

**CITY OF WATERTOWN, NEW YORK
AGENDA**

This shall serve as notice that the next regularly scheduled meeting of the City Council will be held on Monday, April 1, 2013, at 7:00 p.m. in the City Council Chambers, 245 Washington Street, Watertown, New York.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

ROLL CALL

ADOPTION OF MINUTES

COMMUNICATIONS

PRIVILEGE OF THE FLOOR

RESOLUTIONS

- Resolution No. 1 - Approving Franchise Agreement for Placement of Fiber Optic Cable, WESTELCOM Network, Inc.
- Resolution No. 2 - Re-Adoption of Fiscal Years 2012-13 through 2016-17 Capital Budget
- Resolution No. 3 - Pollution Control Plant Sludge Disposal Process Modification Consulting Agreement, GHD Consulting Services, Inc.

ORDINANCES

- Ordinance No. 1 - Amending the Code of the City of Watertown, §310-34, Accessory Uses in Residence Districts

LOCAL LAW

PUBLIC HEARING

OLD BUSINESS

STAFF REPORTS

1. Eligibility to Serve on Boards and Commissions
2. Board and Commission Appointments
3. Letter from Brown, Dierdorf & Renzi regarding anonymous donation
4. Letter from Thousand Islands Area Habitat for Humanity
5. Community Action Planning Council of Jefferson County Inc. Audit Report

NEW BUSINESS

EXECUTIVE SESSION

WORK SESSION

Next Work Session is scheduled for Monday, April 8, 2013, at 7:00 p.m.

ADJOURNMENT

**NEXT REGULARLY SCHEDULED CITY COUNCIL MEETING IS MONDAY,
APRIL 15, 2013.**

Res No. 1

March 21, 2013

To: The Honorable Mayor and City Council

From: Sharon Addison, City Manager

Subject: Approving Franchise Agreement for Placement of Fiber Optic Cable, WESTELCOM Network, Inc.

The City of Watertown has had a Franchise Agreement with WESTELCOM, Inc. for the past five years, such Agreement having expired January 31, 2013.

As the owner of the underground conduit, we allow WESTELCOM Network, Inc. to rent space from the City in our conduit. Making that conduit available to businesses like WESTELCOM, Verizon and/or DANC helps to promote, develop and expand business within the City and further helps to pay for the costs for the conduit.

With the assistance of City Attorney Robert J. Slye, Staff has negotiated a new five-year non-exclusive Franchise Agreement with WESTELCOM which allows them, for a fee, to install and maintain fiber in the existing conduit owned by the City of Watertown. This new Agreement increases the permit fee from \$250 to \$500 and the on-site support fee from an hourly rate of \$100 to \$200.

A resolution authorizing approval of a Franchise Agreement with WESTELCOM Network, Inc. has been prepared for City Council consideration.

RESOLUTION

Page 1 of 1

Approving Franchise Agreement for Placement of Fiber Optic Cable, WESTELCOM Network, Inc.

Council Member BURNS, Roxanne M.
 Council Member BUTLER, Joseph M. Jr.
 Council Member MACALUSO, Teresa R.
 Council Member SMITH, Jeffrey M.
 Mayor GRAHAM, Jeffrey E.

Total

YEA	NAY

Introduced by

WHEREAS the City of Watertown is a municipal corporation organized under the Laws of the State of New York and , as such, owns underground conduit within the City of Watertown for the City’s use in encasing City-owned fiber cable, and

WHEREAS the City has available space in its conduit which can be efficiently utilized by others for similar purposes to the extent such additional facilities do not interfere with the City’s needs, and

WHEREAS the City desires to advance the public purpose of promoting, developing or expanding business within the City by permitting the location of private facilities within the City’s existing and proposed conduit, and

WHEREAS in pursuit of that public purpose, the City desires to grant non-exclusive franchises for the operation, management and maintenance of private lines within the City’s conduit, and

WHEREAS WESTELCOM Network, Inc. has expressed a desire to enter into a non-exclusive franchise with the City,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown hereby approves the Franchise Agreement for Placement of Fiber Optic Cable with WESTELCOM Network, Inc., a copy of which is attached and made a part of this resolution, and

BE IT FURTHER RESOLVED that the City Manager, Sharon Addison, is authorized and directed to execute the Agreement on behalf of the City of Watertown.

Seconded by

FRANCHISE AGREEMENT FOR PLACEMENT OF FIBER OPTIC CABLE

This Franchise Agreement is being made and is intended to be effective as of April 1, 2013 for a period of five (5) years, between the City of Watertown, New York with principal offices located at 245 Washington Street, Watertown, New York 13601 (the "CITY") and WESTELCOM Network, Inc., a New York Corporation with a principal place of business located at 2 Champlain Ave., P.O. Box 249, Westport, NY 12993-0249 ("Franchisee").

INTRODUCTION

WHEREAS, the City is a municipal corporation organized under the laws of the State of New York and, as such, owns and is developing underground conduit within the City of Watertown for the City's use in encasing City-owned fiber cable; and

WHEREAS, the City has available space in its conduit which can be efficiently utilized by others for similar purposes to the extent such additional facilities do not interfere with the City's needs; and

WHEREAS, the City desires to advance the public purpose of promoting, developing or expanding business within the City by permitting the location of private facilities within the City's existing and proposed conduit; and

WHEREAS, in pursuit of that public purpose, the City desires to grant non-exclusive franchises for the operation, management and maintenance of private lines within the City's conduit;

NOW, THEREFORE, in consideration of mutual covenants and agreements as stated herein, the City and Franchisee agree as follows:

AGREEMENT

SECTION I - TERM OF FRANCHISE

The term of this Franchise shall be for the period of five (5) years from April 1, 2013 through March 31, 2018, with an option to renew, upon the same terms as this Agreement, for an additional five (5) years. The Franchisee must notify the City, in writing, ninety (90) days in advance of the expiration of the initial term, of its desire to exercise the option to renew.

SECTION II- PROPERTY FRANCHISE

The City agrees to permit Franchisee to use a portion of the City's conduit system for the installation, maintenance and repair of cabling systems within the City's existing conduit system and within later constructed City conduit. The City grants Franchisee the right of ingress and egress over municipal property to the extent necessary to install, repair, and maintain Franchisee's lines.

In no event shall Franchisee's cabling system exceed 1.5" in diameter or 50% of the conduit's internal diameter, whichever is less.

Nothing in this Agreement shall be construed as requiring the City to construct any conduit anywhere in the City.

SECTION III- NONASSIGNABILITY

The City and Franchisee agree that it is the purpose of this conduit franchise to permit the use of the conduit by Franchisee, and that this franchise may not be assigned by Franchisee to any other person or entity without the City's prior express written consent. Franchisee agrees that the City's consent to any assignment may be withheld for any reason, and in its sole discretion.

SECTION IV – COMPENSATION

A. The fees for the use of the City's conduit shall be as defined in Exhibit A to this agreement and as may change from time to time, based on changes in the NYS PSC tariffs for Conduit Occupancy and/or unbundled dark fiber. Reference to NYS PSC Tariff Rates is made solely for the purpose of establishing rates to be paid to the City by the Franchisee and for no other purpose whatsoever. Billing will be done monthly, in advance. Payment of the monthly fee shall be made in advance, with the first payment due upon authorizing the installation of cabling.

SECTION V - FRANCHISEE'S DUTIES

A. Franchisee shall be responsible for running its cable within the City's conduit. Upon termination of this Franchise, for any reason, Franchisee shall remove all of its cable within sixty (60) days, and will promptly repair any damage to the City's facilities, or to facilities of other franchisees, caused in the process.

B. Franchisee shall obtain any and all licenses or permits required by statute, ordinance, rule or regulation of the State, County and/or City before installing cable in the City's conduit, or performing any of the described at sub-paragraph "F" below, and shall maintain all licenses or permits in current status throughout the term of this Agreement.

C. Prior to installing, maintaining or repairing cable in any section of the City's conduit, and throughout the term of this Franchise, Franchisee shall notify the City Manager of its proposed work and obtain written permission therefor, which approval may be withheld by the City for any reason and in the City's sole discretion. All requests by the Franchisee to use City conduit shall be made on the Conduit Access Form attached as Exhibit B to this Agreement. Requests for installation, maintenance and repair shall be made 90 days in advance of proposed work. A \$500 permit fee for the processing of requests will be assessed by the City. If the City is required to be on-site for any given request, an hourly rate of \$200.00 per hour will be assessed. Requests for access for emergency repairs may be submitted at any time and will be addressed on a case-by-case basis. Such emergency requests will be subject to the same fee and hourly charges as described above.

D. If any other person or entity is granted a City franchise for the use of the City's conduit, Franchisee shall, as an express condition of this Franchise Agreement, cooperate with the installation of additional cable and coordinate its work with all parties.

E. If Franchisee, in exercising its privileges under this Franchise, damages any of the City's facilities, or any facilities belonging to another franchisee utilizing the City's conduit, Franchisee shall immediately notify the City and such other franchisee and shall proceed to effect immediate repairs to the satisfaction of the City Engineer. Franchisee shall, in the

alternative, indemnify the City and any other franchisee for any and all damages caused by Franchisee to City facilities or to the facilities owned by such other franchisee.

F. If Franchisee performs any road cuts, sidewalk cuts, excavation, or any other above-ground or underground work in pursuit of exercising its privileges under this Franchise, Franchisee shall proceed, upon completion of such work, to restore the affected area to a condition satisfactory to the City Engineer.

G. Franchisee's obligations under subparagraphs E and F above shall be secured by a bond, for the term of this Agreement and for a period of one year after its termination, in favor of the City of Watertown in the penal sum of \$20,000.00, which bond must be in a form satisfactory to, and approved by, the City Attorney, before Franchisee shall be permitted to commence installation of its cable. Any failure of the bonding company to make payment in the event of a breach of paragraphs E or F above shall result in the termination of this Franchise.

SECTION VI- ADEQUACY OF FRANCHISED PREMISES

By entering into this Franchise Agreement, and by later installing cable in any part thereof, Franchisee acknowledges that it has accepted, in good order and repair, the City's conduit. This acknowledgment includes Franchisee's representation that it has examined the condition of the conduit and has received the same in good repair and working order.

SECTION VII- MAINTENANCE

A. City agrees that it will keep its conduit, including any structural or capital repairs and improvements, in good repair during the term of this franchise and at its own expense. The City will notify the Franchisee should repairs need to be made to the conduit which may impact the Franchisee's operation.

B. No alterations may be made by the Franchisee to the City's facilities without the prior written consent of the City Manager, which consent may be withheld for any reason at the sole discretion of the City.

SECTION VIII – INSURANCE

Franchisee agrees to furnish and maintain during the term of this Franchise Agreement commercial general liability insurance in the amount of \$500,000 per person and \$1,000,000 per occurrence, and property damage insurance in the sum of \$100,000. Franchisee's policy of liability insurance shall name the City as an additional named insured without restriction to vicarious liability issues only. Franchisee shall provide the City with certificates of insurance reciting City's status as an additional named insured on the policy or policies maintained by Franchisee for this purpose. The certificates of insurance must further list the City as a certificate holder and must be delivered to the City prior to Franchisee's commencement of any installation of cable during the duration of this Agreement.

SECTION IX - HOLD HARMLESS

Franchisee shall indemnify and hold the City harmless, including reimbursement for reasonable attorneys' fees, from and against any and all loss, claims, costs or expenses arising out of any claim of liability for injuries or damages to persons or to property sustained by any person or entity by reason of Franchisee's operation, use or occupation of the conduit, or by or resulting from any act or omission of Franchisee, or any of its officers, agents, employees, guests, patrons or invitees. Coverage under the liability insurance in the type and amounts identified in Section VIII naming the City as an additional named insured shall be sufficient for purposes of meeting Franchisee's obligations under this paragraph.

SECTION X – TERMINATION

This franchise may be terminated by the City, for cause, upon any of the following:

A. Violation by Franchisee of any of the applicable laws and regulations of the State of New York, County of Jefferson, or City, including any failure to obtain permits for road work, cuts, sidewalk work, etc.

B. Franchisee's failure to comply with any of the provisions of the agreement.

This franchise may be terminated by the Franchisee, for cause, upon the City's failure to comply with any of the provisions of the agreement.

SECTION XI - NO RECOURSE

A. Franchisee acknowledges and agrees that the conduit may be subject to being restricted or shut down, including down time for repairs, and Franchisee agrees that it shall have no recourse against the City for damages in the event the conduit is unavailable for use.

B. Franchisee acknowledges and agrees that the risk of damage to its facilities due to accident or casualty prohibiting the operation of Franchisee's facilities shall be borne by Franchisee, and that Franchisee shall have no claim against the City for any claims of consequential damage flowing therefrom.

SECTION XII - VENUE AND APPLICABLE LAW

A. The City and Franchisee agree that the venue of any legal action arising from a claimed breach of this Franchise Agreement is in the Supreme Court, in and for the County of Jefferson, State of New York.

B. This agreement shall be construed in accordance with the laws of the State of New York.

SECTION XIII – MERGER AND SAVINGS CLAUSE

This agreement sets forth the agreement between the parties and each party acknowledges that there are no promises, agreements, conditions or understandings, either oral or written, express or implied, which are not set forth herein. The invalidity of any severable covenant, condition or provisions of this Agreement shall not serve to invalidate any other

covenant, condition or provision of this Agreement, it being the intent of the parties to preserve so much of the terms of the Agreement as possible.

SECTION XIV – NOTICE AND APPROVALS

All notices required to be given under this franchise shall be in writing and shall be deemed to have been duly given on the date mailed if sent by certified mail, return receipt requested to:

City of Watertown:

City Manager
245 Washington Street
Watertown, New York 13601

Franchisee:

Paul F. Barton, President
WESTELCOM Network, Inc.
130 Park Place
Watertown, NY 13601

IN WITNESS WHEREOF, the City and Franchisee have caused this Franchise to be executed by the parties and is to be effective as of _____, 2013.

THE CITY OF WATERTOWN, NEW YORK

By: _____
Sharon Addison, City Manager

WESTELCOM Network, INC.

