

**TOWN OF NORTHAMPTON
PHONE CONFERENCE
December 10, 2013**

The Town of Northampton Town Board held a Phone Conference with Jim from AES Engineering and Jason Denno from NYS EFC at 10:00 a.m. on Tuesday, December 10, 2013 in the Municipal Building at 412 South Main St., Northville, NY.

PRESENT: Supervisor: Linda Kemper
Councilmen: Darryl Roosa and William Gritsavage
Absent: Councilman Bob Ellsworth and Ivar Anderson

RECORDING SECRETARY: Elaine Mihalik-Town Clerk

ALSO PRESENT: Ken Cramer-Water/Sewer Maintenance Operator
James Groff-Supervisor Elect
Art Simmons-Councilman Elect
Jason Denno-NYS Environmental Facility Corp.
Jim -AES Engineering

Jason Denno: A letter was received from the DEC dated 11/26/2013 asking what the current grant status is in terms of the award in the amount of \$200,000. This money was specifically for the Town of Northampton Sacandaga Park Sewer District evaluation. Albany has asked NYS EFC to follow up with the community on these funds. They outlined specifically in this letter.

DEC is indicating from their records the following:

The award for \$200,000

Reimbursement to date approximately \$77,809.00

Retained part of the grant approximately \$7,482.00

We currently have an Outstanding Balance with that grant in the amount of \$114,709.00

The original contract budget with the Municipality and DEC stated that the funds are intended for preliminary design and fiscal services. At that time a report was prepared. The Town hired AES Northeast out of Plattsburg. AES prepared a report entitled "Town of Northampton Sacandaga Park Sewer District Sewer System Evaluation" dated August 9, 2007. I am not sure if there is an update to that report. That is the one I have in my files.

Jim-AES Engineer: I don't think there has been an update to the August 9, 2007 copy that I can recall.

Jason Denno: The DEC is asking to please advise them of the project status as early as possible and that the project will be completed by December 21, 2013 so they can obtain close out.

As you heard there is a balance of \$114,709 and originally this grant was for preliminary design and fiscal services.

Jim-AES Engineer: For the Sacandaga Park project the design is basically done. The drawings have been sent to the DEC. The plans and the specs for the reconstruction at the Sacandaga Park were approved in March 2013. There are a couple of outstanding easements that the Town is working on. The only other thing that is necessary on our part is if there were going to be any other funding sources. Right now for the overall funding for the construction project itself, is unknown. We would need to know what those funding sources might be so that we could put administrative funding agency requirements into the specs. But with the exception of gathering those easements, Sacandaga Park could bid if the town had the funding to do it in a relatively short period of time.

Jason Denno: With this balance that we have with those funds, do we have any outstanding invoices from your office that need to be paid that will capture some of this balance or work that could be part of that balance? We have \$114,709 that we could use administratively to move a project forward.

Jim-AES Engineer: For AES, we are actually paid up to date. There will be obviously a little bit of work involved to put administrative funding agency requirements into the specs. But as far as the engineering for just Sacandaga Park Sewer itself which I believe this grant was specific to. We're pretty close. I don't think you would spend \$114,709 with us. I believe administratively those fees would pay for an attorney to be involved in perhaps the easements. I'm not sure of that, Jason.
There is not a lot left for AES to do in order to be to the bidding and construction phase.

Jason Denno: I guess the next steps we can look at administratively looking at the Environmental Review. How far along are we with the Environmental Review for this specific project? Like you said local Counsel; Bond Counsel; and preparing those Bond Resolutions we could utilize that balance if we see a project moving forward.
As you know the SRF program is where we currently lay, we have come down below our subsidized line extremely, roughly around 10 points. So, I think we're out around 34-36 points which would give the community the ability to come in with a full financing application February 1st assuming the project is on the annual list. Engineering reports are completed, professional service contracts are done and I am assuming the Engineers completed a Smart Growth Assessment form for this.

Jim-AES Engineer: We unfortunately we're not aware that the Smart Growth Assessment Forms were necessary before the end of August but we did submit a Smart Growth Assessment form on the 17th of September for this project.

Jason Denno: Is the community ready and committed to move forward with a financing application or is it even possible, working with a new Supervisor and Linda Kemper on moving a project in 2014?

Jim-AES Engineer: The first part of this conversation is Sacandaga Park I am assuming and the Waste Water Treatment Plant is the upgrades that the Town would like to do are secondary in this conversation. Or are we talking about this as all in one?

