

**February 6, 2014  
SPECIAL TOWN BOARD MEETING  
RESOLUTION LIST**

- Res. #99      Public Interest Order in the Matter of the Increase and Improvement of Facilities of Riverhead Sewer District in the Town of Riverhead**
- Res. #100     Authorizing the Issuance of an Additional \$5,700,000 Bonds of the Town of Riverhead to Pay Part of the Cost of the Increase and Improvement of the Facilities of Riverhead Sewer District in and for Said Town**
- Res. #101     Awards Bids – Advanced Wastewater Treatment Facility TMDL Riverhead Sewer District**

At a special meeting of the Town Board of the Town of Riverhead, Suffolk County, New York, held at the Town Hall, in Riverhead, New York in said Town, on February 6, 2014, at 10:30 o'clock A.M., Prevailing Time.

**RESOLUTION # 99**

Councilman Dunleavy offered the following resolution,

which was seconded by Councilman Wooten

PRESENT:

Sean Walter  
Supervisor

John Dunleavy  
Councilman

James Wooten  
Councilman

George Gabrielsen  
Councilman

Jodi Giglio  
Councilman

In the Matter of The Increase and Improvement of Facilities of Riverhead Sewer District in the Town of Riverhead, Suffolk County, New York	PUBLIC INTEREST ORDER
--	-----------------------

WHEREAS, by Order dated March 31, 2009, the Town Board of the Town of Riverhead, Suffolk County, New York, authorized an increase and improvement of the facilities of Riverhead Sewer District, consisting of design, planning, engineering and construction of improvements to the Wastewater Treatment Plant, including but not limited to the addition of

membrane biological reactor process, tanking, yard piping, generator, blowers, and influent grit screening, and including original furnishings, equipment, machinery, apparatus, appurtenances, and incidental improvements and expenses in connection therewith, at a maximum estimated cost of \$17,800,000; and

WHEREAS, by Order dated January 9, 2014, said Town Board called a public hearing on the question of the increase in the maximum estimated cost of said project from \$17,800,000 to \$23,500,000, an increase of \$5,700,000; and

WHEREAS, notice of said public hearing was duly published and posted in the manner and within the time provided by law and such public hearing was duly held at the time and place specified in said notice at which all persons interested in the subject matter thereof were duly heard; and

WHEREAS, said Town Board has duly considered the evidence given at said public hearing; NOW, THEREFORE, BE IT

ORDERED, by the Town Board of the Town of Riverhead, Suffolk County, New York, as follows:

Section 1. Upon the evidence given at the aforesaid public hearing, it is hereby found and determined that it is necessary and in the public interest to increase and improve the facilities of Riverhead Sewer District, in the Town of Riverhead, Suffolk County, New York, in the manner described in the preambles hereof, at a new maximum estimated cost of \$23,500,000, and said increase and improvement is hereby authorized and approved.

Section 2. This Order shall take effect immediately.

The question of the adoption of the foregoing Order was duly put to a vote on roll, which resulted as follows:

Sean Walter                      Voting                      YES

John Dunleavy                      Voting                      YES

James Wooten                      Voting                      YES

George Gabrielsen                      Voting                      YES

Jodi Giglio                      Voting                      YES

The Order was thereupon declared duly adopted.

\* \* \* \* \*



02.06.14  
140100  
756360834.01

**ADOPTED**

43219-2-37

**BOND RESOLUTION**  
(Additional Money)

At a special meeting of the Town Board of the Town of Riverhead, Suffolk County, New York, held at the Town Hall, in Riverhead, New York, in said Town, on the 6th day of February, 2014, at 10:30 o'clock A.M., Prevailing Time.

The meeting was called to order by Sean M. Walter, and upon roll being called, the following were

**RESOLUTION # 100**

Councilman Wooten offered the following resolution,

which was seconded by Councilman Gabrielsen

PRESENT:

Sean Walter  
Supervisor

John Dunleavy  
Councilman

James Wooten  
Councilman

George Gabrielsen  
Councilman

Jodi Giglio  
Councilman

BOND RESOLUTION DATED FEBRUARY 6, 2014.

A RESOLUTION AUTHORIZING THE ISSUANCE OF AN ADDITIONAL \$5,700,000 BONDS OF THE TOWN OF RIVERHEAD, SUFFOLK COUNTY, NEW YORK, TO PAY PART OF THE COST OF THE INCREASE AND IMPROVEMENT OF THE FACILITIES OF RIVERHEAD SEWER DISTRICT IN AND FOR SAID TOWN.