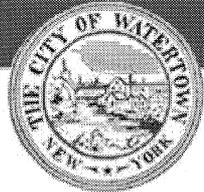
By: _____
Paul F. Barton, President

EXHIBIT A

Dark Fiber and Conduit Occupancy Rates
As of 3/26/2013

Conduit Occupancy per Foot - PSC NY No. 1: Communications			
Description	Annual	Monthly	
Full Duct	\$ 1.50	\$ 0.125	
Half Duct	\$ 0.75	\$ 0.063	
Third Duct	\$ 0.50	\$ 0.042	
Quarter Duct	\$ 0.37	\$ 0.031	

Unbundled Dark Fiber per Pair/Mile - PSC NY No. 10: Communications			
Description	Rate	Qty	Monthly
Serving Wire Center Charge	\$ 10.06	1	\$ 10.06
Dark Fiber Loop Charge - Fixed	\$ 4.23	2	\$ 8.46
Dark Fiber Loop Charge/ qtr mile	\$ 14.02	4	\$ 56.08
Dark Fiber IOF Mileage	\$ 58.20	1	\$ 58.20
			<u>\$ 132.80</u> per pair
			\$ 66.40 per fiber



The City of

Watertown, NY

City of Watertown NY
245 Washington St
Watertown NY 13601
(315) 785-7730

EXHIBIT B

Conduit Access Form

FRANCHISE ID

Date Requested: _____ Phone/Extension _____
Contact Name: _____
Email Address: _____

REQUEST

Complete the form and send it to the Engineering Department, 245 Washington Street, Watertown, New York. All inquiries will be addressed within 10 business days of receipt. Indicate your request for access to the conduit system in the space provided below.

Type of Work: (check one):

Installation Maintenance Modification Repair Emergency Repair

Location of Work:

Begin / End Dates: _____ to _____

New Attachment to City Conduit System Y N
Construction Drawings Attached Y N
CAD File Included Y N
GPS File Included Y N
UFPO Request Submitted Y N Date Submitted _____
Permit Obtained From City Engineering Y N Permit No. _____
Check No. _____

(Note - Attach all supporting documentation. Electronic file may be submitted on CD or 3.5" diskette.)

For Department of Public Works Use Only

Date Replied: _____

Signature: _____

Comments:

For City Manager Use Only

Signature: _____

Date: _____

Res No. 2

March 28, 2013

To: The Honorable Mayor and City Council
From: James E. Mills, City Comptroller
Subject: Fiscal Year 2012-13 Capital Fund Budget Re-adoption

Included in tonight's agenda is a resolution to accept the professional services agreement with GHD Consulting Engineers LLC in the amount of \$638,280 to design the modifications to the sludge disposal operations at the waste water treatment plant. This project is not included in the Fiscal Year 2012-13 Capital Budget. The City has received a grant from New York State Energy Research and Development Authority (NYSERDA) in the amount of \$585,646 to cover seventy-five percent of the project cost. The City share of the project costs expected to be incurred before June 30th can be absorbed in the current Sewer Fund Budget. The Fiscal Year 2013-14 Sewer Fund Budget will include a transfer to the Capital Fund to cover the majority of the City's share. It is staff's recommendation to not borrow for the City's twenty-five percent match.

A resolution amending the Capital Budget has been prepared for City Council consideration to include this as an approved project.

RESOLUTION

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Re-Adoption of Fiscal Years 2012-13 through 2016-17 Capital Budget

Council Member BURNS, Roxanne M.
 Council Member BUTLER, Joseph M. Jr.
 Council Member MACALUSO, Teresa R.
 Council Member SMITH, Jeffrey M.
 Mayor GRAHAM, Jeffrey E.
 Total

YEA	NAY

Introduced by

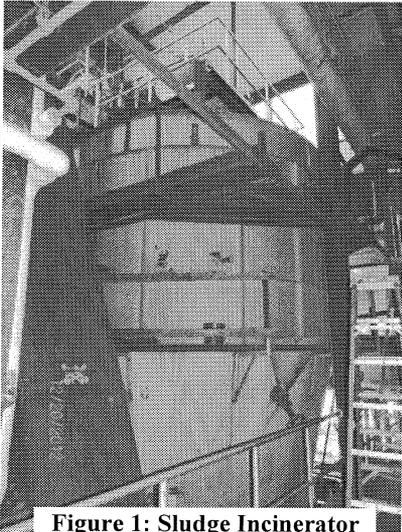
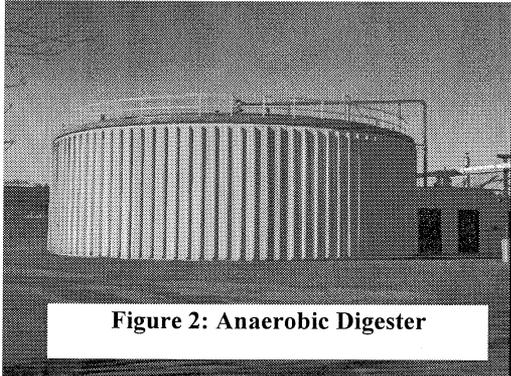
WHEREAS on May 26, 2012 the City Council adopted the Fiscal Years 2012-13 through 2016-17 Capital Budget, and

WHEREAS City Council desires to add the design of the sludge disposal operations modifications at the wastewater treatment plant in the amount of \$640,000, and

NOW THEREFORE BE IT RESOLVED that the Fiscal Years 2012-13 through 2016-17 Capital Budget is amended to include the Wastewater Treatment Plant Disinfection System Design project at an estimated cost of \$640,000 in FY 2012-13.

Seconded by

**FISCAL YEAR 2012-2013
CAPITAL BUDGET
SLUDGE DISPOSAL PROCESS MODIFICATIONS
AT THE WASTEWATER TREATMENT PLANT**

PROJECT DESCRIPTION	COST
<p>Engineering Services in Support of the Project</p>  <p>Engineering Services is for the Preliminary Project Design and the Final Design. Additionally, the following Engineering Services are also included in the work plan:</p> <ol style="list-style-type: none"> 1. The optimization of the existing anaerobic digester process; 2. The facilitation of production of a preferred Class A bio-solid, or as an alternative, Class B, that achieves a Beneficial Use Determination for land disposal of the biosolids; 3. Required as a prelude to #2 above, completion of a marketing analysis for said bio-solid product; and 4. The installation of a new gas to mechanical energy system that will utilize methane gas to produce the mechanical energy  <p>Funding will be provided through a NYSERDA Grant (\$585,464) and a transfer from the Sewer Fund FY 2013-14 Budget.</p>	<p>\$640,000</p>
TOTAL	\$640,000

March 27, 2013

To: The Honorable Mayor and City Council

From: Elliott B. Nelson, Confidential Assistant to the City Manager

Subject: Pollution Control Plant Sludge Disposal Process Modification Consulting Agreement, GHD Consulting Services, Inc.

At the March 11 Work Session, City Council authorized staff to negotiate an agreement for consulting services with GHD Consulting Services, Inc for design and other assistance in relation to the sludge disposal process modification project at the City's Pollution Control Plant. As Council is aware, the City has been selected as the recipient of a NYSERDA grant in the amount of \$585,646 to undertake this project.

This consulting agreement achieves a number of things for the City and includes preliminary project design as well as final design services. The City was advised by NYSERDA that carrying the upfront effort to the final design was in the better interest of the successfulness of the full scope of the project.

In addition to preliminary and final design tasks, other services within this agreement include:

1. the optimization of the existing anaerobic digester process;
2. the facilitation of production of a preferred Class A bio-solid (or as an alternative, Class B) that achieves a Beneficial Use Determination for land disposal of the biosolids from the NYSDEC;
3. required as a prelude to #2 above, completion of a marketing analysis for said bio-solid product; and
4. the installation of a new gas to mechanical energy system that will utilize methane gas to produce mechanical energy.

The agreement also contains language that states GHD will assist City staff in securing the additional funding needed to complete this project through other grant opportunities. This is key as the grant secured to date is insufficient to accomplish this goal. Key milestones (stopping points) are clearly defined in the agreement that allow for a pause and review of existing financing and the assessment of the ability to achieve the next step. These pauses are specifically targeted to assure that the project does not out pace financing "in hand" that could potentially result in significant fiscal stains.

The Agreement is in the amount of \$160,280 for the Preliminary Design Phase and \$478,000 for the Final Design Phase, totaling \$638,280 for the entire scope of the agreement. Each task defined as a subcomponent of the fee has a clearly specified deliverable that marks the task's completion.

As payments commence, the City's share would be 25% and the NYSERDA share would be 75% up to the extent of the grant. As much as possible and practical, the City is permitted to offer valid "in-kind" services in support of the project to account against its 25% obligation. Should there develop difficulties or delays in securing additional funding, under the current plan, the project would pause at the end of Final Design. Getting to this point, however, is critical as having the design in hand improves greatly the probability of favorable consideration for any future grant applications.

Staff will be available at the meeting to answer any questions Council may have on the agreement.

RESOLUTION

Pollution Control Plant Sludge Disposal
Process Modification Consulting Agreement,
GHD Consulting Services, Inc.

Page 1 of 1

Council Member BURNS, Roxanne M.
Council Member BUTLER, Joseph M. Jr.
Council Member MACALUSO, Teresa R.
Council Member SMITH, Jeffrey M.
Mayor GRAHAM, Jeffrey E.

Total

YEA	NAY

Introduced by

WHEREAS the City of Watertown owns and operates a Pollution Control Plant located at 700 William T. Field Drive, Watertown, NY, and

WHEREAS the City has been selected as the recipient of a New York State Energy Research and Development Authority (NYSERDA) grant in the amount of \$585,646 for the purpose of modifying the sludge disposal process at the Pollution Control Plant, and

WHEREAS in December, 2012 the City of Watertown released a Request for Proposal for project design, SPDES permit modification assistance, Beneficial Use Determination application assistance, and other assistance for said sludge disposal process modification, and

WHEREAS the City of Watertown received four responses to the RFQ and the Selection Committee selected GHD Consulting Services, Inc. as the best option for the Pollution Control Plant sludge disposal modification project, and

WHEREAS, at the March 11, 2013 Work Session, City Council authorized staff to negotiate a Consulting Agreement with GHD Consulting Services, Inc for design and other services,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown hereby approves the Agreement between the City and GHD Consulting Services, Inc, attached hereto and made part of this resolution, and

BE IT FURTHER RESOLVED that City Manager Sharon Addison is hereby authorized and directed to execute this agreement on behalf of the City of Watertown.

Seconded by



AGREEMENT
BETWEEN
CITY OF WATERTOWN
(OWNER)
AND
GHD CONSULTING SERVICES INC.

FOR
SERVICES
FOR

SLUDGE DISPOSAL PROCESS MODIFICATIONS
(PROJECT)

April 1, 2013



GHD – USA
Services Agreement

General Details:

Project Name	Sludge Disposal Process Modification
The Project is <i>(brief project description)</i>	Modifications to the City of Watertown Wastewater Treatment Plant to convert the existing anaerobic digester process to a thermophilic process, produce a biosolids which can be beneficially reused, produce mechanical energy with digester gas and develop use for same and recover heat for sludge/building heat.
"OWNER" and the "Client" means <i>(name, address, phone #)</i>	City of Watertown
OWNER's Designated Representative(s) is <i>(name, title phone/e-mail)</i>	Michael J. Sligar, P.E., Superintendent of Water City of Watertown 245 Washington Street Watertown, NY 13601 315-785-7757 msligar@watertown-ny.gov
OWNER's Authorized Signer is <i>(name, title phone/e-mail)</i>	Sharon Addison, City Manager City of Watertown 245 Washington Street Watertown, NY 13601 315-785-7730 saddison@watertown-ny.gov
"GHD" means <i>(DBA, Office address)</i>	GHD Consulting Services Inc. One Remington Park Drive Cazenovia, NY 13035
GHD's Designated Representative is <i>(name, title, phone/e-mail)</i>	Bruce G. Munn, P.E. Tel: 315-679-5733 Email: bruce.munn@ghd.com
GHD's Authorized Signer is <i>(name, title, phone/e-mail)</i>	Gerald C. Hook, P.E. Tel: 315-679-5500 Email: gerald.hook@ghd.com

Services: *(brief description of services)*

The project includes modification to the City of Watertown Wastewater Treatment Plant to convert the existing anaerobic digesters to thermophilic anaerobic digestion to produce a biosolids which can be beneficially reused. Biogas from the process will be utilized in a system to produce and use mechanical energy and reduce electrical costs in the plant. Heat will be recovered and used for sludge/building heat. The project also includes decommissioning of the existing sewage sludge incinerators, as further defined in Exhibit A.

Fees: *(by phase)*

Fees for completion of the Preliminary Design Phase are \$160,280, as further defined in Exhibit C.
 Fees for completion of the Final Design Phase are \$478,000, as further defined in Exhibit C.

Period of Service:

Effective Date of this Agreement: April 1, 2013

Services

1. The standard of care for any professional services performed or furnished by GHD under this Agreement will be the care and skill ordinarily used by members of the profession practicing under similar circumstances at the same time and in the same locality. GHD makes no warranties, express or implied, under this Agreement or otherwise, in connection with GHD's services.
2. Any questions in relation to the services being provided by GHD can be directed to the Job Manager.
3. Change of Scope. The scope of Services set forth in this Agreement is based on facts known at the time of execution of this Agreement. For some projects involving conceptual or process development services, scope may not be fully definable during initial phases. As the Project progresses, facts discovered may indicate that scope should be changed. GHD will promptly inform OWNER in writing of such situations, and if the facts discovered constitute a material change in project assumptions, the parties shall renegotiate the amended scope of this Agreement as necessary or Owner may otherwise terminate for convenience as provided at paragraph 13 (b) upon ten (10) days prior written notice to GHD.
 - (c) GHD agrees to make no claim for damages for delay in the performance of this contract occasioned by any act or omission to act of the OWNER or any of its representatives, and agreed that any such claim shall be fully compensated for by an extension of time to complete performance of the work as provided herein;
 - (d) OWNER fails to pay an amount due under the Agreement; or
 - (e) OWNER ends the Agreement before GHD has completed the services.
6. GHD will submit monthly invoices for services rendered and payment will be made within 30 days of OWNER's receipt of such invoices. When the Fees are on the basis of a lump sum, fixed fee, or a percentage of construction cost for the Project, GHD's invoices will be based upon GHD's estimate of the proportion of the services actually completed at the date of the invoice. If OWNER objects to any invoice submitted by GHD, OWNER shall so advise GHD in writing giving reasons therefore within fourteen (14) days of receipt of such invoice. If no such objection is made, the invoice will be considered acceptable by OWNER.

