

MINUTES BOOKTOWN OF COEYMANS
December 29, 2014 – Public Hearing – 6:00pm**

A Town Board Meeting was held Monday December 29, 2014, at 6:00pm at Town Hall, 18 Russell Avenue, Ravena, New York

PRESENT: Peter E. Masti, Councilman
Thomas E. Dolan, Councilman
George E. Langdon, IV, Councilman
Kenneth A. Burns, Sr., Councilman (arrived late)

ABSENT: Stephen D. Flach, Supervisor

ALSO PRESENT: Diane L. Millious, Town Clerk
Larry Conrad, Sewer Administrator

Supervisor Flach opened the Public Hearing and led the Pledge of Allegiance.

OPENING COMMENT

Deputy Supervisor Masti stated that there was a full Town Board present with the exception of Supervisor Flach.

**NOTICE
TOWN OF COEYMANS
TOWN BOARD
PUBLIC HEARING**

In compliance with Public Officer's Law, this will inform you that the Town Board of the Town of Coeymans has scheduled a Public Hearing for the purpose of hearing comments on the proposed Sewer Rates. The Public Hearing will be held at 6:00pm on December 29, 2014 at Coeymans Town Hall, 18 Russell Avenue, Ravena, New York.

**By Order of the Town Board
of the Town of Coeymans
Diane L. Millious
Town Clerk**

PUBLIC COMMENT

Deputy Supervisor Masti invited comment from the public at this time.

Ms. Donna Pasquini stated that there is no comparison from last year to this year to know what the difference in costs are and then asked if the rates were \$500.00 even last year.

Sewer Administrator Conrad stated that they were \$523.00.

Ms. Pasquini stated that she was trying to compare to see what went up and what went down.

Sewer Administrator Conrad stated that he can go through the budget and give her the basic changes but most have mainstreamed the same and the basic differences are in the BANS and Bonds. He added that they had to add H41 this year, which is part of the Consent Order that they signed with DEC and is currently a \$500,000.00 BAN and technically they are only obligated to pay just the interest of \$6,250.00 but along with that they have scheduled a \$15,000.00 payment toward the principal of that BAN as well because it would appear that if they don't come to further agreement with the Village they will be paying that BAN down rather than borrowing any more money.

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Ms. Pasquini asked when the Contract is up with the Village.

Sewer Administrator Conrad stated that they have two ten-year renewals but it is negotiated annually with the Village and it is what they did at the last meeting with them and they negotiated the actual rates that are paid, which was determined at this point to be basically undetermined until July of next year when they have a full 12 months reading of the meters. He continued by saying that until then the rates are promulgated on the fact that they are anticipating a minimum of the 70/30 split between the Town and Village and once the meters are read in July, it will be retroactive to January 1st of 2015 and that is what the basic crux of the meeting was with the Village on December 17th and they had to wait for those rates to be determined in order to come up with the rates to be established for the Public Hearing.

Ms. Pasquini asked if the meters are all in.

Sewer Administrator Conrad stated that the meters have been in and they have had some difficulties with the one at the point and it is why they don't have a full year right now because it has had some glitches and unfortunately they didn't get it up and running until June but didn't have a full months reading until July and by the time they get a full 12 months will be June 30th of 2015. He added that the other big change is the sewer debt that the District has and it was an enormous amount of money with all the "due tos" and "froms", basically interfund loans that were squared up after the Village contract was signed in 2010. He continued by saying that the District had some debt for some \$320,000.00 that was arranged through a BAN, which they have been trying to pay down before they accrue much more debt and this is the big ticket item in the District and until they get it paid off, there is going to be a problem. He went on by saying that they are also afraid that as the H41 project proceeds with the Consent Order, if the Village does not ante up and if they don't get it paid down; they will be paying double duty so they are trying to pay that down as fast as they can. He added that the debt goes back to 2003 with prior administrations and should have been paid off years ago when they were using money that the Village paid for their portion of their BANS and debts to do the operational costs of the plant.

Ms. Pasquini asked about the money that was let go in a contract with the Village when the Village got away without paying it.

Sewer Administrator Conrad stated that there is a piece of that in there.

Ms. Pasquini interjected that it is a big piece of it.

Sewer Administrator Conrad stated that there is a piece, not a real big piece and as he recalls it is in the neighborhood of approximately \$60,000.00.

Ms. Pasquini stated that she thought it was more than that.

Sewer Administrator Conrad stated that they paid \$355,000.00 of the operation and maintenance and basically what was left out when Mr. Youmans had the numbers put in the contract was the Capital costs.

Ms. Pasquini stated that she thought it was \$323,000.00.

Sewer Administrator Conrad stated that the debt was \$320,000.00 and the BAN was issued, which were inter-fund loans that B-Fund was loaning money when the Village didn't pay the contract so the B-Fund was loaning money and the Sewer District was advancing money to make payroll and keep things running. He added that when they negotiated the contract, it was well over \$600,000.00 and \$355,000.00 came immediately in a check and the \$320,000.00 came from the BAN debt, which was inherited debt to the District and he will be discussing one of the BANS that is being paid down and there is \$75,525.00 that was supposed to be paid back to the Sewer District, which reduced an H35 BAN and it wasn't part of the budgets in previous years and he was totally unaware of it until 2 weeks ago. He continued by saying that this is the first year that they are seeing a fund balance being forwarded and as he noted, it is only for 2014 because he didn't have numbers to work with as to what the District started off with in January of 2014 so based on the contract with the Village, the monies that were allocated and spent, the actual monies that the Village is still going to be outstanding to the Town as of January 1st is about \$10,600.00 that is due because of overruns of the abstracts minus their payments of about

