

**ERIE COUNTY SEWER DISTRICT NO. 2 (ECSD 2)  
BOARD OF MANAGERS MEETING MINUTES  
JUNE 25, 2015 @ 9:00 AM  
DISTRICT ADMINISTRATION BUILDING**

**MEMBERS PRESENT:** Mayor Howard Frawley, Angela Horton, Anna Knack and Gifford Swyers

**MEMBERS EXCUSED:** Mayor Vincent George

**OTHERS PRESENT:** Glenn Absolom, Joseph Fiegl, Nancy Forys, Garry Pecak, and William Strzeszynski

**ITEM NO. 1 – CALL MEETING TO ORDER**

Chairperson Knack opened the meeting at 9:04 a.m.

**ITEM NO. 2 – APPROVAL OF APRIL 16, 2015 MEETING MINUTES**

On a motion by Mayor Frawley, seconded by Mr. Swyers, the Board voted to approve the minutes from the April 16, 2015 meeting. The motion carried 4 – 0.

**ITEM NO. 3 – ITEMS FROM THE PUBLIC**

Mayor Frawley advised the Board that a Village of Angola property at 29 Orchard (renters) had contacted his office indicating they were experiencing sewer problems. Mr. Strzeszynski stated that he did not recall a complaint being filed with the ECSD 2 office, and they would need to contact our office to report a complaint.

Mayor Frawley inquired about extending sanitary sewers for the properties in the Sewer District to promote growth. Ms. Knack stated that there were petitions in the past to extend sewers to certain areas, but for some after evaluating the costs associated with it, the residents decided against it. Other petitions such as the one associated with the on-going construction on Old Lakeshore Road did lead to sewer extension. Mr. Fiegl explained that regarding properties on Eden-Evans Center Road, for certain properties such as the former airport the ECSD 2 boundary ends in the middle of the parcel and there would need to be a petition to extend the ECSD 2 boundary or execute an Out of District Customer Agreement. Mr. Fiegl also advised that the population density in an area may or may not support the cost of a sewer extension, but the Division always looks into it, if requested.

**ITEM NO. 4 – NEW BUSINESS**

- a. Presentation and Approval of the 2016 Budget
  - i. Proposed 2016 Budget (Handout)

Mr. Fiegl presented the proposed 2016 ECSD No. 2 Budget to the Board. Overall, the typical ECSD No. 2 ratepayer would have annual sanitary sewer charge increase of approximately 3.1%.

*Item 2*

Reviewing the detailed summary for ECSD No. 2, appropriations or expenses are budgeted in 2016 to increase approximately \$59,000. Debt service, capital reserve allocations, and personnel are the main factors affecting the appropriations. Revenues are expected to decrease approximately \$158,000 when compared to 2015, with the use of fund balance the main reason for the drop. The cause for the decrease in fund balance allocation is a change in the amount available from 12/31/13 to 12/31/14 of almost \$304,000.

As stated previously, the estimated impact to the typical ratepayer (single family home) in ECSD No. 2 in 2016 is an increase of approximately 3.1%, or around \$14 - \$20 per home annually (roughly \$1.17 - \$1.67 per month).

Personnel costs – including reorganization in the Division of Sewerage Management – were discussed. Fringe benefits for employees are being calculated at 69.5% in this budget, which is the same as 2015. Actual numbers are not available at this time, but the County's accounting staff believes this is a conservative estimate. There are factors outside the County's control that influence the rate. The County's Administration has attempted to address the rising fringe benefit costs with recent Union Contract proposals.

The 2016 equipment line items represent approximately \$392,000 of the ECSD No. 2 budget. The major items include several replacements for treatment plant and pumping station equipment, the replacement of three (3) fleet vehicles, several Division-wide "shared" items, and the ECSD No. 2 standard unanticipated replacement item.

Before going into specific details of the budget line codes, Mr. Fiegl explained that the budgets are developed conservatively, with the understanding that monies left over at year end are transferred to fund balance and utilized as revenue to offset future rate impacts. Items listed in the budget as "DSM" are expenses for the Downtown office. ECSD No. 2 contributes approximately 9.3% of the overall Downtown office expenses.