WHEREAS, the capital project hereinafter described has been determined to be an Unlisted Action pursuant to the regulations of the New York State Department of Environmental Conservation promulgated pursuant to the State Environmental Quality Review Act, the implementation of which as proposed, the Town Board has determined will not result in a significant environmental effect; and

WHEREAS, the Town Board of the Town of Riverhead, Suffolk County, New York, on March 31, 2009, duly adopted a bond resolution authorizing the issuance of \$17,800,000 serial bonds of said Town to pay the cost of the increase and improvement of Riverhead Sewer District, in and for the Town of Riverhead, Suffolk County, New York, consisting of design, planning, engineering and construction of improvements to the Wastewater Treatment Plant, including but not limited to the addition of membrane biological reactor process, tanking, yard piping, generator, blowers, and influent grit screening, and including original furnishings, equipment, machinery, apparatus, appurtenances, and incidental improvements and expenses in connection therewith, and

WHEREAS, it has now been determined that the maximum estimated cost of such specific object or purpose is \$23,500,000, an increase of \$5,700,000 over that previously authorized; and

WHEREAS, pursuant to provisions heretofore duly had and taken in accordance with the provisions of Section 202-b of the Town Law, and more particularly an Order dated the date hereof, said Town Board has determined it to be in the public interest to improve the facilities of the Riverhead Sewer District, in the Town of Riverhead, Suffolk County, New York, at a revised maximum estimated cost of \$23,500,000, and

WHEREAS, it is now desired to authorize the issuance of an additional \$5,700,000 bonds of said Town for such specific object or purpose to pay a portion of the cost thereof; NOW, THEREFORE,

BE IT RESOLVED, by the affirmative vote of not less than two-thirds of the total voting strength of the Town Board of the Town of Riverhead, Suffolk County, New York, as follows:

Section 1. For the specific object or purpose of paying additional costs of the increase and improvement of Riverhead Sewer District, in and for said Town of Riverhead, Suffolk County, New York, consisting of design, planning, engineering and construction of improvements to the Wastewater Treatment Plant, including but not limited to the addition of membrane biological reactor process, tanking, yard piping, generator, blowers, and influent grit screening, and including original furnishings, equipment, machinery, apparatus, appurtenances, and incidental improvements and expenses in connection therewith, there are hereby authorized to be issued an additional \$5,700,000 bonds of the Town of Riverhead, Suffolk County, New York, pursuant to the provisions of the Local Finance Law.

Section 2. It is hereby determined that the maximum estimated cost of such specific object or purpose is now determined to be \$23,500,000, and that the plan for the financing thereof is as follows:

- a) by the issuance of the \$17,800,000 bonds of said Town authorized to be issued pursuant to bond resolution dated and duly adopted March 31, 2009; and
- b) by the issuance of the additional \$5,700,000 bonds of said Town authorized to be issued pursuant to the provisions of this bond resolution.

Section 3. It is hereby determined that the period of probable usefulness of the aforesaid specific object or purpose is forty years, pursuant to subdivision 4 of paragraph a of Section 11.00 of the Local Finance Law, calculated from the date of issuance of the first obligations for said specific object or purpose.

Section 4. The faith and credit of said Town of Riverhead, Suffolk County, New York, are hereby irrevocably pledged to the payment of the principal of and interest on such obligations as the same respectively become due and payable. An annual appropriation shall be made in each year sufficient to pay the principal of and interest on such obligations becoming due and payable in such year. To the extent not paid from monies raised from said Riverhead Sewer District as applicable in the manner provided by law, there shall annually be levied on all the taxable real property in said Town a tax sufficient to pay the principal of and interest on such obligations as the same become due and payable.

Section 5. Subject to the provisions of the Local Finance Law, the power to authorize the issuance of and to sell bond anticipation notes in anticipation of the issuance and sale of the serial bonds herein authorized, including renewals of such notes, is hereby delegated to the Supervisor. Such notes shall be of such terms, form and contents, and shall be sold in such manner, as may be prescribed by said Supervisor, consistent with the provisions of the Local Finance Law.

