

RESOLUTION – ANNUAL REPORT – 2012

At a meeting of the Rensselaer County Water and Sewer Authority, held at 1600 Seventh Avenue, Troy, New York, on the 20th day of March, 2013, at 4:00 p.m. local time, the following Members of the Authority were:

	PRESENT:	ABSENT:
Robert Pasinella, Jr.	_____	_____x_____
G. Jeffrey Haber	_____	_____x_____
Kenneth M. Harting	x_____	_____
Edward J. Patanian	x (via phone)_____	_____
John Mooney	x_____	_____

ALSO PRESENT:

John J. Bonesteel, Chief Executive Officer
John Fetscher, Secretary
Robert Hotz, Chief Financial Officer
Philip H. Dixon, Authority Counsel
Henry V. LaBarba, P.E., Authority Consulting Engineer

After the meeting had been duly called to order, the following Resolution was offered by Mr. Mooney, and seconded by Mr. Patanian, to wit:

WHEREAS, the Chief Financial Officer of the Rensselaer County Water and Sewer Authority has prepared a 2012 Annual Report that summarizes the activities of the Authority, which has been reviewed by the Authority.

NOW, THEREFORE, it is hereby

RESOLVED, that the Rensselaer County Water and Sewer Authority hereby adopts the 2012 Annual Report in the form annexed hereto.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Robert Pasinella, Jr.	voting	_____
G. Jeffrey Haber	voting	_____
Kenneth M. Harting	voting	_____
Edward J. Patanian	voting	_____
John Mooney	voting	_____

The foregoing Resolution was thereupon declared duly adopted.

Rensselaer County Water and Sewer Authority
2012 Annual Report

March 2013

Robert Pasinella, Jr., Chairman
G. Jeffrey Haber, Vice Chairman
Kenneth M. Harting, Treasurer
John Mooney
Edward J. Patanian

John J. Bonesteel, Chief Executive Officer
Robert Hotz, Chief Financial Officer
John Fetscher, Secretary
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Overview

On June 26, 2008, the Rensselaer County Water and Sewer Authority (RCWSA) closed on an \$8,005,000 Water Service Bond Issue and a \$6,555,000 Sewer Service Bond Issue to fund sewer projects in the Town of East Greenbush and water projects in the Joint Water District, consisting of East Greenbush and the City of Rensselaer. By the end of 2011, a total of \$7,462,169 was disbursed on water projects and \$3,027,414 on sewer projects. During 2012, an additional \$50,325 was spent on water facilities and \$492,001 on sewer projects. Debt service reserves of \$497,765 and \$408,502 are maintained for water and sewer bonds, respectively. Of the amounts available for construction costs, all of water service bond funds have been spent, while approximately \$2.7 million of the sewer service bond funds remain as of the end of 2012.

A proposed sewer diversion line from the Town of East Greenbush's sewage treatment plant to a main of Rensselaer County Sewer District No. 1 was placed on a back burner by the Town in 2012 in favor of expansion of the existing Town plant. This shift in direction by the Town was in response to increased County Sewer District treatment rates and the availability of subsidized financing through the New York State Environmental Facilities Corporation's (EFC) Clean Water Revolving Fund, which made expanding the existing Plant more cost-effective than sending waste to the County Sewer District for the immediate future. The diversion line option will still be available to handle future expansion and system consolidation in an around the Town of East Greenbush or if the financing through EFC fails to materialize.

In 2013, the Town will continue to improve its wastewater collection and treatment system, focusing on infiltration and inflow reduction and pump station upgrades, utilizing the remaining Sewer Bond funds through the RCWSA. The Town is also pursuing refinancing the sewer debt through the EFC. If this occurs, the role of the RCWSA with regard to the 2008 bond issues will be reduced primarily to collection of Water Bond Service fees from the Town of East Greenbush and transfer of those funds to the Bond Trustee for payment of debt service to the bondholders.

Summary

In 2012 RCWSA completed its work on the water facilities serving the Town of East Greenbush and the City of Rensselaer and continued its efforts with the Town of East Greenbush to address the Town's Consent Order with the NYS Department of Environmental Conservation regarding the Town's sewage system.

On the sewer facility side, the focus continued to be increasing capacity of the Town's waste water treatment system. In the area of infiltration and inflow mitigation, the RCWSA and Town completed a number of sanitary sewer rehabilitation projects where severe pipe deterioration was found and have instituted other inflow and infiltration initiatives, such as the residential sump pump program to reduce discharges of ground water into the waste stream. Sewer line rehabilitation projects will continue to be undertaken to address the compliance schedule in the Town's NYSDEC consent order, along with the replacement of aged and worn sewage pumping stations.

