

ALBANY WATER BOARD
MINUTES OF REGULAR MEETING
November 20, 2015

A regular meeting of the Albany Water Board was convened at 9:30 AM, local time, in the Conference Room at the office of the Albany Water Board, 10 North Enterprise Drive, Albany, New York Friday, November 20, 2015.

PRESENT: David McGuire, Chairman; William Clay, Vice Chairman; Daniel Ranellone, Treasurer; Leo Dean, Secretary;

EXCUSED: Rachel McEneny

STAFF PRESENT: Joseph E. Coffey, Jr. PE, Commissioner, AWB; William Simcoe, P.E., Deputy Commissioner; Christopher Quirk, Chief Fiscal Officer, AWB; Elizabeth Romand, Confidential Assistant; Andrea Scheely, Customer Contact Specialist; Neil O'Connor, P.E., Engineer;

BOARD ADVISORS PRESENT: William Kahn, Rate Consultant; Kevin Hogan, Engineering Consultant; Anne Letterio, Assistant Corporation Counsel;

Approval of October 23, 2015 Meeting Minutes

Chairman David McGuire introduced the minutes of the October 23, 2015 meeting. With no objection, the reading was dispensed and Chairman David McGuire called for a motion to approve the minutes of said meeting. A motion was made by Mr. Clay, seconded by Mr. Dean and passed unanimously.

Public Comment Period

No public comments were made.

Water Bill Review Committee

There were no water billing appeals for review.

2016 Summary AMWFA/ AWB Budget and Transfer Document

William Kahn, Rate Consultant, submitted the 2016 AMWFA/ AWB Budget and Transfer document, a document required by regulatory authorities (attached). This document shows the flow of monies and where they are being utilized for the Albany Municipal Finance Authority and the Albany Water Board.

Committee & Staff Reports

Cash Flows and other combined Financial Information: Christopher Quirk, Chief Fiscal Officer, submitted a statement of the Albany Water Board and Albany Municipal Water Finance Authority's Cash Flows and other combined Financial Information for the one month period ending October 31, 2015. Actual revenue collections for the month of October 2015 were \$3,655,621 an amount 8% higher than the net monthly budget of \$3,382,020. This amount is \$288,161 higher than October 31, 2014. Year-to-date operating expenses (excluding capital and debt service expenses) are approximately \$20,171,169 which is \$374,906 or 1.9% higher than 2014, and \$859,481 or 4.3% under adjusted budgeted amounts as of October 31, 2015. Approximately \$1,102,041 in capital project costs was expended through October 31, 2015.

Key Performance Indicators and Critical Numbers Dashboard: Commissioner Coffey presented the monthly Key Performance Indicators as of the end of October, 2015 (attached). The Commissioner highlighted the Department Overtime Rate, which is only slightly over budget at approximately 1%, in comparison to this time last year when Overtime was approximately 10% over budget. This decrease in overtime spending is significant considering the number of employees out on Worker's Compensation and sick leave, and has forced management to be more creative and resourceful in completing objectives, while still managing to keep overtime costs at a minimum.

Backwater Valve Grant: No new grant applications have been received since the last reporting period. No applications are in pending status at this time.

Colonie Street Property Appraisal & Lease Update: The lease with Albany Broadway LLC has been executed. Albany Broadway will lease 75% of the property at a rate of \$21,000 annually. The lessee is clearing the parcel of spoil materials, which would have cost the Water Board approximately \$49,000. In return, the Water Board will defer rent payments until the costs for clearing the property of the spoils material will have equaled the accrued monthly rent. The lessee will pay property taxes at this time.

10 N. Enterprise Drive: The rear of 10 N. Enterprise will become the new location for staging spoil materials, which requires a reconfiguration of the parking lots to accommodate employee and visitor parking. By the end of December 2015, the abandoned underground gas/diesel tanks on the property will be removed, the ground filled, and new parking configuration determined for the winter months. In the Spring, the lot will be paved where the UST's were located and the entire lot resealed, and restriped.

Lodge Street Study: In preparation of the Convention Center's traffic generation, the one way section of Lodge Street aside the County building is being examined for potential to be adapted to a 2 way street with parking along one side. The water main running through this area dates back to the late 1800's, and additionally, other complex infrastructure issues exist in the ground. The Water Department is taking the lead on the project, and among the potential scope of work would be the replacement of this water main. In preparation for this project, Clough Harbor & Associates has submitted a draft scope and fee proposal to perform the study which is currently under review. In the interest of time and consideration of potential snowfall soon, the Commissioner has authorized CHA to initiate and perform the survey work associated with the project scope.

Memorandum of Agreement: The MOA between City of Albany and the Albany Water Board for the scheduled \$400,000 payment for provision of City Engineering services to the AWB is ready for review and approval by the AWB. The MOU also directs the Commissioner of the Department of Water and Water Supply to supervise the management of the City Engineer and Engineering Staff. The MOA includes a clause to review and revisit the MOA on an annual basis, to ensure that the Agreement continues to make sense as time goes by.

Five Year Capital Plan: The draft of the Five Year Capital Plan (attached) was presented by Deputy Commissioner William Simcoe and Kevin Hogan from ARCADIS. One major takeaway is that there are no looming, dire conditions impacting the water infrastructure that will negatively impact the Water Board next year. The three areas of important focus, however, include aging infrastructure, meeting regulatory requirements, and making strides toward becoming proactive in operations, rather than reactive to

emergencies only. In 2016, we plan to continue work at the Fuera Bush Filtration Plant and perform interior work in the office spaces. We have several small water main and sewer relining projects that will be worked on in 2016 as well. The CFA application and other grant monies will hopefully be realized for the projects associated with the Washington Avenue corridor, flood mitigation projects for Ryckman, Elberon, and Hansen Streets.

Consultant Engineer's Report: Kevin Hogan of ARCADIS presented the Consultant Engineer's Report which details progress on upcoming LTCP Projects and ARCADIS Projects (attached). All action items are occurring within allotted time frames and progressing as expected.

Old Business

Annie Letterio, Assistant Corporation Counsel, submitted an update regarding the easement acquisition and offer of settlement for emergency demolition of the garage associated with the sewer repair at 270 Manning Blvd. in the amount of \$20,000. Ms. Letterio recommends that the Board settle the matter at this amount.

Executive Session

No Executive Session took place.

Resolutions

Resolution 15-42 Entering into a contract with a value of \$21,000 with Precision Industrial Maintenance, Inc. for the UST Closure Project at 10 N. Enterprise Drive.

Resolution 15-43 To adopt the Five Year Capital Plan as recommended by the Official Consulting Engineer to the Albany Water Board, dated November, 2015.

Resolution 15-44 To enter into settlement agreement for \$20,000 with the owner of 270 Manning Blvd. for emergency demolition of garage associated with an emergency sewer repair, and for the acquisition of a sewer easement.

