

Office of the County Executive

MONROE COUNTY, NEW YORK

Cheryl Dinolfo
County Executive

January 6, 2017

To The Honorable
Monroe County Legislature
407 County Office Building
Rochester, New York 14614

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| No. <u>170023</u> |
| Not to be removed from the Office of the Legislature Of Monroe County |
| Committee Assignment ENV. & PUB. WORKS -L |
| WAYS & MEANS |

Subject: Increase and Improvement of Facilities in the Rochester Pure Waters District – Add a Project Entitled “Pure Waters Lighting Replacement – Phase II,” Amend the 2017-2022 Capital Improvement Program and the Proposed 2017 Capital Budget and Authorize Financing

Honorable Legislators:

I recommend that Your Honorable Body approve a request to establish an Increase and Improvement of Facilities in the Rochester Pure Waters District (District), in the amount of \$2,036,000, to add a project entitled “Pure Waters Lighting Replacement – Phase II,” and amend the 2017-2022 Capital Improvement Program and the proposed 2017 Capital Budget and authorize financing.

The total Increase and Improvement of Facilities in the District is comprised of the “General Collection System and Treatment Plant Improvements” project (\$2,500,000), the “Pure Waters Lighting Replacement – Phase II” project (\$2,036,000), and the “Combined Sewer Overflow Abatement Program (CSOAP) Tunnel System Improvements” project (\$2,000,000) for a total estimated cost of the Increase and Improvement of Facilities in the amount of \$6,536,000. All of the above projects are under consideration by Your Honorable Body as companion referrals.

This project involves replacing over 4,400 lighting fixtures with various types of LED lighting fixtures with a guaranteed annual reduction in energy consumption used by the lighting that will offset the cost of the project over a 7.4-year period following commissioning of the improvements. By Resolution 245 of 2015, Your Honorable Body authorized a contract with Smartwatt Energy, Inc. and acceptance of New York Power Authority (NYPA) financing, and any amendments thereto, in an amount not to exceed \$1,568,768, along with funding from the County's annual operating budget, which will be offset by the savings from the lighting improvements, for this project. In 2016 NYPA informed the County that based on an estimated 20% construction contingency, related administrative fees and interest accrued during construction, the total estimated project cost is \$2,036,000. While the County does not anticipate spending the entire contingency, which will also reduce the NYPA fees and interest, it is necessary to create an Increase and Improvement of Facilities in the Rochester Pure Waters District in the amount of \$2,036,000, and authorize NYPA financing in an amount not to exceed \$2,036,000, for this project. The Rochester Pure Waters District will be reimbursed by the other Pure Waters Districts, County Facilities and the Airport for their share of debt service for the lighting improvements at Pure Waters facilities, Fleet Center, the Hall of Justice and the County Office Building.

The estimated cost of the improvements is \$2,036,000. The actual debt service obligation for the additional cost of the project, as projected in future years, could potentially result in an increase of \$1.26 to the future annual charges of the average District ratepayer. However, the actual impact is typically reduced through retirement of previous debt and other offsets to the District's capital charge levy. Based on an average water consumption of 60,000 gallons, the total annual charge for both operation & maintenance and capital to the typical District ratepayer in 2017 is \$235.70.

This project is scheduled to be considered by the Monroe County Planning Board on February 2, 2017.

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The specific legislative actions required are to:


1. Hold a Public Hearing for the proposed maximum amount to be expended for an "Increase and Improvement of Facilities in the Rochester Pure Waters District."
2. Following the Public Hearing, adopt a resolution approving the "Increase and Improvement of Facilities in the Rochester Pure Waters District" at the maximum amount to be expended.
3. Amend the 2017-22 Capital Improvement Program to add a new project entitled "Pure Waters Lighting Replacement – Phase II," in the amount of \$2,036,000.
4. Amend the proposed 2017 Capital Budget to add a project entitled "Pure Waters Lighting Replacement – Phase II," in the amount of \$2,036,000.
5. Authorize the County Executive, or her designee, to execute a financing agreement with the New York Power Authority, in an amount not to exceed \$2,036,000, for the "Pure Waters Lighting Replacement – Phase II" project, and any amendments necessary to complete the project within the total capital fund(s) appropriation.
6. Authorize filing of applications and execution of Project Financing Agreements and any other necessary documents by the County Executive or the Director of Finance- Chief Financial Officer, as appropriate, for participation in the New York State Water Pollution Control Revolving Loan Fund (SRF) under the applicable laws of New York State to finance all or a portion of the project.

Environmental assessments were completed for this action and it was determined that there would be no significant effect on the environment.

Funding for this project, consistent with authorized uses, will be included in the capital fund to be created and any other capital fund(s) created for the same intended purpose. The local funding for this project will ultimately be provided by pure waters district user fees. No additional net County support is required in the current Monroe County budget.

I recommend that this matter be referred to the appropriate committee(s) for favorable action by Your Honorable Body.

Sincerely,


Cheryl Dinolfo
Monroe County Executive

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