

REGULAR MEETING  
TOWN BOARD  
TOWN OF OYSTER BAY  
December 15, 2009  
10:19 a.m.

HEARING - Finance

To consider the application from the Bethpage Water District for the issuance of serial bonds in the amount of \$15,500,000 apportioned between the Town of Oyster Bay and the Town of Hempstead to pay the cost of increases and improvements to the Water District. (M.D. 11/23/09 #23).

JOHN VENDITTO  
SUPERVISOR

STEVEN L. LABRIOLA  
TOWN CLERK

P R E S E N T:

- SUPERVISOR JOHN VENDITTO
- COUNCILMAN JOSEPH D. MUSCARELLA
- COUNCILMAN ANTHONY D. MACAGNONE
- COUNCILWOMAN ROSE MARIE WALKER
- COUNCILMAN CHRIS COSCHIGNANO
- COUNCILWOMAN ELIZABETH A. FAUGHNAN
- COUNCILMAN JOSEPH G. PINTO

A L S O P R E S E N T:

- STEVEN L. LABRIOLA, TOWN CLERK
- JAMES J. STEFANICH, RECEIVER OF TAXES
- LEONARD GENOVA, DEPUTY SUPERVISOR
- LINDA M. HERMAN, OFFICE OF THE TOWN CLERK
- JUNE MASCIA, DIRECTOR OF LEGISLATIVE AFFAIRS
- PHYLLIS BARRY, PUBLIC INFORMATION OFFICER
- GREGORY J. GIAMMALVO, TOWN ATTORNEY
- KAREN UNDERWOOD, DEPUTY TOWN ATTORNEY
- MARYANN HUGHES, DEPUTY COMMISSIONER OF HUMAN RESOURCES

(Appearances continued on following page.)

I certify this is a true and accurate transcript.

*Robin LaFemina*  
ROBIN LaFEMINA  
Official Reporter/Notary

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A L S O P R E S E N T :

MARTA KANE, DIRECTOR OF COMMUNITY RELATIONS,  
PUBLIC INFORMATION OFFICE  
LOUIS MIRITELLO, HIGHWAY DEPARTMENT  
FREDERICK MEI, DEPUTY TOWN ATTORNEY  
ROBERT DARIENZO, ASSISTANT DIRECTOR OF FINANCE  
JUSTIN McCAFFREY, COMMISSIONER OF PUBLIC SAFETY  
ENRICO FIUMARA, ASSISTANT TO THE SUPERVISOR  
RICHARD BETZ, COMMISSIONER OF HIGHWAY DEPARTMENT  
EVELYN BREE, PURCHASING DIVISION, DEPARTMENT OF  
GENERAL SERVICES  
JAMES MORIARTY, DIRECTOR OF PUBLIC INFORMATION  
BARRY BREE, DEPUTY COMMISSIONER OF PUBLIC SAFETY  
BRIAN DEVINE, PUBIC INFORMATION OFFICE  
ANTHONY ESPOSITO, ASSISTANT TO THE SUPERVISOR  
KEVIN HANIFAN, DEPUTY COMMISSIONER OF HIGHWAY  
DEPARTMENT  
RICHARD PFAENDER, ASSISTANT TO THE SUPERVISOR

1 SUPERVISOR VENDITTO: All right, ladies  
2 and gentlemen, if everyone would find seats, we  
3 will begin. Let me just apologize in advance for  
4 the sound of my voice and my demeanor this morning.  
5 I've had a head cold for about a week, one day it's  
6 on, one day it's off and today it's on, so I don't  
7 normally sound this nasal.

8 Having said that, Mr. Labriola, would  
9 you poll the Board?

10 MR. LABRIOLA: Supervisor Venditto?

11 SUPERVISOR VENDITTO: Here.

12 MR. LABRIOLA: Councilman Muscarella?

13 COUNCILMAN MUSCARELLA: Here.

14 MR. LABRIOLA: Councilman Macagnone?

15 COUNCILMAN MACAGNONE: Present.

16 MR. LABRIOLA: Councilman Coschignano?

17 COUNCILMAN COSCHIGNANO: Here.

18 MR. LABRIOLA: Councilwoman Walker?

19 COUNCILWOMAN WALKER: Here.

20 MR. LABRIOLA: Councilwoman Faughnan?

21 COUNCILWOMAN WALKER: She's on her way.

22 MR. LABRIOLA: Councilman Pinto?

23 COUNCILMAN PINTO: Here.

24 SUPERVISOR VENDITTO: All right. If  
25 everyone would please rise and join in the pledge

1 of allegiance to our flag led by Councilwoman Rose  
2 Walker.

