

WATER COMMITTEE MINUTES

MAY 1, 2006 – 3:00 P.M.

Present: Vice-Chairman A. Johnson; Supervisors Connors, Daly, Sausville, Thompson, Wood, Keyrouze, Yepsen, Gutheil, and Barrett; David Wickerham, County Administrator; Wes Carr, Water Project Manager; Mark Rider, County Attorney; Jim Carminucci, Jack Lebowitz Lemery Greisler; John F. Nolan, Saratoga County Republican Chairman; Dave Bronnar, Saratoga Springs; Wilma Koss, Saratoga Lake Association; Ed Volpelak, CT Male; Dan Lowenstein, Malcolm Pirnie, Inc.; William McTygue, Saratoga Springs; Press.

Vice Chairman A. Johnson called the meeting to order and welcomed all in attendance.

On a motion made by Mr. Connors, seconded by Mr. Wood the minutes of the April 13, 2006 meeting were approved unanimously.

Mr. Volpelak requested a resolution authorizing the preparation of easement documents. As part of the work there are 147 permanent and 28 temporary easements needed for the water transmission main and the well water transmission main. The price for a permanent easement is \$560 and \$150 for temporary easements. A map was given to the County Attorney in November to give an idea of what the easements would look like.

A motion was made Ms. Daly, seconded by Mr. Wood to approve a resolution to authorize the preparation of easement documents for a cost not to exceed \$86,520. Unanimous.

Mr. Gutheil raised the question as to whether the county needs to go to the extent of permanent easements. He said in his town they have used exhibits based on the land profiles, eliminating the need for easements.

Ms. Daly said her concern would be for the Saratoga County residents, in that we do provide them with a document that fully states and outlines what it is that is needed and exactly where it lies.

Mr. Johnson said the water project is currently under the jurisdiction of the Water Committee. The financing proposal would be to turn the overseeing of the construction and operation of the project over to the County Water Authority. Currently, there are seven members. The financing of the project involves grants and loans, including a \$10 million grant from Congressman Sweeney, and a \$10 million grant from Senator Bruno. Since that time there has been another commitment from Senator Bruno with a New York State Pipeline for Jobs loan for \$10 million. This proposal would also include a loan from Saratoga County to the Water Authority for \$15 million.

With regard to revenue, the usage would be 3.65 million gallons per day, made up, in part, through municipalities, with discussions ongoing with non-municipalities for the remaining 1.3 million gallons per day.

The rate that was originally discussed was for \$1.95 per thousand gallons of water, the new rate would be \$2.05 per thousand gallons. The proposal would call for the Water Authority to bond approximately \$30 million. With that revenue source and loans the revenue would cover the entire debt service, allowing the project to be totally user paid. The contracts would be for a five-year duration as opposed to the original ten-year duration. There are built in rate increases factored into the rate over the five years of the contract. This proposal is based on the current users. The contracts for the users would go through the County Water Authority. The county would simply be an investor in the project with a \$15m loan, and the County Water Authority would oversee the project, he said. The \$15 million loan would be contingent upon the County Water Authority having contracts in place to ensure the adequate revenue. The \$15 million would be the last money into the project after the other loans are in place.

Mr. Wood asked how the \$30 million funded by bonds would be paid for? Mr. Johnson said the bonding would go through the County Water Authority. They can only bond if they have the revenues to pay the debt, he said.

Mr. Wickerham said the users of the Water Authority would be the only ones paying for the \$30 million debt.

Mr. Connors expressed his concerns with the lack of signed contracts in support of the water project.

Ms. Daly said that the concern in Clifton Park has to do with the fact that originally the discussions were at \$1.95. Now putting together the proposal and looking at \$2.05 is obviously a little different than what they had originally spoken about, she said. The difference really will amount to between \$10 - \$30 per year to the users in the Clifton Park Water Authority. Once people understand the entire finance package that is put together, they will understand that it is a small amount of money to pay for quality water.