Jason Denno: We're basically talking about the \$200,000 Grant, specifically, the development of that report. Now we have a project from this report which includes the Treatment System

Jim-AES: We have a report on Sacandaga Parks Collection System and we have another report that was about the Waste Water Plant itself.

Jason Denno: That is currently listed on the Intended Use Plan, Collection and Treatment?

Jim-AES: Collection and Treatment is listed as one on the State Revolving IUP.

Supervisor Kemper: It's my understanding that the Environmental part is all done. I think we did that a while ago.

Jim-AES: You did do the Environmental for the Sacandaga Park as its replacement of existing infrastructure. If I recall, you did a SEQRA Type II. You were working with Fulton County to help you get through that.

Supervisor Kemper: I'm certain that was done quite a while ago.

Jason Denno: The SEQRA covers both the Treatment Plant and Collection projects?

Jim-AES: I believe so Jason, it's been a while. Both reports were referenced. We were fixing an existing system. SEQRA was done for both the Treatment Plan and Collection.

Jason Denno: That's great. That would be covered under the \$200,000 Grant. DEC is saying that they want a status report. We have two reports that cover the Collection and Treatment Plant. We've utilized a little over \$77,000 in terms of the Grant. Are we ready to move forward with a Collection and Treatment Plant project the coming 2014 fiscal year? It sounds like administratively we have the Engineering. We have the Environmental. We are reachable in terms of the IUP with a score of the funding level at 10 points. We are on the annual list. Where you are at, are you ready to move a project forward? It sounds like, administratively, we are there in order to move that project forward.

Jim-AES: With the Collection System in the Sacandaga Park, we are on the verge of bidding. Treatment at the Waste Water Plant on the report no design has been done because the \$200,000 award was specific to Sacandaga Park. Do you follow me?

Jason Denno: Well, the Sacandaga Park included the Treatment Plant. They can utilize that for Waste Water and Collection.

Jim-AES: Okay, if they can use the remainder of the \$200,000 toward design of the Waste Water Plant. Then we could use up a bunch of that money toward design at the Waste Water Plant. The design that it is runs right now.

Jason Denno: That's what I am getting at. So, you have the design of Collection. The DEC letter is specifically stating to us they need a letter of "upgrades to the Waste Water and Treatment System". So, we would utilize our balance to get us administratively and get the specs for the Treatment Plant and so on and also get the completion of our bid documents. I think that administratively we could present a case to be, saying that we can get a project completely administrative ready. Expend those funds that we're currently at and at the same time parallel that with an SRF application, come February 1st.

Supervisor Kemper: It is my understanding that we couldn't put all that money toward strictly the Engineering. Some of that had to be actual construction. We had discussed this several times at the different meetings that we've had and with Rob Streeter. Our thoughts here, the Board earlier had thought with the remaining approximately \$115,000, was to tackle a couple of the main issues which was the McKinley Ave Extension section. We could actually do the construction. That was our thoughts. I think that we would be ready to bid on that. But the McKinley Ave and the McKinley Ave Extension is a big issue for the I/I.

If you recall, we separated the different phases because we were too far above the funding line and we did not qualify. This is the first time that we have actually been reachable on it. I think that was what we were looking at originally was to actually do the construction and then proceed on with the Treatment Plant which it was separated for phasing. Ken Cramer is here, so he may have some input.

Originally, the Board did not want to risk having to delay any of that funding. I think according to the spec's I believe we could with the \$115,000, do two parts of that project and get them done with actual construction. We are already to bid except for Bond Counsel and the Easements.

Jason Denno What's your (Jim-AES) thoughts on this with AES to move a project forward just at the Collections as Supervisor Kemper stated?

Jim-AES: Those plans have already been approved for that. Knowing how they fund it and the Easements and the Bond Counsel if they do have to borrow some money for it. Absolutely, we agree with that. What Supervisor Kemper is saying is what I recall as well. We have a contract for design at the Waste Water Plant and design of the Sacandaga as two separate contracts. What was done was the one for the design at the Waste Water Plant was put on hold because of just this year they were not reachable. I think that is a great idea to have at least to get a portion of this, if that remaining money can be used toward construction. That would take a good chunk of the construction costs.

Jason Denno: What are we talking in terms of the costs of the Sacandaga Park Collection as Supervisor Kemper describes of McKinley? We only have \$115,000 remaining.

