

ALBANY WATER BOARD
MINUTES OF REGULAR MEETING
September 27, 2019

A regular meeting of the Albany Water Board was officially convened at 9:12 am, in the Conference Room at the Albany Water Board, 10 North Enterprise Drive, Albany, NY on Friday, September 27, 2019.

PRESENT: Charles Houghton, Chairperson; Rachel Johnson, Vice Chairperson; Barbara Smith, Secretary, Karen Strong, Assistant Secretary

EXCUSED: Anthony Owens, Treasurer

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

BOARD ADVISORS PRESENT: Bill Kahn, UHY Advisors; Robert Hennes, Hugh Johnson Advisors

Approval of Meeting Minutes

Chairman Charles Houghton introduced the minutes of the Regular Meeting held on August 23, 2019. With no objection, the reading of the minutes was dispensed and Mr. Houghton called for a motion to approve the minutes of said meeting. A motion was made, seconded and passed unanimously.

Public Comment Period

No public comments.

Committee and Staff Reports

Investment Report: Robert Hennes, Hugh Johnson Advisors

The choice to lower interest rates caught the markets by surprise, however we think it is justified due to the slowdown globally and this country's manufacturing and inflation rates. Currently we are entirely in government bonds. We want to lock some funds in for 2 year investment accounts but don't want to create a liquidity problem – even though the funds could be accessed if needed. We can plan to make some small steps towards this and re-evaluate in December.

Report of the Finance Committee: Karen Strong, Sub Finance Committee Chair

We had a strong month in August and revenues are up for the year. The work on Grants and financing will help double our grant monies received this year. Staff are also currently working towards getting our due-to-the-City closer to 1 million plus or minus.

Report from Rate Consultant: Bill Kahn, UHY Advisors

Rate issues continue to be the same. While we currently have no immediate need for increased rates; it is best to do to avoid significant increases down the road. When looking at the comparative analysis of the rates from 1983 onward, the reason for large increases (10%+) in past years is due to the lack of more frequent smaller increases. A rate increase would take effect Jan 1, 2020 and a public hearing would happen Nov or Dec. Last year, all tiers had the same increase amount. But this could be done at

different amounts if preferred. Also, the water and sewer rate could be billed differently, instead of 1 to 1. We can bring forth an official proposal in October.

The last refunding of the Authority's bonds was in 2011 - The savings were \$2 million which was used to buy the current AWD office building. We have been offered to save \$1 million dollars if we refund our bonds again. It is a complicated process that takes months, and has some associated fees. However, with rates changing, our projected savings have already reduced by half. The recommendation is to keep watching this and potential refund if the right timing comes.

Financial Report: Tom Dufresne, CFO

2020 Budget: For 2019 we should have a \$3 million surplus. The 2020 budget does have increased costs, with the biggest cost increase being due to personnel. Equipment costs are stable and we will have an increase of contractual services due to emergency services. The increased costs will be coupled with the proposed 2.5% rate increase. We also hope to see workers comp savings next year.

New initiatives for 2020 - transitioning 37.5 hour employees to 40 hours, and will compensate them for the extra work, which has about 86K impact to budget. We are also planning a \$91K increase for merit raises, and a contingency for blue collar workers depending on contract agreements. All of these changes should help with recruitment and retention for qualified professional staff.

Cost savings –

- Fleet supervisor performed more in-house repairs and is saving money vs outsourcing to repair shops.
- Fine tune light duty program to increase efficiency
- Implement barcode inventory management
- More cost sharing with local municipalities
- Capital projects - \$3 million from our budget, about \$25 million from grants and financing.

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

Key Performance Indicators:

To help lower workers comp costs, we have started looking at monitoring the injury reports and are working with Capital Safety on training and are starting to see fewer injuries. We are also working to improve the light duty program.

Overtime costs went up a bit the last few months, and we might have to catch up on some work to prepare for winter.

Beaver Creek - Governor signed the amendment to the parkland alienation, and we are responding to design review comments from DEC. We hope to be in position to go out to bid in 2020 2nd quarter. We have a deadline to complete construction by 2022 - which will meet our consent order date.

