

ALBANY WATER BOARD
MINUTES OF REGULAR MEETING
March 24, 2017

A regular meeting of the Albany Water Board was officially convened at 9:30 AM, local time, in the Conference Room at the Albany Water Board, 10 North Enterprise Drive, Albany, New York Friday, March 24, 2017.

PRESENT: William Clay, Chairman; Charles Houghton, Vice Chairman; Rachel Johnson, Secretary; Daniel Ranellone, Treasurer; Anthony Owens, Member;

STAFF PRESENT: Joseph E, Coffey, Jr., P.E., Commissioner; William Simcoe, P.E., Deputy Commissioner; Christopher Quirk, CFO; Amy Walsh, Watershed Manager; Elizabeth Romand, Confidential Assistant, AWB;

BOARD ADVISORS PRESENT: Trey Kingston, Assistant Corporation Counsel; Kevin Hogan, ARCADIS; William Kahn, UHY Advisors; Tom Shepardson, Whiteman Osterman & Hanna

Approval of February 17, 2017 Meeting Minutes

Chairman William Clay introduced the minutes of the February 17, 2017 meeting. With no objection, the reading was dispensed and Chairman William Clay called for a motion to approve the minutes of said meeting. A motion was made by Mr. Houghton seconded by Mr. Ranellone, and passed unanimously.

Public Comment Period

No public comment.

Water Bill Review Committee

There were no water billing appeals for review this period.

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 and year to date period ending February 28, 2017. Mr. Quirk noted that the Albany Water Board is now fully implementing the accrual method of accounting moving forward. The detailed report is attached.

Combined Forecasted Cash Flows for Operations 2016-2020: William Kahn, Financial Advisor, presented and summarized a statement of the Albany Water Board and Albany Municipal Water Finance Authority's Combined Cash Flows from Operations and Summary of Significant Forecast Assumptions and Accounting Policies which are projected from 2016-2020.

Key Performance Indicators and Critical Numbers Dashboard: Commissioner Coffey presented a proposal from DCK Consulting Services to continue as NYS Licensed 1A Operator of Record, a regulatory requirement. The continuation of the need for a Consultant Licensed 1A Operator of Record is the result of the decline of an offer by a candidate who passed the Civil Service Examination that was offered the position.

The Commissioner also submitted a report detailing the history of Backwater Valve Grant Applications submitted since the program's inception in 2009.

Deputy Commissioner Simcoe presented information on the proposed Memorandum of Understanding with Albany County for updated Aerial Photography, which would allow for detailed aerial mapping updates at 0.5 foot contour resolution for availability to the Water Board. Additionally, he presented a proposal for Water Board takeover of water mains and easements from Ida Yarborough Homes. He also noted that the Marietta Place Construction Contract has been awarded; the Elberon Street Contract was awarded and will break ground in April. He further stated that The Upper Washington Avenue Water Project is being further reviewed with the State Office of General Services to determine how funding, financing of the project, and payment schedules will be coordinated.

FEMA Letter of Map Amendment (LOMA) Submission: Updated 2015 FIRM maps showed a higher inundation of potential flooding for a wide area along Broadway between Tivoli Street and I-90, and based on modeling completed by our Consulting Engineer (Schnabel), we are requesting to modify the mapping. The map modification would show decreased base flood potential, and have a beneficial impact to flood insurance rates on impacted properties.

DEC CSO Monitoring Grant: The work has begun and we will have telemetry in place to detect wet weather overflows at our Big C regulator shortly.

Consultant Engineer's Report: Kevin Hogan P.E. presented the ARCADIS monthly Engineering Report, which details the upcoming project dates and deadlines for the Long Term Control Plan and Arcadis projects. Report attached.

Old Business

Lincoln Park Pool Assessment: The RFP issued by the City Engineer was issued March 22, with responses due April 14, 2017.

New Business/ Resolutions

Resolution 17-14: Authorizing the Commissioner to execute a Memorandum of Understanding to Upgrade the Aerial Imaging of Albany County at a cost to the Albany Water Board of \$2,900.00 was offered by Mr. Houghton and seconded by Mr. Owens. Resolution passed unanimously.

Resolution 17-15: Authorizing the execution of an Agreement with DCK Services for \$4,200.00 per month to provide NYS Licensed 1A Operator of Record for the Feura Bush Water Treatment Plant in accordance with Scope of Services dated March 9, 2017 was offered by Mr. Houghton and seconded by Mr. Ranellone. Resolution passed unanimously.

Resolution 17-16: Authorizing the award of a Construction Contract for the Marietta Place Sewer Separation & Stormwater Storage Project to Keller Construction, Castleton, NY the Low Bidder, in the amount of \$243,013.75 was offered by Mr. Houghton and seconded by Mr. Ranellone. Resolution passed unanimously.

Resolution 17-17: Authorizing the award of a Construction Contract for the Elberon Place CSO Abatement and Flood Mitigation Project to Rifenburg Construction, Troy, NY the Low Bidder, in the amount of \$2,492,750.00 was offered by Mr. Houghton and seconded by Mr. Ranellone. Resolution passed unanimously.

Resolution 17-18: Authorizing the Acceptance of Easements granted to the Albany Water Board from the Albany Housing Authority associated with the Ida Yarbrough Homes, and the dedication of water mains and sewer lines to the Albany Water Board was offered by Mr. Houghton and seconded by Mr. Ranellone. Resolution passed unanimously.

Resolution 17-19: Authorizing the matching funding for the Tivoli Lake Preserve – Patroon Creek Daylighting project in the amount of \$1,032,500 (ongoing projects) was offered by Mr. Houghton and seconded by Mr. Ranellone. Resolution passed unanimously.

Executive Session

Executive Session took place regarding the Alcove Watershed, Nature Conservancy- Working Woodlands and Carbon Development/ Marketing Agreement- No actions were taken during Executive Session.

Chairman William Clay informed all those in attendance that the next Meeting of the AWB will be **Friday, April 28, 2017** at 9:30 AM in the AWB Conference Room.

Being no further business, Chairman Clay called for a motion to adjourn the meeting. A motion was made by Mr. Houghton, seconded by Mr. Ranellone and passed unanimously. The meeting was adjourned at 11:25 AM.

Recorded by: Elizabeth Romand

Approved by: Rachel M Johnson
Rachel Johnson, Secretary

MEMORANDUM

TO: Members of the Albany Water Board and Members of the Albany Municipal Water Finance Authority

FROM: Chris Quirk, Chief Fiscal Officer

RE: **COMBINED STATEMENTS OF CASH FLOWS AND OTHER COMBINED FINANCIAL INFORMATION OF THE ALBANY WATER BOARD AND THE ALBANY MUNICIPAL WATER FINANCE AUTHORITY FOR THE ONE MONTH PERIOD ENDED FEBRUARY, 2017**

DATE: March 24, 2017

The following is a discussion of certain highlights and other significant operating matters:

Water/Sewer Revenue Annual Budget - \$39,200,000; Annual Budget Net of Rollover

Actual revenue collections for the month of February 2017 were \$2,764,149 an amount .01% higher than net monthly budget of \$2,758,348. This amount is \$382,866 higher than February 28, 2016.

Investment Income Annual Budget - \$400,000 PAGE 2

As of February 28, 2017 year-to-date investment income was \$19,340 compared to investment income of \$18,048 as of February 28, 2016.

Operating Expenses Annual Budget - \$31,317,746 PAGE 3

Year-to-date operating expenses (excluding capital and debt service expenses) are approximately \$2,163,535 which is \$229,544 or 11.9% higher than 2016, and \$980,233 or 31.83% under adjusted budgeted amounts as of February 28, 2017.

The personnel services category is 19% under budget. Overtime expense is 2.7% over budget.

Capital Project Costs Annual Budget - \$3,000,000 PAGE 4

Approximately \$5945 in capital project costs was expended through February 28, 2017.

