

RESOLUTION – ANNUAL REPORT – 2016

At a meeting of the Rensselaer County Water and Sewer Authority, held at 1600 Seventh Avenue, Troy, New York, on the 2nd day of February, 2017, at 11:00 a.m. local time, the following Members of the Authority were:

	PRESENT:	ABSENT:
Robert Pasinella, Jr.		X
Kenneth M. Harting	X	
John Mooney	X	
John Fetscher	X	

ALSO PRESENT:

John J. Bonesteel, Chief Executive Officer
Jay H. Sherman, 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. Fetscher, and seconded by Mr. Mooney, to wit:

WHEREAS, the Chief Financial Officer of the Rensselaer County Water and Sewer Authority has prepared a 2016 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 2016 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	Absent
Kenneth M. Harting	voting	Yes
John Mooney	voting	Yes
John Fetscher	voting	Yes

The foregoing Resolution was thereupon declared duly adopted.

Rensselaer County Water and Sewer Authority
2016 Annual Report

February 2017

Robert Pasinella, Jr., Chairman
Kenneth M. Harting, Treasurer
John Mooney
John Fetscher, Vice Chairman

John J. Bonesteel, Chief Executive Officer
Robert Hotz, Chief Financial Officer
Jay H. Sherman, 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 2015, virtually all of the water project funds were disbursed and only \$356,548 remained to be encumbered for sewer projects. In March of 2015, the City of Rensselaer refinanced \$3,495,000, the City's share of the Water Service Bond Issue, using bond proceeds from the New York State Environmental Facilities Corporation (EFC). Debt service reserves of \$266,223 and \$409,497 are maintained for the remaining water and sewer bonds, respectively.

In 2017, the Town will finalize the improvements to East Greenbush's wastewater collection and treatment system, focusing on infiltration and inflow reduction and pump station upgrades, utilizing the remaining Sewer Bond funds through the RCWSA. It is anticipated that the remaining Sewer Bond proceeds of less than \$200,000 will be spent or committed by the end of 2017.

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 DEC 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 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 \$800.00 per year per unit for its maintenance expenses. Due to the age of the system, there were a significant number of pump replacements and electrical system repairs performed in 2015 and 2016. This work depleted the existing reserves for Pheasant Run to \$16,500. The Pheasant Run account does not receive any County, Town or State direct support and is totally funded by the 15 serviced homes. 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 \$135,000 (\$55,000 for Water Bonds and \$80,000 for Sewer Bonds) were made on September 1, 2016. Interest payments to bondholders on Water and Sewer Service Bonds totaled \$211,376 and \$320,946, respectively, for the year.

Accomplishments/Operations

The following is an account of the RCWSA's sewer project accomplishments and operations during calendar 2016.

INFILTRATION AND INFLOW REDUCTION PROJECTS

Sewer Lining

In 2015, the Authority reviewed the video inspection reports for over 17,000 feet of sewer in the Town of East Greenbush performed by Arold Construction. It was found that about 8,000 feet were in need of lining. In 2016, the Authority completed a \$265,928 contract with Kenyon Pipeline Inspection, LLC to line 7,900 feet of leaking sanitary sewer in Albany Country Estates. In addition to lining, the project included removal of protruding laterals and several point repairs.

PUMP STATION PROJECTS

Hampton Manor

Plans are being finalized for the Hampton Manor pump station rehabilitation project. Work will include new pumps, control panels and miscellaneous equipment. Pumps had been on backorder, delaying this project.

3rd Avenue Pump Station

Plans are being finalized for the 3rd Ave pump station rehabilitation project which will include new pumps and valves and miscellaneous equipment. Additional work may be needed to accommodate development in the area. Pumps have been installed, but the new control panels need installation to complete this project.

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 and assisting the Town in refinancing their existing debt with the Authority.

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.

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.

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