Tivoli Project

Repairs are done to the channel from the damage from the recent storms, and we are currently working to get the vegetation established.

Ramsey Place Project

Project is making progress. National Grid has just recently identified a concern for the storm beds around their gas services. Plan to discuss more with National Grid in the future.

Albany-Colonie Interconnect-

Consent order has been executed. And we have resumed the construction.

Floatables

Project is completed and will make a good contribution to Hudson River water quality.

Normanskill Farm Drainage Improvements

Project is mostly completed.

Beaver Creek Phase 6

We are waiting on National Grid to supply power to Opti equipment. We have been monitoring downstream to see the impacts from the project.

CIPP Lining

Added additional sections for sewers to be lined – should be wrapped up this month and lined a large amount of sewers this month.

Melrose Neighborhood association meeting –

We attended a public meeting last week with Arcadis, and discussed the flood mitigation study. It was a positive meeting and the public is helping provide information on flooding to the dept.

Two property owners on Marion Ave are suing the City for backups during storm events. Both events were 100+ year floods; systems in urban areas are designed for 10 year storms.

Old Business

Legal Services RFP

We requested an RFP for outside counsel due to lack of capacity from City Counsel. Chuck and Joe met with potential legal representatives and plan to decide on a candidate soon.

New Business

Rate Increase Bill Insert will go out to all customers starting in November.

NYSEFC Board Members will visit various project sites funded by EFC. The visits are scheduled for October 10. We are currently identifying the logistics and the itinerary will be made next week.

Pink Water Incident - We have emergency action plans - but did not have one specifically for sodium permanganate overdose. It was an exercise that in hindsight we would have made different decisions. We did not have full awareness of how it would move through the system. We are adjusting our emergency plans and looking at operational procedures to prevent the same situation. We also need to create press release templates.

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 19-67:** Authorizing Payment of invoice to Hugh Johnson Advisors in the amount of \$2,468.75 for Investment Advisory Services for the period 7/1/19 through 9/30/19, and Hodgson Russ in amount of \$45 for reimbursement to publish Notice of Public Hearing.
- **Resolution 19-68:** Approving Change Order 1A-010 for construction of the Feura Bush Filtration Plant Employee and Public Space Improvements with U.W. Marx Construction Company in the amount of \$13,937.00. New Contract amount is \$1,956,685.64. Contract time extended 77 days. New Contract Completion date is November 15, 2019.
- **Resolution 19-69:** Approving Change Order 1B-05 to the Feura Bush Filtration Plant Employee and Public Space Improvement Project Electrical Contract with Brunswick Electric, Inc. in the amount of \$838.39. New Contract amount is \$406,404.92. Contract time extended 77 days. New Contract Completion date is November 15, 2019.

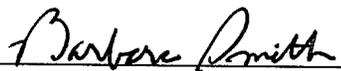
- **Resolution 19-70:** Approving Change Order 1C-03 to contract 1C for construction of the Feura Bush Filtration Plant Employee and Public Space Improvements with Collett Mechanical, Inc. to extend the contract period 77 days. New Contract completion date is November 15, 2019.
- **Resolution 19-71:** Approving Change Order 1D-04 to the Feura Bush Filtration Plant Employee and Public Space Improvement Project Electrical Contract with FPI Mechanical in the amount of \$6,950.25. New Contract amount is \$214,301.25. Contract time extended 77 days. New Contract Completion date is November 15, 2019.
- **Resolution 19-72:** Approving Change Order #4 to the contract with Wm. J. Keller and Sons Construction for the Tivoli Stream Daylighting Project to encumber the allowance in the amount of \$130,189.73. Remaining allowance value is 19,154.23.
- **Resolution 19-73:** Authorizing the Chairman to schedule a public hearing for a proposal to modify the current schedule of water rate structure.
- **Resolution 19-74:** Approving the 2020 budget of the department of water and water supply

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 10:45 am.

Next regular meeting of the Water Board is scheduled for Friday, October 25, 2019 at 9:00 AM. A Finance Committee meeting will be held on October 25, 2019 at 8:30 AM.

Recorded by: Emily Lyons, Confidential Assistant

Approved by: 
Barbara Smith, Secretary