

## Village of Cleveland Regular Board Meeting / Public Hearing March 23, 2010

PRESENT: Mayor Malchoff J. Davis, Trustee Joseph Carr, Trustee Debbie Kite, Trustee Norm Youmans, DPW Superintendent Doug Riggs, Fire Chief Joni Hinds, Oswego County Fire Coordinator John Hinds, Cleveland Elementary School Principal Michael Eiffe, Town of Constantia Supervisor Chuck Gilkey, Village Attorney Kevin Caraccioli, Engineer Bob Guminiak and approximately 75 citizens from the community.  
ADSENT: Trustee Joe Domachowski

**CALLED TO ORDER:** by Mayor Davis at 6:30 pm with the Pledge of Allegiance, welcoming all present and thanking Principal Eiffe for use of the school facilities. The Mayor asked for a round of applause for the achievement of the children and staff at Cleveland Elementary for being chosen as a Blue Ribbon School. He introduced the Trustees, Attorney Caraccioli, Engineer Bob Guminiak and his assistant Jay Perkins.

**OPEN PUBLIC HEARING:** Mayor Davis opened public hearing, an informational meeting to determine whether the Village Board of Trustees should adopt a Bond Resolution to borrow funds from USDA Rural Development for a water project to upgrade the Village's existing water system to include new meters, a new well, painting of the water tank, the replacement of existing water lines and certain upgrades and modifications to the water treatment plant for a total project cost of \$1,693,240.

Mayor asked that all comments from the public wait until the end of the presentation to be heard. Each person will be given two minutes to present his or her question or statement. He also asked that Mr. Elwood Engelbrekt address the public to review the flyer he previously circulated to the public expressing his concerns regarding the project. Mr. Engelbrekt declined but did state that people could not afford this.

**BRIEF HISTORY** by Mayor Davis: The Village of Cleveland was the first to offer public water on the North Shore of Oneida Lake in the late 1800's and was owned by a private company. The water was drawn from an open reservoir from a higher elevation and piped to the Village and eastward to the home of the President of the Water Company. This worked well for some time. In the 1940's they often dealt with brown water. In the early 70's the health department was concerned and the Board elected to go with a well, pump and tower – this was voted in by referendum. The project cost was \$1,400,000. and included a \$764,000 grant. \$636,000 was financed over 38 years with a 5% interest rate. The village is about 7 years from paying off that loan. There are deficiencies in the water system that need to be addressed and the Board feels the upgrades are things that need to be done as soon as possible.

**ENGINEER ROBERT GUMINIAK:** Bob introduced himself and his small engineering firm Burley-Guminiak & Assoc. They have been working with several local municipalities on water/sewer projects throughout Central New York for many years. He started working with the Village in March of 2008 at which time he did an evaluation of the Villages Water System. Then in 2009 met with USDA, the funding agency, and produced a new engineering report to utilize the Federal Government stimulus program available for infrastructure improvements.

(See attached PowerPoint presentation handout)

The preliminary study done in 2008 was to determine deficiencies in the Water System. Generally it is in good condition and the Village currently serves 484 customers and is concerned with the ability of the system to serve more customers. There is a 16" well that pumps approx. 220gpm and a 6" test well that can pump approx. 80gpm and is 30' from the 16" well. The 6" well is too small. A new backup well is needed. After meetings with the Village, Water Dept personnel, and the Health Dept, numerous other improvements are being considered including: Purchase and install a new backup generator and auto-transfer switch to operate the well and treatment building during a power outage, purchase radio remote water meters for all system users and billing software, replace approx. 5,000 feet of older smaller water main on Center Street, Bridge Street and Sand Street, install new telemetry to turn the well pumps on and off based on the water level in the storage tank and record useful system parameters, install a safety climb system on the water tank, make improvements to the water treatment building to minimize the severe corrosion problem that exists, correct violations at the water storage tank (entry hatch too small), and repaint the inside and outside of the 31 year old water tank. (Painting costs have tripled in the last 10 years due to new regulations). This project could start as early as the fall of 2010 and be completed in the spring of 2011.

The Village submitted a pre-application to USDA Rural Development in July 2009 for a water system upgrade and has received confirmation of project funding. Funding will be based on Median Household Income of the

Village based on the 2000 Census, which was \$32,313 (NYS average is \$43,393).

Rural Development has verbally stated a grant for \$365,000 may be available for the project.

