

COUNTY OF SUFFOLK



STEVEN BELLONE
SUFFOLK COUNTY EXECUTIVE

DEPARTMENT OF PUBLIC WORKS

PHILIP A. BERDOLT
DEPUTY COMMISSIONER

GILBERT ANDERSON, P.E.
COMMISSIONER

DARNELL TYSON, P.E.
DEPUTY COMMISSIONER

MEMORANDUM

TO: Dennis Cohen, Chief Deputy County Executive, Honorable DuWayne Gregory, Presiding Officer of the Suffolk County Legislature, Honorable Legislators; Al Krupski, Chairman of the Public Works, Transportation, & Energy Committee, Louis D'Amaro, the Sewer Agency Legislator-At-Large; Schneiderman, Browning, Muratore, Hahn, Anker, Calarco, Lindsay, Martinez, Cilmi, Barraga, Kennedy, Trotta, McCaffrey, Stern, Spencer; Presiding Officer Gregory; Walter Hilbert, P.E., Principal Public Health Engineer, representing the Commissioner of the Suffolk County Department of Health Services; Sarah Lansdale, AICP, Director, Suffolk County Planning Department; Lisa Broughton, representing County Executive Steven Bellone

FROM: Gilbert Anderson, P.E., Commissioner, SCDPW and Chairman, Suffolk County Sewer Agency

DATE: June 16, 2016

SUBJECT: Please see the attached Suffolk County Sewer Agency minutes for the meeting of May 16, 2016.

GA/JD/br – Attachments

cc: Jon Schneider, Deputy County Executive
Philip A. Berdolt, Deputy Commissioner SCDPW
Darnell Tyson, P.E., Deputy Commissioner SCDPW
John Donovan, P.E., Chief Engineer, Division of Sanitation, SCDPW
Janice McGovern, P.E., Principal Civil Engineer, Division of Sanitation, SCDPW
Robert A. Braun, Esq., SC Department of Law
Walter Dawydiak, P.E., SC Department of Health Services
Christina DeLisi, Aide to Presiding Officer DuWayne Gregory
Catherine Stark, Aide to Legislator Al Krupski
Justin Littell, Aide to Legislator Louis D'Amaro
Ted Klein, SC Planning Department
Tony Leung, P.E., NYSDEC
Boris Rukovets, P.E., Secretary, SC Sewer Agency

The Suffolk County Sewer Agency meets at 11:00 AM at the offices of the Suffolk County Department of Public Works - 335 Yaphank Avenue - Yaphank, NY

SUFFOLK COUNTY IS AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Suffolk County Sewer Agency Meeting Minutes May 16, 2016

The meeting was called to order at 11:11 AM by Commissioner Gilbert Anderson, P.E. In attendance were Legislator Al Krupski, Chairman of the Public Works, Transportation, & Energy Committee; Legislator Lou D'Amaro, the Sewer Agency Legislator-At-Large; Sarah Lansdale, AICP, Director, Suffolk County Planning Department; Craig Knepper, P.E., representing the Commissioner of the Department of Health Services; Lisa Broughton, representing County Executive Steven Bellone; Christina DeLisi, representing Presiding Officer DuWayne Gregory.

Also present were John Donovan, P.E, Chief Engineer, Suffolk County Department of Public Works, Division of Sanitation; Catherine Stark, Aide to Legislator Krupski; Justin Littell, aide to Legislator Lou D'Amaro; Janice McGovern, P.E., Suffolk County Department of Public Works; Robert A. Braun, Esq., Suffolk County Department of Law; Boris Rukovets, P.E., Secretary, Suffolk County Sewer Agency.

(See the attached sign-in sheet for others in attendance).

Commissioner Anderson welcomed attendees to the meeting of the May 16, 2016, Suffolk County Sewer Agency. A roll call was then taken.

I. Roll Call - (see above)

II. Minutes of Previous Meeting

The minutes from SCSA meeting of April 18, 2016, were discussed. A motion to accept the minutes as written was made by Commissioner Anderson, seconded by Legislator D'Amaro; and approved unanimously.

III. Public Portion – There was one request to address the Agency. Richard Hamburger, Esq., the attorney for the Greens at Half Hollow Homeowners Association (HOA) deferred his comment until the discussion of the Agenda item related to Rate Increase Petition by Greens at Half Hollow, LLC.

Old Business

Rate Petition filed by Greens at Half Hollow, LLC (HU-1194)

Mr. Donovan said that this was a petition by Greens at Half Hollow, LLC (G@HH), the operator of the wastewater treatment plant (WWTP) at the Greens community which submitted a petition to increase the sewer rates for the users of the said WWTP. He said that the staff had done a review and submitted its findings to the members of the Sewer Agency Board; these findings were up for the discussion by the Sewer Agency, and consideration of a resolution on the subject.

Commissioner Anderson asked if there was a representative of the applicant present and Al Natoli, Esq., the attorney for the G@HH said that he was. He said that G@HH disagreed with the staff's recommendations and recommended that the Agency reject them. From G@HH's perspective, the rate determined by the Staff did not comply with the contract between G@HH's predecessor and the County, did not comply with the law and the precedents for establishing rates in the State of New York or as required by the United States Supreme Court. Mr. Natoli said that G@HH believed that the information and data that they provided supported a rate of \$869.25 per single family equivalent (SFE). He added that DPW itself had stated that it would cost the County \$479/SFE to run the system but they now DPW recommended the rate of only \$317/SFE, including substantial amortization of legal and engineering expenses, after adjustment for the legal expenses included in the rate, the rate that DPW recommended was only \$277/SFE, about half of DPW's claimed operating expenses. He said that that was on its face ridiculous and not credible.

Mr. Natoli said that a company of the size of G@HH could not run the system for anything less than the DPW could run it for. Everyone in the sewer industry knows that the cost per unit for a large entity is substantially less than the cost per unit for a smaller entity. This is particularly true for public agencies like DPW. Larger economies of scale more than make up for the difference in labor cost. In this instance, the DPW calculation of the cost to run the system includes no capital cost, as if G@HH was willing to give the system to the Sewer Agency for nothing. Mr. Natoli said that DPW received tax subsidies to operate the system and had access to the tax exempt bonds, neither of which are available to the G@HH, so it was costing DPW much less money than private entity. He added that DPW also paid no real estate or income taxes.

Mr. Natoli said that he was bringing this up because this, at least based on the published data, was the first time the Sewer Agency was setting the rates based on contested rates, where the company did not agree with the findings of the DPW staff. He said that if the Agency adopted the rates suggested by DPW, they would be effectively telling the public something that Mr. Natoli did not believe was true – that the DPW is incredibly inefficient and wasteful, the only way to explain why it would cost DPW twice as much to run the system, compared to what it would cost, according to DPW, G@HH, the private entity, to do the same. Based on that, Mr. Natoli recommended the Agency reject the staff's recommendation and set a rate that was reasonable and reflected the real cost of the sewer company.

Commissioner Anderson thanked Mr. Natoli and offered Mr. Hamburger an opportunity to speak. Mr. Hamburger said that he disagreed for the record with everything that had been said by Mr. Natoli. He wanted to make two substantive points: 1) The comparison of the

labor costs with the Suffolk County was an erroneous comparison. The labor costs of the Suffolk County municipal employees were typically higher than G@HH's contractor Severn Trent, taking into account that approximately 25% of the Suffolk County labor costs was supported by the County Assessment Stabilization Reserve Fund (ASRF), so this was not a fair comparison. 2) Suffolk County accepted all of the operation expense data submitted by G@HH except for three items, the first two of which were Executive Management & Supervision and Wages & Salaries.

Mr. Hamburger said that Suffolk County's labor rates were all well documented rates. In comparison, the expenses related to Wages & Salaries for G@HH's executive management and operation and maintenance (O&M) staff were not documented. G@HH had a contract with Severn Trent, the company that manages and maintains the treatment plant and those expenses were documented. However, the Executive Management's expenses were just assumed to be 20% of the executive staff's time and not documented. Mr. Hamburger said that, in his opinion, the O&M expense of G@HH's non-Severn Trent staff were not justifiable since Severn Trent had been operating the plant fully. He added that all Severn Trent expenses were approved by DPW in the recommended rate. Legislator D'Amaro asked if the Wages & Salaries line item were the expenses above and beyond Severn Trent's costs and Mr. Hamburger said 'yes' and noted that County's recommended rate did include some of these additional expenses -- \$20,000 out of \$165,000 requested for Executive Management & Supervision and \$20,000 out of \$285,440 requested for Wages & Salaries. He said that again there were no time sheets, no data, no documentation documenting these additional expenses.

Mr. Hamburger said that the third highly contested item was requested Legal Fees. His client's position was that none of the Legal Fees should be approved since all of the legal fees were expended toward the establishment of the October 2012 rates. He pointed out that the County granted about a third of the legal fees that had been requested which was a huge number, with which Mr. Hamburger's client respectfully disagreed. The allowed legal fees were amortized over a seven-year period which Greens at Half Hollow HOA's expert recommended for amortizing these one-time costs, as opposed to the three-year period that the applicant had requested. Legislator D'Amaro asked if Mr. Hamburger was referring to Footnote One mentioning \$360,000 amortized over seven years and Mr. Hamburger responded affirmatively and said that the applicant submitted \$422,000 in legal fees per year to be paid each year for three years, i.e., a total of approximately \$1.2 million and instead the County granted \$57,000 per year over seven years which is about \$360,000, i.e., about one-third, still a substantial amount of money.

Legislator D'Amaro asked if all those expenses were related to the litigation fees and Mr. Hamburger said 'yes,' because there was another item, \$21,000 in Legal and Professional Fees that was approved by the County. He added that the legal expenses mentioned earlier were used for challenging the County's authority to propose the rate at all; then challenging the rate the County proposed in October 2012, as an Article 78 action; and then challenging the County's referendum when the County moved to establish the Sewer District.