Cash Flow after Cap Ex and Debt Service- \$2,429,558 thru February 28, 2017

Due from the City Of Albany- \$8,173,660 at February 28, 2017

Route Seven Accounts Receivable- \$1,533,283 at February 28, 2017

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ALBANY WATER BOARD
ALBANY MUNICIPAL WATER FINANCE AUTHORITY
STATEMENTS OF CASH FLOWS
February 28, 2017

	One Month Period Ended		Year-To-Date Periods Ended		Percent Variance	Percent Variance
	2017	2016	2017	2016		
Revenues						
Water/sewer revenue	\$ 2,764,149	\$ 2,381,283	\$ 5,576,421	\$ 5,537,243	16.1%	0.7%
Investment income	3,812	12,397	19,340	18,048	-69.3%	7.2%
Total revenues	2,767,961	2,393,680	5,595,761	5,555,291	15.6%	0.7%
Operating expenses						
Operation/maintenance costs	807,206	698,693	2,163,535	1,933,991	15.5%	11.9%
Board/Authority expenses	10,050	8,331	16,801	13,484	20.6%	24.6%
Total expenses	817,256	707,024	2,180,336	1,947,475	15.6%	12.0%
Net operating cash flows before debt service and capital project costs	1,950,705	1,686,656	3,415,425	3,607,816	15.7%	-5.3%
Debt service costs	(497,850)	(561,580)	(995,700)	(1,123,160)	-11.3%	-11.3%
Capital project costs	-	-	(5,945)	-	0.0%	0.0%
Grant Income	15,778		15,778			
Net cash flow (deficiency)	\$ 1,468,633	\$ 1,125,076	\$ 2,429,558	\$ 2,484,656	30.5%	-2.2%

ALBANY WATER BOARD
ALBANY MUNICIPAL WATER FINANCE AUTHORITY
SCHEDULE OF REVENUES
February 28, 2017

	2017		2017		2016		2016		Variance Favorable (Unfavorable)	Variance %
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual		
Water and sewer revenue										
February	\$ 2,758,348	\$ 2,764,149	\$ 5,801		\$ 2,563,982	\$ 2,381,283	\$ (182,699)			-7%
Year-to-Date	\$ 6,071,647	\$ 5,576,421	\$ (495,226)		\$ 5,578,387	\$ 5,537,243	\$ (41,144)			-1%
Investment income										
February	\$ 66,666	\$ 3,812	\$ (62,854)		\$ 16,667	\$ 12,397	\$ (4,270)			-26%
Year-to-Date	\$ 66,666	\$ 19,340	\$ (47,326)		\$ 33,334	\$ 18,048	\$ (15,286)			-46%

Additional Cash Receipts

Meter Recovery Fees				
February	\$ -			
Year-to-Date	\$ -	\$ -		
Sales of Scrap				
February	\$ -	\$ 418		
Year-to-Date	\$ -	\$ 680		
Insurance Recoveries				
February	\$ -	\$ -		
Year-to-Date	\$ -	\$ -		
Miscellaneous Income				
February	\$ -	\$ 1,010		
Year-to-Date	\$ -	\$ 4,760		

Note: The revenue budgets reflect forecasted revenue collections of \$39,290,000 and \$37,000,000 for 2017 and 2016, respectively.

ALBANY WATER BOARD
ALBANY MUNICIPAL WATER AUTHORITY
SCHEDULE OF OPERATING EXPENSES
February 28, 2017

	YEAR-TO-DATE FEBRUARY 2017				2016 YTD ACTUAL
	2017 ANNUAL ADJUSTED BUDGET	ADJUSTED BUDGET	ACTUAL	(OVER)/ UNDER	
Administration					
Personnel services	1,390,223	213,880	177,401	\$ 36,479	156,253
Equipment	11,000	-	-	0	-
Contractual and other expenses	212,462	1,056	13,172	(12,116)	10,322
Benefits	479,122	79,854	47,092	32,762	28,631
	2,092,807	294,790	237,665	57,125	195,206
Supply, Power and Pumping					
Personnel services	942,035	144,928	101,634	43,294	105,813
Equipment	36,000	-	-	0	-
Contractual and other expenses	135,844	3,456	7,111	(3,655)	1,405
Benefits	199,600	33,267	45,359	(12,092)	25,472
	1,313,479	181,651	154,104	27,547	132,690
Purification					
Personnel services	1,347,227	207,266	147,778	59,488	177,983
Equipment	207,000	-	507	0	-
Contractual and other expenses	1,357,466	19,872	49,113	(29,241)	15,341
Benefits	443,073	73,846	56,052	17,794	35,928
	3,354,766	300,983	253,450	48,040	229,252
Transmission/Distribution					
Personnel services	2,727,920	419,680	370,341	49,339	432,290
Equipment	795,000	-	63,225	0	-
Contractual and other expenses	2,302,939	76,320	43,909	32,411	12,521
Benefits	941,946	156,991	155,414	1,577	89,542
	6,767,805	652,991	632,889	83,327	534,353
Sewer Services					
Personnel services	907,425	139,604	110,661	28,943	101,138
Equipment	257,000	-	-	0	-
Contractual and other expenses	1,882,312	24,672	9,248	15,424	1,880
Benefits	202,518	33,753	47,514	(13,761)	23,361
	3,249,255	198,029	167,423	30,606	126,379
Pumping Stations					
Personnel services	150,790	23,198	22,240	958	11,224
Equipment	30,000	-	-	-	-
Contractual and other expenses	417,765	2,880	4,772	(1,892)	5,340
Benefits	72,035	12,006	9,674	2,332	2,255
	670,590	38,084	36,686	1,398	18,819
Taxes Paid to Municipalities	2,196,853	624,000	565,784	58,216	558,282
County Sewer Contract	6,578,505	-	-	-	-
Contingencies, Insurance and Other	5,093,686	789,508	115,534	673,974	139,010
TOTALS	\$ 31,317,746	\$ 3,080,036	\$ 2,163,535	\$ 980,233	\$ 1,933,991

EXPENSE SUMMARY:	2017	2016	Change
Personal Services	930,055	984,701	(54,646)
Equipment	63,732	-	63,732
Contractual and other expenses	127,325	46,809	80,516
Benefits	361,105	205,189	155,916
Other	681,318	697,292	(15,974)
	2,163,535	1,933,991	229,544
Percent Increase/Decrease over 2016	11.9%		
Percent under Budget	-31.83%		
Personal Services under Budget	-19%		

ALBANY WATER BOARD
ALBANY MUNICIPAL WATER AUTHORITY
SCHEDULE OF CAPITAL PROJECT COSTS
February 28, 2017

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
2015		2,076,594
2016		7,464,053
2017		5,945
	\$	56,457,320

Comparative Expenditures

[----- 2016 -----]		2017	
January	\$ -	January	\$ -
February		February	5,945
March	423,060	March	-
April	72,924	April	-
May	94,213	May	-
June	329,510	June	-
July	115,872	July	
August	253,453	August	
September	1,383,307	September	
October	427,592	October	
November	353,823	November	
December	4,010,299	December	
	\$ 7,464,053		\$ 5,945

	Budget 2/28/2017 YTD	Actual 2/28/2017 YTD	Budget Difference (over)/under	Actual 2/28/2016 YTD	Actual Difference (over)/under
OVERTIME					
<i>Supply, Power and Pumping</i>	\$ 14,615	\$ 12,068	\$ 2,547	\$ 16,789	\$ 4,721
<i>Purification</i>	\$ 20,769	\$ 14,519	\$ 6,250	\$ 26,254	\$ 11,735
<i>Transmission/Distribution</i>	\$ 46,154	\$ 55,616	\$ (9,462)	\$ 69,451	\$ 13,835
<i>Sewer Services</i>	\$ 6,154	\$ 8,888	\$ (2,734)	\$ 9,946	\$ 1,058
<i>Pumping Stations</i>	\$ 1,538	\$ 556	\$ 982	\$ 26	\$ (530)
TOTAL	\$ 89,231	\$ 91,647	\$ (2,416)	\$ 122,466	\$ 30,819
Percentage			-2.71%		25.2%
DUE FROM THE CITY OF ALBANY					
		2/28/2017			
	\$	<u>8,173,660</u>			
Rt 7 ACCOUNTS RECEIVABLE	\$	<u>1,533,283</u>			

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

**Combined Forecasted
Cash Flows From Operations
and
Summary of Significant
Forecast Assumptions and Accounting Policies**

