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PUBLIC HEARING
ERIE COUNTY SEWER DISTRICT NO. 3
JUNE 3, 2015
INCREASE & IMPROVEMENT OF FACILITIES (2014)

PRESENT: Jim Carr, Assistant Deputy Commissioner
Mr. John Mallory, Assistant Sanitary Engineer of the Department of Environment and Planning, Division of Sewerage Management
Karen M. McCarthy, Clerk of the Erie County Legislature

Ms. Karen M. McCarthy opened the hearing at 1:30 P.M. by stating that the Hearing Notice was published in the Official County Newspapers. She then proceeded to read and notice a copy of which is attached. Ms. McCarthy then asked if anyone was present to speak in favor of the project.

Mr. John Mallory stated that he was present to speak in favor of the project. He stated the project is within Erie County Sewer District No. 3 and he was representing the Erie County Department of Environment and Planning, Division of Sewerage Management; the Erie County Sewer District No. 3 Board of Managers, and the Erie County Sewer Agency.

ECSD No. 3 is located in central Erie County and provides wastewater collection, conveyance and treatment services for the Villages of Blasdell, Hamburg and Orchard Park, as well as portions of the Towns of Boston, Eden, Hamburg, Holland, Orchard Park and West Seneca.

The original district was created in the early 1960's. In the late 1970's and early 1980's, extensions, to the original District known as the Boston Valley, Armor-McKinley and Holland Extensions were formed. In 2003, the Blasdell was added to incorporate the existing Village of Blasdell system as well as the Ford Motor Company stamping plant. In 2005, the District was extended to include the Village of Hamburg sanitary sewer collection system, and in 2007 and 2008, ECSD No. 3 was again extended to include the Village of Hamburg, the Village of Orchard Park and the Wanakah Sewer District.

The Southtowns Advance Wastewater Treatment Plant was built in the late 1970's and went on line in the early 1980's. The plant was constructed by Erie County as a regional facility allowing for the abandonment of a number of small local treatment plants. The Southtowns Advanced Wastewater Treatment Facility (AWTF) operates two fluidized bed incinerators (FBI) for thermal reduction of its residual wastewater solids. These unites were built in 1980 and were supplied by Dorr-Oliver. Over time, the plant's equipment has been maintained and improved; however, recently the United States Environmental Protection Agency (USEPA) issued new performance standards and emission guidelines set limits for nine pollutants in accordance with Section 129 of the Clean Air Act. This new rule must utilize the maximum degree of reduction in controlling air emissions, or the maximum achievable control technology (MACT) standard.

In response to new USEPA rule, ECSD No. 3 contracted with Empire Stack Testing to analyze the emissions from the Southtowns FBI units. CDMSmith was also retained by ECSD No. 3 to provide engineering services consisting of reviewing the stack testing results, analyzing compliance with the new limitations, developing and evaluating alternatives, and providing recommendations for future operations.

CDMSmith in April 2012 presented a preliminary recommendation to continue operation of the FBIs and complete upgrades to the existing units to allow for full compliance with the SSI MACT rule. A caustic feed system was recommended to control hydrogen chloride (HCI) emissions. Final recommendations were not made for mercury emissions, however, as data were inconclusive relative to the need for additional controls.

ECSD No. 3 once again contracted with Empire Stack Testing, LLC for further emissions analyses. The supplemental stack testing confirmed that mercury control was necessary to meet SSI MACT limitations at all times.

A request for proposals was issued in April 2014. GHD Consulting Services was ultimately retained through the competitive process to develop a final engineering analysis and memorandum, complete engineering design and construction phase services, and provide regulatory/operations assistance. The project is currently in the engineering analysis phase, but considering the timeframes required in the SSI MACT rule, it is important to start the process of developing funding options for this project.

At this time, the following improvements are anticipated:

- For Hydrogen Chloride (HCI) control, it is assumed that two (2) 2,500 gallon tanks to store 50% sodium hydroxide (Caustic), along with pumps, piping, controls and associated appurtenances will be required to add caustic to the existing scrubber system to control hydrogen chloride (HCI).

- For mercury (Hg) control, it is assumed that a sorbent polymer composite system (or similar technology) will be retrofitted in the existing scrubbers or stacks.

- The ongoing engineering analysis will determine the final recommendations.

At this time, the Engineering analysis is being completed; therefore, the exact scope of upgrades has not been determined. With all associated costs, the total project is not expected to exceed $5,000,000. Any authorization in excess of the incinerator upgrade costs would be used toward capital improvements in ECSD No. 3.

This authorization was prepared with the assumption that no grants will be forthcoming. As a result, this report represents a worst-case scenario. Should the District receive grant funding at a later date, these monies will be used to lower the annual debt service cost of the project. The maximum anticipated annual cost impact to the average home in the Sewer District for the additional bond debt will be $6.85.

There will be no additional costs to property owners serviced by the Sewer District for items such as connection charges or fees. The project will benefit properties presently serviced by the existing sewer system, so costs for such items are not applicable. The District's existing charges for connection, inspection and per unit fees will remain the same.

In summary, the Southtowns Advanced Wastewater Treatment Facility went on line in the early 1980's and based on the evaluation performed by CDMSMITH, the incinerators should be classified as existing units under the SSI MACT rule. New hydrogen chloride and mercury control technologies are expected to be necessary to allow for further operation of the Southtowns AWTF incinerators.

The project cost is estimated not to exceed $5.0 million to make needed capital improvements to the treatment plant's infrastructure. The average home in the Sewer District would see an annual increase of approximately $6.85 after the total bond authorization of $5.0 million is borrowed.

`This matter has been discussed with the Board of Managers and approved on October 1, 2014 to accept and adopt the Sewer Agency Report and to request the County Legislature approve a Bond authorization for the project in the amount of $5.0 million pursuant to Article 5A, County Law.

Submittal of an application to NYS Department of Audit & Control for approval is not required. Pursuant to Chapter 397 of the New York Laws of 1995, application to the NYS Comptroller is required only if the increased cost to the typical property, as a result of this Increase & Improvement of Facilities, exceeds $7.00 annually. The estimated per home cost increase for this project is below the annual cost of $6.85 per home; therefore, an application is not required.

The recommendations of the Erie County Sewer Agency are that the Legislature should:

1. Accept and adopt this Sewer Agency Report;

2. Adopt the resolutions necessary for an "Increase and Improvement of Facilities" pursuant to Article 5 A of the County Law;

3. Approve a Bond Resolution in the amount of $5.0 million.

Respectfully submitted,

Karen M. McCarthy

Karen M. McCarthy, Clerk
Erie County Legislature