



# Onondaga County Legislature

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## WAYS AND MEANS COMMITTEE – 2012 BUDGET REVIEW OF ENVIRONMENTAL PROTECTION DEPARTMENTS (continued) – SEPTEMBER 27, 2011 CHAIRMAN CASEY JORDAN

**MEMBERS PRESENT:** Mr. Corbett

**MEMBERS ABSENT:** Mr. Lesniak, Mr. Buckel, Mr. Kilmartin, Mr. Warner, Mr. Holmquist, Mr. Stanczyk, Mr. Kinne

**ALSO PRESENT:** Mr. Rhinehart, Mrs. Ervin, Mr. Masterpole *see also attached list*

Chairman Jordan called the meeting to order at 10:00 a.m.

**METROPOLITAN WATER BOARD (pg. 5-74), I. Holly Rosenthal, Executive Director; Chris Duncombe, Budget Analyst**

**Ms. Rosenthal gave the following presentation:**

*Good morning everyone I am Holly Rosenthal, Executive Director of the Metropolitan Water Board. I want to start my presentation by telling you the most important thing you will hear from me this morning, that is that absolutely not one penny of our operating budget impacts the levy.*

*I told one legislator this and they say said, “Well you can go home now, that’s all we need to know.” I hope that this has an impact, I certainly mentioned it last year but wanted to put it right out there upfront.*

*The operating budget of Metropolitan Water Board is funded through our rates and does not impact the levy. Obviously our capital budget does, that is the differentiation.*



*You have a booklet right in front of you that describes our presentation and discussion today.*

**2012 ANNUAL BUDGET**  
Ways & Means Committee Report

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**METROPOLITAN WATER BOARD**

JOANNE M. MAHONEY, COUNTY EXECUTIVE  
FERDINAND L. PICARDI, CHAIRMAN  
I. HOLLY ROSENTHAL, EXECUTIVE DIRECTOR


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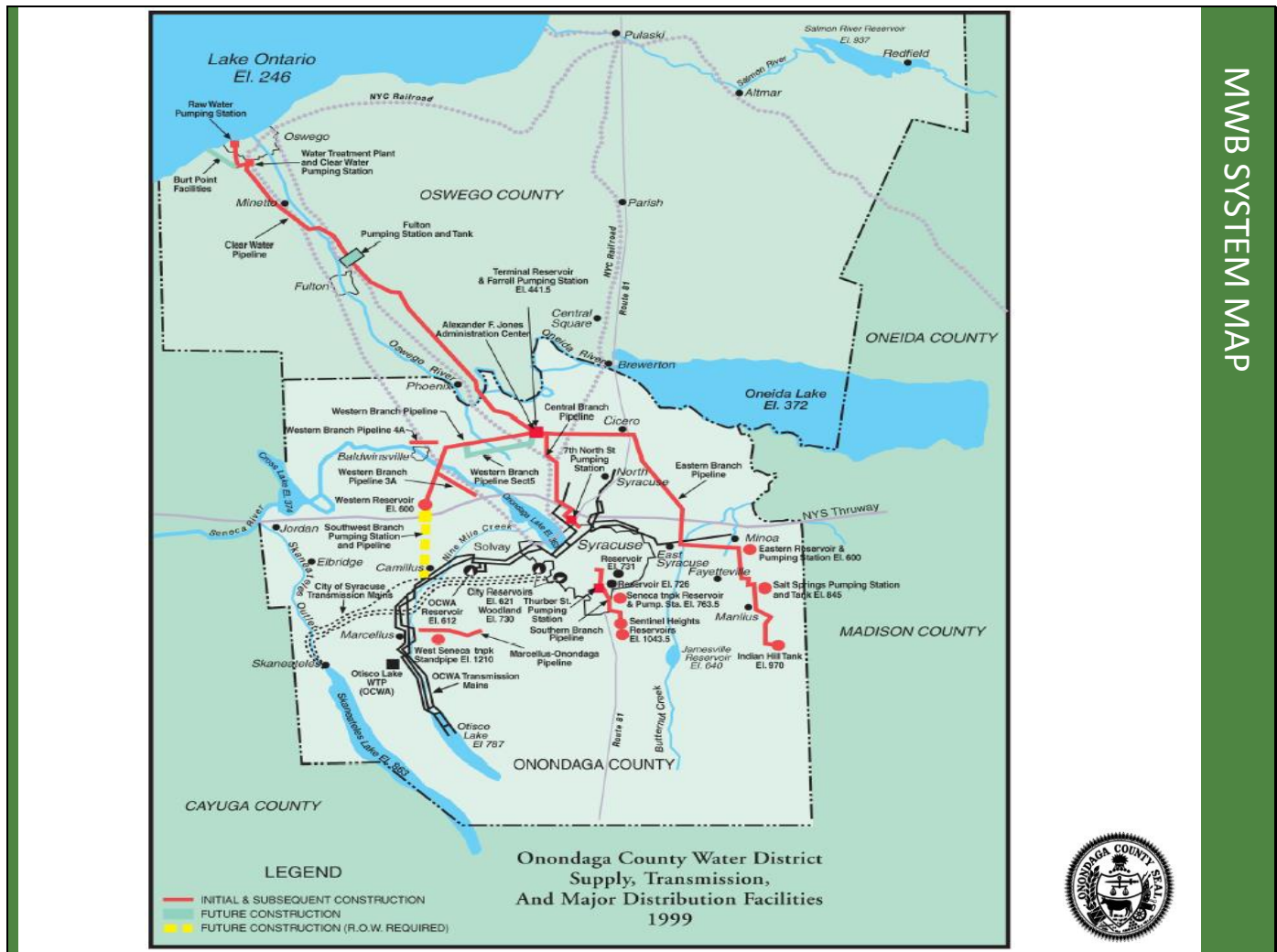
*To provide clean, safe, reliable, sustainable and cost-efficient wholesale drinking water from Lake Ontario to the Central Upstate New York region. Integral to this mission is the MWB's role as an essential public health resource and economic development asset for the community.*

