

Date of Meeting: September 13, 2007

Kind of Meeting: Business

Place of Meeting: Village Hall

Members Present: Robert Murphy, Chairman
Tracy Durkin
Robert Liffland
Allen Rundall
Mike Montemarano

Members Absent: Wayne Osborn

Consultants Present: Seth Sheraden of Environmental Consultants
Steve Mance of Environmental Consultants
Rich Kane of Environmental Consultants
David Wise of Gellert & Klein

Others Present: Peter Cris for Castagna Development
Patrick O'Sullivan for Castagna Development
Rudy Umscheid from Lakeside Drive
Lou Larizzo – Rooney Property
John Arrins – West Dover Rd. project
Steve Parrino
Earl Slocum
John Benson

At 7:00 p.m. the regular business meeting of the Pawling Joint Sewer Commission was called to order by Chairman Robert Murphy with the Pledge of Allegiance.

MOVED by Robert Liffland, SECONDED by Tracy Durkin to approve the Minutes of August 9, 2007 as presented. All were in favor and motion carried.

MOVED by Mike Montemarano, SECONDED by Tracy Durkin to approve the Treasurer's Report of August 1, 2007 through August 31, 2007 as presented. All were in favor and motion carried.

MOVED by Allen Rundall, SECONDED by Mike Montemarano to approve the August, 2007 vouchers and the September, 2007 prepaid vouchers as presented. All were in favor and motion carried.

MOVED by Tracy Durkin, SECONDED by Robert Liffland to approve the Correspondence Log of September 6, 2007 as presented. All were in favor and motion carried.

Old Business

Attorney Report

Dave Wise said the only thing he has tonight is the request from Stew Berelson for the Commission to pay the electric bill for the pump station at Baxter Green. Dave said he told Stew there is no basis for that. Chairman Robert Murphy said he hopes Stew gets a proposal from Griffin Pump soon. He said it looks like Stew is a little concerned about the recommendations from Stantec, but they haven't changed from the old one that the original proposal was based on. Dave said he'll call Stantec also to see if they could talk to Griffin to expedite this. Robert Liffland said Stew should be contacted to let him know the Commission will not pay the electric bill. Chairman Robert Murphy asked Dave to do that and said Linda called NYSEG to make sure the name can't be changed on that bill.

Engineering Report

There were no engineers present. Chairman Robert Murphy said the engineers are meeting with Rich over at the main pump station at the plant on Tuesday. He said it is part of the ongoing improvements they are doing at the plant.

Sewer Operator Report

Seth said all is basically quiet. All tests were within permit. He said the flows are down. He said there was a backup in front of McKinney and Doyle. It was in their line. Seth said they just basically did a lot of general maintenance this past month. He said they did meet with the engineers and Griffin Pump out at the Baxter Green pump station and they are now just waiting for the quote. Seth said they did have a high level alarm go off at the main pump station but it turned out to be an electrical problem. He called Electrical Maintenance who will order a new alternator. Seth said they will start the phosphorus testing next week with the chemical addition.

Chairman Robert Murphy said there are some representatives from the Castagna Group here tonight and introduced Jerry Schwalbe from their engineering firm. Jerry thanked the Commission for letting them come tonight. He said with him tonight is Peter Cris and Patrick O'Sullivan. He said there has been an announcement to move forward with the medical office building. He said the response has been tremendous. Jerry said the Westage Group which is in partnership with the Castagna Group to develop that particular building on that property. He said he's here tonight to give the Commission some sense of where they are with the progress. Jerry said they are still looking at the size being between 30,000 – 40,000 square feet. He said they do have to develop the plans to bring back to the town planning board. He said the reason they are beginning discussions with the Commission is so they can start moving forward with the actual connection to the sewer system. Jerry said the last time they came in front of the Commission Ron Gainer outlined about an 80,000 gallon per day capacity that would need to be developed into the plant to accommodate the facility. Jerry said they are still confident that's what they would need to move forward.