**For the Years Ending
December 31, 2016 to 2020**

**Albany Water Board and
Albany Municipal Water Finance Authority
Combined Forecasted Cash Flows From Operations
For the Years Ending December 31, 2016 to 2020**

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Utility Billing Aging Report



User: cquirk
 Printed: 03/15/2017 - 2:38 PM
 Service List: WATER,SEWER,DEMAND,VACANT,MISC,PEN,GUIL
 D,WC
 Aging Date: 02/28/2017
 Billing Cycle: 007
 Balance Limits: All accounts
 Date Type: JE
 Account Status: Active
 Minimum Balance: 0.00
 Minimum Aged Bal: 0.00
 Sort Order: Customer Number

Account	Acct Status	Bal Fwd	Bal Under 30	Bal 30 to 60	Bal 60 to 90	Bal 90 to 120	Bal Over 120
003345-000	Active	9,192.58	4,464.24	4,728.34	0.00	0.00	0.00
TIMES UNION CENTER							
005375-000	Active	16,577.30	16,577.30	0.00	0.00	0.00	0.00
APP107 CORP. D/B/A HILTON ALBANY							
005491-000	Active	2,013.18	2,013.18	0.00	0.00	0.00	0.00
VERIZON							
005492-000	Active	1,318.98	1,318.98	0.00	0.00	0.00	0.00
VERIZON							
005679-000	Active	31,867.04	4,667.16	4,672.16	4,982.22	17,545.50	0.00
99 WASHINGTON LLC							
008140-000	Active	0.00	0.00	0.00	0.00	0.00	0.00
ALBANY HOUSING AUTHORITY							
008141-000	Active	0.00	0.00	0.00	0.00	0.00	0.00
ALBANY HOUSING AUTHORITY							
010922-000	Active	0.00	0.00	0.00	0.00	0.00	0.00
ALBANY MEMORIAL HOSP. 3226-4017							
011611-000	Active	12,998.00	12,998.00	0.00	0.00	0.00	0.00
CENTRAL TOWERS PRESERVATION LT							
016257-000	Active	1,930.76	69.82	787.82	69.82	1,003.30	0.00
TMG-ALBANY I LP							
016566-000	Active	2,840.54	1,345.68	1,494.86	0.00	0.00	0.00
SAYVILLE BROWNING PROPERTIES INC							

Account	Acct Status	Bal Fwd	Bal Under 30	Bal 30 to 60	Bal 60 to 90	Bal 90 to 120	Bal Over 120
016733-000	Active	0.00	0.00	0.00	0.00	0.00	0.00
VETERANS HOSPITAL ADMIN							
016836-000	Active	0.00	0.00	0.00	0.00	0.00	0.00
DEPT OF HEALTH							
016856-000	Active	0.00	0.00	0.00	0.00	0.00	0.00
ALBANY MEDICAL CENTER							
016858-000	Active	26,042.04	26,042.04	0.00	0.00	0.00	0.00
ALBANY MEDICAL CENTER							
016862-000	Active	0.00	0.00	0.00	0.00	0.00	0.00
THE PEOPLE OF THE STATE OF							
016863-000	Active	363.12	363.12	0.00	0.00	0.00	0.00
NYS OFF OF MENTAL HEALTH 50980							
020795-000	Active	0.00	0.00	0.00	0.00	0.00	0.00
ST PETERS HOSPITAL							
020796-000	Active	0.00	0.00	0.00	0.00	0.00	0.00
ST PETERS HOSPITAL							
020797-000	Active	0.00	0.00	0.00	0.00	0.00	0.00
ST PETERS HOSPITAL							
020798-000	Active	0.00	0.00	0.00	0.00	0.00	0.00
ST PETERS HOSPITAL							
026348-000	Active	0.00	0.00	0.00	0.00	0.00	0.00
TERESIAN HOUSE							
026349-000	Active	0.00	0.00	0.00	0.00	0.00	0.00
TERESIAN HOUSE							
027009-000	Active	0.00	0.00	0.00	0.00	0.00	0.00
NYS OFFICE OF GENERAL SERVICES							
027055-000	Active	30,826.60	30,826.60	0.00	0.00	0.00	0.00
ULTR PET, LLC							
031582-000	Active	1,521.90	1,521.90	0.00	0.00	0.00	0.00
CSX TRANSPORTATION-48534							
031586-000	Active	141,750.00	141,750.00	0.00	0.00	0.00	0.00
TOWN OF BETHLEHEM							
031587-000	Active	535,486.56	124,804.08	196,232.94	214,449.54	0.00	0.00
SUNY-ALBANY							
031589-000	Active	0.00	0.00	0.00	0.00	0.00	0.00
NYS OFFICE OF GENERAL SERVICES							
031595-000	Active	2,200.08	1,820.94	379.14	0.00	0.00	0.00
NYS OFFICE OF GENERAL SERVICES							
031597-000	Active	0.00	0.00	0.00	0.00	0.00	0.00
NYS OFFICE OF GENERAL SERVICES							

Account	Acct Status	Bal Fwd	Bal Under 30	Bal 30 to 60	Bal 60 to 90	Bal 90 to 120	Bal Over 120
031598-000	Active	0.00	0.00	0.00	0.00	0.00	0.00
OFFICE OF GENERAL SERVICES							
031599-000	Active	0.00	0.00	0.00	0.00	0.00	0.00
NYS OFFICE OF GENERAL SERVICES							
031600-000	Active	1,244.60	1,057.32	187.28	0.00	0.00	0.00
NYS OFFICE OF GENERAL SERVICES							
031601-000	Active	0.00	0.00	0.00	0.00	0.00	0.00
NYS OFFICE OF GENERAL SERVICES							
031633-000	Active	2,920.98	2,920.98	0.00	0.00	0.00	0.00
BUCKEYE ALBANY TERMINAL, LLC							
031819-000	Active	0.00	0.00	0.00	0.00	0.00	0.00
ST PETERS HOSPITAL							
031832-000	Active	1,639.42	1,441.80	197.62	0.00	0.00	0.00
VETERANS HOSPITAL ADMIN							
031833-000	Active	2,894.28	2,333.58	560.70	0.00	0.00	0.00
VETERANS HOSPITAL ADMIN							
031834-000	Active	1,324.32	1,324.32	0.00	0.00	0.00	0.00
VETERANS HOSPITAL ADMIN							
031835-000	Active	4,672.10	4,672.10	0.00	0.00	0.00	0.00
VETERANS HOSPITAL ADMIN							
032043-000	Active	0.00	0.00	0.00	0.00	0.00	0.00
ST PETERS HOSPITAL							
032044-000	Active	0.00	0.00	0.00	0.00	0.00	0.00
ST PETERS HOSPITAL							
032215-000	Active	682,946.97	340,470.00	342,476.97	0.00	0.00	0.00
SUNY-ALBANY NANO							
032240-000	Active	0.00	0.00	0.00	0.00	0.00	0.00
ST PETER'S HOSPITAL							
032241-000	Active	0.00	0.00	0.00	0.00	0.00	0.00
ST PETER'S HOSPITAL							
032274-000	Active	4,579.54	354.58	44.86	177.28	245.64	3,757.18
ROGER MARTEL							
032455-000	Active	13,922.71	4,640.46	4,912.80	4,368.12	1.33	0.00
TMG-ALBANY I LP							
032492-000	Active	209.46	69.82	69.82	69.82	0.00	0.00
ST PETERS HOSPITAL							

Account	Acct Status	Bal Fwd	Bal Under 30	Bal 30 to 60	Bal 60 to 90	Bal 90 to 120	Bal Over 120
Cycle: 007	Aged Totals	1,533,283.06	729,868.00	556,745.31	224,116.80	18,795.77	3,757.18
	Credit Totals	0.00					
	Totals	<u>1,533,283.06</u>	<u>729,868.00</u>	<u>556,745.31</u>	<u>224,116.80</u>	<u>18,795.77</u>	<u>3,757.18</u>
Report Totals:	Aged Grand Totals	1,533,283.06	729,868.00	556,745.31	224,116.80	18,795.77	3,757.18
	Credit Grand Totals	0.00					
	Grand Totals	<u>1,533,283.06</u>	<u>729,868.00</u>	<u>556,745.31</u>	<u>224,116.80</u>	<u>18,795.77</u>	<u>3,757.18</u>

REPORT OF RATE CONSULTANT

March 10, 2017

To The Members
Albany Water Board
and
Albany Municipal Water Finance Authority

We have completed a study of the *Combined Forecasted Cash Flows from Operations* of the Albany Water Board (the "Board") and the Albany Municipal Water Finance Authority (the "Authority") for the years ending December 31, 2016 through December 31, 2020. Together, the Board and Authority administer the City of Albany's water and sewer system (the "System"). The purpose of our study was to provide recommendations as to any necessary or advisable revisions of rates, fees, and charges to the System's current rate structure, and for the purposes of determining the adequacy of System cash flow and compliance with the System's minimum debt service coverage ratio of 115%.

