

Where There is a Common Problem, There is Likely a Shared Solution

Partnering with the Department of State to Engineer Creative Solutions in Hamilton County

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Whether you are an individual or a municipality, you are never alone. If you are experiencing a problem, it is likely that someone else is working to cope with the same troublesome issue. This was exactly the case in Hamilton County, where the roads are long and the services sparse. The towns of Lake Pleasant and Arietta, along with Hamilton County itself, were trying to handle expensive and potentially hazardous fueling concerns, each on its own. The municipalities discovered, however, that as simple a concept as *sharing* could provide myriad benefits to each while encouraging regional development throughout Hamilton County.

Hamilton County and the towns of Lake Pleasant and Arietta each had its own highway garage, and those garages were used for the fueling and servicing of their respective municipal vehicles. Due to aging tanks, replacement needs, and various other concerns, each municipality found itself in a position where significant amounts of money (upwards of \$250,000-\$350,000 each) were required to maintain code-compliant storage and fueling facilities. The county and the two towns weighed their options for proactive next steps, and that is when the town of Lake Pleasant decided to look beyond conventional means to achieve true efficiency of services and the as-

sociated cost-savings.

The town of Lake Pleasant authorized the completion of a feasibility study to learn the pros and cons associated with a consolidation of fuel management services across the two towns and the county. A few key points served as the foundation for this study. It was expected that:

- Reducing the number of fueling facilities would:
 - decrease tank maintenance/replacement costs;
 - decrease potential environmental risks and hazards;
 - increase efficiency in management services by eliminating duplication of staffing;
- Leveraging bulk fuel purchasing opportunities would lower fuel costs; and
- Implementing an updated fuel management system would increase efficiency while lowering costs.

The feasibility study determined the existence of two options that would allow the municipalities to address their storage and fueling concerns. Alternative No. 1 was to construct and maintain individual storage and fueling sites to be operated by the respective municipalities. Alternative No. 2 was to implement a consolidation project that would involve the elimination of one fueling facility



THE STORAGE STRUCTURE IN LAKE PLEASANT THAT WAS ABANDONED AS PART OF THE SHARED SOLUTION PROJECT. PHOTO COURTESY OF LABERGE GROUP.

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site and the sharing of the two remaining sites among the three municipalities.

The study considered both the up-front and the long-term costs of implementing a consolidated, county-administered fuel management program versus the status quo of each municipality taking care of its own fuel management services. When comparing the available alternatives, it was clear that a consolidation project would provide the most widespread benefit for the lowest cost. The study concluded that the cost of Alternative No. 1 was less than that of Alternative No. 2, but the projected cost of full implementation was still more than \$700,000 – a significant price tag, even when divided among three municipalities. The projected cost-savings of nearly \$3 million over a 20-year period due to operating, maintaining and eventually replacing three sites made the up-front costs well worth the investment, but the participating municipalities were still faced with finding a way to access such funds.

In an attempt to obtain proper financial support, the town of Lake Pleasant embraced the opportunity to spearhead the consolidation project and served as lead agency in the application for funding through the 2009-2010 New York State Department of State's Local Government Efficiency (LGE) Grant Program. Early in 2010, the town was notified that nearly \$710,000 in funding had been awarded to support what promised to be a consolidation project worthy to serve as a role model for the rest of Hamilton County and beyond.

Confirmation of LGE funding spurred the town of Lake Pleasant to contract with engineers to develop plans and construction specifications for the consolidation project. The project is seen as a pilot program for



THE HAMILTON COUNTY PROJECT NEARS COMPLETION. PHOTO COURTESY OF LABERGE GROUP.

Hamilton County as it has piqued the interest of other municipalities, as well as that of various state agencies' local and regional offices. The following is a description of the changes incorporated as part of the consolidation project, as well as the savings and efficiencies to be realized:

The consolidation project was slated to close and re-purpose eligible facilities and buildings, namely those located on the town of Lake Pleasant site. The former tank storage building was enclosed and repurposed for dry storage of municipal vehicles and equipment.

The facilities at the Hamilton County and town of Arietta sites were replaced and/or upgraded to include new fuel tanks, fuel inventory management equipment, tank and leak detection electronics, backup generators, new fuel dispensers and canopies with proper fire suppression systems. As part of the sharing of services, each participating municipality will have the opportunity to purchase fuel at either facility. As examples of the ways in which this concept brings about savings in both time and money:

- The county is able to utilize

bulk purchasing power to keep fuel costs down;

- Municipal vehicles can fill up at the nearest facility, thereby saving time and fuel; and
- Sufficient fuel storage space decreases the risk of a facility running too low on fuel.

Fuel service management and accounting tasks are to be performed by Hamilton County employees through the use of advanced software and equipment. These activities include tracking fuel usage by each participating municipality and appropriately invoicing them, electronically monitoring the fuel supply at each location and purchasing and coordinating the delivery of fuel to each facility as needed. For these administrative/management tasks, the county receives a small surcharge from each participating municipality, calculated as a percentage of its expenditures on fuel management program costs.

All aspects of the consolidation approach were meant to save both time and money for participating municipalities. Currently, the project is well

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under way with construction nearly complete. The new and updated management systems are online and are proving to be successful in every respect. All signs are pointing to the Hamilton County Fuel Management Consolidation Project as a time- and money-saving, efficiency-increasing, shared-services success.

There are great lessons to be learned from such a success story, and this one bears repeating: *Where there is a common problem, there is likely a shared solution.* Two towns and a county found themselves struggling independently to maintain their code compliant fueling facilities, while a more efficient, less expensive alternative was only a couple of figurative handshakes away.

As this pilot program takes off, other municipalities and agencies

within Hamilton County are expected to show increased interest in buying into the consolidated system. Such participation across municipalities and

state agencies would support regional development across Hamilton County and would provide increased benefits for every participant. ♦

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