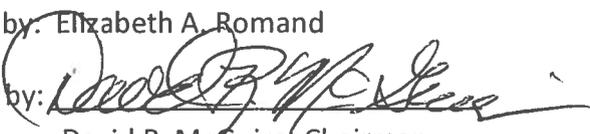
Resolution 15-45 Authorizing the Chairman to execute a Memorandum of Understanding with the City of Albany to procure Engineering Services as needed from the City of Albany for a payment of \$400,000 for calendar year 2016, and for the City Engineer to report to the Commissioner of the Department of Water & Water Supply.

Chairman Dave McGuire informed all those in attendance that the next meeting of the AWB will be Friday, December 18th at 9:30 a.m. in the AWB Conference Room.

Being no further business, Chairman McGuire called for a motion to adjourn the meeting. A motion was made by William Clay, seconded by Dan Ranellone and passed unanimously. The meeting was adjourned at 11:30 a.m.

Recorded by: Elizabeth A. Romand

Approved by:


David R. McGuire, Chairman

Albany Water Board
Albany Municipal Water Finance Authority

PRELIMINARY
11/20/15

Summary Budget and Transfer Document
2016 (With Comparative Numbers for 2015)

	2016	2015
Water/sewer revenue	\$ 37,000,000	\$ 34,700,000
Investment revenue	200,000	150,000
Total revenue	37,200,000	34,850,000
System operating expenses (Schedule A) (net of capital projects)	28,456,200	26,176,818
Board expenses (Schedule B)	44,000	44,000
Authority expenses (Schedule C)	75,000	65,000
Total expenses	28,575,200	26,285,818
Amount available to fund debt service and capital projects	8,624,800	8,564,182
Debt service (Schedule D)	(6,388,522)	(6,417,345)
Capital projects	(3,000,000)	(3,000,000)
Budgeted cash deficit	\$ (763,722)	\$ (853,163)

Debt Ratio Computation

1.15:1 Requirement	\$ 8,624,800	\$ 8,564,182
	\$ 6,388,522	\$ 6,417,345
	= 1.35:1	= 1.33:1

Albany Water Board

Schedule of Budgeted Operating Expenditures 2016 (With Comparative Budget Information for 2012, 2013, 2014 and 2015)

	2016	2015	2014	2013	2012
TAXES PAID TO MUNICIPALITIES	\$ 2,112,359	\$ 2,031,114	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
ADMINISTRATION					
Personal Services	1,152,736	910,771	753,637	735,255	768,140
Equipment	1,000	1,000	-	1,500	7,500
Contractual and Other Expenses	193,148	178,019	139,400	146,900	150,800
Benefits	390,398	346,151	300,156	293,247	183,763
	1,737,282	1,435,941	1,193,193	1,176,902	1,110,203
SOURCE OF SUPPLY, POWER AND PUMPING					
Personal Services	803,481	872,825	916,869	887,862	887,862
Equipment	43,000	-	-	27,500	42,500
Contractual and Other Expenses	104,913	112,030	95,200	123,700	126,300
Benefits	358,894	305,646	265,410	214,921	252,921
	1,310,288	1,290,501	1,277,479	1,253,983	1,309,583
PURIFICATION					
Personal Services	1,139,326	1,106,042	1,107,857	1,082,423	1,082,423
Equipment	190,000	190,000	115,000	115,000	59,000
Contractual and Other Expenses	1,146,062	1,123,178	1,003,000	1,070,000	1,076,500
Benefits	375,037	281,837	245,751	347,805	320,805
	2,850,425	2,701,057	2,471,608	2,615,228	2,538,728
TRANSMISSION AND DISTRIBUTION					
Personal Services	2,531,584	2,441,091	2,265,319	2,173,253	2,173,253
Equipment	745,000	526,000	241,000	318,500	271,500
Contractual and Other Expenses	1,628,765	1,636,097	1,443,670	1,535,750	1,538,750
Benefits	849,238	759,548	663,297	776,348	750,947
	5,754,587	5,362,736	4,613,286	4,803,851	4,734,450
SEWER MAINTENANCE					
Personal Services	825,134	577,104	725,996	699,726	699,726
Equipment	589,000	166,000	120,000	120,000	65,000
Contractual and Other Expenses	1,714,370	1,274,710	1,256,000	1,261,000	1,464,000
Benefits	196,956	217,330	195,539	203,529	208,529
	3,325,460	2,235,144	2,297,535	2,284,255	2,437,255
PUMPING STATIONS					
Personal Services	149,790	149,790	149,790	143,642	143,642
Equipment	25,000	15,000	15,000	25,000	25,000
Contractual and Other Expenses	400,609	334,573	310,650	338,150	319,150
Benefits	37,757	70,259	59,459	65,989	57,989
	613,156	569,622	534,899	572,781	545,781
ALBANY COUNTY SEWER CONTRACT	6,177,000	6,050,000	6,000,000	6,200,000	6,200,000
CITY OVERHEAD ALLOCATIONS	1,150,000	750,000	-	-	-
CONTINGENCIES AND OTHER	3,425,643	3,750,703	2,961,000	3,186,000	3,051,000
TOTALS BEFORE CAPITAL PROJECTS	\$ 28,456,200	\$ 26,176,818	\$ 23,349,000	\$ 24,093,000	\$ 23,927,000

2016 BUDGET NOTES:

- The 2016 budget principally reflects estimated expenditures prepared by the Department and the City Budget Office.
- The 2016 contingencies and other category includes budgeted undistributed employee benefits in the amount of \$2,043,707 (\$1,277,000 of which relates to NYS Retirement System contributions), fees and services in the amount of \$377,827, contingencies in the amount of \$650,000, and other items in the amount of \$354,109, as compiled by the City Budget Office.
- The 2016 budget provides for \$3,000,000 in capital expenditures which are not included in the above operating expenditures.
- The 2016 City overhead allocations include an additional \$400,000 in costs relating to engineering services.

SCHEDULE B**Albany Water Board****Board Expense Budget
2016**

Member Stipends	\$ 25,000
Payroll Taxes	4,000
Financial Advisor Fees	10,000
Other Administrative Costs/Contingencies	5,000
	<u>\$ 44,000 *</u>

**Without regard to carryover of unexpended funds from 12/31/15.*

Total 2016 Budget	\$ 44,000
Less: Estimated Cash to be Carried-Over From 2015 to 2016	<u> -</u>
Amount of 2016 Transfer	<u>\$ 44,000</u>

SCHEDULE C

Albany Municipal Finance Authority

**Authority Expense Budget
2016**

Member Stipends	\$ 30,000
Payroll Taxes	5,000
Legal Fees	15,000
Financial Advisor Fees	10,000
Trustee and EFC Administrative Fees	10,000
Other Administrative Costs/Contingencies	5,000
	<u>\$ 75,000 *</u>