3 (Pledge of Allegiance.)

4 SUPERVISOR VENDITTO: My selection of  
5 Councilwoman Walker to lead us in the Pledge of  
6 Allegiance was symbolic and we'll talk about that a  
7 little bit later.

8 In the meantime, Mr. Labriola, if you  
9 would call the first hearing.

10 MR. LABRIOLA: To consider the  
11 application from the Bethpage Water District for  
12 the issuance of serial bonds in the amount of  
13 \$15,500,000 apportioned between the Town of Oyster  
14 Bay and the Town of Hempstead to pay the cost of  
15 increases and improvements to the Water District.

16 SUPERVISOR VENDITTO: Sabino, what do  
17 you want now?

18 MR. SABINO: Good morning. Only 15  
19 million.

20 SUPERVISOR VENDITTO: Oh, that's it?  
21 You're still a cheap date.

22 MR. SABINO: Good morning, Mr.  
23 Supervisor, members of the Board, I wish you all a  
24 happy and healthy holiday season.

25 SUPERVISOR VENDITTO: You didn't hear

1 what I said. I said you're still a cheap date.

2 MR. SABINO: And I have the same head  
3 cold, so I don't know who you've been dating, but  
4 obviously we're dating the same person.

5 As the Town Clerk said, I'm here to  
6 request a bond financing in the amount of \$15.5  
7 million apportioned between the Town of Oyster Bay  
8 and the Town of Hempstead. Approximately 92  
9 percent of the District is located in the Town of  
10 Oyster Bay and 8 percent located in the Town of  
11 Hempstead. Therefore, the Oyster Bay portion is  
12 13.95 million. The money we are requesting is to  
13 fund six water remediation projects. As most of  
14 you know, Bethpage is most closely and heavily  
15 impacted by the Grumman contamination that is on  
16 that site that this Town Board knows a little bit  
17 about. We've been dealing with the problem since  
18 1990. Grumman to date has paid the Water District  
19 8.5 million to construct water treatment facilities  
20 at several of our plants. Presently, roughly  
21 fifteen, twenty years later, after we started the  
22 construction of the initial facilities, the  
23 contamination has continued to migrate from the  
24 Grumman site southward toward the bulk of our well  
25 field. Approximately 50 percent of the District's

1 supply is located directly in line with the Grumman  
2 plume. Our engineers have advised us through an  
3 engineering report that we need to take action now  
4 to continue and improve the remediation facilities  
5 presently located in the southern portion of our  
6 District. You should have in front of you an  
7 engineering report dated 2009 from Holzmacher,  
8 McLendon & Murrell, the H2M Group, which outlines  
9 in detail the cost of the facilities, the  
10 contamination that threatens us and why we are here  
11 today.

12 As recently as November 16th, the  
13 District had a meeting with Grumman representatives  
14 who informed us that the contamination that we are  
15 facing is both more concentrated, deeper and a  
16 greater threat than we had originally thought.  
17 That has made this application somewhat of an  
18 emergency. The last time I was here before this  
19 Board was in 1994 and we requested \$5 million worth  
20 of bond financing. We were very fortunate that one  
21 of the responsible parties, namely, the United  
22 States Navy, gave us a cash pay-out and we only  
23 used 2 million of that \$5 million financing  
24 authorized and Grumman is currently paying 100  
25 percent of the \$2 million bond financing. So that

1 bond issue cost our taxpayers zero. This bond  
2 issue I expect a similar result, although I do not  
3 believe it will be 100 percent. Presently, in the  
4 event we have to use all 15.5 million with no  
5 contribution from outside sources, namely, the  
6 PRPs, the potentially responsible parties, it will  
7 cost a District taxpayer \$65 per year per household  
8 in our District.