Supervisor Kemper: It's right around that amount.

Ken Cramer: Approximately, \$130,000.

Jim-AES: I don't have the report right in front of me but I don't think it covered everything that was designed over there with Lincoln and McKinley. I don't think it is all of it. I think what we were talking about was phasing a section. The last time we were talking about it the Town talked with us about it, they were talking about ways of shared services with the Town to doing a portion of it with the current funding that they have in place.

Jason Denno: I don't have a problem making a presentation with the DEC or with Supervisor Kemper making a presentation back with the DEC, saying that administratively we have completed our Engineering report or the Collection System in the McKinley area and we are going to utilize the balance of \$115,000 to close out the project. I don't think Rob Streeter or DEC would have an issue with that. Apparently the original contract said the intent was for the preliminary design and fiscal services. So, that tells me it was all administratively but I don't think DEC would have a problem with actually going to use those funds for construction. I think Rob Streeter and I and Bill could make an argument to Albany to utilize those funds for construction, which is what you want to see in the end any way.

Supervisor Kemper: Remember, one of the meetings that we had, the DEC preferred construction. They actual did not want it all spent on Engineering.

Jason Denno: In most cases, that is what DEC wants to see is construction. I think that is a great idea. If we're ready and we feel comfortable it's just that that amount is going to change within the Intended Use Plan in the SRF program. We wouldn't be utilizing the SRF program for this project, if the cost of the project is within the \$115,000 range.

Supervisor Kemper: That is just part of it. We applied for whatever we could apply for and we weren't reachable. We applied under the Regional Counsel, if recall correctly, this last round we applied for we had AES update the actual costs. Mr. Cramer reminded me it was \$130,000 but I can't remember if it was for just extension McKinley or all of McKinley.

Ken Cramer: Just extension McKinley.

Jason Denno: Then the project would be for extension McKinley that we would be preparing to move forward with. Is the Town committed to borrow additional funds with the SRF program, which we are currently listed on, for additional collection work that is already identified in the 2007 Engineering report? If we are going to make a presentation and application, come February 1st, yes our co-funding right now is we are going to show \$200,000 for completion of Engineering work. Plus, we have a remainder of \$114,709

for McKinley extension. Are there other areas that the Town is willing to move forward with just from the Collection work for an application, come February 1st?

Supervisor Kemper: Actually, McKinley and McKinley Ave, has been identified as the major source of I/I. The discussion of the Board previously was that those are the two areas we are identifying as the first because that would reduce much of the I/I violation. The Plant is an entirely separate at a whole cost breakdown.

Ken Cramer: I can't speak as far as the Board on what they are prepared to do for the next year. My thoughts were to use the \$114,709 to clean up the McKinley Extension area. Then I think the next major project listed on the list was to do Lincoln and McKinley Ave. I think that is the worst area. I can't speak for the Board if they are ready to move forward for next year or not. That's a question for them.

Supervisor Kemper: Jim-AES, can you refresh our memory on the cost of the two different phases. I know that I believe the total cost was approximately \$6M.

Jim-AES: I believe it is at \$5.3M for the entire area. The project of McKinley and Lincoln Avenue Collection system was approximately \$1M. We actually did up data in March 2013 to send to the Regional Counsel to try and get some money there.

Supervisor Kemper: We were denied on that.

Jim-AES: I'm not sure how to breakdown to stay within the \$115,000 - \$120,000 Construction project. There are some sections that, I believe yes, it can be broken out and a full set of plans have been approved by DEC for that area. A full set of plans are done for McKinley Ave., Lincoln Ave. and McKinley Extension area and have been approved. It's estimated right now as close to a Million Dollars to do that entire area of collection.

Jason Denno: I guess there are two options to the Town Board. We make a presentation with DEC saying that we can expend the remaining funds on:
Option 1. Extension McKinley Ave. go back to the files and update the numbers, prepare administratively for a project with bid documents, etc.
Option2. We look at Extension McKinley and include McKinley and Lincoln because we already have the specs, administratively we are ready, and they are approved. We go to the SRF Program this Federal fiscal year with an application for the Extension McKinley, McKinley and Lincoln Ave.

Jim-AES: I agree they are definitely options. That is up to the Board to determine whether or not they can afford to borrow and that depends on getting Bond Counsel on board and the Easements.