The study provides for an estimate, based on certain assumptions, of the expected conditions, circumstances and future events and the most likely actions to be taken by the Board and Authority relative to the administration and operation of the System. In this regard, the forecast is principally based on current cash flow and certain historical and estimated future trends which may effect revenues and operating expenses. We have considered the debt service requirements under the Authority's planned March 2017 issuance of notes which will provide funding for the first tranche of debt under the Long Term Control Plan (see Note 8). The study contemplates the continued cash flow funding of certain planned capital projects and, in addition, continued enhancements to billing efficiencies and practices. It also takes into account the conclusions of an independent engineering firm regarding the adequacy of operating expenses and funding levels for planned capital projects.

In connection with our study, and as more fully detailed in the *Combined Forecasted Cash Flows from Operations*, certain future increases to the current rate structure (which was effective September 1, 2012) will be required for substantially all System users. While our study provides for future year rate increases and other increases in revenues, the actual need for any such increases will be evaluated in future years.

The assumptions disclosed under pages 3 through 11 of this report provide a reasonable basis for the forecast. However, there will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be significant. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

UHY ADVISORS NY, INC.



William M. Kahn
Managing Director

**Albany Water Board and
Albany Municipal Water Finance Authority
Combined Forecasted Cash Flows From Operations
Years Ending December 31, 2016 through 2020
(In Thousands)**

	Actual 2015	2016	2017	Forecasted 2018	2019	2020
Operating Revenues (Note 3):						
System Collections	\$ 38,180	\$ 38,000	\$ 39,300	\$ 39,500	\$ 41,200	\$ 42,300
Interest Income	260	300	330	360	390	420
Total Operating Revenues	38,440	38,300	39,630	39,860	41,590	42,720
Operating Expenses (Note 6):						
Board/Authority Expenses	100	100	100	100	100	100
Water System Operation and Maintenance	10,020	11,890	13,630	13,620	14,020	14,880
Sewer System Operation and Maintenance	8,900	10,120	10,500	11,100	11,770	12,380
Administration and Other Costs	4,690	4,420	5,080	5,050	5,070	5,180
Contingencies	-	-	1,500	2,000	2,500	3,000
Total Operating Expenses	23,710	26,530	30,810	31,870	33,460	35,540
Cash Flows From Operations Available for Debt Service	14,730	11,770	8,820	7,990	8,130	7,180
Net Debt Service on Notes and Bonds (Note 5)	6,400	6,360	5,690	4,800	4,950	3,810
Cash Flows From Operations, After Debt Service (Note 4)	\$ 8,330	\$ 5,410	\$ 3,130	\$ 3,190	\$ 3,180	\$ 3,370
Debt Service Coverage Ratio (Note 2)	2.30	1.85	1.55	1.66	1.64	1.88

Significant assumptions are disclosed in the following pages.

Albany Water Board and Albany Municipal Water Finance Authority

Summary of Significant Assumptions and Policies

Note 1. Introduction

This study provides for an estimate, based on assumptions of the Board, the Authority, and the City, of the expected conditions, circumstances and future events and the most likely actions to be taken by the Board and Authority relative to the administration and operation of the City of Albany's water and sewer system (the "System").

A summary of the revenue and expense assumptions are described in the following pages. If actual water and sewer rates, user consumption levels, or operation and maintenance expenses are different from those assumed, such changes may impact the System's cash flows available to fund debt service.

The planned capital expenditures and sources and uses of the proposed March 2017 issuance of notes to fund the first tranche of debt under the Long Term Control Plan (see Note 8) will be described in a closing memorandum. For purposes of this report, it is assumed that there will be additional Long Term Control Plan (LTCP) borrowings in 2018 and, subsequent to the forecast period, in both 2021 and 2024.

The estimates are based on, among other factors, evaluations of historical revenue and expenditure data, and analysis of economic trends affecting the Board and Authority's finances. Unanticipated circumstances may occur subsequent to the date of the study which may cause actual cash flows to be different from the forecasted cash flows. Such differences may be material. The significant assumptions used in preparing the accompanying forecasted cash flows are described in the following notes.

Note 2. Organization and Summary of Significant Policies

Organization

The Albany Municipal Water Finance Authority, a public benefit corporation, was established as a legal entity in 1986 for the purpose of issuing revenue bonds to pay for the purchase, future improvement and construction of the System. The Albany Water Board, a corporate municipal instrumentality, was established as a legal entity in 1986 with the power to set and collect water and sewer fees in amounts sufficient to pay the debt service on the bonds and other debt obligations of the Authority as well as to provide for the costs of the operation and maintenance of the System. In February 1988, the Board and Authority acquired the System, from the City, through the Authority's issuance of \$46.7 million in Series 1988 Revenue Bonds.

A substantial portion of the Series 1988 Revenue Bonds were refunded through the Authority's issuance of \$47.6 million in Series 1993 Revenue Bonds. The remaining (previously non-callable) Series 1988 Bonds were refunded through the Authority's issuance of \$12.5 million in Series 2000 Revenue Bonds. Subsequently, the Authority issued approximately \$72.3 million in Series 2003A and Series 2003B Revenue Bonds for the purpose of refunding substantially all of the Series 1993 and 2000 Revenue Bonds (except for certain Series 1993 Capital Appreciation Bonds) and to finance a portion of future capital improvements. As will be more fully described in a closing memorandum, the Authority is proposing to issue, in a transaction with the New York State Environmental Facilities Corporation (EFC), approximately \$5.1 million in Second Resolution Notes, Series 2017, for the purpose of funding the first tranche of debt under the Long Term Control Plan, net of related grant funding. (See Notes 5 and 8.)

Albany Water Board and Albany Municipal Water Finance Authority

Summary of Significant Assumptions and Policies

Note 2. Organization and Summary of Significant Policies, Continued

Summary of Significant Policies

Combined Forecasted Cash Flows: For the periods presented, the activities of the Board and Authority are reported as if they were one entity. Information is generally presented on the cash basis. Revenues are shown net of the effect of receivables and bad debts, and expenses are shown net of the effect of prepaid expenses and payables. Depreciation and amortization are not provided for, as they have no effect on cash flows.

Agreement with the City of Albany: In February 1988, the City of Albany entered into an Operation Agreement with the Board, whereby the City provides the Board management and administrative services. The Operation Agreement, as amended, provides that direct services under this agreement are charged to the Board (by the City) through an annual support payment by the Board. This annual payment, which approximated \$1,150,000 in 2016 and is forecasted to approximate a similar amount through the entire forecast period, also includes indirect services provided by the City, including budget preparation and review, accounting, purchasing, human resources, internal legal support, and certain other City services.

Revenue from Operations: Revenues reflect actual cash expected to be collected under the cash basis of accounting. For financial reporting purposes, however, the Board's policy is to record revenue, based on meter readings, at the time it is earned.

Income Taxes: Under current law, the Authority and the Board are not subject to any income taxes on the federal, state, and local levels.

Debt Service Coverage Ratio: The combined forecasted cash flows present a computation of debt service coverage for each year of the forecast period. The debt service coverage ratio is a measure of annual revenues (inclusive of interest income), net of expenses paid, which are available to provide for annual debt service requirements. In this regard, the Board is required to establish and collect rates, fees and charges sufficient, in each fiscal year, so that annual revenue collections, net of expenses, will be at least 115% of the annual debt service on all bonds and notes outstanding (or a ratio of 1.15:1). The ratio is computed by dividing the excess of revenues (inclusive of interest income) over expenses, by annual debt service.