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\$253,000.00. He went on by saying that they have never had the fund balance come through to reduce the rates of the Sewer District in previous years and they hope to have it all caught up with the new bookkeeping system and it will be an easier item to be determined. He added that they now have everything in place and accounted for, including interest rates and most of it is interest rates and the Bond Counsel had advised that they need to make higher payments than they have been making in the amount of \$10,000.00 and to be consistent with the language that was adopted when they passed the Bonds they have to be making \$15,000.00 payments. He went on by saying that basically the H35 has been upgraded to \$15,000.00 and H36 is a Bond with set rates based on 20 years, H37 is a Bond for another Town only project for three fixes and has fixed rates. He continued by saying then they have the sewer debt, which is the one they were trying to pay down and have increased it to \$30,000.00 and trying to pay it down because the interest rates are on the rise and they are hopeful that they can get most of the debt paid down in a reasonable time frame and eliminate that cost within the next few years and the H39 project was part of the upgrades to the clarifier and catwalks that was done recently and closed out and they are making principal and interest payments of \$15,000.00 on that, the H41 is the Consent Order, which basically is taking into account the lagoon and trunk sewer line if they get that far. He added that they are looking at 1.2 million to get the line up to the Village, 3.3 was the overall amount of money that they were looking for and it was going to pay off the H39 BAN, which was also upgrades to the plant, so one would have gone away and one would have increased and it is still in the works because they haven't got approval yet this year. He went on by saying that they are looking to get 0% or 2% loan money from EFC and hopefully they will qualify for the hardship and get the 0% interest for the H41 and interest rates won't be an issue but until it is determined, they have no real idea what their chances are and they have been pushed in to the 2015 loan schedule. He continued by saying that there was an income study of the Hamlet, which is now complete and in and was part of the holdup for not getting it in for next year and hopefully they are nearing the end of the process to determine whether they will be able to get the 2% or 0% interest rate for the H41 and if approved, they will pay off the H39, which he believes is \$150,000.00.

Councilman Dolan asked if he is saying that fund balances do exist?

Sewer Administrator Conrad stated that they absolutely do.

Councilman Dolan interjected that there was some controversy as to whether or not they were real.

Sewer Administrator Conrad stated that in actuality he believes it is well over that amount and what they have found is that, the money instead of being transferred back into the Sewer Account was transferred into H Projects where it should not have gone and it's been sitting in the wrong account. He added that once it is transferred to the Sewer Account where it belongs, he is hopeful that they will have nearly \$100,000.00 worth of fund balance.

Councilman Dolan stated that the rates he previously saw were a little lower than his proposed rates and then asked if it is because of what he just explained.

Sewer Administrator Conrad stated that it is and they had to make some adjustments for the interest rate and the bank had one opinion about what had to be paid, which they were given and Bond Counsel who were recently hired, has given them the particulars in a different fashion and said another thing, which they had to do to be in accordance with the Finance Law. He added that the interest rates are increasing, they were at .9 and right now they are borrowing at 1.75%, which is still inexpensive, compared to Bond rates, which are up and closer to 4%. He continued by saying that they are hopeful to merge a couple of BAN's together, which makes no sense to turn them into a Bond at this point and it is a work in progress thing to determine when you want to go from the lower interest rate to a Bond rate, which is usually higher and set for 20 years. He went on by saying that H36 for the meters was a \$150,000.00 project and they are paying \$5,687.48 for the principal and \$5,300.98 for the interest alone and if they can borrow at 1.75%, he would rather pay the principal down than the interest but it is a Bond and they are stuck with it for now and it is what they have to deal with. He added that they are shuffling some of the other things to pay down what they can as fast as they can and they really don't want to have debt out there for 20 years that should have been paid off years ago and they are trying to accelerate the debt to get rid of it and get down to the 5 BANS and Bonds instead of the 6 and hopefully when they qualify for H41 and can reduce it down to 4.

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Councilman Dolan stated that it looks like 4 of the 6 loans are shared by the Village so they are paying the higher percentage of that and at this point it makes even more sense to pay it back.

Sewer Administrator Conrad stated that he was correct and added that the Village payment is going to go from what was \$21,154.40, based on their current agreement that they are hoping for, to \$26,725.06 per month based on 70/30 of this budget. He added that the Village portion has come up considerably and as the contract was written, it is operation & maintenance and capital improvements, which is the huge progress that past Supervisor Youmans did make with the Village when he negotiated the contract and got both of them to the same percentage rate. He continued by saying that they used to pay very minimal amounts of the capital improvements but larger amounts of the operation & maintenance, which was one of the key things that they were after and to his credit he managed to get it in the contract even though they did lose some money that was left on the wayside and to that end. He went on by saying that if it gets to 80/20, to where they hope it would be at, based on the units, the Village will be paying an even higher and steeper portion of that and the Hamlet users would be benefiting from that but it is and/if what the meters say.

Councilman Dolan asked if the meters do say 80/20, will they adjust the rates mid-year.

Sewer Administrator Conrad stated that they can by holding another Public Hearing to adjust the rates and if it is that drastic of a difference, he would suggest that they do it but with the way that the conversation went at the Village Meeting, the six months that they do have are basically the dry months and the meters are saying 80/20 but with the wet months they are anticipating 75/25 and still hoping to benefit but to that extent, they will have to reevaluate in July. He reiterated that they do have the option of having another Public Hearing and setting the rates and the rates are being done in accordance to General Municipal Law Section 453, which is part of the Local Law for the operation of the Sewer Plant under Article 2, which is how the rates are to be established and the Public Hearing is being done according to those rules and regulations. He continued by saying that there are two other things that he wanted to bring to their attention that affected it a little bit and is a last minute change and the other night the Town took in two properties in the Hamlet, 84 & 78 Main Street and those two properties totaled 5 units of usage so he had to adjust for those 5 units, he assumes that that the one building will be torn down and the other one he hopes they can put back on the roll at some point but right now it is uninhabitable the way it is and he is not sure what the process will be for that.