Councilman Gritsavage: How soon do you need an answer?

Jason Denno: You would want to do this at your next board meeting this month because are going to prepare administratively, working with Jim-AES; me and Supervisor Kemper and all of us that have been involved in this project. We have to respond to DEC as soon as possible. So, the sooner we can develop a plan and write that letter back to DEC the better.

Supervisor Kemper: Not that long ago, we pretty much had come to an agreement that that was the best route to go financially. We we're aware of what we know now that we're below the funding line to qualify because this is the first time we have been able too, for any kind of reasonable interest rate funding.

We will have a new Town Supervisor and new a Town Board member. I don't know what direction that they would like to take. We could certainly discuss it at this meeting. The current Board members were pretty much in agreement to tackle the Extension McKinley; and the Lincoln and McKinley issue for the first step. Then move on to the Sewer Plant upgrade.

Jim-AES: Engineering wise that is your best benefit per dollars because that is your biggest I/I area. It affects the amount of flow that comes to the Plant by quite a bit.

Councilman Gritsavage: I'm sure that the Board would go along with the number one option. We had discussed it and I think we would favorable would look at that.

It's reachable, stated Supervisor Kemper.

Councilman Gritsavage: Yes, we could do that. The second option obviously we need to talk about it. We need to understand what we are talking about, the amount of money we are going to borrow. I can only speak for myself but I think the other board members feel the same way that we are now pleased that we are in a situation that we can move forward with a bigger project.

So I think that you are not going to have any trouble at the next board meeting at least getting an answer.

Jason Denno: Jim-AES and I will discuss this after the call sometime this week but verify the dates that were submitted on the updated forms to EFC and the SRF program. I know Jim-AES mentioned that he spoke with Bob Sammons this fall in September in preparing the updates for this project. We are still waiting for our final Intend Use Plan (IUP) that is a list of projects across the State of New York and that has yet to be signed by Commissioner Martends at DEC. So, we are all waiting for that final IUP but all signs are if the project, and the schedule, and the time frames that were listed in the updated form indicated that the community needed financing or is looking for financing this Federal Fiscal year they would be on the annual list. I am basing this based on what I current see out there in terms of the funding line being at 10 points and recognizing, I have been working with the Town of Northampton for many years now. We have always been at that score of 34 points and we have tried to raise that score over the years, it's been very difficult. So, knowing that and seeing where the community could be in 2014. That's a good sign.

I will verify with Bob Sammons in Albany, how he is tracking this project and letting him know that we've had this conversation that there are a couple of options on the table for the community. That may be the possibility coming in with the financing application come our required deadline of February 1st.

There is a lot to talk about, a lot to present to the board. I am more than willing to be there. I think Jim-AES in terms of how we can move forward and what our options would be. The main thing is DEC wants to close out this State contract. The sooner we can do that, the better. I see no issues. Even if we are limited with option one that is great news because it is reducing the I/I

We have been waiting for this for a long time.

Councilman Gritsavage: Are you saying that if the board goes with option 1, the 18th which is when our Board meeting is, that doesn't say that we can't go ahead at a later time and apply for the whole thing?

Jason Denno: That's exactly correct Bill. Then you can move forward. Jim-AES and I will always keep the project listed on the IUP. It would be that amount subtracted from the next IUP in 2015. So, when we call for the updates in March or April we would just subtract the dollar amount that is not needed. Not knowing what that funding line will be next year, who's to say? There might an opportunity come next October 1st where the community can say, if we did this small I/I project, I think we're ready to move forward and tackle McKinley; Lincoln; and the other areas come 2015. That is total up to the Boards discretion.

Councilman Gritsavage: That's good news.

Supervisor Kemper: Jason, as far as the project costs, something keeps telling me \$2.3M for McKinley, Lincoln and Extension McKinley.

I know Wayne-AES was working on this previously but Jim-AES do you have those exact figures? My mind keeps saying it was more than \$1M and that we were trying to see what other funding opportunities, obviously we had done right along. We also wanted to combined the water because we where hoping we didn't have to re-dig everything. We wanted to do the water repairs the same time as long as the road was ripped up. I don't see where we are going to be able to do that without 100% bonding on that. Jim-AES, do you have the exact breakdown on the sewer plan and the other project?