Mr. D'Amaro asked that for the private entity seeking to approve the higher amount to benefit the plant, why would that not be an includable cost? Mr. Hamburger responded that there were no benefit to the plant since G@HH opposed the jurisdiction of the regulatory agency in order that they could do whatever they wanted; there was no benefit and G@HH did not

even have legal standing to challenge the referendum; the lawsuit against the referendum was thrown out as to G@HH and was permitted to go forward only as to the individual resident taxpayer. The Article 78 was also dismissed on statute of limitation grounds. There was no benefit to ratepayers from any of these litigations.

Legislator D 'Amaro asked if Mr. Hamburger's position was that there was no benefit or that it was legally impermissible to include the subject costs. He asked whether there was some standard that Mr. Hamburger was applying to justify that those legal fees should not be included. Mr. Hamburger replied that generally there was no hard and fast principle that the legal fees of the operator of the sewage treatment plant should not be included. It was basically the reasonableness standard; what was achieved as the result of the litigation and how it benefitted the ratepayers. Mr. Hamburger's client paid its own legal fees to force the October 2012 rate review and none of those legal fees were reimbursed. Mr. D'Amaro asked whether there was any contractual provision when the legal fees were reimbursable and Mr. Hamburger said that there was none. The construction agreement with the County states that reasonable O&M expenses should be reimbursed.

Mr. Hamburger said that the last item that was not approved was the cost of capital. This is original infrastructure such as roads and recharge basins that the developer had to build to create the residential community and there were no intention to have it recouped or have a return on it. There was no consideration of it when the County wanted to establish a Sewer District.

Mr. Hamburger closed by saying that there were some reasons why he did not fully agree with what the County has done, but what the County has done was certainly based on a lot of diligent work and attention to detail and analysis of the arguments on both sides, and therefore he wanted to thank the County for its efforts.

Commissioner Anderson gave Mr. Natoli an opportunity to respond. Mr. Natoli said that he 100% disagreed with Mr. Hamburger's representations and statements of facts in this case. For example, when Mr. Hamburger said that the cost of capital that was requested has to do with the plant that G@HH invested in. There is nothing in this rate request that seeks the cost of capital for the plant. The cost of capital requested is the cost of capital that G@HH advanced in order to operate the system. For example, the staff allowed \$360,000 in legal fees and they have already been paid for. That represents an advance. The U.S. Supreme Court in the Hope Natural Gas case said that the capital used by a utility has to be provided a rate of return and that rate of return is the cost of capital. So the cost of capital requested by G@HH has to do with the funds advanced to continue to operate the system which included dollars that were put out in order to guarantee that the bills would be paid as well as the legal fees that were advanced.

Mr. Natoli said that with respect to the documentation, there was substantial documentation detailing how the calculations and estimates were done and those calculations were very similar to how DPW estimates its own costs for operating Districts within the County. A lot of times these are not specific hours recorded. Mr. Donovan does not keep time sheets and his time is allocated among several districts in the same fashion as the G@HH's Executive Management was allocated. Mr. Natoli said that almost everyone in the audience knew Ms. Coyle and Mr. Mohr because of the work they had put in in respect to this matter, and to say that their cost and expertise could be recovered for only \$20,000/year was blatantly

ridiculous. All the executive management salaries allocation were documented and the way they were allocated was the same way it had been done long before Mr. Hamburger complained about them.

Mr. Natoli said that with respect to the expenses related to Wages and Salaries, Mr. Hamburger's position that no work was performed is untrue. On the contrary, the buildings of the plant are not maintained by Severn Trent, but by G@HH and its affiliates, as are the facilities, the property, and access to the property. This is all done by the G@HH affiliated companies and that's what those charges represent – they have to plow, maintain access to the building 24 hours a day 365 days a year.

Mr. Natoli said that in respect to requiring legal fees to be a benefit to ratepayers, before this all happened, G@HH was a model company – there were no violations at the plant, or problems with the plant. The company has a right to defend itself, and Mr. Hamburger's statement that such recovery is unusual is totally false. Every cent that Con Ed spends to defend itself against its customers is recovered. So it's clear that the rate that has been recommended is blatantly understated and, therefore, Mr. Natoli recommended rejection of this rate and adoption of a rate that was reasonable. . . .

Commissioner Anderson then called on Mr. Donovan. Mr. Donovan said that he would like to clear up a few misconceptions regarding the DPW staff and how it operates. DPW is in the process of taking over the Smithtown Galleria STP and the cost that the County will charge the users once DPW assumes the operation would be \$685/SFE. The cost that the users are paying there now is somewhere between \$300 and \$450 per SFE. Although economy of scale does apply in normal situations, it does not apply in DPW operation. The reason for that is that DPW has about 30% to 35% of soft cost in addition to direct expenses, which gets divided among all Sewer Districts. The division is based on actual man-hours spent at each plant. When Suffolk County did the formation report for the Greens, DPW was going to charge \$477/SFE. If this number is reduced by 35% soft costs it comes down to \$310-\$320, which is exactly the rate that DPW recommends for G@HH to operate.

The second point is that with respect to DPW staff time, the soft cost are a myriad of different charges that are shared between plants. Sanitation Division at DPW is solely for sanitation services, so all of the staff time is charged to the sewer districts. Mr. Donovan said that while DPW management does not fill out specific time sheets for each district, general costs are balanced at the end of the year, percentage-wise among all the districts. However, about 80%-85% of staff of Sanitation Division, i.e. laborers and people directly responsible for individual treatment sewage plants, all keep accurate time sheets for the hours spent at each plant, which time is charged directly to the appropriate district and used to determine the soft cost allocation.

As an additional point, Mr. Donovan agreed with Mr. Natoli's statement that the Greens was an excellently operated plant. DPW inspected it before the district creation. It had no problems and was well maintained and well-kept. Credit for that goes to Severn Trent, the day-to-day operator of the treatment plant. This is exactly what DPW is looking at – the equipment for the sewage treatment and the effluent quality. DPW is not looking at the billing operation or management decisions, or legal costs; it's the operation of the treatment plant that is all attributable to Severn Trent. DPW does not dispute their expenses paid by G@HH to Severn Trent – they are reasonable by industry standards and it's all related to the

operations of the treatment plant.

Commissioner Anderson asked if he was correct that the submissions received from G@HH, did not provide sufficient data to calculate the amount of oversight of its operations. Mr. Donovan responded that G@HH had listed four management positions and seven salary related employee positions for laborers. They provided only the percentage of the time each worked at the plant and no documentation showing what would items worked on and the time spend on them.. Mr. Donovan added that when DPW takes over the private plant, DPW has in its budget an item for miscellaneous costs. For this size plant it is usually anywhere between \$10,000 and \$20,000. This is to provide for unforeseen costs that come up when the staff has to do something that was not planned in the regular budget. If that item is not used, it goes to the next year's budget. In this rate determination, DPW allowed \$20,000 for Wages & Salaries and Related Costs to cover such miscellaneous expenses. As far as the Supervision, DPW included office personnel. There are not many users; the HOA has 1,200-1,300 units but all are billed on one bill that is sent to HOA. So with all the users, there are only 5-6 bills that have to go out from the G@HH office. For comparison, SCDPW operates 24 Sewer Districts and has over 100,000 bills sent out every quarter. DPW uses two full-time staff to do it. So it's hard to see how that line item may need that much money for a small plant like this.

Commissioner Anderson thanked Mr. Donovan and offered Mr. Natoli an opportunity to make an additional statement. Mr. Natoli said that Mr. Donovan compared the Galleria rate that SCDPW wanted to charge, but there is no showing that the current rate that the Galleria is charging is commensurate with the actual cost. To say that it was going from \$400 to \$625 is a true statement, but that does not mean that \$400 is the rate that should be charged by a private company running that system. G@HH will continue to run its company, but Avalon will not be running the Galleria STP anymore. G@HH is asking for a compensatory rate. The other item is about the work that Severn Trent does. Someone has to supervise them. Their bills and their claims are always reviewed not by a clerk, but by financial management officials to make sure their expenditures are correct, and to make sure they continue to do the maintenance they have to do. He said that you don't just give a contractor a contract and never take a look at what is going on.

Legislator D'Amaro asked Mr. Natoli about the chart provided to the agency by the staff, indicating expenses submitted by G@HH and expenses staff recommends approving. Legislator D'Amaro asked whether Mr. Natoli was challenging the conclusions reached on the Amortized Deferred Legal Expense line item and Mr. Natoli responded affirmatively. He added that the amount submitted for approval represented the real cost incurred and only one-third was granted. The second part of it was amortization. G@HH did not think e amortization of seven years had any basis. The third part of that was deferred amount for collection. There was no cost of capital allowed. Legislator D'Amaro asked if Mr. Natoli was challenging all of these conclusions, i.e., return on amortized legal expense and cost of capital required. Mr. Natoli responded affirmatively.

