Efficiencies

Wastewater Treatment Plant

In previous years, the Village accepted and treated septic waste from haulers in return for payment. This revenue stream was used to offset the Village’s Wastewater Treatment Plant overhead and upgrade costs and ultimately helped reduce the net impact on sewer rates and bills. By order of the State Department of Environmental Conservation (DEC) under a State Pollutant Discharge Elimination System (SPDES) permit, the Village had to undertake a significant upgrade project to the Plant (Phase 1, $4.5 million) in order to meet environmental standards.

The upgraded system, however, is not capable of treating septic waste in nearly the same volume as the old system, and the digesters at the plant were not upgraded as part of the plan. The Plant’s digesters are 52 years old and are nearing the end of their lifespan. Therefore, the Village is beginning another project (Phase 2) to upgrade the digesters and allow the Plant to receive additional septic waste. Upon consultation with its engineers, the Village has opted for a $9.3 million Phase 2 project that will allow the Village to accept up to 11.7 million gallons of septage per year. At maximum capacity, this would yield about $585,000 in annual revenue.

In November 2016, the Village of Owego Board of Trustees approved a motion to finance Phase two of its partial reconstruction and improvement of the Village Waste Water Treatment Plant and digesters by issuing bonds to pay for the improvements. The reconstruction and improvements will allow the Village to accept more waste, and thus increase revenues and potentially ease the tax burden of the Village’s residents. In addition, the revenues will be used to decrease the amount residents have to pay for water in the Village of Owego. Currently, the Village uses an Equivalent Dwelling Unit (EDU) sewer rate system that may be over-or under-charging some households because EDUs are not based on consumption. The Village is forced to use the EDU concept because the company operating the water system for Owego will not release usage data to the village.

Current sewer rates are high ($133 per dwelling unit) per quarter, and the Village Administration believes that with this upgrade and potential added revenue, rates could potentially fall 40 or more percent in the coming years, providing much needed relief to ratepayers in the economically- needy Village. However, the Phase 2 upgrade could take over 2 years before it is fully operational.

Recommendation: The Board recommends that the Village continue with Phase 2 of its Waste Water Treatment Plant reconstruction and improvement. If the Village agrees to abide by and implement this recommendation, the Board may, in its sole discretion, award a grant of up to $425,000 to ease the burden on the sewer system ratepayers until revenues from the new Plant begin to materialize. The specific structure and conditions of such grant, which would be developed in consultation with the Village, and any other aspects of such grant would be subject to an affirmative vote of a majority of the total members of the Board.

The Board further recommends that the Village continue to implement additional efficiency actions that will lower the annual cost of providing specific services. If the Village agrees to abide by and implement this recommendation, the Board may, in its sole discretion, award a grant to assist the Village with implementing such efficiency actions. The specific structure and conditions of any
such grants, which would be developed in consultation with the Village, and any other aspects of such grants would be subject to an affirmative vote of a majority of the total members of the Board.