

## **Village of Sodus Point Water System Study – 2022 CFA CDBG Application**

### **Project Description**

**Q\_575 Project Description.** Concisely describe the project, indicating the location, what will be planned, designed, acquired, and/or constructed, the issues/opportunities to be addressed, and expected outcomes and deliverables. Additional details will be collected later in the application process.

The Village of Sodus Point is seeking funding to complete a Preliminary Engineering Report (PER) and basic asset management program (AMP) for their drinking water system. The Village water system services 915 customers and is inclusive of two storage tanks, a booster pump station, a re-chlorination building, transmission/distribution piping, and water meters. Several drinking water assets have major deficiencies. Antiquated leaking water mains significantly increase water purchase expenses, while manual read water meters are time consuming, inaccurate, and routinely read low. The system has sections with deficient water pressure and one storage tank roof has blown off on more than one occasion. This project would plan a capital project (via a PER) and provide the Village with an AMP. The PER will provide a detailed assessment of the existing conditions, recommend improvement alternatives, estimate costs, and will be used to leverage future funding. The PER will serve as a basis for AMP that will inventory all drinking water assets and provide condition ratings, replacement costs, and estimate remaining life expectancy.

**Q\_976 Statement of need:** Provide a brief summary of the need for the project in the geographic area proposed and the project's financing needs, including funding gaps of the proposed project.

There are effectively no funding programs that pay for detailed municipal drinking water system technical studies. Without financial assistance, engineering studies are unaffordable for small low income Villages like Sodus Point. The Village has a population of approximately 950, a 2017 median household income (MHI) of \$43,417, a LMI percentage of 52.55% and is recovering from flooding in 2017 and 2019. The poor economic state makes it very difficult to raise water rates to fund PER's and AMP's. Without a PER and an AMP, it is nearly impossible to obtain funding for a capital improvement project. Without intervention, current water system deficiencies will become worse over time. Obtaining this grant is critical for the Village to not only plan a capital project, but to appropriately manage current infrastructure with an AMP.

**Q\_2366 How does your project align with the Regional Economic Development Council's Strategic Plan/Upstate Revitalization Initiative Plan? (strategic plans are located at <https://regionalcouncils.ny.gov/> )**

Page 12 of the Finger Lakes REDC Strategic Plan states that the "Finger Lakes Region infrastructure is aging and in need of repair". The plan goes on to say that investments are needed across the region to upgrade and repair water and sewer lines. Page 16 of the Finger Lakes REDC Strategic Plan lists the following regional strategy: Invest in Community and Industrial Development and Infrastructure". The PER and AMP will form the foundation for future investment in water infrastructure, which will provide reliable and affordable drinking water to the community. Upgrade and repair of the water system is fully consistent with the goals outlined in the FL Regional Economic Development Plan and Upstate Revitalization Initiative.

**Q\_930 Explain what makes your project a regional economic priority - for example creates jobs, economic investment, sustainability and community revitalization, government efficiency or consolidation etc.**

A key to economic investment and community revitalization is sustainable, reliable and affordable infrastructure. Without reliable and predictable drinking water service, it is nearly impossible to attract new business and realize economic growth. Developers will overlook the community as a viable option for investment if reliable utilities cannot be provided. Antiquated infrastructure often leads to emergency spending and unexpected water rate increases. This project will plan upgrades to existing infrastructure, which when implemented will increase the reliability of the drinking water system. The project will also provide an asset management plan that will help with future planning and the maintenance of a predictable water rate structure. These items are essential prerequisites for economic investment and community revitalization.

**Q\_929 Current State of Project Development (i.e. planning, preliminary engineering, final design, etc. You may enter N/A for non-project related applications)**

Planning

**Q\_975 Estimated Project Timeline: include project start/completion dates, estimates for design, permitting and construction or other major steps.**

- Assumed Grant Award: December 2022
- Engineering Consultant Procurement: January to February 2023
- Asset Inventory and Existing Condition Assessment: March to April 2023
- Alternative Improvement Analysis: May 2023
- Completion of Preliminary Engineering Report: June to July 2023
- Completion of Asset Management Program: July to September 2023
- Environmental Review: September 2023 to October 2023

**Project Timeline of Future Implementation Phases**

- Secure Implementation Funding: October 2023 – End of 2024
- Final Engineering Design: 2024, dependent upon implementation funding award dates
- Capital Project Bidding: Early 2025
- Construction: Summer 2025