Section 6. The powers and duties of advertising such bonds for sale, conducting the sale and awarding the bonds, are hereby delegated to the Supervisor, who shall advertise such bonds for sale, conduct the sale, and award the bonds in such manner as he shall deem best for the interests of said Town; including, but not limited to, the power to sell said bonds to the New York State Environmental Facilities Corporation; provided, however, that in the exercise of these delegated powers, he shall comply fully with the provisions of the Local Finance Law and any order or rule of the State Comptroller applicable to the sale of municipal bonds. The receipt of the Supervisor shall be a full acquittance to the purchaser of such bonds, who shall not be obliged to see to the application of the purchase money.

Section 7. All other matters except as provided herein relating to the serial bonds herein authorized including the date, denominations, maturities and interest payment dates, within the limitations prescribed herein and the manner of execution of the same, including the consolidation with other issues, and also the ability to issue serial bonds with substantially level or declining annual debt service, shall be determined by the Supervisor, the chief fiscal officer of such Town. Such bonds shall contain substantially the recital of validity clause provided for in Section 52.00 of the Local Finance law, and shall otherwise be in such form and contain such recitals, in addition to those required by Section 51.00 of the Local Finance Law, as the Supervisor shall determine consistent with the provisions of the Local Finance Law.

Section 8. The Supervisor is hereby further authorized, in such officer's discretion, to execute a project finance and/or loan agreement, and any other agreements with the New York State Department of Environmental Conservation and/or the New York State Environmental Facilities Corporation, including amendments thereto, and including any instruments (or amendments thereto) in the effectuation thereof, in order to effect the financing or refinancing of the specific object or purpose described in Section 1 hereof, or a portion thereof, by a bond, and/or note issue of said Town in the event of the sale of same to the New York State Environmental Facilities Corporation.

Section 9. The power to issue and sell notes to the New York State Environmental Facilities corporation pursuant to Section 169.00 of the Local Finance Law is hereby delegated to the Supervisor. Such notes shall be of such terms, form and contents as may be prescribed by said Supervisor consistent with the provisions of the Local Finance Law.

Section 10. The validity of such bonds and bond anticipation notes may be contested only if:

- 1) Such obligations are authorized for an object or purpose for which said Town is not authorized to expend money, or
- 2) The provisions of law which should be complied with at the date of publication of this resolution are not substantially complied with,

and an action, suit or proceeding contesting such validity is commenced within twenty days after the date of such publication, or

- 3) Such obligations are authorized in violation of the provisions of the Constitution.

Section 11. This resolution shall constitute a statement of official intent for purposes of Treasury Regulations Section 1.150 - 2. Other than as specified in this resolution, no monies are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside with respect to the permanent funding of the object or purpose described herein.

Section 12. This resolution, which takes effect immediately, shall be published in summary form in the official newspaper, together with a notice of the Town Clerk in substantially the form provided in Section 81.00 of the Local Finance Law.

The question of the adoption of the foregoing resolution was duly put to a vote on roll call which resulted as follows:

<u>Sean Walter</u>	<u>Voting</u>	<u>YES</u>
<u>John Dunleavy</u>	<u>Voting</u>	<u>YES</u>
<u>James Wooten</u>	<u>Voting</u>	<u>YES</u>
<u>George Gabrielsen</u>	<u>Voting</u>	<u>YES</u>
<u>Jodi Giglio</u>	<u>Voting</u>	<u>YES</u>

The resolution was thereupon declared duly adopted.

\* \* \* \*

**CERTIFICATION**

STATE OF NEW YORK     )  
  ) ss.:  
COUNTY OF SUFFOLK    )

I, the undersigned Clerk of the Town Board of the Town of Riverhead, Suffolk County, New York (the “Issuer”), DO HEREBY CERTIFY:

1. That a meeting of the Issuer was duly called, held and conducted on the 6th day of February, 2014.
2. That such meeting was a **specialregular**<sup>(circle one)</sup> meeting.
3. That attached hereto is a proceeding of the Issuer which was duly adopted at such meeting by the Board of the Issuer.
4. That such attachment constitutes a true and correct copy of the entirety of such proceeding as so adopted by said Board.
5. That all members of the Board of the Issuer had due notice of said meeting.
6. That said meeting was open to the general public in accordance with Section 103 of the Public Officers Law, commonly referred to as the “Open Meetings Law”.
7. That notice of said meeting (*the meeting at which the proceeding was adopted*) was caused to be given **PRIOR THERETO** in the following manner:

**PUBLICATION** (here insert newspaper(s) and date(s) of publication - should be a date or dates falling prior to the date set forth above in item 1)

**POSTING** (here insert place(s) and date(s) of posting- should be a date or dates falling prior to the date set forth above in item 1)

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Issuer  
this \_\_\_\_\_ day of February, 2014.