Councilman Dolan asked if the County was reimbursing them for the 5 units.

Sewer Administrator Conrad stated that they are up to this year and another issue with the County is whether or not they are going to reimburse.

Councilman Dolan interjected that it is the reason why he had to adjust it because they were getting the money from the County even though the owner's themselves were not paying it and that won't be the case now that the Town owns it.

Sewer Administrator Conrad stated that he has the re-levy report as well and it is \$54,599.70 plus their penalties that they are going to have and Town Clerk Millious could probably speak to what penalties are charged and added to the taxes.

Town Clerk Millious stated that it is what she puts on and there is no additional penalty because it does not go to them.

Sewer Administrator Conrad stated that it is money due from the County because of the fact that it is what is billed and accounted for as part of 2014 so it is money coming back into the accounts and has already been spent so to speak. He added that there is money coming but January is their hardest hits, the H35 projects comes due January 10th, the retirement for New York State pension is due and is about \$25,000.00 and there are two payrolls that have to be covered. He continued by saying that the bills are out by January 1st and the second week is when they start getting a tremendous amount of influx from that but the District still has to be kept operating and there is money accounted for to keep everything running. He went on by saying that by this time next year he hopes to have a to the penny accounting of everything and hopefully they will be able to pay down the debt more than the anticipated \$30,000.00 that they have and they are going to have to go back and negotiate with the Village because it wasn't in the budget as far as the extra

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payments that were made and they have to negotiate some kind of a payment schedule so to speak or if they want to pay it all at once or over a period of 1 year and it is Sewer District money due currently but until it is worked out with the Village they will have to wait and see how it can be handled, which will be a Board issue and reiterated that he just became aware of it 2 weeks ago. He added that they have been doing everything they can to try and figure out how to deal with it at this point but basically it comes down to the fact that it is paid in advance, it is helping them and it was that 65% one year and 60% the other so the Village is actually making out because if they weighed it now it could be 70% or 80% so they should be glad they did this and in turn pay up.

Councilman Langdon asked if he thought they would run right over with a check.

Sewer Administrator Conrad stated that he would refrain from commenting on that.

Councilman Dolan stated that just to be clear, the amount that the Village is going to pay the Town is that the Village bills each Village sewer users and it is up to them to come up with how they are going to do it.

Sewer Administrator Conrad stated that they have only raised their rates once in 20 years and the Town's budget's don't really seem to affect their rates and he is not sure why and they must have a good surplus of money.

Councilman Langdon stated that he had mentioned that the County had been paying on the two houses that the Town just took and there are several homes down there that are technically still under an individual owners because banks have refused to foreclose on them.

Sewer Administrator Conrad stated that the Town is still being made whole for those through this year and it is what the re-levy is but it's not just them, there are people that choose not to pay it year after year and you can go do the list and know which ones they are.

Town Clerk Millious stated that the County is in arrears because the Town gets all their money up front whether they pay or not.

Councilman Dolan stated that some people think that they paid their bill and then find it a couple of months later and you can't pay it once it goes past the date no matter what.

Ms. Palmer asked if it get re-levied on the taxes.

Councilman Dolan stated that it does and if you just discovered the day after it is due that it was not paid, you have to wait for it to be re-levied.

Town Clerk Millious stated that the Board sets the date, which is November 1st for sewer and water and she can't take anything after that.

Councilman Langdon interjected that the property taxes are like that too.

Town Clerk Millious stated that Albany County wants it by a certain date and they take a share in the tax collection.

Sewer Administrator Conrad stated that there is a process where you can go to the County and make arrangements.

Town Clerk Millious stated that you can't with sewer and water.

Ms. Palmer asked if on the ones that are paid late, even the Village, if they charge interest on it.

Councilman Dolan stated that there is a penalty, which he thinks is 1.5%.

Town Clerk Millious stated that it ends up to be 7% by the time it goes to re-levy.

Councilman Dolan stated that usually on the bill it will tell you to pay this amount by this date and this amount after that date.

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Ms. Palmer asked if the bill that is sent to the Village is one bill for \$320,000.00.

Sewer Administrator Conrad stated that they are billed monthly and the number in yellow is what is billed per month.

Town Clerk Millious interjected that they are all paid up for the year.

Councilman Dolan asked if the numbers are estimates and if there is a savings in the costs and if they don't spend it all, does it go back to the Village and if they would pay more does it mean it was over.

Sewer Administrator Conrad stated that was correct.

Ms. Palmer asked why if the Hamlet users pay twice a year, why the Village does not pay twice a year.

Sewer Administrator Conrad stated that it is because it is a contract.

Councilman Dolan stated that it is not the users that are paying the Town; it is the Village itself that is paying each month.

Ms. Palmer asked if they bill twice a year.

Councilman Dolan stated that he thinks they do.

Town Clerk Millious stated that they combine water and sewer.

Sewer Administrator Conrad stated that their year is different from the Town's.

Councilman Dolan interjected that they have a different fiscal year.

Town Clerk Millious stated that the Village is behind the Town on the roll and the last on the roll and School starts first from the new tax roll.

Ms. Palmer asked when the current contract was negotiated.

Sewer Administrator Conrad stated that the contract was done in 2010 and the only part that is open to negotiation is percentages based on the meters.

Ms. Palmer asked about renewal.

Sewer Administrator Conrad stated that it is an automatic renewal every 10 years.

Ms. Palmer asked for how many years.

Sewer Administrator Conrad stated that it is for two 10 year periods.

Ms. Palmer stated that it is up until 2030.

Sewer Administrator Conrad stated that it is 10 years with two 10 year periods and it is actually a 30-year contract.