**Q\_580 Provide a list of all federal, state, and local reviews, approvals, or permits needed or completed, including the dates when they are expected to be completed or were completed. If Not Applicable, indicate "NA".**

Village Engineering Report approval - July 2023; Village Asset Management Program approval - September 2023; NYS Department of Health Engineering Report approval - August 2023; CDBG Project Approval - November 2023

**Q\_12606 Does this project require State and/or Federal Environmental Review?**

Yes  No

**Q\_12604 Has a National Environmental Policy Act (NEPA) Record of Decision been issued?**

Yes  No

**Q\_12625 Has the applicant or project been awarded funding in prior CFA rounds?**

Yes  No

**Q\_4160 For each program to which you are applying under the CFA, explain your strategy for proceeding if the full amount of requested funding, required matching funds, and temporary financing are not secured as expected, or committed sources become unavailable. This explanation must address any proposed project phases, and both CFA and non-CFA sources of funds.**

January of 2017 marked the commencement of the implementation of Plan 2014. Authorized by the International Joint Commission at the close of 2016, this plan modified the manner in which water levels on Lake Ontario were managed. By allowing greater fluctuations in water levels, many believed that flooding would become more frequent. April and May of 2017 brought unprecedented rain to upstate New York. Sodus Point experienced significant flooding during the summer of 2017 and again during the summer of 2019, forcing closure of the central business district to traffic for several months each time. Merchant docks were submerged and boat traffic was instructed to travel at idle speed to prevent shoreline damage. Flooding along the lakeshore led regional TV and print news reports for weeks, with particular attention directed toward Sodus Point. These reports left the impression that the central business district was not open for business. Because nearly all businesses in Sodus Point are seasonal, they rely heavily and sometimes exclusively on revenues generated during the spring, summer and fall to survive. Loss of business for any reason strains the balance sheet of these seasonal operations. Visits to Sodus Point declined precipitously during the summers of 2017 and 2019 and local businesses suffered severe financial losses.

The COVID pandemic of 2020 was yet another severe blow to the local economy. Businesses in the central business district, principally restaurants and lodging, were disproportionately impacted by the pandemic. Forced to close for several months, this resulted in a complete loss of revenues during that time. Once given permission to reopen, these businesses could only utilize 25 – 50 percent of their seating capacity making it nearly impossible to generate enough revenue to cover overhead costs.

Residents that were employed by these businesses found themselves without jobs and income for a protracted period of time. Flooding along the lakeshore caused significant erosion, impacting the value of homes located in these areas. And flooding in the entire area from Bay Street Extension east to the Wayne County Park and the end of Greig Street damaged homes and businesses and compromised their value.

The Village Board is not in a position to fund this project. As a direct result of the 2017 and 2019 flooding events, Sodus Point applied for and received over \$8 million in REDI funding to implement flood resiliency projects. REDI funding required a five percent local match, totaling more than \$400,000. This local match nearly exhausted the Village's fund balance. As the Village recovers from this financial hit, funding any additional discretionary projects is simply not

feasible. Although the village board supports this project, the budget cannot absorb the full cost associated with this study without raising property taxes on residents and businesses already financially vulnerable from flooding and a pandemic. In the wake of the 2017 and 2019 floods and the 2020 COVID pandemic, this project would likely be deferred indefinitely or until another reasonable outside source of funding can be identified.

## **Standard Questions**

HCR - Community Development Block Grant (CDBG) - Community Planning

**Q\_12918 Please provide the Federal Tax ID and the DUNS number and/or the Unique Entity ID for the Unit of Government serving as the Applicant.**

Federal Tax ID: 15-6010488; DUNS number: 169800828; Unique Entity ID: K7UTL13JMPP7

**Q\_3352 Provide a project abstract. The abstract must include formal applicant name, location of project, amount of request, general purpose of the project, and project beneficiaries. Sample text: [City, Town, Village, County Name] will use \$40,000 in NYS CDBG funds to complete a [Type of Community Plan]. The total project cost will be \$50,000 with \$10,000 from non- CDBG sources (specify). The project proposes to benefit 50 low-and moderate-income persons.**

Village of Sodus Point will use \$50,000 in NYS CDBG funds to complete a Preliminary Engineering Report and Asset Management Plan. The total project cost will be \$52,500 with \$2,500 from Village cash reserves. The project proposes to benefit 515 low-and moderate-income persons.