**MWB MISSION**



*The mission has been updated in the last year and a half.*

*I ask you to keep this in mind as you consider our budget and presentation.*



**MWB SYSTEM MAP**



*We start at Lake Ontario, with a shared intake with the City of Oswego and bring water into the Raw Water Pump Station located on the shore of Lake Ontario. At that point we do some very gross filtration and take out the fish, twigs and things like that. From there we pump down to our Water Treatment Plant which is also located in Oswego. At the water treatment plant we treat our water. We chlorinate and do some finer filtration of incoming water. The finished water then flows by gravity to our Clear Water Pump Station and then is pumped from Clear Water to our Terminal Reservoir. I think that is what most of you are familiar with in terms of our infrastructure, the terminal reservoir. Then at the Farrell Road Pump Station which is located on the same site as the terminal reservoir, it pumps east, west and south to other storage and pumping facilities that are owned and operated by Metropolitan Water Board.*



**ADMINISTRATION & MANAGEMENT**

- Secured Legislative bond approval for Terminal Tanks and Farrell Pump Station design and construction to comply with U.S. EPA Long Term 2 Enhanced Surface Water Treatment Rule (LT2ESWTR), with anticipated December 2011 bid.
- In partnership with the Onondaga County Water Authority, completed replacement of other uncovered storage facilities at the Eastern and Western sites.
- Continued to develop and implement Strategic Initiatives with focus on programs and investment in Energy Conservation and Optimization, System Automation and Pre-failure Replacements, through proactive asset management planning.
- Joined, in collaboration with the City of Syracuse and Onondaga County Water Authority (OCWA), the U.S. EPA **WaterSense** Program, a U.S. EPA partnership program which promotes the value of water efficiency.
- Consolidated MWB multi-facility workforce through Operator and Maintenance cross-training and cross-assignment, resulting in reduced overtime and travel, better ability to adapt to leave absences and retirement transitions, as well as improved communications and employee relations.
- Initiated IT updates which facilitated modernization of communication, accounting and training procedures. This work will remain ongoing.
- Implemented trial of American Water Works Association (AWWA) eLearning Program for Operator Licensing Continuing Education to create consistency in quality of training, greater accessibility for off-shift Operators, and greater choice of course topics, while reducing travel time, expense and green house gas footprint.
- Continuous Improvement to internal Administrative systems and processes:
  - Conversion of manual internal accounting system to software-based system, improving and expanding access to financial management information
  - Improved Inventory Procedures and Inventory Management, including disposal of obsolete materials and equipment
  - Reallocated work duties as a result of ERI changes
  - Improved workflow and productivity through internal procedural changes
- Developed TRACC (Trust, Respect, Accountability, Communication and Collaboration), an on-going employee engagement process resulting in:
  - Improved intra-departmental communication, leading to resolution of past scheduling issues and reduction in disciplinary actions and grievances
  - Staff cross-training
  - Increased accountability and productivity
- Participated in the presentation of results from the SUNY College of Environmental Science and Forestry (ESF) study, funded by the U.S. EPA, of utilization of lake water from Lake Ontario (and other regional sources) for regional cooling purposes.
- Updated MWB web site: [www.ongov.net/mwb](http://www.ongov.net/mwb)