Councilman Dolan stated that the reason that it is 30 years is because if they are doing major improvements to the infrastructure of the plant itself, they are going to need that much money to be able to pay off those Bonds and theoretically as it gets closer to the end of 30 years, you don't have 30 years but you don't want the Village opting out and going on their own because there is a lot of outstanding debt that needs to be taken care of.

Ms. Palmer asked why it says Town only.

Sewer Administrator Conrad stated that it is because the collection system from the point where the fire house is down and as part of the contract, it is a Town only responsibility and there are

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also two other sections on Rte. 9W from Cumberland Farms to the Greene County line and from right near Mayone's Plaza to the end of that where they are also Town only responsibility. He added that they keep track of the costs and it is why you see different account codes and even the labor is accounted for separately for that as part of the contract so the Village does not pay for anything outside the Village. He continued by saying that they were trying to negotiate the trunk sewer line because that sewer collection line right now is a Town only charge and it is important that they either negotiate that into the contract as shared or they don't give them the opportunity to use it and it is basically a choke hold type of thing.

Councilman Langdon stated that the line isn't in the Village so technically it is not the Village.

Councilman Dolan interjected that it is how it gets to the plant.

Deputy Supervisor Masti stated that it can't get to the plant without using the Town's trunk line.

Sewer Administrator Conrad stated that prior to the current contract and going back to 1999, the Town used to pay a flow-through charge for the units that are on the north and south ends of Rte. 9W to come through the Village line just to the point.

Ms. Palmer asked who is responsible to maintain the Village lines.

Sewer Administrator Conrad stated that they are.

Ms. Palmer asked if the Village is completely responsible for the piping line that runs through the Village.

Sewer Administrator Conrad stated that they are and basically the contract says that the Village is responsible for their lines and the Town is responsible for theirs.

Councilman Dolan stated that the Town used to pay a flow-through charge and it was taken out of the last contract also, which was approximately \$3,200.00.

Sewer Administrator Conrad stated that it was \$4,000.00 and it actually came out of the 1999 agreement, the one prior to the last one.

Councilman Dolan stated that they tried to get it all paid up through 2010 as he may recall and there were times that it was withheld from the Village's payment.

Sewer Administrator Conrad stated that they finally negotiated all that and got paid for it.

Ms. Palmer asked what efforts are being made to look into and find grant funds from the State or Federal government to help because there are a lot of issues down there as far as pipes that need to be replaced. She added that Coxsackie got ½ million dollars that they never have to repay.

Sewer Administrator Conrad stated that the current rate has been established at approximately \$700.00 a year and unless you are paying that, you really get pushed down on the list of qualifiers and they have routinely made applications for grants. He continued by saying that the one that he has been talking about is a loan at 2% interest.

Ms. Palmer asked if it is through the EPA.

Sewer Administrator Conrad stated that it is through EFC, a funding corporation. He added that they have had grants, they got grants for the UV, which was done and paid for and they have received grant money here and there but most of the time they don't qualify. He continued by saying that there are so many out there applying with infrastructure problems and the Town gets pushed down to the bottom of the list and he recently read a letter that said "sorry, you lose again".

Ms. Palmer asked what the reasoning is.

Councilman Dolan stated that it is because the rate in the Hamlet that is paid is lower than the required amount and if the Hamlet users were paying \$700.00 a year instead of \$500.00, they

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would be better able to get grants. He added that even though \$500.00 is a lot to pay each year, there are people paying much more.

Councilman Langdon stated that it is the smaller municipalities where the rates are even higher and they see that as an insurmountable amount of money for the smaller users to be able to make any real improvements.

Councilman Dolan stated that if they had more than the 4-5 known houses discharging directly into the Hudson River, they would be higher on the list and there is a component of health and safety.

Ms. Pasquini asked if they know how many houses are going into the river.

Councilman Dolan stated that he does not know and added that he knows there are the houses north of the bridge.

Sewer Administrator Conrad stated that there are three houses there and they assume that there are some more in the old part of the storm water line that is still going in and they have eliminated most of those but they still have some going in.

Councilman Dolan stated that he was talking about people that are deliberately known.

Sewer Administrator Conrad stated that the Tappan Zee Project and the River Keepers have come to an agreement that they are going to pay a \$55,000.00 assessment and he has been working with them and currently they are trying to get an estimate of the cost and they have agreed upon a project to hopefully eliminate a need for those three houses to go in the creek by putting in a forced main that will actually cross over the new lines that Mr. Laraway put in his bridge but they still have to get up to the manhole and tie it in to get it across the bridge, He added that they are trying to come up with a figure to put the forced main in and then those houses would be able to put their ejection pumps into the forced main to put into the sewer system, which is another issue that DEC has been on them to deal with for years since 2001 and hopefully it will get done within this next year.

Ms. Pasquini stated that the only reason she asks is because in the wintertime when it is cold out, there is still smoke coming out of the hole in her yard that they plugged up and it is gas because you can smell it.

Sewer Administrator Conrad stated that he understands and it is a portion of them.

Ms. Pasquini stated that they are not just across the bridge, they are below as well.

Councilman Dolan interjected that he is talking about houses that are specifically not even eligible to be hooked up to the sewer and don't have septic systems and are discharging directly into the Hudson River.

Ms. Pasquini stated that those are the homes by Stone House Hill but there are more and it is a bigger problem.

Sewer Administrator Conrad stated that there is a bigger problem and they have some money to address that and the problem with those doing it are some of them were directly hooked into the storm sewer, which used to be the primary source of sewage getting to the river. He added that in the 60's they thought they eliminated most of them but obviously some have multiple hook-ups that they were unaware of and they just eliminated another 8-10 when they did the project between Colvin and Blaisdell and from there up they know there is more and as they work their way up through there, they will continue to try and eliminate those and reiterated that they know they have a problem there. He continued by saying that it isn't really part of the Sewer District; it's the storm water issue, which is not part of the Sewer District.

