ALBANY MUNICIPAL WATER FINANCE AUTHORITY
MINUTES OF REGULAR MEETING
December 21, 2018

A regular meeting of the Albany Municipal Water Finance Authority was officially convened at
8:00AM, local time, in the Conference Room at the Albany Water Board, 10 North Enterprise Drive,
Albany, NY.

PRESENT: Jack McEneny, Chairman; Gary Overdorf, Secretary; Julia Cannizzaro, Treasurer; Calee Oas,
Member

EXCUSED: Gardner Lerner, Vice Chairman;

STAFF PRESENT: Joseph E. Coffey, Jr., P.E., Commissioner; William Simcoe, P.E., Deputy
Commissioner; Thomas Dufresne, Chief Fiscal Officer; Debra Brand, Administrative Assistant

BOARD ADVISORS PRESENT: William Kahn (UHY Advisors); Kim Saba (Hugh Johnson Advisors, LLC);
Kevin Hogan, ARCADIS; Madalyn DeThomasis, Assistant Corporation Counsel

Approval of Meeting Minutes

A motion to waive the reading and approve the minutes of the September 27, 2018 meeting was
made by Julia Cannizzaro, seconded by Gary Overdorf, and passed unanimously.

Committee & Staff Reports

Report of Investment Advisor: Kim Saba, Hugh Johnson Advisors, LLC.
We are in a rising interest rate environment, which is good for investors. It is expected that the Fed
will continue to raise rates, and the economy is strong, but slowing. This is not good for stocks, but ok
for bonds. The Fed is expected to raise rates twice in 2019. Seven of the last 10 years have had
interest rates at 0%. Rates in 2019 are expected to be around 2.5% to 2.75% for investments in the
Portfolio.

Report of Rate Consultant: William Kahn, UHY Advisors
The Albany Water Board proposed a 2% rate increase for January 2019. A public hearing was held
November 29, 2018 and no speakers addressed the Board. The rate increase is not cash related, but is
rather needed because of years of slow decline in debt coverage ratio. We will likely have a series of
small increases in future years, which should be around 2% each time. We expect the Board to
formally adopt the rate increase at their Board meeting today.

Financial Report: Thomas Dufresne, Chief Fiscal Officer
November revenues are impacted by our cutting off cash collections to enable a rollover to taxes. YTD
revenues are strong and better than last year. Expect year-end revenues to be approximately equal
to last year. Expenses will be up due to higher personnel costs, including increase in workers
compensation costs. Our overtime costs are higher than last year and will exceed our budget by 15-
20%. While OT expenses will exceed budget, overall personnel costs are well under budget for 2018.
The rollover to taxes was just over $3.3 million.
Commissioner's Report: Commissioner Coffey & Deputy Commissioner Simcoe

Key performance Indicators: We are at 94% budgeted revenue for this year, and 79% of budgeted expenses primarily due to unfilled staff positions. Coffey noted injury related KPI data and reported on activity of the safety committee and safety consultant to provide more training and job site safety audits. The Alcove has been spilling for over 100 days this year, a result of a very wet year. AWD is producing an average of 18.2 MGD at the filter plant this year, down about 1 MGD over the past three years, we believe due, in part, to our leak detection program. We now have over 3,000 on-line accounts for digital bill payment and enhanced customer service.

Beaver Creek Clean River Project: We had a Community meeting on November 27 to present a revised final design concept. The new design will allow screenings to be piped directly to the wastewater plant. Final design was authorized on December 14 to be in compliance with the LTCP Consent Order. The $10 million IMG grant received for this project has an April 15, 2019 deadline to execute the grant agreement. We have requested an extension to November 1, 2019 to enable us to compile and submit all of the required elements for the grant agreement to be executed. We will ask the AWB to hold a special meeting January 11, 2019 to accomplish several components of the actions required to support the execution of this grant agreement.

Hydrant Flushing: We are continuing our hydrant inspection and testing program across the city to ensure they are functional and provide sufficient flow and pressure for our customers and for adequate fire protection. A map of hydrant inspection areas is posted on the web and we post the schedule on social media.