MWB 2011 KEY ACCOMPLISHMENTS  
ADMINISTRATION & MANAGEMENT



*Over the last year, I feel like we have accomplished a lot. Some of it may seem inconsequential to you but for us, it has had a very significant impact and then some of it is clearly major items.*

*As you know we have secured our bond approval for the terminal tank.*

*I encourage you to look at the MWB website [www.ongov.net/mwb](http://www.ongov.net/mwb) as there is a lot more information there.*





**TREATMENT & TRANSMISSION**

- Purified, treated and conveyed over 7 billion gallons (annual) of Lake Ontario water in compliance with New York State Department of Health (NYSDOH) standards for drinking water, meeting or exceeding all state and federal regulatory requirements.
- Completed Phase I and Phase II of the **Partnership for Safe Water** a cooperative effort between the U.S. EPA and five national water utility professional/trade/research associations. The Partnership is a self-evaluation program designed to assist in the optimization of treatment plant performance.
- Monitored and maintained water quality throughout the treatment, transmission and distribution system, through the performance of nearly 11,000 chemical, bacteriological and microscopic analyses by the MWB NYS Department of Health Certified Environmental Laboratory.
- Created savings through in-sourced management of Lake Ontario water quality testing performed by contract laboratories.
- Completed electrical substation improvements at the Raw Water Pump Station to improve system reliability through component redundancy.

MWB 2011 KEY ACCOMPLISHMENTS  
TREATMENT & TRANSMISSION




**DISTRIBUTION & STORAGE**

- Completed program to refurbish Eastern Pump Station pumps, reducing summer (peak) electrical demand at this station by approximately 35%.
- Continued to develop and implement proactive preventive maintenance program for electrical and mechanical systems.
- Performed on-going valve performance verification and replacement as needed to assure valve operability throughout the system.