Mr. Langdon asked if those people are paying for sewer.

Sewer Administrator Conrad stated that every house pays presuming that they are in but what happens is there are multiple hook-ups from some of the older houses that used to go out the

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back and then they went to go out the front when the sewer line went down Westerlo Street but the line on Westerlo Street from Blaisdell down is about 20 feet in the ground and almost impossible to work on. He continued by saying that there have been some glitches to the system that have been worked out near Civill Avenue where the first 3-4 homes go into a 6 inch line, which travels down through back yards and ties into manhole 32 or 33 and there have been a few others, the 7-8 that they took care of that were put there in the 70's through another line that went up through the back which was actually put in right along the storm water box, to try and take care of some of those. He went on by saying that it is slow but sure progress and they are working on trying to take care of all of those issues.

Councilman Dolan stated that for the sewer, you pay for access to it whether you use it or not with the one exception vacant parcels, which are assessed at a lower rate and added that he does not think that the Village does and they charge whether you use it or not.

Sewer Administrator Conrad stated that they planned on charging a minimum charge no matter what but then they turned it around when a couple of people complained and the Village does it on a unit basis like the Town. He added that he knows of a couple store owners who complained and got their rates reduced and they don't seem to look at the unit based like they do the overall cost and another problem that Village residents ought to get upset over is that out of the 949 parcels that use it to come up with the 1,660 units, there is still all of Winnie Avenue to the end that doesn't have sewer available and yet they pay the same rate in Village tax as anyone else and reiterated that they ought to be totally upset.

Councilman Langdon questioned paying a sewer charge for no sewer.

Sewer Administrator Conrad stated that theirs is all lumped in with their Village tax and even though the Village keeps a separate fund, they collect it from every resident of the Village regardless and not everyone gets to share in it equally.

Ms. Palmer stated that the two houses that she owns on Winnie Avenue she pays full taxes for but has no access to sewer.

Sewer Administrator Conrad stated that from the trailer park down has no sewer, the school has no sewer, but they all pay the same rates for septic system up through there. He added that Hillcrest is the last place that is on a lift station that pumps back into the sewer.

Ms. Palmer asked what the total debt was besides standard operating.

Sewer Administrator Conrad stated that he would have to total that up for her at this point.

Ms. Palmer asked for a rough estimate.

Sewer Administrator Conrad stated they have BAN's where they borrowed \$500,000.00 but have only spent \$100,000.00 so he would have to look at the numbers.

Ms. Palmer asked if they are only paying interest on the portion that has been used or on the entire amount.

Sewer Administrator Conrad stated that there is interest on the portion that has been used.

Ms. Palmer interjected that it is like a Home Equity Loan and then asked how much money they are losing out on by not being able to take advantage of the grants, for instance if they put it up to \$700,000.00, she wouldn't want to pay it either but if it got them to the point where they could have access to 1 million, they could pay off the debt.

Councilman Dolan interjected that it is not practical or legal to do that.

Sewer Administrator Conrad stated that he grants are only for improvements and not for debt.

Ms. Palmer stated that the extra \$200.00 a year that they would be paying per unit, which would be \$89,000.00 a year, would pay down the debt.

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Sewer Administrator Conrad stated that unfortunately they can't charge that because there are regulations that go along with Town Law on what they can surplus and it is not as easy as she is trying to make it out to be. He added that unfortunately a lot of people have looked at all these rules and the government has figured out a way to stop you from gouging people and there is only a certain amount of money that they can carry unless it is in a dedicated reserve fund and it is what happened going back to 2003, they thought they had a surplus of money but actually it was a dedicated reserve account that someone goofed up on and was being anticipated in replacement of some of the older lines that needed to be done, they thought there was a big surplus of money there and dropped the sewer rates down. He continued by saying that when they figured out the money was actually there to pay off and fix other things, it was not good.

Ms. Palmer stated that she understands that you can raise it only so much per year and then asked what it is and what gets them to a point where they can afford to do all that they need to do.

Sewer Administrator Conrad stated that the Comptroller used to have an opinion that it was 10% but back in 2010, they came up with a term called a reasonable amount.

Ms. Palmer stated that it does not make any sense, she bought her house three years ago and it went from 200 something to 300 something to 500 something.

Sewer Administrator Conrad stated that it was 500 something prior to that.

Councilman Dolan stated that the difference is that they are doing a process similar to that and it was determined that they needed "x" number of dollars to fund the sewer for the coming year and it is what the rates were based on. He continued by saying that some of it is estimating but they need to make a good faith effort to charge as much as they need to operate and they can build in a little cushion, but if the costs go up from one year to the next year the price goes up.

Councilman Langdon stated that Sewer Administrator Conrad described a time when it was assumed there was a fund balance, money that was supposed to be for something and carried over and in turn the rates were dropped because there was extra money.

Ms. Palmer interjected that they don't have extra money, they have debt.

Sewer Administrator Conrad stated that they didn't have debt then.

Councilman Dolan stated that the other thing that in preparation of doing the budget, Sewer Administrator Conrad figured out if it was 80/20 and also figured out if it stays 60/40 or 70/30 and depending on the split between the Town and the Village and what is going to be Town only, this is what determines the amount of money that they levy. He continued by saying that he would never levy more than you absolutely needed to get through the year.

Ms. Palmer stated that it makes no sense to her because then they are continuing to have debt, which means they are paying money to keep this debt and then asked why they would drop it \$20.00 when they could keep it there and pay down some of the debt.

Sewer Administrator Conrad stated that it is easy for her to say but she can pay his portion or Mr. Falzano's 10 units or Civill Housing with 29 units.

Ms. Palmer stated that they are already paying it.

