

Plan On It

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DCWWA Acquires Hyde Park Water/Sewer Systems *An Example of Local Government Efficiency*

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The challenges of maintaining aging infrastructure amid growing complexities in the regulation of sewer systems, coupled with growing pressures to reduce the costs of providing municipal services, prompted the Town of Hyde Park to reach out to the Dutchess County Water and Wastewater Authority (DCWWA) to discuss the possibility of transferring the Town's eight water and wastewater systems to DCWWA. These systems provide water and sewer services in the Arbors, Greenfields, Greenbush, Pinebrook and Quaker Hills areas of town. In a pattern that is repeated throughout Dutchess County, the systems were built to serve residential developments then transferred to the Town decades after their initial construction, with much of the infrastructure at or beyond its useful life.

Over the coming years, Hyde Park was facing significant issues to finance and manage the necessary maintenance, repair and upgrades to the systems' aging infrastructure. As with many municipalities, the Town faced inherent obstacles in meeting these challenges, most notably the competing demands on the time and resources of local government officials, the lack of full-time staff with the necessary technical knowledge and experience, and the difficulty, in the face of biennial elections, of maintaining continuity in system oversight and the management of capital projects with two to four-year life cycles.

Careful Planning for Water & Sewer

While this article focuses on one solution for dealing with aging infrastructure, municipalities should carefully plan for future water and sewer needs to avoid creating new issues further down the road.

Read our August/September 2014 article for more information:

[*Establishing Private Water and Sewer Systems – What Every Municipality and Planning Board Should Know*](#)

In contrast, the DCWWA has full time professional staff dedicated to the proper operation and long-term management of water and wastewater systems, with a long track record of successfully managing infrastructure rehabilitation and improvement projects. Through consolidated management with existing DCWWA systems, there are opportunities for economies of scale and improved efficiencies.

Studying the Idea of Consolidation - Would it Work?

With the DCWWA's assistance, the Town applied for and received Local Government Efficiency Grants totaling \$175,000 from the New York State Department of State through the Local Government Citizens Re-Organization Empowerment Grant Program. The purpose of these grants was to support an independent evaluation of the Town's neighborhood water and wastewater systems, with a focus on opportunities to streamline and improve the delivery of services, including the possibility of a transfer to the DCWWA.

To advance this effort, the Town formed Reorganization Study Committees (RSC) that included representatives from the Town Board and customers of each of the systems. The objectives of the reorganization studies were:

- To fully understand the physical condition of the various components of the systems, and their capacity and conformance compared to current regulatory requirements;
- To identify improvements needed immediately, within the next 5 years, and over a longer planning horizon, and provide estimated cost projections for those improvements;
- To analyze the fiscal condition of each system, in terms of actual revenues versus actual expenses, and availability of sufficient fund balance, and to understand future expenses and revenue requirements needed to properly operate and maintain the facilities into the future;
- To develop a full understanding of any legal issues that would potentially arise from the transfer of ownership of facilities, and establishment of services by the DCWWA; and dissolution of the Town's water and sewer districts.

The studies also included a draft Dissolution Plan to ensure that any transfers would be carried out consistent with the requirements of Article 17-A of the New York State General Municipal Law for the Dissolution of Local Government Entities, as this was a specific requirement of the grant funding.

Using grant funds, the Town retained a private engineering firm to complete a full engineering evaluation of each system. Legal analysis was provided by the Town Attorney. The financial evaluation was completed with Town and DCWWA staff, with DCWWA providing estimates of projected expenses and revenue requirements under DCWWA ownership.

Keeping Everyone Informed

To keep district customers and property owners informed, and help Town officials gauge the level of public support for the transfer of system assets, numerous public information meetings and formal public hearings were held throughout the process. Informational presentations were available on YouTube at the Town's website, and the Engineering Evaluations and Reorganization Study Reports were also provided on the Town's website.

Benefits of the Ownership Transfer

After formally receiving the Reorganization Study Committees' reports and recommendations, the Town Board, in February 2015, voted to transfer all eight systems to the DCWWA. Benefits of the transfer were considered to include:

- Improved efficiency and quality of service delivery;



Sewer Operator manually checks levels in a dosing chamber as part of the inspection of the Greenfields Wastewater Treatment Plant.

- Keeping rates as low as possible while taking into account both the current system's operational expenses as well as long-term maintenance and rehabilitation of infrastructure; and,
- Improved efficiencies, services and savings Town-wide as local government officials are relieved of the increasing complexities of operating and managing small sewer systems and thereby able to commit greater time and attention to core municipal functions.

From the DCWWA perspective, the grant-funded evaluation process was an opportunity to become fully familiar with the systems, and to have a long-term capital improvement plan in place for each at the time of acquisition. As an additional benefit, the Engineering Reports enabled DCWWA and the Town to cooperatively submit applications to the NYS Environmental Facilities Clean Water and Drinking Water Revolving Loan funding programs, even as the transfers were ongoing.

Details of the Agreement

Over the next months, DCWWA legal counsel worked with the Town Attorney to draft a Transfer Agreement, spelling out the many details to be addressed to ensure a smooth transition with no interruption to customer service, including:

- Boundary surveys
- Title searches
- Easement agreements
- Treatment of system fund balances
- Transfer of utility services and certain service agreements
- DCWWA access to customer billing records
- Responsibility for accounts payable and receivable
- Transfer of outstanding debt obligations

Throughout the same time period, DCWWA staff worked to establish new County water district zones of assessment and sewer districts through action of the County Legislature.



Water Operator locates a valve outside of a master water meter pit as part of the inspection of the Arbors Water System.

In September 2015, ownership of the first four systems transferred to the DCWWA, with additional transfers in January and February of 2016. Also in January 2016, DCWWA entered into an agreement to manage the Greenfields Water System on behalf of the Town, with formal transfer to occur once certain property ownership and easement issues are resolved in mid-2016.

A Successful Example of Government Efficiency

Because the original evaluation of the system transfers was funded by NYS Department of State Local Government Efficiency Grant, DCWWA was eligible to apply for a second round of implementation funding through that same program, to support the consolidation of Hyde Park water and sewer systems under DCWWA ownership. In December of 2015 DCWWA was notified of the \$404,600 award. The grant will be used to fund expenses incurred in transferring ownership of the systems, and to implement technological

improvements, such as automated meter reading systems, to create the efficiencies needed to integrate the systems into the Authority's administrative and operational structures.

The overall success of this program can best be expressed by Hyde Park Town Supervisor Aileen Rohr, "As we continue to explore ways to improve our performance as a Town in terms of both quality of service and controlled costs for taxpayers, the benefits of transferring our districts to the DCWWA were clear. Reimbursing the districts for some of the costs of transfer and adding new technology to control costs is an added benefit for the district residents".

Village of Tivoli Evaluating Transfer to DCWWA

Following the successful model developed for Hyde Park, the Village of Tivoli was awarded an \$80,000 grant in 2014 from Dutchess County's [Municipal Consolidation and Shared Services Grant Program](#).

Using the services of legal, financial and engineering consultants, the project will evaluate the potential taxpayer savings, service improvements, and opportunities for efficiencies that may be gained by transferring the Village's water and sewer systems to the DCWWA.

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This newsletter was developed by the Dutchess County Department of Planning and Development, in conjunction with the Dutchess County Planning Federation.

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