

**ATTACHMENT C
PROGRAM WORK PLAN**

Contractor: Village of Hamburg
Project Title: Village of Hamburg & ECWA
Water System Consolidation
Contract No. T1000340

1) Project Description

- a) **Project:** The Contractor has retained a consultant (“Consultant”) to conduct a feasibility study (“Study”) on changing from a Lease Management Agreement to a Direct Service Agreement with the Erie County Water Authority for the provision of water to Village residents.
- b) **Geographic Area:** The Village of Hamburg is located in Erie County in the Western New York Region.
- c) **Partners:** Erie County Water Authority (ECWA).
- d) **Studies:** The ECWA identified improvements, including a list of undersized water main replacements, necessary for consolidation in a letter to the Village dated October 3, 2012.
- e) **History of Project:** N/A
- f) **Relationship to Other Projects:** None

2) Project Components

- a) **Goals and Objectives:** The goal of the Study is to identify the most economical means of providing high quality drinking water to the residents of the Village, and to identify and quantify such redundancies and determine a means of eliminating any duplication, to the benefit of taxpayers/ratepayers. The objective is to reduce the operating, maintenance and capital costs of the Village’s water system by transferring infrastructure and entering into a Direct Service Agreement with the ECWA.
- b) **Problems:**
 - i) **Aging/Deteriorating Water Systems** - The Village water system is showing signs of significant deterioration. Parts of the system are more than 80 years old and have exceeded their original life expectancy.
 - ii) **Reduced Service Levels** - The Village system has a significant number of small diameter mains, which may limit fire flow availability. Furthermore, due to age and condition, there are several water main breaks each year. These trends tend to reduce customer service levels.
 - iii) **Increasing Capital Costs** - As the water system in the Village ages, increased maintenance, repair, and replacement is necessary. Currently, the ECWA handles

small repairs, but all major repairs/upgrades are the obligation of the Village, which are becoming increasingly costly. For each capital item, the Village must fund various engineering, legal, administrative, and construction costs.

- iv) **Redundant Governmental Services** - The Village provides administrative services and capital improvement financing and management for the water system. The ECWA provides these same services for many neighboring communities.
- v) **Higher Water Taxes/Rates** - Due to the redundant services, water-related taxes in the Village may be higher than necessary, particularly in the long run. Furthermore, direct service communities will generally pay less than the Village in the long term. This disparity may create a sense of inequity among communities and discourages economic growth/activity.
- vi) **Outstanding Debt** - The Village water system has certain debt obligations. Such obligations would have to be cleared before a complete consolidation can occur.

c) **Tasks:**

Task 1: Water Tank Action Plan

Description: The Consultant will prepare an action plan to address water storage within the Village. The action plan will include a cost benefit evaluation of water tank alternatives to include repairs to the two existing tanks and construction of a new single elevated water storage tank.

Schedule: Anticipated Completion: July 2013

Deliverables: Draft Technical Memorandum summarizing findings and recommendations, including conceptual design criteria, considerations involved, tank replacement costs, and schedule for implementation.

Task 2: Capital Improvement Plan

Description: The Consultant will coordinate with the Village and ECWA to develop a mutually agreed upon final list of necessary water system improvements for compliance with ECWA's standard for Direct Service. The Consultant will also develop a Capital Improvement Plan for upgrades, including the selected elevated water tank capital improvements completed under Task 1. Based upon the Capital Improvement Plan, the Consultant will prepare detailed probable cost estimates so that rate/ tax impacts can be projected in the Village for each consolidation scenario.

Schedule: Anticipated Completion: April 2014

Deliverables: Final Capital Improvement Plan

Task 3: Financial Analysis

Description: The Consultant will prepare financial projections for a status quo scenario and a consolidated scenario to enable the Village to compare short- and long-term costs under both Lease Management and Direct Service agreements. Both scenarios will examine and include future capital requirements, annual financing costs, and rate/tax implications. The analysis will include several major areas, including:

- i) Capital Investment Schedule and Associated Financing Analysis to investigate the impact of the timing and schedule of upgrades and financing options on annual costs;
- ii) Debt Ownership Analysis to examine how to clear existing debt from the water system assets such that they can be turned over to the ECWA free and clear;

- iii) Grant Funding: Analysis to review all available water infrastructure grant funding opportunities; and
- iv) Water Rate/Tax Revenue Analysis to determine revenue streams necessary to pay debt service costs may include rates, surcharges, fees, taxes, and other items.

