

Swan Lake WWTP Upgrade  
May 28, 2024 Public Meeting  
**Some Logical Questions and Comments**

**1. *Why revise project budget \$18 M to \$40 M now?***

- Make sure there is enough budget to complete the project.
- NYSEFC will not allow a project to go to construction if there is not enough budget to cover costs. Waiting until after bidding would delay project by 3-6 months and require rebidding, which adds cost (bids only held 30-45 days).
- Authorizing \$40 M does not mean you need to spend \$40 M; you will only finance what it actually costs.
- Other alternatives investigated in 2021 as part of the Engineering Report were more expensive than the technology in the current upgrade plan.
- Budget enough now to ensure project can be completed.

**2. *Why flow and budget need to be confirmed now?***

- Flow establishes the required upgrade facilities which relates to project cost – need it for design and budget.
- Flow capacity also needed for SPDES permit modification to establish permit limits which define level of treatment and types of facilities need to meet limits.
- Budget affects financing and schedule forward.

**3. *Will it really cost \$40 M?***

- Estimates are based on recent projects, past experience, updated quotes and include some contingency. However, actual construction bids will go a long way to establishing the final cost.
- Construction bidding is affected by how busy contractors are, the project schedule requirements, product/material prices and availability, their available labor pool.
- A cost estimating subcontractor has provided a 40% design estimate of \$42 M which includes some conservative contingencies and not a “low bid” price.
- Projects which we have recently completed and/or are ongoing have experienced cost/budget increases just like Swan Lake
- Material prices are not increasing; cold rolled steel, lumber and wood truss costs have decreased. However, no material has returned to its 2020 price
- Price guarantees (i.e., how long suppliers will hold pricing) for some materials remain volatile while others have been extended, adding risk for contractors in pricing jobs
- Material availability is a mixed bag and continue to result in schedule impacts
- Labor shortages remain and have driven costs higher
- Fuel prices will not likely decrease
- Upstate has a busy construction market, resulting in higher prices. Related, higher interest rates have had less of a dampening effect on construction in Upstate than other areas

**4. *Why did we wait until now to discuss budget increase?***

- Costs since 2021 have been extremely high and unpredictable.
- In 2024, the markets seem to have moderated to a point where predicting costs 1-2 years out seems reasonable.

- The process to adjust the project budget takes 3-6 months or more to do (i.e., 202B process, revised bond resolution, etc.) and there needs to be a Town Board in place with a possibility to achieve the required super majority (4 out of 5) vote.
- The added cost to increase the plant capacity (from 0.7 to 0.96 million gallons per day) is minimal relative to the overall cost.
- Revisiting cost/capacity now and being able to satisfy projected in-district development is responsible to revisit recognizing that budget adjustment is already needed for project financing with NYSEFC.

**5. *What can we build for \$18 M?***

- The recommended plan requires all of its elements to be built in order to address the long-term needs of the Town. Cannot get it all done for \$18 M.
- NYSEFC funding is based on building what you plan to build in accordance with the approved Engineering Report and ultimately the design.
- NYSEFC Engineering Report requires assessment of district needs for 25-30 years. So, to get EFC funding, you need to project what is ultimately needed, not just what is currently coming into the WWTP.
- Upgrading the existing facilities in order to comply with current standards, without any increase in capacity (425,000 gpd) would cost \$18 M or more and does not provide capacity for the possible **in district** build out. So, Town would not be able to satisfy even the estimated in district needs at the current permit flow.

**6. *What if we do nothing?***

- The WWTP equipment is aging and will ultimately require replacement or fail.
- Replacing current equipment without addressing current standards will not ensure SPDES compliance.
- SPDES permit non-compliance has periodically occurred and will likely worsen as equipment ages and more flow comes into the plant.
- Increased violations will trigger regulatory action which could result in fines for violations and/or a Consent Order mandating upgrades to achieve compliance.
- Town has funding in place now to assist with the upgrade. Failure to do this now sets Town up to have to pay for \$\$M with no outside funding.

