

VILLAGE OF SHERMAN

JULY 11TH, 2018

PUBLIC HEARING OF THE WATER AND STORMWATER CDBG PLANNING STUDY

PUBLIC HEARING REGARDING UNDERSTANDING THE WATER & SEWER BILLS, AND RESTRUCTURING THE WATER & SEWER RENTS

REGULAR MEETING OF THE VILLAGE OF SHERMAN BOARD

Members: Mayor Meeder Trustees: Gratto, Reyda and Ayers
Others Present: Doug Crane, Jay Irwin, Matt Zarbo, Clerk Ramm and fourteen members of the public.
Apologies: Trustee Higginbotham

Mayor Meeder welcomed everyone to the meeting at 6:00 pm and lead everyone in the pledge of allegiance. She explained that there would be two separate public hearings, followed by the regular meeting of the Board of Trustees. Mayor Meeder explained that each hearing would allow for public participation and encouraged the public to ask questions.

RES 2018-07-11.1a:

Motion to authorize the Public Hearing for the Water and Stormwater CDBG Planning Grant.

Moved: Trustee Gratto Seconded: Trustee Ayers

Ayes: 3

Nayes: 0

RES 2018-07-11.1b:

Motion to open the Public Hearing for the Water and Stormwater CDBG Planning Grant.

Moved: Trustee Reyda Seconded: Trustee Gratto

Ayes: 3

Nayes: 0

WATER AND STORMWATER CDBG PLANNING GRANT

Mayor Meeder introduced the speaker, Mr. Matt Zarbo from Barton and Loguidice. Mr. Zarbo explained that similarly to what the sewer department is currently completing, the first step in undertaking a major water and stormwater infrastructure project is to perform a preliminary engineering report on the existing infrastructure and formulate a capital plan. The report would identify where the water system needs to be upgraded, where it is not up to standard, which main lines need to be replaced, chlorine issues, etc. The stormwater system has already identified issues for example, flooding has already caused some damage at the sewer treatment plant and the athletic field of the school from a culvert overflowing and from overflowing manholes. Our main focus for the stormwater system would be Main Street which experiences a lot of run off that goes untreated. The study can include adding treatment to Main Street. This could include green areas which also beautify the area. Basically, the first step in the design process is identifying where the water and stormwater systems are failing.

Mr. Zarbo recommended that the Village apply for the Community Development Block Grant (CDBG) for the full amount of \$50,000 to enable the Village to address its water and stormwater issues. He explained that if the Village is awarded the CDBG grant it would have to provide a 5% local match which would total \$2,500. He further explained that the intention of Barton and Loguidice is to apply for the grant to study both the water system and the stormwater infrastructure. Summarizing both of those in a preliminary report and use that to generate further funding to receive implementation grants. After answering some questions Mr. Zarbo ended by clarifying that without the study the Village would not be likely to receive any future funding.

RES 2018-07-11.2:

Motion to close the Public Hearing for the Water and Stormwater CDBG Planning Grant.

Moved: Trustee Gratto

Seconded: Trustee Reyda

Ayes: 3

Nays: 0

RES 2018-07-11.3:

Motion to authorize the Mayor to enter the Public Hearing for the segment regarding Understanding Water & Sewer Bills and Restructuring the Water & Sewer Rents.

Moved: Trustee Ayers

Seconded: Trustee Gratto

Ayes: 3

Nays: 0

UNDERSTANDING WATER & SEWER BILLS/RESTRUCTURING THE WATER & SEWER RENTS

Mayor Meeder opened by explaining that water and sewer are two separate utilities on one bill, as it is with your telephone and cable accounts. They have different purposes and separate funds. They each have two parts – a charge for service supply (usage charge) and a charge for delivery of services (base charge).

SEWER TREATMENT: The sewer treatment plant has been operating for forty years. Forty years ago, a postage stamp was 15c and today it is 50c, which is more than three times greater. When the WWTP was set up a base sewer charge of \$30 per quarter was implemented to cover the cost of the original plant, and today we are still charging \$30 per quarter. Another issue we need to address is that our original rents law states that every property within the Village that has sewer available (properties with infrastructure) should be charged the base fee to support our infrastructure, this includes vacant properties. This base charge must cover all our fixed costs including the sewer collection system, the sewer treatment plant, debt, maintenance of the infrastructure, updates, electricity, reserves and employee expenses i.e., all the costs before a toilet is flushed. The base charge for each EDU (Equivalent Dwelling Unit) will soon be determined by the state's property classification (e.g. single family, multi-family, etc.), found on each resident's tax bill. The usage is actual gallons or cubic feet that flow through a system. Our current sewer usage rate is much higher than the base which should be the other way around. The usage rate pays for all the variable costs i.e. operational and maintenance expenses including electricity, laboratory and chemical treatment, supplies, disposal costs, etc.

Mayor Meeder showed examples of other municipal water and sewer bills with a fixed water base charge, varying water service charge, fixed sewer base charge, no sewer service charge and highlighting that the base is always a higher charge than the service charge. In some cases, the sewer service charge is added to each residents' tax bill according to their EDU and/or property assessed value. She then explained in detail the breakdown of our sewer and water charges, and gave a graphic example of usage after the first 500cubic feet (the minimum).

