



February 16, 2015

Greater Oneonta Economic Development Council
C/O Albert Colone and Bill Shue
Colone Associates
142 River Street
Oneonta, NY 13820

RE: Southside Water Project

Gentlemen:

As you know, the Mohawk Valley Economic Development District recently interviewed the City and Town of Oneonta regarding the Southside Water Project in response to concerns that were raised by the Greater Oneonta Economic Development Council regarding whether or not the use of a new well was the most cost-effective approach to the Southside Water Project, and to determine whether U.S. Economic Administration funding would be able to support the Southside Water Project to make it more affordable to the ratepayer.

The Mohawk Valley Economic Development District reached out to GEMS to assist with the review of the project information, and to assist with a determination as to whether U.S. EDA funding would benefit the project. Subsequently, GEMS conducted interviews with the Town and City of Oneonta regarding the Southside Water Project, and reviewed project information.

The City of Oneonta is experiencing a need for public water and sewer infrastructure to keep residents and businesses centrally located in the community. The provision of water and sewer facilities helps prevent sprawl, and reduces the negative environmental effects of large concentrations of wells and septic systems in close proximity of each other. The Mohawk Valley Economic Development District supports the City and Town's efforts to bring water and sewer to the residents and businesses of Oneonta.

We have appreciated the opportunity to review the water issues surrounding the Southside region of the Oneonta area. Our findings represent independent observations based on our review of materials provided by the Town and City of Oneonta, and interviews with each municipality. We encourage the Town and City to work together on this and future infrastructure development projects.

Attached, please find a copy of our Investigation Summary along with supporting documentation referenced in the summary. If you have any questions regarding any of the information provided, please feel free to contact me any time.

Best Regards,

Fred Krone
Sr. Project Manager



Investigation Summary

Geo-Environmental Management Solutions, LLC (GEMS) on behalf of the Mohawk Valley Economic Development District (MVEDD) has conducted a review of the Southside Water Project proposed by the Town of Oneonta. The Greater Oneonta Economic Development Council (GO-EDC) had reached out to the MVEDD concerned about whether teaming with the City of Oneonta would result in a more affordable project for the Town of Oneonta. GEMS conducted interviews with the Town and the City, and has reviewed documentation prepared by both municipalities regarding the Southside Water Project.

The MVEDD was also asked to see if the provision of funding resources from the U.S. Economic Development Administration (U.S. EDA) would be ideal to support this project. GEMS conducted a concurrent investigation into this possible funding resource to see if it would help make the project more cost efficient for the taxpayer.

Finally, and most importantly, the MVEDD was asked to review the overall public water and sewer needs in the Greater Oneonta area to understand the overall situation and recommend whether or not a Town and City Water and Sewer Master Plan would be an ideal approach to addressing future water and sewer infrastructure needs in the community. And, if so, where possible funding resources could come from to support this type of study.

Based on our review of the documentation provided, and the interviews conducted, GEMS has made the following findings:

1. U.S. EDA funding would conflict with one of the existing funding resources already committed to the project through the USDA. If the U.S. EDA were to get involved, the funding would need to also make up the gap created by losing the additional federal funding. The additional funds required to make up the gap would result in a less competitive application based on the funding amount required. Therefore, it is not a good idea to pursue U.S. EDA funding for this project. In addition, according to the Town Supervisor, 100% of the funding is committed to the currently proposed Southside Water Project.
2. The cost of installing the infrastructure on Southside is the same whether completed by the Town or as a Town/City partnership. The only differences found in the cost of the project are related to the source of the water and the cost of piping the water source to the Southside Water Districts.
 - a. Based on the interview conducted with the City of Oneonta, discussions held by the Town regarding the Southside Water Project were more informal in nature. The City expressed a willingness to work with the Town to make water rates more affordable to the ratepayer.
 - b. The City of Oneonta has prepared an updated position on the provision of water to the Southside Water Project. According to these documents, the cost of connecting to the City's water supply will be less than the cost of installing a new well and treatment facility by the Town because the Catella Well Upgrade has already been funded reducing the City's connection project cost by \$280,000. Based on an email communication shared by the Town Supervisor from the former Mayor, this would reduce the water rate by up to \$0.106 per thousand gallons. In addition, the City's crew would be able to provide the installation of many components, further reducing the project cost. These documents are attached to this findings report.
 - c. Based on the interview with the Town, the cost of treating surface water is more expensive in the long-term than if the Town were to drill their own well and treat the groundwater. This is because of NYS Department of Health Public Water Supply



