

November 28, 2016

PUBLIC HEARING

Map and plan of Brinnier and Larios, P.C., bearing date of November, 2016 on file with the Town Clerk at Town Hall addressing an expenditure of the maximum sum of \$3,510,784, to acquire by intermunicipal agreement between the Marlborough Water District and the Town of Newburgh to create a minimum reserved capacity of treated public water supply of 800,000

Gallons Per Day, payable in the amount of \$883,992.57 upon effective date of the water agreement, followed by subsequent annual sums approximating \$175,000 annually for the period 2017-2031 as stated with greater specificity in the capital payment schedule annexed to the water agreement which forms a part of the aforesaid map and plan. The intermunicipal agreement also provides an option for the Water District to acquire additional reserved capacity at additional cost as set forth in the aforesaid map and plan.

NOVEMBER 28, 2016 7:00PM

MINUTES OF MEETING

Present: Supervisor Lanzetta
Councilman Molinelli
Councilman Corcoran
Councilman Baker
Councilman Koenig

Danielle Cherubini, Deputy Town Clerk
Dennis Larios, Engineer, Brinnier and Larios, PC
John Behan, Planner, Behan Planning and Design
Ron Blass, Town Attorney

Supervisor Lanzetta stated that the public hearing is to approve a capital acquisition to receive treated water from the Town of Newburgh. He introduced Dennis Larios and Ron Blass who will be speaking on this subject.

Dennis Larios gave a background of the water supply for the Marlborough water district which is incorporated into the minutes as follows:

**CHRONOLOGY OF MAJOR EVENTS
WATER SUPPLY FOR
MARLBOROUGH WATER DISTRICT
November, 2016**

BACKGROUND

The Marlborough Water District serves 1,576 properties in the Town of Marlborough. The District has a taxable assessment of \$323,407,097(2016). The District currently uses an average of 425,000 -450,000 gallons per day. Maximum daily demand is typically 600,000 gallons per day. The supply is from the Delaware Aqueduct, which is part of the New York City Water System. The supply is purchased from the Town of Newburgh pursuant to an inter-municipal agreement made in 2000.

Year	Event
1970-72	Marlborough Water District Connects to Delaware Aqueduct at Lattintown Road Shaft, Installs Major Water Line on South Street and Lattintown Road. Chlorination and Metering Facility installed at Location of Tap(Shaft 5A). District begins purchasing water from City of New York.
1978-80	Marlborough and Milton Water Districts are merged; and connected with 12 inch main installed on Prospect St., Ridge Road, And Old Indian Road. Milton area begins using City of New York Water.
2000	Marlborough Water District install new metering and pressure regulating station at Lattintown Road and begins purchasing water from NYC through the Town of Newburgh. Enters into Agreement with Town of Newburgh. Newburgh installs corrosion control facilities and chlorine contact facilities which are shared by Marlborough.
2008	In a letter dated June 24, 2008, the Town of Newburgh notifies the Town of Marlborough that filtration avoidance of the NYC supply has been rescinded. Newburgh enters into Schedule of Compliance to design and construct a Filtration Plant at the Lattintown Road location. Discussions ensue concerning Marlborough's participation in the project.
2008-2011	The Marlborough Water District evaluates alternatives for future water supply, including: Highland Water District, Well Supplies, New Agreement with Newburgh, Constructing its own Filter Plant.
2010	Marlborough considers inter-municipal agreement with the Highland Water District; there is significant public concern raised about the Hudson River supply that is the principal supply for the Highland Water District.
2010	In July, 2010, Town of Marlborough sends "letter of intent" to Town of Newburgh to participate in the Filtration Project on a straight-line sharing of capital costs and operating costs. TON needed commitment to include additional capacity requirement of Marlborough for plant design and construction.

November 28, 2016

2010-2014	Newburgh constructs a 6.0 MGD water filtration plant at a total project cost of \$20,623,584. +/-; and utilizes NYSEFC low interest financing for the project. Financing is for a 30 year term. Actual costs appear to be slightly lower than the estimated total project cost. Project is substantially completed in November 2013 with a projected 1 year "shakedown" period. Marlborough share of capital project would be 13.33% based on 0.8 MGD divided by total capacity of 6.0 MGD.
2015	Newburgh(TON) operating cost for New Facility are budgeted at \$2,349,631 including \$1,250,000 of water purchase cost from NYC.
2015-2016	Extensive negotiations between Town of Newburgh and Town of Marlborough on final agreement are conducted. New inter-municipal agreement is drafted for approval by Town Boards in Newburgh and Marlborough.

SUMMARY

Marlborough's capital cost commitment under the new agreement totals \$2.75 million dollars(13.3% of \$20.62 million dollars); or \$ 4.75 million +/- less than if Marlborough constructed a plant of its own. In addition, Marlborough is provided with back-up from Newburgh to a significant extent.

Marlborough's share of all capital cost related payments, including interest payments(2011-2031) and NYSEFC administrative fees, will total a maximum of \$3,510,784., as set forth in the resolution.

Mr. Larios added that the town's water district has no debt. Payments of about \$175,000.00 per year will be made through the year 2031. For the first year, the town plans to pay that through rate structure which would add about \$2.21 per 1000 gallons to the current rate (\$4.25) to pay the capital charge. Operating costs would add another \$1.62 per 1000 gallons for a total of \$8.08 per 1000 gallons to cover all costs. In the future, the town can raise the money from a taxable assessment to the properties in the district. Mr. Larios also briefly explained regulations for filtration and disinfection.

Supervisor Lanzetta stated that the budget officer came up with a total of \$7.66 per 1000 gallons to cover all costs.

November 28, 2016

Councilman Molinelli asked Mr. Larios why in the 1970's people were forced to hook up to water and sewer on his road that he still currently resides on and there are still people who are not hooked up and what can be done.

Mr. Larios stated that at the time it was likely a Town Board decision. Councilman Molinelli expressed some concerns about how water and sewer is billed and figured.

There was a discussion pertaining to Councilman Molinelli's concerns. Supervisor Lanzetta stated this won't be resolved at this meeting it is something that can be looked into.

James Garofalo asked for clarification about the guarantee for a backup water supply and also questioned the term of the contract and how it will be renegotiated. He also asked if the water can be resold.

Ron Blass explained that the backup water supply source is unknown at this time for when the DEP shuts down the aqueduct but there is a clause in the agreement that says that whatever Newburgh works out (location and costs) Marlboro will share in the solution on the same terms. He also explained that the debt service expires in the year 2031, long before 2056 when the 40 year contract is up. The contract is extendable of either party at 40 years without the need to draw up a new contract. The water cannot be resold.

Mark Reynolds asked how they got the figure for the total capital cost of \$3,510,784.00.

Ron Blass explained the formula that was used to get that figure. He also stated that Supervisor Lanzetta and Dennis Larios have done a great job with the negotiation with the Town of Newburgh.

Councilman Molinelli asked Ron Blass what can be done to make sure people hook up to water if they are supposed to.

Mr. Blass stated that the local law can be amended to require hook up to water or legislate a fairly computed charge per year to the delinquent homeowner and if it's not paid then it will go on the homeowner's tax bill.

Councilman Koenig made a motion to close the public hearing at 7:58 p.m. Motion seconded by Councilman Corcoran.

Yeas: 5 Nays: 0 Carried

*Respectfully submitted,
Danielle Cherubini
Deputy Town Clerk*