

SPECIAL BOARD MEETING – OCTOBER 2, 2012

SEWER PROJECT

The Special Board meeting of the Town Board of St. Armand was held on the above date at the Town Hall, Bloomingdale, NY.

PRESENT: Deputy Supervisor Samuel A. Grimone, Councilmen Donald Amell, Earl J. Dakin, Jr., Charles Whitson, Jr. Town Clerk Davina Thurston. Stan Ingison Sewer Superintend, Todd Hodgson, Engineer for AES.

ABSENT: Supervisor Joyce W. Morency

GUEST: Sandy Hayes, Chris Knight, Cindy Woodson

Notice was sent to the Adirondack Daily Enterprise regarding this meeting.

Deputy Supervisor Grimone called the Special Board meeting to order at 6:30 p.m.

All rose and said the Pledge of Allegiance.

RESOLUTION #82 – CORPORATE AUTHORIZATION

Councilman Whitson, who moved its adoption, offered the following resolution.

WHEREAS A Resolution of the St. Armand Town Board accept Tax Collector, Nancy M. Heath’s signature for the corporate authorization at Community Bank.

This resolution was duly seconded by Councilman Dakin, and adopted as follows:

Supervisor Joyce W. Morency	ABSENT
Deputy Supervisor Samuel A. Grimone	AYE
Councilman Donald Amell	AYE
Councilman Earl J. Dakin, Jr.	AYE
Councilman Charles Whitson, Jr.	AYE

Dated October 2, 2012

Davina M. Thurston
St. Armand Town Clerk

SEWER GRANT

Deputy Supervisor Grimone asked Todd Hodgson of AES to explain what he had learned about the Sewer Grant Project.

Hodgson stated that EFC called with an offer of funding of Two million dollars. That is what we are discussing here tonight. They need an immediate action on the acknowledgement, which has already been taken care of. That has dates of November 19, 2012 for completion of SEEKER and SHIPPO and the date of February 1st for a submission of a completed financial application for EFC. That actually includes item number four on their list; number three is not applicable because it does not require a district formation for the present order. The fourth one is the adoption of a bond resolution establishing equal authority to issue that debt and that is the February 1, 2013. Those are the dates of significance at present. Other project milestone dates that are listed on that form are quite a ways out. We started with one date in anticipation of how EFC might function on those, but realized that we could push those dates out. Currently construction completion is March 30, 2016.

Deputy Supervisor Grimone stated that we have to make it clear that our group, AES and the Essex County group convinced me, and Jason feels comfortable that these are doable.

Hodgson stated that they are doable, there are a couple of difficulties, and one is the bond resolution. Period. No matter what the date is. The town should be appreciative that the state has handed out two million dollars that is a fantastic thing. It starts things going. The problem is it is not a completed funding application. In my mind as I look at these dates, there needs to be some activity in pursuing additional funds by that February 1, 2013 date. Otherwise it becomes very difficult to come up with a bond resolution with a user rate associated with the debt that is incurred that is really affordable. You're partway there. I don't think that you should say no to this funding, because the state is providing that assistance. That is what I hope to seek in this meeting, to get some direction of what funding avenues that we would pursue here and how we would approach things, so that we have an answer in February.

Deputy Supervisor Grimone stated that he is not sure that any of us can give an answer to that, but he would get on the phone with Mike (Mike Mascarenas from Essex County Office of Community Resources) tomorrow and get some specifics and we will make sure it is shared with everybody.

Hodgeson stated that he has some ideas also. They do involve at least doing some research and additional planning. One project savings is that we would not be running three-phase power out to that site. We could generate some power by using solar power. There are some private installation or lease systems that may be advantageous for the town to take advantage of by using solar power.

Deputy Supervisor Grimone states that these are companies that essentially what they do – they go to not-for-profits...

Hodgeson agreed, and stated that there is a couple of reasons why they work, not to get into all the details of it, but thinks that in part they are cost effective because they are developed privately, and thinks that is where the town gets the biggest savings right there. Unfortunately some of these private companies will make money at what they do. It could be a win win situation and that is what we want evaluated. That could be one avenue that we pursue.

Deputy Supervisor Grimone stated that he highly doubted that an operation that small would be in a position where we would make a great deal of money even if we did it all on our own cell backs would we?

Hodgson stated not generally – the plant that we did in Essex, for instance, their utility bill last month for treatment was seventy-two cents. So it definitely does pay for itself.

Councilman Whitson stated that it was the same basis of the two garages that he looked at, that have solar power on them. Both of them do not pay any electrical fees all year long. It is phenomenal. Then again, the panels they say are good for ten years.

Hodgson agreed and stated that is what we would be looking at. He does not like to do any more than ten years; they say that there are panels out there that will run for twenty, which he does not believe that they have been around for twenty years.

Deputy Supervisor Grimone stated that would this would do is give us cheap power and eliminate the need for running three-phase power at the site. We all agree with things like that but right now one of the things we have to do is get an engineering firm contracted.