Legislator D'Amaro asked if Mr. Natoli was also challenging Executive Management and Supervision and Wages & Salaries and Related Costs figures. Mr. Natoli said that he was. Legislator D'Amaro asked if the \$165,000 that was requested was the annual cost. Mr. Natoli said that it was the annual cost based on the three years of time spent by the G@HH's

Executive Management Team on helping to form the District and similar kinds of things that were never up for referendum. Legislator D'Amaro asked how many members of the Executive Team were included in the expenses. Mr. Natoli responded that there four of them. Legislator D'Amaro asked if the estimated expenses were based on the percentage of the time of four individuals. Mr. Natoli said that it was not. The G@HH team had each one of these four individuals go back over the last three years and estimate what percentage of time was spent on G@HH matters and then took a very conservative hourly rate for those people, for example lowering the salary of the CEO to \$85/hour. Legislator D'Amaro asked what was the range and Mr. Natoli said between \$85 and \$65 but added that he needed to double check these numbers. Legislator D'Amaro asked if that figure was based on estimated real time spent, how many hours was that per year. Legislator D'Amaro added that if we did some math it would come out to about 2,200 hours. Mr. Natoli responded that that was probably right but per four people and not per person. Legislator D'Amaro said that it would be roughly 10 hours per person per week. Mr. Natoli said that that was correct. Legislator D'Amaro asked if that was Mr. Natoli's position that it takes four people, 10 hours per person per week per year to manage and supervise the operation. Mr. Natoli responded that that was for a particular period when there were lots of litigations and also preparing of transfer of the company to the Sewer Agency to make sure the inspections of the plant went well.

Legislator D'Amaro asked if going forward Mr. Natoli anticipated that the time spent on Executive Management & Supervision would be less. Mr. Natoli said the answer was "yes and no." In terms of the rate proposal, the projection is for the rate period which he thought already started and G@HH expected that in the next year there would be at least that much time, if not more. If everything settles down, two or three years from now, everything would be less. Legislator D'Amaro asked if Executive Management and Supervision 10 hours per person per week roughly was overseeing the management company. Mr. Natoli said that overseeing the management company was mostly in Wages and Salaries. Legislator D'Amaro asked to explain what exactly Executive Management & Supervision was doing at 10 hrs. per person per week at this plant. Mr. Natoli said that he believes they were interfacing with lawyers with respect to litigation, they were interfacing with the County government and DPW in terms of what was needed to provide for the transfer of the system. They were working with the customer groups that were either opposing or supporting the acquisition of the plant and they were arranging to have funds to be able to continue to pay the bills in the situation when the company was substantially in the negative cash flow. Legislator D'Amaro asked if it was 40 hours per one person, which would be a full-time job for one person, how much of that was attributable to dealing with litigation matters. Mr. Natoli said that he did not do the discussions with management groups to be able to break down how much they spent on this.

Legislator D'Amaro asked if the Agency were to approve the G@HH rate request, would there be litigation expenses? Mr. Natoli said that he suspected there would be litigation expenses because the appeal of the first decision of SCDPW is still undecided. Legislator D'Amaro asked how many attorneys would be involved. Mr. Natoli replied that the CEO, Ms., Coyle is also the Chief General Counsel and she deals with the litigations. In addition, Mr. Natoli indicated that there was a possibility that either G@HH would be suing DPW or if the Agency did something more reasonable, the HOA would go to court. There is also a possible litigation with respect to one of the things that was discussed in the past – abandonment of a plant. Legislator D'Amaro asked if Wages & Salaries were for different

individuals. Mr. Natoli confirmed. Legislator D'Amaro asked who these people were. Mr. Natoli said that they worked for a G@HH affiliate – the golf club on the same property and that included five individuals. There were some laborers to cut the grass, maintain pump station and other outside structures. These employees worked for the sewer system part-time with about 20% allocation of time based on their actual salaries.

Mr. Natoli said that from the beginning G@HH offered to sit down with DPW and come up with the rate. Until his client saw the recommended number the week before the current Sewer Agency meeting, they did not see any response from DPW staff. Legislator D'Amaro asked if any of the Wages & Salaries expenses were related to litigation. Mr. Natoli said no.

Commissioner Anderson offered Mr. Hamburger an opportunity to make an additional statement. Mr. Hamburger said that all the discussion about Executive Compensation was really a discussion of value and not cost because there is no statement that these individuals were paid more money because they took on additional duties and responsibilities in addition to the ones they already had. Looking at the amount of time they spent at their positions, certain portions were allegedly allocated. That is a value statement, not cost. Mr. Hamburger's client had done a very interesting analysis. If we add Executive Management and Supervision, i.e., \$165,000 to related salaries and related costs to \$285,000, one gets \$450,000. Severn Trent's contract is just above \$202,000. It's an extraordinary situation when indirect cost – the cost of mowing the grass, plowing the snow -- that G@HH claimed to be of \$285,000 would be higher than the direct labor cost of day-to-day operation of the plant.

Legislator Krupski asked the County staff how they have arrived to some of these obviously disputed numbers and added that he reached out to Bob Braun and Gil Anderson after the meeting last month and said that, in his experience, at some point both sides reach legal fatigue and they are ready to sit down and talk and try to come up with an agreement. He asked if that was something that both parties would be willing to consider instead of being bound by the collective wisdom of the Agency members making a decision for them. Commissioner Anderson responded that DPW had reached out to both sides to sit down and mediate the situation and one of the sides refused to meet, so the staff did not pursue it. Legislator Krupski said he understood but asked if that was still a possibility or the Agency was ready to make a decision. Commissioner Anderson asked Mr. Braun whether the decision about to be made by the Sewer Agency would have to go before the Legislature. Mr. Braun responded that that was not required. Commissioner Anderson said that he would expect that if the Board felt further discussion was needed that would be reflected in its decision.

Legislator Krupski asked the County staff to provide the explanation for the disputed numbers and why some of the approved numbers were so different from the numbers submitted. Mr. Donovan said that DPW staff used its typical operating costs for DPW treatment plants, for example for the operator Severn Trent. DPW does not pay for an operator but has labor and related costs associated with running the plant, that's why Operations expense, was fully allowed as well as all the numbers underneath that number, except for Wages & Salaries and Executive Management. DPW did not question any of the charges it approved; they all were reasonable and consistent with what DPW charges. As far as the Executive Management & Supervision, that is something for which DPW does not have a direct number at the plant but that is something that would include a billing charge to

bill all the users and what DPW did is to take an hourly rate of about \$75/hour and used 5 hours per week to arrive to \$20,000 which DPW felt was sufficient to do billing, to oversee purchase requests by Severn Trent, and to pay them their monthly salary. DPW staff did not see anything more that was needed for that.

Mr. Donovan said that as far as Wages, Salaries and Related costs, operations staff fix things at the plant and do what was necessary to maintain the plant. A lot of DPW hours are spent at the County's plants and if DPW operators feel they need to cut the grass, that was something DPW operators would do. The staff felt that would be similar to the Severn Trent work. He noted that the staff does not know specifics of the Severn Trent contract, whether they cut the grass and maintain it, but that was not a big point, since DPW allowed \$20,000 to that line item. The allowed \$20,000, divided by the average of those employees' salaries, would result in a sufficient hours per week per year. This is a standard miscellaneous expense item. For a typical size plant, DPW budgets between \$10,000 and \$15,000 as miscellaneous. It is an infrequent cost and does not get used every year, unless something extraordinary happens. If this amount does not get used, it goes to reserves. DPW has its reserve at ASRF, the Greens is supposed to have their one-year reserve for situations like that. One item that DPW staff added to G@HH's request was engineering and survey. That was because when DPW was going to take over the plant, G@HH paid for engineering and survey work to prepare legal documents so DPW could take over the plant. That was not the cost in the original submittal but DPW staff added this cost because it was a legitimate cost and DPW asked the G@HH what this cost was during the review.

Regarding the three boxes of documents submitted by G@HH, Mr. Donovan said that SCDPW had asked G@HH repeatedly to give DPW a summary and explanation of the documents and no information was provided in response. So DPW did the best estimate it could, based on the information it had, and did a lot of correlation to its own treatment plants.

Mr. Braun added that legal research that was done and the position that the staff took was that when a utility has to defend against a ratepayer action or some other kind of action, that would be a legitimate business expense. In a situation where the utility is bringing an action under the circumstances here, it was not an appropriate expense. There were three lawsuits. The first lawsuit was brought by the Home Owners Association of Greens at Half Hollow (HOA) in which both the County and the G@HH were defendants. The staff agreed that was an appropriate expense to be included. Mr. Braun said that he did not believe there was a specific item in the old rate for the legal fees going forward. Therefore, the staff felt that that would be something legitimate for them to recover.

The other two lawsuits were a lawsuit brought by G@HH against the County to declare that the 2012 County rate setting was not done correctly. The third lawsuit was brought by a nominee for G@HH to challenge what's essentially the Election Law provision allowing referendum for the people in the District proposed to be formed. The staff felt that neither of those lawsuits was for the benefit of the ratepayers but rather for the separate benefit of the G@HH in opposition to the ratepayers, and so the staff did not allow either. As far as the amount that was allowed, for the one lawsuit that was defensive, G@HH showed the amount of \$360,000 and the amount of time billed for the law firms they employed for the period of several years and the staff felt that trying to impose this amount on the ratepayers over three years suggested by G@HH would not be fair. The amount of \$422,496 shown as "submitted" on the chart was one-third of the legal fees that the G@HH was looking for. The

staff felt that \$360,000 could be more fairly amortized over the period of seven years and allowed 3% interest on that. So multiplying \$57,342 by seven results in a number which includes seven years of interest in addition to the \$360,000. The staff felt that was an appropriate amount to compensate G@HH for spending money in defense.

Mr. Braun added that Mr. Donovan already explained the amortized engineering and survey. The County asked G@HH to go out and survey the entire property for the Sewer District and G@H did that and did not bill the County for that, at least not separately. What the staff did was to break it out as a separate item and again allowed seven years to recover that money plus seven percent interest.

Legislator D'Amaro asked the staff since the Executive Management & Supervision based on what the applicant has stated goes beyond the items that were included in the DPW calculations in the report, for example, the litigation expenses and additional management and supervision that is extraordinary, since it is not ongoing of managing and supervising, it is when the company gets into an adversarial relationship. Based on this, does the staff believe these additional Executive Management & Supervision expenses should not be included? Mr. Donovan said that on operating costs, the staff believed it should not be included. He deferred to the Law Department on legal expenses.