Other Projects: Several elements of the downtown floatables project will be completed by the end of the year, and the entire program completed in mid-2019. The Tivoli Stream Daylighting project as well as the Upper Washington Water Tank/pump station project, and the Upper Washington Sewage Pump Station and Force Main project are all under construction. The AWB received a $1 million WQIP grant for the Hackett Blvd. Flood mitigation projects ($27 million in grants have been received by the Department in the past 4 years). We will be seeking additional grant support for this project and for the Sheridan Ave. flood mitigation project. We are advancing design work for these projects with anticipated 2020 construction. The AWD has developed a drone program for multiple uses; Water shed inspection; security; flood event monitoring; stormwater management and construction site inspections; assistance to the city for vacant building and fire damaged buildings. The Commissioner also discussed the current Ramsey Place Green Infrastructure project and advised another community meeting will be held in early 2019.

Old Business

Alcove Working Woodlands: We have executed agreements with the Water Board and Common Council to allow transfer of property via Conservation Easement to the Mohawk Hudson Land Conservancy for the Working Woodlands and Carbon Development and Marketing program. The Operating Agreement requires approval of the Municipal Water Finance Authority and we have a Resolution on the Agenda today for this purpose.

New Business

Summary Budget and Transfer Document: Bill Kahn presented the 2019 Summary Budget and Transfer Document and discussed the Board and Authority combined budget is sufficient to provide for a debt service ratio of > 1.15:1. The projected ratio for 2019 is 1.27:1. The budget projects a cash flow deficit; however, the Board has sufficient funds to cover the budgeted cash deficit. The trend in declining debt coverage ratios is the basis for the rate increase.
Five Year Capital Plan (2019-2023): Kevin Hogan, P.E., (Arcadis) summarized the 5 year capital plan that had been previously sent to the Authority members. The plan is the result of visits to, and assessment of all facilities, and discussions with staff members.

Gardner Lerner: The Commissioner noted that Gardner’s term will expire on December 31 this year. Gardner has served with distinction on the Authority’s Board since 1995. All members expressed gratitude to Gardner for his service and expressed their personal thoughts and prayer for him. Chairman McEneny asked for a Resolution honoring Gardner Lerner. Resolution approved by acclamation.

2019 Meeting dates: Dates for Authority meetings in 2019 have been established: March 28th, June 27th, September 26th, and December 20th. Meeting time is 8:00am. Warren Abriel has been appointed to the Finance Authority Board effective January 1, 2019. Election of Officers will be at the March 2019 meeting.

Resolutions

Mr. McEneny called the following resolutions. A motion was made, seconded and each resolution passed unanimously.

- **Resolution 18-07:** Approving the 5-Year Capital Plan (2019-2023).
- **Resolution 18-08:** Approving the 2019 Summary Budget and Transfer Document
- **Resolution 18-09:** Authorizing the Disbursement of Funds to pay invoices of the Authority as follows:
  - Hugh Johnson Advisors in the amount of $2,468.75 for Quarterly investment services (10/1/18-12/31/18).
  - Fiscal Advisors in the amount of $2,200 for services rendered in connection with SEC Rule 15c2.12
  - Fiscal Advisors in the amount of $1,500 for services rendered in connection with CSO Phase II Project-EFC, Series 2018B
  - Fiscal Advisors in the amount of $500 for services rendered in connection with Albany Colonie Water System Interconnection Project-EFC, Series 2018C
- **Resolution 18-10:** Authorizing the Disbursement of Funds to pay invoices of the Authority as follows:
  - Bond, Schoeneck & King in the amount of $4,000 for professional services rendered in connection with Upper Washington Corridor Wastewater Pump Station & Force main Project-EFC, Series 2018A
  - Bond Schoeneck & King in the amount of $4,000 for professional services rendered in connection with CSO Phase II Project-EFC, Series 2018B
  - Bond, Schoeneck & King in the amount of $4,000 for professional services rendered in connection with Albany Colonie Water System Interconnection Project-EFC, Series 2018C
- **Resolution 18-11:** Authorizing the Disbursement of Funds to pay invoices of the Authority as follows:
  - Wilmington Trust in the amount of $3,000 for the annual trustee fee for 2018C Debt Service Fund
Resolution 18-12: Authorize Execution Of Conservation Easement With Mohawk Hudson Land Conservancy

Being no further business, Chairman McEneny called for a motion to adjourn the meeting. A motion was made by Calee Oas, seconded by Gary Overdorf and passed unanimously. The meeting was adjourned at 9:24 AM.

Next meeting will be held on Friday, March 28, 2019 at 8:00 AM.

Recorded by: Debra Brand, Administrative Assistant

Approved by: [Signature]
Gary Overdorf, Secretary