

ALBANY WATER BOARD
MINUTES OF REGULAR MEETING
December 21, 2018

A regular meeting of the Albany Water Board was officially convened at 9:40am, in the Conference Room at the Albany Water Board, 10 North Enterprise Drive, Albany, NY on Friday, December 21, 2018.

PRESENT: Charles Houghton, Chairman; Rachel Johnson, Secretary; Barbara Smith; Anthony Owens, Treasurer.

EXCUSED: Dan Ranellone, Vice Chairman;

STAFF PRESENT: Joseph E. Coffey, Jr., P.E., Commissioner; Thomas Dufresne, CFO; William Simcoe, P.E., Deputy Commissioner; 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

ALSO PRESENT: John McEneny; Chairman, Albany Municipal Water Finance Authority

Approval of Meeting Minutes

Chairman Charles Houghton introduced the minutes of the Regular Meeting held on November 16, 2018 and the Special Meeting December 7, 2018. With no objection, the reading of minutes was dispensed and Mr. Houghton called for a motion to approve the minutes of said meeting. A motion was made by Mr. Owens and seconded by Ms. Johnson, and passed unanimously.

Public Comment Period

No public comments.

Investment Portfolio Report

Investment Portfolio Report: Kim Saba, of Hugh Johnson Advisors, presented a comprehensive annual investment report of the Albany Water Board and Albany Municipal Finance Authority. She noted that rising interest rates have created a more favorable investment atmosphere, and as the bonds in the portfolio mature, we can expect to see balances rise, with an expectation of earning approximately 2.75% by this time next year on the investment portfolio. 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%.

Report of Rate Consultant:

2019 Rate Schedule: William Kahn, UHY Advisors noted that the 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. The Board will be asked to formally adopt the rate increase by Resolution at today's meeting.

Summary Budget and Transfer Document: Mr. Kahn presented the 2019 Summary Budget and Transfer Document and noted 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. The Board will be asked to approve the 2019 Summary Budget and Transfer Document by Resolution at today's meeting.

Committee and Staff Reports

Financial Report: Tom Dufresne, CFO

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: Joseph Coffey, P.E., Commissioner and Deputy Commissioner William Simcoe, P.E.

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. Work is also continuing at the Water Treatment Plant and at the WTP Lagoons.

Consultant Engineer's Report: Kevin Hogan, P.E., (Arcadis) presented a spreadsheet of capital project expenses and also a list and status of the projects that Arcadis has been tasked with. He also summarized the 5 year capital plan (2019-2023) that had been previously sent to the Board members. The plan is the result of visits to, and assessment of all facilities, and discussions with staff members.

Old Business

Conservation Easement Status Update: We have executed agreements with the Municipal Water Finance Authority and Common Council as required by the Operating Agreement with the City of Albany to allow transfer of Water Board property via Conservation Easement to the Mohawk Hudson Land Conservancy for the Working Woodlands and Carbon Development and Marketing program.

New Business

Easement with Port of Albany: Commissioner Coffey presented a draft easement with the Port of Albany as Grantor that would clarify the responsibility of the Water Department to operate and maintain certain water and sewer mains in the Port boundaries. There are provisions in the Easement that note the Port's responsibility to perform O&M and repairs on sewer and water mains under buildings and to assume responsibility for any contaminated soils and/or groundwater encountered within the limits of the Easement that may be encountered during AWD O&M and repair activity.

Resolutions

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

- Resolution 18-108: Adopting the 5 Year Capital Plan (2019-2023) prepared by ARCADIS, dated November 2018.
- Resolution 18-109: Adopting the 2019 Summary Budget and Transfer Document.
- Resolution 18-110: Adopting the 2019 Water & Sewer Rate Schedule
- Resolution 18-111: Awarding the 2019 Sewer and Water System Maintenance Contract to Wm J, Keller and Sons Contracting Corp.
- Resolution 18-112: Authorizing Change Order #3 to Contract with Wm J. Keller & Sons Contracting Corp for the Floatables project reducing contract allowance amount by \$170,229.50 from \$396,653.14 (after Change Order#2) to \$226,422.91.
- Resolution 18-113: Authorizing Chairman to execute an easement with the Port of Albany to allow the Albany Water Board to own, operate and maintain designated water and sewer mains within the boundary of the Port of Albany.
- Resolution 18-114: Authorizing payment to Hugh Johnson Advisors in the amount of \$2,468.75 for investment advisory services for the period 10/1/18 through 12/31/18.
- Resolution 18-115: Authorizing increase in Purchase Order to Chazen Companies for work associated with Selkirk Yard Culvert Replacement from \$16,500 to \$22,230.22.
- Resolution 18-116: Authorizing Task Order to Master Services Agreement with Environmental Design & Research, D.P.C. for Professional Services Associated with the

Ramsey Place Green Infrastructure Project for a not to exceed fee of \$38,250 in accordance with the proposal dated December 10, 2018

- Resolution 18-117: Authorizing Award of Contract to OptiRTC Inc. for Automated Stormwater Storage Control and Monitoring Services and Equipment (RFP 2018-36) per Proposal dated December 5, 2018.
- Resolution 18-118: Authorizing Change Order #2 to Contract with Alpine Construction for work associated with the Alcove Reservoir Water Supply Gate Rehabilitation Project in the amount of \$3,234.00 raising the Contract amount from \$684,989 to \$688,223 (current contract completion date remains December 31, 2018).
- Resolution 18-119: Authorizing Change Order 1D-01 to Contract with FPI Mechanical for work associated with the Feura Bush Filtration Plant Employee and Public Space Improvements in the amount of \$15,960, raising the contract amount from \$165,120 to \$181,080 (current contract completion date remains April 24, 2019).

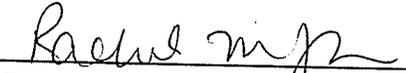
Executive Session

The Board found no purpose to enter Executive Session for this meeting.

Being no further business, Mr. Houghton called for a motion to adjourn the meeting. A motion was made, seconded and passed unanimously. The meeting was adjourned at 11:24am.

Next regular meeting of the Water Board is scheduled for Friday, January 27, 2019, 9:00am. A special meeting will be scheduled for January 11, 2019 at 9:00am.

Recorded by: Debra Brand, Administrative Assistant

Approved by: 
Rachel Johnson, Secretary