**Q\_11585 Describe the current community/economic development challenges faced by the applicant. Please refer to scoring tips for additional information**

The Village of Sodus Point has a population of 980 persons, a 2017 median household income (MHI) of \$43,417, a LMI percentage of 52.55% and is recovering from major flooding in 2017 and 2019 and the 2020 COVID pandemic.

January of 2017 marked the commencement of the implementation of Plan 2014. Authorized by the International Joint Commission at the close of 2016, this plan modified the manner in which water levels on Lake Ontario were managed. By allowing greater fluctuations in water levels, many believed that flooding would become more frequent. April and May brought unprecedented rain to upstate New York. Sodus Point experienced significant flooding during the summer of 2017 and again during the summer of 2019, forcing closure of the central business district to traffic for several months each time. Merchant docks were submerged and boat traffic was instructed to travel at idle speed to prevent shoreline damage. Flooding along the lakeshore led regional TV and print news reports for weeks, with particular attention directed toward Sodus Point. These reports left the impression that Sodus Point was not open for business. Because nearly all businesses in Sodus Point are seasonal, they rely heavily and sometimes exclusively on revenues generated during the spring, summer and fall to survive. Loss of business for any reason strains the balance sheet of these seasonal

operations. Visits to Sodus Point declined precipitously during the summers of 2017 and 2019 and local businesses suffered severe financial losses.

The COVID pandemic of 2020 was yet another severe blow to the local economy. Businesses in the central business district, principally restaurants and lodging, were disproportionately impacted by the pandemic. Forced to close for several months, this resulted in a complete loss of revenues during that time. Once given permission to reopen, these businesses could only utilize 25 – 50 percent of their seating capacity making it nearly impossible to generate enough revenue to cover overhead costs.

Residents that were employed by these businesses found themselves without jobs and income for a protracted period of time. Flooding along the lakeshore caused significant erosion, impacting the value of homes located in these areas. And flooding in the entire area from Bay Street Extension east to the Wayne County Park and the end of Greig Street damaged homes and businesses and compromised their value.

To make matters worse, winters have been warmer, significantly impacting the local ice fishing economy. Typically Sodus Bay freezes over by late December. This pattern has changed in the last several years. The ice fishing season that usually lasts 45-60 days has been abbreviated to approximately 30 days or less.

The Village is beginning to recover, but it will still take several years for businesses and residents to overcome their losses. As the recovery continues, the Village Board must hold the line on spending and property taxes, which effectively eliminates discretionary funding for the next few years.

**Q\_11586 Describe how the challenges identified above will be addressed by the proposed community planning project**

This community planning project will eliminate the economic burden of critical, but expensive, technical/engineering studies on the community. This will allow the Village to properly and affordably plan a capital improvement project through the completion of a Preliminary Engineering Report. The PER will then allow the Village to seek implementation grant funding, which will make drinking water improvements affordable to the community. Additionally, this project will include the preparation of an Asset Management Plan that will ensure new and existing infrastructure is properly maintained and asset replacement is planned many years in advance. This approach significantly reduces the potential for costly emergency repairs, which are difficult for Village taxpayers to absorb in the wake of the huge financial losses caused by floods in 2017 and 2019 and the 2020 pandemic.

A deliberate and responsible approach to the improvement and management of water system infrastructure also sends a signal to investors that the Village of Sodus Point understands that a reliable water system is a key element when planning for local economic improvement. Responsible management of the system by employing an asset management program demonstrates that unexpected and costly water system repairs are unlikely in the Village of Sodus Point. Developers can then predict their water costs with a good degree of confidence when considering the village as a location for business investment.

In addition, residents and businesses that suffered economic loss and hardship due to protracted flooding and the COVID pandemic can be assured that they will not have to absorb water rate increases from unplanned water system expenses.

**Q\_3367 Describe the method used to determine the best approach and cost-effective method to address the need. List the sources and dates of third-party cost estimates including any special features that will result in an unusual or a costly design. Cost estimates must be no more than 12 months old and specific to the project being proposed.**

This planning project will be completed by a qualified engineering consultant who will prepare a funding agency compliant PER (EFC, CDBG, and USDA compliant). Per funding agency regulations, an alternative analysis, cost estimates, and a life cycle cost analysis will be completed by a third party engineering consultant. This approach is consistent with today's funding agency regulations.