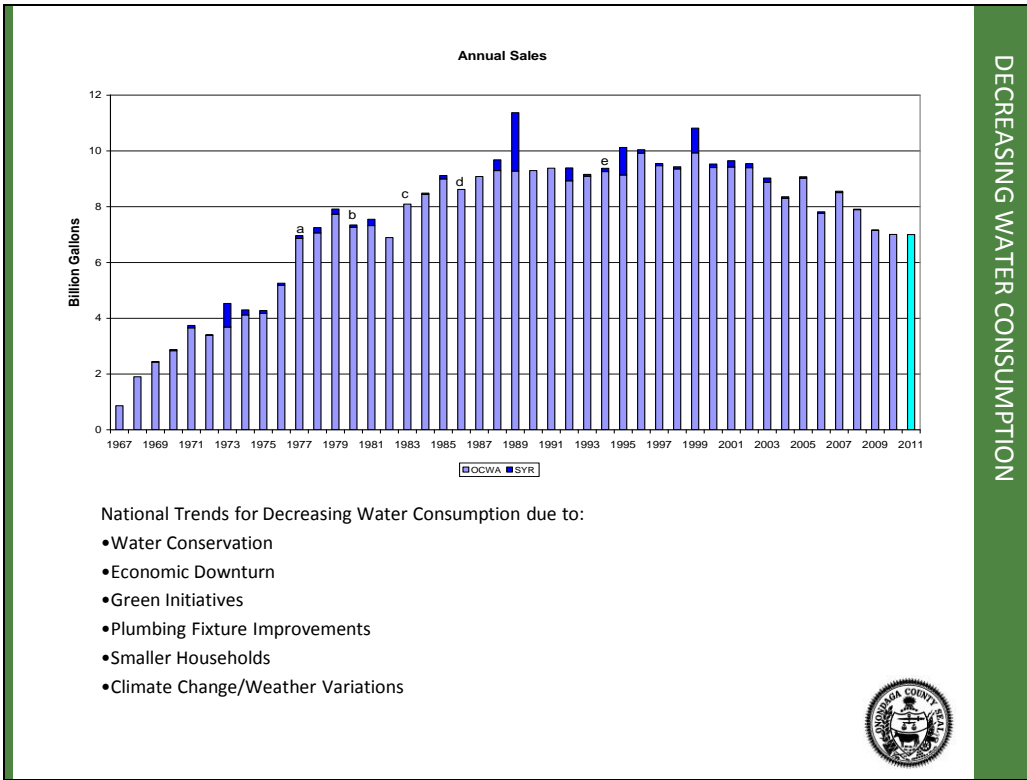
MWB 2011 KEY ACCOMPLISHMENTS  
DISTRIBUTION & STORAGE



MWB 2012 CONDITIONS & TRENDS



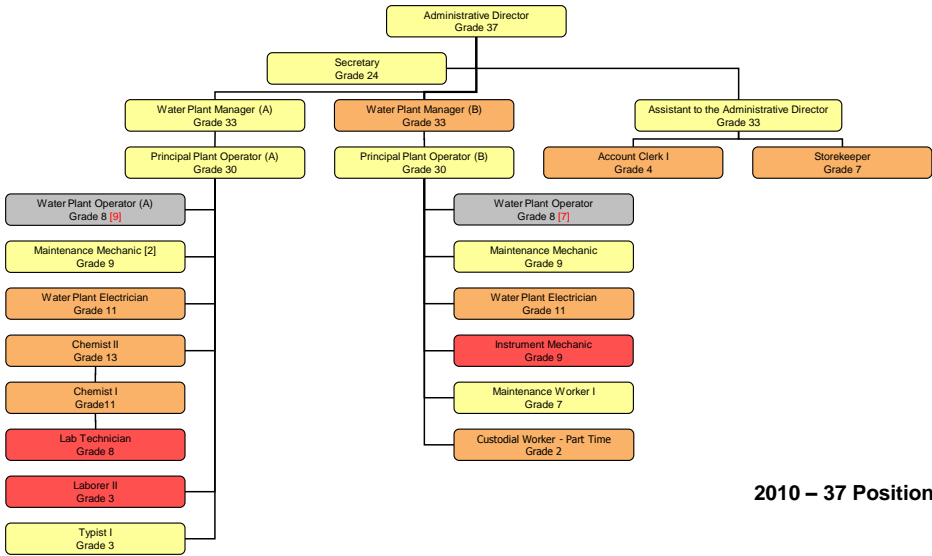
*We are becoming more and more proactive in our asset management.*



*Industry is not mentioned because we believe that we have seen a lot of the impact from declining industry.*

*Anheuser-Busch continues to do an excellent job of reducing their gallons per barrel metric, at our disadvantage but certainly value the advantage of having them, feel this is a good place for them to operate. In addition, we really don't know what Sunoco will be producing next year.*