\_\_\_\_\_  
Diane M. Wilhelm, Town Clerk

(CORPORATE SEAL)

LEGAL NOTICE OF ESTOPPEL

The bond resolution, a summary of which is published herewith, has been adopted on February 6, 2014, and the validity of the obligations authorized by such resolution may be hereafter contested only if such obligations were authorized for an object or purpose for which the Town of Riverhead, Suffolk County, New York, is not authorized to expend money, or if the provisions of law which should have been complied with as of the date of publication of this notice were not substantially complied with, and an action, suit or proceeding contesting such validity is commenced within twenty days after the date of publication of this notice, or such obligations were authorized in violation of the provisions of the Constitution.

A complete copy of the resolution summarized herewith is available for public inspection during regular business hours at the Office of the Town Clerk for a period of twenty days from the date of publication of this Notice.

Dated: Riverhead, New York,

February 6, 2014.

---

Diane M. Wilhelm, Town Clerk

**BOND RESOLUTION DATED FEBRUARY 6, 2014.**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF AN ADDITIONAL \$5,700,000 BONDS OF THE TOWN OF RIVERHEAD, SUFFOLK COUNTY, NEW YORK, TO PAY PART OF THE COST OF THE INCREASE AND IMPROVEMENT OF THE FACILITIES OF RIVERHEAD SEWER DISTRICT IN AND FOR SAID TOWN.**

<b>Specific object or purpose:</b>	Increase and improvement of facilities of Riverhead Sewer District (Wastewater Treatment Plant Improvements)
<b>Period of probable usefulness:</b>	40 years
<b>New maximum estimated cost:</b>	\$23,500,000
<b>Obligations previously authorized:</b>	\$17,800,000
<b>Add'l. amount of obligations to be issued:</b>	\$5,700,000 bonds
<b>SEQRA status:</b>	Unlisted Action. SEQRA compliance materials on file in the office of the Town Clerk for inspection during regular office hours.

TOWN OF RIVERHEAD

Resolution # 101

**AWARDS BIDS – ADVANCED WASTEWATER TREATMENT FACILITY TMDL  
RIVERHEAD SEWER DISTRICT**

Councilman Gabrielsen offered the following resolution,

which was seconded by Councilwoman Giglio

**WHEREAS**, this Town Board did authorize the advertisement for bids for project known as Advanced Wastewater Treatment Facility TMDL Upgrade of the Riverhead Sewer District, and

**WHEREAS**, all bids received were opened and read aloud on the date and time advertised in the notice, and

**WHEREAS**, H2M Group, consulting engineers to the Riverhead Sewer District, by attached letter dated January 8, 2014 made recommendation for bid award of General Construction, Plumbing Construction, Electrical Construction, and HVAC Construction for this project.

**NOW, THEREFORE, BE IT RESOLVED**, that the bids for project known as Advanced Wastewater Treatment Facility TMDL Upgrade of the Riverhead Sewer District be and are hereby awarded to the lowest responsible bidder for each contract as follows :

General Construction bid be and is hereby awarded to RJ Industries, 75 E. Bethpage Road, Plainview, NY 11803 Attn: Mr. Richard O. Felicetta, President, in the base bid amount of \$13,627,700.00; and

Plumbing Construction bid be and is hereby awarded to RJ Industries, 75 East Bethpage Road, Plainview, NY 11803 Attn: Mr. Richard O. Felicetta, President, in the base bid amount of \$4,242,200.00; and

Electrical Construction bid be and is hereby awarded to Welsbach Electric Corp., 300 Newtown Road, Plainview, NY 11803 Attn: Mr. Joseph P. Fiorio, President/CEO in the base bid amount of \$3,849,700.00; and

HVAC Construction bid be and is hereby awarded to Ahrens Associates, 44 Wilson Avenue, Amity Harbor, NY Attn: Mr. Timothy Ahrens, President in the base bid amount of \$195,000.00;

and be it further

**RESOLVED**, that the Town Clerk forward certified copy of this resolution to the

above named contractors, and be it further

**RESOLVED**, that the Town Clerk is hereby authorized to return to all unsuccessful bidders their respective bid security, and be it further

**RESOLVED**, that the Town Supervisor be and is hereby authorized to execute a contract with the above named contractors for this project, and be it further

**RESOLVED**, that upon completion of fully executed contracts and the filing of said contract with the Town Clerk, the Town Clerk is hereby authorized to release to the successful bidder the bidder's bid security, and be it further

**RESOLVED**, these bid awards are subject to the notice of estoppel of even date to be published.

**RESOLVED**, that all Town Hall Departments may review and obtain a copy of this resolution from the electronic storage device and, if needed, a certified copy of same may be obtained from the Office of the Town Clerk.