The Authority also owns the Pheasant Run sewer system, a fifteen unit system in the Town of Schodack. The Authority collects \$600.00 per year per unit for its maintenance expenses. The Authority will continue to pursue a more permanent operation and financing arrangement for this small system.

The Authority is also working with the Town of North Greenbush to finalize agreements for maintenance of the sewer line that the Authority own along Valley View Road and the collection of hook -up fees.

The Authority and the Bond Trustee, Wells Fargo, continued to invest idle bond proceeds in government-backed money market funds due to the volatility in the financial markets. Bond principal payments totaling of \$155,000 (\$85,000 for Water Bonds and \$70,000 for Sewer Bonds) were made on September 1, 2012. Interest payments to bondholders on Water and Sewer Service Bonds totaled \$405,882 and \$332,378, respectively, for the year.

Rensselaer County Water and Sewer Authority **Mission Statement**

It is the mission of the Rensselaer County Water and Sewer Authority to foster public health and well-being and to promote economic development through the financing, management and operation of public water and sewer utilities for Rensselaer County and its local governments. In doing so, the Authority shall strive to provide such services in a cost-efficient manner.

Authority Measurement Report in Accordance with Section 2824 – a of the PAL

With the completion of the water system improvement projects listed in the Official Statement and expenditure of the Water Bond proceeds, the focus of the Authority turned to improvements to the waste water collection and treatment system in the Town of East Greenbush. The infiltration and inflow initiatives achieved during 2012 resulted in a 46,000 gallon per day reduction in the waste stream, allowing the addition of 30 new homes under the terms of the Department of Environmental Conservation consent order for the Town of East Greenbush.

Accomplishments/Operations

The following is a chronological account of the RCWSA's accomplishments and operations during calendar 2012.

January, February - Water System Projects - Final work on the motor drive replacement project at the Cross Street Pump Station, including control drive monitoring, is near completion.

Wastewater Projects - The Massachusetts Avenue Sump_Pump Elimination Project and the Sherwood Park Sewer Rehabilitation project plans and contract manual are completed and go out to bid.

March, April – Water System Projects – Final payments and release of retainage are made on the Cross Street Pump Station Project.

Wastewater Projects - The bids for the Massachusetts Avenue Sump_Pump Elimination Project ranged from \$45,800 to \$29,700. The low bidder was Provincial Construction Services. The bids for the Sherwood Park slip-lining project ranged from \$303,750 to \$201,280. The low bidder was Reynolds Inliner LLC. Work is nearly complete at the Corliss Pump Station, where new controls are being installed.

May, June – Wastewater Projects – CDM has completed the final plans for the sewer interconnection and submitted plans for review to Amtrak for its review and approval of crossings. The Infiltration and Inflow Reduction program has become crucial to the Town in order to allow DEC to consider lifting a sewer connection moratorium. Each project goal is to generate sewer capacity which will allow future connections. The combination of sewer lining and sump pump removal will result in the greatest reduction in extraneous flows. Therefore, in a project area, both tasks will be conducted either simultaneously or in sequence. The Sherwood Park Sewer Rehabilitation Project commenced on June 11, 2012. A contract has been signed by the Authority and Reynolds Inliner LLC. The first step will be cleaning and TV inspection of the sewers, followed by the lining process. The Sherwood Park Sump Pump Elimination Project is the second I/I project to be undertaken by the Town and Authority to reduce I/I into the sanitary sewers. Future I/I reduction projects have been mandated by DEC in order for the Town to obtain relief by reducing flows to the treatment plant before any long term capacity increase is available (the bypass or an upgraded treatment plant). The Town has been measuring flow in the system and at the pump station to determine a base line for initial flow before slip lining and sump pump elimination is undertaken. Therefore, the Authority authorized the purchase of an additional meter (two existing meters are obsolete yet still work), a new sensor to replace a failed unit, and new software through Hach and the supplier's representative, Total Control Systems. Work at the Corliss Pump Station was contracted to General Controls and is nearly complete, with new controls installed and an operators monitoring station set up at the treatment plant.

July, August - Wastewater Projects – The Massachusetts Avenue Sump Pump Elimination Project is substantially complete. The Sherwood Park Sump Pump Elimination Project is the second project to be undertaken by the Town and Authority to reduce I/I into the sanitary sewers. The Town DPW and planning office is assisting in the collection of information to better identify homes, catch basins, and sewers that are the most problematic. The first project included eight streets and about 5,000 feet of pipe. The Town is now proposing, due to the expediency and need for moratorium relief, that this contract be expanded to allow Reynolds Inliner to line more sewers in the Sherwood Park area.