Jerry said another reason they came tonight is to see how they can move to the next steps. He said as they negotiate, they want to obviously have some commitments from the Commission. Jerry said Patrick O'Sullivan is here tonight to set up some type of escrow. Jerry asked Chairman Robert Murphy how they would like to set that up at this point. Chairman Robert Murphy said to cover engineers cost and some legal fees the Commission would need \$10,000 and Dave could come up with a sample tenancy agreement. Chairman Robert Murphy said they could just send the check to Linda and she will set up the account. Allen asked what kind of arrangements they would work out as far as upgrading the sewer facility to handle this and other developments. Chairman Robert Murphy said they talked about this at the last meeting that as far as the office park is concerned they would expect some sort of hook up fee but at the very least the engineers are pretty confident the SPDES permit won't have to be increased. He said obviously when it comes to the CCFC they will have to start talking about expansion. Robert Liffland asked if they have any idea of when they will be doing the retail part of the project. Jerry said the catalyst right now is just the medical building. He said one thing that is good is that when the line goes in along Route 22 it will be sized for the ultimate flow. Jerry said everything else on site can be phased in as long as they have the proper size line. Jerry said there are still some things that need to be worked out but they are looking to start some construction next year.

Chairman Robert Murphy thanked Jerry for coming tonight.

Chairman Robert Murphy said the next item on the Agenda is discussion with some of the potential developers to the Sewer Commission and he is going to turn this over to Robert Liffland because he has been discussing with them some hookup fees.

Robert Liffland asked that any one here tonight is here for the expansion, if they could just raise their hand and say who they are and what project they represent.

Rudy Umscheid said he is from Lakeside Dr.

Lou Larizzo is in contract to close on the Rooney Property within the next 30 days and is here to discuss the possibility of developing the property for senior housing, some town homes and mainly moderate income housing for policeman, fireman, teachers, and municipal workers.

John Arrins is the attorney for the project on West Dover Rd. that doesn't have a name yet.

Robert Liffland said they have been having developers come in front of the Commission wanting to tie into the sewer plant and the Commission has been trying to figure out how to do it. Rob said what he's thinking is, for example, say you pay for 100,000 but you only needed 80,000, would you be willing to sacrifice those other 20,000 gallons and release that to the Pawling Joint Sewer Commission so they actually own the units even though you met your amount lower. He said this is open for discussion. He said he doesn't know how anyone feels about it. Rob said if you don't know how many units you are going to need and you pay for 100,000, you won't get reimbursed back for what you don't use.

Rob asked for comments on it.

Chairman Robert Murphy said Lou came in front of the village board a couple of years ago and gave a general overview of what he wants to do and asked Lou if that is still basically what he is looking at doing or has the plan changed. Lou said he is actually waiting for the comprehensive plan from the village so he could determine what he can actually do.

Lou said in regards to hooking up to the sewer, it would be advantageous that if all of the developers were to sit down and discuss which would be the best way for all of them, then they could come back to the village and determine how they feel it could work financially for them and for the village, instead of asking him and other developers to pay for x amount, because no one really knows exactly what they are going to get and he is willing to pay but he can't pay for something he doesn't know what he'll get. He said he thinks that if they all sat down they could probably work it out.

Robert Liffland asked if there were any other opinions.

Rudy Umscheid said he agrees with Lou and he is prepared to enter into those discussions. Chairman Robert Murphy said for those that aren't familiar with the general process, the Commission does charge a hook up fee, it's \$8,000 per residential unit and the developer is responsible for all costs getting to the plant. He said the \$8,000 the Commission gets is used to expand and improve the sewer plant. Chairman Robert Murphy said they just raised that fee recently. He said basically the plant right now is at capacity and that it has always been the Commission's intention that the current tax payers in the sewer district shouldn't have to pay for any cost's associated with any expansion for any developer coming in. He said these are the Commission's current rates and at the very least for some developments, that will at least give you a broad idea of what it would cost you to hook up into the system. Chairman Robert Murphy was asked if there is an indication of what the timing might be for the expansion of the plant. Chairman Robert Murphy said that right now they do not need to expand the plant, the timing is really going to be coincided with the first developer who wants to come in and hook up. Chairman Robert Murphy said until the Commission has an agreement and some money, they will not be doing any work at the plant. Chairman Robert Murphy was asked how long it would take to do the expansion. Chairman Robert Murphy said he'd have to ask an engineer to do that but he would think through approvals and stuff it would be at least a year.