**Without regard to carryover of unexpended funds from 12/31/15.*

Total 2016 Budget	\$ 75,000
Less: Estimated Cash to be Carried-Over From 2015 to 2016	<u> -</u>
Amount of 2016 Transfer	<u>\$ 75,000</u>

SCHEDULE D

Albany Municipal Water Finance Authority

**Authority Debt Service Budget
2016**

2011 SERIES BONDS		Total
Interest Payment (June 1, 2016)	\$	878,675
Principal Payment (December 1, 2016)		4,420,000
Interest Payment (December 1, 2016)		878,675
Total Funding Needed (through December 1, 2016 debt service payments)		6,177,350
Less: Amount of Current Holdings ^(D)		-
Budget Totals	\$	6,177,350 (A) (C)
Monthly Transfer (1/11 th)	\$	561,580

ADDITIONAL DEBT SERVICE REQUIRED ON SRF BONDS^(B)

	Total	2016 Issue	2010 C Issue	2012 B (1) Issue	2012 B (2) Issue	2012 B (3) Issue
01/15/2016 Interest ^(B)	\$ 38,735	\$ -	\$ -	\$ -	\$ 31,279	\$ 7,456
01/15/2016 Principal	30,000	-	-	-	30,000	-
02/15/2016 Interest ^(B)	8,679	-	-	8,679	-	-
04/15/2016 Interest ^(B)	1,092	-	1,092	-	-	-
07/15/2016 Interest ^(B)	37,894	-	-	-	30,438	7,456
07/15/2016 Principal	50,000	-	-	-	30,000	20,000
08/15/2016 Principal	20,000	-	-	20,000	-	-
08/15/2016 Interest ^(B)	8,680	-	-	8,680	-	-
10/15/2016 Principal	15,000	-	15,000	-	-	-
10/15/2016 Interest ^(B)	1,092	-	1,092	-	-	-
Total	\$211,172 (C)	\$ - (E)	\$17,184	\$ 37,359	\$121,717	\$ 34,912

^(A) See Transfer Schedule

^(B) Without Regard to EFC Interest Subsidy Credits and Administrative Fees

^(C) Total Debt Service Requirements for 2016 = **\$6,388,522**

^(D) Estimated account balance as of December 31, 2015.

^(E) The Debt Service Requirements relating to the first tranche of the LTCP project financing is currently not quantified and, as such, is excluded from this debt schedule.

SCHEDULE E

**Albany Water Board
Albany Municipal Water Finance Authority**

**Required Transfer Schedule
2016**

M&T BANK: LOCKBOX #8891631536

M&T BANK: OPERATION/RESERVE #8891631668

..... TO REQUIRED ACCOUNTS (E)

On The 1st Day Of	Board Expense M&T Bank #8891631650	City Account KeyBank #710990019	Ongoing Projects Fidelity #676202885 (C)	Authority (Expense Fund) Checking M&T Bank #8891632161	2011A Debt Service Fund M&T Trust #1033343
January	\$ 4,400	\$ 2,280,500	\$ -	\$ 6,250	\$ 561,580
February	3,600	1,680,600	250,000	6,250	561,580
March	3,600	4,769,000	250,000	6,250	561,580
April	3,600	1,680,600	250,000	6,250	561,580
May	3,600	1,680,600	250,000	6,250	561,580
June	3,600	1,680,600	250,000	6,250	561,580
July	3,600	1,680,600	250,000	6,250	561,580
August	3,600	1,680,600	250,000	6,250	561,580
September	3,600	3,192,859	250,000	6,250	561,580
October	3,600	4,769,000	-	6,250	561,580
November	3,600	1,680,600	-	6,250	561,580
December	3,600	1,680,641	-	6,250	-
	\$ 44,000	\$ 28,456,200 (D)	\$ 2,000,000	\$ 75,000	\$ 6,177,380

- NOTES:**
- (A) All Authority Debt Service Fund transfers are provided on a priority basis.
 - (B) Any excess balances are to be transferred to (or from) Operation/Maintenance Reserve Account (M&T Bank: #8891631668).
 - (C) Funding budgeted for 2016 represents the 6th year of funding.
 - (D) Operating budget of \$28,456,200 to be funded monthly. The capital projects budget of \$3,000,000 will be advanced by the City and repaid through the tax rollover process in December 2016.
 - (E) Excess funds are transferred to Fidelity (#676196705).

COPY TO: M&T BANK; JOHNSON ADVISORS; CITY CONTROLLER

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**ALBANY WATER BOARD
ALBANY MUNICIPAL WATER FINANCE AUTHORITY
STATEMENTS OF CASH FLOWS
October 31, 2015**

	One Month Period Ended		Year-To-Date Periods Ended		Percent Variance	Variance	Percent Variance
	2015	2014	2015	2014			
Revenues							
Water/sewer revenue	\$ 3,655,621	\$ 3,367,460	\$ 29,803,054	\$ 29,349,835	8.6%	\$ 453,219	1.5%
Investment income	9,421	746	151,900	120,673	1162.9%	31,227	25.9%
Total revenues	3,665,042	3,368,206	29,954,954	29,470,508	8.8%	484,446	1.6%
Operating expenses							
Operation/maintenance costs	1,019,782	1,090,688	20,171,169	19,796,263	-6.5%	374,906	1.9%
Board/Authority expenses	9,153	9,396	69,820	75,873	-2.6%	(6,053)	-8.0%
Total expenses	1,028,935	1,100,084	20,240,989	19,872,136	-6.5%	368,853	1.9%
Net operating cash flows before debt service and capital project costs	2,636,107	2,268,122	9,713,965	9,598,372	16.2%	115,593	1.2%
Debt service costs	(564,620)	(566,080)	(5,646,180)	(5,546,920)		(99,260)	1.8%
Capital project costs	(373,623)	(38,591)	(1,102,041)	(1,060,946)	0.0%	(41,095)	0.0%
Net cash flow (deficiency)	\$ 1,697,864	\$ 1,663,451	\$ 2,965,744	\$ 2,990,506	2.1%	\$ (24,762)	-0.8%

**ALBANY WATER BOARD
ALBANY MUNICIPAL WATER FINANCE AUTHORITY
SCHEDULE OF REVENUES
October 31, 2015**

	2015		2014	2014		Variance %	2014		Variance Favorable (Unfavorable)
	Budget	Actual		Budget	Actual		Budget	Actual	
Water and sewer revenue									
October	\$ 3,382,020	\$ 3,655,621	\$ 2,534,900	\$ 3,367,460	8%	\$ 2,534,900	\$ 3,367,460	\$ 832,560	
Year-to-Date	\$ 25,903,803	\$ 29,803,054	\$ 24,419,537	\$ 29,349,835	15%	\$ 24,419,537	\$ 29,349,835	\$ 4,930,298	
Investment income									
October	\$ 12,500	\$ 9,421	\$ 18,750	\$ 746	-25%	\$ 18,750	\$ 746	\$ (18,004)	
Year-to-Date	\$ 125,000	\$ 151,900	\$ 166,666	\$ 120,673	22%	\$ 166,666	\$ 120,673	\$ (45,993)	

Additional Cash Receipts

Meter Recovery Fees				
October	\$ -	\$ -	\$ -	\$ -
Year-to-Date	\$ -	\$ -	\$ -	\$ -
Sales of Scrap				
October	\$ -	\$ 323	\$ -	\$ 323
Year-to-Date	\$ -	\$ 9,488	\$ -	\$ 9,488
Insurance Recoveries				
October	\$ -	\$ 1,673	\$ -	\$ 1,673
Year-to-Date	\$ -	\$ 3,556	\$ -	\$ 3,556
Miscellaneous Income				
October	\$ -	\$ 2,250	\$ -	\$ 2,250
Year-to-Date	\$ -	\$ 88,731	\$ -	\$ 88,731

Note: The revenue budgets reflect forecasted revenue collections of \$34,700,000 and \$33,500,000 for 2015 and 2014, respectively.