Note 3. Operating Revenues

System Collections: System collections include all water and sewer user payments received from customers of the system, the substantial portion of which are located within the City limits. System collections also include interest and penalty collections related to late payments and certain other operating revenues, such as service income from user fees, connections to the System, lateral repairs, plumbing contracts, and sales of materials. The System is also a party to certain inter-municipality agreements under which other municipalities are water customers of the System.

Albany Water Board and Albany Municipal Water Finance Authority

Summary of Significant Assumptions and Policies

Note 3. Operating Revenues, Continued

The System currently has approximately 29,000 customers, approximately 70 of which are classified as Tier I or Tier II large commercial customers who are billed at rates higher than the rates billed to all other customers. These 70 large commercial customers provide approximately 35% of the System's annual revenues. Substantially all of the System's water customers are metered, although certain customers receive flat rate and other billings. Sewer charges are computed as a percentage (currently 100%) of the established water user charges for both metered and flat-rate customers, but generally do not include customers under inter-municipality agreements.

Revenues have been estimated based upon a user consumption base which increases approximately 1% annually. The assumption of a minimally increasing user consumption base has been made, for revenue purposes, recognizing that the characteristics of the user base, particularly those customers subject to Tier I and Tier II commercial rates, will undergo some degree of change as buildings are renovated and as new construction takes place.

A 5% system-wide rate increase was implemented in September 2012 and no rate adjustments have been implemented since that date. In future years within the forecast period, rate increases are forecast to be implemented in both early 2019 (3%) and late 2020 (4%), for all System users. The actual System rate increases which have occurred to date, when combined with the aforementioned forecast assumptions, result in an average annualized increase in residential/commercial user rates approximating 3.4% for the 20 year period beginning in 2000, through the end of the forecast period in 2020. The annualized increase in the large user rates approximated 5.1% (Tier I) to 6.0% (Tier II) for the similar 20 year period.

The reasonableness of the assumption of the anticipated rate increases during the forecast period is predicated on the ability of the Board and the Authority to maintain operating costs and manage planned capital expenditures in accordance with the forecasted amounts.

Interest Income: Interest income results from investment of the balances in the Board's and Authority's reserve funds and other accounts. Annual investment interest income has been assumed at rates approximating 0.7% to 2.0% annually during the forecast period.

Billing and Collection Functions: The billing and collection functions for the System are administered for the Board by the City's Water Department. All Tier I and Tier II large commercial customers have monthly meter readings and monthly billings; all other customers are on a four month billing cycle. The Water Department utilizes electronic radio read metering devices and collects meter readings and other data used to generate bills to customers. The Department is responsible for the reading of meters and checking of meter accuracy, as well as the maintenance of current information for all customers. Data files for customers are updated by Departmental personnel.

The City's Water Department also organizes metered consumption data and flat-rate information, and prepares and mails bills to customers for water and sewer services. The Water Department is primarily responsible for the collection process, including procedures for handling delinquent accounts, billing adjustments, and customer inquiries.

Albany Water Board and Albany Municipal Water Finance Authority

Summary of Significant Assumptions and Policies

Note 3. Operating Revenues, Continued

Substantially all payments of bills are made to the Board's lockbox account maintained by a major financial institution. The bank electronically records payments and forwards data files on the recorded customer and payment data to the Water Department.

If an account is delinquent in excess of 30 days, a penalty is assessed. Thereafter, if the account remains unpaid, interest is charged on a monthly basis. With the exception of certain tax-exempt customers of the System and certain unmetered customers, if an account is still delinquent at the end of the City's fiscal year (December 31), the water/sewer bills are 'rolled over' and placed on the general property tax roles and, through this process, becomes subject to the City's collection procedures (which generally provides for full collection by the County within a three year period).

It is expected that continuing enhancements to the Board's billing and collection system, including the potential to provide for more frequent meter readings and billings, will improve the accuracy of customer billings, accelerate cash collections, and enhance the overall efficiency of the System's billing and collection functions.

Note 4. Cash and Investments

The following is an annual summary of the estimated cash and investment account activity (in thousands):

	Actual	Years Ending December 31				
	2015	2016	2017	2018	2019	2020
Cash flows from operations, after Debt Service (page 2)	\$ 8,330	\$ 5,410	\$ 3,130	\$ 3,190	\$ 3,180	\$ 3,370
Proceeds from issuance of Series 2017 and 2018 EFC Notes, and related grant funding	-	-	6,830	12,870	-	-
Proceeds from the sale of assets	15	-	-	-	-	-
Planned capital expenditures (Note 8)	(2,950)	(7,460)	(3,000)	(3,000)	(3,000)	(3,000)
Planned capital expenditures under LTCP (Note 8)	-	(3,420)	(3,410)	(4,640)	(4,220)	(4,010)
Net cash flows	5,395	(5,470)	3,550	8,420	(4,040)	(3,640)
Repayment of cash due from the City	-	4,500	-	-	-	-
Cash and investments, beginning of year	21,360	26,755	25,785	29,335	37,755	33,715
Cash and investments, end of year	\$ 26,755	\$ 25,785	\$ 29,335	\$ 37,755	\$ 33,715	\$ 30,075

The cash and investments forecast at the end of each respective year are comprised as follows (in thousands):

	Actual	Forecast				
	2015	2016	2017	2018	2019	2020
Operation/Maintenance and Other Reserve Account (A)	\$ 21,345	\$ 20,375	\$ 23,925	\$ 32,345	\$ 28,305	\$ 24,665
Debt Service and Related Reserve Funds (B)	5,410	5,410	5,410	5,410	5,410	5,410
	\$ 26,755	\$ 25,785	\$ 29,335	\$ 37,755	\$ 33,715	\$ 30,075

Albany Water Board and Albany Municipal Water Finance Authority

Summary of Significant Assumptions and Policies

Note 4. Cash and Investments, Continued

- (A) Operation/Maintenance and Other Reserve Accounts – These accounts are generally funded from revenues, with amounts budgeted by the Board on an annual basis, and with additional amounts available from current operations. Also included in these accounts are an on-going projects account (to provide a reserve for additional capital expenditures for improvements to the System) and a construction account (to hold unexpended funds advanced under the EFC/LTCP borrowings).
- (B) Debt Service Reserve Fund – This account was funded with a net deposit from the proceeds of the Series 2011A bond issue (approximating \$4.1 million) and was intended to approximate 125% of average annual debt service, as more fully detailed in the Official Statement. These, and other funds, are restricted and shall be applied to debt service payments only to the extent other funds are not available.

Note 5. Debt Service on Bonds and Notes

The forecast assumptions take into account the terms of the various Bonds and notes (which are more fully described in the Official Statements).

2011 Bond Issue: The Series 2011A Bonds are comprised of Second Resolution Revenue Refunding Bonds and were issued by the Authority for the purpose of refunding the Authority's outstanding 2003A and 2003B Bonds, funding certain required reserves, and paying the costs of issuance.

The debt service payments for the Series 2011A Bonds reflects combined principal and interest debt service installments due June 1 and December 1 of each year. Interest expense averages 4.8% annually.

The Authority's Second Resolution Revenue Bonds are special obligations of the Authority, payable solely from and secured by a pledge of the gross revenues of the System (prior to the payment of system operation and maintenance expenses or any other expenses).

2017 EFC Note Issue: The Second Resolution Series 2017 Notes, in the amount of \$5,083,000, are expected to be issued by the Authority in March 2017 for the purpose of providing interim funding for the Board/Authority's share of capital costs, net of related grant funding, under the first tranche of debt for the Long Term Control Plan (LTCP).

The Notes will be purchased by New York State Environmental Facilities Corporation (EFC), pursuant to a project finance agreement with the Authority. The Notes are expected to provide for a zero rate of interest, but require annual principal reduction payments of \$175,000 beginning in 2019. The Notes are expected to be refunded in 2022 with long-term debt issued through EFC.

In 2018, the forecast assumes the issuance of additional EFC notes, approximating \$12,870,000, for funding the second tranche of debt under the LTCP. The issuance of additional EFC notes under the third and fourth tranches of funding of the LTCP is expected in 2021 and 2024 in a combined amount approximating \$35 million.

