

RESOLUTION – ANNUAL REPORT – 2013

At a meeting of the Rensselaer County Water and Sewer Authority, held at 1600 Seventh Avenue, Troy, New York, on the 15th day of January, 2014, at 4:00 p.m. local time, the following Members of the Authority were:

	PRESENT:	ABSENT:
Robert Pasinella, Jr.	<hr/>	<hr/> X
Kenneth M. Harting	<hr/> X	<hr/>
Edward J. Patanian	<hr/> X (via phone)	<hr/>
John Mooney	<hr/> X	<hr/>
John Fetscher	<hr/> X	<hr/>

ALSO PRESENT:

James W. White, 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. Patanian, and seconded by Mr. Harting, to wit:

WHEREAS, the Chief Financial Officer of the Rensselaer County Water and Sewer Authority has prepared a 2013 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 2013 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	<hr/> Absent
Kenneth M. Harting	voting	<hr/> Yes
Edward J. Patanian	voting	<hr/> Yes
John Mooney	voting	<hr/> Yes
John Fetscher	voting	<hr/> Yes

The foregoing Resolution was thereupon declared duly adopted.

Rensselaer County Water and Sewer Authority
2013 Annual Report

January 2014

Robert Pasinella, Jr., Chairman
Edward J. Patanian
Kenneth M. Harting, Treasurer
John Mooney
John Fetscher

John J. Bonesteel, Chief Executive Officer
Robert Hotz, Chief Financial Officer
James W. White, Secretary
Philip H. Dixon, Authority Counsel
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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 2012, all but \$130 of project funds were disbursed on water projects and \$3,119,492 was disbursed on sewer projects. During 2013, an additional \$602,566 was disbursed on sewer projects. Debt service reserves of \$497,810 and \$408,539 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 \$2.1 million of the sewer service bond funds remain as of the end of 2013.

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. A total of \$13.7 million was received by the Town for this purpose in September of 2013. The diversion line option will still be available to handle future expansion and system consolidation in an around the Town of East Greenbush.

In 2014, 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 pursuing refinancing the sewer and water debt through the EFC. If this occurs, the role of the RCWSA with regard to the 2008 bond issues will be concluded.

Summary

The Rensselaer County Water and Sewer Authority completed its work on the water facilities serving the Town of East Greenbush and the City of Rensselaer in 2012 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 during this last fiscal year.

The Authority's and the Town's 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. The Authority and the Town expanded replacements and improvements to the Town's aged and worn sewage pumping stations. These initiatives will utilize the bulk of the remaining \$2.1 million unspent Sewer Bond proceeds.

The Authority also owns the Pheasant Run sewer system, a fifteen unit system in the Town of Schodack. The Authority collects \$700.00 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 owns 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, 2013. Interest payments to bondholders on Water and Sewer Service Bonds totaled \$402,695.00 and \$329,752.50, 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 as detailed below.

Accomplishments/Operations

The following is a chronological account of the RCWSA's sewer project accomplishments and operations during calendar 2013.

January, February -

Throughout the Town, five areas or neighborhoods have been identified as likely candidates for sewer rehabilitation. A way to reduce inflow and infiltration is to

rehabilitate the sewers and thereby eliminate leaking joints and broken sewers. An effective method, both economically and practically, involves installing an interior liner that has no joints from manhole to manhole. A cured fiberglass lining method has been shown to be the best currently available technology.

To date, one sewer lining project has been completed in the Sherwood Park Area. Within this area about 11,000 feet of sewer was lined. As a result it allowed the Town to obtain some relief from a NYSDEC moratorium on new sewer connections.

DEC has allowed 20 new home connections as a result of the potential I/I reduction.

1. Sherwood Park Sewer Rehabilitation. This project is complete. The results were highly successful and allowed the Town some additional sewer connections from DEC.
2. East Greenbush Sanitary Sewer System sewage flow baseline monitoring. Flow monitoring has been installed. A meter is installed on Sherwood Ave (Clinton Heights) and one along Rt. 4. The data will be used to demonstrate reduced infiltration and inflow.
3. Clinton Heights Sewer Rehabilitation. Bids have been received for this project on December 19, 2012. Seventeen plans sets were requested by potential bidders and five (5) bids were submitted, with Insituform Technologies of Chesterfield, MA the low bidder at \$239,850. The project consists of about 8,000 feet of sewer lining.
4. Corliss Pump Station. Work is 99% complete at the Corliss station, except for new separation valve, which was found to be defective, and needs replacement. All of the remote instrumentation is in place allowing its operation to be monitored and controlled.

March, April – The current sewer lining project is almost complete in the Clinton Heights area. About 9,700 feet will have been lined and additional I/I reduction allowance credit will be available. The next neighborhood sewer lining project is planned for Hampton Manor. This area contains over 13,000 feet of sewers built in the 1940 – 1960's. Two final neighborhoods are planned: Prospect Heights and Albany Country Estates.

May, June – Sherwood Park Sewer Rehabilitation. Layne Inliner performed this project for a total contract price of \$285,030.00.

July, August –

1. Sump Pump Elimination Project. Contract work was publicly bid and four bids were received with A Septic Service submitting the low bid at \$61,500.00. Work has commenced and 13 of 18 original sites have been connected. While working on Town streets, neighbors have come out and notified us of their illegal connections and hence we added the work. In addition to the three (3) added sites on August 7th, now five (5) additional sites will be included.

2. Barracks Road and Commons Drive Pump Stations. According to the Town DEC consent order, and to prevent overflows due to power outages, each of these two sites need new emergency back-up generators installed on site. During the last month we have obtained quotes for needed and required equipment for both sites. Capital Power submitted the lowest bids of \$32,000 for Barracks Road and \$33,500 for Commons Drive. In addition to the above costs, there will be a cost for a new fence at the Commons site to prevent access and possible theft of the generator. Additionally, there will be a need for an above ground propane tank installation at the Barracks Road site. The estimated cost for the tank, pad and installation is about \$1,500.

September, October –

1. Hidaway Pump Station - Bids were open on September 26, 2013. The low bidder was J Keller and Sons at \$95,935.00.
2. Barracks Road and Commons Drive Pump Stations. The Barracks Road generator will arrive for installation on October 17, 2013. A new transfer switch was installed, as well as a propane tank. The Commons Drive station is complete and natural gas service was installed. Capital Power has completed its work. The unit is operating and Town staff have been trained on its operation.

November, December -

1. Sewer Lining - Several sections of the Town remain to be specified for sewer lining. At this time, work has commenced on the scope of work for the Prospect Park section of the Town. This is one of the oldest neighborhoods and the condition of sanitary sewers is poor. The work should be bid early in 2014. Work will consist of cleaning, TV inspection, and identification of sewer sections requiring lining and repairs by lining.
2. Sump Pump Elimination Project - The next area being prepared for bidding and work is the Clinton Heights area. During the course of construction the Town of East Greenbush staff installed more than 300 feet of new storm sewers to accommodate new sump pump connections where no Town sewers existed. The Town labored at its own expense. The cost of materials for storm sewer pipe was \$1,471.00 to be paid by the Authority.
3. Barracks Road and Commons Drive Pump Stations - Both of these projects, which involved the installation of new emergency backup electric generators fed by gas, are complete. DEC has been notified of the work as it was identified in the consent order between the Town and DEC.

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.

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.

John Fetscher – Mr. Fetscher is the former Secretary of the Water and Sewer Authority and a retired staff member of the Rensselaer County Office of Economic Development and Planning.