Jim-AES: I do. We have had so many correspondences over time that I think the best thing that I can do is go back and pull it all out. In our reports we had a number of options and what I just pulled up going through the computer is what we pulled together for March 4th of 2013. Right now I am not seeing a great description of it. I had sent you a letter in March and it was labeled "the sewer main replacement in the Lincoln and McKinley Street areas". The updated cost was just over \$1M. I'm thinking that is our current design project but I will need to go back and look. I have little more specifics if I open up the plans. I can back to you on that.

We did have a listing at one point from a few years ago, I see in my files that was for approximately a \$2.5M project but that was an IUP listing from a long time ago. So, I'm not sure if that is what is still sticking in your head.

Supervisor Kemper: We've gone in so many different directions on trying to seek the funding which Jason and Rob Streeter knows that nothing has been reachable or even available for us for us for the smaller communities until now. It's a great opportunity to get a part of this and move forward.

Jim-AES: In 2007 we did an initial IUP listing at approximately \$2.7M to \$7M minus the \$200,000 and I think that was before the engineering reports were fully developed.

Supervisor Kemper: That's very possible.

Jason Denno: We also did an Addendum #1 revised March 3rd, 2009 where AES separated, to your point Linda, the Collection System upgrades and the Treatment Plant upgrades. The Collection System upgrades was a total of \$1.57M and the Treatment Plant upgrades was a total of \$2.4M.

Supervisor Kemper: That was so we would be able to seek any available funding we possibly get.

Jason Denno: I think that it just comes down to that we need to get a response back to DEC as soon as possible and I will be in support of whatever the Town chooses and how they can afford in terms of, they have those funds out there, I don't want to see those funds trekking back to DEC. If it's a small project this year, that's great. We will continue to work with the Board, update the engineering report and prepare for the 2015 IUP. That could be a simple plan and I think that we would all be happy with that. Just to see a project move forward because it's many years in the making and I think that we need to make that argument to the DEC that we want to use that remaining funds. We have used them administratively and we want to use that \$115,000 for a small I/I project if at all possible.

Supervisor Kemper: Who does this have to go in front of?

Jason Denno: The response goes back to Bill Gallagher the Chief Fiscal Management Section out of Albany. They just want a status of where we are at. I think that Jim-AES can come up with a few sentences on the completion of going back and verifying the SEQRA and include a few engineering words. Then we can wait for the DEC response.

Supervisor Kemper: Another concern is, obviously, the Sewer Plant because we approaching what could be a time bomb.

Ken Cramer: Day by day we are keeping it together. I don't know what you can pull off with the current foot print of our property over there.

Rob Streeter: In terms of the Sewer Plant. The Design Engineer obviously recognizes that there is a very limited foot print on that site to do anything, that's problem number one. The main problem at the Treatment Plant is there is no redundancy on any of the units and the weakest link at the Treatment Plant is the RVC unit. The RVC unit is well beyond its design life. The Board is lucky you have Ken working for you because he has pulled off some miraculous repairs on keeping that going. That unit was bought used and it is well beyond its life. My concern is that, I'm glad that you as a Board is going to go ahead with the I/I work. I think that is a great plan but you have got to, in the back of your mind, realize that Ken is really keeping that thing limping along. At the last inspection he had more material falling off that thing and that RVC unit has been a problem all along. You need to be looking at some sort of contingency plan for the RVC unit going belly up at some point as you look at doing an upgrade at the plant.

Jason Denno: I think that is something that can be discussed at the next Board meeting. What are our options and here we are today? Hearing from Ken at that Board meeting, what is driving that need and what is Ken saying in the field today? It may be where we have to move forward this Federal Fiscal year. I think that outlining that and making a presentation to the Board all that need.

Supervisor Kemper: We don't have the actual design plans to put it out to bid yet for that Sewer or Do we?

Jim-AES: We have submitted to DEC. I'm sure that you have at least one copy of them. DEC has given us the blessing to bid it. As I said to Jason before, it doesn't have the up front requirements if you have a funding agency involved. It doesn't have bid dates and dates for completion of construction because nobody has known that. That is not a long process to add those things. If you would like another set to review by all means we could get another set to you.

Jason, now that they are above the subsidized funding line. Do you think that an application for the entire Plant and the Collection they may have any chance at hardship?

Jason Denno: No. We have gone through this process for year now. The problem that hurts the Town is the Seasonal and the median household income. Many years ago we started an income survey. It got in the 45% to 50% range in collecting the data and the numbers were not coming in our favor. Once we got to a certain point and the other co-funding agencies recognizing we were doing a survey, we stopped it. It still comes down to the high seasonal ratio.