Albany Water Board and Albany Municipal Water Finance Authority

Summary of Significant Assumptions and Policies

Note 5. Debt Service on Notes and Bonds, Continued

State Revolving Fund/EFC Notes: During 2010 and 2012, the Authority also participated in pooled refundings with the New York State Water Pollution Control Revolving Fund (SRF), a program administrated by EFC. The SRF provides municipalities and other issuers with funding, principally for sewer related projects, under a subsidized program funded by both the Federal government and the State of New York. Under the SRF program, EFC issues bonds which mirror the terms of notes issued by the Authority to EFC. Approximately one-half of the Authority's annual interest cost is subsidized by the SRF program.

The refunded EFC SRF notes require annual debt service, including interest (net of estimated subsidy), approximating \$200,000 annually. All interest is payable semiannually. The SRF notes, similar to EFC's bonds, are callable depending on redemption dates and amounts redeemed.

During the forecast years, additional EFC SRF program borrowings will be considered by the Authority to fund certain special projects. These borrowings, some of which may be material to overall debt service, have not been approved as of the date of this forecast and, as such, are not reflected as either a source of funding or debt service in the forecast.

The scheduled combined debt service requirements under all Authority notes and bonds are as follows (in thousands):

Year Ending	SRF Notes		Series 2011	Proposed EFC Series	Total
	Series 2010	Series 2012		2017 Notes*	
2016	\$ 17	\$ 160	\$ 6,180	\$ -	\$ 6,357
2017	17	190	5,480	-	5,687
2018	16	180	4,600	-	4,796
2019	26	180	4,570	175	4,951
2020 and thereafter	-	1,540	26,795	175	28,510
	\$ 76	\$ 2,250	\$ 47,625	\$ 350	\$ 50,301

*Note: The forecast assumes the 2018 EFC notes, which are expected to be utilized to fund the second tranche of LTCP debt, will provide for no interest or principal payments in the forecast period.

Note 6. Operating Expenses

The operating costs of the System are forecast based on actual operating expenses of the Board through December 31, 2015, combined with budgeted and actual cost trends for the year ending December 31, 2016. The forecasted costs have been determined based on an analysis of historical actual operating costs of the System.

Water System Operation and Maintenance: The operating costs of the water system include direct operation and maintenance costs applicable to one or more functional areas of the water system. Additionally, certain indirect operating costs are allocated, with amounts included in both the water system and the sewer system.

Albany Water Board and Albany Municipal Water Finance Authority

Summary of Significant Assumptions and Policies

Note 6. Operating Expenses, Continued

The operating costs of the water system are divided into Personal Service ("PS") costs and Other Than Personal Service ("OTPS") costs. PS costs include direct compensation costs, plus fringe benefit and pension costs. PS compensation costs are anticipated to rise in accordance with current negotiations with the City's labor unions at rates ranging from 0% to 2% per year for the forecast period; benefit costs are anticipated to rise at rates ranging from 2% to 5% per year.

OTPS costs include real property taxes paid to other local communities, principally for watershed properties, as well as chemicals, utilities, small equipment and other operation and maintenance expenses of the water system. OTPS costs are assumed to increase at an estimated rate approximating 2% to 3% per year for the five year period. Real property taxes are expected to increase approximately 2% per year for the five year period. The following is a schedule of the estimated future costs of the water system (in thousands):

Category of Costs	Water System Operating Costs					
	Actual	Forecasted				
	2015	2016	2017	2018	2019	2020
Personal Service (PS)	\$ 5,150	\$ 6,040	\$ 6,600	\$ 6,490	\$ 6,490	\$ 6,650
Taxes Paid to Municipalities	1,940	1,950	2,200	2,260	2,260	2,380
Other Than Personal Service (OTPS)	2,930	3,900	4,830	4,870	5,270	5,850
	\$10,020	\$11,890	\$13,630	\$13,620	\$14,020	\$14,880

Sewer System Operation and Maintenance: The operating costs of the sewer system include direct operation and maintenance costs applicable to one or more functional areas of the sewer system. Additionally, certain indirect operating costs are allocated, with amounts included in both the water system and the sewer system.

The operating costs of the sewer system are divided into PS costs and OTPS costs. PS costs include direct compensation costs, plus fringe benefit and pension costs. PS costs are anticipated to rise at rates ranging from 0% to 3% per year for the forecast period; benefit costs are anticipated to rise at rates ranging from 2% to 3% per year.

The principal component of OTPS costs is a contract with the Albany County Sewer District for the use of their sewer facilities (see Note 7). The cost of the County Sewer District contract is expected to increase approximately 5% to 6% annually for the forecast period. Other OTPS costs include costs relating to pump stations, service yards, electricity, chemicals, small equipment and other expenses which are assumed to increase at an estimated rate approximating 2% to 4% per year for the forecast period. The following is a forecasted schedule of the estimated future costs of the sewer system (in thousands):

Category of Costs	Sewer System Operating Costs					
	Actual	Forecasted				
	2015	2016	2017	2018	2019	2020
Personal Service (PS)	\$ 970	\$ 1,210	\$ 1,330	\$ 1,350	\$ 1,350	1,400
Albany County Sewer Contract	6,120	6,230	6,580	7,010	7,460	7,920
Other Than Personal Service (OTPS)	1,810	2,680	2,590	2,740	2,960	3,060
	\$8,900	\$10,120	\$10,500	\$11,100	\$11,770	\$12,380

Albany Water Board and Albany Municipal Water Finance Authority

Summary of Significant Assumptions and Policies

Note 6. *Operating Expenses, Continued*

Administration and Other Costs: Administration and other costs principally include general and administrative expenses of the City's Water Department. The forecasted cash flows includes certain other costs (such as an allowance for unallocated costs, judgments and claims during each year). It is recognized that actual judgment and claim payments will vary in each year depending upon the types of claims and other factors.

Contingencies: The assumptions disclosed in this report provide a reasonable basis for the forecast. However, there will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences, particularly over the long-term, may be significant. In an effort to minimize the future impact of any long-term differences, the accompanying forecast includes a "contingency expense" line item in the amount of \$1.5 million (in 2017), \$2 million (in 2018), \$2.5 million (in 2019), and \$3 million (in 2020).

Note 7. *Agreement with the Albany County Sewer District*

The City, along with certain other municipalities, entered into an agreement with the Albany County Sewer District which, in 1988, was assumed by the Board. The Albany County Sewer District maintains and operates the District sewer system and waste treatment plants. The District currently bills the Board its full share of the costs of maintaining and operating the District, plus the Board's allocable share of the debt service on all sewer obligations issued by the County. As part of the agreement, the Board is liable for its allocable share of debt service whether or not the sewer system remains connected to the County system.

The contract may be terminated or amended by mutual consent of all municipalities, provided that the interests of the County bond holders are not prejudiced. The forecast amounts are based on annual historical charges (including debt service costs) for both 2015 and 2016, combined with the Board and the City's estimates of future contract charges. The following schedule provides a schedule of historical actual and estimated future contract charges for a seven year period:

<u>Years Ending December 31</u>	<u>Annual Amount (in Thousands)</u>	<u>% Change From Prior Year</u>
2014 (Actual)	\$ 5,910	-
2015 (Actual)	\$ 6,140	3.9%
2016 (Actual)	\$ 6,230	1.5%
2017	\$ 6,230	0.0%
2018	\$ 6,580	5.6%
2019	\$ 7,010	6.5%
2020	\$ 7,468	6.5%

The contractual costs relating to the agreement with the Albany County Sewer District are included as a component of the forecast costs of the sewer system.

Albany Water Board and Albany Municipal Water Finance Authority

Summary of Significant Assumptions and Policies

Note 8. *Planned Recurring Capital Expenditures*

The following is a schedule (in thousands) of the forecasted recurring improvements, major repairs, and the purchase and construction of property and equipment (exclusive of projects relating to the long-term control plan) for the water and sewer system:

Year	Water	Sewer	Total
2016	\$ 3,880	\$ 3,580	\$ 7,460
2017	1,500	1,500	3,000
2018	1,500	1,500	3,000
2019	1,500	1,500	3,000
2020	1,500	1,500	3,000
	\$ 9,880	\$ 9,580	\$ 19,460

In general, no portion of planned recurring capital expenditures are expected to be funded under the Series 2017 or 2018 note issues. Rather, similar to all years subsequent to 2007, planned recurring capital expenditures are expected to be funded through System cash flow (see Note 4).