A review of the individual budget codes was provided. It was noted that several changes were made for consistency throughout the various Erie County Sewer District budgets. Therefore, certain items were "zeroed" with a corresponding increase elsewhere in the budget. Specific items highlighted included the budgeting on fuel, chemical cost adjustments, the I&I services budget, an additional \$50,000 capital reserve allocation, utility cost decreases, and personnel costs.

Fund balance usage as an offsetting revenue is budgeted at 65% of available balance. The available district fund balance at 12/31/14 represents approximately 2.8 months of 2016 budgeted appropriations. Observing recent trends on amount available and amount used, it is believed that this allocation of fund balance is prudent. However, the recent drop in the amount of fund balance available will need to be monitored and should the trend continue, it could adversely impact future budgets for the sewer district.

It is recommended for the 2016 Budget that the unit charge be increased to \$290.00 per home connected to the sanitary sewer and the footage charge in ECSD No. 2 remain at \$1.00 / foot.

Mr. Fiegl's final comments related to the 2% Tax Cap. As the sewer district levies are part of the County's overall tax cap calculation, there is additional coordination required prior to finalization. If any changes are necessary, the Board of Managers will be informed.

At the end of Mr. Fiegl's presentation of the Budget, as well as during his presentation, questions and concerns were brought up by the board members.

Mr. Swyers questioned the \$40,000 Engineering/Design item of the Budget. Mr. Fiegl explained that this is the first time this line is listed by itself in the Budget. This will allow for certain engineering tasks to be paid through the operating budget so that we are not borrowing under debt service (where often times monies have been taken in the past). He noted that there are areas in the budget that saw a decrease to accommodate this line item.

Mr. Swyers and Mayor Frawley questioned the replacement of three vehicles and why there was not a reduction in the maintenance repairs line if we are replacing vehicles each year. Mr. Fiegl explained that vehicle conditions and mileage are evaluated at the end of 2014 to prepare the 2016 budget. Mr. Fiegl further explained that a year or more will pass before the vehicle actually gets replaced, while continuing to incur mileage and wear & tear. A long-term regular vehicle replacement plan will prevent mass replacement of vehicles in a single year, which has happened in the past.

Mr. Fiegl noted that the budget line item for repairs also covers heavy equipment, backhoes, etc. that are not considered "vehicles". The cost of replacing tires is very expensive; many miles are placed on the vehicles every day (sludge hauler going back & forth to Niagara Falls, etc.)

Mr. Swyers and Mayor Frawley wanted to know what it would take to cut the Budget by 1% in dollars. Mr. Fiegl provided an estimate of approximately \$65,000 - \$70,000. Mr. Fiegl noted that even if there are additional cuts, the need does not go away and there are concerns that fund balance would drop further. Mr. Fiegl also indicated that nationwide the cost for the sanitary sewer industry is up 4% and we are an industry that historically has been underfunded in general. Many years ago in the 1960's and 1970's, there were many grant funded projects which now require upgrades while grant money is no longer there. Mr. Fiegl also explained that the District has roughly 10,000 households (some commercial) which are much lower in population density than other districts within Erie County. Perhaps everything goes well and any cuts would not adversely affect fund balance, however, it is a risk.

Some Board members requested to see a consumption report for the current year that budget is being voted on. Only four to five months would be able to be reported, but that can be generated next year.

Mr. Swyers asked about the pipe patch kits being listed at \$200 in 2015 and \$15,000 for 2016 Budget (pg. 11). Mr. Fiegl/Ms. Horton advised that a single kit costs \$600-800, so that was a typo.

On a motion by Ms. Knack, seconded by Ms. Horton, the Board voted to approve the 2016 Budget. The motion carried 4 – 0.

ii. 271 Resolution (Handout)

It was resolved that approximately 36%, 16% and 48% of the total sanitary sewer tax levy of \$6,831,768.00 shall be raised from the assessed value, footage and flat charges, respectively, for ECSD No. 2.