Information and Documents

4. OWNER shall designate and advise GHD of a person to act as OWNER's Representative who has complete authority with respect to the services. OWNER shall do the following in a timely manner:
 - (a) Provide all criteria and full Information as to OWNER's requirements for the Project;
 - (b) Assist GHD by providing all available Information pertinent to the Project (e.g. previous reports), all of which GHD may use and rely upon in performing the services; GHD will not be obligated to verify the accuracy of OWNER provided Information unless verification is included in GHD's scope of work;
 - (c) Arrange for site and property access as required for GHD to perform the services;
 - (d) Give prompt written notice to GHD of any event that affects the scope or timing of GHD's services.

Payment

5. Method of Payment. OWNER shall pay GHD the Fees as defined under the Exhibits.

Additionally, OWNER will pay for any additional approved services GHD undertakes, and any Liability, cost or expense GHD incurs, if:

 - (a) The general approved scope, schedule, extent or character of Services is changed materially. In this event, the amount of compensation provided for herein shall be subject to equitable adjustment in accordance with paragraph 3, Change of Scope;
 - (b) Any Information OWNER (or OWNER's employees, agents or contractors) provides to GHD is not complete and accurate;

Insurance

7. GHD shall maintain continuously during the life of this Agreement the following minimum insurance requirements:
 - (a) Workers' Compensation Insurance with statutory limits;
 - (b) Comprehensive General Liability Insurance with limits of not less than \$1,000,000 applicable to bodily injury, sickness, or death in any one occurrence or in the aggregate and not less than \$1,000,000 for loss of, or damage to, property in any one occurrence or in the aggregate;
 - (c) Automobile Liability Insurance covering all owned, non-owned, or hired vehicles used by GHD with limits of not less than \$1,000,000 applicable to bodily injury, sickness, or death of any one person per occurrence and \$1,000,000 for loss of or damage to property in any one occurrence;
 - (d) Professional Liability Insurance in the amount of \$1,000,000 covering claims, damages and Liability arising out of, or resulting from, GHD's professional negligence in performance of the services.
8. The policies under 7. (b) and 7. (c) above shall: (1) name OWNER as an Additional Insured; (2) be endorsed to be primary and non-contributory to any other insurance maintained by OWNER.
9. GHD proof of insurance will be on file with the OWNER prior to issuing the "Notice to Proceed".

Total Liability for Damages

10. (a) Notwithstanding any other provisions of this Agreement, but subject to clause 10(b) below, to the maximum extent permitted by law, the total aggregate Liability of GHD to OWNER and/or anyone claiming by, through, or under OWNER shall be limited to the amounts set out in clause 7 for the relevant insurance policy or, if no insurance is applicable, to \$1,000,000.
- (b) With respect to professional errors or omissions only, notwithstanding any other provision of this Agreement, to the maximum extent permitted by law, the total aggregate Liability of GHD to OWNER and/or anyone claiming by, through, or under OWNER, for all Liabilities arising out of, or resulting from the professional errors or omissions of GHD in the performance or non-performance of the services shall be limited to \$1,000,000, or the total Fees actually paid to GHD under this Agreement, whichever is greater.
- (c) Neither party to this Agreement shall be liable to the other for any indirect, special, incidental, punitive or consequential damages, including but not limited to loss of profits, arising in connection with the performance or non-performance of this Agreement.

Intellectual Property

11. All documents, reports, studies, recommendations, plans and/or instruments of service prepared by GHD and provided to the OWNER both, written and electronic, shall become the property of the OWNER upon provision.

Confidentiality, documents and information

12. GHD agrees to keep confidential and not disclose to any person or entity, other than GHD's employees and subcontractors, without the prior written consent of OWNER (which consent shall not be unreasonably withheld, delayed, or conditioned), all data and Information not previously known to GHD and marked "CONFIDENTIAL" by OWNER and provided in the course of GHD's performance of the services. This provision shall not apply to data or Information which is in the public domain or which was acquired by GHD independently from third parties not under any obligation to OWNER to keep such data and Information confidential or which GHD is required to disclose under any law, rule, regulation, ordinance, code, standard, or court order.

Termination

13. (a) The obligation to provide further services under this Agreement may be terminated by either party upon thirty days' written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.

- (b) This Agreement may be terminated for convenience by OWNER upon thirty days prior written notice to GHD. In the event of termination for convenience by OWNER, GHD shall be entitled to receive all amounts owing to GHD under the Agreement, for all work performed up to the effective date of termination, plus reasonable termination costs.

Indemnification

14. To the maximum extent permitted by law, each party shall indemnify and hold harmless the other party, its appointed and elected officials, partners, officers, directors, employees, and agents; from and against any and all Liabilities arising from the negligent or wrongful acts, errors, or omissions, or breach of contract, by a party; but only to the extent of that party's relative degree of fault.
15. In furtherance of these obligations, and *only* with respect to OWNER, GHD waives any immunity it may have or limitation on the amount or type of damages imposed under any industrial insurance, worker's compensation, disability, employee benefit, or similar laws. GHD ACKNOWLEDGES THAT THIS WAIVER OF IMMUNITY WAS MUTUALLY NEGOTIATED.

Dispute Resolution

16. Both parties agree in good faith to attempt to resolve amicably, without litigation, any dispute arising out of or relating to this Agreement or the work to be performed hereunder. In the event that any dispute cannot be resolved through direct discussions, the parties agree to endeavor to settle the dispute by mediation. Either party may make a written demand for mediation, which demand shall specify the facts of the dispute. The matter shall be submitted to a mediator mutually selected by the parties. The mediator shall hear the matter and provide an informal nonbinding opinion and advice in order to help resolve the dispute. The mediator's fee shall be shared equally by the parties. If the dispute is not resolved through mediation, the matter may be submitted to the judicial system, in the courts of general jurisdiction where the Project is located.

Independent Contractor

17. GHD shall act as an independent consultant and not as an agent or employee of OWNER, and will be solely responsible for the control and direct performance of the services provided by its employees and agents.

Assignment

18. This Agreement may not be assigned by GHD without the express prior written consent of the OWNER, which consent may be withheld for any reason.

Health and Safety

19. GHD shall only be responsible for the activities of its own employees and agents on the Project site with respect to safety.

Compliance with Laws, Permits and Licenses

20. This Agreement shall be governed by the law of the state where the Project is located. GHD shall perform its Services in accordance with applicable laws, regulations, ordinances, permits, licenses, and other rules.

Severability

21. The parties agree that, in the event one or more of the provisions of this Agreement should be declared void or illegal, the remaining provisions shall not be affected and shall continue in full force and effect.

No Third-Party Beneficiaries

22. Nothing in this Agreement shall be construed to create, impose, or give rise to any duty owed by OWNER or GHD to any third party. All duties and responsibilities undertaken under this Agreement shall be for the sole and exclusive benefit of OWNER and GHD. There are no intended third-party beneficiaries. Notwithstanding the foregoing, should a court find a third party to be a beneficiary of this Agreement, it is the intent of the parties that the judicially created third-party beneficiary be bound by and subject to all of the terms and conditions of this Agreement.

Notification Period

23. Any applicable Statute of Limitation shall be deemed to commence running on the date which the claimant knew, or should have known, of the facts giving rise to their claims, but in no event later than the date of the final invoice for GHD's services under this Agreement. To the maximum extent permitted by law, as a condition precedent to commencing a judicial proceeding, a party shall give written notice of their claims, including all amounts claimed, and the factual basis for their claims, to the other party within two (2) years of when the claimant knew, or should have known, of the facts giving rise to their claims, but in no event later than two (2) years from the date of GHD's final invoice for Services under this Agreement.

Complete Agreement

24. This Agreement represents the entire understanding between the OWNER and GHD, and supersedes all prior negotiations, representations, understandings or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the parties hereto.
25. All notices or other written communications required under this Agreement shall be given personally upon delivery or by certified mail, return receipt requested, upon deposit in a U.S. Mail receptacle to the appropriate parties at the addresses shown on the signature page.
26. This Agreement applies to all services undertaken by GHD for OWNER relative to this Project, including any services undertaken prior to the Effective Date hereof.

Definitions

27. Unless the context otherwise requires, in the Agreement:

"Additional Insured" means that the interests of the client will be noted on the relevant policy, but does not mean that the client is an "Insured" under that policy.

"Agreement" means the agreement executed by the parties in connection with the services, including these terms and exhibits.

"Designated Representative" means specific individuals who act as Engineer's and OWNER's representatives with respect to the services to be performed or furnished by Engineer and responsibilities of OWNER under this Agreement. Such an individual shall have authority to transmit instructions, receive information, and render decisions relative to the Project on behalf of the respective party whom the individual represents.

"Document" or **"Documents"** includes a written or electronic document.

"Fees" means the amount set out in the agreement details including disbursements.

"Information" includes documents and information provided pertinent to the project.

"Liability" or **"Liabilities"** means any and all liabilities for actions (whether sounding in tort, contract (express or implied), warranty (express or implied), statutory liability, strict liability, or otherwise); claims (including, but not limited to, claims for bodily injury, death, property damage, (including bodily injury, death, or property damage to employees) or arising under environmental laws); and costs or damages of every nature without limitation (including, but not limited to, reasonable attorneys' fees and costs of defense).

"Project" means the project(s) that the services relate to.

"Services" means the services set out in the agreement details (or otherwise the services GHD undertakes).

"OWNER" means the person(s) set out in the agreement details (and if more than one person, "OWNER" means each of those persons severally and all of them jointly).

This is **EXHIBIT A**, consisting of 11 pages, referred to in and part of the Agreement between Owner and Engineer for Professional Services dated April 1, 2013.

Engineer's Services

The Standard Conditions of the Agreement are supplemented to include the following agreement of the parties.

GHD Consulting Services Inc. (Engineer) shall provide Basic and Additional Services as set forth below.

PART 1 – BASIC SERVICES

The scope of work for this project includes Preliminary Design and Final Design Phase engineering services, including conceptual layout, product marketing, preparation of a Preliminary Design Report, final design and preparation of Contract Documents for the Sludge Disposal Process Modifications to the City of Watertown Wastewater Treatment Plant. The project generally includes the following goals:

- Optimization of the existing anaerobic digestion process
- Conversion the existing anaerobic digesters to a temperature phased (thermophilic/mesophilic) anaerobic digestion process.
- Production of a biosolids which can be beneficially reused (preferably Class A).
- Completion of a marketing analysis to identify potential markets for the beneficial reuse of the biosolids.
- Assistance to the Owner in identifying and securing initial depository for generated operations.
- Assistance to the Owner to retire/cease sewage sludge incineration operations, including preparation of Contract Documents for demolition of the incinerator.
- Installation of a new gas to mechanical energy system which will utilize methane gas to produce mechanical energy (i.e., via gas drive engine) to operate a system to be identified in this project (i.e., lift pumps) which would prove beneficial to Owner.
- Investigate recovery of waste heat from the gas to mechanical energy process and utilize for sludge and/or building heat, if practical.
- Assistance to Owner in securing a contract with a biosolids broker for disposal of biosolids.
- Assistance to Owner in the application of New York State and Federal permits for biosolids disposal.

A1.01 *Study and Report Phase [Not Used]*

A1.02 *Preliminary Design Phase*

- A. Task 1 - Project Initiation Kick-Off and Chartering. Engineer will complete project initiation tasks including preparation of agreements, preparation of a Project Management Plan and coordination with project team. Engineer and the Owner will participate in a project kick-off and chartering meeting at the start of this project. One of the key purposes of the meeting will be to define critical success factors that will make the project successful for the Owner. These critical success factors will include technical goals for the anaerobic digestion process, methane recovery, the methane conversion and resultant energy utilization and production of biosolids which will produce a marketable end product. Goals will also include the Owner's financial success factors for the project, as well as to schedule success factors for project implementation. We will also discuss project team roles, responsibilities, lines of communication, project schedule, deliverables, and project decision making procedures. The critical success factors and project team discussions will be captured in meeting minutes and distributed to the team. Critical success factors will be reviewed periodically and updated throughout the course of the project. Immediately following the Project Initiation Kick-Off and Chartering, Engineer will schedule together with Owner a kick-off meeting with NYSERDA as further described in Task 6.
- B. Task 2 - Data Collection and Review. For this task, it will be necessary to collect existing available data with regard to sludge quantity and characteristics, digester gas, sources of outside waste, utility agreements, utility bills, and other information required for preparation of the Preliminary Design Report. Team members will visit the site to review the existing facilities and gather additional information.

Following review of this information, supplemental data gathering may be required, such as additional sludge quality and digester gas analysis. If required, Engineer will prepare a list of recommended additional testing to be completed by the Owner. This information will be very important in assessing requirements for Class A biosolids criteria, process sizing criteria, digester gas treatment requirements, and energy conversion/utilization design requirements. All of the collected data will be summarized in a memorandum.

- C. Task 3 - Identification and Evaluation of Alternatives. This task will include development of a listing of those technologies which could meet the critical success factors of the Owner for this project. With respect to the anaerobic digester modifications, this will primarily be focused on thermophilic digestion processes, but will also consider other alternatives such as pasteurization or thermal hydrolysis. With respect to methane gas conversion to usable mechanical energy, alternatives would consider among other things the gas scrubbing and engine technologies, the particular systems within the Owner's facilities that could beneficially employ the mechanical energy produced and how and where such things could be installed. Possible alternatives include the raw wastewater pumps, trickling filter pumps and activated sludge aeration blowers.

With respect to the retirement/cessation of the Sludge Incineration Operations, Engineer will consider procedures and cost of retiring equipment, the inspection and start-up and potential

upgrade of the sludge conveyor to the outside truck fill station and the re-establishment of the heating system for the Sludge Disposal Building.