MWB PERSONNEL CHANGES AND REALIGNMENT



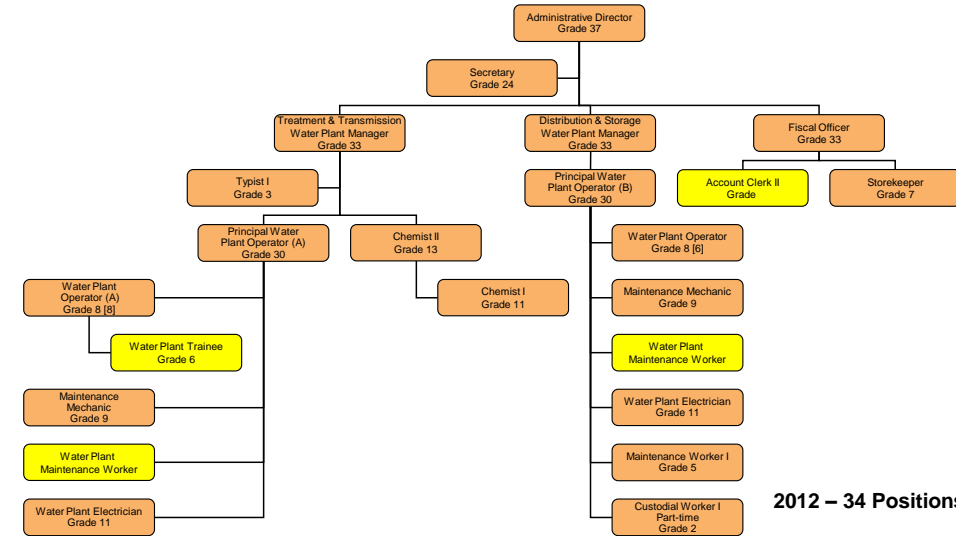
2010 – 37 Positions

Since May 2010, MWB has seen a staffing change of over 40% through the retirement, promotion, transfer or medical issues of employees. 86% (six of seven) Management Confidential positions, including Administrative Director and Water Plant Manager have been impacted by these changes. These changes throughout all levels of the organization require the support of training as well as the creation of positions that will better align with the current staffing levels and work requirements. In particular, the promotion of Account Clerk 1 to Account Clerk 2 is appropriate in consideration of the additional duties and responsibilities of the position, and the creation of Water Plant Maintenance Worker titles in lieu of Maintenance Mechanic will more appropriately address the skill set required for water system maintenance. In addition, a step change is requested for the Water Plant Manager (B) to put the position above the salaries of subordinates and on par with local and national levels of compensation for comparable positions.



*Positions in yellow reflect positions that have seen an individual change in that position. Positions in grey show a reduction in the water plant operator pool for both the Water Treatment Plant and Farrell Road Pump Station. Positions in red show unfunded positions as a result of early retirement and other subsequent retirement.*

MWB PERSONNEL CHANGES AND REALIGNMENT

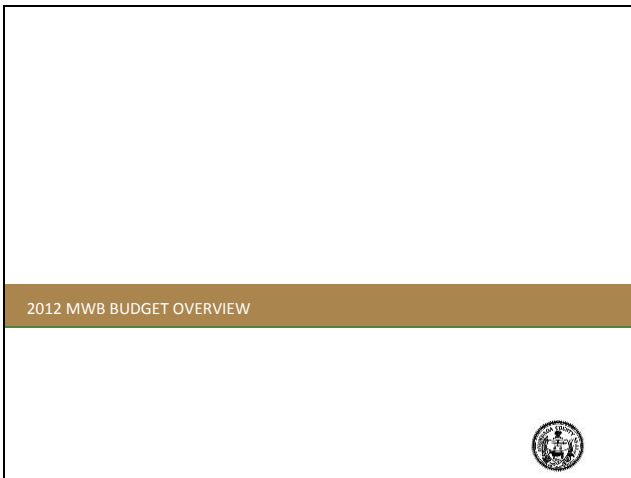


2012 – 34 Positions

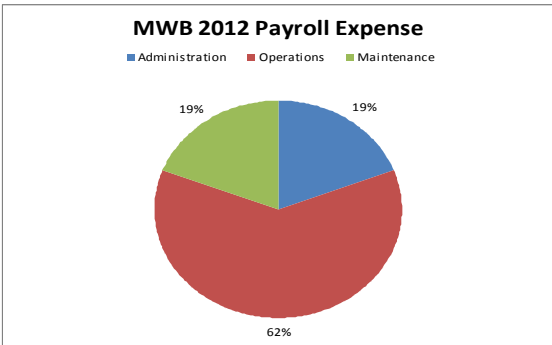
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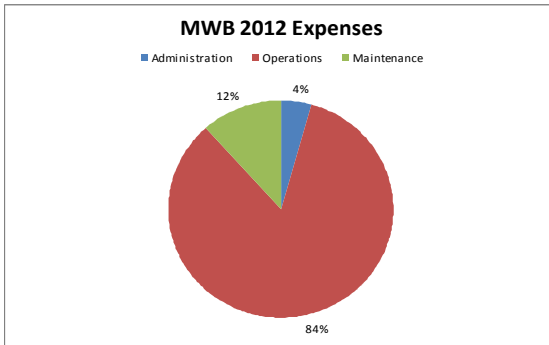
*Positions in yellow are new positions proposed to better align workforce with current work duties. Overall positions reduced from 37 to 34.*



101 Personnel as a Percentage of Total Budget



Functional Areas as a Percentage of Total Budget



Personnel Expense Trends



MWB 2012 BUDGET & TRENDS

### MWB 2012 Wholesale Water Rate Increase 4 Cents/1000 gallons

Impact on OCWA residential customers: 1% in addition to other debt and budget impacts  
 Average Household Bill increases <\$2.50/yr  
 Impact on OCWA Non-Residential Customers:  
 Commercial customers: 1.5%, Industrial Customers: 2.4%

PROPOSED WATER RATE INCREASE

STRATEGIC PRIORITIES

*Industrial customers pay a significantly lower rate, so the increase reflects in a larger percentage; still a very small dollar amount.*