**Q\_12091 Describe the process by which the applicant has gathered input and comments from key stakeholders and the public, beyond simply conducting a public hearing. Discuss any outreach to community groups, non-profits, residents etc. undertaken to develop this proposal**

In addition to the required advertisement and posting of public notices, the Village utilized its electronic sign to notify residents of the public meeting to discuss the project. Located on the main access route into and out of Sodus Point, it was an extremely effective way to communicate the date, time and topic of the meeting. Information was made available through the weekly Village email blast to residents, as well.

**Q\_12645 Please provide a brief description on how the Community Planning activity will meet a HUD National Objective. See scoring tips for additional information.**

According to the HUD community wide census data from the 2011-2015 American Community Survey, the Village of Sodus Point has a low and moderate income population of 52.55 percent. The proposed water system study will provide an area wide benefit to the residents of the entire Village, thus meeting the national objective of assisting greater than 51 percent LMI persons.

The water system preliminary engineering report positions the village for implementation grant funding, which in turn will make drinking water improvements affordable to LMI community residents. Additionally, this project will include the preparation of an Asset Management Plan that will ensure new and existing infrastructure is properly maintained and asset replacement is planned many years in advance. This approach significantly reduces the potential for costly emergency repairs, protecting LMI taxpayers from unexpected water rate increases caused by emergency repairs.

**Q\_12092 Provide a project schedule detailing the tasks to be performed and the timeframe for executing the tasks. Provide a detailed breakdown and description of each phase or component of the planning study.**

Project Timeline for Preliminary Engineering Report and Asset Management Program:

Assumed Grant Award - December 2022; Engineering Consultant Procurement- January to February 2023; Asset Inventory and Existing Condition Assessment - March - April 2023; Alternative Improvement Analysis - May 2023; Completion of Preliminary Engineering Report - June - July 2023; Completion of Asset Management Program July - September 2023; Environmental Review September - October 2023.

Project Timeline for Future Implementation Phases:

Secure Implementation Funding October 2023 - December 2023  
Final Engineering Design - 2024, dependent upon implementation funding award dates  
Capital Project Bidding - Early 2025  
Construction - Summer 2025

**Q\_1476 Describe any efforts taken to secure alternative or additional funds from other public and private sources. Explain the positive impact of the NYS CDBG funds on the total cost of the project and to the beneficiaries of the project and why NYS CDBG funds are required to carry out the proposed activity.**

The Village of Sodus Point has not attempted to secure non-CDBG funding from other outside sources. The Village has a low and moderate income population of 52.55 percent. In 2017 and 2019, the Village experienced devastating flooding. The central business district was closed to traffic for most of the high summer season. In 2020 the COVID pandemic again shuttered the central business district.

Residents that were employed by these businesses found themselves without jobs and income for a protracted period of time. Flooding along the lakeshore caused significant erosion, impacting the value of homes located in these areas. And flooding in the entire area from Bay Street Extension east to the Wayne County Park and the end of Greig Street damaged homes and businesses and compromised their value. It will take years for businesses in Sodus Point to recover.

To make matters worse, winters have been warmer, significantly impacting the local ice fishing economy. Typically Sodus Bay freezes over by late December. This pattern has changed in the last several years. The ice fishing season that usually lasts 45-60 days has been abbreviated to approximately 30 days or less.

The Village received over \$8 million in REDI flood resilience funding in 2019, however the state also required a 5 percent local match. The Village exhausted its reserve fund to provide the \$400,000 match.

Given these conditions, incurring debt for a water system study is simply not feasible and was not explored as an option. There are very few, if any, outside grant sources for funding a study of this type. The Village must secure grant funds to develop the study affordably.

**Q\_12093 Explain the proposed NYS CDBG program budget. Identify each of the estimated costs, including the source of the funds and proposed use. For each source identified, indicate whether the source is formally committed or pending approval. Indicate if public sources have been approved and whether all sources will be available within 60 days of the application deadline. Please be specific, and list each source in a consistent format. This explanation of your program budget must be consistent with the budget table included in this application, as well as the Preliminary Budget Table included as an attachment to this application. If a source is identified as committed, the applicable commitment letter must be attached where requested in the application. The Community Planning activity requires a 5% cash match of the total project cost, which must be provided by non-CDBG sources. In-kind services, force account labor, and volunteer services are not eligible as match. Note that administration and program delivery are not eligible budget items for CDBG Community Planning projects.**

The Village is requesting a \$50,000 grant from CDBG to complete a Preliminary Engineering Report and Asset Management Plan. The Village will provide a 5% cash match (\$2,500) for a total project budget of \$52,500. The Village has budgeted for this cash match and funds are immediately available. The entire project budget will be used to pay a qualified engineering consultant to complete the Preliminary Engineering Report and Asset Management Plan.