Mr. Barrett said Clifton Park has had a water authority in place since the 1990's, consisting of a five-member board. Commitments in writing and by vote to the county have been made on a couple of different occasions. The main difference in either occasion, being the fact that they committed to buying more water per day, going from 1 million gallons at \$1.95 to 5 million at \$1.95. The Clifton Park Water Authority has supported the County Water Project continuously, because long term this is a great solution for Saratoga County and the Town of Clifton Park.

Mr. Barrett read aloud a letter from Mr. Gerstenberger, the Clifton Park Water Authority Chairman as follows:

I am extremely pleased to say that the Clifton Park Water Authority had a special meeting, wherein we reiterated our commitment to the creation of the countywide water plan. This is a clear reaffirmation of our desire and the desire of the residents of Clifton Park to be a full partner in this very important project. It is my hope that the Board of Supervisors will take to heart the sincerity in which we desire this community improvement initiative to move forward. This is truly an historic endeavor that will enhance the lives of our citizens. As you know, there are many aspects of this project, particularly in the early stages, which are still undecided and very unpredictable. It is for these reasons that the CPWA has stated its position that Clifton Park, the larger purchaser of water in the county, must have the tools in which to ensure the protection of the residents of Clifton Park.

Saratoga County is among one of the greatest communities in America due to a tradition of acting in unison to accomplish what has always been in the best interest of our constituents. The Board of Supervisors has always been mindful of reasonable conditions that must be met to enable individual town supervisors representing the eclectic communities to support important legislation. I am asking that this tradition continue today with regard to the CPWA.

In light of the fact that Clifton Park is assuming the largest risk by purchasing 60% of the county water, CPWA requests to have representation on the County Water Board. Mirroring the percentage of water purchased seems reasonable, especially during the early unpredictable years. It is, after all, the same principle that guides the Board of Supervisors, which operates on a weighted vote to ensure equal representation of the people. It is also, not without precedent, as with other regions in the nation facing representation on Water Authority Boards in accordance with their usage. This Board of Supervisors has moved heaven and earth to ensure that no supervisor will be in the unenviable position of facing an advalorem tax, in fact, by doing so the residents of Clifton Park face a possible increase in fees to \$2.05 per thousand gallons before the project even gets off the ground.

Now, Clifton Park asks that we be afforded the opportunity to demonstrate to our rate payers that we have not advocated our responsibility to protect them during, what will undoubtedly be challenging days ahead. As we are assuming the greatest risk, we ask that Clifton Park be entitled to 4 of the 7 inaugural members of the new County Water Authority for an additional period of 10 years. I employ you to hold the interest of Clifton Park in the same regard as you have held other towns. We support this reasonable request and let's move forward.

Mr. Johnson requested a resolution to authorize a \$15 million loan to the Saratoga County Water Authority.

A motion was made by Ms. Daly, seconded by Mr. Sausville to approve a resolution authorizing a \$15m loan to the Saratoga County Water Authority. Unanimous.

Mrs. Keyrouze said it is very subjective when it is stated that the water project will benefit the entire county regardless of whether they use the system or not.

Mr. Thompson said all municipalities would have the opportunity to partake in the water system if they so choose. He suggested that those towns that would not be able to afford the pipelines to the system apply for grants that would be available.

Mr. Johnson requested recommending to the Chairman of the Board of Supervisors that he appoint new members to the Saratoga County Water Authority.

A motion was made by Ms. Daly, seconded by Mr. Wood to recommend to the Chairman of the Board of Supervisors that he appoint new members to the Saratoga County Water Authority. Unanimous.

Mr. Lowenstein gave a brief update on the engineer's report as follows: He said that he has been in contact with Niagara Mohawk and they have given the information that is needed to complete the electrical component of the project. With regard to SEQR, comments have come in and the final preparation of the DEIS will be prepared now. He said they are awaiting comments from the Office of Parks and Recreation with regard to archeology studies.

On a motion made by Mr. Connors, seconded by Mr. Wood the meeting was adjourned.

Respectfully submitted,

Chris Sansom