ALBANY MUNICIPAL WATER FINANCE AUTHORITY
MINUTES OF REGULAR MEETING
June 27, 2019

A regular meeting of the Albany Municipal Water Finance Authority was officially convened at 8:01 AM, in the Conference Room at the Albany Water Board, 10 North Enterprise Drive, Albany.

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

STAFF PRESENT: Joseph Coffey, Jr., P.E., Commissioner; William Simcoe, P.E., Deputy Commissioner; Thomas Dufresne, Chief Fiscal Officer; Emily Lyons, Confidential Assistant

BOARD ADVISORS PRESENT: William Kahn, UHY Advisors; Jamie Cote, Bonadio Group

Approval of Meeting Minutes from the Meeting of March 28, 2019

A motion to waive the reading and approve the minutes of the March 28, 2019 meeting was made, seconded, and passed unanimously.

Committee & Staff Reports

Report of Rate Consultant: William Kahn, UHY Advisors
Had positive numbers, and expenses have been contained. With respect to rates — it is a little deceiving because when we look at these numbers, we have layered on more debt over the past few years. While our debt coverage ratio was very positive, we have to be prepared for when the notes convert. We don’t want to have to increase rates when we are in repayment by a large percentage. So, we are proposing another rate increase for January. Our debt coverage ratio is based on old bonds which we are paying quickly. When repayment kicks in for newer debt, we need to be prepared.

The Board has a high degree of financial strength with equity and cash position. However, over a long term basis our debt is going to go up very significantly. Debt service will be higher going forward, but we are still leveraging the debt in a positive way and receiving grants to offset these costs.

Relationship with the city - the city owed the board typically around 10 million dollars. Halved in 2017, now we owe the city 2.5 million at the end of 2018. Reasons- the city processes bills for AWD and capital costs have increased. We will be using real cash reserves as LTCP progresses.

Financial Report: Thomas Dufresne, Chief Fiscal Officer
Financial Report 2018
Revenue is up, which is great because usage had declined over 2017. Expenses generally controlled. Our operating income and position is strong. The 2% increase in 2019 should control any operating increases. We still have a decline in usage from large users, however, usage is more stable among residential users. Interest expense has maintained. Interest income has been great.
We have started budget planning for 2020. 60% of expenses are personnel related, ramped up staff in the last few years, but we need to get better at productivity and efficiency. Continue to build a leadership transition into the organization. Looking to hire and retain qualified staff.

**Monthly Financials**

We had another great month, with a positive trend for the year. A little bit short for revenues for the month, but still up for the year. Expenses have gone up but generally controlled. Biggest increase is personnel and equipment costs. Supplies and maintenance costs remained flat. Debt service is flat and large increase to capital projects due to some timing with cash spending. Expect more grant funds soon.

We will push more money to the City so they can continue to pay our bills on time. We will also continue working to establish a better method with the City to do things in real time.

Operating expenses about $1 million higher than previous year - mostly personnel related, some equipment expenses - timing related. A small decrease currently in taxes, but will even out. Slightly over budget on overtime compared to last year. We will probably be at the budgeted OT number by the end of the year. We had less workers compensation issues this year.

Grants and financing is up from last year. Unpaid balances are not too old... except for some residential customers.

Large users - Some have declined since last year, despite rate increase. We assume consumption has changed.

We have contributed extra money to the City because of cash flow issues and to pay bills on time. We made a projection for June to establish future payment amounts to the City. We will still be in a positive cash flow position after giving the City $2.9 million now and then we will receive WQIP funds.

**Commissioner's Report:** Joseph Coffey, Jr., P.E., Commissioner; William Simcoe, P.E., Deputy Commissioner

**KPI** - Revenue and expenses are where we want to be year to date.

**Preventive maintenance and O&M** - Will update report after June.

**Injury reports** - Have reduced lost work days over the last few months, hopefully due to the work we are doing with Capital Safety Services. AWD is doing a vehicle rodeo for safety improvement.