ALBANY WATER BOARD
ALBANY MUNICIPAL WATER AUTHORITY
SCHEDULE OF OPERATING EXPENSES
October 31, 2015

	2015 ANNUAL ADJUSTED BUDGET	YEAR-TO-DATE OCTOBER 2015			2014 YTD ACTUAL
		ADJUSTED BUDGET	ACTUAL	(OVER)/ UNDER	
Administration					
Personnel services	910,771	\$ 770,652	\$ 653,473	\$ 117,179	\$ 607,468
Equipment	1,000	\$ 643	975	(332)	-
Contractual and other expenses	178,019	\$ 114,466	142,548	(28,082)	115,396
Benefits	346,151	\$ 288,459	244,097	44,362	230,870
	1,435,941	1,174,221	1,041,093	133,128	953,734
Supply, Power and Pumping					
Personnel services	872,825	\$ 738,544	544,066	194,478	664,811
Equipment	-	\$ -	-	0	14,655
Contractual and other expenses	112,030	\$ 72,035	56,763	15,272	81,144
Benefits	305,646	\$ 254,705	155,949	98,756	160,778
	1,290,501	1,065,285	756,778	308,507	921,388
Purification					
Personnel services	1,106,042	\$ 935,882	909,103	26,779	912,699
Equipment	190,000	\$ 122,170	113,764	8,406	32,467
Contractual and other expenses	1,123,178	\$ 722,203	714,880	7,323	749,808
Benefits	281,837	\$ 234,864	281,760	(46,896)	263,932
	2,701,057	2,015,119	2,019,507	(4,388)	1,958,906
Transmission/Distribution					
Personnel services	2,441,091	\$ 2,065,539	1,821,944	243,595	1,874,337
Equipment	545,848	\$ 350,980	190,598	160,382	165,132
Contractual and other expenses	1,636,097	\$ 1,052,010	1,163,519	(111,509)	1,312,391
Benefits	759,548	\$ 632,957	623,347	9,610	604,190
	5,382,584	4,101,486	3,799,408	302,078	3,956,050
Sewer Services					
Personnel services	577,104	\$ 488,319	568,786	(80,467)	638,314
Equipment	166,000	\$ 106,738	149,427	(42,689)	3,163
Contractual and other expenses	1,274,710	\$ 819,639	1,115,595	(295,956)	970,719
Benefits	217,330	\$ 181,108	105,452	75,656	136,866
	2,235,144	1,595,804	1,939,260	(343,456)	1,749,062
Pumping Stations					
Personnel services	149,790	\$ 121,135	112,315	8,820	139,712
Equipment	15,000	\$ 9,645	4,238	5,407	1,995
Contractual and other expenses	334,573	\$ 215,130	193,690	21,440	288,826
Benefits	70,259	\$ 58,549	43,494	15,055	45,398
	569,622	404,460	353,737	50,723	475,931
Taxes Paid to Municipalities	2,031,114	\$ 2,031,114	1,942,768	88,346	1,929,864
County Sewer Contract	6,050,000	\$ 6,050,000	6,121,068	(71,068)	5,800,000
Contingencies, Insurance and Other	4,500,703	\$ 2,593,672	2,198,060	395,612	2,051,318
TOTALS	\$ 26,196,666	\$ 21,031,160	\$ 20,171,679	\$ 859,481	\$ 19,796,253

EXPENSE SUMMARY:	2015	2014	Change
Personal Services	4,609,687	4,837,341	(227,654)
Equipment	459,002	217,412	241,590
Contractual and other expenses	3,386,995	3,518,284	(131,289)
Benefits	1,454,099	1,442,034	12,065
Other	10,261,896	9,781,182	480,714
	20,171,679	19,796,253	375,426

Percent Increase/Decrease over 2014 1.9%
Percent under Budget 4.3%

**ALBANY WATER BOARD
ALBANY MUNICIPAL WATER AUTHORITY
SCHEDULE OF CAPITAL PROJECT COSTS
October 31, 2015**

Actual Expenditures to Date

1995	\$	3,459,286
1996		3,148,713
1997		2,977,569
1998		2,059,812
1999		2,696,065
2000		1,771,829
2001		2,437,338
2002		3,384,049
2003		3,845,848
2004		5,673,522
2005		2,389,244
2006		1,575,740
2007		459,599
2008		1,230,331
2009		1,807,010
2010		1,108,164
2011		734,443
2012		2,266,553
2013		2,059,475
2014		1,832,084
	\$	46,916,673