Sewer Administrator Conrad stated that it is a tremendous cost to people that can't afford it and its okay if she is flush and wants to pay his share and they are doing their best to try and pay it down, they are not trying to keep it. He continued by saying that up until 2003, the Sewer District never had debt like that, they had a Bond and paid it faithfully and it wasn't until they had some mismanagement on a couple of Boards and over spending that was out of control and it was so badly managed in those couple of years that the Village refused to pay until they got it back on the straight and narrow. He added that this is when the Board said they had to do something, they sat down and have not had an issue with the Village in 3-4 years that he knows of with the system and before that it was a constant battle back and forth and even the Comptroller got involved because it was so bad and it was just a matter of getting everything back on track with the bookkeeping, which they have a handle on and it is getting better. He

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continued by saying that with respect to the new system, a lot of the stuff was done on paper ledgers and you didn't have an exact thing, he puts all of his figures in Excel and keeps track of it month to month and the Board gets the information from their budget people. He went on by saying that as the vouchers are approved, he puts them in and knows exactly how much they spent during the year and he knows how much the Village has paid and basically with the Village's accounting with their 60% portion in 2014, their costs are \$264,453.37 through the 12 abstracts and have paid \$253,852.80 so they owe still, which they account for per the contract in January, and an additional bill of \$10,600.57 to be added to the \$26,000.00 payment that they have to pay. He continued by saying that is how the system works and if they had not spent that and had spent \$250,000.00, they would owe the Village \$3,000.00 and that same \$3,000.00 would be deducted from their first payments.

Ms. Palmer stated that there are known issues that have to be fixed and this is just regular operation.

Sewer Administrator Conrad interjected that this would be everything.

**Councilman Dolan stated that it includes money for and he was going to point out the most expensive of the BAN's and Bonds on payment for next year is the Consent Order, which if they didn't take out that money and pay it back at this rate, they would not be able to add users to the Sewer District. He added that one of the answers is, if they have to pay the same amount of money, they can distribute it amongst more users and then pay less per person.

Ms. Palmer stated that they could extend the sewer line on for instance Winnie Avenue and then asked how much it would cost to put the line in.

Sewer Administrator Conrad interjected that it would be a Village problem and not the Town's.

Ms. Palmer stated that there are houses in the Hamlet that obviously need to be connected too.

Sewer Administrator Conrad stated that most all of them have the advantage of getting in except for the three across the bridge.

Councilman Dolan stated that the work done under the Consent Order is to fix the infrastructure to stop the I&I into the system.

Ms. Palmer asked if \$15,000.00 was going to fix it.

Councilman Dolan stated that it is for one year.

Councilman Langdon stated that the \$15,000.00 pays on the principle.

Sewer Administrator Conrad stated that it is a Bond 40 years long if they pass it.

Councilman Dolan stated that it is \$400,000.00 worth of work and as Sewer Administrator was saying earlier, at some point they want to lock into a rate that is going to be fixed and they want to lock into it at the right time.

Sewer Administrator Conrad stated that when they renew it this year it is probably going to be in the area of 1.75% and some were borrowed originally at .9%, which was fantastic, then it went to .95% and right now a couple are 1.25% and 1.45%.

Ms. Palmer stated that it is all debt that has to be paid back but if they were meeting the requirements to get the grants, it is money that never has to be paid back.

Councilman Dolan stated that even if they increased the sewer rents to \$750.00 a year, it is not a guarantee that you are going to get the grant, it just puts you in a better standing when you apply, he then asked what she would say to him if the Board raised their rates an extra \$200.00 a year on each unit because they think they might get some grants but then don't get them.

Sewer Administrator Conrad added that their Fund Balances would go to a point where they are going to violate the rules of the Comptroller and they will have to reduce the rates anyway. He

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continued by saying that it is a vicious battle and not an exact science but he thinks they are doing the best they can and in the past couple of years it has become much better; they have money in the bank again, they are paying their bills. He went on by saying the one thing that did go up and caused some concern, is the sludge hauling, which has gone up dramatically and it was previously \$30,000.00 but they can count on it being \$40,000.00- \$45,000.00 this year.

Councilman Dolan interjected that it was because of the price of gasoline but now it is down.

Sewer Administrator Conrad stated that it went from .0398 to .056 per gallon and they are hauling some months as much as 60,000 gallon.

Councilman Dolan interjected that they did look at other ways of possibly buying their own truck to haul.

Councilman Langdon stated that it has been a challenge and they are paying \$600.00 - \$700.00 a week.

Sewer Administrator Conrad stated that it is that amount per day and they are hauling 2-3 days a week.

Councilman Langdon stated that you can't support a truck for \$1,000.00 a week, his trucks had to make \$5,000.00 a week and they don't have enough hauling to justify that kind of overhead.

Sewer Administrator Conrad stated that it is very specialized.

Councilman Burns stated that in the past they have added Magnolia Circle, Oakbrook Manor, the different plazas and now there are new businesses that want to tie in and then asked if they should have had them pay to upgrade the Water and Sewer to accommodate them even before they allowed them in.

Sewer Administrator Conrad stated that the sewer mains are all there.

Councilman Burns stated that he meant to accommodate the extra flow and extra units, like the Civic Center.

Sewer Administrator Conrad stated that they are and it is basically how they are doing it per unit and part of Section 453 where you have to have a system that is fair and equitable and you can't charge one person because you think he's got a lot of money.

Councilman Langdon stated that there are tax incentives and deals where you don't have to pay for 10 years to get builders to build developments.

Councilman Dolan stated that he does not believe that they did that.

Councilman Langdon interjected that he thought someone said Oakbrook Manor got a pretty big deal when the built it.

Sewer Administrator Conrad stated that they hadn't and it is in the Village and continued by saying that it doesn't matter because everything is still be calculated based on meters and they have a meter at the Hamlet and when they take away the Village, they read the meters at the plant to determine how many gallons.

