

**GREENBURGH CITIZENS' ADVISORY COMMISSION REPORT FOR THE
RECOMMENDATION OF THE FORMATION OF A TOWN OF GREENBURGH
WATER DISTRICT BOARD
MARCH 20, 2012**

Introduction

The Town of Greenburgh through the Town Board has requested that the Greenburgh Citizens' Advisory Commission (GCAC) investigate the need for a Town of Greenburgh Water District Board. The Town Board has recognized the urgency of the Town of Greenburgh Water District's current position in that it faces continued pressures both internal and external in setting repeated annual increases in existing water usage rates for both its residential and non-residential ratepayers. The existing infrastructure, which includes approximately 130 miles of water mains, several pump stations, and 6 water tanks, is currently functioning but in need of both immediate and longer term repairs in order to sustain the continued delivery of drinking water to the nearly 40,000 Town residents that rely on the District for its water supply- approximately 7 million gallon per day (mgd). Additionally, the District provides the primary water source for the Village of Irvington (approximately 1.2 mgd with a capacity of 3 mgd), as well as being the emergency water source for several neighboring Villages and entities.

Realities Pertaining to the District's Existing Conditions

Currently, the Town and the District are facing much public scrutiny as they contend with:

- higher water rate costs as passed through New York City, the source of the District's water supply through 2 separate New York City Aqueduct connections-the Delaware and the Catskill water systems
- the need to replace the aging District water conveyance and distribution systems, some of which go back to the 1950's, and have certainly surpassed their intended and designed useful life
- the need to replace the existing water meters town-wide, which are over 25 years old and well beyond the useful life expectancy. New meters will provide greater accuracy, automated reading, and real-time consumption information. The automation of meter reading and processing will reduce future personnel costs
- the need to install critical infrastructure in order to comply with several upcoming changes upstream of the Town's water supply:
 - In Fall 2012, New York City is scheduled to put into service a new water supply disinfection facility, the CAT/DEL UV Plant. This facility will be upstream of the District's water sources. How this will affect the Town is not totally known at this time. One potential impact may be that a higher chlorination dosage be implemented by the District, since New York City will not be adding chlorine to the raw water before it comes to the District's aqueduct taps. The current District chlorination system needs to be evaluated to determine if it is sufficient to meet the Fall 2012 demand. ***This evaluation and potential infrastructure implementation is critical and should be addressed as soon as possible.***
 - As early as 2020, New York City will be shutting down the Delaware Aqueduct, which is the primary water source for the District. The shutdown is necessary in

order for the City to implement necessary repairs to its over 100 year old aqueduct and to install the necessary by-pass tunnel. The Delaware system may be shut down for several years. Currently, the District does not have the necessary infrastructure to provide the entire District's ratepayers water demands from the secondary source, the Catskill Aqueduct. ***While there is time to implement the necessary infrastructure for the District to reliably supply the entire demand, the evaluation and studies need to begin in the short term.***

- the need for a short and a long-term Capital Plan for the District's assets and infrastructure. There is currently no 2, 5, or 10 year plan to replace infrastructure or even to assess the current state of good repair.

These are some of the realities that the Town and the District must address in the very near future in order to continue to provide and sustain its public water system.

GCAC Recommendations for the Greenburgh Water District Board Formation

Pursuant to our findings as outlined above, the GCAC strongly recommends the formation of a Greenburgh Water District Board in order to help steer the Town and the District in addressing the existing and future issues and concerns facing the Town's water supply needs, help educate the ratepayers of the necessary and vital infrastructure requirements, set water rates, and help to provide for a safe and sustainable water supply and delivery infrastructure for the future.

The recommendations that follow are grouped under these three sections:

- Mission Statement
- Performance Goals and Measurements
- Membership Requirements and Make-up

Town of Greenburgh Water Board Mission Statement

Reporting to the Town Board, the Town of Greenburgh Water Board's (GWB) Mission is to recommend water rates for the Town of Greenburgh.