Following the identification of technologies, a prescreening step will be completed to select those technologies most closely suited to the specific needs and existing systems for the Owner. These alternatives will include variations of the following options:

1. Temperature-Phased Anaerobic Digestion (TPAD)
 - Mesophilic/Thermophilic (M/T)
 - Thermophilic/Mesophilic (T/M)
2. Thermophilic Anaerobic Digestion (TAD)
3. Methane gas to mechanical energy conversions and systems to employ such mechanical energy, and how and where such systems would be installed and/or adapted. Up to three (3) digester gas to mechanical energy conversion alternatives will be identified for consideration.

Each of these alternatives will be reviewed for the following:

1. Ability to reliably produce Class A biosolids
2. Digester gas/energy production
3. Ease of modification (cost) to existing facilities
4. Cost effectiveness, improved efficiencies in time and production, training of staff
5. Operability
6. History of full scale operation in U.S.

This information will be summarized in tabular form.

This task also includes an assessment of thickening the waste activated sludge (WAS) through use of a mechanical gravity deck thickener, centrifuge or screw press. The purpose of thickening WAS is to decrease the heating load for the digester sludge feed and to increase the available detention time in the existing tanks.

The Engineer will also include an assessment of improvements to the existing perth gas mixing system. This potential modification is considered due to the age of the existing system, the improved efficiencies of new mixing systems and the increased mixing requirements if WAS thickening is employed.

Following the identification/pre-screening of alternatives and assessments of WAS thickening digester mixing improvements, and digester gas to mechanical energy alternatives, Owner and Engineer will meet to discuss and review findings. The purpose of this meeting will be to select the most viable alternatives for detailed evaluation. Up to three (3) digester process alternatives will be selected along with up to two (2) thickening and two (2) mixing system alternatives. Up

to three (3) methane gas to mechanical energy conversion and system utilization alternatives will be selected.

Following this meeting, more detailed cost analysis will then be prepared to determine and select the most cost-effective and reliable technology to meet the Owner's goals. The evaluations will consider capital costs and operation and maintenance costs. These costs will be compared in a 20 year present worth analysis. A summary progress report to this point will be prepared by Engineer for the Owner in sufficient quantity to provide City Management with same, together with a courtesy copy provided the project contact with the NYSDEC and NYSERDA.

- D. Task 4 - Preparation of Basis of Design. Following the detailed evaluation of alternatives and selection of the recommended process improvements, a recommended basis of design will be prepared. The basis of design will include a summary of sizing criteria for the recommended facilities and also a summary of the existing digester tanks, pumps, piping, recirculation systems, mixing systems, boilers, heat exchangers, gas conversion with appropriate mechanical system's adaptation, and related equipment and systems.

Following this, an energy balance will be completed to determine design quantities of digester gas production, energy conversion, and heat recovery. The energy balance will consider heat recovery for preheating thermophilic digester feed solids. A process schematic will be prepared to illustrate new equipment and piping and modifications to existing equipment and piping. The estimated cost of the total project will be updated and employed in further funding applications. The summary progress report will be updated and disseminated similar to the one at the conclusion of Task 3 and this too shall become a component of further funding applications. The Engineer will provide the project representative from the NYSDEC and NYSERDA with a copy of the progress report and together with Owner secure their respective concurrence with progress to date.

- E. Task 5 - Biosolids Reuse and Marketing Analysis. This task will be completed concurrently with previous Tasks 1 – 4 to the extent which is practical. Engineer will utilize Ronald Alexander for completion of this task. For this task, Ron will evaluate current biosolids analytical data including nutrients, heavy metals and other required parameters and compare these to the classification requirements of the treated biosolids product (Class A vs. Class B). With this information and anticipated biosolids data, Ron will interview local, regional, and national land application companies (as applicable) to determine a realistic contracted land application cost (on a per wet ton basis) for the Watertown biosolids. Other logistical and contract-related data will also be gathered and presented in tabular form for ease of comparison. From this data, a range of biosolids distribution costs will be established (on a per ton and annual basis), as will pertinent contract-related issues. Up to 10 land application companies will be interviewed during the process.

In order to consider the establishment of an in-house land application program, the project team will also complete demographic research within the agricultural and horticultural industries, as well as potential soil reclamation projects at, on or near sandy surface soils in the

Greater Fort Drum area. From this, a list of potential biosolids end users will be developed. Up to 25 potential end users will then be surveyed to determine their interest in biosolids usage, as well as to identify any biases and usage requirements. Market research will likely be concentrated on farmers and field nurseries (tree growers), with a comprehensive list of market segments to be provided to Watertown for discussion purposes, and before surveying begins. Along with this activity, the projected costs of developing an in-house land application program will be estimated based on experienced staffing, projected land access, equipment requirements, and similar programs developed elsewhere.

These two distinct subtasks will allow the Owner to better compare the options of contracting biosolids distribution versus establishing an in-house program. The deliverable under this Task 5 would be in the form of an updated progress report that summarizes Class A versus Class B determination and the findings and recommendations for depository of generated biosolids inventory.

Additionally, this Task 5 also lends itself as subject matter for Project Funding opportunities. Funding opportunities for biosolids reuse will be evaluated in Task 6.

- F. Task 6 - Project Funding. The Owner has received a 2012 Regional Economic Development Council grant through NYSERDA in the amount of \$585,646 for the implementation of the proposed biosolids-to-energy project with a mandatory 25% cost share by the Owner of any dollars spent. The Owner recognizes that the grant amount will not cover the total cost for implementation of the entire project. Engineer has had discussions with NYSERDA (Kathleen O'Connor) with regard to additional funding which may be available through the NYSERDA program. NYSERDA is currently working on a new PON which could provide up to \$2M of funding for implementation of this project. This is a program which New York State is enacting to help promote additional disposal sites and waste-to-energy projects for waste whey produced by local yogurt manufacturers.

Immediately after the project initiation kick-off and chartering meeting, Engineer will schedule with Owner a "Kick-Off" meeting with appropriate NYSERDA staff at a place and time convenient for NYSERDA to outline in person the entire project approach, target goals and target schedules, and to solicit guidance directly from NYSERDA with respect to the entire program (with emphasis on how it impacts existing and subsequent funding opportunities with NYSERDA). Based upon this meeting with NYSERDA, the requisite work plan and details thereof as well as whatever other requisite documents identified for inclusion in the formal agreement by and between the Owner and NYSERDA will be documented and Engineer will assist the Owner in filing with NYSERDA these necessary documents to complete the Owner/NYSERDA agreement.

As a component of this Task 6, and before existing funding in hand is exhausted, Engineer will assist the Owner in pursuing this, as well as any other appropriate funding that may surface during the course of this work, including low interest loans through the New York State Revolving Fund. Funding opportunities for biosolids reuse will be identified. A progress report will be prepared summarizing the funding opportunities identified for this project. If

insufficient funding is available, Engineer will work with the Owner to develop a planned approach for meeting the available funding for the project.

- G. Task 7 – Permitting Requirements. Engineer will summarize the State and Federal permit requirements as required for implementation of the project. These permits will include State Environmental Quality Review Act (SEQRA) SPDES permit modifications for the recommended solids treatment revisions, USEPA sewage disposal modifications for the change from incineration to TAD, and generation of a Class A biosolids and the permitting associated with beneficial reuse of Class A biosolids material. This task includes attendance at a meeting with New York State Department of Environmental Conservation (NYSDEC) to discuss 6 NYCRR Part 360 and SPDES permitting requirements. The final deliverable of this task includes a memorandum summarizing permitting requirements.
- H. Task 8 - Preliminary Design Report. Following completion of Tasks 1 through 7, Engineer will prepare a Preliminary Design Report which summarizes all the findings associated with data collection and review, proposed basis of design, biosolids reuse and marketing analysis. The Preliminary Design Report will also include a summary of capital construction costs, annual operation and maintenance costs, electrical expenses that are offset, cost savings with the discontinuance of Sewage Sludge Incineration Operations and biosolids reuse revenue. The operation and maintenance costs will include those associated with the anaerobic digestion process, as well as the gas recovery, gas treatment, conversion to mechanical energy and mechanical systems utilization facilities.

Estimated cost savings will be developed for the electrical conversion and utilization from digester biogas. Also, based upon information obtained during our biosolids market analysis, costs and revenue estimates will be developed for reuse of the biosolids.

A1.03 *Final Design Phase*

- A. After acceptance by Owner of the Preliminary Design Phase documents, revised opinion of probable Construction Cost as determined in the Preliminary Design Phase, and any other deliverables subject to accepted Owner-directed modifications or changes in the scope, extent, character, or design requirements of or for the Project, and upon written authorization from Owner, Engineer shall:
1. Prepare final Drawings and Specifications indicating the scope, extent, and character of the Work to be performed and furnished by Contractor. Contract drawings will be prepared with up to three (3) Prime Construction Contracts, including General, Electrical, and Heating and Ventilating.

The scope of the final design includes the following:

- a. Decommissioning and demolition of the existing sewage sludge incinerator and ancillary components.

- b. New heating and ventilating system improvements to the existing Sludge Disposal Building.
 - c. Replacement of existing sludge conveyor system for dewatered sludge transfer to truck loading.
 - d. Modifications to the existing anaerobic digesters to operate in a temperature phased anaerobic digestion (TPAD) configuration with Primary Digester No. 1 as a thermophilic digester and Primary Digester No. 2 as a mesophilic digester.
 - e. Modifications to the digesters heating system to Primary Digester No. 2 including:
 - Heat recovery heat exchanger between Primary Digester No. 2 and Primary Digester No. 1
 - Sludge piping/pump modifications
 - Sludge heating loop piping/pump modifications
 - f. Replacement of the existing gas mixing system with a new digester mixing system for Primary Digester Nos. 1 and 2.
 - g. Installation of insulation to Primary Digester No. 2 cover to minimize heat loss.
 - h. Construction of a new digester gas engine driven raw sewage pumps with digester gas treatment system for removal of moisture, hydrogen sulfide and siloxane and heat recovery for sludge and/or building heat, if feasible.
2. Provide technical criteria, written descriptions, and design data for Owner's use in filing applications for permits from or approvals of governmental authorities having jurisdiction to review or approve the final design of the Project; assist Owner in consultations with such authorities; and revise the Drawings and Specifications in response to directives from such authorities.
 3. Advise Owner of any adjustments to the opinion of probable Construction Cost known to Engineer.
 4. Perform or provide the following additional Final Design Phase tasks or deliverables:
 - a. Final Design Progress Submissions - Engineer will prepare progress reports at the 30 percent, 60 percent and 95 percent design completion points. Reports will include updated Contract Drawings and Specifications for review and comment at the 30 percent, 60 percent and 95 percent progress points. Regulatory approvals shall be ultimately sought at the 95 percent completion point and the regulatory agencies shall also be kept apprised of progress at the 30 percent and 60 percent completion points through submission of updated Contract Drawings and Specifications.

b. Lead, asbestos and PCB testing will be completed in the areas of project work including:

- Sludge Disposal Building
- Control Building – Raw Wastewater Pump Room
- Primary Digester No. 2
- Primary Digester No. 1
- Secondary Digester

The scope of the sampling is based upon the following:

- Lead paint chip sampling – 15 samples
- Asbestos sampling friable – 30 samples
- Non-friable organically bound (NOB) – 30 samples
- PCB sampling – 6 samples

Total estimated laboratory analysis expense cost is \$3,200.

Based upon the results of the lead asbestos and PCB analysis, Engineer will complete design and contract specifications for the removal and disposal of lead, asbestos and PCB's, as required, for completion of the project.

This task will be completed by subcontract to the Engineer.

c. State Environmental Quality Review Act (SEQRA) Assistance – Engineer will assist Owner in completion of SEQRA evaluations and documentation. The scope of the SEQRA assistance is based upon the following:

- Project designation as Unlisted Action
- Preparation of a Short Form Environmental Assessment Form (EAF)
- Preparation of a supporting documentation, including a brief letter describing the project, a site location map, environmental resource map and schematic figure of proposed work
- Preparation of a draft Lead Agency Solicitation Letter for the Owner's use in determining Lead Agency
- Preparation of a Negative Declaration Form, as needed
- Preparation of documentation for filing in the NYSDEC Environmental Notification Bulletin (ENB)
- Assist the Owner to develop SEQR resolution (if needed).

d. Permitting – Engineer will assist the Owner in completion and submission of the following State and Federal permit requirements:

- NYSDEC SPDES Permit Modification – including documentation of decommissioning of incinerator, use of thermophilic anaerobic digestion and beneficial reuse of biosolids through a biosolids marketing broker.
- NYSDEC Part 360 and USEPA Part 503 Permitting – Engineer will prepare a permit application package for submission to the NYSDEC. As the NYSDEC has limited experience with permitting of temperature-phased anaerobic digestion (TPAD) processes for production of a Class A compost, an initial telephone conversation will be held with appropriate NYSDEC staff to review and verify the specific components of the permit application package for this processing approach. For a TPAD located at an existing POTW, the permitting process should focus on:
 - Materials handling (related to the potential for cross contamination)
 - Monitoring controls to demonstrate compliance with pathogen and vector attraction criteria
 - Sampling/analytical protocols to verify product quality

Based on our experience with other biosolids disposal facilities across the state, we anticipate the permit application package will require the following components.

Engineering Report:

- Source description
- Storage facilities and capacities
- Post-processing methods and equipment
- Process flow diagram
- Processing times
- Air emissions control
- Stormwater management
- Leachate management

The majority of these items will be completed as part of the preliminary design report. This task includes compiling this information in a separate permit application report.

Other Reports/Plans:

- Waste Control Plan
- Facility Operation plan
- Monitoring, Sampling and Analysis Plan
- Product Maturity and Distribution Plan
- Contingency Plan
- Operation and Maintenance Manual
- Odor Management Plan
- Closure Plan

Drawings:

- Regional plan or map
- Vicinity plan or map
- Overall site plan
- Regulated wetlands and floodplain map

After internal QA/QC a complete draft of the permit application package will be provided to Owner for review and comment. Owner comments will be incorporated and a final permit application package will be delivered (electronic and hard copy) to the NYSDEC on behalf of Owner.

e. Biosolids Disposal Contract Assistance – The scope of this task is based upon assisting the Owner with:

- Preparation of a Request for Proposal from perspective biosolids brokers for disposal of biosolids
- Review/recommendation of proposals
- Preparation/execution of biosolids disposal contract

5. Prepare and furnish bidding documents for review by Owner, its legal counsel, and other advisors, and assist Owner in the preparation of other related documents. Owner shall submit to Engineer any comments and, subject to the provisions of Paragraph 6.01.G, instructions for revisions.