**THE VOTE**

Giglio Yes No      Gabrielsen Yes No  
Wooten Yes No      Dunleavy Yes No  
Walter Yes No

The Resolution Was  Thereupon Duly Declared Adopted



architects + engineers

538 Broad Hollow Road, 4<sup>th</sup> Floor East  
Melville, NY 11747

tel 631.756.8000  
fax 631.694.4122

**EMAILED**

January 8, 2014

Supervisor and Town Board  
Town of Riverhead  
200 Howell Avenue  
Riverhead, NY 11901-2596

**Re: Riverhead Sewer District  
Advanced Wastewater Treatment Facility TMDL Upgrade  
Map & Plan Addendum with Bid Recommendations  
CWSRF NYSEFC Project No.: C1-5123-08-00  
H2M File No.: RDSD 10-02**

Dear Supervisor Walter and Town Board:

This letter provides relevant information pertaining to the continuation of the project to upgrade the sewage treatment plant to comply with the requirements of the NYSDEC SPDES permit and USEPA's mandated 2007 TMDL requirements for the Peconic Estuary.

**Bid Result Summary**

The receipt of the construction bids has long been considered a key milestone in the project. Bids were received on December 20, 2013. This letter reports the results of the bid and makes recommendations for award of the general construction, plumbing, electrical and HVAC construction contracts. The total of the lowest bids for the four (4) construction contracts is \$21,914,600 as summarized in Table 1.

**Table 1 - Summary of Lowest Construction Bids**

<b>Construction Contract</b>	<b>Lowest Bid Received</b>
General Construction	\$13,627,700.
Plumbing Construction	\$4,242,200.
Electrical Construction	\$3,849,700.
HVAC Construction	\$195,000.
<i>Total Construction Cost . . .</i>	<i>\$21,914,600.</i>

A full report and bid recommendations of the received bids is provided hereinafter.

**Map & Plan Addendum**

► **Construction Cost (Hard Costs)**

The Map & Plan for the project was prepared and presented to the public about 5 years ago or on or about March 9, 2009. The total construction cost of \$15,970,000 was presented at that time. The recent grant award of approximately \$8 million, through the Suffolk County Sewer Infrastructure Program, allowed this project to proceed to the next step towards regulatory compliance and hence bids were requested by the

Town.

The total project cost was last updated in our letter to the Town dated May 15, 2013. The estimated total cost for construction was estimated at \$21,790,000. (A copy of the letter is attached for your ready reference.)

Our May 15, 2013 estimate compares favorably to the actual total of the low bids as follows: \$21,914,600 less \$21,790,000 = \$124,600 overage or approximately 0.57% (less than 1% relative to the total amount of the bids). Therefore, the bids are considered valid and in our opinion the Riverhead Sewer District's cost to comply with the TMDL requirements are accurate. We recommend that the Town proceed to the construction phase of the project.

► **Soft Costs**

The total project cost is comprised of soft costs and construction cost (hard cost). The major component of the soft cost is the cost for engineering for planning, design, bidding, construction administration, construction inspection, O & M Manual, and startup/training. Other soft costs like survey, soil borings and reports, and legal assistance is also included.

The fees for engineering services are established in the effective engineering agreement between H2M and the Town of Riverhead. The engineering fee is established by *Compensation Curve A* published by the American Society of Civil Engineers (ASCE). Total compensation for planning, design, bidding, and construction administration is calculated as follows and shows the fee adjustment in consideration of the actual cost of the bids received.

**Table 2 - Engineering Fee for Planning, Design, Bidding and Construction Administration**

<b>Construction Contract</b>	<b>Amount</b>	<b>Adjusted Total Compensation</b>	<b>Planning, Design and Bidding Compensation *</b>	<b>Construction Administration Compensation **</b>
General	\$13,627,700.	\$1,078,900.	\$809,100.	\$269,800.
Plumbing	\$4,242,200.	\$361,400.	\$271,000.	\$90,400.
Electrical	\$3,849,700.	\$330,700.	\$248,000.	\$82,700.
HVAC	\$195,000.	\$26,500.	\$19,900.	\$6,600.
<i>Subtotal . . .</i>		<i>\$1,797,500.</i>	<i>\$1,348,000.</i>	<i>\$449,500.</i>
(Less Total Town PO's Issued to Date):			(\$1,059,000)	(\$0.00)
Compensation:			\$289,000.	\$449,000.