Councilman Langdon asked how many homes are in Magnolia Circle.

Sewer Administrator Conrad stated that they are approximately 75 homes,

Councilman Langdon stated that if you add that many users to a system you have to know that you are increasing capacity to a degree that it is more than just the maintenance and ongoing expenses and you would likely need to upgrade the system with larger pipes in some areas.

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Sewer Administrator Conrad stated that it wasn't the Village that needed to, it's the Town and their system handles it just fine but where it comes in at the point there is a problem and they don't care about the Town's problem.

Councilman Langdon stated that he thinks what she is trying to elude to is, if someone wants to put in a huge project, they should be putting money into the sewer so they can handle the upgrades now while they are putting their project in.

Councilman Burns stated that Oakbrook has a pump station with grinder pumps and it cost the Village a lot of money.

Sewer Administrator Conrad stated that they work on that constantly but again, it is the Village, they don't care as long as it gets to the point and the fact of the matter is, they put in 70 some homes that they are collecting additional money for and making money on. He continued by saying that the contractor had to pay to put in the whole infrastructure, which didn't cost the Village a dime and as long as it flowed to the point everything was great. He added that this is why the original contracts, even back to 1967 had a paragraph that specifically spelled out that any improvement to the trunk sewer line, which is required because of basic usage, would be on a benefit derived basis and unfortunately it was one of the drawbacks of past Supervisor Youman's contract, it disappeared. He continued by saying that they ventured on one end and lost on the other but they can still make the argument that they are not going to upgrade the trunk sewer line until the Village agrees to jump in and help pay for it. He continued by saying that there is the whole area from the firehouse to the plant and 1,660 units is the Village and about 60 is the Town from that point on it becomes more Town but the bottom line is that the Village has the bigger percentage and the meters should have been tossed out the door and they should have used units, like everyone would agree. He added that they can't force the Village to change their thought plan, which since the 60's has been meters, meters, meters and they did two big studies, which took two years, on the I&I and back in 80-82 it was determined that the Village was 95% of the I&I, which was basically Oakbrook Manor and now that they are fixing a lot of the I&I problems, their I&I levels are dropping considerably so the meters are starting to show in their benefit a much greater amount. He went on by saying that during the wetter months for the Town, because of issues in the Hamlet of I&I, they are starting to show a little bit more of a detriment and the problem is how to get everyone's footing drain, sump pumps and that kind of thing out of the system that they have been doing for 40 years and they take them out when you are looking and put it back in as soon as you're not because they need to deal with it and it's something that is easily going to go away. He continued by saying that they are looking at the direct connections, waters have been shut off that have been leaking into the system direct, they have taken care of a lot of them and you basically have to deal with what's coming to the plant on a day to day basis.

Councilman Langdon stated that the only real way that you could resolve it is if you had a meter in every home monitoring what they are putting in the system, which would be a lot of money and not necessarily practical.

Councilman Dolan interjected that he has a meter in his house, which is practically inaccessible because you would have to go in his crawl space from one end of his house to the other to get to it.

Sewer Administrator Conrad interjected that even with metering the water, it does not catch the sump pumps and footing drains.

Councilman Langdon stated that the only real way would be to meter the sewer per house, which is not practical.

Deputy Supervisor Masti stated that he would rather take the money and fix the lines.

Sewer Administrator Conrad stated that they couldn't keep sewer meters working, water meters usually work but sewer meters are a definite problem and they get plugged up constantly and a calamity of errors in trying to keep them working as well as it being labor intensive. He added that it is getting better and in reality it is getting better for the Town users and hopefully in another couple of years if they can get the debt under control and 0% interest loan, they will be in good shape and as someone said, most of the things that they have been dealing with is that

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the plant is old, it was built in 1968, the roof, heat system, old school mechanisms are being upgraded and they actually reduced flows. He continued by saying that their plant was rated for 820,000 gallons a day and they flow between 400,000 – 500,000 and have reduced flows over the past years, which has been because of I&I reduction so they are actually processing less material on an overall basis than they were 10 years ago. He went on by saying that it is a matter of semantics and a lot involved in it and if they didn't have a period of time where there was poor management of the Town, BAN's would not have existed because the two that are the Town, the H37 to fix the line that cross Rte. 9W and manholes on Church Street as well as connection that was poorly designed near Colvin and Westerlo Street and those things cost the Town over \$100,000.00 and was part of the money that they used to reduce the sewer rents. He added that the money was to fix those problems but it went away and then they had to re-borrow money to fix it now at even more money and the 45 foot piece across Rte. 9W was \$60,000.00. He concluded by saying that it is being much better managed now, the Board has a handle on the spending and even though the rates are a little higher than they were back then, costs are higher and there is just so much you can do and they are doing the best they can at this point.

Deputy Supervisor Masti interjected that they are a not-for-profit sewer system.

Sewer Administrator Conrad stated that if it was privately run it would cost them even more money and he does not know if that's an answer.

Councilman Langdon asked what they are going to do.

Sewer Administrator Conrad stated that based on what they have seen for the costs, which he prepared for them, as they can see the estimated amount annually is \$503.90 and based on the fact that they possibly may have to go ahead and renegotiate the contract in July, it would be his recommendation that they accept the \$504.00 annual payment based on the two times a year at \$252.00 per unit and the rate of interest has already been established by a Local Law but they usually reaffirm it at 10%. He added that he believes that the resolution has been prepared based on that and if they agree with it, it's fine and if they wish to amend something, they can amend it.

Councilman Masti asked if the vacant parcels are a flat rate of \$100.00 a year.

Sewer Administrator Conrad stated that was correct and there are 23 of those that is listed as well as well as there being multiple other reports.