Comparative Expenditures

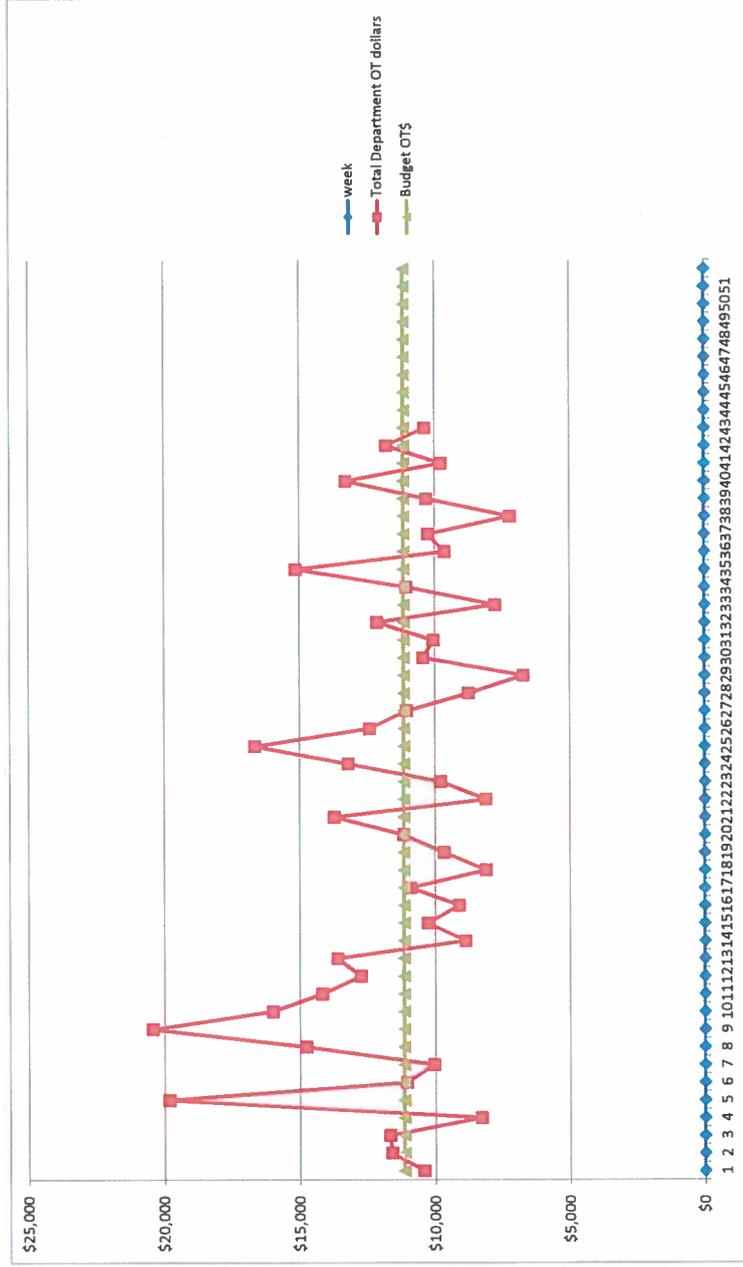
[----- 2014 -----]		2015	
January	\$ -	January	\$ -
February	-	February	77,235
March	179,866	March	33,828
April	68,851	April	84,334
May	81,000	May	86,474
June	73,900	June	17,174
July	89,061	July	161,417
August	356,661	August	59,130
September	173,016	September	208,826
October	38,591	October	373,623
November	240,823	November	
December	530,315	December	
	\$ 1,832,084		\$ 1,102,041

	Budget 10/31/2015 YTD	Actual 10/31/2015 YTD	Budget Difference (over)/under	Actual 10/31/2014 YTD	Actual Difference (over)/under
OVERTIME					
<i>Supply, Power and Pumping</i>	\$ 80,385	\$ 43,517	\$ 36,868	\$ 79,035	\$ 35,518
<i>Purification</i>	\$ 114,231	\$ 101,412	\$ 12,819	\$ 104,791	\$ 3,379
<i>Transmission/Distribution</i>	\$ 253,846	\$ 286,830	\$ (32,984)	\$ 296,878	\$ 10,048
<i>Sewer Services</i>	\$ 33,846	\$ 58,268	\$ (24,422)	\$ 57,422	\$ (846)
<i>Pumping Stations</i>	\$ 8,462	\$ 8,781	\$ (319)	\$ 12,898	\$ 4,117
TOTAL	\$ 490,769	\$ 498,808	\$ (8,039)	\$ 551,024	\$ 52,216
Percentage			-1.6%		10.5%
DUE FROM THE CITY OF ALBANY					
	10/31/2015				
	\$ <u>11,281,267</u>				

Department of Water and Water Supply - 2015 Key Performance Indicators and Critical Numbers Dashboard														
Parameter	Annual Goal or YTD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Water/Sewer Revenue														
Budget	\$34,700,000	\$2,811,795	\$2,201,845	\$2,030,840	\$2,418,630	\$2,878,415	\$2,337,210	\$2,140,800	\$2,847,915	\$2,854,340	\$3,382,020	\$336,590	\$8,459,600	\$34,700,000
Actual MTD														
Actual YTD/MTD														
Budget YTD/MTD	\$25,903,803	\$2,811,795	\$5,013,640	\$7,044,480	\$9,463,110	\$12,341,515	\$14,678,728	\$16,819,530	\$19,667,442	\$22,521,783	\$25,903,803			\$25,903,803
Actual YTD/MTD	\$29,803,054	\$3,486,491	\$6,014,314	\$9,191,149	\$11,276,864	\$14,107,309	\$17,176,912	\$20,151,396	\$23,851,434	\$26,389,912	\$29,803,054			\$29,803,054
% Actual MTD vs Budget MTD		124.00%	119.96%	130.47%	119.17%	98.33%	117.02%	119.81%	121.27%	116.73%	108.08%	0.00%	0.00%	115.05%
% Actual YTD vs Budget YTD														
Operating Expenses														
Budget	\$26,196,666	\$1,790,923	\$1,311,020	\$4,290,819	\$1,399,456	\$1,305,714	\$1,352,290	\$1,513,473	\$1,393,560	\$5,611,488	\$1,062,416	\$1,715,861	\$3,449,646	\$26,196,666
Actual MTD														
Actual YTD/MTD														
Budget YTD/MTD	\$21,031,160	\$1,790,923	\$3,101,943	\$7,392,762	\$8,792,218	\$10,097,932	\$11,460,222	\$12,963,695	\$14,357,256	\$19,966,744	\$21,031,160			\$21,031,160
Actual YTD/MTD	\$20,171,169	\$1,347,795	\$2,180,365	\$6,444,137	\$7,375,459	\$8,457,879	\$11,099,593	\$12,771,400	\$13,794,195	\$19,151,387	\$20,171,169			\$20,171,169
% Actual vs Budget MTD/MTD		75.26%	70.29%	87.17%	83.89%	83.76%	96.94%	98.93%	96.08%	95.91%	95.91%	0.00%	0.00%	95.91%
% Actual YTD vs Budget YTD														
Net Operating Cash Flows														
Actual MTD/YTD														
Net Cash Flow after debt service and capital project costs														
Monthly total (million gallons)	646901.526	\$2,141,028	\$2,027,919	\$1,418,439	\$1,135,013	\$1,886,281	\$2,044,604	\$1,253,616	\$2,377,130	\$2,826,560	\$2,636,107	\$0	\$0	\$9,713,965
Daily average (MGD)	19,987	\$1,576,428	\$1,389,038	\$486,059	\$486,059	\$1,235,187	\$1,462,810	\$527,579	\$1,753,380	\$3,600,006	\$1,697,864			\$2,565,744
Water Produced														
Monthly total (million gallons)	646901.526	579,888	562,679	641,420,000	584,256	666,226	588,717	666,040	669,793	610,747	553,180			646901.526
Daily average (MGD)	19,987	18,706	20,096	20,691	19,475	21,491	19,623	21,485	21,606	20,358	17,845			19,987
Total Department OT Hrs.	16837.15	1821.5	1969.75	2053.6	1391.3	1212.5	1912.5	1529	1530	1602	1815			16837.15
Total Department OT \$	\$580,000	\$55,769	\$44,616	\$44,615	\$44,615	\$55,769	\$44,615	\$48,333	\$52,052	\$44,615	\$55,769			
Budget MTD														
Actual MTD														
Budget YTD	\$490,769	\$61,805	\$56,118	\$98,035	\$40,054	\$48,409	\$37,825	\$63,106	\$39,797	\$43,301	\$50,358			\$490,769
Actual YTD	\$498,808	\$61,805	\$117,923	\$175,958	\$216,012	\$264,421	\$302,246	\$365,352	\$405,149	\$448,450	\$498,808			\$498,808
% Budget MTD		101.58%	103.35%	103.35%	103.35%	103.35%	103.35%	103.35%	103.35%	103.35%	103.35%			101.58%
% Budget YTD														
ACSD monthly avg flow (MGD)	south plant	21.69	19.99	25.50	24.80	19.19	24.04	19.65	21.23	20.32	24.37			
contracted flow	total	25.11	23.40	29.08	28.35	22.85	27.98	23.21	25.09	24.37				
Locations	regular	162	124	425	850	786	725	952	772	725	825			6346
emergency		114	134	176	86	73	51	91	68	81	84			958
Leak Detection	Blocks Tested	20	20	75	90	out of service	out of service	70	80	75	80			510
Leaks Detected		1	0	1	3	0	0	7	6	2	2			22