\* 75% of Adjusted Total Compensation Equals \$289,000

\*\* 25% of Adjusted Total Compensation Equals \$449,000

ASCE considers resident construction inspection, preparation of the Operations and Maintenance Manual (O&M Manual) and startup/training a service that is not to be included in the ASCE curve. In our May 15, 2013 letter we provided the fees for these excluded services. Table 3 summarizes these soft costs.

**Table 3 - Engineering Services Not Covered Under ASCE Curve**

Services During Construction Phase	Amount
Resident Construction Inspection (24 month inspection period) *	\$620,000.
Operation and Maintenance Manual / Startup & Training	\$85,000.
<i>Total Non-ASCE Fee . . .</i>	<i>\$705,000</i>

\* 2009 Map & Plan assumed 18 month construction period which was subsequently increased to 24 months after NYSDEC required SPDES interim limits during the summer months of construction. The construction contracts specify a 30 month construction period to allow for submission of shop drawings needed prior to the start of physical construction. Approximately \$320,000 will be for services rendered by a MBE firm as a requirement of NYSEFC's loan program.

Should the Town require assistance with NYSEFC MWBE compliance, this additional service would be on an hourly rate basis in accordance with approved salary rates. We suggest an initial budget of \$10,000.

► **Total Suggested Budget to Complete Project**

Table 4 presents the suggested total budget to complete the project.

**Table 4 - Total Suggested Budget to Complete Project**

Table No.	Budget Item	Amount
1	Construction Contracts	\$21,914,600.
2	Design Compensation	\$289,000.
2	Construction Administration Compensation	\$449,000.
3	Inspection and O&M Manual	\$705,000.
-	NYSEFC WMBE Assistance	\$10,000.
-	Bond Council	\$20,000.
	<i>Subtotal . . .</i>	<i>\$23,387,600.</i>
-	Add Contingency Fund (not included in May 15, 2013 update)	\$112,400.
	<i>Total Suggested Budget . . .</i>	<i>\$23,500,000.</i>

The total suggested budget as shown in Table 4 is \$23.5 million and includes a contingency fund which the Town may elect to increase, reduce or eliminate.<sup>1</sup>

► **Total Net Project Budget**

The total net project budget considers grants and funds on hand to complete the project. Table 5 derives the net budget.

**Table 5 – Total Net Project Budget**

Total Suggested Budget	\$23,500,000.
(Less Suffolk County Grant)	(\$8,090,000.)
(Less Clean Water / Clean Air Bond Act Grant):	(\$2,095,000.)
(Less Est. Sewer District Fund Balance)	(\$4,000,000.)
(Less Add. Est. "No Net Nitrogen" Charges for New Connections 2013, 2014, 2015	(\$200,000.)
(Less Est. Revenue Generated By Sewer Tax Increase for 2014 and 2015)	(\$356, 000.)
Add Est. NYSEFC Finance Charge	\$200,000.
<i>Total Net Project Budget . . .</i>	\$8,959,000
<b>Say:</b>	<b>\$8,960,000.</b>

The total net suggested budget is \$8,960,000. This is the approximate amount that would be bonded by the Riverhead Sewer District should the entire contingency fund be used.

► **Sewer District Tax Implications**

1. Assuming the Town proceeds with NYSEFC financing and a conservative interest rate of 2% for 30 years, yields an annual cost to retire the debt as follows:
  - Bond Amount: \$8,960,000 (assumes full use of contingency fund)
  - Capital Recovery Factor: 0.04465
  - Approximate Annual Amortized Cost: **\$400,000 for debt retirement**
2. Estimated annual operations and maintenance cost increase due to increased electrical usage, labor, materials, etc. when upgraded facility goes on-line in 2016.: **\$350,000**
3. Total annual budget increase in year 2016 due to new facility = Debt Service + Increased O & M
  - = \$400,000 + \$350,000
  - = \$750,000 <sup>2</sup>