On a motion by Mayor Frawley, seconded by Ms. Knack, the Board voted to approve the assessment roll resolution with a flat charge of \$290.00 and a footage charge of \$1.00/foot. The motion carried 4 – 0.

b. I&I Approval for Compliance Hearing (Handout)

The Board reviewed a list of homeowners recommended to be sent to a compliance hearing. The list is comprised of homeowners who have failed to allow a house inspection in accordance with the "Rules and Regulations for Erie County Sewer Districts".

On a motion by Ms. Horton, seconded by Mayor Frawley, the Board approved to move forward to a compliance hearing. The motion carried 4 – 0.

Ms. Horton updated the Board on the recent hearing which took place May 20, 2015. For ECSD No. 2, there were 8 homeowners who failed to have their inspections and 1 who failed to correct a violation. These properties will have a recommendation prepared by the hearing officer regarding a premium assessment. The recommendations will be presented to the Board at the next meeting.

**ITEM NO. 5 – OLD BUSINESS** (None)

**ITEM NO. 6 – MISCELLANEOUS & INFORMATIONAL ITEMS**

a. District Payments

Ms. Horton conveyed to the Board the one payment for June 25, 2015 to Wendel Duscherer for the Energy Improvements in the amount of \$26,776.36.

b. Operational Report

Mr. Strzeszynski provided the Board with an update for ECSD No. 2, which included 21 sanitary sewer complaints since the last meeting. The cured in place pipe (CIPP) lining contract utilizing 2014 funds has been complete and will continue with 2015 funds. Since the last meeting, 16 segments have been completed in the areas of W. Church in Eden, Shorecliff in Evans, John R Drive in Angola, and High Street in North Collins.

The NYSEFC compliance audit for the Big Sister Creek Wastewater Treatment Plant energy performance project is scheduled for June 26, 2015 and is 95% complete.

The central maintenance TV crew has recently completed tele-inspections of all our pumping station discharge sewerlines that are asbestos as well as completing approximately 80% of mini-system 10, in the Town of Evans. The crews have also completed the installation of 12 pipe patches throughout the district.

The crew continues with the routine flushing program. Their current focus has been on mini-system 13 (Village of North Collins) and mini-system 10 (Evans).

The I&I House Inspection program has started up again with 224 letters being sent out in early June 2015 in mini-system 10 (streets just north of the treatment plant along the water in the Town of Evans).

c. Pretreatment Report – There was nothing new to report at this time.

d. Construction Report

i. Lake Shore Road LPG - Contract 86 - Letter to Residents (Handout)

This was a letter sent to 15 properties advising them that a notice to proceed was issued on June 15, 2015 to DJM Contracting Inc. for the installation of the grinder units on their properties. Ms. Horton advised that the project is around 20% complete to date.

ii. CIPP Lining – Work Order No. 12 (Handout)

Ms. Horton advised that during the operational report Mr. Strzeszynski covered the sewerlines that have been completed under the 2014 budget and the list for 2015 is being developed for the contractor.

iii. Manhole Contract Bid Schedule (Handout)

Ms. Horton noted that the bid opening for Contract 74, Sewer Manhole Rehabilitation and Repair has been scheduled for July 17, 2015 at 2pm.

e. NYSDEC 2014 Annual I&I Report (Handout)

Ms. Horton presented to the Board the two page report and summary table that was provided to the NYSDEC on April 30, 2015. She also noted there have been no comments from the NYSDEC.

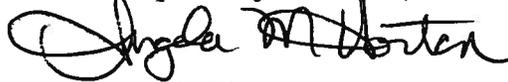
On a motion by Ms. Knack, seconded by Ms. Horton, the Miscellaneous & Informational Items listed above were all received and filed. The motion carried 4 – 0.

**ITEM NO. 7 – ADJOURNMENT & NEXT MEETING**

On a motion by Mayor Frawley, seconded by Ms. Knack, the next meeting scheduled for Thursday, July 16, 2015 has been cancelled due to the budget being passed.

On a motion by Mr. Swyers, seconded by Ms. Knack, the meeting was adjourned at 10:35 a.m. The motion carried 4 – 0.

Respectfully submitted,



Angela M. Horton, P.E.

Secretary - ECSD No. 2 Board of Managers

Approval of Minutes:

Motioned By: \_\_\_\_\_

Seconded By: \_\_\_\_\_

Approved/Disapproved: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_