Chairman Robert Murphy said they are doing some improvements right now that won't necessarily increase the capacity but will make the plant run a little bit more efficiently. He said the Commission does have some money in the bank that they'll use for that, it is in the Capital Improvement Fund. Chairman Robert Murphy said basically all the money that the Commission collects from developers goes into a capital improvement fund, they don't use it to lower taxes, they don't use it for operating expenses, it is used to either expand or improve the plant. He said that is the purpose of the money.

Allen Rundall asked Chairman Robert Murphy if the developers meet and agree and say they are going to need X number of gallons and they come to the Commission and say they will upfront provide this for the Commission to develop the plant, then the Commission wouldn't have to charge them the \$8,000 hook up because they have already paid what it cost to expand the plant to the capacity or above the capacity of what is needed.

Allen said they would provide the money for the Commission to do the work. Chairman Robert Murphy said that is what the \$8,000 is for. Allen said if they paid in a lump some up front then the Commission could take the money and develop the plant so when the developers get all of their approvals, they can move forward and they won't have to wait another year for development. Allen said then the \$8,000 is no longer in play because they paid upfront. Allen said Lou said that he would be willing to pay upfront if he knew what he was getting.

Allen said maybe all the developers should get together, see what they have and come back and tell the Commission and then give the money. Chairman Robert Murphy said he didn't think that is what Lou was saying. He said he would think that Lou would wait until he has approvals on how many units he can put up. Chairman Robert Murphy said that's kind of what Rob was saying, that the developers would put up the money and if they don't get the amount of units than the rest of the money is the Commissions. He said he did speak with Elm St. Partners and they did agree that the appropriate time to pay hook up fees would be when they had all of the approvals.

Allen said if the Commission came to an agreement with the developers, the Commission wouldn't have to do the band-aid system they are doing now.

Chairman Robert Murphy said there is no band-aid system. He said there is no need to expand the plant until a developer comes in, there is no reason for them to expand the plant right now. Chairman Robert Murphy said they can reach agreements with them concurrently, while they are building their development the Commission can start building the expansion so it's ready for when the developer is ready to sell houses. Chairman Robert Murphy said if the developers are willing to give the Commission money upfront before they have their approvals, he's not going to say no but he finds it difficult to believe the developers want to do that. Allen said he's not comfortable with the daily flow they are getting now. He said what happens when they come down and start fining the Commission thousands of dollars for exceeding the permit levels. Chairman Robert Murphy said he doesn't think the fact that they are 857 gallons a day over the SPDES permit is going to really be a major problem, especially with all of the I/I work they did a couple of months ago. Tracy said a lot of this stuff seems a little premature to her and she is a little uncomfortable with the implication that this sort of implies an approval of their plan where the Commission is not involved in that and they are talking sort of with those overtones. She said she's sure that all of the gentlemen in the audience know the business and factors in dealings with infrastructure as part of the equation and they are probably not unfamiliar with the time frame the Commission is talking about and trying to jump start the sewer, like that is the limiting step. Tracy said she thinks the dialog is important but the implications of approval are a little unsettling.

Kent Johnson said the town has some projects out on West Dover Rd. that are going through the process. He said the town is under pressure because these people have been in front of the planning board for quite awhile and they are going to need some direction. He asked what if they could segregate them, West Dover Rd. in anticipation of development, and Route 22. Kent said that the town can come up to a fairly close number of how many units are going to be built on West Dover Rd.