**Albany County Wastewater Plant** – the monthly average flow to the plant has been high due to wet spring

**Social media** - we have been having good quality of posts and stats. Keep building.

**Beaver creek** - Alienation of parkland is waiting for Governor’s signature. We will have to establish park land somewhere else - working with Planning Department. We also finalized the Agreement with Sewer district to improve their screenings at the plant as part of the project. We are still working to close financing and applying for more grants ($10 million from DEC).

**Tivoli stream daylighting** – Project is now progressing after some setbacks due to weather.

**Ramsey place** - project will be starting soon; also replacing lead services.

**Albany-Colonie Interconnect** - had an issue with DEC and Karner Blue butterfly preservation - delayed construction. Consultant will absorb the consent order penalty cost.

**Feura Bush WTP** – We will have a tour once finished.

**Floatables** - moving ahead

**Normanskill Drainage and access Road Improvements** - improvements to be completed this summer

**Beaver Creek phase 6** - Albany high school - building new detention facilities. We also decided to make other stormwater improvements in conjunction. All are using Opti Controls
**Marietta place** - additional work from a project done in 2016 – camera work and cleaning some sewers.

**Flooding** - Melrose Neighborhood - have done ground water recharge work in the past, but more is needed. AWD is doing a stormwater study and modeling to ID future improvements to make and plan for capital improvements for future. Won’t address all severe rain events, but will make improvements.

**U Albany partnership** – We are working together to make stormwater improvements at Washington Park Lake with the construction of the new engineering school.

**Elberon/Ryckman/Hansen** – We have a grant for irrigation at woodland park.

**Bouck** - Had costs covered under financing

**Harriman Campus Pumping Station** – We have grant and financing money. Project includes a water tank and Pumping stationing on Colvin Avenue, which will boost pressure for the area.

**Sheridan/Hackett** - holding off for now because we didn’t receive money from the Revitalization grant.

**Bond Resolution** - is a multi-year plan and the projects are listed in exhibit A. $33.5 million is the amount we are seeking financing for, and we need a public hearing in regard to the bond. Doing one large bond as opposed to smaller separate ones

**IT Audit** - State comptroller is doing an IT audit of the Dept.

**Mohawk Hudson Land Conservancy** Easement – We will be closing soon on conservation easement to sell carbon credits for dedicated watershed improvements fund. We will have an announcement and media event in September.

**Mereline project** – making green infrastructure improvements

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**Old Business**

**Long Term Control Plan:** Update on Long Term Control Plan/ Grants and EFC Financing

Clean water revolving and drinking water revolving fund - using up these funds. We hired an engineer who had formerly worked at EFC and helping to disperse these financings. LTCP - we have our 58% and need the % from the other communities - makes it more complicated.

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**Resolutions**

Mr. McEneny called for a motion to approve each of the following resolutions. A motion was made, seconded and each resolution passed unanimously.

- Resolution 19-04: Bond Resolution for the Water Comprehensive Plan
- Resolution 19-05: Authorizing the Disbursement of Funds to pay invoices of the Authority as follows:
  - HJA Advisors in the amount of $2,468.75 for quarterly investment advisory services for the period 4/1/19 through 6/30/19.
  - Wilmington Trust in the amount of $1,500 for the 4/1/19-3/31/20 annual trustee fee for the 2017-B Bond fund
  - Wilmington Trust in the amount of $1,500 for annual trustee fee for the period 6/1/19-5/31/20 associated with the 2018-A Debt Service Fund
• Wilmington Trust in the amount of $2,000 for annual trustee fee for the period 6/1/19-5/31/20 associated with the 2011-A Debt Service Fund

Being no further business, Chairman McEneny called for a motion to adjourn the meeting. A motion was made, seconded and passed unanimously. The meeting was adjourned at 9:40 AM. Next meeting will be held on Thursday, September 26 at 8:00 AM.

Recorded by: Emily Lyons, Confidential Assistant

Approved by: [Signature]

Gary Overdorf, Secretary