Looking at the picture now, the best way we could see if you come in with an application you are looking at a 30 year financing at roughly 2% which is really hard to beat. Plus, the first three years is at zero. There is benefit for the community to look at macro, larger project, because of taking advantage of the interest rate, the terms of the financing. I think that what we were all looking at was for Grants. The CFA, from the Governor's Office, Office of Community Renewal, all these other programs and it just comes down to the availability of funds and the qualifications of the median household income. It was just a very difficult task. In making that presentation, we did that but unfortunately we have not been awarded any Grant funds. I know that the Governor will be

announcing tomorrow the Round Three Awards for the Regional Counsel. If something were submitted for this project for this Round, Great. Maybe that will be some good news for the Mohawk Valley Regional Counsel but I'm not holding all my cards on that. What I want to see is what we have in terms of the SRF Program. To be able to provide a solid finance at a fair rate, an affordable rate of financing for the community. That's the Town Board decision on how you move forward. But also with timing, we're so tight with timing.

You're looking at these options 1 and 2, with just taking in the Town Collections and not the Treatment Plant would we be prepared to move forward with a \$5M project that is listed on the IUP because there is so much administrative work that needs to be completed on the Treatment Plant portion. We have an Engineering report for the Treatment Plant but we are not ready to move forward with printed specs. However, we can close short term financing without those final plans and specifications for the Treatment Plant. I want you as the Engineer and the Town Board to feel comfortable with the true costs.

Supervisor Kemper: Jason, a little bit of the background on the income survey. I know that you helped out a little bit and RCAP did a lot but we got to the point, if you recall, even trying to argue. That it was forced Seasonal over there because the lines were shallow and they couldn't be Year Round was one issue.

Another issue was with the income level.

As far as getting above the 50% Year Round. We even argued that the people were there but unfortunately a lot of them use other mailing addresses and that is what the State was hanging their hat on. Even though they were over in the Sacandaga Park their mail was being delivered to wherever their year round homes were. That was a huge issue. We didn't want to do a hardship along those lines or consent order because then we would be put under the gun to where we would be forced to have the time frame which Rob is well aware of. That we would have been forced to go that route and I don't think the Town would not have agreed to go that avenue because then we are forced into the immediate action that the State would want to see.

Jason Denno: Is that still the case where is greater than 50% Seasonal in the extension McKinley, McKinley and Lincoln?

Supervisor Kemper: Yes, we actually tried to manipulate the numbers, in proving that some people actually moved to another location simply because they have the shallow line. I think that we got really close. If I recall I got up to 47%-48% but no matter how we tried to tweak it we just could not get above a number that they were satisfied with. Another issue that we are facing is funding streams that are no longer available. The Regional Counsel that we're placed in for the Mohawk Valley, I don't know how many of you have been following how many grants have been awarded for that. But we are competing with Utica and Syracuse Region. The criterion that was set by this particular Counsel is completely different than what the North Country is. That has been a huge hindrance and it will continue to be in the future is the Region Counsel makeup on how we have to apply for the funding.

Jason Denno: Our policy has not changed from the SRF Program. If the community's project area is greater than 50% Seasonal we can't qualify that community for hardships. It is a policy and that policy has not changed. You would have to bring that to my attention if it has changed and that is where you would come in and apply for a hardship. I think that our best communication back to the Board is if you are reachable through financing the best rate would be subsidized rate financing which is currently approximately 2.08% over 30 years. If that is something that the community would want to work with extension McKinley, McKinley and Lincoln, and Jim-AES comes up with the final costs for that. That's okay too.

Supervisor Kemper: Under the SRF funding, would the Board be able to move forward with the extension McKinley, McKinley and Lincoln project and then in turn go back and look at the Plant itself or can you only apply once?

Jason Denno: When we looked at it as the long term, we listed it as one to close as soon as possible. You look at it as a line of credit. I think that the goal going back to 2007-2008 was to list it as one project, let's close on the financing. So, if we want to do later phases we would have at that line of credit available at that rate of percentage to pursue the Treatment Plant work.

Supervisor Kemper: I think that was what we were going to do. We were going to do the Bond Counsel for the entire project. We had checked and we didn't actually have to take the whole amount but it would have saved us further paperwork and legalities with the Bond Counsel. Then if we went back and we stated, oh wait, we want another half a million dollars.