Legislator D'Amaro said that Mr. Donovan looked on typical operating costs and that was what he should be doing, however, when our Sewer District was sued we had our County Attorney's Office handle that and there is definitely a cost for doing this, but that type of cost was not included in the calculations. He said that a private sewer treatment plant can anticipate having litigation and expenses. Mr. Donovan replied that the staff allowed all submitted Legal & Professionals Fees of \$21,000 as an ongoing annual expense and that was for what normally comes during the operations of the year. When something extreme happens, they go over that budget, but since they are required by the State Pollutant Discharge Elimination System (SPDES) Permit to have a one year operating reserve, they should be able to draw on that for extraordinary expenses. If we find that their operation should require \$393,000 annually, they should have \$393,000 in the bank. There is also required to be a capital reserve fund, set at the cost of the most expensive piece of capital equipment, which is usually generator. This should probably be \$50,000 to \$75,000. If the operating cost goes up in the mid-year, they can dip into the reserves to cover any legal expenses to cover that for the next couple of years. Legislator D'Amaro said that if he understood it correctly; there is a mechanism in place for extraordinary fees, such as legal fees for example, and that is why it's appropriate not to include them in Executive Management and Supervision. Mr. Donovan responded affirmatively.

Legislator D'Amaro asked Mr. Braun that on the Legal Fees he heard the staff's position on the benefits to the ratepayer as opposed to the benefit of the LLC, but since we are talking about setting the rate going forward, why should the staff's recommendation include recouping legal fees as opposed to setting a rate going forward. Mr. Braun replied that the amount suggested to be approved was indeed to recover money already spent. Legislator D'Amaro asked if that would be normally covered by reserve or contingency. Mr. Braun said that it would be, but he G@HH alleged that they had spent that and more, and in order to restore their reserve fund they wanted to recover \$1.2 Million in legal fees. The staff did not think it was appropriate from the legal analyses. Legislator D'Amaro said that the reserve fund would be normally replenished by ratepayers. Mr. Braun agreed and added that

\$360,000 plus interest is about what the reserve fund should be.

Legislator D'Amaro said that his point was about the rate going forward, since he was not sure it was appropriate to include, unless it sunsets, some large legal expenditure. If he were a ratepayer living in this community and if litigation was over, he would be wondering why is he still paying that legal fee, especially once the reserve fund is replenished. Mr. Braun responded that this particular community has not been shy about letting the County know when they thought the County allowed too much money to be charged. Mr. Braun added that the staff was anticipating, at the very latest, to hear from them again in seven years from now, saying that now that we've recouped the \$360,000 that the County allowed, the rate needs to be reduced by whatever portion that \$57,082 is in the rate.

Mr. Braun added that the resolution that was in front of the Board included a provision for an automatic 3% annual increase to be used as a reserve to account for the unprecise nature of the budgetary process. Legislator D'Amaro asked what was the 3% based on. Mr. Braun responded that the County ratepayers in Sewer Districts pay 3% annually and then are qualified to use the 3% in the Assessment Stabilization Reserve Fund (ASRF) for their unanticipated expenses. So the staff felt it would be reasonable since these were fairly precise numbers to also allow the private entity. Legislator D'Amaro said that giving 3% on past legal fees going forward, he was not sure whether that was appropriate to do either. Mr. Braun said that the staff felt it was a reasonable solution to the situation they have been in for several years now, but certainly the Agency was free to adopt all or part or none of it. This was based on months of analyses and discussion especially among the DPW staff which Mr. Braun thought did an extraordinary job.

Commissioner Anderson asked if there were any additional questions or comments and seeing none, he made a motion to approve the findings and the proposed rate of \$317 per year per single family equivalent as specified in the resolution; the motion was seconded by Ms. Broughton and approved unanimously.

SUFFOLK COUNTY SEWER AGENCY

RESOLUTION NO. **18 - 2016** APPROVING THE AGENCY'S STAFF DETERMINATION ON A PUBLIC HEARING ON A RATE INCREASE PETITION BY THE GREENS AT HALF HOLLOW, LLC

WHEREAS, S.B.J. Associates, LLC, a limited liability corporation duly organized under, and existing by virtue of, the laws of the State of New York, constructed a privately owned Wastewater Treatment Plant (WWTP) situated on property identified on the Suffolk County Tax Map as District 04.00 Section 259.00 Block 04.00, Lot 003.004, and

WHEREAS, said WWTP was constructed with the approval of the Sewer Agency (Construction Agreement - Liber D00012188 Page 913, recorded in the offices of the County Clerk on May 30, 2002), and

WHEREAS, in the course of time a number of entities connected to the WWTP (Greens at Half Hollow subdivision, Country Pointe subdivision, the LIDDSO, HSC No.5 Housing Development Fund Company, HSC No.6 Housing Development Fund Company, etc.), and

WHEREAS, S.B.J. Associates, LLC, transferred ownership of said WWTP to the Greens at Half Hollow, LLC, and

WHEREAS, the Greens at Half Hollow, LLC, has continued to operate and maintain said WWTP, and

WHEREAS, the Greens at Half Hollow, LLC, as successors to S.B.J. Associates, LLC has the right to submit a petition for a rate increase, as per Section 19. Connection Paragraph E, of said Construction Agreement which states;

"E. In the event that the OWNER, at any time, desires an increase in the rate charged to any connecting entity for the operation and maintenance costs of the PLANT, the OWNER shall make application to the COUNTY for same. The OWNER shall, at the OWNER's sole cost, expense and effort, provide written notice of its application to all of the entities connected to the PLANT. This notice shall be sent via regular, first-class mail, and may be included with the invoices sent by the OWNER to the connected entities for operation and maintenance expenses. This notice shall advise the connected entities that the OWNER is seeking an increase in the rate charged to them for the operation and maintenance costs of the PLANT and that the OWNER has applied to the AGENCY for such an increase, and shall state the date of the AGENCY meeting at which the OWNER's application will be considered. Such notice shall be mailed to each connected entity no less than three weeks prior to the date of the AGENCY meeting at which the OWNER's application will be heard."

WHEREAS, the Greens at Half Hollow, LLC, has submitted a petition to increase the sewer rates for the connectees to said WWTP to \$869.25 per single family equivalent (SFE) per year for prospective rates only, i.e., from the date of the decision on the petition, and

WHEREAS, the Agency held a Public Hearing on said petition during the Sewer Agency meeting on March 21, 2016 in the conference room at the offices of Commissioner of the Suffolk County Department of Public Works to receive public comments regarding such an increase, and

WHEREAS, at the request of the Greens at Half Hollow, LLC's attorney, the County Attorney agreed to extend the March 28, 2016 submission deadline for written testimonies until April 11, 2016, and also to postpone the determination on the rate petition until the May 16, 2016 Sewer Agency meeting, and

WHEREAS, the Agency's staff reviewed the Greens at Half Hollow, LLC's rate increase petition and supporting documents, along with oral and written testimonies submitted by representatives from Greens at Half Hollow, LLC; Greens at Half Hollow Home Owners Association; and the NYS Office for People with Developmental Disabilities, and

WHEREAS, based on the aforementioned review, the Agency's staff determined that the allowable rate per SFE should be \$317 per year which should be permitted to increase by 3% per year to cover potential fluctuations in expenses, and

WHEREAS, pursuant to Title 6 NYCRR Part 617.5(c) (11) and (20), this project involves the extension of utility distribution facilities, including gas, electric, telephone, cable, water and sewer connections to render service in approved subdivisions or in connection with any action on this list; and routine or continuing agency administration and management, not including new programs or major reordering of priorities that may affect the environment. No further action under SEQRA should be taken by the Sewer Agency, and

NOW, THEREFORE, IT IS

1st RESOLVED, that the SEQRA requirements for this project have been met, and requires no further action, now, therefore, be it further

2nd RESOLVED, that this Agency approves the findings and recommendations of the staff on said petition and March 21, 2016 Public Hearing and authorizes the allowable rate for Greens at Half Hollow LLC connectees to be \$317 per year per SFE which should be permitted to increase by 3% per year to cover potential fluctuations in expenses

Suffolk County Sewer Agency Meeting (May 16, 2016)

VI. New Business

A. Formal Approval – Connection/Construction Agreement

1. LIE WELCOME CENTER BETWEEN EXITS 51 & 52

HU-1430

Mr. Donovan mentioned that this project is a LIE Welcome Center proposed by the NYS Department of Transportation to be built on 7.0± acres on the south side of the Long Island Expressway between exits 51 & 52 Eastbound in the Town of Huntington. The Welcome Center is proposed to be on NYS property and is expected to generate sixty thousand gallons per day (60,000 gpd) of wastewater proposed to be connected to the County Sewer District No. 3 – Southwest. The project will require construction of a pump station and associated force main for the Welcome Center going down the South Service Rd., to Commack Rd., to the Pilgrim Facility.

Mr. Donovan said that both SEQR and National Environmental Policy Act (NEPA) reviews had been completed in 2007 and the project received approval. In 2003, the Agency granted Conceptual Certification for this project. Since the application for Conceptual Certification was submitted in 2003, the Agency can allow charging the connection fee of \$15.00/gpd which was the connection fee at the time of Conceptual Certification.

The capacity continues to be available in the sewer district and the staff recommends granting Formal Approval.

Commissioner Anderson asked if there was a representative present and Erik Koester, from the NYS DOT, mentioned that he was. He said the NYS DOT was looking for a formal approval so the project could go to the next step which would be the Public Works Committee of the Legislature.

