



ECLSD 140325 - 101

# COUNTY OF ERIE

**MARK C. POLONCARZ**

COUNTY EXECUTIVE

March 6, 2015

Erie County Legislature  
92 Franklin Street, 4<sup>th</sup> Floor  
Buffalo, NY 14202

**RE: Erie County Sewer District No. 3 Steuben Foods, Inc.  
Out-of-District Customer Agreement Amendment No. 2**

Dear Honorable Members:

Enclosed please find a resolution and an accompanying memorandum from the Department of Environment and Planning, Division of Sewerage Management for Amendment No. 2 of the existing Out-of-District Customer Agreement with Steuben Foods, Inc.

Should your Honorable Body require further information, I encourage you to contact Joseph L. Fiegl, P.E., Deputy Commissioner of Sewerage Management in the Division of Sewerage Management. Thank you for your consideration of this matter.

Sincerely yours,

Mark C. Poloncarz, Esq.  
Erie County Executive

MCP/DCM/cs  
Enclosure

C: J. Fiegl – Environment and Planning

## **MEMORANDUM**

**To:** Honorable Members of the Erie County Legislature  
**From:** Department of Environment and Planning  
**Re:** Erie County Sewer District No. 3 Steuben Foods, Inc.  
Out-of-District Customer Agreement Amendment No. 2  
**Date:** March 6, 2015

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### **SUMMARY**

It is requested that the Erie County Legislature approve execution of an amendment to the existing Out-of-District Customer agreement with Steuben Foods, Inc. (Steuben Foods).

### **FISCAL IMPLICATIONS**

There will be no fiscal impact to the County's General Fund. Costs associated with this project will be reimbursed through the Out-of-District Customer agreement.

### **REASONS FOR RECOMMENDATION**

An amendment to the Out-of-District Customer agreement with Steuben Foods, Inc. is required to establish the financial terms by which Steuben Foods will reimburse Erie County Sewer District No. 3 for engineering services and construction costs associated with improvements at the Elma Pumping Station.

### **BACKGROUND INFORMATION**

Erie County entered into an Out-of-District Customer agreement with Steuben Foods on August 15, 1984 for sanitary sewer service to be provided by Erie County Sewer District No. 3. The Agreement was amended on August 14, 1989. The Elma Pumping Station was constructed in 1985 and is owned and operated by Erie County Sewer District No. 3. Steuben Foods, the main discharger to the station, is a contract manufacturer of food products – primarily milk, non-diary, and broth products. The wastewater discharge from Steuben Foods is primarily cleaning liquid from manufacturing processing and packaging lines, with a small amount of sanitary wastewater. The flows from the Elma Pumping Station are transmitted through an 8-inch diameter, 4.8-mile long pipe, referred to as the Elma Force Main, which discharges to a manhole on Milestrip Road in the Town of Orchard Park. These flows ultimately are transmitted to the County's Southtowns Advanced Wastewater Treatment Facility for treatment.

The Elma Pumping Station was originally constructed with two positive displacement type pumps that move flow through the Elma Force Main. An estimate of the existing pumping capacity at the station is approximately 0.5 million gallons per day (mgd) with one pump operational and approximately 1 mgd with two pumps in operation. Accepted design practice requires redundancy within the pumping system. Therefore, the firm pumping capacity of the station, with redundancy, is 0.5 mgd. Since the Elma Pumping Station is integral to the operation of Steuben Foods, an issue with one of the pumps would limit Steuben Foods ability to reliably operate their facility.

An engineering firm was retained to design improvements and prepare construction documents to provide redundancy at approximately 1 mgd of flow. The improvements will also optimize operational

flexibility and energy efficiency by including the addition of a new positive displacement pump, building modifications, controls, and related ancillary upgrades.

The improvements to the Elma Pumping Station will support the great success and growth that Steuben Foods has experienced. Pursuant to the Out-of-District Customer agreement, Steuben Foods bears the engineering and construction costs associated with pumping station upgrades. In support of the project and Steuben Foods, the Erie County Sewer District No. 3 Board of Managers recommends a finance arrangement for the Elma Pumping Station upgrades costs whereby Steuben Foods pays back associated costs over a five (5) year period at a 0.25% interest rate.

### **CONSEQUENCES OF NEGATIVE ACTION**

The County will not have a mechanism to get reimbursed by Steuben Foods for engineering and construction costs associated with improvements at the Elma Pumping Station under the terms listed above.

### **STEPS TO FOLLOW APPROVAL**

The County will execute an amendment with Steuben Foods, Inc. for the existing Out-of-District Customer agreement.

**A RESOLUTION SUBMITTED BY:  
DEPARTMENT OF ENVIRONMENT AND PLANNING**

RE: Erie County Sewer District No. 3  
Steuben Foods, Inc.  
Out-of-District Customer Agreement  
Amendment No. 2

WHEREAS, Steuben Foods, Inc., requires the services of the County of Erie to dispose of its wastewater through a connection to the existing sanitary sewer system of Erie County Sewer District No. 3 pursuant to an Agreement for sanitary service dated the 15<sup>th</sup> day of August 1984 and as amended on the 14<sup>th</sup> day of August 1989; and

WHEREAS, Steuben Foods, Inc. has requested upgrades of the County's Elma Pumping Station; and

WHEREAS, pursuant to the existing agreement, Steuben Foods, Inc. will bear the cost of engineering and construction expenses for said upgrades; and

WHEREAS, in support of the project and Steuben Foods, the Erie County Sewer District No. 3 Board of Managers recommends billing these costs over a five (5) year period.

NOW, THEREFORE, BE IT

RESOLVED, that the County Executive be, and hereby is, authorized to execute an amendment to the existing agreement with Steuben Foods, Inc. for wastewater services provided by Erie County Sewer District No. 3, subject to approval as to form by the County Attorney and as to content by the Commissioner of the Department of Environment and Planning; and be it further

RESOLVED, said amendment shall include a stipulation that Steuben Foods, Inc. reimburse the County for engineering and construction costs associated with the Elma Pumping Station upgrades in equal annual payments over a five (5) year period with 0.25% interest on the balance for each year; and be it further

RESOLVED, that the Clerk of the Legislature send one (1) certified copy each to the County Executive, the Erie County Comptroller, the Erie County Director of Budget and Management, and Gregory Kammer, Assistant County Attorney; and two (2) certified copies of this resolution to Joseph L. Fiegl, P.E., Division of Sewerage Management.