Schedule: Anticipated Completion: April 2014

Deliverables: Final Technical Memorandum summarizing the annual comparison of costs and revenues for both the status quo and consolidated scenarios.

Task 4: Final Construction Schedule and Sequencing Plan

Description: The Consultant will develop a draft Final Capital Improvement Plan outlining the extent and timing of improvements year by year with the objective of completing high priority improvements early, and deferring less critical improvements to later years.

Schedule: Anticipated Completion: August 2014

Deliverables: Draft Final Capital Improvement Plan

Task 5: Draft Memorandum of Understanding (MOU)

Description: The Consultant develop the framework for an MOU between the Village and the ECWA based on the specific upgrades identified, the final construction schedule and plan, the financial analysis, and the Direct Service arrangement between the Village and the ECWA. The framework shall include a comprehensive listing of required infrastructure improvements, construction schedule and sequence of projects, the anticipated rate surcharge (if applicable), conceptual cost sharing (if applicable), and other requirements as necessary.

Schedule: Anticipated Completion: November 2014

Deliverables: Draft MOU

Task 6: Public Participation

Description: The Consultant will hold up to three public informational meetings at appropriate times during the project to inform the public about the financial and service level impacts of a consolidated water system.

Schedule: Anticipated Completion: September 2014

Deliverables: Presentation of findings in both written and electronic format.

Task 7: Project Close-Out

Description: The Contractor will initiate and complete project close-out with the Department of State. The close-out shall be coordinated with the Department of State's project manager.

Schedule: Anticipated Completion: February 2105

Deliverables: All close-out documents as required by the Department of State, including but not necessarily limited to a Final Project Summary Report (Appendix A-1, Section II-G), final request for reimbursement, SEQRA documentation, inter-municipal agreements, project documents, and M/WBE participation reports.

- d) **Procurement:** In securing contractual services, the Village of Hamburg will comply with Municipal procurement policy and General Municipal Law section 103. (See Appendix A-1 Attachment 4).

e) **Other:**

- i) **Documentation:** All documents created as part of grant funds must specify the following "This (document, report, map, etc.) was prepared with funds provided by the New York State Department of State under the Local Government Efficiency Grant Program, Contract No. T1000076" (Appendix A1, Section III).
- ii) **Environmental Review:** If the action is determined to be a Type II action under 6 NYCRR Part 617.5, the grantee shall provide written notification of this determination and that no review is necessary per the regulation. Otherwise, an environmental review will be completed and transmitted to the Department of State (Appendix A1, Section XV).
- iii) **Deliverables:** The Contractor shall submit drafts of studies/reports prepared with this grant to the New York State Department of State for review and comment at the same time the information is available to the Contractor and/or Partners. Final reports shall include a determination of tax payer impact of current programs and proposed changes, expressed in relation to the tax rate of the subject municipality. Regardless of impact to tax rates, the report shall also describe efficiencies achieved. At the end of the project, the Contractor shall have delivered to the Department of State the final report entitled "Village of Hamburg & ECWA Water System Consolidation".

The Contractor shall notify the Local Government Efficiency Grant Program of any meetings/hearings to be held regarding this project in advance and at the same time the information is provided to the Contractor and/or Partners.

The Contractor shall submit, on a semi-annual basis (Appendix A1, Section II-J) or, with each request for reimbursement, whichever comes first, a Project Status Report which provides detailed project information including report of each project task as listed in this work plan.

The Contractor shall provide all plans and/or reports developed as part of this project to the New York State Department of State. The Department of State may make these items available as part of its technical assistance program. (Appendix A1, Section IV).

- f) **Schedule:** This project will follow the schedule in 2(c) above and shall be completed by the term of this agreement. Any change to the schedule shall be noted in the Project Status Report when filed with the Department of State. If the project extends beyond the term of this agreement, the Contractor must request a no-cost time extension (Appendix A1, Section II-C).

3) **Review and Status**

- a) Department of State shall review Project Components for consistency with the applications.
- b) Contractor shall provide Project Status Reports every six months or when payment is requested.