Legislator Krupski asked why the requested flow was 60,000 gpd which seemed like a lot of flow. Mr. Donovan said that the staff also questioned that number but since he did not have the data or background operating the rest stop, he deferred to the State who looked at the similar facilities they operated. Legislator Krupski asked if from an economic and the wastewater world, changing very rapidly, standpoint given that it could be an expensive sewer pipe project, had the NYS DOT considered alternative wastewater treatment technologies for that site. Mr. Kielian, the consultant for the NYS DOT, said that they did look at the alternative on-site technologies but given the proximity to the existing pump station and some other issues, the use of alternative treatment technologies in this case did not seem to make a lot of sense. Legislator Krupski said that was from the economic standpoint, what about the environmental perspective. Mr. Kielian said it would not make sense either. Commissioner Anderson clarified that in the proximity to the proposed onsite pump station where essentially the alternative system would go, there was a well field that serves the Dix Hills Water District and the leaching effluent in the proximity to it would be a concern rather than bringing the effluent to the Pilgrim State Facility.

Mr. Donovan added that if they built an onsite treatment plant, they would not be able to use a small scale treatment facility up to 15,000 gpd currently approved by the Suffolk County Department of Health Services (SCDHS) for the 60,000 gpd flow; they would have to meet

all of the setback required by the SCDHS and the State which would be difficult to meet for the site of this size.

Mr. Donovan said that another issue was that the treatment plant for this size facility would not be getting a steady flow, as the flow would be very sporadic with high peaks which would make it difficult to maintain the plant. Legislator Krupski asked since this was a NYS project, would it not be more typical to waive the fees since we are all paying for that anyway and there are essentially two taxing authorities involved. Legislator D'Amaro said that we don't have a legal capability to waive the fees the way the fees are designed. Commissioner Anderson said that the only way the fees could be waived was if the project met the five criteria established a couple of years ago.

Legislator D'Amaro asked how many visitors were anticipated on an annual or monthly basis. Mr. Kielian responded that the gallonage was estimated based on the number of visitors that were expected to stop at the facility. Mr. Jason Pitingaro, another NYS DOT consultant, added that there were 135 parking spots and 30 restroom fixtures. Legislator D'Amaro asked what other facilities were proposed. Mr. Koester said that there were proposed vending machines and police presence from Suffolk County. Legislator D'Amaro asked whether there would be a food service. Mr. Koester responded negatively. Legislator D'Amaro said since the request was for 60,000 gpd, how many anticipated visitors would that be. Mr. Pitingaro said that there would be approximately 45,000 visitors per day. Legislator D'Amaro said that it could not be that high, it might be the number of visitors per year. Mr. Koester said that when the NYS DOT met with the County last year, they had a discussion and one of the things they talked about was whether it was 30,000 gpd or 45,000 gpd and one of the reasons the NYS DOT is using the 60,000 gpd is because this was the number allowed in 2003 because they did not want to lose it. He mentioned that the number in the report was 45,000 gpd but the NYS DOT wanted to use the entire 60,000 gpd as allowed in 2003.

Legislator D'Amaro asked whether this facility would be prone to expansion and Mr. Koester said no. Legislator D'Amaro said that granting the facility either double or triple of what was required would not make sense, so it would be good to get a real number. Mr. Koester said that there would also be a lot of traffic going by the facility so the NYS DOT was trying to be conservative on the number but also to make sure that they were not short based on the volume of traffic; there are 135 parking spots so there would be a rotation every 5 to 7 minutes and the facility is limited by the number of parking spots available. Legislator D'Amaro asked if it would be a 24/7 operation and Mr. Koester responded affirmatively and said that there would be police presence.

Ms. Broughton said that there had been a couple of articles about Taste of New York either at this location or at the location in Yaphank. She asked if a determination had been made whether the Taste of New York would be at this facility. Mr. Koester said that there had not been a final determination yet; what was considered was essentially a tourist type ancillary facility to the Welcome Center, not a restaurant, using the pre-packaged material, and not adding flow, such as from washing hands. He said that the NYS DOT is asking for 60,000 gpd but that is a huge unknown given the variable amount of traffic passing by the facility.

Legislator Krupski asked that just from the capacity standpoint, from the Sewer Agency perspective, putting aside whether it would be appropriate putting it somewhere else, does it matter if we approve at 60,000 gpd capacity vs 30,000 gpd or vs. 45,000 gpd. Mr. Donovan

responded that there was no issue with the capacity at the treatment plant currently undergoing an expansion with expected increase of 10 million gallons per day and NYS DOT is paying for the entire 60,000 gpd whether they were using all of it or not. Mr. Donovan added that he thought that the flow number was too high and the staff had questioned it. He added that in 2003, the NYS DOT had been proposing to use the onsite Chromoglass system with the approved flow up to 15,000 gpd and he had thought at the time that even that was high, but he had no experience with the rest stop type of operations and, therefore, had to defer to the State.

Commissioner Anderson asked whether in sizing the pump station, DPW would have to develop what the actual flows would be, would that require some kind of verification. Mr. Donovan said that that was a good point, since NYS DOT was sizing the pump station for 60,000 gpd and if it is oversized, they would have to ensure that it would not cause an odor problem for the operations, since it would take longer time for the water to go through the pipe if there is not enough flow, the NYS DOT may have to install an odor control at the facility.

Ms. Broughton said that if she understood it correctly, the flow was based on the amount of traffic but clearly there were commuters traveling from Melville to Commack and from Melville to Hauppauge and that meant that we had a large volume of traffic on the Long Island Expressway whether they will avail themselves at the proposed facility or not. She asked whether NYS DOT had done traffic analyses. Mr. Kielian responded affirmatively; he had not personally done the analyses so did not have the numbers in front of him but he remembered that 10%-20% of the traffic both east and west was assumed to stop at the facility. Mr. Pitingaro added that that was also based on the peak numbers, maybe weekend travel or the high number of users; it was not based on the average that could happen on a daily commuting day that's when more people stop and use the facility when it's more traffic and there is a larger volume. Commissioner Anderson said if the Sewer Agency granted 60,000 gpd and in fact the facility was using 45,000 gpd, there would be no impact to the Sewer Agency or the District, we would just have 15,000 gpd difference. Maybe going for the higher flow, we are better off and if the NYS DOT uses less there would be that much more capacity available for other facilities. He asked if the pump station would track the amount of flow going through it and Mr. Donovan responded that DPW would require a flow meter on a force main pump station coming out.

Legislator D'Amaro asked how soon the facility would be up and running. Mr. Koester replied that based on the contracts that NYS DOT had sent out, possibly in the Fall. Legislator D'Amaro asked if the facility would be managed by a private entity or by the State employees stationed at the site. Mr. Koester responded that it would be a mixture of different State and non-State employees, for example the proposed Taste of New York would be managed by another State agency. Mr. Knepper asked if there were any plans for expansion to add a restaurant or any other type of food preparation use in the future that would be a high flow generator and Mr. Koester responded negatively. He said that the Federal Interstate Law prohibited McDonald's to be on the Interstate. He added that it was a nation-wide issue.

Commissioner Anderson asked if there were any other questions or comments and seeing none, he made a motion to approve the resolution; the motion was seconded by Legislator Krupski and approved unanimously.

SUFFOLK COUNTY SEWER AGENCY

RESOLUTION NO. 15 - 2016,

GRANTING FORMAL APPROVAL FOR THE CONNECTION OF

LIE WELCOME CENTER BETWEEN EXITS 51 & 52 (HU-1430) TO SUFFOLK SEWER DISTRICT NO. 3 – SOUTHWEST

WHEREAS, LIE Welcome Center between Exits 51 & 52 is a Welcome Center proposed by the NYS Department of Transportation to be located on the south side of the Long Island Expressway and east of Carlls Straight Path in the Town of Huntington, New York. It is located on the NYS property on the south side of the LIE and north of properties identified on the Suffolk County Tax Map as District 0400, Section 264.00, Block 03.00, Lots 126.000 & 127.000 and Block 04.00, Lot 000.003, and

WHEREAS, the sewage flow from LIE Welcome Center between Exits 51 & 52 is expected to be sixty thousand gallons per day (60,000 gpd), and

WHEREAS, LIE Welcome Center between Exits 51 & 52 is not located within the boundaries of Suffolk County Sewer District No. 3 - Southwest (the "District"), or within the boundaries of any other municipal sewer district, and

WHEREAS, LIE Welcome Center between Exits 51 & 52 has applied to this Agency for permission to connect its sixty thousand gallons per day (60,000 gpd) flow to the sanitary sewerage facilities of the District, and

WHEREAS, the District's sewage treatment plant has sufficient capacity to accept the sewage, which is expected to emanate from LIE Welcome Center between Exits 51 & 52, and

WHEREAS, the connection of LIE Welcome Center between Exits 51 & 52 to the District will be financially beneficial to the District, and environmentally beneficial to Suffolk County, and

WHEREAS, the proposed project was assessed in 2007 for both SEQR and National Environmental Policy Act (NEPA), with the NYS Department of Transportation and U.S. Federal Highway Administration (FHWA) serving as lead agencies for SEQR and NEPA, respectively, and

WHEREAS, as part of the aforementioned assessment, the NYS Department of Transportation completed the Final Environmental Impact Statement (FEIS) under SEQR and identified the proposed project as the alternative that minimizes or avoids adverse environmental effects to the maximum extent practicable, including the effects disclosed in the FEIS, and

WHEREAS, FHWA determined that the requirements of NEPA have been satisfied for the proposed project and approved the FEIS in May 2007, and

WHEREAS, pursuant to Title 6 NYCRR Part 617.5(c) (11) and (20), of the SEQRA regulations, this project was listed as a Non-Type II Action, and based on the review of the FEIS, from the Sewer Agency's perspective, the project deals with extension of the sewer lines and requires no further action, and