The project's total estimated cost is \$1,693,240. Being eligible for poverty financing, the Village was offered a loan through Rural Development for \$1,234,000 at 2 3/8% (at this time) for 38 years. A grant was verbally offered for \$365,000 and the Village's contribution would be \$94,000.

The yearly cost to the Village would be \$49,669. With 556.64 Equivalent Dwelling Units the additional yearly cost per EDU would be \$89.26 for each inside user or \$.24 per day. Outside users would see a yearly increase of \$118.71 or \$.33 per day.

The current loan repayment is \$25,000 per year and will be paid off in 2017. In 2018 there may be a billing reduction.

The Village Board chose to have a public vote on this project that will be held on April 27, 2010.

#### VILLAGE ATTORNEY KEVIN CARACCIOLI:

Attorney Caraccioli went over the voting rules with the public and after some confusion on who could vote, the Village Attorney confirmed that only Village residents that are registered to vote are eligible to vote in the April 27<sup>th</sup> referendum. It was determined that anyone that intends to vote at the referendum for the water system upgrade must be registered by April 1, 2010.

The Village will be bonding with Rural Development for 1.6 million. Bonding is how financing is done, like a mortgage, it is a loan that will be paid back to the lending company. Rural Development requires the whole amount of the project cost, 1.6 million, to be adopted in the Bond Resolution, however the full amount does not need to or may not be borrowed.

MAYOR MAL DAVIS: Everything that is on the upgrade list will eventually need to be done. Meters may take a couple of years before completed. Everyone needs water and it is important that customers will have clean and plentiful water for years to come. Interest rates are lower right now than they were in 1979; the rate then was 5%. Companies are eager for work and bids may be lower. Keeping the water system in good shape can be achieved by looking ahead. We need good clean water, right now it is cost affordable, and it will give the Village Water System the capabilities to expand.

#### BOARD AND PUBLIC COMMENTS:

*John Hinds:* Involved with fire protection/water protection since 1972. There are weak spots regarding fire flow in some areas that still have the original water line. Due to the inability to get fire flow, these areas will be better protected after the water main upgrade. He doesn't want an increase in rates either but after reviewing all of his household bills he couldn't find one that was less than the cost of water, including his cell phone.

*Ralph Stamp:* Thanked Board for the time put into this project. Asked if the \$94,000 Village contribution is available or is an additional cost? Mayor stated: The funds are available – these were funds being reserved for anticipated future repairs and paying down current debt. It was undetermined how much of the \$94,000 accrued from the \$5.00 water fee increase in July 2009. Ralph feels there is a legitimate need for meters in the Village. Mayor stated that an operating budget would need to be established to determine the amount needed to run the system. Some will pay more, some less. Ralph is worried where we are going to be in 38 years. He is concerned with long term maintenance. Mayor: These upgrades will last many years but it's important to look toward the future to save for anticipated costs for operation and maintenance. Ralph also feels that the Village should meet with OCWA to review options.

*Trustee Youmans:* Feels all proposed upgrades need to eventually be done. He called Central Square to find out their water cost. OCWA supplies Central Square. The first charge is \$103. per quarter based on a family of four at 28,000 gallons per quarter. The 2<sup>nd</sup> charge is \$20.00 per quarter to maintain the lines. Their total is \$123.00 per quarter (or more if usage goes above 28,000 gallons). The anticipated cost for the average Village of Cleveland resident water user after the upgrade with an \$89.26 yearly increase, would be approximately \$77.00 per quarter (an increase of about \$22.00 per quarter). Trustee Youmans doesn't feel OCWA would save money for anyone. It costs more and the quality is lower, but maybe the Village could bring someone in from OCWA to discuss. He told the residents that they have control and to get out and vote!

*Cveta Murphy:* Who could vote? Attorney Caraccioli stated that Town rules for voting are different than Village's. Only residents of the Village that are registered to vote prior to April 1<sup>st</sup> are eligible to vote.

*Cindy Schantz:* Resides in Oneida County, has Village water but has property in the village. (Can not vote)

*Phyllis Sweeten-Clerk:* was asked to explain who can vote in Village Elections. Anyone that resides in the Village of Cleveland Village limits and is a registered voter may vote.

*Marge Thomas:* Who is an election inspector concurred with the Clerk and stated that the actual names of

eligible voters are received from Oswego County Board of Elections.