Hodgson agreed and stated that he did come with a package here because the town is in a little bit of a predicament because you can't pay for full engineering services. Because you would have to issue a 202B hearing which would be very expensive. We do a large amount of work for the county, we bid that out. What he did for the town, those are decreased rates, because of the type of contract that he handles, because St. Armand is in the county we dropped those rates down to the bid rates that were bid at that time. Basically we do the work, as a term contract. So the board would issue a resolution where would we spend a certain amount of money and get this far. And we would go no further. All you would have to do is issue a resolution against that and then we could

operate within those resolutions. That is probably the most cost effective way that we could do to get to the February deadline. We would be making progress on the design aspect that would allow us to pursue additional funding. That is the problem right now, is much of the correspondence with the DEC is they want to know a lot of these details. Although there is a report issued on it, the scope needs to get more refined for somebody to take it seriously to look at other funding avenues. There are things like Smart Growth and other project aspects that will need to be known before another funding agency will take a careful examination of it. The other thing is an income survey was done a while back, because the rate currently is within range of where Rural Development (RD) may step in and help with the funding. These are things that we would like to pursue and talk about how much of this we want to do and move forward with those applications.

Councilman Don Amell had an emergency and had to leave the meeting.

Deputy Supervisor Grimone stated that he wanted to get Jason (Jason Denno from Albany) on the phone and pick up where we left off. He asked how did we get these three figures. The Phase One was just barely, initially, over five million. Then he saw where, from the state, it was 5.849 million. Now the figure from the state is 4.364 million. Is this because they don't really know yet what the scope is?

Hodgeson stated that there is a reason for the confusion on the scope. This document is clear. What happened after this document is EFC actually called Essex County Planning because at the time that is who filed the application with EFC. EFC called Essex County Planning and stated that that project is too much. It is unaffordable for the community, which it is. They stated that we need to develop a project that is affordable, so Victor (Victor Putnam, retired – from Essex County) called me up and stated that we needed to do a project that is affordable and this is everything that is wrong.... But the input that was needed on this was from the state because we were actually covered more than what the order of consent was for. And there are people who are outside of the district, we would like to serve them, but it was not affordable to do so. So EFC requested that all that be stripped out and everything that would be necessary to add them on, so we did. We stripped all that out and that is where the 4.3 million came from. Some of the other numbers that you mentioned, he is not sure where they came from. Some it happens to be the difference from when EFC plugs those numbers into their application they have issuance, which would cause the numbers to change.

Deputy Supervisor Grimone called Jason Denno from Albany.

Jason congratulated the town on behalf of Governor Cumo for receiving the two million dollar grant from the state for the sewer project and mentioned several points that need to be addressed:

1. Commitment to meet Albany's requirements, EFC and DEC requirements.
2. Jason stated that he is here to work with us to make this project successful.
3. Specific dates that we must meet outlined in the letter from 9-12-12. The commitment to proceed has been received as submitted on 9-24-12.
4. The next step is completion of the environmental review and the SEEKER and SHIPPO for the project, which will be due on November 19, 2012.
5. The number one issue that is outstanding right now is the contract between the town and AES engineering. That needs to be in place and signed as quickly as possible. The NWBE language must be present in this contract. (Women and minority workers)
6. The next step is to amend the approved engineering report, so that DEC and APA, EFC and Parks and Rec Office can review and approve the report.
7. Historic and Environmental concerns must be reviewed and met.
8. The report must clearly state and provide a project scope and details of the project with schedules that must be met.
9. Follow up with DEC concerning the administrative order.
10. SHIPPO and SEEKER must be signed off. This should be fairly easy to do since this is a type 2 action. There should be no issues with meeting the 11-19 date, as long as we have the contract with AES.
11. Must get the contract out to the agencies involved as quickly as possible, hopefully by next week.

12. Within the amended report we also need an Energy Analysis completed. Requirement for EPA for review and acceptance. Conducted by the engineer and part of the engineering report.
13. Smart Growth form must be completed as far as the initial application, due on February 1, 2013.

Deputy Supervisor Grimone stated that he is confident that with Jason's organization and AES, his gut says this may not be easy, but it can be done.

Jason stated that he wants to assure the board that he will be here. It is his job to assist the community throughout the entire process. He will work with our engineers and other agencies to make this a successful project. This is an once-in-a-lifetime opportunity for our community. DEC is putting pressure to complete this project and there is no better time to work on this project. The opportunity to receive this grant.

Hodgson stated that he is familiar with some of the requirements that Jason discussed from other projects. We will discuss the Smart Growth and other issues in the revised document. There are other funding opportunities that the town can take advantage of.

Jason added that as we go through the schedule that EFC has outlined for us we would be looking at having a SWFC program application to Albany by February 1st and by May 1st we would be looking at satisfying all requirements and outstanding requirements with short time financing, with a closing on short term by September 30, 2013. What is meant by short term financing – we have been determined to be a hardship community, placed on a category D list which makes us qualify for zero interest financing and with short term program the community has an opportunity to clearly pay for administrative cost and the full amount, IP amount, at zero percent. Draw as needed for three years, project listed as intended use plan. Project cost is currently at 4 million five hundred eighty nine thousand with zero percent financing for 30 years, and includes the two million in the form of grants. So we are looking at closing by September 30, 2013 as we start completing and meeting these deadlines it will be part of the application process. EFC will be initiating a conference call tomorrow at 10 am with people from the town. Jason listed the people who will be working with us:

Tonya Grazulis – Legal Attorney
Mary Ellen Lynch – Finance Representative
Carla Leuvner – NWBE unit
Bob Sammons - Project engineer

The project will be discussed at length during this phone conference.