NOW, THEREFORE, IT IS

1st RESOLVED, that pursuant to Section 617.5(c) (11) and (20), of the SEQRA regulations, this project is a Non-Type II Action, and, based on the Sewer Agency jurisdiction, requires no further action, now, therefore, be it further

2nd RESOLVED, that LIE Welcome Center between Exits 51 & 52 be permitted to connect to the sanitary sewerage facilities of the District, upon such terms and conditions as the Administrative Head of the District may impose, subject to the terms and conditions hereof, and it is further

3rd RESOLVED, that Sixty Thousand gallons per day (60,000 GPD) of capacity in the District's sewage treatment plant be allocated to LIE Welcome Center between Exits 51 & 52, and it is further

4th RESOLVED, that the connection authorized herein is subject to the approval of the Suffolk County Legislature and the New York State Department of Environmental Conservation, and it is further

5th RESOLVED, that the connection authorized herein is subject to the execution of an agreement (the "Connection Agreement") between the NYS Department of Transportation, the District, the Suffolk County Department of Public Works ("DPW"), the Suffolk County Department of Health Services, the County of Suffolk, and this Agency, which agreement shall contain such terms and conditions as the Administrative Head of the District shall determine, and it is further

6th RESOLVED, that the connection fee to be paid for LIE Welcome Center between Exits 51 & 52 shall be paid upon the execution of the Connection Agreement at the rate of \$15.00 per gallon of flow per day for a total of \$900,000.00, and it is further

7th RESOLVED, that LIE Welcome Center between Exits 51 & 52 shall, at its sole cost, expense and effort, construct a dedicated pump station for LIE Welcome Center between Exits 51 & 52 and shall offer to dedicate the said facility to this Agency, or to this Agency's nominee, at no charge, and it is further

8th RESOLVED, that LIE Welcome Center between Exits 51 & 52 shall furnish a Letter of Credit, in form, wording and amount, and on such terms and conditions, as determined by this Agency's staff, as security for the construction of the sewage collection facility for LIE Welcome Center between Exits 51 & 52, as well as for all of the developer's obligations under the Connection Agreement, and it is further

9th RESOLVED, that this resolution shall become null and void, and of no further force or effect, without any further action by this Agency or notice to LIE Welcome Center between Exits 51 & 52 if, within one (1) year from the date of the adoption hereof, an agreement in furtherance of the authorization granted herein (the Connection Agreement), in form and content satisfactory to the Chairman of this Agency, has not been negotiated and fully executed by all parties thereto.

(Suffolk County Sewer Agency Meeting May 16, 2016)

Mr. Donovan mentioned that this project is a former Entenmann's Inc. facility located on 30.9± acres at 1724 Fifth Ave in Bay Shore connected to the County Sewer District No. 3 – Southwest. The site was one of the first connections when the treatment plant went online in the early 1980s. The 1983 Entenmann's agreement expired based on the condition that the agreement was in place as long as the Bergen Point STP continues to operate or until the sewer bonds were paid off by the District. The sewer bonds were paid by the District in 2012-2013, so the contract is in essence null and void.

The current owner of the industrial facility is Bimbo Bakeries USA, the successor in interest to Entenmann's Inc., is looking to restore the contract with the County. The flow allocated at the time of the contract was 260,000 gpd for which Entenmann's was not charged any sewer connection fee. The contract further stated that Entenmann's had an option to go up to 500,000 gpd and they would have to pay for that extra flow. In early 2015, manufacturing operations were terminated and the facility currently serves as a transfer/warehouse/storage facility.

The entire building is approximately 450,000 square feet of space. Bimbo Bakeries USA recently entered into a contract of sale for the facility to the developer named Suffolk County Industrial LLC. Bimbo Bakeries intends to lease back approximately 50,000 square feet of space.

The original agreement was for 260,000 gpd with an option to go to 500,000 gpd. However, the applicant's estimated usage based on the Suffolk County Water Authority's most recent records for non-summer months, has been approximately 2,700 gpd. The estimated flow allocation for the entire building is 18,000 gpd (based on 450,000 sq. ft. of space multiplied by SCDHS' 0.04 gal/sq. ft. flow rate for a typical distribution facility).

Another point of interest is that at the time when Entenmann's connected they did not pay a connection fee; the County felt at the time it was in its best interest to get somebody with an existing flow to the plant before all the connections could be made. Entenmann's agreed to pay ad valorem (A/V) taxes for three years before they connect. That, in essence, was like a connection fee. The amortized cost per gallon at the time was \$4.71. If you take \$202,000 paid in A/V charges in total for three years and divide out by \$4.71 per gallon, it would give them 42,887 gpd, in essence what they paid for. So this is something new before the Agency, it's the matter for the Agency deciding what Bimbo Bakeries should be grandfathered for and what they should pay for going in the future.

Commissioner Anderson asked if there was a representative present and Christopher Kent, the attorney for Bimbo Bakeries USA mentioned that he was. He said that Bimbo Bakeries is still an Entenmann's facility, as a successor in interest to them; it's a continuation of Entenmann's operations

Mr. Kent said that the facility was acquired and assembled from 1961 to 1974 and had been in continuous operation at the site since 1961. He introduced John Burns and Rick Pomerence from Bimbo Bakeries USA and Michael Katz, consultant for Bimbo Bakeries.

Mr. Kent said that he wanted to go over a few things. It was a 1983 agreement that connected this property to the Southwest Sewer District. He did not see that the agreement said 260,000 gpd; it provided up to 500,000 gpd of flow. It was not on a fixed term. The DPW staff's project description said that the agreement expired in 2008. The agreement stated that it was for the life of the Bergen Point STP or the life of the bond financing for STP whichever came first. So he did not know where the 2008 was coming from. Mr. Donovan said that the bonds were paid in 2012-2013, so that means that the agreement by its terms expired around 2012-2013. It expired without any notice to the property owner. If there were a certain date of expiration, there would be no need to notify the property owner, but since it had expired upon the payoff of the bond, Mr. Kent expected that there would be some notice from the County to the owner that the bonds have been satisfied and paid off. Legislator D'Amaro asked if the notification requirement was in the agreement. Mr. Kent responded that the agreement had a provision that if there were any change in terms of agreement, the County had to provide notice. If the plant needed more capacity, the out-of-district connectees were given notice. The agreement did not say that by the end of the term the notice was required, but who would know that the bonds were paid off by the County. The expectation would be that somebody from the County should have provided the notice, since Entenmann's was a huge employer on Long Island, at Suffolk County specifically, so there should have been something informing them about the expiration by the fact that the bonds were paid off.

Legislator D'Amaro said that the applicant, the successor of interest to the Entenmann's, must also be charged with the knowledge of what was going on. Mr. Kent said that he was not disputing that fact, but they had no reason to know that bonds have been paid off. Legislator D'Amaro said that his point was if he signed the contract and it said that the contract would expire after bonds are paid off, he would make sure that he would know when those bonds expired. As a business person, it would make sense to make an inquiry to find out. Mr. Kent said they could have inquired in 2008, but he also was not sure what was the original face and the term of the bond. He added that this has been a continuous operation. All the construction to connect to the plant was paid by the applicant. There was a 2.5 mile force main and there was a pump station at the property upgraded at the applicant's expense in 2004. The pump station and the force main were sized for 1,000,000 gpd of flow for a 2.5 mile run from the property under the Southern State Parkway with the easement from the NYS to connect to a manhole on South Spur Drive. This was done with an expectation that there might be other connectees to the pump station and to the force main even though the flow from Bimbo Bakery was never more than 270,000 gpd.

Mr. Kent said that this property is not 100% occupied by Entenmann's anymore. The property itself was developed from 1961 until the present. There were many renovations and expansions to the building; over 40 of them over the 55-year period of operation. The footprint of the main building is 450,000 sq. ft. There is a mezzanine level within the building with an additional 65,000 sq. ft. There are also two separate buildings on the ground, a

garage and a water treatment building. The approximate total square footage of the site is approximately 535,000 sq. ft. and it is currently proposed to be sold and leased back about 50,000 sq. ft. in the main building and the garage, so Bimbo Bakeries USA will continue to occupy 64,000 sq. ft. as a distribution center for their business. They will continue to employ about 125-150 employees. The entire site is being sold, the balance of the site will be leased to others and redeveloped. The proposed redevelopment is being supported by the Town of Islip Industrial Development Agency (IDA) and the expectation was that there will be at least 270,000 gpd of continued availability to connect to the sewer district. It's true that the site does not operate at that high level anymore but if we want to attract a pharmaceutical company or some other businesses to the site, the demand is going to be greater than the current amount of flow being consumed from the site.

Mr. Kent said that he had worked with other pharmaceutical companies and they have general industrial use, the office use, the lab space and the process water. Those are all measured at different level, not all at 0.04 gpd/sq. ft. Some are measured at 0.06 gpd/sq. ft.; lab space at 0.1 gpd/sq. ft., drains are on a per unit basis. So limiting the flow to 0.04 gpd/sq. ft. does not seem fair. There was an expectation that they would have 270,000 gpd based on their historic use. Mr. Kent said that his client understood that they would have to come back before the Agency to make an application for anything over the current use but would like to establish some kind of a threshold, to perhaps allow 42,887 gpd as a threshold amount that they would get based on Mr. Donovan's analyses and then any application for proposed use that would be greater than 42,887 gpd would have to come back to the agency for review and approval with a new application but they would not have any connection fee paid up to 270,000 gpd that was the historic use on the agreement they had in place. For anything that is proposed above 270,000 gpd; there would be a connection fee for those uses. He added that it did not seem right to restrict this site to less flow than it historically had been granted when we are trying to create an opportunity to redevelop the site in conjunction with the Town of Islip IDA.