In addition to the forecasted purchase and construction of property and equipment, as disclosed above, certain small equipment and vehicle purchases have been included under operation and maintenance expenditures in forecasted cash flows. Such expenditures, which approximate \$450,000 annually, are included as OTPS costs of both the water and sewer system.

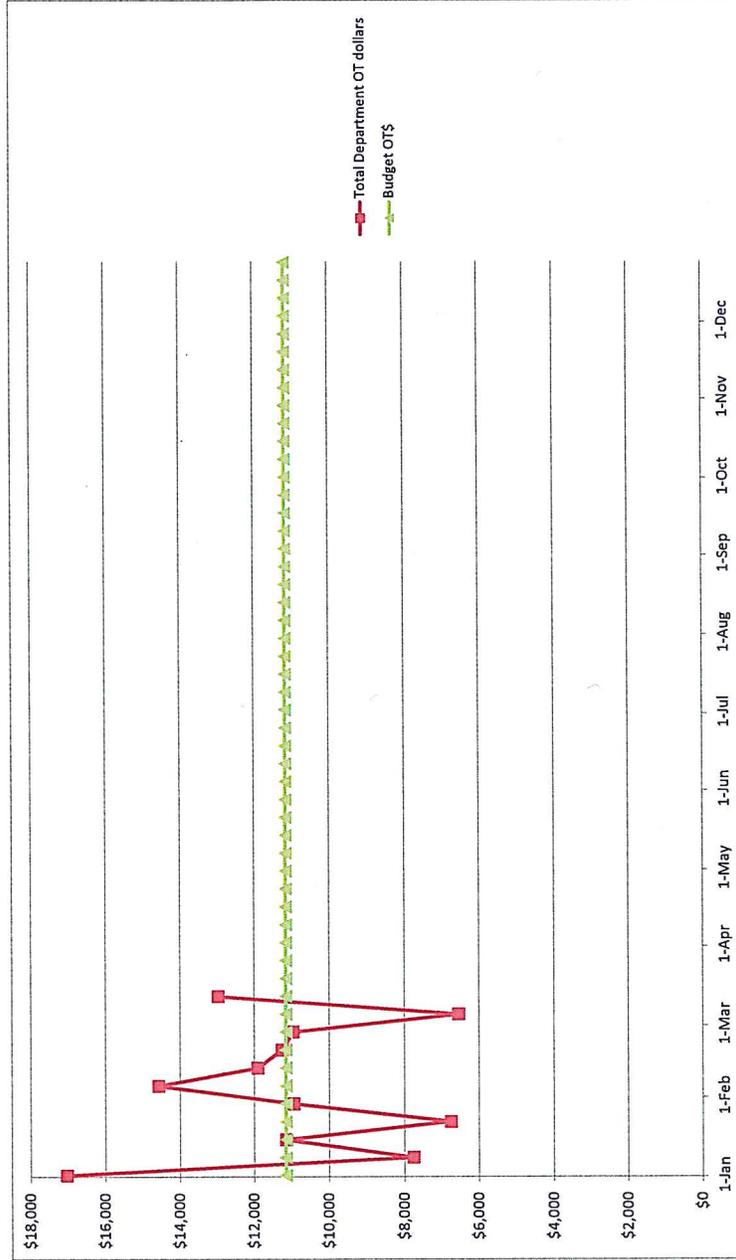
Other capital expenditures, not disclosed above, may be required to be completed by the Board in the years 2017 through 2020. Certain of these capital expenditures, such as those relating to unplanned Federal and State mandates, may be substantial in cost. Although the Board may seek governmental grants to fund certain expenditures, such grants may not generate sufficient funding to provide for all such costs. As a result, System cash flow is likely to be required for the funding of certain additional capital expenditures. These funding requirements, including any cash flow or debt service requirements, are not presently quantifiable; but, at least during the forecast period, are not expected to have a material impact on the System's overall cash flows.

Years Ending December 31	Projects			Totals	Source of Funding	
	Water System	Sewer System	Long Term Control Plan		Funded by System Cash Flow	Funded by LTCP Notes/ Grants
2016	\$3,880	\$3,580	\$ 3,420	\$10,880	\$ 7,460	\$ -
2017	1,500	1,500	3,410	6,410	3,000	6,830
2018	1,500	1,500	4,640	7,640	3,000	12,870
2019	1,500	1,500	4,220	7,220	3,000	-
2020	1,500	1,500	4,010	7,010	3,000	-
Totals	\$9,880	\$9,580	\$19,700	\$39,160	\$19,460	\$19,700

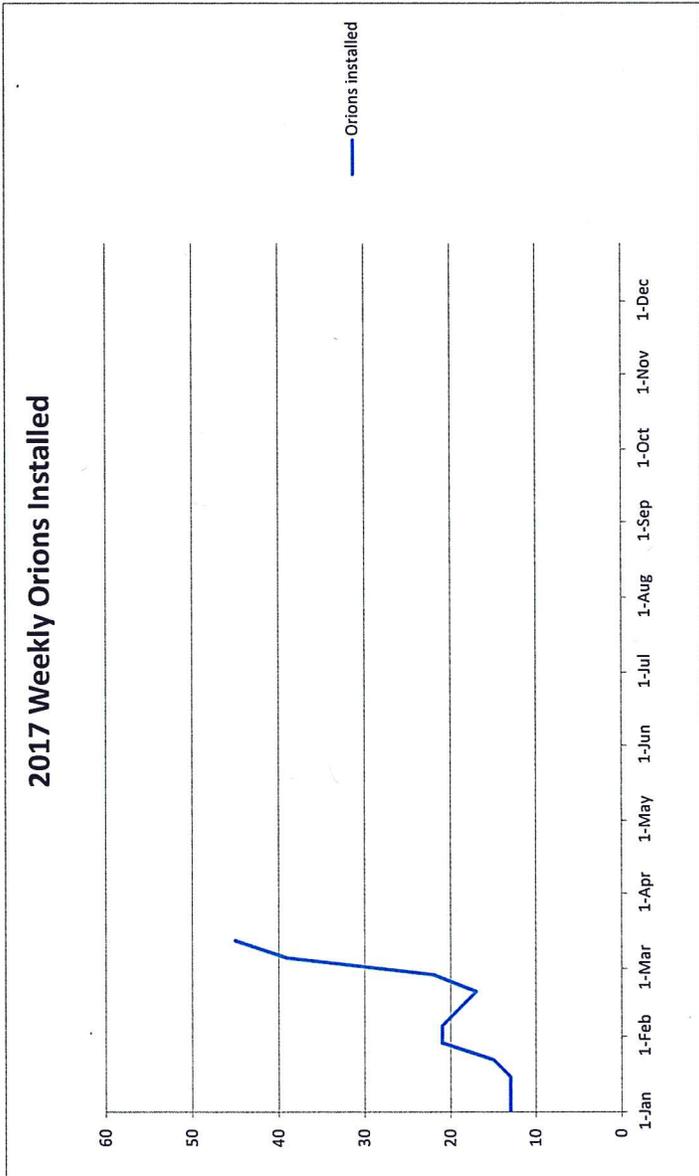
The water and sewer system and planned capital expenditures were evaluated by an independent consulting engineering firm in a separate report. The conclusions of this report regarding the adequacy of funding levels for planned capital expenditures were considered in the development of the forward looking information in this report.