In the process of determining the water rates, GWB should proactively consider the optimal rate level to achieve efficient financing of the Greenburgh Water District's (District) infrastructure and sustainable provision of high-quality service at a fair price to the Town ratepayers. In fulfilling its mission, the GWB will actively take into account drivers affecting the financial condition of the District, such as the operating and capital needs of the infrastructure, protection of the water supply source(s), compliance with regulatory requirements, and other relevant factors.

The GWB will continue to benchmark the Town of Greenburgh water rate with other neighboring and County-wide water Districts within New York State. The GWB will regularly advise the Town Board on the capital needs of the District, considering the sustainability, modernization and efficiency of the District water system infrastructure with the ultimate goal to promote health and safety of the water system to the ratepayers.

Town of Greenburgh Water Board Performance Goals and Measurements

The following is a list of recommended GWB's performance goals and metrics on how the achievement of the goals is to be measured over the course of an annual performance period.

1. Performance Goal – Recommend the setting of rates at a level for which revenue collections will satisfy revenue requirements of the District.
 - *Measurement – Were the fiscal year's revenue requirements met?*
 - *Measurement – Were the previously set rates more than 10 percent too high or low in meeting the District's fiscal requirements? If, yes, why?*
2. Performance Goal – Effectively seek input on District water rates.
 - *Measurement – Did the GWB conduct effective rate evaluations and include broad public participation through Public Hearings?*
3. Performance Goal – Recommend rates that are fair and affordable.
 - *Measurement – How do water rate increases compare to other consumer cost increases?*
 - *Measurement - How do water charges track as a percentage of household income?*
 - *Measurement - How do water charges track as a percentage of a building's total operating costs?*
4. Performance Goal – Recommend rates at a level that provides for sustainable, high-quality delivery of water services.
 - *Measurement – Have rates resulted in sufficient, stable and predictable revenue streams that have enabled favorable financing terms and allowed for operations and maintenance of the District at a level that will ensure the District's long-term sustainability?*
5. Performance Goal – Educate the Town residents and businesses about what goes into determining a Town water rate, what the water fees collected provide, and how to promote water conservation.
 - *Measurement – Through regular public hearings aimed at educating the Public as to how each fiscal year's water rates are determined. Preparing the information on easy-to-read pamphlets and placing the information on the Greenburgh website.*

Town of Greenburgh Water Board Membership

The Town of Greenburgh Water Board should consist of a minimum of seven members, who once having been nominated and qualified by the Town Board, are appointed by the Town Board for terms of two years. The Chairman is appointed by the Supervisor from among the appointees. The GWB members should be representative of the Town residents and businesses and include the following professions and areas of expertise:

- The Town Commissioner of Public Works,
- A Licensed New York State Professional Engineer qualified in public water systems and infrastructure needs,
- A Certified Public Accountant,
- A Public Health Professional,

- A Business Process Professional,
- At least one member representative of the Town's Commercial / Industrial Businesses

All members should continue to hold office until their successors are qualified and appointed.

Conclusions

Water is the most vital resource that the Town provides. Without a reliable, sustainable water system, public welfare and health would be jeopardized. This is the stark reality. The Town of Greenburgh water infrastructure, like most municipal systems in the U.S., is aging rapidly and silently, buried below and not plainly visible. These systems that treat, distribute, collect, and clean water, some built close to a century ago, have provided the Town the very foundation for economic prosperity and quality of life that we as residents have all come to enjoy. Water infrastructure suffering from age, exponential population growth threatening our watersheds, and near future changing conditions to our water supply, demands our immediate attention. Without careful planning and re-investment, we are headed for a crisis.

The Town of Greenburgh will best serve its residents and uphold its public contract by investing wisely in this most critical, irreplaceable infrastructure. The formation of a Water District Board, as outlined above, is a necessary step that the Town should take to help ensure that the Town water supply is safe, sustainable, and be capable of meeting the future demands of the ratepayers both reliably and as efficiently as possible.