

ALBANY WATER BOARD
MINUTES OF REGULAR MEETING
January 28, 2022

A regular meeting of the Albany Water Board was officially convened at 9:35am, in the Conference Room at the Albany Water Board, 10 North Enterprise Drive, Albany, NY on Friday, January 28, 2022.

PRESENT: Charles Houghton, Chairperson; Rachel Johnson, Vice Chairperson; Karen Strong, Secretary; James R. Frezzell, Assistant Secretary.

Excused: Anthony Owens, Treasurer

STAFF PRESENT: Joseph E. Coffey, Jr., P.E., Commissioner, William Simcoe, P.E., Deputy Commissioner, Thomas Dufresne, CFO, Sarah Terrill, Confidential Assistant, Laura Gulfo, Assistant Corporation Council for the City of Albany/Water Department

BOARD ADVISORS PRESENT: William Kahn, UHY Advisors

Approval of Meeting Minutes

Chairperson Houghton introduced the minutes of the Meeting December 17, 2021. With no objection, the reading of the minutes was dispensed; and Mr. Houghton called for a motion to approve the minutes. A motion was offered by Ms. Johnson and seconded by Ms. Strong and passed unanimously.

Public Comment Period

No public comment

Committee and other reports:

Report of Governance Committee – Vice Chairperson Rachel Johnson

Committee Chairperson Johnson reported the substance of the Governance Committee meeting this morning which centered on a detailed review and explanation of the Albany Water Board's plan for 2022. Counsel Ruane provided thirteen amended policies that will be reviewed. After review by the Board a resolution to adopt the revised policies will be presented at the February Board meeting; the revised Mission Statement of the Albany Water Board was presented. Chairperson Houghton requested a motion to adopt the Mission Statement; it was moved by Ms. Johnson and seconded by Mr. Frezzell. The motion passed unanimously.

Report from Rate Consultant – William Kahn, UHY Advisors

Mr. Kahn discussed the Public Hearing regarding the proposed Rate Increase. After attending the meeting and not receiving any public comment aside from an Email that was received by the Water Department beforehand that was opposed to any tax increases, Mr. Kahn continues to recommend a rate increase of 2.5% to be implemented on February 1st, 2022. Mr. Kahn also noted that to ensure compliance with debt service ratio that rate increases in the future were likely. The need and timing of those increases will be

evaluated and quantified in future years. The Commissioner requested CFO Dufresne and Mr. Kahn conduct gaming simulations to model forecast future revenue to better understand what usage trends will look like in future years to sustain the required debt service ratio. This will help ensure no large or surprise rate increases in the future.

Lead Service Replacement Status Report- Katie McKitrick, AWD Program Manager

Ms. McKitrick provided the Board with a review of the Lead Service Replacement Program for 2021 and detailed the program plan for 2022.

The ordinance no longer allowing spot repairs and requiring full service replacement has increased the number of lines being replaced. There has been over \$147,000 in grants paid out to 94 recipients. Property owners from every ward have now benefited from this program.

It should be considered that the threshold for lead levels to qualify for no cost service replacement in the street by AWD be lowered to 10ppb from 15ppb. This should increase the number of people able to afford replacement. Capital project lead service replacements this year include Crescent Drive, Lancaster Street, and Osborne Street where other major work is occurring. Also, a pilot Lead Service Replacement contract will go out to bid for sections of Southern Boulevard, Lark Street and Third Avenue. Any additional lead service replacement work will prioritize underserved neighborhoods in wards where other major projects are not planned.

Ms. McKitrick also gave the Board an update on the application for ARPA funding from the city and how the funds will be designated to help replace the Lead Service lines in the neighborhoods historically underserved.

Ms. McKitrick also provided a map where Lead Service lines are indicated. This map will required to be made publically available by 2024.

Committee Reports - Financial Report – Tom Dufresne, CFO

Mr. Dufresne summarized the December 2021 MTD/YTD Financial report that was distributed to the Members prior to the meeting.

Financial Status

Revenues:

Revenues collected during the period totaled \$1,241,943 a decrease from prior year of \$1,279,442. Year to date revenues are \$28,492,710. This is a decrease from the prior year of \$3,790,771.

Expenditures:

Expenditures for the period totaled \$4,883,127, an \$821,730 increase from the prior year. Year to date expenditures are \$29,840,679, which is a \$1,031,334 increase from the prior year.

Capital Spend:

Capital project spending totaled \$2,471,593 for the period and \$23,794,281 year to date.

Grant, financing, and other contributions received year to date totaled \$28,199,264.

Cash Balances:

Cash increased by approximately \$4.6M from the prior period, or from \$10,731,610.44 to \$15,328,335.92. Cash in M&T accounts = \$6,756,426

Cash in Fidelity accounts = \$8,571,910

Due (to)/from City:

The due (to)/from City balance ended at \$(1,923,369) for the period, an increase from the prior period of \$2,012,655.29. This balance is owed to the City.

Actual vs. Budget

Revenues:

Revenues for the period were under budget by \$3,103,520 and short to the budget year to date by \$7,346,934.

Expenditures:

Expenditures for the period were under budget for the period by \$254,003. Year to date expenditures are under budget by \$2,251,762.

Other Relevant Information

Aged Receivables Balance = \$2,518,566

Balance on the Revolving Line of Credit = \$4,050,000 drawn; \$4,950,000 undrawn

Interest Paid LTD = \$52,899

Open Accounts Payable Balance = \$2,164,438

Mr. Dufresne also noted an ongoing billing lag issue of about \$1.2M in outstanding invoices expected from William Keller Construction.

Commissioner's Report – Commissioner Joseph Coffey, Jr., P.E. and Deputy Commissioner William Simcoe, P.E.