WATER TREATMENT: Continuing on with the cost breakdown, Mayor Meeder showed that a third of the residents in the village pay less than \$9 per month for water. She emphasized how that did not cover the cost for Mr. Crane to collect the readings, the clerk to input all the readings and prepare the water bills, let alone cover any costs associated with the infrastructure or purifying the water. The water base charge must increase to ensure

we can cover all our fixed costs, infrastructure costs and build a solid foundation. There will still be a usage cost based on actual water going through each meter. Currently the average water bill is less than \$250 per year. This is approximately 0.8% of the median household income (MHI). This is based on old information so these figures should actually be worse. New York State recommends that in order to adequately cover present and future utilities we must bill between 1.5% – 2% of the MHI. NYS requires a minimum charge of 1.5% of MHI just to qualify for the water improvement grants. There are a few grants available but they all rely on a point system. Mr. Zarbo explained that the state looks at what is affordable to our residents. They don't want to give money to a municipality that is underbilling their residents because they believe that each municipality should be responsible for their share. The state stipulates that 1.5% - 2% of median household income is fair for water, and that 1.5% - 2% of median household income is fair for sewer. People of higher median income areas will be required to pay more, based on their MHI. The lower income areas qualify for more grants and lower interest rates but must be paying their share (1.5%-2%) of the affordable rate (MHI). The State Comptroller's Office reported that the average person in New York State typically pays \$900p.a. for water and \$900p.a. for sewer which is double what the 1.5% of the Sherman MHI would be. The current sewer bills should be between \$525 and \$700 per year to bring us closer to the 2% of our updated MHI in order for us to adequately cover all our operating costs and capital improvements. Mayor Meeder hoped to have proposed rates for the next meeting on August 1st, 2018.

In answer to a question from the public, it was clarified that both the base charge and the usage charge for water would go up but not even to the recommended 2%. The base charge has to be the main source of revenue since usage is inconsistent. Whether someone uses 1 gallon or 100 gallons of water the cost is the same to the village. This is the most sustainable way for the community to keep up and cover the operating expenses.

After the time of public participation and questions, Mayor Meeder stated that flyers pertaining to this presentation would be send out with the next Water & Sewer bills.

RES 2018-07-11.4:

Motion to close the Public Hearing and return to the Regular Public Meeting of the Board.

Moved: Trustee Reyda

Seconded: Trustee Ayers

Ayes: 3

Nayes: 0

REGULAR BOARD MEETING

RES 2018-07-11.5:

Motion to accept the previous minutes of the Regular Board Meeting held on June 6th, 2018, and the Public Hearing on Code Enforcement held on June 26th, 2018.

Moved: Trustee Gratto

Seconded: Trustee Reyda

Ayes: 3

Nayes: 0

RES 2018-07-11.6:

Motion to approve Voucher #2 for \$148,931.39 as presented.

Moved: Trustee Ayers

Seconded: Trustee Reyda

Ayes: 3

Nayes: 0

FINANCIAL REPORT FROM CLERK-TREASURER:

General Checking Account: Balance (7/11/2018) is \$188,475.74 – book balance \$ 74,552.41

Special Bank Account: Balance (7/11/2018) is \$14,575.00 – book balance \$2,500

CD Account: Balance (7/2/2018) \$136,624.70
CD Transfer: Clerk Ramm requested that the trustees transfer \$50,000 from the general checking account into the CD.
Account Adjustments: Clerk Ramm requested permission to make adjustments on two bills - account #227 and #262 - as they have submitted their meter readings for filling their pools. The request is to remove the sewer portion from the quantity of water they used to fill their pools.
John Fiet Paintings: The clerk noted the new paintings hanging in her office. The mayor expressed her appreciation to the Sherman Historical Society for the donation of the two John Fiet paintings.

WATER AND STREETS REPORTS FROM DPW SUPERINTENDENT:

W&S Bills: Mr. Crane has finished reading the meters so water and sewer bills can go out next week.
Water: The hydrant leak is progressively getting worse so we'll finish putting in the 4 service lines on Park Street so we can shut the mains off and repair the hydrant's leak. Work will begin on First Street next week.
Streets: As we have done in the past, we've been cleaning up the sidewalks and trimming some trees.

SEWER REPORT FROM CHIEF SEWER OPERATOR

NYS Exam: Mr. Watson has completed his courses and will be writing his state exam on August 14th, 2018 and by September he should be completely certified.
Sewer Study: The smoke testing is complete and only one manhole had significant problems, which we have already fixed. All the lines were good and we sealed up 22 manholes. We also cleaned up more than 25 vent caps. We know of 2 sump-pumps which were connected to the sewer collection. We have already taken care of one, the other on Church Street we'll take care of soon. The collection system has already seen an improvement of 9000 gallons a day.

OLD BUSINESS:

CODE ENFORCEMENT: We have had positive feedback regarding our "clean up Sherman" initiative since our Public Hearing on June 26th, 2018. People who received notices have been compliant and eager to work with their code enforcement officer (CEO). Mayor Meeder commended our CEO's for their positive influence and hard work. In some cases when people have been overwhelmed, the CEO's have assisted them and treated them with respect.

OVERALL COMP PLAN: The comprehensive plan is basically looking at the community as a whole. Essentially a vision of planning through the next 20-30 years, including zoning changes, bike paths, park projects, etc. Anything that effects our community. Having a comp plan will open up other resources and grant opportunities because we will be able to identify our needs and act accordingly. This is a large scope project that requires more public participation and input. Mayor Meeder added that the comp plan would have a planning committee (made up of residents only) which may be daunting. She suggested having sub-committees involving groups of people who are interested in improving Sherman, each committee working on projects that interest them and utilize their skill sets. These sub-committees can be made up of residents and non-residents who have invested in Sherman, people interested in improving Sherman and willing to share ideas and resources to improve and grow Sherman.