<sup>1</sup> May 15, 2013 letter derived an estimated budget of \$23 million

<sup>2</sup> Debt is retired via sewer tax rate (assessed value) and sewer rent generates revenue for annual O & M

4. Sewer Levy (Debt Service Retirement):

- Assuming the assessed value in 2016 is unchanged from 2014, then Sewer District Assessed Value (Full Sewer AV + Commercial Sewer AV) = \$212,445,962 + \$59,736,550 = \$272,182,512 (\$272,182.512 per \$1,000 AV)
- Full Sewer Tax Rate: \$0.446 per \$1,000 A.V.
- Generated Revenue = \$0.446 x \$272,182.512 = \$121,393 (current debt retirement)
- Revenue Needed to Retire TMDL Debt Service: \$400,000
- Total Annual Needed Revenue = \$121,393 + \$400,000 = \$521,393 (say \$522,000 per year)
- New 2016 Tax Rate = \$522,000 ÷ \$272,182.512 = \$1.918 per \$1,000 AV
- Tax Rate Increase = \$1.918 - \$0.446 = \$1.472 per \$1,000 AV
- Percent Increase = (\$1.472 ÷ \$0.446) x 100 = 330% (without Tax Rate Stabilization)
- Suffolk County Sewer Rate Stabilization Fund is used to limit annual rate increase to 3%. Therefore, the maximum amount that the tax rate can increase is 3% or an increase to \$0.459 per \$1,000 AV (\$0.446 per 1,000 AV x 1.03 = \$0.459 per \$1,000 AV).
- 2016 Typical Annual Tax for Property Assessed at \$50,000 after TMDL Project is Complete = (\$50,000 ÷ \$1,000) x \$0.459 per \$1,000 AV = \$22.95<sup>3</sup>

5. Sewer Rent (Annual O & M):

- Assuming the gallons in 2016 remains unchanged from 2014 = 369,949,180 gallons (369,949.180 1,000 gals.)
- 2014 Operating Cost = 369,949.180 x \$5.993 per 1,000 gallons = \$2,217,105
- Assume 3% increase for 2015 = \$2,283,618 (2016 starting budget)
- 2016 Budget with TMDL = \$2,283,618 + \$350,000 = \$2,633,618 (say: \$2,634,000)
- 2016 Sewer Rent = \$2,634,000 ÷ 369,949.180 gallons = \$7.120 per 1,000 gallons
- For residential property total gallons per year = 100,000 gallons per year (100.0 1,000 gallons per year)
- 2016 Annual Sewer Rent for Residential Property = \$7.120 per 1,000 gals. x 100.0 1,000 gallons = \$712.00
- Sewer Rent Rate Increase = \$7.120 - \$5.993 = \$1.127 per 1,000 gallons
- Percent Increase = (\$1.127 ÷ \$5.993) x 100 = 18.80%

---

<sup>3</sup> 2017 Tax Rate would increase by 3% assuming no additional debt is incurred

**6. Total Annual Tax Rate and Sewer Rent Impact on Residential Property After TMDL:**

- 2014 Sewer Tax + Sewer Rent =  $((\$50,000 \div \$1,000) \times \$0.446 \text{ per } \$1,000 \text{ AV}) + (\$5.993 \text{ per } 1,000 \text{ gals.} \times 100.0 \text{ } 1,000 \text{ gallons}) = \$22.30 + \$599.30 = \$621.60 \text{ per year}$
- 2016 Sewer Tax + Annual Sewer Rent =  $\$22.95 + \$712.00 = \$734.95 \text{ per year}$
- *Annual Increase =  $\$734.95 - \$621.60 = \$113.35 \text{ per year increase}$*
- *Percent Increase =  $(\$113.35 \div \$621.6) \times 100 = 18.24\% \text{ increase in 2016}$*

**Bid Recommendations**

The following presents our report of the bids received for the project and our recommendations for award of the four construction contracts.

► **General Construction**

Table 6 provides a summary of the general construction bids received for the project.

**Table 6 - General Construction Bids**

Bidder		Base Bid Amount
1	RJ Industries, Plainview NY	\$13,627,700.00
2	Stalco Construction, Islandia NY	\$13,786,000.00
3	Philip Ross Industries, Wyandanch NY	\$14,700,000.00
4	Fratello Construction, Farmingdale NY	\$14,747,000.00
5	Posillico, Farmingdale NY	\$15,318,400.00
6	Primer Construction Corp., Brooklyn NY	\$15,700,000.00
7	Fortunato Sons Contracting, Bohemia NY	\$15,777,000.00
8	John Picone, Inc., Lawrence NY	\$15,823,000.00

We have investigated the low bidder and have found them to be qualified and responsible. We also know the low bidder to be qualified and responsible. We recommend award of the general construction contract to RJ Industries, 75 E. Bethpage Road, Plainview, New York 11803 (Attention: Mr. Richard O. Felicetta, President, 516-845-9772).