- Treatment regulations for drinking water pulled from surface water and drinking water pulled from wells.
- d. Based on a City/Town Cost Comparison prepared in 2013, the Town shows a water supply cost of \$1.77 per thousand gallons. According to this document, the cost of City water is \$2.71 per thousand gallons. Based on this estimate, the cost of using City water is more expensive. However, upgrades to City infrastructure and the City's willingness to negotiate water rates may result in a lower rate.
3. Regarding the water and sewer needs of the community, wastewater and drinking water issues are impacting areas within and surrounding Oneonta, including but not limited to:
- a. "West Oneonta"
 - b. The "East End"
 - c. Southside
 - d. Targeted Areas for Economic Development
 - i. Rail Yard
 - ii. Oneonta Airport
 - iii. Other Areas
 - e. Town of Davenport
 - f. Town of Laurens
 - g. Town of Otego

Based on the findings listed above, supported by the documentation attached, GEMS has prepared the following recommendations. These recommendations are based on our knowledge of federal and state funding programs as well as our knowledge of federal, state and regional initiatives associated with improving government and long-term municipal operating efficiency. These recommendations are also based on the interviews and data provided by the Town and City of Oneonta, some points of which are noted above.

Recommendations:

1. According to the Town Supervisor, the Southside Water Project is 100% funded. Therefore, the scope of work submitted by the project team has already itemized the installation of the well at Fortin Park and water storage tank at the Manley Site. This may present a complication should the Town and City work together to identify a more efficient approach to drilling the well and installing the storage tank. However, most funding agencies are willing to modify the scope of work presented if it means a reduced project cost, and/or improved system efficiency.
2. Not all areas are covered by sewer. The present plan proposed by the Town of Oneonta does not include the provision of sewer along Old Southside Drive. Given the nature of the geology of this area, one of the primary concerns involving long-term water quality is reducing the amount of septic-related contaminants entering into the environment. Installing a water line at this location only encourages water use which will likely increase septic use, which in turn, will only continue to create septic-related contamination in the groundwater along Old Southside Drive.

Given the fact that a water line is already being installed along Old Southside Drive, at the same time, a sewer line should also be considered. This reduces installation costs and repetitive damage to roadways, yards, and other areas along Old Southside Drive. This also complies with Complete Streets initiatives and advances New York State Smart Growth Act objectives while improving the environmental quality of the neighborhood. The Town of Oneonta should strongly consider installing a sewer line along Old Southside Drive to avoid further groundwater contamination from septic systems.



3. The proposed well location in Fortin Park is located in proximity to the old Town of Oneonta Landfill. Despite the Town's hydrologic investigations and engineering studies, the Town may need to hear from an independent authority like the USGS to verify the findings of the study. The independent verification of the findings by an objective authority may help alleviate resident concerns.
4. The City of Oneonta has made upgrades since the original discussions took place. In 2013, the City of Oneonta Manager at that time, Mike Long, presented a Preliminary Evaluation to the Town. The information presented in this evaluation has since changed. In addition, during the interview process conducted as part of this review, the City has demonstrated a willingness to work with the Town to identify a water rate that is affordable to the ratepayer. The Town should take advantage of this opportunity to possibly identify a more cost effective approach to delivering water to the districts in question and other future areas throughout the community.
5. The Town's summary presentation prepared by Lamont Engineers states that the current difference between the capital costs of the two proposed water connections is an additional \$41,000, and the difference in long-term operations and maintenance costs is \$109,000 per year. Given the recent upgrade to the Catella Park Well, and opportunity to save additional revenue by utilizing City labor forces to conduct a portion of the installation combined with the City's willingness to negotiate an affordable water rate, it is very likely these two cost differences have changed. The Town should consider conducting an updated evaluation to determine if connecting to the City would be a more affordable solution; however, the complications noted in #1 above should again be noted.
6. The Greater Oneonta Area is experiencing drinking water and wastewater issues that could impact future development. The Town and City of Oneonta, together with neighboring communities, should consider developing a water and sewer master plan. A plan of this magnitude will help guide and encourage growth and development in a manner that does not compromise the quality of the surrounding environment, does not add to existing system stress, and leads to more efficient system operations and maintenance.

The Master Plan will help identify specific approaches to addressing water quality concerns throughout the Greater Oneonta Area, and coordinate these activities with the different project partners. The Master Plan should also incorporate Regional, State and Federal initiatives and regulations including the Smart Growth Act, Complete Streets, and MAP21. The goal of these programs are to help communities grow sustainably, and should be considered and incorporated into the planning process.

This Master Plan may take over a year to complete, and may result in the formation of a Committee or Working Group that oversees the evolution and updating of the plan document. Possible funding resources for this type of plan include, but are not limited to:

- New York State Department of State – Local Government Citizens Reorganizations and Empowerment Grant Program (CREG). Three different funding tracts exist under this program: (1) Re-Organization Planning; (2) Re-Organization Implementation; (3) Expedited Re-Organization Assistance. The first step in the master planning process could potentially qualify for Re-Organization Planning assistance. This program will provide funding to support data gathering, analysis, and discussion to understand the current services and responsibilities of each involved local government entity. This part of the program can also provide funding to support an examination of the financial impact of reorganization of all involved local governments, an assessment of potential management



and service delivery changes, a review of potential impediments related to re-organization, and a list of recommendations including an inventory of other efficiency options if the re-organization is not completed.

