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COUNTY OF ERIE

MARK C. POLONCARZ
COUNTY EXECUTIVE

January 21, 2013

Erie County Legislature
92 Franklin Street – 4th Floor
Buffalo, New York 14202

**RE: Erie County Sewer Districts
New York State Water Pollution Control
Revolving Loan Program**

Dear Honorable Members:

Enclosed please find a memorandum from the Department of Environment and Planning, Division of Sewerage Management, pertaining to the New York State Revolving Loan Program.

Should your honorable body require further information, I encourage you to contact Joseph L. Fiegl, P.E. in the Department of Environment and Planning. Thank you for your consideration on this matter.

Sincerely,

Mark C. Poloncarz, Esq.
Erie County Executive

MCP/sm
Enclosure

cc: Maria R. Whyte, Commissioner, Department of Environment and Planning
Joseph L. Fiegl, P.E., Deputy Commissioner, Department of Environment and Planning

MEMORANDUM

To: Honorable Members of the Erie County Legislature
From: Department of Environment and Planning
Re: Erie County Sewer Districts
New York State Water Pollution Control
Revolving Loan Program
Date: January 7, 2013

SUMMARY

On behalf of Erie County Sewer Districts, the Department of Environment and Planning respectfully submits two suggested resolutions for your review and adoption. The resolutions will authorize the filing of an Application with the New York State Water Pollution Control Revolving Loan Fund. This particular program provides low interest loans to assist communities in the construction of wastewater treatment projects.

FISCAL IMPLICATIONS

This particular action will have no impact on the County's General Fund. The application for water pollution control loans will assist Erie County Sewer Districts in obtaining a lower interest rate on borrowings and will reduce debt service costs.

REASONS FOR RECOMMENDATION

The New York State Revolving Loan Program provides lower interest loans on eligible wastewater treatment projects. The program allows for both short-term and long-term financing. The County projects eligible for assistance under this program are the following:

<u>PROJECT</u>	<u>SRF No.</u>
Geneva Road Sanitary Sewer Extension (D-8)	6666-01
East Aurora Treatment Plant Improvements (D-8)	6666-02

BACKGROUND INFORMATION

Since 1956, the Federal government has provided financial assistance to municipalities for the construction of wastewater treatment facilities. In the earlier years, the financial assistance was in the form of grants. In 1987, the Federal government revised the Clean Water Act with the passage of the Water Quality Act of 1987 (PL.100-4). This amendment introduced "seed monies" for the individual States to create Revolving Loan Programs. In July of 1989, New York State passed the necessary legislation which allowed the State to be a participant in the new program.

In 2008, the New York State Environmental Facilities Corporation offered a new financing program known as the SRF Guaranteed Financing Program, which allows municipalities guaranteed financing with AAA market rates, and offers economies of scale in pooled bond issue. Subsidy is not available initially.

CONSEQUENCES OF A NEGATIVE ACTION

The County Sewer Districts will be unable to capitalize on the potential savings from AAA market rates and reduced interest rate loans under the State's Revolving Loan Fund Program.

STEPS FOLLOWING APPROVAL

The Department of Environment and Planning, Division of Sewerage Management with assistance from the Erie County Comptroller's Office will prepare the needed applications for execution by the County Executive.

JWF

Maria R. Whyte
Commissioner 1/7/2013

MRW/sm
Enclosures

cc: Kristen Walder, Asst. County Attorney
R. Graber, Clerk of the Legislature
0.11.0 Leg Letter
J. Carr/D. Millar/8.5.1.6666-01 (w/enc.)
J. Mallory/8.5.1.6666-02 (w/enc.)

**A RESOLUTION SUBMITTED BY:
THE DEPARTMENT OF ENVIRONMENT & PLANNING**

**RE: ERIE COUNTY SEWER DISTRICTS
NEW YORK STATE WATER POLLUTION CONTROL
REVOLVING LOAN PROGRAM**

WHEREAS, County of Erie/Erie County Sewer District No. 8, herein called the "Borrower" after thorough consideration of the various aspects of the problems and study of available data, has hereby determined that the Project generally described as the Geneva Road Sanitary Sewer Extension, identified as CWSRF Project No. 6666-01; herein called the "Project", is desirable and in the public interest, and to that end it is necessary that action preliminary to the construction of said Project be taken immediately; and

WHEREAS, the United States, pursuant to the Federal Water Quality Act of 1987, (as such may be amended from time to time, the "Water Quality Act"), requires each State to establish a water pollution control revolving fund to be administered by an instrumentality of the state before the state may receive capitalization grants under the Water Quality Act; and

WHEREAS, the State of New York has, pursuant to Chapter 565 of the Laws of New York 1989 as amended, (the "CWSRF Act"), established in the custody of the New York State Environmental Facilities Corporation (the "Corporation") a water pollution control revolving fund (the "Fund") to be used for purposes of the Water Quality Act; and

WHEREAS, the Corporation has been created, reconstituted and continued pursuant to the New York State Environmental Facilities Corporation Act, as amended, (the "Act") being Chapter 744 of the Laws of 1970, as amended and constituting Title 12 of Article 5 of the Public Authorities Law and Chapter 43-A of the Consolidated laws of the State of New York, and constitutes a public benefit corporation under the laws of the State of New York, being a body corporate and politic with full and lawful power and authority to provide financial assistance from the Fund; and

WHEREAS, the Corporation has the responsibility to administer the Fund and to provide financial assistance from the Fund to municipalities for eligible projects, as provided in the CWSRF Act; and

WHEREAS, the CWSRF Act authorizes the establishment of a program for planning, development and construction of eligible projects.

NOW, THEREFORE, BE IT

RESOLVED, that the filing of an application for CWSRF assistance in the form required by the Corporation in conformity with the CWSRF Act is hereby authorized, including all understandings and assurances contained in said application; and be it further

RESOLVED, that the following person(s) is/are directed and authorized as the official representative(s) of the Municipal Applicant to execute and deliver an application or CWSRF assistance, to execute and deliver the Project Financing Agreement and any other documents necessary to receive financial assistance from the Fund for the Project described, to act in connection with the Project and to provide such additional information as may be required and to make such agreements on behalf of the Municipal Applicant as may be required:

The COUNTY EXECUTIVE
(Authorized Representative)

The ERIE COUNTY COMPTROLLER
(Chief Fiscal Officer)

and be it further

RESOLVED, that the official(s) designated above is/are authorized to make application for financial assistance under the CWSRF Program for either short-term or long-term financing or both; and be it further

RESOLVED, that the Clerk of the Legislature be directed to send a certified copy of this resolution to the County Executive, County Comptroller and to Joseph L. Fiegl, P.E., Department of Environment and Planning; and be it further

RESOLVED, that this Resolution shall take effect immediately.

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THE DEPARTMENT OF ENVIRONMENT & PLANNING**

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NEW YORK STATE WATER POLLUTION CONTROL
REVOLVING LOAN PROGRAM**

WHEREAS, County of Erie/Erie County Sewer District No. 8, herein called the "Borrower" after thorough consideration of the various aspects of the problems and study of available data, has hereby determined that the Project generally described as the East Aurora Treatment Plant Improvements, identified as CWSRF Project No. 6666-02; herein called the "Project", is desirable and in the public interest, and to that end it is necessary that action preliminary to the construction of said Project be taken immediately; and

WHEREAS, the United States, pursuant to the Federal Water Quality Act of 1987, (as such may be amended from time to time, the "Water Quality Act"), requires each State to establish a water pollution control revolving fund to be administered by an instrumentality of the state before the state may receive capitalization grants under the Water Quality Act; and

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