6. Revise the bidding documents in accordance with comments and instructions from the Owner, as appropriate, and submit five (5) final copies of the bidding documents, a revised opinion of probable Construction Cost, and any other deliverables to Owner within thirty (30) calendar days after receipt of Owner's comments and instructions.

B. Engineer's services under the Final Design Phase will be considered complete on the date when the submittals required by Paragraph A1.03.A.6 have been delivered to Owner.

A1.04 *Bidding or Negotiating Phase[Not Used]*

A1.05 *Construction Phase[Not Used]*

A1.06 *Post-Construction Phase[Not Used]*

PART 2 – ADDITIONAL SERVICES

A2.01 *Additional Services Requiring Owner's Written Authorization*

A. If authorized in writing by Owner, Engineer shall furnish or obtain from others Additional Services of the types listed below.

1. Services resulting from significant changes in the scope, extent, or character of the portions of the Project designed or specified by Engineer or its design requirements including, but not limited to, changes in size, complexity, Owner's schedule, character of construction, or method of financing; and revising previously accepted studies, reports, Drawings, Specifications, or Contract Documents when such revisions are required by changes in Laws and Regulations enacted subsequent to the Effective Date or are due to any other causes beyond Engineer's control.
2. Furnishing services of Consultants for other than Basic Services.
3. Preparing for, coordinating with, participating in and responding to structured independent review processes, including, but not limited to, construction management, cost estimating, project peer review, value engineering, and constructability review requested by Owner; and performing or furnishing services required to revise studies, reports, Drawings, Specifications, or other Bidding Documents as a result of such review processes.
4. Preparing additional Bidding Documents or Contract Documents for alternate bids or prices requested by Owner for the Work or a portion thereof.
5. Other services performed or furnished by Engineer not otherwise provided for in this Agreement.

This is **EXHIBIT B**, consisting of 2 pages, referred to in and part of the **Agreement between Owner and Engineer for Professional Services** dated April 1, 2013.

Owner's Responsibilities

Article 2 of the Agreement is supplemented to include the following agreement of the parties.

B2.01 In addition to other responsibilities of Owner as set forth in this Agreement, Owner shall at its expense:

- A. Provide Engineer with all criteria and full information as to Owner's requirements for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility, and expandability, and any budgetary limitations; and furnish copies of all design and construction standards which Owner will require to be included in the Drawings and Specifications; and furnish copies of Owner's standard forms, conditions, and related documents for Engineer to include in the Bidding Documents, when applicable.
- B. Furnish to Engineer any other available information pertinent to the Project including reports and data relative to previous designs, or investigation at or adjacent to the Site.
- C. Following Engineer's assessment of initially-available Project information and data and upon Engineer's request, furnish or otherwise make available such additional Project related information and data as is reasonably required to enable Engineer to complete its Basic and Additional Services. Such additional information or data would generally include the following:
 1. Property descriptions.
 2. Zoning, deed, and other land use restrictions.
 3. Property, boundary, easement, right-of-way, and other special surveys or data, including establishing relevant reference points.
 4. Explorations and tests of subsurface conditions at or contiguous to the Site, drawings of physical conditions relating to existing surface or subsurface structures at the Site, or hydrographic surveys, with appropriate professional interpretation thereof.
 5. Environmental assessments, audits, investigations, and impact statements, and other relevant environmental or cultural studies as to the Project, the Site, and adjacent areas.
 6. Data or consultations as required for the Project but not otherwise identified in the Agreement or the Exhibits thereto.
- D. Give prompt written notice to Engineer whenever Owner observes or otherwise becomes aware of the presence at the Site of any Constituent of Concern, or of any other development that affects the scope or time of performance of Engineer's services, or any defect or nonconformance in Engineer's services, the Work, or in the performance of any Contractor.

- E. Authorize Engineer to provide Additional Services as set forth in Part 2 of Exhibit A of the Agreement as required.
- F. Arrange for safe access to and make all provisions for Engineer to enter upon public and private property as required for Engineer to perform services under the Agreement.
- G. Examine all alternate solutions, studies, reports, sketches, Drawings, Specifications, proposals, and other documents presented by Engineer (including obtaining advice of an attorney, insurance counselor, and other advisors or consultants as Owner deems appropriate with respect to such examination) and render in writing timely decisions pertaining thereto.
- H. Provide reviews, approvals, and permits from all governmental authorities having jurisdiction to approve all phases of the Project designed or specified by Engineer and such reviews, approvals, and consents from others as may be necessary for completion of each phase of the Project.
- I. Recognizing and acknowledging that Engineer's services and expertise do not include the following services, provide, as required for the Project:
 - 1. Accounting, bond and financial advisory, independent cost estimating, and insurance counseling services.
 - 2. Legal services with regard to issues pertaining to the Project as Owner requires, Contractor raises, or Engineer reasonably requests.
 - 3. Such auditing services as Owner requires to ascertain how or for what purpose Contractor has used the moneys paid.
- J. Place and pay for advertisement for Bids in appropriate publications.
- K. Advise Engineer of the identity and scope of services of any independent consultants employed by Owner to perform or furnish services in regard to the Project, including, but not limited to, cost estimating, project peer review, value engineering, and constructibility review.
- L. Furnish to Engineer data as to Owner's anticipated costs for services to be provided by others (including, but not limited to, accounting, bond and financial, independent cost estimating, insurance counseling, and legal advice) for Owner so that Engineer may assist Owner in collating the various cost categories which comprise Total Project Costs.
- M. Attend the pre-bid conference, bid opening, pre-construction conferences, construction progress and other job related meetings, and Substantial Completion and final payment visits to the Project.
- N. Provide Engineer with the findings and reports generated by the entities providing services to Owner pursuant to this paragraph.
- O. Inform Engineer in writing of any specific requirements of safety or security programs that are applicable to Engineer, as a visitor to the Site.
- P. Coordinate with NYSDEC regarding review and approval of submittals.

This is **EXHIBIT C**, consisting of 7 pages, referred to in and part of the Agreement between Owner and Engineer for Professional Services dated April 1, 2013.

Payments to Engineer for Services and Reimbursable Expenses
COMPENSATION PACKET BC-1: Basic Services – Lump Sum

The Standard Conditions of the Agreement are supplemented to include the following agreement of the parties:

ARTICLE 2 – OWNER’S RESPONSIBILITIES

C2.01 Compensation for Basic Services (other than Resident Project Representative) – Lump Sum Method of Payment

A. Owner shall pay Engineer for Basic Services set forth in Exhibit A, except for services of Engineer’s Resident Project Representative, if any, as follows:

1. A Lump Sum amount based on the following:

a. Preliminary Design Phase	Lump Sum Amount
1) Task 1 – Project Initiation Kick-Off Meeting and Chartering	\$13,900
• Final payment for this task will be made up on final submission of project kick-off and chartering meeting minutes	
2) Task 2 – Data Collection and Review	\$11,370
• Final payment for this task will be made up on final submission of data collection and review memorandum	
3) Task 3 – Identification/Evaluation of Alternatives	\$62,350
• Final payment for this task will be made up on final submission of alternatives evaluation progress report	
4) Task 4 – Basis of Design	\$15,350
• Final payment for this task will be made up on final submission of basis of design progress report	

5) Task 5 – Biosolids Reuse Marketing Analysis	\$26,420
<ul style="list-style-type: none"> • Final payment for this task will be made up on final submission of biosolids reuse and marketing progress report 	
6) Task 6 – Project Funding/Financing	\$8,260
<ul style="list-style-type: none"> • Final payment for this task will be made up on final submission of project funding progress report 	
7) Task 7 – Permitting Requirements	\$5,130
<ul style="list-style-type: none"> • Final payment for this task will be made up on final submission of NYSDEC and USEPA permit applications 	
8) Task 8 – Preliminary Design Report	\$17,500
<ul style="list-style-type: none"> • Final payment for this task will be made up on final submission of preliminary design report 	
Total Preliminary Design Phase	\$160,280

b. Final Design Phase Lump Sum Amount

1) Task 9 – Final Design Documents	\$418,800
<ul style="list-style-type: none"> • Payment for this task will be made in partial payments upon submission of 30% progress documents; 60% progress documents; 95% progress documents and 100% progress documents 	
2) Task 10 – Lead, Asbestos and PCB Testing and Abatement	
<ul style="list-style-type: none"> • Payment for this task will be made in partial payments upon submission of the following: <ul style="list-style-type: none"> Lead Asbestos and PCB Test Report \$10,500 Lead Asbestos and PCB Abatement Design \$10,500 	
3) Task 11 – SEQRA	\$5,500
<ul style="list-style-type: none"> • Final payment for this task will be made upon submission of final SEQRA documentation 	

4) Task 12 – Permitting	\$22,200
<ul style="list-style-type: none"> • Final payment for this task will be made upon submission of final NYS Part 360 and USEPA Part 503 Permit Application 	
5) Task 13 – Biosolids Disposal Contract Assistance	\$10,500
<ul style="list-style-type: none"> • Final payment for this task will be made upon submission of biosolids disposal contract for execution by the Owner 	
Total Final Design Phase	\$478,000

2. Engineer may alter the distribution of compensation between individual phases noted herein to be consistent with services actually rendered, but shall not exceed the total Lump Sum amount unless approved in writing by the Owner.
3. The Lump Sum includes compensation for Engineer’s services and services of Engineer’s Consultants, if any. Appropriate amounts have been incorporated in the Lump Sum to account for labor, overhead, profit, and Reimbursable Expenses.
4. The portion of the Lump Sum amount billed for Engineer’s services will be based upon Engineer’s estimate of the percentage of the total services actually completed during the billing period for each task listed above. Final payment will be made upon submission of final deliverable, as defined in paragraph #1 above.

**COMPENSATION PACKET AS-1:
Additional Services – Standard Hourly Rates**

Article 2 of the Agreement is supplemented to include the following agreement of the parties:

C2.02 Compensation for Additional Services – Standard Hourly Rates Method of Payment

A. Owner shall pay Engineer for Additional Services, if any, as follows:

1. *General:* For services of Engineer's personnel engaged directly on the Project pursuant to Paragraph A2.01 of Exhibit A, an amount equal to the cumulative hours charged to the Project by each class of Engineer's personnel times Standard Hourly Rates (see Appendix 2) for each applicable billing class for all Additional Services performed on the Project, plus related Reimbursable Expenses and Engineer's Consultant's charges, if any.

B. *Compensation For Reimbursable Expenses:*

1. For those Reimbursable Expenses that are not accounted for in the compensation for Basic Services under Paragraph C2.01 and are directly related to the provision of Additional Services, Owner shall pay Engineer at the rates set forth in Appendix 1 to this Exhibit C.
2. Reimbursable Expenses include the following categories: transportation and subsistence incidental thereto; providing and maintaining field office facilities including furnishings and utilities; toll telephone calls and mobile phone charges; reproduction of reports, Drawings, Specifications, Bidding Documents, and similar Project-related items in addition to those required under Exhibit A. In addition, if authorized in advance by Owner, Reimbursable Expenses will also include expenses incurred for the use of highly specialized equipment.
3. The amounts payable to Engineer for Reimbursable Expenses, if any, will be the Additional Services-related internal expenses actually incurred or allocated by Engineer, plus all invoiced external Reimbursable Expenses allocable to such Additional Services, the latter multiplied by a factor of 1.05.
4. The Reimbursable Expenses Schedule will be adjusted annually (as of July 2014) to reflect equitable changes in the compensation payable to Engineer.

C. *Other Provisions Concerning Payment For Additional Services:*

1. Whenever Engineer is entitled to compensation for the charges of Engineer's Consultants, those charges shall be the amounts billed by Engineer's Consultants to Engineer times a factor of 1.05.

2. *Factors:* The external Reimbursable Expenses and Engineer's Consultant's Factors include Engineer's overhead and profit associated with Engineer's responsibility for the administration of such services and costs.
3. To the extent necessary to verify Engineer's charges and upon Owner's timely request, Engineer shall make copies of such records available to Owner at cost.

This is **Appendix 1 to EXHIBIT C**, consisting of 1 pages, referred to in and part of the **Agreement between Owner and Engineer for Professional Services** dated April 1, 2013.

Reimbursable Expenses Schedule

Current agreements for engineering services stipulate that the Reimbursable Expenses are subject to review and adjustment per Exhibit C. Reimbursable expenses for services performed on the date of the Agreement are:

8"x 11" Copies/Impressions	\$0.10 / page
Blue Print Copies	\$1.25 / sheet
Mileage (auto)	\$0.56 / mile

This is **Appendix 2 to EXHIBIT C**, consisting of 1 page, referred to in and part of the **Agreement between Owner and Engineer for Professional Services** dated April 1, 2013.

Standard Hourly Rates Schedule

D. Standard Hourly Rates:

1. Standard Hourly Rates are set forth in this Appendix 2 to this Exhibit C and include salaries and wages paid to personnel in each billing class plus the cost of customary and statutory benefits, general and administrative overhead, non-project operating costs, and operating margin or profit.
2. The Standard Hourly Rates apply only as specified in Article C2.

E. Schedule:

Hourly rates for services performed on or after the date of the Agreement are:

Class	Class Description	Hourly Rates
A1	Manager 1	\$229.50
A2	Manager 2	\$220.50
A3	Manager 3	\$207.00
A4	Principal Professional 1	\$184.50
A5	Principal Professional 2	\$171.00
A6	Senior Professional 1	\$153.00
A7	Senior Professional 2	\$135.00
A8	Professional 1	\$121.50
A9	Professional 2	\$108.00
B0	Principal Tech Officer 2	\$117.00
B00	Principal Tech Officer 1	\$126.00
B000	Senior Principal Tech Officer 2	\$139.50
B1	Senior Tech Officer 1	\$112.50
B2	Senior Tech Officer 2	\$99.00
B3	Drafter 1	\$85.50
B4	Drafter 2	\$72.00
B5	Trainee Drafter	\$63.00
C0	Principal Admin Officer	\$153.00
C1	Senior Admin Officer	\$94.50
C2	Admin Officer 1	\$85.50
C3	Admin Officer 2	\$76.50
C4	Admin Officer 3	\$67.50
D0	Principal Service Group Support	\$157.50
D1	Senior Service Group Support	\$103.50
D2	Service Group Support 1	\$90.00

Ord No. 1

March 26, 2013

To: The Honorable Mayor and City Council

From: Kenneth A. Mix, Planning and Community Development Coordinator

Subject: Amending the Code of the City of Watertown, Section 310-1, Definition of Family, and Section 310-34, Accessory Uses in Residence Districts

Mayor Jeffrey E. Graham requested that the attached Ordinance be drafted. The proposal makes two changes to the Zoning Ordinance.