*You can see that year after year, we have had ups and downs in water rates. Our intention now is to carry a relatively consistent increase in water rates that will allow us to properly maintain and invest in our system.*

MWB STRATEGIC PRIORITIES

MWB CAPITAL IMPROVEMENT PLAN

*We need to optimize our energy efficiency, over \$2 million in utility expenses.*

*This concludes the operating budget portion of our presentation.*

*As I have mentioned, a significant issue for Metropolitan Water Board is the age of our system. It will be 45 years old in 2012 and much of our infrastructure is original to the system.*



**PURPOSE OF CAPITAL NEEDS:**

Currently, the MWB draws an average of 20 million gallons of water per day from Lake Ontario at MWB's lakeside Raw Water Pump Station. The raw water is pumped to the Water Treatment Plant where it is filtered, treated and tested prior to transmission through the Clear Water Pump Station and Clear Wells. Finished water is then conveyed through 24 miles of transmission pipeline to the Terminal Reservoir in the Town of Clay and then distributed east, west and south to other MWB operated pumping and storage facilities.

The MWB system has been in operation for 45 years with few capital improvements and limited preventive maintenance funding, resulting in energy inefficiencies, inadequate controls and instrumentation and poor availability of replacement parts for current operations.

**PLANNED CAPITAL PROJECTS:****Compliance:**

**Terminal Tanks and Farrell Pump Station:** By 2014, Terminal Reservoir will be replaced by two (2) 15 MG concrete tanks as a means of compliance with the United States Environmental Protection Agency (EPA) Long Term 2 Enhanced Surface Water Treatment Rule (LT2). Project to be bid by year-end 2011 for construction start spring 2012.

**Standby Generation:** Emergency generators to assure pump station operation during power outages.

**Energy and Operational Improvements:****Raw Water, Clear Water & Farrell Pump Stations Improvements:**

Replacement of original equipment motors, pumps and drives with premium efficiency and variable frequency units and improved instrumentation and controls to optimize efficiency, conserve energy and improve reliability.

**Administration Building Improvements:** Operator Workstation and various building system replacements in accordance with energy assessment recommendations.

**System Reliability:**

**Water System Refurbishment and Replacement:** Refurbish, replace, renew or upgrade existing system infrastructure to replace outdated or deteriorating system components.

- Meter Replacement Program: 4-year program to replace obsolete (discontinued) meters.
- Seventh North Street Valve Replacement: Replacement of original equipment that is no longer operable.
- Raw Water Pump Station Structural Repairs



*Primary infrastructure review of the Metropolitan Water Board System: 4 major pump stations – Raw Water, Clear Water, Farrell Road, and Eastern, 1 smaller pump station at 7<sup>th</sup> North Street, transmission line that runs from Oswego to Clay and distribution lines that run east, west and south.*

*We have included a photo of the Farrell Road pump station and terminal reservoir as the sunsets on it because both functionally and literally, we are replacing and upgrading these facilities.*

*Picture below this, the Eastern pump station where we have done some of the pump refurbishment, but still need to make up dates to motors and drives.*

*Standby Generation was requested by the Department of Health.*

*Energy and operational improvements will begin in 2012. We will be looking to fund as much of that expense as possible through a Performance Contract Model, were we balance the costs of the debt service with the savings created via the energy savings. We think we can complete a significant amount of the work under the Performance Contract Model.*

*We expect that there will be improvements made, that will go above and beyond the performance contract capability. We will be looking to bond for those improvements. In addition, through the Energy Conservation Block Grant with Facilities, we are looking at some improvements to the administration building. There are things that could have a significant energy impact for the building. We are waiting to get assessments and recommendations for upgrades, back from Johnsons Controls.*