Legislator D'Amaro asked if the entire property was subject to the sale leaseback. Mr. Kent replied that the entire property would be subject to sale, the leaseback will be only for the 50,000 sq. ft. property and 14,000 sq. ft. garage. The balance of the property would be owned by Suffolk Industrial LLC. Legislator D'Amaro asked if there were plans for the balance of the site. Mr. Kent said there were no full plans yet. Legislator D'Amaro asked about the pharmaceutical company mentioned by Mr. Kent. Mr. Kent responded that his client was marketing the property for a pharmaceutical company. Legislator D'Amaro asked if Mr. Kent was trying to preserve 260,000 gpd with zero connection fee and Mr. Kent responded affirmatively.

Legislator Krupski asked if there was a precedent for this arrangement that the Agency was trying to formalize. Mr. Braun responded that typically would come to the agency as each part of the space is rented and would pay for the use of this space. If this were a space that was previously occupied and would be re-occupied by someone with the same water demands then they don't have to come to the Agency. For example, a shopping center may change one retail operation to another, there would be no reason to come. But when a shopping center is going to take a different use, for example, they used to have a dry store

and now are going to have a gymnasium with showers, etc., then the landlord would come to the agency to buy additional gallonage for that space. The Agency typically approves the application for the use of space which is either new space or space that has been used before. To answer Legislator Krupski's question, there was no direct situation to compare this case to.

Ms. Broughton asked if the staff could comment on the project description saying that the contract expired in 2008 and Mr. Kent's subsequent comment that the contract expired when the bond were paid off. Mr. Donovan said that new contracts expire within 25 years and before the staff found the language in the contract, they assumed a 25-year term. That was something that should have been corrected. Mr. Braun added that all current contracts expire in 25 years and that's where 2008 came from but having examined the contract more closely, the staff discovered that it did not have a 25-year life unlike all current contracts. That particular contract had the life of as long as the Southwest Sewer District continues to operate the Bergen Point STP or when the bonds that built it were retired and John's investigation showed that that happened in three or four years ago. Ms. Broughton asked if everyone was in agreement on the expiration date. Mr. Kent mentioned that he inquired and could not find whether the bonds expired.

Legislator D'Amaro asked if the applicant had known when the bonds are expired what would they have done at that point. Mr. Kent said that they would make an application to extend the agreement. Legislator D'Amaro asked the Agency what was the precedent that the Agency had for that scenario when the contract is about to expire and the applicant is seeking to extend the contract on favorable terms. Mr. Donovan replied that at that time because of the new requirement of the 25 year expiration term, the Agency would look at the original contract and anything that had changed in 25 years and would have an addendum with the information that was needed, such as new expiration date and other requirements that they did not have in the original contract.

Legislator D'Amaro said that the contract in fact had expired and asked whether in order to grant a zero connection fee, the Agency has to go a full Legislature for that. Mr. Braun said that under any of these scenarios the applicant would need a new contract, even if they came in for an extension six months before the agreement expired, the resolution of the Agency would still go before the Legislature. Mr. Kent said that his client is going to amend its application from the 500,000 gpd down to historical high 270,000 gpd; that was the flow his client would like to be granted without the connection fees. His client also agrees to be limited by this approval to 42,887 gpd without coming back to the Agency. If there is any proposal for reuse or redevelopment of the site to exceed 42,887 gpd, the owner of the site would have to come back to the Agency with the application, provided that there would be no connection fees up to 270,000 gpd. Bimbo Bakeries USA agrees to a 25-year term and all the standard terms of the connection agreement and is looking for an extension on new terms currently required by the County.

Legislator D'Amaro said that if it were a new application for the newly acquired site that needed to connect, Mr. Kent's client would be charged the current rate for the gallons

needed, so his client is really relying on the fact that there is a contract that expired a couple of years ago and gave a favorable treatment to the site. Mr. Kent said that from the County point of view the expectation was that the County committed to up to 500,000 gpd and have been receiving a maximum flow of 270,000 gpd. In 2015, the site stopped operating as a bakery and became a distribution facility, but the expectation was that the County would receive 270,000 gpd based on a maximum historical use.

Legislator D'Amaro said that one of the concerns that he had was fairness because it's true that historically there was a contract and a policy decision was made to waive the fee many years ago and the terms that the parties agreed to were that when the bonds expire, the contract expires. That said, now granting a business zero connection fee which impacts the cost of doing business, as opposed to any other applicant, what is the justification for that? Mr. Kent responded that the connection fees are really designed to pay for capital expenses and the agreement states that the improvements to the District in the future will be shared proportionally by out-of-district connectees. Bimbo Bakeries USA will be paying its share of those expenses as anybody. Legislator D'Amaro said that every other business is granted the same provision but they also are paying a connection fee. Legislator D'Amaro said he understood Mr. Kent's reliance on the prior contract because it gets Mr. Kent's client zero connection fee. Mr. Kent responded that based on Mr. Donovan's analyses, his client paid the equivalent of a connection fee for 42,887 gpd.

Mr. Donovan said that that was the clearest number the staff could use. He added that it was not clear that the contract allowed 500,000 gpd for free; Entenmann's did not have to pay for what they needed; they only reserved additional flow up to 500,000 gpd but it was not clear where there would be a cost charge for that additional flow. He said that there was a report in addition to the contract and in that report it was mentioned that the expectation was that Entenmann's would be using 260,000 gpd and they estimated the annual user charges and other details. The report said if the cost of operating the District goes up, Entenmann's could be charged additional fees. Mr. Donovan said it was good that Bimbo Bakeries USA was willing to start at only 42,887 gpd at zero connection fee since they paid for it but he would ask that from 42,887 to 260,000 gpd, the site owner would pay at \$4.71/gpd since it was how the original gallons were calculated at and for anything above 260,000 gpd they would pay the current rate.

Mr. Kent said that he agreed to limit the flow to 260,000 gpd but he would like his client to pay no connection fee up to 260,000 gpd. Mr. Donovan said that originally Entenmann's has its own onsite treatment plant operating at 260,000 gpd that the company wanted to close and send the flow to the County, that's why they had an existing flow when the District was built. This was to the benefit of the District and that was the flow Entenmann's was allowed to discharge into the District. The negotiations took place in the 1970s, but Entenmann's did not actually connect until 1983. Mr. Kent reiterated that in 2004 his client constructed 1,000,000 gpd pump station and force main connecting to the District leaving the County if other connectees want to connect with an ability to use over 700,000 gpd of pump station capacity where the County can charge \$30 per gpd connection fee.

Mr. Donovan said he did not know the exact capacity of the pump station but for 260,000 gpd of flow, the pump station would have to be able to pump 1,000,000 gpd at a peak flow, so he was not sure whether the reference to 1,000,000 gpd was for the peak flow only. That would mean that only 250,000 gpd of pump station capacity was available on average, so he would have to look at the pump station engineering report. Ms. Broughton asked if the fact that Entenmann's built the pump station was a mitigating factor and Mr. Donovan responded that it was not, as everybody who wants to connect to the District pays the connection fee and the cost to get to the District; this was their cost to get to the District. Ms. Broughton asked since the project description showed 15 employees, how many people were currently working at the Bimbo Bakeries Facility. Mr. Kent was not sure about the exact number today but he said there would be 125 to 150 in the future. Mr. Burns added that they currently had sales force, mechanics and truck drivers. Mr. Kent said after the redevelopment there will be more jobs.

Legislator Krupski proposed a motion to approve zero connection fee up to 42,887 gpd and the connection fee of \$4.71 per gpd up to 260,000 gpd. Mr. Knepper seconded this motion. Legislator D'Amaro said given the fact that if the contract were drafted today, it would have a definite date of expiration and given that it has already been approved for zero connection fee up to 260,000 gpd, he would agree that in the future contract Bimbo Bakeries USA would know its expiration date; but knowing that the bonds expired was difficult. Legislator D'Amaro added that there is also an incentive here to develop the site, so he would support Legislator Krupski's motion but would also support the motion of giving what the applicant was requesting – zero connection fee until 260,000 gpd.

Ms. Broughton said that she would like to speak to Legislator's D'Amaro observation that there seemed to be some unusual confusion the way that particular contract had been worded and added that this was a very important economic development project with the potential bringing very good jobs and, therefore, she would support Legislator D'Amaro's proposal seconding it. Legislator D'Amaro then made a motion offering zero connection fee up to 260,000 gpd of flow with the understanding that any project above 42,887 gpd would have to come back to the Sewer Agency for the normal approval process and anything above 260,000 gpd would be subject to regular rate at the time. Mr. Braun clarifies that applications up to 42,887 gpd would still need the approval, not from the Sewer Agency, but for design and flow to be accepted for that use. Legislator D'Amaro agreed with that. Mr. Donovan recommended adding a clause that the approval was specifically for the site and cannot be transferred to any entity in the surrounding area. Legislator D'Amaro agreed and said that the approval would be site specific. Ms. Broughton seconded that motion.

Commissioner Anderson summarized that there were two motions. He said that the first motion to be voted on was to approve the connection fee up to 42,887 gpd and the connection fee of \$4.71 per gpd up to 260,000 gpd of flow, not transferrable and site-specific.

Since five Sewer Agency members, except Legislator D'Amaro and Ms. Broughton, voted in favor of the first motion, Commissioner Anderson announced that the first motion carried.