budget OT\$ weekly OT\$

week	budget OT\$	weekly OT\$
1	\$11,154	\$10,422
2	\$11,154	\$11,605
3	\$11,154	\$11,676
4	\$11,154	\$8,280
5	\$11,154	\$19,822
6	\$11,154	\$11,055
7	\$11,154	\$10,043
8	\$11,154	\$14,753
9	\$11,154	\$20,426
10	\$11,154	\$15,999
11	\$11,154	\$14,168
12	\$11,154	\$12,738
13	\$11,154	\$13,611
14	\$11,154	\$8,858
15	\$11,154	\$10,262
16	\$11,154	\$9,103
17	\$11,154	\$10,905
18	\$11,154	\$8,104
19	\$11,154	\$9,664
20	\$11,154	\$11,151
21	\$11,154	\$13,718
22	\$11,154	\$8,104
23	\$11,154	\$9,783
24	\$11,154	\$13,196
25	\$11,154	\$16,652
26	\$11,154	\$12,411
27	\$11,154	\$11,039
28	\$11,154	\$8,739
29	\$11,154	\$6,714
30	\$11,154	\$10,430
31	\$11,154	\$10,040
32	\$11,154	\$12,126
33	\$11,154	\$7,753
34	\$11,154	\$11,027
35	\$11,154	\$15,129
36	\$11,154	\$9,627
37	\$11,154	\$10,241
38	\$11,154	\$7,201
39	\$11,154	\$10,300
40	\$11,154	\$13,281
41	\$11,154	\$9,756
42	\$11,154	\$11,776
43	\$11,154	\$11,364
44	\$11,154	\$11,364
45	\$11,154	\$11,154
46	\$11,154	\$11,154
47	\$11,154	\$11,154
48	\$11,154	\$11,154
49	\$11,154	\$11,154
50	\$11,154	\$11,154
51	\$11,154	\$11,154
52	\$11,154	\$11,154



Joseph Coffey

From: Amy Walsh
Sent: Monday, November 16, 2015 8:06 AM
To: Joseph Coffey
Cc: William Simcoe
Subject: Fw: Albany Water Authority Forest Carbon
Attachments: Alcove_Albany_NY_TNC_Financial_Pro_Forma_20151105.pdf

Joe, The Working Woodlands program with the TNC has been very intriguing to me. The things that they require, as well as the things that they will bring to the table, are things that have been missing from the AWD forestlands for many decades. We should have a full inventory of the lands: trees, invasives, damaged area, deer browse, etc. We should have a forest management plan, as well as a water and wildlife one as well. We should be actively doing work throughout our lands, which has not been done in decades, and prior to that it was done shoddily, which shows and the woods and water suffer for that. Some timber sales that we can do will generate revenue and that money could go to assisting in the items above if we did not partner with the TNC. Some timber sales will not generate income (should break even) but need to be done before we have acres of standing dead trees to deal with). I would be nice to have the forest be FSC Certified but not a necessity. FSC would help bring a premium for our wood products and good publicity. But, since we are owning and managing our forests for water quality we will always be "green certified" in house. I already spoke with you on how I feel about a deer management plan to be put in place. The woods are suffering and it is "park like" with very little regeneration except in the negative species. If we move forward with active management in the woods we would have to address the deer or we will be worse off in the long term.

I have been picking away at inventory and mapping but it is a lot of land and takes a lot of my time as nothing has really been done out there. Fun, but exhausting to be basically starting from scratch. I have also been picking away at writing management plans but again time consuming and we don't have a clear vision at this time and with the proposed partnership with the TNC I have put it on the back burner, so not to waste my time.

I spoke with the manager of the Bethlehem Water Department of Pennsylvania and they have been extremely happy with the TNC partnership. They said the revenue is not what they expected, due to changes in the program after they implemented it, but they have seen a revenue.

In the end three choices as I see it:

1. Do nothing like we have been: **Not advisable**
2. Try to accomplish these things on our own as things are now: **Likely not to happen in the near future, realistically**
3. Try to accomplish these things with seasonal help: **This is the most realistic and secure way of accomplishing the goals. Two interns could inventory and assist with the set up of management plans. After which we would systematically treat the forest stands that needed it most and reinventory areas every year**
4. Enter into the partnership with the TNC: **This, to me, is the most ideal IF we do not lose money. If we could break even or better yet receive revenue from the partnership and we receive the accreditation, inventory, management plan, assistance in marking sale areas, and third party verification. I would hate to lose a couple hundred grand. If we went this path it would probably be beneficial to have a seasonal intern or two to assist in the initial inventory as it would probably be much cheaper that way.**

As you said, it would be good for a financial analyst to look at it and give input. Also, as you said, we could look into other outfits. My stepbrother works in the carbon market field and used to do this work with the TNC. I can send him the info and get his input as well.

Sorry for so long winded, let me know if you need clarification or in another format. Just my thoughts.

From: Amy Walsh
Sent: Friday, November 13, 2015 5:51 PM
To: Amy Walsh
Subject: FW: Albany Water Authority Forest Carbon

From: Troy Weldy [mailto:tweldy@TNC.ORG]
Sent: Friday, November 06, 2015 9:13 AM
To: Joseph Coffey
Cc: Amy Walsh; Jessica L. Ottney
Subject: Albany Water Authority Forest Carbon

Joe,

We have run the Albany Water Board carbon about as many different ways as you can imagine. The error bars with our carbon calculations are still unable to determine if this project would realize any net revenue. Attached is the middle of the road financial scenario for the project. Lines 10 and 11 are most important to you. TNC would typically take 30% of the net revenue to cover our costs for the project. Based on this scenario, the project doesn't break even until year 6 and the total revenues to Albany would be \$207K (\$296K-30%) at the end of the 10 year period with the first revenue realized in year 6. For most projects, we want the landowner to begin to realize revenue by year 2 at the latest.