**7. *What would it cost to upgrade the plant to the 686,000 gpd as agreed to in 2021?***

- Current estimates have been done for a plant with a capacity of up to 986,000 gpd.
- This corresponds to the maximum flow that can be handled by reusing the current oxidation ditch tanks (without providing more tankage) and allows for some reserve capacity above the 760,000 gpd that is estimated to satisfy responsible possible in district build out.
- We estimate a cost reduction of approximately \$1-2 M at the plant capacity of 686,000 gpd as agreed to in 2021.
- Upgrading to 686,000 gpd does not meet the estimated district needs

**8. Why is it important to establish the ultimate desired WWTP capacity now for the SPDES permit and the district?**

- The SPDES permit will be based on the flow capacity of the WWTP.
  - Permit limits are established based on the receiving water classification and its predicted ability to process waste loads from all inputs (e.g., WWTP outfalls) along its entire reach.
  - The waste load allocation for a stream is finite!
  - More development within the watershed will lead to less available waste load allocation.
  - Limits, are also based on water quality standards and anticipated performance of WWTP processes.
  - **Flow is a key component!** Flow x waste concentration = waste load.
  - Loading is evaluated at receiving waterbodies' lowest flow conditions.
  - Securing what the Town needs for now AND the future is critical to ensure long-term needs and compliance can be met.
- The Sewer district was formed to ensure service could be provided to those within the district
  - This is a state requirement
  - NYSDEC and NYSEFC require that WWTPs have adequate capacity to satisfy the anticipated district flows and loads for the SPDES permits, and for upgrade funding and project approval.

**9. What about requiring developers to put in their own package WWTP?**

- More plants not under Town control take waste load allocation away from the Town.
- Non-municipal WWTPs typically require establishing Transportation Corporations but, if they fail or go out of business the Town becomes responsible!
- Private systems are susceptible to lacking proper O & M and, can cost Towns \$\$ to fix up to achieve/maintain permit compliance and operate if the TC goes away.
- Connecting significant new users to a Town WWTP provides more users to pay the bills, avoid future issues and \$\$ with package plants and Transportation Corporations.

**10. How can the costs to users be lessened/mitigated?**

- Sewer costs are based on the number of units which is based on the number of users.
- Allowing for responsible development, building per zoning, etc., will lower costs to current users by adding to the number of units to pay for the WWTP.
- Developers can also contribute to become part of the district.
- The Town currently has a Project Finance Agreement in place with NYSEFC which includes \$11.4M in grants.
- Additional funding opportunities can be evaluated with NYSEFC (via use of the Project Changes Form) once the Town agrees to the flow capacity and budget. It is not likely that more grant can be secured but the possibility exists and can only be determined by working through the change process with NYSEFC.
- Grants from non-EFC programs are not likely.

### ***11. Why will sewer rates increase so much?***

- The current sewer rate of +/- \$953/unit is comprised O & M (+/- \$829/unit) and capital (+/- \$104/unit) components.
- O & M comprises ~ 90% of the overall current rate.
- O & M rates have been responsibly increased 3-6%/year in response to operating and maintenance needs (e.g., energy, services, labor/benefits, etc.).
- **No significant capital improvements have been done since the plant was built 35 years ago! So capital rates have remained low.**
- **The same capital rate of \$100-119/unit has been in place since 1993!**
- The upgrade will add to the capital unit charge.

### ***12. How can development occur which doesn't adversely impact my property and lifestyle?***

- Properties within the sewer district have the right to connect to the system and be assured that they can be serviced. That's why they are in the district!
- Town has regulations and procedures in place to allow for responsible development.
- Development can proceed in accordance with applicable zoning, comprehensive plan recommendations, site plan review/approval procedures, etc.
- Overall, each property owner has the right to develop their property in accordance with applicable regulations and procedures.
- If you own it, you can control what happens...if you don't own it, control is set forth by Town current regulations and procedures.

### ***13. Status of the design***

- Design is at about 50%; ready to move to completion once flow capacity and budget are agreed upon
- Have looked at numerous options and are well along with the largest upgrade components including the headworks area, Oxidation Ditch tank reuse, and the new MBR process.

### ***14. Recommended Plan Forward***

- Flow Capacity:
  - Agree to an increased capacity that will, at minimum, satisfy estimated district needs equal to 756,000 gallons per day (current users plus already approved and likely in district development).
  - Optionally, agree to upgrade to 960,000 gpd for +/- \$1-2M more, and provide some additional capacity for the future now, understanding that costs increase with time and the project has partial funding now.
  - Secure the Town's maximum flow, and waste load allocation in the stream, and secure the most favorable limits now. Less capacity will be available in the future.
- Project Budget:
  - Agree to increase budget to \$40M (whether flow is 756,000 or 960,000 gpd) understanding that you only need to finance what it actually costs and budget enough now to ensure project can proceed unimpeded.
  - Costs will continue to increase with time – future upgrades will be more expensive than now and potential for future State and Federal funding is unknown.