The Authority has a contract for \$201,280 (including a \$40,000 allowance) to line about 5,000 feet of sewer. This work will commence on August 8, 2012. The Town has identified seven more streets containing about 3,810 feet of sewer it desires to line to substantially complete work in Sherwood Park. The next priority area is in Clinton Heights. In order to determine the effectiveness of sewer lining and sump pump removal projects the Town has to demonstrate to DEC a measure of the extraneous flow reduction within the East Greenbush Sanitary Sewer System. The Town has several meters and has taken steps to secure data for Sherwood Park. However, other data is needed in the Hampton Manor neighborhood and on Route 4 where the next sewer lining and pump station projects are planned. The Hideaway Station on Route 4 near the Genet School and along Mill Creek has to be replaced and accurate incoming flow data is required to size the station. The Town's limited equipment cannot be relied upon for this

important work. It is recommended that an outside company specializing in flow monitoring be retained. Data Delivery Services (a sub unit of Hach Equipment, the provider of flow meters) and Total Control Systems are the recommended providers. Work is nearly complete at the Corliss station. The Town has changed contractors and is using Electrical Instrumentation and Controls, Inc (EIC) to complete previous uncompleted work and additional work required by DEC to minimize overflows at the station. One final additional improvement involves replacement of three “pinch” valves that control the feeding and draining of sewage to the 1 million gallon storage tank. The Town recommends that the Authority approve replacement of these three valves, by authorizing work to be performed by JP Industrial Services. The estimated cost of this work is \$7,667.00

September, October - Wastewater Projects –A project plan and scope of work for the Sherwood Park Sump Pump Elimination Project will be forthcoming with the work to start late fall.

Sewer lining for the Sherwood Park Sewer Rehabilitation Project commenced on August 14th and is planned for completion September 12, 2012 some additional sewer runs were added to the work for a total project consisting of about 9,300 feet. The first payment request (\$200,041.50) has been received and is recommended for payment. The new total project sum is \$289,994.00. In this amount there are two credits: 1) the contract allowance and 2) work involving grouting of laterals of which most were found to be sealed by the lining process, thus a deduction was granted.

East Greenbush Sanitary Sewer System sewage baseline flow monitoring has been installed. The Town now has several meters and has taken steps to secure data for Sherwood Park. However, other data is needed in the Hampton Manor neighborhood and on Route 4 where the next sewer lining and pump station projects are planned.

November, December - Wastewater Projects – The Town is studying what capacity exists at its Wastewater Treatment Plant and what the cost of upgrade will be, since subsidized financing for an expansion is available through the NYS Environmental Facilities Corporation, which could be less expensive to the taxpayers of East Greenbush than completing the sewer interceptor line with the Rensselaer County Sewer District No. 1. Nonetheless, the sewer connection with the County could be viable and available if the Town finds it needs additional capacity for future growth or if EFC financing fails to materialize. Final plans for the Sherwood Park Sump Pump Elimination Project are being prepared, with work commencing late 2012 and early in 2013.

The Sherwood Park Sewer Rehabilitation project is complete. The results were highly successful and allowed the Town some additional sewer connections from DEC. The Clinton Heights Sewer Rehabilitation Project plans are being finalized to go out to bid for a second phase of sewer lining. This project will consist of about 7,900 feet on nine roads off Sherwood Ave. The Authority approved putting this project out for bid, with the bid to be awarded in January 2013.

Board Members

Robert Pasinella, Jr., Chairman - Mr. Pasinella is the Director of the Rensselaer County Office of Economic Development and Planning, as well as the Executive Director of the Rensselaer County Industrial Development Agency.

G. Jeffrey Haber. Vice Chairman - Mr. Haber is the former Executive Director of the New York State Association of Towns and is the former Supervisor of the Town of Schodack.

Kenneth M. Harting, Treasurer – Mr. Harting is the former supervisor of the Town of East Greenbush’s water system for the Department of Public Works and is the operator of a number of small private water systems in Rensselaer County.

John Mooney – Mr. Mooney is a licensed real estate broker with Realty USA and the President of the Rensselaer City School District Board of Education.

Edward J. Patanian – Mr. Patanian is a builder/developer in Sand Lake, the owner/broker of Patanian Realty and EJP, Inc., a former CDRPC Commissioner and SLBA President, and is active on many other government committees.