9           Unfortunately, while any tax increase  
10 in today's climate is difficult, there is no way  
11 pure water can continue to be supplied by the  
12 Bethpage Water District without the construction of  
13 these facilities.

14           Now, out of that \$65, we do expect  
15 Grumman to be responsible for at least \$8 million  
16 of that, so that would cut that \$65 in half. With  
17 any luck, we'll get them to pay more, but I will  
18 add that the negotiations that are ongoing with  
19 Grumman presently have not gone quite as well as  
20 they did in 1994 when Grumman was located in  
21 Bethpage. Now I deal with a California corporate  
22 bureaucracy which doesn't feel the same need to  
23 provide funding as they did in 1994.

24           I have with me today our engineer who  
25 could talk to you about any of the technical

1 details or questions that you may have and the  
2 District Superintendent to talk about operations if  
3 you need to hear anything about that that I can't  
4 answer.

5 So members of the Board, that is the  
6 presentation, we request bond financing to the tune  
7 of \$15.5 million, \$13.95 million which will be  
8 issued by the Town of Oyster Bay. I'd be happy to  
9 answer any questions that you have.

10 SUPERVISOR VENDITTO: No, except that  
11 when good things happen, the Town of Hempstead  
12 always seems to have the lion's share of it, but  
13 when the burden happens, we get walloped.

14 MR. SABINO: Yes.

15 SUPERVISOR VENDITTO: It is what it is.  
16 Other than check off with my own people, I don't  
17 see Bob McEvoy in the room, I don't really think  
18 it's necessary. The Bethpage Water District has  
19 great credibility with this Town Board and you have  
20 the best water in the world and --

21 MR. SABINO: That is correct. I'm glad  
22 you noticed.

23 SUPERVISOR VENDITTO: And I voted.  
24 There were three supervisors who voted on that, by  
25 the way, and I lobbied to get one of them, I won't



1 say who it was, but it was me, Bellone and Petrone,  
2 so I won't say which one I cajkled, but seriously  
3 in the Town of Oyster Bay, they do a great job, you  
4 have great credibility with us. I really think  
5 that's all I need to know.

6 The only thing I did want to touch base  
7 with, Len, did you say Rob Darienzo was here?

8 DEPUTY SUPERVISOR GENOVA: Yes.

9 SUPERVISOR VENDITTO: Rob, just  
10 touching base with you and anyone from the Town  
11 Attorney's office.

12 MR. DARIENZO: We are prepared to issue  
13 the debt. Absolutely.

14 SUPERVISOR VENDITTO: Freddie Mei?

15 MR. MEI: It is good.

16 SUPERVISOR VENDITTO: Okay. We're good  
17 to go? Okay. Unless the Board members have any  
18 questions, Anthony, I think we're fine.

19 MR. SABINO: Thank you, Mr. Supervisor,  
20 members of the Board.

21 SUPERVISOR VENDITTO: All right.

22 Thank you.

23 Mr. Labriola, do we have any  
24 correspondence?

25 Do you want to introduce your entourage

1 or did you already, I presume?

2 MR. SABINO: Yes. I have Rick from  
3 H2M, Mike Boufis, the District Superintendent and  
4 Sal Greco, the District Secretary.

5 SUPERVISOR VENDITTO: Welcome, fellas,  
6 good to see you.

7 Steven, what have we got?

8 MR. LABRIOLA: We have affidavits of  
9 posting and publication. There is no other  
10 correspondence.

11 SUPERVISOR VENDITTO: Councilman  
12 Muscarella, I'll take a motion.

13 COUNCILMAN MUSCARELLA: Mr. Supervisor,  
14 I move that this public hearing be closed and the  
15 decision reserved.

16 COUNCILMAN MACAGNONE: I'll second the  
17 motion.

18 SUPERVISOR VENDITTO: All in favor?

19 ALL: Aye."

20 SUPERVISOR VENDITTO: Opposed?

21 (No response.)

22 SUPERVISOR VENDITTO: So moved.

23 Thanks a lot, fellas. Happy holidays.

24 MR. SABINO: Thank you. You, too.

25 (Time noted: 10:28 a.m.)