Councilman Masti stated that he had worked with Sewer Administrator Conrad for two weeks and he wanted to thank him for all of his hard work and added that he has a much better understanding of the sewer.

Sewer Administrator Conrad stated that they are making progress with the H41 Project, which is the lagoons, the manholes and the lift station that they are preparing to put in has arrived and on site and they are preparing to come up with some estimates for the Village to see if they will join in and share manholes 2-5 and if the weather holds, out sooner than later, if not first thing in the spring to get it all in the ground.

Deputy Supervisor Masti stated that he has looked back as far as 1999 and the Sewer Plant has an interesting history.

Sewer Administrator Conrad stated that it has really evolved and you had to be here when Floyd Russo was here to really appreciate it.

Ms. Pasquini interjected that it was making money then.

Sewer Administrator Conrad stated that he had an unique way of charging double for commercials that used less and a portion of the school district that he used to balance the budget on.

Deputy Supervisor Masti asked when it was.

Sewer Administrator Conrad stated that it is going back in to the 70's.

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Town Clerk Millious stated that she worked with him and it is how he did things and she did the billing and collecting.

Councilman Dolan interjected that things were different back then.

Councilman Langdon asked about him charging commercial more than residential.

Sewer Administrator Conrad stated that he doubled it and that's when they read the water meters and they paid based on 20,000 gallons of usage when everyone was unlimited and there was no fairness to the system back then.

Deputy Supervisor Masti asked if everyone's questions were answered, hearing no more comments he proceeded to read the resolution.

RESOLUTION

RES. #173-14 APPROVE 2015 SEWER RATES

On motion of Councilman Masti, seconded by Councilman Dolan, the following resolution was APPROVED – VOTE – AYES 4 – NAYS 0 – ABSENT 1 (Flach)

WHEREAS, the Town of Coeymans is required to establish Sewer Rates for 2015; and

WHEREAS, a Public Hearing was duly advertised in the official newspaper of the Town and held on December 29, 2014 at 6:00pm at Town Hall and all parties in attendance were permitted an opportunity to speak on behalf of or in opposition to the Proposed 2015 Sewer Rates; and

WHEREAS, the Town Board considers the number of users per parcel to calculate the parcel billing for operation and maintenance and capital improvements, and each use is hereby charged:

\$252.00 - Per Unit - 6 Month Billing \$504.00 Per Year
Minimum \$252.00 / Unit / Billing

Examples are: 1 Apartment 1 Unit
 2 Apartments 2 Unit
 3 Apartments 3 Unit

Commercial – 1 Unit Per Use
Out-of-District @ Above Rates
Vacant Parcels @ Flat Rate of \$100.00 a Year
Village of Ravena @ \$26,725.06 Per Year

WHEREAS, the Town Board has established a late payment penalty of ten (10) percent to be imposed on all balances thirty (30) days from due date of billing.

NOW, THEREFORE, BE IT RESOLVED, the Town Board of the Town of Coeymans does hereby authorize the Town Clerk to collect for the first billing cycle and second billing cycle of 2015, pursuant to the above established rates.

Councilman Dolan stated that he doesn't always agree with everything that Sewer Administrator Conrad says or does but he did a good job of balancing paying off the outstanding debt and decreasing the rate. He added that he has seen years where rates were decreased that led to problems later on as well as years where they have increased the rate and it has caused harm to people who live on fixed incomes and reiterated that he did a good job balancing it.

Sewer Administrator Conrad stated that he has been working with the Board and Bookkeeper Weidman and it is due to the Board's negotiations with the Village that actually led to the successful portion of it and it is the Board that deserves the credit. He added that hopefully they will be able to go to 80/20 in July and be able to go back to the Board's and reduce it some, which is his goal.

Councilman Langdon stated that it says out-of- district users and then asked who that would be.

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Sewer Administrator Conrad stated that the District itself is promulgated along District lines currently and there are people along 9W to the north end that are not in the District so in order to make them whole in the operation, they established out-of-district user rather than trying to re-delineate the District as well as people in Coeymans that are outside of it, like Stone House Hill as well as a few on Martins Hill Road that are outside the District and done as part of the 2009 realignment. He continued by saying that there is a list if he would like to see it.

Councilman Langdon stated that he was curious about the areas.

Sewer Administrator Conrad stated that there are two on Martins Hill and a third one coming in at some point next year as well as Crossroad Ford, Crowne Point, Nolan's Property, Mayone's Property, 5 to 6 units in the plaza and 3 homes on the north end of town and they are all out-of-district users.

Councilman Masti asked if they had to do a roll-call vote.

Town Clerk Millious stated that it's not a law so they don't have to.

Sewer Administrator Conrad stated that they need to vote and for a Public Hearing they should do a roll-call vote.

Town Clerk Millious conducted the roll-call vote as follows:

Peter Masti – AYE, Thomas Dolan – AYE, Kenneth Burns – AYE, George Langdon – AYE – ABSENT 1 – (Flach) – SO MOVED

Deputy Supervisor Masti stated that the Public Hearing was very educational.

Sewer Administrator Conrad stated that they need to set their topics on how they would like to negotiate with Trustee Bailey to collect their \$75,525.00 in overpayment of H35.

Deputy Supervisor Masti asked if there were any other comments, hearing none he asked for a motion to adjourn the Public Hearing.

ADJOURNMENT

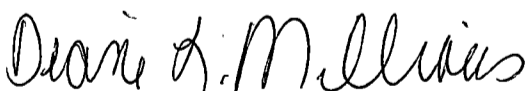
On motion of Councilman Dolan, seconded by Councilman Langdon, the Public Hearing was adjourned.

VOTE – AYES 4 – NAYS 0 – ABSENT 1 (Flach) – SO MOVED

Time – 7:19pm

Respectfully Submitted,

APPROVED – As Read February 23, 2015



Diane L. Millious, Town Clerk