*Jeff Wilson:* Jeff asked what water would cost with meters, several times during the meeting. Bob Guminiak and Mayor Davis explained several times, the anticipated cost, as stated above, and as stated on the power point presentation. He asked that the Board put their 'quotes' in writing so that nothing else could be added to his future bill. He also wanted to know why it was necessary to pay for a generator when he has never had water problems during a storm. (A generator capable of accommodating the water demand is necessary to run the pumps that fill the water tower so there are no interruptions in water service during power outages). Mayor offered to meet anytime with anyone to go over the project.

*Alan Wilczek:* Wanted to know how much of the current water bill is set aside. The Mayor stated he could not answer that question at this time.

*Kevin Gribbon:* Is worried if the water system upgrade is approved, there will be a 1.3 million debt over 38 years that Village residents will be responsible for. Outside users can leave at any time. Attorney Caraccioli stated the Village will pledge to pay debt for 38 years but all users are contributing to the cost of debt repayment. Mr. Gribbon would like to see the Village's water system turned over to OCWA. Mayor stated that OCWA was not the 'cheap' way to go.

*Doug Riggs:* Stated that a few years ago he and the prior Mayor met with OCWA representatives and were told by OCWA that they were not interested in the Cleveland Water System. It was in too good of shape and would not be an option for OCWA financially.

*Resident on Gale Rd:* was told that his water charge for a vacant lot would also increase by the current percentage for vacant lots according to the Village Water Law.

*Tom Mirizio:* Questioned completion date of spring 2011 when it may take 2 years for meters to be completed. Mayor said that meters might take longer. It was affirmative that the Village would start over if the referendum falls though. Rolling the current debt over to the new debt was considered but can not be done. Maintenance on the water tank was discussed. As do all communities with water towers, every 5 years the tank is examined. A diver or remote devise is placed in the tank to check it out. A report is then given to the Village for review.

*Dan Geesaman:* If things get turned down what then? What about other solutions? What about OCWA? Mayor stated either start the whole process over or as things break down, borrow money. Keeping money in the Village benefits all. OCWA is not the solution.

*Mike & Denise Mangano:* Mayor Davis read a letter he received from the Manganos who live out of state but wanted to share their thoughts at the public hearing. Plans are being made to build on their vacant lots in Cleveland in 2011. They feel the upgrade of the water system seems to be a wise choice. He has been involved with the manufacturing of bottled beverages since 1974 and knows that clean treated water is the most important ingredient and should also be for the Village's Water System. Letting it slip into disrepair is a huge gamble which could mean large unexpected expense and inconvenience for everyone in the future. The fraction of a dollar per day spent now for a clean glass of water will save the Village a small fortune in the future. He and his wife encourage all to take advantage of a good interest rate and qualified contractors who are eager to work. This chance may not be seen again for years to come.

*Elwood Engelbrekt:* What makes you think the Village will be here in ten years? Mayor responded that he couldn't determine the future but feels that water would be a precious commodity down the road.

*Tom Hickey:* Would like some options. He feels the Board is narrow minded, and should give water customers some options...like OCWA. The Mayor pointed out that Tom was a Trustee for 4 years and had the opportunity to meet, discuss options and make choices with OCWA at that time and chose not to. Mayor invited anyone who wants to do his or her homework and if they would like, set up a meeting with OCWA, but the public hearing will not be delayed. Trustee Youmans asked that everyone stick to facts not personalities.

**CLOSE PUBLIC HEARING:** Mayor made motion to CLOSE Public Hearing and OPEN Work Meeting, second by Trustee Kite all in favor, motion carried.

**APPROVAL OF BOND RESOLUTION:** Mayor Davis read Bond Resolution (**attached**) mentioning that this will allow the Board to set up a referendum for a Village vote.

Mayor Davis made a motion to adopt a Bond Resolution dated 3/23/2010 authorizing the issuance of serial bonds not to exceed \$1,693,240 to upgrade the Village Water System and establish a referendum for such purpose on April 27, 2010 at the Cleveland Village Hall from the hours of 12:00 pm to 9:00 pm, second by Trustee Carr, all in favor, motion carried.

**IMPORTANT DATES:** Public Hearing-Sewer Law/ Regular Board Meeting: April 13, 2010 at 7:00 pm.

Public Referendum/Water System Upgrade: April 27, 2010 12-9 pm at Village Hall

MEETING ADJOURNED: Mayor made motion to adjourn at 9:00 pm, second by Trustee Kite, all in favor, motion carried.

Copies of attachments are available at the Village Hall.

Recorded and Submitted by Phyllis Sweeten, Clerk-Treasurer on 3/29/2010.