Executive Summary

FILLING THE VOID

In 1991, the City of Schenectady formed a public-private partnership with Veolia Water for the operation, maintenance and management of its wastewater treatment plant and composting program. At the time, the City didn’t know Veolia Water, and the decision wasn’t easy. But there were two things the City really didn’t know in 1991: How tight the budget could actually get, and how a wastewater partnership signed in the early 90s would prove to be a tremendous boon during the tough economic times that were up ahead.

In the early 90s, Schenectady faced major problems with its wastewater infrastructure. Its aging treatment plant needed capital improvements, and capital was lacking. But even more serious, the City’s new composting facility consistently emitted odors, and local residents grew increasingly vocal when it became clear the odors weren’t going away. After the City’s attempts at fixing the problem failed, local leaders realized that addressing the town’s concerns required outside expertise and access to capital.

So after a competitive search for the right company, and faced with a major odor problem and deteriorating assets, the City and Veolia Water entered into a public-private partnership based on Veolia Water’s depth of expertise, technology and resources. The City realized this partnership would be the most efficient way to solve pressing issues without an extensive capital expenditure.

Under the City’s leadership, Veolia Water immediately started work on what would prove to be a successful odor control program. Understanding the City’s budget constraints, the company leveraged its relationships with vendors to reduce costs, and was able to provide immediate working capital to the project.

Soon thereafter, Veolia Water and the City of Schenectady refined the composting operation into a successful biosolids program and to this day market and distribute this product to end-users at market price—without 75 percent of net profit returning to the city. (In 2005, this partnership was honored by the New York Water Environment Association for “Beneficial Use of Biosolids.”)

Although those problems have since been solved, the City now squares off against an even harsher scenario. Today Schenectady faces the grim budget realities common across America—the loss of state money, a dire need to trim services and extremely tight budget constraints.

However, Schenectady has an advantage: Unlike many cities, the City’s pre-existing partnership with Veolia Water has given it flexibility that other cities lack, rooted in the benefits the company provides. As a result, the City is able to meet its environmental standards while not only staying within its budget—the partnership actually saves money.

“The City of Schenectady and the staff at Veolia Water have been very helpful in giving our students a firsthand understanding of how mechanical, biological and chemical processes are used in the treatment of wastewater, and how the compost manufactured at the plant has beneficial uses for the public.”

- Professor Ashraf Ghaly, Union College Environmental Sciences Department
Executive Summary (continued)

One such area is via Veolia Water’s implementation of an Underground Asset Management (UGAM) program. Veolia Water introduced this preventative maintenance program in 2009 to reduce the City’s costs by extending the life of its assets. This is done by identifying, prioritizing and resolving minor defects before they become costly dilemmas.

As an example, in one location Veolia Water’s UGAM program identified a section of pipe operating at only 40% of its capacity, and then quickly eliminated the issue. In addition to adding to system costs, these types of backups increase the risk of costly sanitary sewer overflows and damage to the system. By identifying and prioritizing these locations, Veolia Water has not only extended the life of the City’s assets, it has limited the City’s exposure to costly fines and improved efficiency. The pilot program started in 2010 and because of its success may expand in the future.

Further, Veolia Water has been working constantly since 1991 to implement projects which help the City reduce costs. As a large company with operations across North America, Veolia Water can leverage its deep purchasing power to broker high cost savings for local taxpayers. In one such deal alone, Veolia Water saved the City $600,000 on a sewer cleaning project. The company has also kept its service increases extremely low. Such cost savings add up over time and are ultimately an additional measure the City uses to meet budget.

As the City continues to expand, Veolia Water is working on additional items like a co-generation program and drying system which leverages the company’s CPM and Technical Groups. The co-generation project is expected to reduce the plant’s electrical consumption and the drying system will reduce the composting facility’s carbon footprint, both beneficial environmental upgrades that would otherwise be difficult in this budget environment.

Like many U.S. cities, Schenectady’s budget requirements limit the amount of available staff. As a result, it would normally need to contract out certain services to meet immediate wastewater needs. But because of its partnership with Veolia Water, it can instead leverage these services from a pool of skilled, internal Veolia Water personnel. As an example, Veolia Water is currently acting in a construction manager capacity, overseeing some of the upgrades and expansions. This saves the additional cost of hiring contracted work, and further guarantees the use of specialists with a longstanding City relationship.

Outside the scope of the wastewater contract, the partnership has extended community involvement beyond the plant, working together to beautify the city by cleaning up parks, landscaping various neighborhoods, and preserving a nationally recognized historic pump station.

In 1991, Schenectady turned to Veolia Water for help, and found the partnership to be a tremendous success. Now Schenectady, like many U.S. cities, faces a new set of harsh new budget problems. It has again turned to Veolia Water, this time as a longstanding partner with a relationship spanning 20 years.

The partnership continues to be successful in helping the city fill its budget void, providing savings, service and staff at a time when the City can use it the most. Both partners view their relationship as a deep bond – a bond which has proven extremely resilient and beneficial, even as tough times have gotten worse.