*Meters will be replaced through our Operating Budget.*

*These are the projects for the 2012 Capital Projects Program.*



2012: TERMINAL TANKS AND FARRELL PUMP STATION

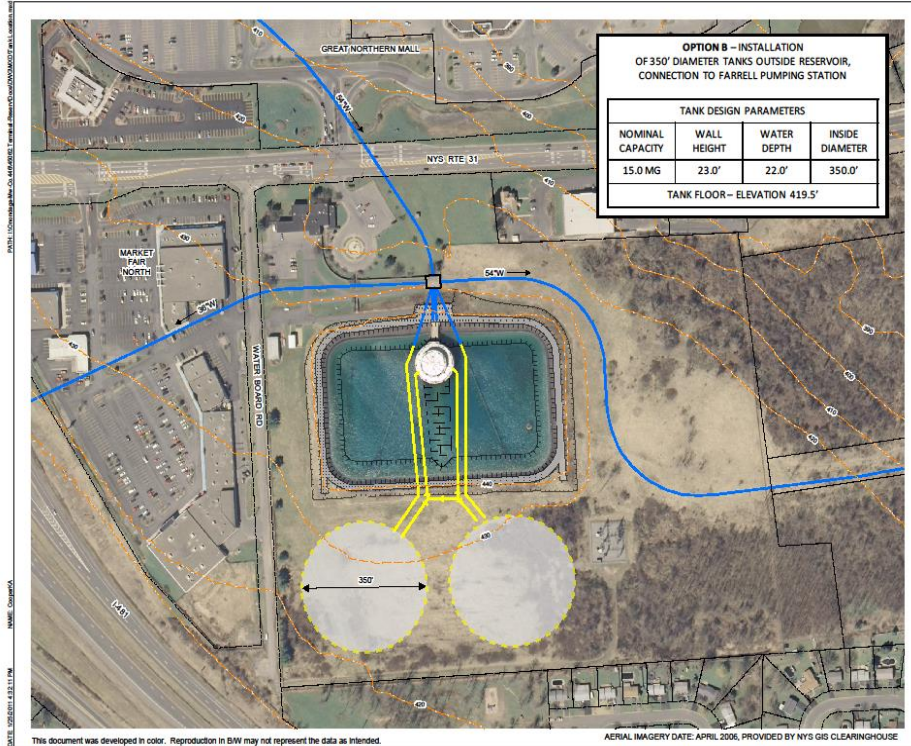


FIGURE 2



LEGEND

- PROPERTY LINE/ RIGHT-OF-WAY (APPROX)
- 10-FT ELEVATION CONTOUR
- EXISTING M&W PIPELINE
- PROPOSED PIPING & VALVES

METROPOLITAN WATER BOARD  
TOWN OF CLAY, NEW YORK

TERMINAL RESERVOIR  
COMPLIANCE WITH LTZESWTR

**CONCRETE STORAGE TANKS LOCATION PLAN**



JANUARY 2011  
4464502



**PROJECT DRIVERS:**

- Estimated energy savings of 20% of current energy use.
- End of life-span of current equipment
- System reliability/failure prevention
- Operational efficiency
- Workforce optimization

It is proposed to fund a portion of these improvements through a performance contract model that will balance cash flow with debt service, resulting in a zero net cost to the tax levy.

2012: PUMP STATION IMPROVEMENTS

*This completes my booklet presentation. I would love to answer any questions that you have.*

Chair Jordan asked for clarification on positions and if they would be abolishing any. Ms. Rosenthal:

- Creating positions for better alignment of current personnel with work duties
- Unfund positions that are not as well aligned, positions created for people already working for MWB, will be moving from current position to newly created positions
- Restructuring of maintenance workforce, will be abolishing maintenance positions once move is completed

Chair Jordan asked about the use of their fund balance for capital projects. Ms. Rosenthal:

- Some of their fund balance may be used for capital projects, depending on costs, have funds in provision for capital projects that will be used as well
- Combined funds will allow them to reduce bonding for capital projects
- Current fund balance approximately \$700,000

Chair Jordan asked for the current status on the raw water pumps. Ms. Rosenthal:

- Pump failure from last year was corrected, moving pump from Farrell Road Pump Station to Raw Water Pump Station on a temporary basis, motor is in place and operational; a 2<sup>nd</sup> motor has some vibration problems, 3 motors in all
- Upgrades to pump stations would allow the ability to pump variably, instead of on or off, as it is now; currently have to pump at very specific rates, would allow for pumping as needed on demand, will reduce energy costs as a result

Chair Jordan asked for an explanation of the position restructuring. Ms. Rosenthal:

- Account Clerk 1 has taken on amazing number of duties, result of Fiscal Officer's retirement and passing of Secretary, has increased skills, abilities, performance and demand, should be moved to Account Clerk, is qualified and deserves title change, continues to deliver, never complained of about the additional duties placed upon her
- Worked with Personnel department to better align titles for maintenance needs, currently have Maintenance Worker, Maintenance Worker 1 and Laborer, titles are all specific to building trades systems, the Water Plant Maintenance Worker titles more specific to the operation of a water treatment or pumping process; titles are better aligned with duties
- Have made due with titles currently in place but often times people come in to fill these positions without any specific skills for water system processing or maintenance