We were going to do the whole upper amount and then only use what we felt what we really needed at the time. Is that correct, Jason?

Jason Denno: Correct. You think of it for the New Supervisor and new Board members with that line of credit. It holds those funds for your project.

Yes, the agency wants to see those funds back as quickly as possible. Where before, we recognized that administratively we have 30% to 40% of that project costs identified and ready to go administratively and we would spend those funds. Then as we closed on that and we started the construction on the Collection work we would start preparing seeking financing and other co-funding for utilizing the SRF Program at the same time, but in looking at other options too in terms of Grant components.

I think that your point was made in saving the community money, long term, administratively, Bond Counsel, local Counsel, all the administrative costs if we did it in one shot. Which makes sense and I think that needs to be made to the Board at their next meeting.

Option 1. We do have the funds in house. There is part of the Grant, we have a small project.

Option 2. McKinley, Lincoln and the Treatment Plant. Yes, it seems like a large amount of money being presented to the constituents in the community of \$5M - \$6M in IUP. Again it's a line of credit and we are utilizing what we need or what we are prepared to

utilize. They have to know that they don't necessarily have to take those funds if we say that we want the \$6M line of credit and see where that goes.

Supervisor Kemper: We closed out our original funding for the Plant. That was just paid off this year. I believe we made the final payment on it. That helps a little bit. That's not that additional amount thrown in there.

Jim-AES: The fact that they now qualify for the subsidized funding it is going to make a big difference. The reports that were done before, they weren't eligible for the subsidized funding. They were at 4.6 in the reports when those reports were issued some time ago. It's going to make a big difference in the user rate. I think that we need to rerun those figures so the Board can make the most educated decision. Whether it's the over all project; or the Lincoln and McKinley; or are they just going to try and get this one McKinley extension done.

Supervisor Kemper: Jim could you break that all down for us? The options of done just the McKinley, extension McKinley, Lincoln project? And another set of figures including the entire Plant just to see what the Board realistically can do. Although I think that the best option is to apply for the total amount for the Bond Counsel because I know that it is labor intensive, and you have legal fees, and that really needs to get started for the total amount.

Jim-AES: If you can Bond resolution for the whole thing, and close short term financing with EFC for the whole thing. Then as Jason said, if you get the long term and you don't use all of it or if you definitely aren't ready for the Wastewater Plant, you just close out your long term on what you did spend.

Yes we can do that. I am looking back at one of our reports that was done in 2009 and it had that 4.6% user rate because you weren't yet eligible for the reduced rate. In the Sacandaga Park area you only had 98 users and it was about a Million Dollar project. You were looking at a user rate for that area of \$810.97. It's going to be a big difference on having a 2.08% annual interest rate rather than 4.6%.

Jason I will probably be talking with you on the updates on what's being offered right now and we'll run some of those numbers and bring the Board something they can talk about.

Jason Denno: I think that at that Board meeting is where Supervisor Kemper and Supervisor Elect Groff can with your information write that letter back to the DEC. This is the decision, and this is how we are moving forward, how we are going to utilize our balance.

Jim-AES: In those two options and the option with the interest of roughly a million dollar project you were over the term of 30 years at 4.6% you were paying \$762,000 in interest. If we could cut that in half is going to make a big difference here.

Councilman Gritsavage: So Jim from AES is going to be at our meeting on December 18th or is someone from AES Engineering Firm going to make it? This is going to be explained to the Board.

Should we be prepared with a Resolution on this particular meeting to go forward to ask for the \$5M?

Supervisor Kemper: I don't think that we'll be able to move forward I don't think we'll have the figures by then. In January it probably can be done.

Jason Denno: Jim-AES will be able to get the numbers for the Board to consider. These are our three options let's say. We know all three of those.

The Board would do the review; make a decision on how they would move forward on one, two or three. Then it would be ultimately be up to Jim from AES and me to regroup to get the application into the EFC Program on February 1st, 2014. At the same time we would parallel that with getting a hold of Bond Counsel saying this is what we plan on doing, this is the dollar amount we're requesting from the SRF Program.

Supervisor Kemper: Which I did have arranged from Miller, Mannix and Schnacher.

It was agreed that the Board will meet with AES and Jason Denno at 5 p.m. on December 18, 2013.