Please review these numbers and let's discuss how you wish to proceed. Some things to consider are:

1. Through this work, the Albany Water Board would receive an FSC-forest management plan at no costs;
2. The Nature Conservancy would work with your forester and other staff to provide recommendations on improving the overall health of the forest (some initial recommendations include – a) complete clearing and re-planting of some areas dominated by buckthorn, multiflora rose or other species which are impeding regeneration; b) an aggressive deer management program); and
3. The Nature Conservancy is currently working with the City of Glens Falls water board on a similar project where forest stocking levels are much higher. We likely will want to advance this project first as a proof in concept for the broader New York forest community. I could move Albany forward immediately on the heels on Glens Falls if you all are interested. Related to this, I would suggest a possible trip to the Glens Falls lands so you all can see their forest management work (cutting has occurred every year for many years) and the overall health and vigor of their lands.

Look forward to hearing from you on your thoughts for the next step.

Troy

Troy Weldy
Senior Conservation Manager
tweldy@tnc.org
(518) 690-7841 (Phone)

The Nature Conservancy
Eastern New York Office
195 New Karner Road, Suite 201
Albany, NY 12205-4605



Spatial Informatics Group

Forest Carbon Offset Monetization Projections Matrix · Albany (NY) Water Authority Alcove Reservoir · VCS Market; IFM-ERA Project · High estimate of VCU yield

		HIGH VCU YIELD SCENARIO										
		Year of project										
		0	1	2	3	4	5	6	7	8	9	10
1	REVENUE											
2	Year (2015-2025) projected carbon offset (VCU) quantity (MTCO ₂ e)	-	7,901	7,901	7,901			23,702			23,702	
3	Offset price projections (\$/VCU)	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
4	Gross revenue (2015 dollars) (2 x 3)	\$ -	\$ 79,006	\$ 79,006	\$ 79,006	\$ -	\$ -	\$ 237,017	\$ -	\$ -	\$ 237,017	\$ -
5	Third-party costs: verification, initial project development (i.e., quantification & growth and yield, PDD), annual registry fees; excl. SIG annual costs ¹ (Σ 14-21; 24-26, 28-30)	\$ (182,875)	\$ (45,830)	\$ (10,830)	\$ (10,830)	\$ (6,250)	\$ (31,250)	\$ (13,990)	\$ (6,250)	\$ (6,250)	\$ (13,990)	\$ (6,250)
6	Net annual revenue AWC, TNC, & SIG (4+5)	\$ (182,875)	\$ 33,175	\$ 68,175	\$ 68,175	\$ (6,250)	\$ (31,250)	\$ 223,026	\$ (6,250)	\$ (6,250)	\$ 223,026	\$ (6,250)
7	Cumulative net cash flow, AWC, TNC, & SIG	\$ (182,875)	\$ (149,700)	\$ (81,524)	\$ (13,349)	\$ (19,599)	\$ (50,849)	\$ 172,178	\$ 165,928	\$ 159,678	\$ 382,704	\$ 376,454
8	SIG annual costs (SIG reporting, quantification, calibration of model) (27)	\$ -	\$ -	\$ (20,000)	\$ (20,000)	\$ -	\$ -	\$ (20,000)	\$ -	\$ -	\$ (20,000)	\$ -
9	SIG revenue costs as % of annual net revenue (6)		29%	29%	29%			9%			9%	
10	Net annual revenue AWC & TNC (6+8)	\$ (182,875)	\$ 33,175	\$ 48,175	\$ 48,175	\$ (6,250)	\$ (31,250)	\$ 203,026	\$ (6,250)	\$ (6,250)	\$ 203,026	\$ (6,250)
11	Cumulative net cash flow, AWC & TNC	\$ (182,875)	\$ (149,700)	\$ (101,524)	\$ (53,349)	\$ (59,599)	\$ (90,849)	\$ 112,178	\$ 105,928	\$ 99,678	\$ 302,704	\$ 296,454
12	EXPENSES											
13	<i>One-time project development costs</i>											
14	Project listing fee	\$ (1,000)										
15	Pre-assessment, eligibility screening, submit project listing documentation		\$ (1,500)									
16	Inventory ² (157 plots + 10%) = 173 * \$375/plot	\$ (64,875)										
17	Quantification/growth & yield modeling	\$ (61,500)										
18	Travel costs; 2 site visits: kick-off and verification		\$ (3,500)									
19	Project design documents & verification mgt.		\$ (36,000)									
20	FSC forest mgt. plan initial preparation, review	\$ (27,500)										
21	Initial third-party VCS verification	\$ (27,500)										
22	Initial project development costs (Σ 14-21)	\$ (182,375)	\$ (41,000)									
23	<i>Annual/ongoing costs</i>											
24	Desk Review Verification	\$ (500)	\$ (500)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)
25	Registry Fee	\$ -	\$ (1,580)	\$ (1,580)	\$ (1,580)	\$ (500)	\$ (500)	\$ (500)	\$ (500)	\$ (500)	\$ (500)	\$ (500)
26	CAR credit fee	\$ -	\$ (1,580)	\$ (1,580)	\$ (1,580)	\$ -	\$ -	\$ (4,740)	\$ -	\$ -	\$ (4,740)	\$ -
27	Annual carbon accounting, modeling and monitoring report ¹		\$ (20,000)	\$ (20,000)	\$ (20,000)	\$ -	\$ -	\$ (20,000)	\$ -	\$ -	\$ (20,000)	\$ -
28	Onsite third-party verification every 5 years		\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ -	\$ -	\$ (3,000)	\$ -	\$ -	\$ (3,000)	\$ -
29	Ongoing inventory requirements		\$ (2,750)	\$ (2,750)	\$ (2,750)	\$ (2,750)	\$ (2,750)	\$ (2,750)	\$ (2,750)	\$ (2,750)	\$ (2,750)	\$ (2,750)
30	Ongoing FSC requirements		\$ (4,830)	\$ (4,830)	\$ (4,830)	\$ (6,250)	\$ (6,250)	\$ (33,990)	\$ (6,250)	\$ (6,250)	\$ (33,990)	\$ (6,250)
31	Annual Costs (Σ 24-30)	\$ (500)	\$ (4,830)	\$ (30,830)	\$ (30,830)	\$ (6,250)	\$ (31,250)	\$ (33,990)	\$ (6,250)	\$ (6,250)	\$ (33,990)	\$ (6,250)
32	Total Costs Per Year (Σ 22, 31)	\$ (182,875)	\$ (45,830)	\$ (30,830)	\$ (30,830)	\$ (6,250)	\$ (31,250)	\$ (33,990)	\$ (6,250)	\$ (6,250)	\$ (33,990)	\$ (6,250)
33	Total SIG Costs Per Year (Σ 15, 17, 18, 19, 8/27)	\$ (61,500)	\$ (41,000)	\$ (20,000)	\$ (20,000)	\$ -	\$ -	\$ (20,000)	\$ -	\$ -	\$ (20,000)	\$ -