Chair Jordan asked about the request for replacement of a wheel loader and 2 trucks. Ms. Rosenthal:

- 31 year old wheel loader, 10 years ago a facilities assessment recommended that it be replaced within the next 10 years, needs significant repairs; used to move sludge, snow and gravel
- Considered various options, renting or sharing; due to year round use made since to replace vehicle
- Average vehicle age is 10 years; consider age and mileage for replacement
- Maintenance truck travels daily throughout entire system, has high mileage but is younger
- Plow truck, used for plowing and other plant maintenance, mid 90's vehicle, with less mileage stays on site but in poor condition

Chair Jordan asked the dollar amounts for capital projects to be covered under bonding and the Performance Contract Model. Ms. Rosenthal:

- Block Grant Assessment via Johnson Controls and Facilities will give a perspective on the amount of energy that could be save based on the recommended investments
- Energy savings will determine how much debt service they can cover with this savings; this in turn will determine the split for Performance Contract funded work and bonded work
- Listed in the Capital Improvement Plan as a \$9 million project for pump station upgrades; if they cover \$5 million under Performance Contract they would be very pleased, can't make promises without seeing the assessment

Mr. Corbett asked about the pumps in the photo from the Distribution and Storage slide no. 8 -. Ms. Rosenthal:

- Photo from Farrell Road pump station, pumps will be replaced, were made by Morris Pumps from Baldwinsville
- Increase in performance (35%) refers to pump station that is pictured on the capital projects page

In answer to Mr. Corbett, Ms. Rosenthal confirmed that the electric service was upgraded this year and there are 3 pumps at the Raw Water station. They are all original pumps though not all original to that site.

Mr. Corbett asked if they had tried to assess the payback for the capital project. Ms. Rosenthal:

- Part of the block grant assessment
- Farrell Road pump station terminal tank project thus far approximately \$150,000 in operational savings, depends on the costs of energy – how they buy it, less than 10 year payback for the entire project; just for pump, motor and drives 4 year payback

Mr. Corbett stated he has brought up solar energy in the past and suggested that via the use of green energy grants, solar panels could be used to drive low voltage. He has talked to some of the engineers that have been working on this and they said that they would look at it. Ms. Rosenthal:

- Recently received and are in the process of reviewing O'Brien & Gere Due diligence report for a variety of green considerations for the terminal tank and Farrell Pump Station
- Considering solar, have discounted wind because of poor wind profile for location, looking at all types of storm water retention including the possibility of a green roof, really thinking outside the box, looking at the possibility of the green program for this project, also realistically looking at return on investment and functionality

Mr. Corbett stated that was just in Vancouver, British Columbia and was absolutely amazed by their convention center that holds 10,000 people. When you walk up to it on one side, it looks like a huge hill, it is all grass and this is the roof. It has solar power as well. It seems as if there should be programs out there for the green and because this county is being pushed more and more as one of the poster child of green initiatives, there should be paybacks for us putting this in.

Ms. Rosenthal responded that they are looking at all different options, speaking with EFC, and talking to NYSERTA. They are really looking at a number of different options, so that they can push the energy efficiency of the Farrell pump station and green construction of the terminal tank project. They have been really pleased to find that the tank contractors are on board with this and even the Department of Health has been open to some of these considerations. Everyone is working with the Due diligence report to determine which of these considerations makes the most sense for our project.

Mr. Corbett added that every grant we receive keeps our costs down, which keeps our constituents cost down. Ms. Rosenthal agreed.

Chair Jordan stated that she had mentioned the anticipated saving for Farrell Road to be \$150,000 per year. He asked what the anticipated system wide savings would be based on the upgrades proposed in the budget.

Ms. Rosenthal:

- Really have to wait for the assessment and audit to come back from Johnson Controls, perhaps as much as \$400,000 per year in energy savings between the 4 pump stations
- Raw Water Pump Station uses the most energy, Farrell is 2<sup>nd</sup>, Eastern is 3<sup>rd</sup> and Clear Water is 4<sup>th</sup>; looking for energy consumption and potential design upgrades for all 4 stations, 20% reduction in energy costs could result in \$400,000 per year savings

The meeting was adjourned at 10:42 a.m.

Respectfully submitted,



KATHERINE M. FRENCH, Deputy Clerk  
Onondaga County Legislature