The definition of family is changed by deleting the second sentence, “to distinguish a ‘family’ from club, fraternity or boarding house, not more than four members of a family shall be other than blood relatives.” That will leave the definition as “any number of individuals living together as a single housekeeping unit.”

The second change reinserts, “the taking of not more than four non-transient roomers, provided that no sign is displayed” as an accessory use in residential districts.

As with all zoning amendments, this Ordinance will have to be sent to the City and County Planning Boards for recommendations. After the recommendations are received, the City Council will have to schedule a public hearing and make a SEQRA determination before voting on the Ordinance.

ORDINANCE

Amending the Code of the City of Watertown, §310-1, Definition of Family and §310-34, Accessory Uses in Residence Districts

Page 1 of 1

Council Member BURNS, Roxanne M.
 Council Member BUTLER, Joseph M. Jr.
 Council Member MACALUSO, Teresa R.
 Council Member SMITH, Jeffrey M.
 Mayor GRAHAM, Jeffrey E.

YEA	NAY

Total

Introduced by

WHEREAS it has been proposed to amend Chapter 310 of the Code of the City of Watertown, New York, by altering the definition of “family” and adding the taking of not more than four non-transient roomers as an allowed accessory use in Residential Districts, and

WHEREAS the City Planning Board reviewed the proposed amendments to §310-1 and §310-34 of the Code of the City of Watertown and made its recommendation on adoption, and

WHEREAS the Jefferson County Planning Board reviewed the proposed amendment pursuant to General Municipal Law Section 239-m, and

WHEREAS a Public Hearing was held on the proposed Zoning Ordinance Amendment after due Public Notice, and

WHEREAS the City Council has determined, pursuant to the State Environmental Quality Review Act that there will not be any significant environmental impacts caused by the adoption of this Ordinance, and

WHEREAS the City Council of the City of Watertown believes that it is in the best interest of the residents of the City of Watertown to make the following changes to Chapter 310 of the City Code,

NOW THEREFORE BE IT ORDAINED by the City Council of the City of Watertown, New York, that §310-1. B. of the Code of the City of Watertown is hereby amended by deleting the sentence: “To distinguish a “family” from a club, fraternity or boarding house, not more than four members of a family shall be other than blood relatives” from the definition of family, and

BE IT FURTHER ORDAINED by the City Council of the City of Watertown, New York, that the following is added to §310-34.B: “(7) The taking of not more than four non-transient roomers, provided that no sign is displayed”, and

BE IT FURTHER ORDAINED that this Amendment to the City Code shall take effect as soon as published once in the official newspaper of the City of Watertown, New York, or printed as the City Manager directs.

Seconded by

March 25, 2013

To: The Honorable Mayor and City Council
From: Sharon Addison, City Manager
Subject: Eligibility to Serve on Boards and Commissions

In the past, only City residents have been accepted to serve on the City's boards and commissions. Through our on-line volunteer application on our website, we have received requests to serve from individuals residing outside of the City.

City Council should consider accepting requests from non-City residents to serve on certain boards and commissions, such as: Civil Service Commission, Flower Memorial Library Board, and the Jefferson County Community Action Planning Council.

March 27, 2013

To: The Honorable Mayor and City Council
From: Sharon Addison, City Manager
Subject: Board and Commission Appointments

Below is a listing of current vacancies on City Boards and Commissions for City Council review.

Regarding the Transportation Commission, if Council wishes, Staff can be of assistance in contacting members for reappointment.

Board or Commission	Appointed By	Term	Name of Member	Date of Appt.	Term Expires
Board of Assessment Review	Council	5 Years	Linda J. Fields	7/18/2011	Resigned 9/30/2016
Transportation Commission	Council	3 Years	Roberta Hagerty	4/19/2010	4/1/2013
Transportation Commission	Council	3 Years	Mary (Kinnie) Newman	4/19/2010	4/1/2013
Transportation Commission	Council	3 Years	Suzanne Morrow	4/19/2010	4/1/2013

Brown, Dierdorf & Renzi
Attorneys at Law
165 Mullin Street
Watertown, New York 13601

DAVID A. RENZI

TEL (315) 788-3360
FAX (315) 788-1752

March 22, 2013

Ms. Sharon Addison
Watertown City Manager
245 Washington Street, Room 302
Watertown, New York 13601

Re: *Donation to the City of Watertown*

Dear Ms. Addison:

I reach out to you regarding a client of mine who wishes to make a donation to the City of Watertown. Specifically, my clients are concerned over the lack of bus stops with shelter for patrons of the City's public transportation system. It is my understanding that there may have been some recent discussions within the City about the establishment of a minimal wind-break bus stop to keep patrons out of the elements.

My clients are hoping to make a \$15,000.00 donation to the City of Watertown, specifically for the installation of shelters at bus stops. Please advise if this is something that is feasible, and/or desired, for the City. It is my clients wish to remain anonymous for this donation.

If this donation is acceptable to the City, please advise and I will make arrangements to have the funds transferred to the City. If you should request, I can have these funds deposited into my escrow account and held there until the City is ready to accept them.

Thank you in anticipation of your cooperation and I look forward to hearing from you.

Sincerely,



David A. Renzi

DAR/kjt

Cc: Mr. Jeffrey E. Graham, Mayor
Ms. Roxanne M. Burns, Councilwoman
Ms. Teresa R. Macaluso, Councilwoman
Mr. Joseph M. Butler, Jr., Councilman
Mr. Jeffrey M. Smith, Councilman



Dear Community Member,

The need for decent affordable housing in our area is great. The mission of Thousand Islands Area Habitat for Humanity is to raise consciousness around the problem of poverty housing, and to provide workable solutions right here in our community.

Our goal for 2013 is to raise enough money and recruit enough volunteers to put at least one more family into affordable housing. We are beginning the construction season by building a home at 1130 Superior Street in Watertown.

Thousand Islands Area Habitat for Humanity was founded in 1994, serving Jefferson and Lewis Counties. **Working in partnership with businesses, churches and local community groups of all kinds, we have helped TWENTY families achieve the dream of owning their own home. But the need continues to grow.**

We will be working a few Saturdays in May leading up to a huge BUILD BLITZ on the weekend of Saturday June 1st and Sunday June 2nd. We will then be building every Saturday thereafter, until the home is complete. **Please consider joining us, either as an individual or by putting together a team, to help build decent affordable housing in our community.**

You can contact me at the email and phone number listed below to schedule a date to volunteer. Thank you for your time.

Sincerely,

Pam Rajner

Pam Rajner
Volunteer Development Coordinator
volunteerdevelopment@twcny.rr.com
Phone 315-486-7321



IMPORTANT MESSAGE

In an effort to create more awareness of the local Habitat organization and support another local community organization, The Thousand Islands Area Habitat for Humanity has registered a team for the American Cancer Society's Relay for Life Jefferson County scheduled for June 14-15 at the Watertown Fairgrounds.

We hope you will consider supporting the ***Thousand Islands Area Habitat for Humanity*** team through one or both of the following options:

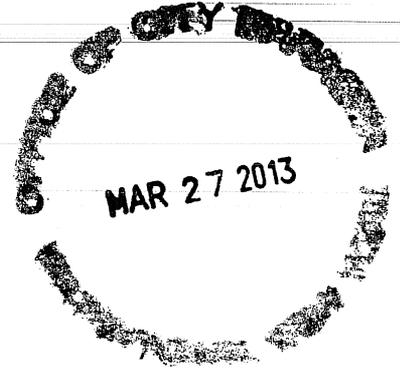
1. You can make a donation to support the ***Thousand Islands Area Habitat for Humanity*** team in reaching the team fundraising goal by visiting www.relayforlife.org.
2. You can join the ***Thousand Islands Area Habitat for Humanity*** team by visiting www.relayforlife.org and help raise funds towards the team goal

The Habitat team will have a spot at the Fairgrounds June 14-15 for the Relay for Life event. Team Habitat t-shirts will be worn and Habitat printed materials will be handed out. All monies raised by the Habitat team will go the American Cancer Society of Jefferson County



*COMMUNITY ACTION PLANNING COUNCIL
OF JEFFERSON COUNTY, INC.*

March 25, 2013



Ms. Sharon Addison
Manager, City of Watertown
Room 302, Municipal Building
245 Washington Street
Watertown, NY 13601

Dear Ms. Addison :

Enclosed for your review is a copy of this Agency's audit report for the period October 1, 2011 through September 30, 2012.

If you have any questions, please do not hesitate to call.

Sincerely,

Melinda Gault
Executive Director

**COMMUNITY ACTION PLANNING COUNCIL
OF JEFFERSON COUNTY, INC.**

ANNUAL REPORT

SEPTEMBER 30, 2012 AND 2011

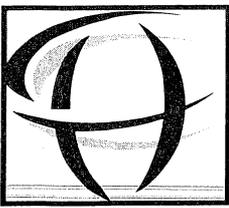
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AICPA
NYSSCPA

Eileen E. Snyder, CPA
* Licensed in NY & PA

Government Audit Quality Center
Employee Benefit Plan Audit Quality Center

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Community Action Planning Council of Jefferson County, Inc.

We have audited the accompanying statements of financial position of Community Action Planning Council of Jefferson County, Inc. (a nonprofit organization) as of September 30, 2012 and 2011, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Action Planning Council of Jefferson County, Inc. as of September 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2013 on our consideration of Community Action Planning Council of Jefferson County, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



INDEPENDENT AUDITORS' REPORT (continued)

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Crowley & Halloran, CPAs, P.C.

Watertown, NY
February 6, 2013

COMMUNITY ACTION PLANNING COUNCIL OF JEFFERSON COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash	\$ 218,885	\$ 616,108
Prepaid Expenses	54,456	28,785
Contracts Receivable	653,045	806,222
Inventory	13,778	22,346
Land, Buildings and Equipment (net)	<u>1,333,301</u>	<u>1,442,227</u>
Total Assets	<u><u>\$ 2,273,465</u></u>	<u><u>\$ 2,915,688</u></u>
 LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts Payable	\$ 171,730	\$ 239,623
Accrued Expenses	224,190	205,453
Deferred Revenue	96,259	495,845
Notes Payable	<u>140,138</u>	<u>191,304</u>
Total Liabilities	<u>632,317</u>	<u>1,132,225</u>
 NET ASSETS:		
Unrestricted:		
Unrestricted Undesignated Net Assets	441,325	527,431
Land, Buildings and Equipment (Net of Related Debt)	1,193,163	1,250,923
Temporarily Restricted	<u>6,660</u>	<u>5,109</u>
Total Net Assets	<u>1,641,148</u>	<u>1,783,463</u>
Total Liabilities and Net Assets	<u><u>\$ 2,273,465</u></u>	<u><u>\$ 2,915,688</u></u>

The accompanying notes are an integral part of these financial statements.

COMMUNITY ACTION PLANNING COUNCIL OF JEFFERSON COUNTY, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

	2012	2011
Changes in Unrestricted Net Assets:		
Revenues and Gains:		
Federal and State Grants and Contracts	\$ 5,678,061	\$ 6,085,072
Local Grants and Contracts	504,000	641,942
Fees	40,267	56,069
In-Kind Revenues	871,149	838,758
Donations	46,203	39,863
Fundraising	3,570	8,766
Tool Rental Income	1,000	487
Miscellaneous Income	4,192	4,282
Total Unrestricted Revenues and Gains	7,148,442	7,675,239
Net Assets Released from Restrictions:		
Satisfaction of Program Restrictions	1,099	452
Total Net Assets Released from Restrictions	1,099	452
Total Unrestricted Revenues, Gains and Other Support	7,149,541	7,675,691
Expenses and Losses:		
Emergency Assistance	189,438	160,916
Nutrition	854,799	917,448
Housing & Energy	1,411,047	1,793,166
Self Sufficiency & Education	4,277,251	4,353,552
General & Administrative	362,847	306,455
Total Expenses	7,095,382	7,531,537
Depreciation	197,935	209,427
Total Expenses and Losses	7,293,317	7,740,964
Decrease in Unrestricted Net Assets from Operations	(143,776)	(65,273)
Changes in Temporarily Restricted Net Assets:		
Net Assets Released from Restrictions	(1,099)	(452)
Temporarily Restricted Donations	2,560	141
Increase (Decrease) in Temporarily Restricted Net Assets	1,461	(311)
Decrease in Net Assets	(142,315)	(65,584)
Net Assets at Beginning of Year	1,783,463	1,849,047
Net Assets at End of Year	\$ 1,641,148	\$ 1,783,463

The accompanying notes are an integral part of these financial statements.