Jason stated the town should be preparing a resolution for a type 2 action, administrative order. The town declares itself as lead agency, by resolution, and the town declares the project has no significant impact and the town declares it is a type 2 action due to the following.... Jason stated that he would send us a boilerplate resolution to help with the drafting of this. Jason stated that we need to be preparing bond council.

Deputy Supervisor Sam Grimone stated that Nathan Race was our local council.

Further discussion was made of wording of resolution for bond council and wording of contract with AES. A tentative date of closing was for November 19, 2013 for short term financing. Tonight the town should take the opportunity to sign the agreement with AES engineering.

Deputy Supervisor Sam Grimone stated that we intended to do that tonight and that is next on our agenda.

Jason stated that the amended engineering report needed to be sent to APA, DEC and SHIPPO office as soon as possible, so that they can review them within 30 days.

Jason signed off with further congratulations to the town.

Deputy Supervisor Sam Grimone and Hodgson discussed the upcoming phone conversation and agreed that Nathan Race should be included as well.

Hodgson discussed the agreement that would satisfy EFC requirements for having an engineer on board and would comply with having women and minority workers. Hodgson stated that the contract that he has drawn up would be used to prepare the scope for EFC. Now we have to be official to be able to amend the document, this contract allows up to do that.

Further discussion of the terms of the contract with AES Engineering.

Hodgson passed out a flyer that was used to get the attention of EFC for further funding and suggested something like this be used again to obtain Green Financing for the alternative energy for the project.

Hodgson and Grimone discussed the terms of the contract between AES Engineering and the Town of St. Armand and the need to establish a not to exceed figure so that the project can continue forward, using the county rate. The resolution should state an amount not to exceed a dollar amount, and each time a resolution can be passed so that the work can be pieced out, so that we know how much money is being spent on each phase of the project. Requirements of each order must be met. EFC requires energy efficiency so each of those terms must be met. Smart Growth application was discussed and how we can meet the demands for receiving that type of grant.

Hodgson stated that the last item that should be included in the resolution is what we want to pursue for funding. If the contract with AES is amended, then it opens the opportunity for this to be an RD funded job. For example, we can make it not to exceed two thousand dollars.

Further discussion regarding the need for on demand power for the project and load demand.

Deputy Supervisor Grimone and the other councilmen discussed a level of trust that the council has with AES Engineering. An amount of 2 thousand dollars for a cap was discussed with Hodgson for the resolution to sign the contract with AES. Further on, we can have a fixed fee contract with AES. For now, we can piece it out, and still meet EFC requirements.

Deputy Supervisor Grimone asked for a motion to sign the resolution, Councilman Earl J. Dakin made the motion and the motion was duly seconded by Councilman Charles Whitson and adopted as follows:

RESOLUTION #83 – AGREEMENT BETWEEN ST. ARMAND AND AES

Councilman Dakin, who moved its adoption, offered the following resolution.

WHEREAS A Resolution of the St. Armand Town Board authorizes Deputy Supervisor Samuel Grimone to sign the agreement between St. Armand Town Board and Architecture, Engineering and Land Surveying Northeast, PLLC (AES Northeast).

WHEREAS an agreement to provide an amended Engineering Report for Phase I of the Waste Water Treatment Plant improvements, not to exceed \$2,000.00.

This resolution was duly seconded by Councilman Whitson and adopted as follows:

Supervisor Joyce W. Morency	ABSENT
Deputy Supervisor Samuel A. Grimone	AYE
Councilman Donald Amell	ABSENT
Councilman Earl J. Dakin, Jr.	AYE
Councilman Charles Whitson, Jr.	AYE

Dated October 2, 2012

Davina M. Thurston
St. Armand Town Clerk

Further discussion continued of EFC requirements that need to be met. Diagrams were discussed that AES has created for the project, and what work is needed for the lagoons can continue to operate. Improvements that need to be made are the liners for the lagoons must be replaced to prevent water leaks that could be happening in the near future. The current liners are thinner than what is used now, and they have ice damage at this time. Diffusers have been replaced. Mixing is very important so that the arm can move so that less buildup occurs. The town is getting to an emergency condition with regard to the lagoons. Damage has been done and not repaired because of the cost.

Deputy Grimone asked Hodgson to begin working on the amended engineering report, which should get done by the 19th of October, 2012. SEEKER and SHIPPO requirements must be valid and not kicked back.

Avenues were discussed for further financing of the project regarding the RD financing.

END OF MEETING

Councilman Whitson made a motion, seconded by Councilman Dakin to adjourn the meeting at 7:45 p.m.

I, Davina Thurston, Town Clerk for the Town of St. Armand, do hereby certify that the above is a true and correct transcript of the Special Board meeting minutes held on the above referenced date.

Davina Thurston
St. Armand Town Clerk