- New York State Department of State – Local Government Efficiency program (LGE). This program supports projects including government service reorganization and dissolutions, intermunicipal cooperation, and regional service delivery. The LGE program provides technical and financial assistance to help municipalities identify opportunities for cost savings. Grants also fund implementation of these efficiencies and cost savings.
- New York State Department of Environmental Conservation – Water Quality Improvement Project Grant (WQIP). Through this program, the DEC supports projects that reduce polluted runoff, improve water quality and restore habitats in New York's waterbodies. This program offers planning funding that may support a master planning initiative that addresses water quality issues throughout the Greater Oneonta area.
- New York State Consolidated Funding Application Program (CFA) – Each year, a large number of New York State agencies open funding opportunities related to community, business, and economic development. Each year the number of programs is slightly different, and may include planning funding to support this planning effort. A master plan of this magnitude would have a positive economic and quality of life impact on the Greater Oneonta area by focusing future infrastructure development dollars.
- U.S. Environmental Protection Agency. In January 2015, the EPA and Vice President Biden announced the new Infrastructure and Resiliency Finance Center. This Center is to serve as a resource to communities to improve wastewater, drinking water and stormwater systems, and supports the Build America Investment Initiative – a government wide effort to increase infrastructure investment and promotion of economic growth by creating opportunities for state and local governments and the private sector to increase investment. Although this is a new program recently announced by the U.S. EPA, the EPA has other programs related to nonpoint source pollution prevention and drinking water quality preservation that may be able to assist with financing the cost of a Greater Oneonta planning study.
- U.S. Economic Development Administration – Public Works and Economic Adjustment Assistance Program and Technical Assistance Program. The U.S. Economic Development Administration (EDA) is the federal economic development arm that supports State, Regional, and local efforts to improve economic conditions within a target area. Water and sewer infrastructure in the Greater Oneonta area could receive funding support from the U.S. EDA due to the impact this infrastructure will have on the local economy.

A similar water distribution master plan encompassing multiple communities was awarded through the New York State Department of State's Local Government Efficiency grant program at a cost of approximately \$150,000 (including local match). The reason for the cost is the amount of time that should be taken examining each issue, reviewing buildout scenarios, conducting community outreach and outreach to neighboring communities as well; and, developing a scope and budget document to organize and coordinate future water and sewer improvement/expansion efforts. It should be noted that the City of Oneonta is undertaking a current planning effort concentrating on treatment system improvements. This proposed master plan would be much broader in scope and incorporate the City's treatment system improvement plan into the document.



7. There may be additional ways to creatively reduce water and sewer costs associated with the transmission and maintenance of the Southside Water system. This includes the possible provision of City labor and equipment toward the maintenance and operation of the Southside Water Districts. The Department of State Local Government Citizens Reorganizations Empowerment Grant Program (CREG) may provide funding to explore the feasibility of such a local government efficiency measure. However, this should be viewed as a mid- to long- range solution, not one to resolve the immediate issues surrounding the Southside Water Project.

Regardless of whether the Town and City work together to complete the Southside Water Project or not, this review has highlighted the need for water and sewer in other parts of the Greater Oneonta area in addition to Southside. There are opportunities for the City and Town to work together to address these needs, and to identify creative and cost effective solutions to addressing future water and sewer issues. The Town and City should make every effort to work together to bring affordable quality drinking water and wastewater disposal services to additional areas of Oneonta.

The Southside Water Project is very important to the long-term economic vitality and environmental quality of the Southside area of Oneonta. The Town has been very fortunate to have secured funding to support the installation of the infrastructure, which has reduced the impact on all ratepayers, residents and businesses alike. This funding is very competitive, meaning the agencies providing the money see the importance of this project as well. However, this funding can be time sensitive depending on the agency and the program. It is important that the community pulls together to utilize these funding resources while they remain available.

The Mohawk Valley Economic Development District should be viewed as a project partner. As one who supports addressing the water and sewer needs of the Greater Oneonta area in a manner that supports the Investment Priorities of the U.S. Economic Development Administration as well as advances federal and state initiatives such as the Smart Growth Act and Complete Streets Initiative. The MVEDD is here to help provide additional available funding resources, if possible, to reduce the costs associated with water and sewer projects in the six-county Mohawk Valley Region which includes Otsego County. The MVEDD looks forward to helping Oneonta identify solutions that advance clean drinking water and wastewater to much-needed areas of your community.