SUFFOLK COUNTY SEWER AGENCY

RESOLUTION NO. 16 - 2016, AUTHORIZING THE ISSUANCE OF THE NEW AGREEMENT FOR THE EXISTING CONNECTION OF BIMBO BAKERIES USA BUILDING (IS-0727) TO SUFFOLK SEWER DISTRICT NO. 3 – SOUTHWEST

WHEREAS, Bimbo Bakeries USA is the owner and the successor in interest to a former Entenmann's Inc. industrial facility located on 30.9± acres at 1724 Fifth Ave in Bay Shore and connected to the County Sewer District No. 3 – Southwest. The aforementioned facility is located on the property identified on the Suffolk County Tax Map as District 0500, Section 182.00, Block 01.00, Lot 041.001 and District 0500, Section 181.00, Block 03.00, Lot 000.049, and

WHEREAS, Entenmann's Inc. previously used the site as a bakery production facility and had a Sewer Agency agreement that was dated 1983 and expired in 2013 after the Bergen Point Wastewater Treatment Plant sewer bonds were paid off, and

WHEREAS, the aforementioned agreement reserved 500,000 gallons per day (GPD) of flow for the Entenmann's site, of which the flow allocated at the time of the contract was 260,000 GPD and the maximum flow usage was 270,000 GPD, for which Entenmann's was not charged any sewer connection fee, and

WHEREAS, Bimbo Bakeries USA recently entered into a contract of sale for the facility and, following the execution of sale, intends to lease back 64,000 square feet of space out of the approximately 535,000 square feet of space available in the entire building, while the prospective new owner plans to lease out the remainder of the building to other potential entities to be determined in the future, and

WHEREAS, Bimbo Bakeries USA has applied to this Agency for permission to reinstate the expired 1983 Agreement without charge for the connection fee, and

WHEREAS, the sewage flow from the Bimbo Bakeries USA facility currently being used as a distribution center has been significantly reduced and is estimated to be 2,700 GPD, while the flow allocation for the entire building based on the same type of use is estimated as 21,400 GPD, and

WHEREAS, the Bimbo Bakeries USA facility is not located within the boundaries of Suffolk County Sewer District No. 3 - Southwest (the "District"), or within the boundaries of any other municipal sewer district, and

WHEREAS, the District's sewage treatment plant has sufficient capacity to accept the sewage, which is currently expected to emanate from the Bimbo Bakeries USA building, and

WHEREAS, the connection of Bimbo Bakeries USA to the District will be financially beneficial to the District, and continue to be environmentally beneficial to Suffolk County, and

WHEREAS, pursuant to Title 6 NYCRR Part 617.5(c) (11) and (20), this project involves the extension of utility distribution facilities, including gas, electric telephone, cable, water and sewer connection to render service in approved subdivisions or in connection with any action on this list; and routine or continuing agency administration and management, not including new programs or major reordering of priorities that may affect the environment. No further action under SEQRA should be taken by the Sewer Agency, and

NOW, THEREFORE, IT IS

1st RESOLVED, that the SEQRA requirements for this project have been met, and, require no further action, now, therefore, be it further

2nd RESOLVED, that the connection authorized herein is subject to the approval of the Suffolk County Legislature and the New York State Department of Environmental Conservation, and it is further

3rd RESOLVED, that the connection authorized herein is subject to the execution of an agreement (the "Connection Agreement") between Bimbo Bakeries USA, the District, the Suffolk County Department of Public Works ("DPW"), the Suffolk County Department of Health Services, the County of Suffolk, and this Agency, which agreement shall contain such terms and conditions as the Administrative Head of the District shall determine, and it is further

4th RESOLVED, that based on the estimated amount of flow paid for by Entenmann's Inc. in ad valorem taxes at the time of the 1983 contract, Forty-Two Thousand Eight Hundred Eighty-Seven (42,887) GPD of capacity in the District's sewage treatment plant be allocated to Bimbo Bakeries USA without charge for a connection fee, with the understanding that any additional future flow and uses from the new tenants in the Bimbo Bakeries USA building will have to be reviewed and approved by Suffolk County Departments of Health Services and Public Works, and it is further

5th RESOLVED, that any new tenant in the Bimbo Bakeries USA industrial building requiring an additional capacity in excess of 42,887 GPD and up to 260,000 GPD would be required to make a request to the building owner to submit a formal application to the Sewer Agency and, if approved, pay the connection fee at the rate of \$4.71 per gallon per day for such an increase, and it is further

5th RESOLVED, that the capacity allocated to the Bimbo Bakery USA applies specifically to the Bimbo Bakeries USA's site, and is not transferrable to any entity and/or site in the surrounding area, and it is further

6th RESOLVED, that this resolution shall become null and void, and of no further force or effect, without any further action by this Agency or notice to Bimbo Bakeries USA if, within one (1) year from the date of the adoption hereof, an agreement in furtherance of the authorization granted herein (the Connection Agreement), in form and content satisfactory to the Chairman of this Agency, has not been negotiated and fully executed by all parties thereto.

(Suffolk County Sewer Agency Meeting May 16, 2016)

B. Formal Approval – Connection/Construction Agreement – Time Extension

LEXINGTON VILLAGE CONDOMINIUMS

IS-1623

Mr. Donovan said that this was a time extension request of formal approval. The project is an existing One Hundred Seventy (170) unit condominium subdivision situated on 9.7 acres located north of the Southern State Parkway, at the intersection of Manatuck Boulevard and Hemlock Drive in Brentwood. The estimated flow from this project is Forty-Five Thousand gallons per day (45,000 GPD). The project owner is requesting a Sixth (6th) time extension to complete the connection agreement to connect to SCSD No. 3 - Southwest. The owner currently has an onsite treatment which they are planning to abandon. The capacity continues to be available in the district and Staff recommends granting the request for a time extension.

Commissioner Anderson asked if there was a representative present and Mr. Matt Scheiner, the engineer for the project, mentioned that he was. He said that the intention is to start the construction this year in light of the County Health Department's Order on Consent for the existing treatment plant and the project owner was waiting for some bonding issues with the Town.

Commissioner Anderson asked Mr. Scheiner if he was confident that that was the last extension and Mr. Scheiner said he was hopeful, since it was not within the project team's control and depended on the bonding with the Town. Legislator D'Amaro asked to clarify what was the bonding situation. Mr. Scheiner responded that the Town had issued the bonds to cover the cost of the construction that the homeowners of the condominiums would be paying back through the taxes, but he did not know the exact details. Legislator D'Amaro asked if the Town of Islip was going to bond the construction cost and Mr. Scheiner said 'yes' and clarified that the bonds were for demolishing an existing treatment plant which is failing and constructing a pump station and force main. Legislator D'Amaro asked how long had been the proposal pending before the Town of Islip. Mr. Scheiner said that the bond was approved about a year or two ago, he was not 100% sure, but the funds were not in place. Legislator D'Amaro asked that the bond was approved but the funds were not appropriated and there was no contract in place. Mr. Scheiner confirmed that that was the case.

Legislator D'Amaro said that Mr. Scheiner should have a more specific information on the status of the Town of Islip bond, especially for the sixth time extension. Ms. Broughton asked if the Resolution could be tabled to get more information and Legislator D'Amaro said that that would be fine. He recommended that Mr. Scheiner get in touch with the Town of Islip and explain that his project needs appropriation of the bond to go forward. Commissioner Anderson recommended to stress that the concern was that it was the sixth time extension. Mr. Scheiner said that he understood.

Commissioner Anderson asked if there were any questions or comments and seeing none, he made a motion to table the resolution for one cycle, until the next Sewer Agency meeting; the motion was seconded by Legislator D'Amaro and approved unanimously.

E. Miscellaneous

1. Capital Project 8194

○ SCSD No. 7 – Medford (Woodside Facility) – Plant Rehabilitation

Mr. Donovan mentioned that this was the project for the Suffolk County Sewer District No. 7–Medford; Woodside wastewater treatment facility. The project for the Woodside facility is in the capital budget to rehabilitate the effluent filtration and auxiliary systems.

The improvements will allow additional sewage flow to be treated while meeting permit limitations. Design funds have been appropriated in the 2015 Adopted Capital Budget and an RFP for the engineering design services is being prepared. A public hearing is needed to appropriate 2016 construction funds and the Sewer Agency recommendation is a part of the approval process going forward.

Commissioner Anderson asked if there were any questions or comments and seeing none he made a motion to approve the resolution; the motion was seconded by Legislator D’Amaro and approved unanimously.

SUFFOLK COUNTY SEWER AGENCY

RESOLUTION NO. 17 - 2016

PUBLIC HEARING / NOTIFICATION TO NYS COMPTROLLER FOR PLANT REHABILITATION TO SUFFOLK COUNTY SEWER DISTRICT NO. 7 – MEDFORD (WOODSIDE FACILITY) (CP 8194)

WHEREAS, Suffolk County Sewer District No. 7 - Medford includes two wastewater treatment facilities, the Woodside Wastewater Treatment Facility and the Twelve Pines Wastewater Treatment Facility, and

WHEREAS, the Woodside Wastewater Treatment Facility is in need of rehabilitation and replacement of the effluent filtration and auxiliary systems, and

WHEREAS, the aforementioned improvements will allow additional sewage flow to be treated while meeting permit limitations, and

WHEREAS, design funds for this project have been appropriated in the 2015 Adopted Capital Budget and the 2016 Adopted Capital Budget includes construction funds for this project and an RFP for the engineering design services is being prepared;

NOW, THEREFORE, IT IS

1st RESOLVED, that the Suffolk County Sewer Agency direct its attention and staff to take the steps necessary to facilitate the plant rehabilitation in Suffolk County Sewer District 7 – Medford (Woodside Facility).

(Suffolk County Sewer Agency Meeting – May 16, 2016)

Seeing no further business, Commissioner Anderson made a motion to adjourn the meeting. The motion was seconded by Legislator D'Amaro and approved unanimously at 1:21 PM.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Boris Rukovets".

Boris Rukovets, P.E.
Secretary, SC Sewer Agency

Note: These minutes represent the recorder's understanding of the issues discussed. Please report any discrepancies to the recorder within seven days of distribution for discussion at the next available Agency meeting or move to amend the meeting's minutes at the next meeting.