The Commissioner presented the current KPI Dashboard and critical numbers. He addressed the increased days missed due to injury and will be reinstating the Safety Committee with Capital Safety Services and will come up with a plan for the year to conduct training and reinforce the need for safety awareness.

Commissioner Coffey provided an overview of the work done by the Watershed management team on updating the elevation data for the Alcove Reservoir to reflect daily elevation data collected for the last 40 years. This data will be transitioned into being used as the comparative data as a better representation of trends.

Commissioner Coffey discussed the status of 35 Erie Boulevard Construction. Phase I is complete. Contracts have been awarded for pre-engineered buildings general contraction, electric, HVAC and plumbing contracts for Phase 2. Completion and full use of the site is expected sometime late summer. The Commissioner also discussed the new lease agreement being drafted for Huck Finn Play Land.

Commissioner Coffey discussed the 2022 One Page Plan that was developed at the end of 2021 with the Leadership Staff. There is a focus on increasing revenue and exploring new sources of revenue to combat lower revenue from decreased usage and from the pending expiration of the contract with Bethlehem. Commissioner Coffey will have KPI's Goals from individual departments that will show their focus for 2022 for the February Board meeting.

Commissioner offered an overview of the Contractors that were being awarded Master Service Contracts. He offered an explanation of which companies were not renewed and why and which companies were added for this resolution. Explanations were also offered for the Sewer Easement at 760 Broadway and for the Backwater Valve Grant resolution.

Deputy Commissioner Simcoe provided an updated summary of ongoing and upcoming projects. Our dam safety consultant is currently studying Basic Creek and Rensselaer Lake (both High hazard dams). Deputy Commissioner Simcoe notified the Board of his plans to work with Schnabel to develop project designs that will be presented by Schnabel at the February Board meeting.

He also provided updates on all other active AWD construction projects. He noted we are working with Keller Construction and the Joint venture team to address scheduling challenges on the Beaver Creek Satellite Treatment facility.

Deputy Commissioner Simcoe discussed the Pressure Release Valves and the plan to exercise large valves that aren't often used to insure proper working order if ever they need to be used to isolate a main.

Deputy Commissioner Simcoe informed the Board of an upcoming shut down of the Water Filtration Plant to convert to the new electrical system. The shutdown will last around four days and will use the Albany-Latham Emergency Interconnect to supply any water needed during the process.

Resolutions

- Resolution 22-01: Election of Officers and Committee Assignments for 2022 Motioned by Mr. Frezzell and seconded by Ms. Johnson and passed unanimously.
- Resolution 22-02: Extension of Backwater Valve Grant Program Motioned by Ms. Strong and seconded by Ms. Johnson and passed unanimously.
- Resolution 22-03: Adopting 2022 Water & Sewer Rate Schedule Motioned by Mr. Frezzell and seconded by Ms. Johnson and passed unanimously.
- Resolution 22-04: Award Master Service Agreements with Various Consulting Engineering Firms Motioned by Ms. Johnson and seconded by Mr. Frezzell and passed unanimously.
- Resolution 22-05: Approval of Change Order #2 to Contract 01- General Construction for the 35 Erie Blvd. Site Improvements & Alterations Project with Wm. J. Keller & Sons Construction Corp Motioned by Mr. Frezzell and seconded by Ms. Strong and passed unanimously.

- Resolution 22-06: Approval of Change Order #3 to Contract 01- General Construction for the 35 Erie Blvd. Site Improvements & Alterations Project with Wm. J. Keller & Sons Construction Corp Motioned by Ms. Strong and seconded by Ms. Johnson and passed unanimously.
- Resolution 22-07: Approval of Change Order #4 to Contract 01- General Construction for the 35 Erie Blvd. Site Improvements & Alterations Project with Wm. J. Keller & Sons Construction Corp Motioned by Mr. Frezzell and seconded by Ms. Strong and passed unanimously.
- Resolution 22-08: Authorizing the Chairman to execute a sewer easement with 760 Broadway LLC Motioned by Ms. Johnson and seconded by Mr. Frezzell and passed unanimously.
- Resolution 22-09: Award 35 Erie Blvd. New Building Construction:
 - Contract 1: General Construction – Murnane Building Contractors, Clifton Park, NY
 - Contract 2: Plumbing – RMB Heating & Cooling, Schenectady, NY
 - Contract 3: HVAC – RMB Heating & Cooling, Schenectady, NY
 - Contract 4: Electrical – O’Connell Electric Company, Victor, NY
 Motioned by Ms. Johnson and seconded by Mr. Frezzell and passed unanimously.
- Resolution 22-10: Approval of Change Order #2 to Contract #1A Feura Bush Water Filtration Plant Upgrades with VMJR Companies LLC Motioned by Mr. Frezzell and seconded by Ms. Strong and passed unanimously.
- Resolution 22-11: Approval of Change Order #3 to the Beaver Creek Clean River Project Phase IV – Third Avenue Tunnel Contract with Rifenburg Contracting Corp. Motioned by Ms. Strong and seconded by Mr. Frezzell and passed unanimously.
- Resolution 22-12: Approval of the Standardizing of SmartCover hosting services, warranties, and associated hardware and instrumentation Motioned by Ms. Strong and seconded by Ms. Johnson and passed unanimously.

No Executive Session

Next regular meeting of the Water Board is scheduled for February 25, 2022 9:00am.

Being no further business, Chairperson Houghton called for a motion to adjourn the meeting. A motion was made by Mr. Frezzell, seconded by Ms. Johnson and passed unanimously. The meeting was adjourned at 10:25am.

Approved by:  _____

(Assistant) Secretary