► **Plumbing Construction**

Table 7 provides a summary of the plumbing construction bids received for the project.

**Table 7 – Plumbing Construction Bids**

Bidder		Base Bid Amount
1	RJ Industries, Plainview NY	\$4,242,200.00
2	W.H.M. Plumbing & Heating Contractors, East Setauket NY	\$4,313,700.00
3	Bensin Contracting, Inc.	\$4,424,000.00
4	John Picone, Inc., Lawrence NY	\$4,952,000.00
5	Posillico, Farmingdale NY	\$5,367,000.00

We have investigated this bidder and have found them to be qualified and responsible. We also know the low bidder to be qualified and responsible. We recommend award of the plumbing construction contract to RJ Industries, 75 E. Bethpage Road, Plainview, New York 11803 (Attention: Mr. Richard O. Felicetta, President, 516-845-9772).

► **Electrical Construction**

Table 8 provides a summary of the general construction bids received for the project.

**Table 8 – Electrical Construction Bids**

Bidder		Base Bid Amount
1	Welsbach Electric Corp., Plainview NY	\$3,849,700.00
2	L.E.B. Electric, Ltd., Copiague NY	\$4,100,000.00
3	Eldor Contracting Corp., Holtsville NY	\$4,173,000.00
4	Hinck Electrical Contractor, Inc.,	\$4,199,950.00
5	Rolands Electric, Inc., Deer Park NY	\$4,309,295.00
6	Palace Electrical Contractors, Wantagh NY	\$4,672,000.00
7	Bana Electric Corp. of LI, Farmingdale NY	\$5,322,000.00

We have investigated this bidder and have found them to be qualified and responsible. We also know the low bidder to be qualified and responsible. We recommend award of the electrical construction contract to Welsbach Electric Corp., 300 Newtown Road, Plainview, New York 11803 (Attention: Mr. Joseph P. Fiorio, President / CEO, 516-454-0023).

Supervisor Sean Walter and Town Board  
 Riverhead Advanced Wastewater Treatment Facility TMDL Upgrade  
 Map & Plan Addendum with Bid Recommendations  
 January 8, 2014  
 Page 8 of 8

► **HVAC Construction**

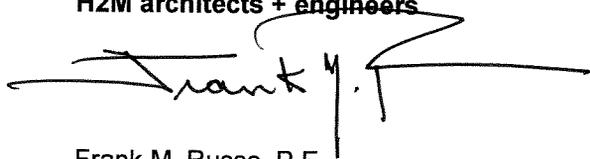
One bid was submitted for the HVAC construction contract. The only bid was submitted by Ahrens Associates, 44 Wilson Avenue, Amity Harbor, New York (Attention: Mr. Timothy Ahrens, President, 631-842-7112) for \$195,000. We have investigated this bidder and have found them to be qualified and responsible. We also know the low bidder to be qualified and responsible. We recommend award of the bid to the company.

We will be hand delivering the original bid documents to the Town Clerk's office.

Please feel free to contact me at (631) 756-8000 (x1433) should you have any questions. We will be happy to meet with you to discuss this letter in detail.

Very truly yours,

**H2M architects + engineers**



Frank M. Russo, P.E.  
 Vice President / Director of Wastewater Engineering

Enclosure

- cc: John Dunleavy, Councilman (w/encl.)  
 George Gabrielsen, Councilman (w/encl.)  
 Jodi Giglio, Councilwoman (w/encl.)  
 James Wooten, Councilman (w/encl.)  
 Diane M. Wilhelm, Town Clerk (w/encl.)  
 Superintendent Michael P. Reichel (w/encl.)  
 Jill Lewis, Deputy Supervisor (w/encl.)  
 Tara McLaughlin, Chief of Staff, Minority Business Officer (w/encl.)  
 William J Rothaar, CPA, Financial Administrator (w/encl.)  
 Richard A. Ehlers, Esq. (w/encl.)  
 C. Weiss, T. Murray, J. Pizzardi