a dozen other Villages, Towns and Cities.
- Have assessed models of flat rate vs metered, commercial vs residential, mixture.
- Tightening law on people who do not pay or pay timely, \$100K/year goes to the county tax bill
- Data Collection and analysis issues

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Needed & Unfunded Projects / Cost Estimate

- Gate House Intake at Climax reservoir – regulates water flow to plant, built in 1935, 1 of 3 gates work: \$500,000
- Spillway at lower reservoir is deteriorated and needs complete overhaul: \$500,000
- Pipe connecting the two reservoirs: \$2 million
- Water Tank – 2 million gallons: \$2 million
- Water Line replacement: \$1 million / mile

Cost of Goods Comparison

	<u>1980</u>	<u>Present</u>
• Gallon of Gas	\$1.19	\$3.20
• Loaf of Bread	\$.50	\$2.05
• Eggs	\$.90	\$1.73
• First Class Stamp	\$.22	\$.49

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Taxes

Climax Reservoir

School Tax \$37,199.05

Medway Reservoir

School Tax \$88,369.51

Town of

New Baltimore Tax \$16,200.86

\$141,769.42

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The Solution

- 1) **Maximize revenues from water & sewer users – correct existing meter problems, speed up the installation of radio read meters, repair leaks, etc.**
- 2) **Ensure that all water & sewer users are paying for the services.**
- 3) **NYS Corrections currently uses about 40% of our daily water plant production and 60% of the sewer plant inflow, insure that they continue to pay their fair share.**
- 4) **Establish water & sewer rates that produce revenues greater than the expenses, the goal is to have the water & wastewater funds have a positive cash fund balance at anytime.**
- 5) **Have sufficient revenue to the Water & Sewer Funds so that the General Fund does not have to loan money to it.**

Village of Coxsackie

For Example only

What a Quarterly Flat Rate Charge would look like

	<u>Water</u>	<u>Sewer</u>
Village of Coxsackie	\$136.25	\$101.25
Town of Coxsackie	\$200.63	\$151.88
Town of New Baltimore	\$200.63	\$151.88
NYS Corrections	\$6.86/1K gallon	\$5.09/ 1K/gallon
Budget	\$904,628.50	\$980,554.50

Surrounding Communities

Current Water & Sewer Rate Comparison

Community	MHI (2013)	Annual Residential Water Rate	Annual Residential Sewer Rate
• Ashland (T)	\$42,563	\$622	\$-----
• Athens (T)	\$55,867	\$689	\$499
• Athens (V)	\$50,962	\$427	\$525
• Cairo (T)	\$49,107	\$251	\$612
• Catskill (T)	\$48,129	\$565	\$830
• Catskill (V)	\$36,237	\$281	\$391
• Coxsackie (T)	\$53,435	\$803	\$608
• Coxsackie (V)	\$54,323	\$546	\$405
• Greenville (T)	\$51,538	\$225	\$546
• Hunter (V)	\$36,466	\$420	\$100*
• Tannersville (V)	\$41,591	\$547	\$100*
• New Baltimore (T)	\$67,927	\$803	\$608
• Windham (T)/Hensonville (T)	\$55,685	\$443	\$100*
• Saugerties Glasco Water District (V)	\$50,208	\$456	\$481
• Saugerties Malden Water District (T)	\$50,208	\$420	\$532
• Ravena	\$56,466	\$225	\$500
• Fleischmanns (V)	\$32,000	\$345	\$100*
• subsidized by NYC			
	Average	\$509	\$559 = \$1,068
	Village of Coxsackie Average	\$251	\$160 = \$411

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NYS Corrections

Water – on average uses 40% of production
(Greene Correctional only)

Sewer – on average uses 60% of collection
(Greene & Coxsackie Correctional)

Future

- After further analysis establish new rates
- Continue to obtain water meter readings to monitor useage and develop data
- Start a 10 year wireless water meter install/replacement cycle. (purchase & install 1/10 every year)
- As data and finances allow, work to establish a Tiered Rate system

Questions