COMMUNITY ACTION PLANNING COUNCIL OF JEFFERSON COUNTY, INC.
 STATEMENTS OF FUNCTIONAL EXPENSES
 FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

	<u>Emergency Assistance</u>	<u>Nutrition</u>	<u>Housing and Energy</u>	<u>Self Sufficiency & Education</u>	<u>Total Program</u>	<u>General & Administrative</u>	<u>Total Expenses 2012</u>
Salary and Fringe Benefits	\$ 5,719	\$ 245,945	\$ 589,046	\$ 2,280,405	\$ 3,121,115	\$ 895,483	\$ 4,016,598
Office Supplies	-	2,637	1,652	13,070	17,359	16,246	33,605
Program Supplies	664	7,827	5,929	91,258	105,678	15,147	120,825
Utilities	-	-	3,644	11,494	15,138	56,434	71,572
Telephone	-	2,356	3,139	12,677	18,172	8,575	26,747
Insurance	-	1,328	19,141	28,072	48,541	13,018	61,559
Postage	26	1,836	613	4,559	7,034	2,608	9,642
Travel	616	10,725	991	36,746	49,078	29,552	78,630
Transportation	-	-	-	263,883	263,883	175	264,058
Repairs, Maintenance and Renovation	425	1,209	20,774	5,512	27,920	37,459	65,379
Weatherization Material and Labor	-	-	569,980	-	569,980	-	569,980
Tools and Equipment	-	-	6,515	6,385	12,900	7,262	20,162
Audit, Legal and Professional Fees	-	-	-	-	-	22,300	22,300
Professional Services	-	4,490	2,245	24,681	31,416	7,299	38,715
Nutrition Services	515	675,099	85	26,200	701,899	12,221	714,120
Volunteer Expenses	-	-	-	7,662	7,662	137	7,799
Emergency Assistance	35,379	-	-	-	35,379	8,627	44,006
Rent	-	-	-	12,117	12,117	-	12,117
Other	591	1,497	2,922	4,813	9,823	18,862	28,685
Advertising	66	4,957	665	1,519	7,207	1,805	9,012
Interest Expense	-	-	-	-	-	8,723	8,723
In-Kind Expenses	130,479	1,453	2,291	701,140	835,363	35,785	871,148
Total Expenses Before Depreciation and Program Allocations	174,480	961,359	1,229,632	3,532,193	5,897,664	1,197,718	7,095,382
Indirect Cost Allocation	7,106	30,312	168,273	417,722	623,413	(623,413)	-
Space Cost Allocation	7,020	7,820	12,940	159,093	186,873	(186,873)	-
Meal Reimbursement Allocation	-	(145,603)	-	145,603	-	-	-
Photocopy Allocation	832	911	202	22,640	24,585	(24,585)	-
Total Expenses Before Depreciation and After Program Allocations	189,438	854,799	1,411,047	4,277,251	6,732,535	362,847	7,095,382
Depreciation	-	7,526	52,191	125,490	185,207	12,728	197,935
Net Program Expenses	\$ 189,438	\$ 862,325	\$ 1,463,238	\$ 4,402,741	\$ 6,917,742	\$ 375,575	\$ 7,293,317

The accompanying notes are an integral part of these financial statements.

COMMUNITY ACTION PLANNING COUNCIL OF JEFFERSON COUNTY, INC.
 STATEMENTS OF FUNCTIONAL EXPENSES
 FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011
 (continued)

	<u>Emergency Assistance</u>	<u>Nutrition</u>	<u>Housing and Energy</u>	<u>Self Sufficiency & Education</u>	<u>Total Program</u>	<u>General & Administrative</u>	<u>Total Expenses 2011</u>
Salary and Fringe Benefits	\$ 3,435	\$ 269,579	\$ 682,421	\$ 2,315,232	\$ 3,270,667	\$ 842,052	\$ 4,112,719
Office Supplies	-	6,141	2,959	16,009	25,109	20,408	45,517
Program Supplies	93	8,896	6,333	111,814	127,136	14,850	141,986
Utilities	-	-	4,206	12,208	16,414	62,803	79,217
Telephone	-	1,573	2,889	11,960	16,422	12,418	28,840
Insurance	-	1,406	22,495	28,121	52,022	13,167	65,189
Postage	54	1,944	790	4,914	7,702	3,551	11,253
Travel	520	24,350	17	53,346	78,233	38,383	116,616
Transportation	-	-	-	241,997	241,997	606	242,603
Repairs, Maintenance and Renovation	-	450	23,977	6,515	30,942	29,719	60,661
Weatherization Material and Labor	-	-	811,929	-	811,929	-	811,929
Tools and Equipment	-	1,731	6,974	12,870	21,575	5,366	26,941
Audit, Legal and Professional Fees	-	-	-	-	-	21,700	21,700
Professional Services	-	5,901	4,339	41,586	51,826	7,386	59,212
Nutrition Services	10	634,362	134	57,445	691,951	7,228	699,179
Volunteer Expenses	-	-	-	5,740	5,740	-	5,740
Emergency Assistance	46,235	-	-	9,177	55,412	13,158	68,570
Rent	-	-	-	12,168	12,168	-	12,168
Other	25	2,197	1,931	19,354	23,507	13,797	37,304
Advertising	63	22,528	891	7,984	31,466	2,331	33,797
Interest Expense	-	-	-	-	-	11,638	11,638
In-Kind Expenses	94,703	1,450	2,310	696,095	794,558	44,200	838,758
Total Expenses Before Depreciation and Program Allocations	145,138	982,508	1,574,595	3,664,535	6,366,776	1,164,761	7,531,537
Indirect Cost Allocation	7,571	37,199	204,019	400,333	649,122	(649,122)	-
Space Cost Allocation	7,830	17,379	14,106	144,301	183,616	(183,616)	-
Meal Reimbursement Allocation	-	(122,545)	-	122,545	-	-	-
Photocopy Allocation	377	2,907	446	21,838	25,568	(25,568)	-
Total Expenses Before Depreciation and After Program Allocations	160,916	917,448	1,793,166	4,353,552	7,225,082	306,455	7,531,537
Depreciation	-	7,614	54,594	126,925	189,133	20,294	209,427
Net Program Expenses	<u>\$ 160,916</u>	<u>\$ 925,062</u>	<u>\$ 1,847,760</u>	<u>\$ 4,480,477</u>	<u>\$ 7,414,215</u>	<u>\$ 326,749</u>	<u>\$ 7,740,964</u>

The accompanying notes are an integral part of these financial statements.

COMMUNITY ACTION PLANNING COUNCIL OF JEFFERSON COUNTY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Cash Flows from Operating Activities:		
Cash Received from Grants, Contracts and Donations	\$ 5,116,836	\$ 6,168,919
Cash Received from Service Fees and other Sources	917,289	900,626
Cash Paid to Employees and Suppliers	(6,281,769)	(6,920,970)
Interest Paid	<u>(8,723)</u>	<u>(11,638)</u>
Net Cash Provided (Used) by Operating Activities	<u>(256,367)</u>	<u>136,937</u>
Cash Flows from Investing Activities:		
Proceeds from Disposal of Equipment	-	-
Purchases of Equipment - Net	<u>(89,690)</u>	<u>(176,059)</u>
Net Cash (Used) in Investing Activities	<u>(89,690)</u>	<u>(176,059)</u>
Cash Flows from Financing Activities:		
Principal Payments of Debt	(51,166)	(49,815)
Proceeds from Issuance of Debt	<u>-</u>	<u>-</u>
Net Cash (Used) by Financing Activities	<u>(51,166)</u>	<u>(49,815)</u>
Net Increase (Decrease) in Cash	(397,223)	(88,937)
Cash at Beginning of Year	<u>616,108</u>	<u>705,045</u>
Cash at End of Year	<u>\$ 218,885</u>	<u>\$ 616,108</u>
Reconciliation of Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Change in Net Assets	\$ (142,315)	\$ (65,584)
Depreciation	197,935	209,427
(Gain) Loss on Disposal of Equipment	681	1,030
Change in Operating Assets - (Increase) Decrease		
Accounts Receivable	153,177	277,468
Prepaid Expenses	(25,671)	(25,045)
Inventory	8,568	8,546
Change in Operating Liabilities - Increase (Decrease)		
Accounts Payable	(67,893)	(121,065)
Deferred Revenues	(399,586)	(45,575)
Accrued Expenses	<u>18,737</u>	<u>(102,265)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (256,367)</u>	<u>\$ 136,937</u>
Supplemental Data for Noncash Investing and Financing Activities:		
Donated Goods and Services	<u>\$ 871,148</u>	<u>\$ 838,758</u>

The accompanying notes are an integral part of these financial statements.

**COMMUNITY ACTION PLANNING COUNCIL
OF JEFFERSON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012 AND 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Community Action Planning Council of Jefferson County, Inc. (CAPC) is a private non-profit corporation serving Jefferson County. Its primary purpose is to combat poverty and promote self-sufficiency among a target population through material, cultural, or economic means. It operates the following programs:

Emergency Assistance

Emergency assistance services are provided to clients facing critical problems who are in need of an emergency response. Program benefits and services are provided through a holistic approach starting with an intake process and problem assessment, and the utilization of a variety of funding sources, including New York State Department of State, as service benefits. Services include, but are not limited to, rental assistance, utility disconnect assistance and food packages for low-income families through FEMA. Referrals are also made to other interagency programs and programs within the community to best assist the family.

Nutrition

Nutrition programs provide services and benefits that counteract conditions of starvation and malnutrition. CAPC utilizes Nutrition Outreach funds to locate people who could improve their food resource through participation in one of the Federal food programs, especially food stamps. A Summer Food program feeds children a nutritious lunch and breakfast when school meals programs are shut down. CAPC further combats malnutrition through the management of a Child and Adult Care Food Program that uses USDA approved menus and nutrition guidance.

Housing and Energy

The Weatherization, Home and EmPower programs assist families in maintaining adequate housing through retrofitting measures, including insulation, heating systems and other measures that will best conserve energy.

**COMMUNITY ACTION PLANNING COUNCIL
OF JEFFERSON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012 AND 2011
(CONTINUED)**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ORGANIZATION (continued)

Self Sufficiency and Education

Self sufficiency programs include quality licensed programs that address the nurturing and development of children. Head Start focuses on physical, social, emotional and intellectual growth of children ages 3 and 4, offering a choice of Center or Home-based experience, or a combination of both. The Department of Health and Human Services provides a significant portion of the funding for this program, \$2,213,866, and \$2,198,242 in 2012 and 2011, respectively. The Pre-K program focuses on education and literacy for the child and family. Finding care for children is made easier for parents through the Child Care Resource and Referral program that serves as a referral source linking them with licensed caregivers, as well as aiding in the development of new centers through technical assistance and training. CAPC also provides various education and training programs, including a class in which adults can earn a Child Development Association Certification by successfully completing a program that combines classroom studies and practical experience and a Family Development Credentialing course for Human Service Workers in the community.

RESTRICTED AND UNRESTRICTED REVENUE AND SUPPORT

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support based on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are classified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Pursuant to the terms of its grants, the Agency maintains a separate bank account for Weatherization leveraged funds, as well as a separate account for the ARRA Weatherization program.

CAPC reports gifts of land, buildings, and equipment as unrestricted unless explicit donor stipulations specify how the donated assets must be used.

FUNCTIONAL EXPENSES

CAPC allocates expenses on a functional basis among its various programs. Expenses identified with a specific program are allocated directly according to their natural expense classification.

**COMMUNITY ACTION PLANNING COUNCIL
OF JEFFERSON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012 AND 2011
(CONTINUED)**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

GRANTS AND CONTRACTS

Support received under grants and contracts is recorded as public support when the related amounts are determined to be due from the grantor agencies. Management considers all contracts receivable at September 30, 2012 and 2011 to be collectible.

IN-KIND CONTRIBUTIONS

In-kind contributions are used by CAPC to satisfy the cost sharing requirements of certain contracts, including the U.S. Department of Health and Human Services.

Donated Services

Volunteers provide assistance to CAPC for virtually all of its programs. Significant volunteer activities are concentrated in the Head Start Program. To satisfy cost sharing requirements of certain grants, CAPC assigns values to such services based on rates commensurate with the type of volunteer hours performed. During the years ended September 30, 2012 and 2011, services with an assigned value of \$781,034 and \$766,165, respectively, were donated, however, for purposes of financial reporting only professional hours are recognized. Professional services of \$603,230 and \$605,770 are reflected in the accompanying financial statements as both revenue and expense for the years ended September 30, 2012 and 2011, respectively.

Donated Assets

CAPC received donated assets valued at \$267,919 and \$232,988 during the years ended September 30, 2012 and 2011, respectively. The most significant types of donated assets include donated food for the Food Bank, the value of the difference between market value of rented space versus actual rent paid by CAPC for two of the Head Start sites, and the value of donated program supplies.

FAIR VALUE MEASUREMENT

Effective October 1, 2009, Community Action Planning Council of Jefferson County, Inc. adopted FASB ASC 820, Fair Value Measurement to establish a framework for measuring fair value, and enhance disclosures about fair value measurement. Fair value is defined as an exchange price that would be received for an asset or paid to transfer a liability (an "exit" price) in the principal or most advantageous market for the asset or liability between market participants on the measurement date. FASB ASC 820 applies to all assets and liabilities that are measured and reported on a fair value basis.

**COMMUNITY ACTION PLANNING COUNCIL
OF JEFFERSON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012 AND 2011
(CONTINUED)**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

PROPERTY AND EQUIPMENT

CAPC capitalizes all expenditures in excess of \$500 for property and equipment at cost. Equipment is stated at cost or, if donated, at approximate fair market value at date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Routine repairs and maintenance are expensed as incurred.

TAX STATUS

The Internal Revenue Service has determined that Community Action Planning Council of Jefferson County, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and has also determined that the organization is publicly supported. As a result, no provision for federal or state income taxes has been made.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

INVENTORIES

Inventories consist of building materials and supplies for the Weatherization Program. They are stated at the lower of cost on a first-in, first-out basis, or market.

ADVERTISING

The Agency uses advertising to promote its programs among the population it serves and are expensed as incurred. Advertising costs totaled \$9,012 and \$33,797 for the years ended September 30, 2012 and 2011, respectively.

NOTE 2 - CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances in one financial institution located in Watertown, New York. The balances at the financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At various times there were balances in the bank that were over the FDIC limit. However, the Organization has a collateralized pledge account with Key Bank to cover all deposits that exceed the FDIC limit. Therefore, at September 30, 2012 and 2011, the Organization had no uninsured cash balances.

NOTE 3 - RETIREMENT PLAN

CAPC initiated a 401(k) program as of January 1, 2002, which provides for retirement benefits based on contributions of employees only. Any employee who works 17.5 hours or more per week is eligible to participate. Open enrollment or changes to contributions can be made on July 1st and January 1st of each year. There is no vesting requirement, since the contributions are employee dollars only.

**COMMUNITY ACTION PLANNING COUNCIL
OF JEFFERSON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012 AND 2011
(CONTINUED)**

NOTE 4 - LAND, BUILDINGS AND EQUIPMENT

In 1986, Jefferson County donated to CAPC the building at 518 Davidson Street, Watertown, New York. The building was renovated and at present houses all of CAPC's offices. In 1992, CAPC also received the donation of a building at 226 North School Street, Carthage, New York. The building is currently used as the Carthage center for CAPC's Head Start program. In 1999, the Agency purchased a warehouse at 586 Morrison Street, Watertown, New York. The warehouse has undergone renovations, including replacement of the warehouse elevator, and is now used for additional office space as well as for storage.