**Q\_3621 Identify the source of the 5% required cash match.**

The required 5 percent cash match will be appropriated from the Village of Sodus Point municipal budget. In a letter dated July 15, 2022 and signed by the Mayor, the Village has authorized the required 5 percent local match. This commitment letter is attached to the application in the documents section.

**Q\_13056 Does the community anticipate undertaking the planning project on their own or will an outside consultant be retained?**

The Village of Sodus Point will procure an outside consultant to prepare the water system engineering study. The Village is well versed in state and federal procurement requirements and will strictly adhere to them when soliciting consultant qualifications and proposals.

**Q\_12094 Describe how the needs assessment or preliminary engineering report proposes to complement other local, regional, and/or state planning efforts.**

Over the years, the Village of Sodus Point has engaged in a number of important planning processes. These have led to a fully approved Local Waterfront Revitalization Plan (LWRP), a Downtown Vision Plan, a rudimentary Complete Streets Assessment, a Sodus Bay Waterfront Initiative and most recently a Main Street Market Analysis. In 2019, Sodus Point completed and adopted an Active Transportation Plan. That same year, the Village received funding from the NYS Department of State to update its LWRP, develop a comprehensive plan and update the antiquated zoning code. All of these plans were developed with high levels of citizen participation, with the Downtown Vision Plan and the Active Transportation Plan by far attracting the most community interest. The LWRP update process is fully underway and the first public

meeting held on July 10, 2020 attracted 50 residents. The second public meeting is scheduled for August 31, 2022 where the list of community projects will be presented for comment. These plans all have detailed strategies and recommended projects that when implemented will impact in a positive manner real estate values, economic development and community design and appearance.

Like most Upstate New York villages, Sodus Point's water system was constructed in the 1920's and 1930's. The system is characterized by undersized lines made of cast iron, many suffering from severe tuberculation. The metering system is operated manually and there is significant water loss throughout the system. The village has a single point of failure because it obtains its water from the Village of Sodus, via a waterline on Lake Road operated by the Wayne County Water and Sewer Authority. A failure in the Lake Road waterline would leave the Village without water because there is no back up supply.

A preliminary engineering report addressing the entire water system would be a full complement to the planning efforts underway and completed to date. It is somewhat counterintuitive to establish community design and improvement strategies without understanding the condition of the water infrastructure and developing a concurrent strategy addressing its problems and weaknesses. A failure in the water system brings to a halt any and all other strategies for village improvement. Consequently, the development of a preliminary engineering report and asset management program is the foundation upon which all other projects are built, serving not just as a complement to planning efforts, but a prerequisite for them.

**Q\_12095 How will the proposed plan lead to a future CDBG-eligible project? Provide a detailed explanation of specific CDBG-eligible projects that will result from this effort.**

The Preliminary Engineering Report will comply with all major funding agency regulations including NYSEFC, USDA RD, and HCR CDBG. We note that CDBG encourages co-funding and in any project funding scenario, CDBG funding must come in last. Consequently, the completed study will be submitted to each co-funding agency when seeking grant and loan construction funding before applying for CDBG funding. We understand the 51% LMI threshold requirement for CDBG area wide funding. The Village of Sodus Point community wide LMI exceeds 51 percent. Consequently projects with a village wide benefit are eligible for CDBG funding. Should the project benefit area not coincide with the Village boundary, the Village will conduct an income survey as necessary to verify eligibility.

The Village water system services 915 customers and is inclusive of two storage tanks, a booster pump station, a re-chlorination building, transmission/distribution piping, and water meters. Several drinking water assets have major deficiencies. Antiquated and leaking water mains significantly increase water purchase expenses, while manual read water meters are time consuming, inaccurate, and routinely produce artificially low readings. The system has sections with deficient water pressure and one storage tank roof has blown off on more than one occasion.

Once the PER is complete, the Village will assess priorities and begin the implementation process. Because they have community wide benefit, the storage tanks, re-chlorination building and water meters are all eligible for CDBG funding. Individual transmission/distribution piping project eligibility will be determined utilizing income surveys.

**Q\_5487** Has the community undertaken prior needs assessment analyses for the same geographic area or infrastructure issues?

- Yes
- No

**Q\_3345** I understand that NYS Homes and Community Renewal may require additional project information or modifications to the original project proposal as a condition of award.

- Yes  No