Kent suggested that instead of looking at this as one big huge problem, he said it's only a suggestion, but he thinks they can come very close to a build out analysis between the golf group and what they as a town know what is going to happen on West Dover Rd.. He asked how they can get something started to at least get that segment out of the way.

Chairman Robert Murphy said the cost to them would really be getting to the plant. That is not something that the Sewer Commission would be willing to pay for, even up front, because the tax payers would be paying for it until the developers came on line. Chairman Robert Murphy asked Kent if that is what he's asking because he's not too sure what Kent is trying to say.

Kent said what he is saying is, can the overall expansion be separated out, again going back to West Dover Rd., suppose they, with the new golf group comes in and says this is what they will need to expand the plant. Kent said he's not so sure he can get the developer to prolong their approval process. So Kent's question is can they expand the plant and how long will it take. He said if he can go back to the developer and tell them he has a commitment from the village that the plant will be upgraded in a year. Chairman Robert Murphy said the best case scenario would be a year from the start of process to the end of construction and it really depends on how much expansion they are doing. Kent said they are looking at 68 lots. He said they're not likely going to pay to bring the lines down West Dover Rd. and then pay the \$8,000 hook up fee. He said that's why he says to look at the overall picture. John Arrins asked if there is any problem with the fact that the property they are involved with is in the Town of Dover. Dave Wise said yes, the Commission doesn't have any jurisdiction in Dover. Dave said they could have a transportation corporation, which is extremely complex, they could potentially have an inter-municipal agreement but, there are numerous issues involved with both of those. John said assume there is some way for the Dover portion of the property to hook into the plant, they have discussed up-fronting the cost as part of their approval process for the studies and plant expansion approvals and such. He said they have discussed paying to the cost of the sewer line from their project to the plant. He said he thinks it would be very difficult to get their finance to upfront the \$8,000 prior to a number of agreements, but he thinks that if there is some proportionate amount that ultimately benefits the property so if for some reason the plans don't get approved, the property still has that much capacity that it's intiated to use at some point. He said he's also guessing that most developers will say they want to get preliminary approval before they pay.

Chairman Robert Murphy asked Steve Parrino if he had any comment. Steve asked how large the property is at the plant. Chairman Robert Murphy said it's not a lot but as far as what they are looking at for expansion needs, he thinks it's doable. He said the only thing that changes the dynamic of things is the project up on West Dover Rd. because that hasn't been taken into the calculations. Steve asked about environmental impact with the expansion. Chairman Robert Murphy said that is something the Commission will have to go through the DEC and is part of the SPDES permit. Steve asked if they will address things like noise and smell. Chairman Robert Murphy said yes and asked Steve if he gets odors. Steve said yes, occasionally. Chairman Robert Murphy asked Steve to please let the Commission know when he has odors. Steve asked if the surrounding property owners will be contacted when the expansion is going on. Chairman Robert Murphy said it will be in the news papers and discussed at meetings, mostly at the Planning Board level. He said Steve can call him any time. Steve asked who the engineering firm is that will be handling the sewer plant for the village. Chairman Robert Murphy said Stantec.

Chairman Robert Murphy asked if there were any more questions. There were none.

Chairman Robert Murphy thanked all the developers for coming tonight and told them that if they have any questions they can call the office to contact him.

MOVED by Tracy Durkin, SECONDED by Allen Rundall to approve transfer of \$270.00 from Lanman & DeWinter Escrow Acct.#15004214220515 to O&M MMA #15004203346918 for legal fees paid. All were in favor and motion carried.

MOVED by Allen Rundall, SECONDED by Tracy Durkin to approve roll over of principal and interest from CD#31003918832279 to a new CD for 21 days. All were in favor and motion carried.

Commission Member Comments:

Mike Montemarano said just for clarification on the cost of the upgrades, it looks like 3.4 to get an additional 220 gallons per day.

MOVED by Mike Montemarano, SECONDED by Tracy Durkin to close the meeting and adjourn. Time: 7:58 p.m. All were in favor and motion carried.

Tracy Durkin, Secretary