34 **Assumptions**
 35 Registry Credit Issuance Fee \$ 0.20
 36 VCU Price Increase/Year \$ -
 37 Inflation³ 0%

¹After initial project development (years 0 & 1), SIG costs for annual carbon accounting, modeling and monitoring reporting transition to costs to be paid as a proportion of annual revenue to align SIG's interests with project development and contain costs.
²Inventory costs are estimated based on the number of plots needed to achieve no confidence deduction plus a small (10%) buffer to hedge against random variation. It may actually be more cost-effective to pay lower up-front inventory costs to sample somewhat fewer plots, while accepting a small confidence deduction and reducing the number of VCUs issued. AWC staff could help with inventory thus reducing out-of-pocket expenses. ³Inflation excluded from this analysis. Costs not necessarily expected to change dramatically relative to overall inflation; all estimates of revenue and costs in 2015 dollars. This worksheet not intended to be a binding agreement.

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding, made by and between the City of Albany, a New York municipal corporation with offices at City Hall, 24 Eagle Street, Albany, New York 12207 (hereinafter referred to as the "CITY"), and the Albany Water Board, a public authority, residing at 10 Enterprise Drive, Albany NY 12204 (hereinafter referred to as the "AWB").

Purpose: The purpose of this agreement is to provide to the Albany Water Board, Engineering services from the City of Albany. Therefore, allowing the Albany Water Board more oversight and access to continual engineering services for the duration of this agreement.

WITNESSETH

WHEREAS, the AWB is a Public Authority formed under Public Authorities Law, Art. 5, §1118, authorized thereby to enter into agreements with the CITY; and,

WHEREAS, pursuant to the Public Authorities Law, the AWB was formed for the benefit of the CITY and the inhabitants thereof; and,

WHEREAS, the AWB was established for the accomplishment of all of the purposes specified in title six of article five of the Public Authorities Law; and,

WHEREAS, pursuant to Public Authorities Law Art. 5, §1115-f (23) and (24), the AWB has the power to enter into agreements with the CITY for the exchange of services; and,

WHEREAS, pursuant to Public Authorities Law Art. 5, §1115(6), the AWB and the carrying out of its powers and duties are in all respects for the benefit of the people of the CITY for the improvement of their health, welfare, and prosperity; and,

WHEREAS, there is a need for greater coordination of Department of General Services street and sidewalk projects with impacts on the water and sewer system.

WHEREAS, the CITY and the AWB entered in an Operation Agreement on October 1, 1987, which was amended May 22, 2008, and May 19, 2011; and,

WHEREAS, pursuant to the aforementioned Operation Agreement, in Section 6.1 (A)(4), the AWB shall make payments to the CITY for services provided by the City's Engineering Department in connection with the Water or Sewage System; and,

WHEREAS, pursuant to the aforementioned Operation Agreement, in Section 8.1, the CITY and the AWB may enter into agreements whereby the CITY will provide to the AWB the services of officers and employees of the CITY to carry out the public purposes of the AWB; and,

WHEREAS, the CITY is a municipal corporation with all the rights, privileges, and functions conferred on it by the Albany City Charter and State Law; and,

WHEREAS, pursuant to the Albany City Charter, Art. III, Section 301(h), the Mayor shall negotiate and execute, on behalf of the CITY, all contracts and agreements required to be executed as an act of the CITY.

WHEREAS, the Division of Engineering was created as part of the Department of General Services of the CITY pursuant to the Albany City Code, Chap. 42 §42-104.

WHEREAS, there is a need to incorporate engineering services as they evaluate projects involving City Roads, sidewalks, and right-of-ways, and how these projects impact the water and sewer system.

WHEREAS, the AWB engages in projects that involve the water system, as consequence, impact the City roads, sidewalks, and right-of-ways.

WHEREAS, the AWB regularly conducts projects requiring the expertise, skill, and knowledge of an Engineer.

WHEREAS, due the nature of the projects in which the AWB executes, unexpected emergency situations occur, in which immediate Engineering knowledge, expertise, and oversight is required.

WHEREAS, projects involving the sewer system, water system, and general underground structures throughout the City specially require Engineering knowledge, and records available through the City Engineer and Engineering staff assigned to the City Engineer.

WHEREAS, the AWB relies on expertise and experience in various areas of the Engineering field for its projects, maintenance, permit application review, and related day-to-day operations.

WHEREAS, for the AWB to safely execute their projects throughout the City of Albany with respect to the water system, sewer system, and road ways, supplemental Engineering support for such projects, as well as, Engineering knowledge specific to the City Engineer and City Engineering staff in the planning, design and execution of such projects, is necessary.

WHEREAS, the AWB is the agent of the City, and must comply with the Municipal Separate Storm Sewer System (MS4), and the Department of Environmental Conservation consent order, and as such, must mitigate street and road projects or increased water volume through the water and sewer system.

WHEREAS, the AWB requires supplemental engineering support for the oversight, maintenance, operation, administration, and repair with respect to AWB infrastructure.

WHEREAS, the CITY possess the capability through its Division of Engineering to provide said service.

NOW, THEREFORE, in consideration of \$400,000 (Four Hundred Thousand dollars), from the AWB to the CITY for engineering services, the receipt of which is acknowledged, the parties in further consideration of the terms and conditions contained herein do mutually covenant and agree as follows:

- 1.) The CITY will provide the AWB with engineering services from the CITY's Division of Engineering, as needed by the AWB.
- 2.) For purposes of this agreement, the Mayor hereby directs that the Division of Engineering report to the Commissioner of the Water Authority.
- 3.) In consideration of the aforementioned engineering services, the AWB will pay to the CITY \$400,000 (Four Hundred Thousand Dollars), annually, for the duration of the agreement. While AWB is not obligated to make future payments, there is a covenant by each Party to negotiate in future years.
- 4.) Within 120 days prior to each annual payment, the AWB reserves the right to review this agreement, and if deemed necessary, propose amendments to this agreement for the subsequent annual renewal of the agreement.
- 5.) Either party shall have the right at any time, with or without cause, to terminate the services contemplated by this Agreement upon 180 days written notice of such termination to the other party. In the event of such termination of this Agreement, the CITY shall be entitled to compensation for all service fees, costs, and expenses theretofore provided to the AWB pursuant to this Agreement.
- 6.) This agreement shall commence on January 1, 2016 (1/1/16) and remain in existence until formal termination.

IN WITNESS WHEREOF, the parties hereto hereby execute this Memorandum of Understanding.

City of Albany

Albany Water Board

Kathy M. Sheehan
Mayor, City of Albany

David R. McGuire
Chairman

Date: _____

Date: _____