The details of the property and equipment, as recorded on the books, are as follows:

	<u>September 30,</u>	
	<u>2012</u>	<u>2011</u>
Land and Buildings:		
Land - at appraised value	\$ 127,700	\$ 127,700
Land - Carthage Building	4,700	4,700
Building - CAPC (including renovations)	2,541,378	2,526,877
Building - Carthage	408,771	408,771
Building - Warehouse	423,392	418,519
Playground	<u>24,578</u>	<u>24,578</u>
 Total Land and Buildings	 <u>\$ 3,530,519</u>	 <u>\$ 3,511,145</u>
 Equipment and Vehicles:		
Equipment	594,636	649,849
Vehicles	<u>624,990</u>	<u>623,077</u>
 Total Equipment and Vehicles	 <u>1,219,626</u>	 <u>1,272,926</u>
 Total Land, Building and Equipment	 4,750,145	 4,784,071
 Less: Accumulated Depreciation	 <u>(3,416,844)</u>	 <u>(3,341,844)</u>
 Net Land, Building and Equipment	 <u>\$ 1,333,301</u>	 <u>\$ 1,442,227</u>

Equipment having a cost in excess of \$500 at the date of acquisition and a useful life of more than one year is capitalized. Depreciation is computed on a straight-line basis over the estimated useful lives of the respective assets. Useful lives are as follows: buildings, 20-30 years; equipment, 5-7 years; and vehicles, 5 years. During the years ended September 30, 2012 and 2011 assets of \$123,616 and \$100,615, the majority of which were fully depreciated, were disposed of or written off as obsolete.

**COMMUNITY ACTION PLANNING COUNCIL
OF JEFFERSON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012 AND 2011
(CONTINUED)**

NOTE 5 - REFUNDABLE ADVANCES

CAPC records grant awards accounted for as exchange transactions as refundable advances until the related services are performed or terms are met, at which time they are recognized as revenue.

Refundable advances consists of the following:

	<u>2012</u>	<u>2011</u>
Weatherization	\$ 77,956	\$ 90,119
ARRA Weatherization	-	383,718
Nutrition Outreach	10,249	12,117
Watertown Pre-K	2,720	-
CC&R Subsidy Compliance	4,490	-
Jefferson Registration	844	-
RESTORE	-	6,806
FEMA	-	2,970
Lewis Registration	-	115
Total	<u>\$ 96,259</u>	<u>\$ 495,845</u>

NOTE 6 - NOTES PAYABLE

Prime rate at September 30, 2012 and 2011 was 3.25% for both years.

Details of the notes payable at September 30, 2012 and 2011 are as follows:

	<u>2012</u>	<u>2011</u>
Consortium Key Bank, Community Bank, & HSBC Bank; mortgage on Davidson Street Building, 25 year term, fixed monthly principal of \$1,850 with variable rate of interest 7%-13%, final payment due July 2014, secured by building. In July 2012 Community Bank acquired the HSBC portion.	\$ 40,100	\$ 62,300
Watertown Local Development Agency; mortgage on Davidson Street Building, 23 year term, fixed rate 5.25%, final payment due February 2014; subordinated to Consortium mortgage.	30,643	50,944
Key Bank - \$350,000 Line of Credit, payable on demand, bearing interest at prime plus 1/4%, secured by all corporate assets.	-	-

**COMMUNITY ACTION PLANNING COUNCIL
OF JEFFERSON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012 AND 2011
(CONTINUED)**

NOTE 6 - NOTES PAYABLE (continued)

	<u>2012</u>	<u>2011</u>
Key Bank; \$150,000 mortgage on Warehouse Building, 20 year term, prime plus 1/2%, final payment due July 2019, secured by building.	69,395	78,060
Total Notes Payable	\$ 140,138	\$ 191,304

Maturities of notes payable are as follows:

2013	\$ 52,638
2014	36,542
2015	9,749
2016	10,121
2017	10,507
2018-2019	20,581
Total Notes Payable	\$ 140,138

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at September 30, 2012 and 2011 consist of contributions received that will be utilized for Emergency Services.

NOTE 8 - INDIRECT COST ALLOCATIONS

In accordance with OMB Circular A-122, CAPC has adopted an indirect rate methodology to allocate indirect cost to its programs for reimbursement purposes. Indirect costs include allowable administrative costs, occupancy costs and other costs that benefit all CAPC programs. Costs are allocated using a base of total salaries, fringe benefits and other direct costs. For the years ended September 30, 2012 and 2011, indirect costs were \$670,048 and \$683,683, respectively, and the calculated indirect rate was 13.70 percent and 12.91 percent, respectively.

NOTE 9 - RECLASSIFICATIONS

Certain accounts in prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

At September 30, 2012, CAPC has committed \$19,570 in purchases of equipment and supplies which had not yet been received.

**COMMUNITY ACTION PLANNING COUNCIL
OF JEFFERSON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012 AND 2011
(CONTINUED)**

NOTE 11 - SUBSEQUENT EVENTS

CAPC has evaluated events and transactions that occurred between September 30, 2012 and February 6, 2013, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NOTE 12 - TAX UNCERTAINTIES

FASB ASC 740, "*Income Taxes*", requires entities to disclose in their financial statements the nature of any uncertainties in their tax position. Tax years including 2009 and later are subject to examination by tax authorities. Areas that IRS and state tax authorities consider when examining tax returns of a charity include, but may not be limited to, tax-exempt status and the existence and amount of unrelated business income. CAPC does not believe that it has any uncertain tax positions with respect to these or other matters, and has not recorded any unrecognized tax benefits or liability for penalties or interest.

CAPC is not aware of any circumstances or events that make it reasonably possible that tax benefits may increase or decrease within 12 months of the date of these financial statements.

NOTE 13 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Effective October 1, 2009, Community Action Planning Council of Jefferson County, Inc. has adopted FASB ASC 820 Fair Value Measurement, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes the following three levels of inputs that may be used to measure fair value:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

The carrying amounts of cash and cash equivalents, contracts receivable, prepaid expense, accounts payable, accrued expense, and deferred revenue approximate fair value because of the short maturity of these instruments. Notes payable is estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities.

**COMMUNITY ACTION PLANNING COUNCIL
OF JEFFERSON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012 AND 2011
(CONTINUED)**

NOTE 13 - FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The following table sets forth by level, within the fair value hierarchy, the Agency's notes payable at fair value as of September 30, 2012 and 2011.

	Fair Value as of September 30, 2012			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Notes payable	\$ -	\$ 140,138	\$ -	\$ 140,138
Total liabilities at fair value	<u>\$ -</u>	<u>\$ 140,138</u>	<u>\$ -</u>	<u>\$ 140,138</u>

	Fair Value as of September 30, 2011			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Notes payable	\$ -	\$ 191,304	\$ -	\$ 191,304
Total liabilities at fair value	<u>\$ -</u>	<u>\$ 191,304</u>	<u>\$ -</u>	<u>\$ 191,304</u>

**COMMUNITY ACTION PLANNING COUNCIL OF JEFFERSON COUNTY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Disbursements/ Expenses
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct Programs:			
Head Start	93.600	02CH1323/46	\$ 2,213,866
Passed-through New York State Department of State:			
Community Service Block Grant (CSBG)	93.569	C001314	<u>221,762</u>
Community Service Block Grant Total			<u>221,762</u>
Passed-through New York State Division of Housing and Community Renewal:			
Low Income Home Energy Assistance	93.568	C091034-11	454,014
Low Income Home Energy Assistance	93.568	C091034-12	<u>222,164</u>
Low Income Home Energy Assistance Total			<u>676,178</u>
Passed through Child Care Development Funds:			
Child Care and Development Block Grant:			
Jefferson Registration	93.575		131,476
Lewis Registration	93.575		32,523
Child Care Resource & Referral	93.575	C025193	276,745
Child Care Fraud Prevention & Detection	93.575		<u>12,177</u>
Child Care and Development Block Grant Total			<u>452,921</u>
Total U.S. Department of Health and Human Services			<u>3,564,727</u>
U.S. DEPARTMENT OF ENERGY			
Passed-through NYS Division of Housing & Community Renewal:			
Weatherization Assistance for Low-Income Persons	81.042	C091034-11	137,921
ARRA Weatherization Assistance for Low-Income Persons	81.042	C092234	<u>414,509</u>
Total U.S. Department of Energy			<u>552,430</u>

See the paragraph on supplemental schedules included in the independent auditors' report.

**COMMUNITY ACTION PLANNING COUNCIL OF JEFFERSON COUNTY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012
(continued)**

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Disbursements/ Expenses
U.S. DEPARTMENT OF AGRICULTURE			
Passed through New York State Education Department: Summer Food Service Program for Children (SFSPC)	10.559	222000630031	\$ 49,343
Passed-through New York State Department of Health: Child and Adult Care Food Program - CACFP - Family Day Care	10.558	2091	707,619
Child and Adult Care Food Program - CACFP - Center Based	10.558	2114	108,380
Child and Adult Care Food Program Total			<u>815,999</u>
Passed through New York State Office of Temporary and Disability Assistance: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		<u>31,597</u>
Passed through Cornell University's Division of Nutritional Sciences: Rural Health and Safety Education	10.500		<u>2,775</u>
Total U.S. Department of Agriculture			<u>899,714</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY			
Passed-through Emergency Food and Shelter National Board Program: Emergency Food and Shelter National Board Program FEMA 29	97.024	29-6182-00	<u>31,368</u>
Total Federal Emergency Management Agency			<u>31,368</u>
Total Federal Financial Assistance			<u>\$ 5,048,239</u>

See the paragraph on supplemental schedules included in the independent auditors' report.

**COMMUNITY ACTION PLANNING COUNCIL
OF JEFFERSON COUNTY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SEPTEMBER 30, 2012**

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Community Action Planning Council of Jefferson County, Inc. (CAPC). CAPC's reporting entity is defined in Note 1 of the financial statements.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance of CAPC. CAPC receives federal awards both directly from federal agencies and indirectly through pass-through entities. Federal program expenditures included in the accompanying schedule are presented using the same basis of accounting described in Note 1 of CAPC's notes to financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE 3 - SUBRECIPIENTS

As a sponsoring organization for the Child and Adult Care Food Program (CACFP), CAPC acts as a pass-through entity for Federal meal reimbursement funds on behalf of its providers. Total pass-through meal reimbursements of \$581,387 were made for the year ended September 30, 2012.

NOTE 4 - LOCAL MATCH

A non-federal matching share equal to 20% of the total costs of the program is a statutory requirement of the Head Start Act. CAPC had non-federal matching donations in the form of volunteer time, professional services, cash, and donated assets that exceeded the required match of \$553,467 for the year ended September 30, 2012 for the Head Start Program. In-kind donations in the form of volunteer services and food for the Community Service Block Grant (CSBG) were reported in excess of \$55,441 for the year ended September 30, 2012.



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Community Action Planning Council of Jefferson County, Inc.

We have audited the financial statements of Community Action Planning Council of Jefferson County, Inc. as of and for the year ended September 30, 2012, and have issued our report thereon dated February 6, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Community Action Planning Council of Jefferson County, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Community Action Planning Council of Jefferson County, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Action Planning Council of Jefferson County, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

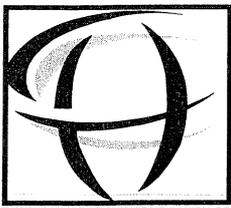
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Action Planning Council of Jefferson County, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management, the audit committee, the Board of Directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Crowley & Halloran, CPAs, P.C.

Watertown, NY
February 6, 2013



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

To the Board of Directors of
Community Action Planning Council of Jefferson County, Inc.

Compliance

We have audited Community Action Planning Council of Jefferson County, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Community Action Planning Council of Jefferson County, Inc.'s major federal programs for the year ended September 30, 2012. Community Action Planning Council of Jefferson County, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Community Action Planning Council of Jefferson County, Inc.'s management. Our responsibility is to express an opinion on Community Action Planning Council of Jefferson County, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Action Planning Council of Jefferson County, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Community Action Planning Council of Jefferson County, Inc.'s compliance with those requirements.

In our opinion, Community Action Planning Council of Jefferson County, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2012.

Internal Control Over Compliance

Management of Community Action Planning Council of Jefferson County, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws,



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133
(CONTINUED)**

regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Community Action Planning Council of Jefferson County, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Action Planning Council of Jefferson County, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, the Board of Directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Crowley & Halloran, CPAs, P.C.

Watertown, NY
February 6, 2013

**COMMUNITY ACTION PLANNING COUNCIL
OF JEFFERSON COUNTY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2012**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

1. The auditors' report expresses an unqualified opinion on the general purpose financial statements of Community Action Planning Council of Jefferson County, Inc.
2. No significant deficiencies relating to the audit of the financial statements are reported in the general purpose financial statements of Community Action Planning Council of Jefferson County, Inc.
3. No instances of noncompliance material to the financial statements of Community Action Planning Council of Jefferson County, Inc. were disclosed during the audit.

Federal Awards

4. There were no significant deficiencies disclosed during the audit of the major federal award programs of Community Action Planning Council of Jefferson County, Inc.
5. The auditors' report on compliance for the major federal award programs for Community Action Planning Council of Jefferson County, Inc. expresses an unqualified opinion on all major federal programs.
6. No audit finding relative to the major federal award programs for Community Action Planning Council of Jefferson County, Inc. were reported.
7. The programs tested as major programs include:

Identification of major programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.600	Head Start
81.042	ARRA - Weatherization Assistance for Low-Income Persons/ Weatherization Assistance for Low-Income Persons
93.568	Low Income Home Energy Assistance

8. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
9. Community Action Planning Council of Jefferson County, Inc. was determined to be a low-risk auditee.

**COMMUNITY ACTION PLANNING COUNCIL
OF JEFFERSON COUNTY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2012
(CONTINUED)**

SECTION II - FINANCIAL STATEMENT FINDINGS

None noted

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted

**COMMUNITY ACTION PLANNING COUNCIL
OF JEFFERSON COUNTY, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
SEPTEMBER 30, 2012**

None noted