Supervisor Kemper: We have a plan that I think that we were looking at the direction right along I believe. This is good because we will be able to respond to the DEC letter before the end of the year with a plan that the board had made a decision. The new Board can follow up with working with AES which I think that most of the work is done and on doing the Bond Resolution maybe early January 2014 at an official meeting to get everything in place and meet all the requirements. I think it can be done and pulled together quickly because 99% of the work is already done.

Jim-AES: Jason you can be prepared on December 18th to give the Board a list of the things that will need to be done by February 1st. So they can see what is ahead of them, a 45 day period. Although some of this project is in good administrative shape.

Supervisor Kemper: I think that we are really good shape. We've come a long way and we had a lot of obstacles but we're right at that point.

I need a little help from both Jim-AES and Jason Denno. We've come into a couple obstacles on the four Easements where we tried to explain to the landowners the necessity of it. What happened was these landowners contacted their attorney. So our local attorney wasn't able to go any further with it after we sent them all letters. What if we have them to continue to drag their feet on this issue? We really need to get those people on the same page and say that this needs to be done because we certainly don't want to do the eminent domain. We don't want to have to go that route. These landowners had contacted their attorneys and had just dropped everything. They never got back to us, or ever responded, or did anything.

Jason Denno: We will need those as part of the administrative writing for the application. It will be part of the condition as you go to closing in short term. You know that we want to be working on those. We want to get them completed as soon as possible.

The main thing is that part of the application we have the Environmental Review completed. We will have the Engineering sign offs. We will have some of the specs and plans sign offs. The SHP Review we'll have the APA sign off. The SEQRA sign off. Like I said Jim-AES we have most of this completed.

We should be in fairly good shape to submit. There will be a few missing items as far as the application check list but I think that we will be prepared to move forward. The Professional Service Contracts, we will need to have those updated and now as you know we are required under WMVE, language within the Professional Service Contracts, along with the Construction Bid Contract and along Davis Bacon line. We're going to need to rely on AES in terms of the Engineering and some of the technical parts of the application and administratively. They have done this for a long time and submitted many financing applications. So, we will be well prepared.

Jim-AES: This is in my opinion for February 1st but your project is an easier than it has been on others. Supervisor Kemper is correct we have been doing a lot of up front work on this for quite some time. But we can talk about all that on December 18th on what needs to be done, which ever direction you pick.

Supervisor Kemper: Is there anything that I need to do before then?

Jason Denno: It's just that we need to get our response back to DEC after December 18th and let them know where we are at. That is the next thing that we have to do in terms of retaining these funds and making our argument. If we are going to utilize them for construction or if we are going to place those funds into an overall larger project, we need to get a response out.

Rob Streeter: I can't see any problem with what we are talking about. I can't envision my boss having any disagreements either. I don't see a problem.

Supervisor Kemper: Rob, thank you for all the help you've been for us. Working with us and understanding that we **have** made a lot of progress, we're just not at the very end yet. But we have come a long way.

Rob Streeter: You guys did a lot of work on this and you made a lot of progress. I think the key thing is that things have changed at EFC and now you are reachable for some money. So, we are moving forward.

The Phone Conversation has ended at 11:10 a.m.

Discussion

Supervisor Kemper: It is pretty much the direction that we were looking at before but now it is reachable for the first time since we started this project. We are eligible and I don't think realistically we are ever going to be able to, in the very near future be able to get any Grants because of the Regional Counsel issue. Up North they are getting the

money because they are in the Adirondack Region. Jim (Supervisor Elect) do you need me to put anything together for you?

Jim Groff: Nope

Supervisor Kemper: We put a lot of work into that.

Councilman Gritsavage: That's good news that we can move ahead with that. I feel good about the \$113,000.

Ken Cramer: We just don't want to lose that even if we decide to do just the McKinley extension.

Supervisor Kemper: That's ready and it's a mess down there. I don't think that we would lose it because we've done the extensions and as long as we show that we have made progress. We need to get it done.

Ken Cramer: I suggested using the \$113,000 to do McKinley extension instead of losing the money and I remember it being re-priced this past summer at \$130,000 for that project.

Supervisor Kemper: that was because I applied for another two more Grants. That is why we needed the more recent numbers plus to be listed on the annual listing for the IUP.

The discussion ended at 11:13 a.m.

Respectfully submitted,

Elaine Mihalik
Town Clerk