week budget OT\$ weekly OT\$

1-Jan	\$11,154	\$17,041
8-Jan	\$11,154	\$7,762
15-Jan	\$11,154	\$11,149
22-Jan	\$11,154	\$6,758
29-Jan	\$11,154	\$10,953
5-Feb	\$11,154	\$14,565
12-Feb	\$11,154	\$11,908
19-Feb	\$11,154	\$11,251
26-Feb	\$11,154	\$10,962
5-Mar	\$11,154	\$6,550
12-Mar	\$11,154	\$12,964
19-Mar	\$11,154	
26-Mar	\$11,154	
2-Apr	\$11,154	
9-Apr	\$11,154	
16-Apr	\$11,154	
23-Apr	\$11,154	
30-Apr	\$11,154	
7-May	\$11,154	
14-May	\$11,154	
21-May	\$11,154	
28-May	\$11,154	
4-Jun	\$11,154	
11-Jun	\$11,154	
18-Jun	\$11,154	
25-Jun	\$11,154	
2-Jul	\$11,154	
9-Jul	\$11,154	
16-Jul	\$11,154	
23-Jul	\$11,154	
30-Jul	\$11,154	
6-Aug	\$11,154	
13-Aug	\$11,154	
20-Aug	\$11,154	
27-Aug	\$11,154	
3-Sep	\$11,154	
10-Sep	\$11,154	
17-Sep	\$11,154	
24-Sep	\$11,154	
1-Oct	\$11,154	
8-Oct	\$11,154	
15-Oct	\$11,154	
22-Oct	\$11,154	
29-Oct	\$11,154	
5-Nov	\$11,154	
12-Nov	\$11,154	
19-Nov	\$11,154	
26-Nov	\$11,154	
3-Dec	\$11,154	
10-Dec	\$11,154	
17-Dec	\$11,154	
24-Dec	\$11,154	



date	week	installed
1-Jan	1	13
8-Jan	2	13
15-Jan	3	13
22-Jan	4	15
29-Jan	5	21
5-Feb	6	21
12-Feb	7	19
19-Feb	8	17
26-Feb	9	22
5-Mar	10	39
12-Mar	11	45
19-Mar	12	
26-Mar	13	
2-Apr	14	
9-Apr	15	
16-Apr	16	
23-Apr	17	
30-Apr	18	
7-May	19	
14-May	20	
21-May	21	
28-May	22	
4-Jun	23	
11-Jun	24	
18-Jun	25	
25-Jun	26	
2-Jul	27	
9-Jul	28	
16-Jul	29	
23-Jul	30	
30-Jul	31	
6-Aug	32	
13-Aug	33	
20-Aug	34	
27-Aug	35	
3-Sep	36	
10-Sep	37	
17-Sep	38	
24-Sep	39	
1-Oct	40	
8-Oct	41	
15-Oct	42	
22-Oct	43	
29-Oct	44	
5-Nov	45	
12-Nov	46	
19-Nov	47	
26-Nov	48	
3-Dec	49	
10-Dec	50	
17-Dec	51	
24-Dec	52	
31-Dec	53	



SEWER BACKWATER VALVE GRANT APPLICATIONS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	Total
Summary											
Received	1	12	20	59	10	5	18	23	43	201	392
Withdrawn	0	0	0	1	0	0	1	1	1	6	10
Denied	0	1	0	1	0	0	0	0	3	11	16
Approved	1	11	20	57	10	5	17	22	40	181	364
Pending	0	0	0	0	0	0	0	0	0	0	0
Payment Processed	1	11	18	54	10	5	16	22	38	175	350
Total of Grant Requests	\$1,500	\$18,000	\$30,000	\$86,734	\$14,885	\$7,500	\$26,900	\$32,748	\$60,910	\$217,634	\$ 496,811
Total of Grants Approved	\$1,500	\$18,000	\$29,097	\$85,734	\$14,785	\$7,500	\$26,900	\$32,748	\$57,960	\$193,279	\$ 467,503

**MEMORANDUM OF UNDERSTANDING (MOU)
BETWEEN
THE COUNTY OF ALBANY, THE ALBANY WATER BOARD, AND THE TOWN OF BETHLEHEM
TO UPGRADE THE AERIAL IMAGING OF ALBANY COUNTY**

(COUNTY CONTRACT NO. 3462 OF 2017)

This agreement is made as of this _____ 2017, by and between **The County of Albany**, having its office at 112 State Street, Albany, NY 12207 (hereinafter the "County"), the **Albany Water Board**, having its office at 10 Enterprise Drive, Albany New York 12204 (hereinafter the "Albany Water Board") and the **Town of Bethlehem**, having its office at 445 Delaware Avenue, Delmar, New York, 12054 (hereinafter the "Town," the County, Board and Town may hereinafter be referred to as the "Parties).

WHEREAS, the New York State Office of Information Technology has notified Albany County of the opportunity to upgrade aerial imaging of Albany County for use by various agencies and municipalities; and

WHEREAS, the County wishes to enter into an agreement with the New York State Office of Information Technology to provide these imaging services; and

WHEREAS, the Albany Water Board and the Town wish to provide funds to cover the imaging of their municipalities, and state their commitment to this project; and

WHEREAS, the Albany County Legislature has authorized the County Executive to enter into an inter-municipal Agreement in the amount

Therefore it is agreed by the parties signing below that:

- I. The County of Albany will enter into an Agreement with the New York Office of Information Technology to upgrade the aerial imaging of Albany County, and the Town of Bethlehem and the Albany Water Board shall contribute to the funding of these upgrades
- II. That the total cost of the aerial imaging upgrades shall not exceed SEVENTEEN THOUSAND, ONE HUNDRED AND 00/100 (\$17,100.) DOLLARS.
- III. That the costs for the upgrades shall be allocated as follows:
 - a. The County of Albany shall provide an amount not to exceed EIGHT THOUSAND AND 00/100 (\$8,000) DOLLARS towards the funding of the aerial imaging upgrades;
 - b. The Town of Bethlehem shall provide an amount not to exceed SIX THOUSAND, TWO HUNDRED AND 00/100 (\$6,200) DOLLARS towards the funding of the aerial imaging upgrades
 - c. The Albany Water Board shall provide an amount not to exceed TWO THOUSAND, NINE HUNDRED AND 00/100 (\$2,900.00) DOLLARS towards the funding of the aerial image upgrades.

County of Albany Representative

Date

Albany Water Board Representative

Date

Town of Bethlehem Representative

Date

STATE OF NEW YORK)
COUNTY OF ALBANY) SS.:

On the ___ day of _____, 2017, before me, the undersigned, personally appeared Daniel P. McCoy or Philip Calderone, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

STATE OF NEW YORK)
COUNTY OF ALBANY) SS.:

On the ___ day of _____, 2017, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

STATE OF NEW YORK)
COUNTY OF ALBANY) SS.:

On the ___ day of _____, 2017, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC

DCK Services LLC

(518) 636-3518

P.O. Box 152

Glens Falls, NY 12801-152

Email- dckservices@roadrunner.com

Web: www.dckservicesllc.com

Experience you can rely on

A name you can trust

March 9, 2017

Mr. William D. Simcoe, P.E.
Deputy Commissioner, Water & Water Supply
10 North Enterprise Drive
Albany, NY 12204

Letter Proposal

Re: Letter Proposal to provide Acting Chief Water Plant Operator

Dear Bill;

I would like to thank you and Joe Coffey, Commissioner of Water and Water Supply for giving DCK Services LLC the opportunity to work with you and your staff at the Fuera Bush Water Treatment Facility over the past few months.

Our original assignment covered a rather large area of needs and I believe we have accomplished most, if not all the tasks within the original scope. Some items continue to linger based upon purchasing procedures and regulatory response. However, by and large, I believe that we have accomplished our specific goals within the original proposal.

As part of the original proposal, we were requested to step in as the "Responsible Operator in Charge", that is to provide the appropriate licensure (1A DOH issued license) should it become necessary. As you know, shortly after beginning our assignment, the one and only 1A licensed operator at the plant decided that he would permanently retired. We stepped up and began signing the MOR (Monthly Operating Report) and filed with the Albany Health Department as required.

It has become apparent that with the absence of a true "Chief Operator" there are several layers of structure that are not being fulfilled at the plant. To their credit, the water plant crew has been doing a fine job with water treatment and plant maintenance. However, as we have discussed, improvements can be made and better training of current staff would absolutely be a positive step towards the long-term success and quality of the operational staff at the facility.

To that end, DCK Services LLC would like to offer our services as the "Acting Chief Operator" for the Albany Fuera Bush Water Treatment Facility. The proposed Scope of Services follows:

SCOPE OF SERVICES:

(A) Fuera Bush Water Treatment Plant--

DCK Services LLC will provide a properly licensed water treatment operator (1A Operator) to perform as the "Acting Chief Operator", as required by the NYS Department of Health, at the water treatment facility owned by the City of Albany. Don Coalts will be assigned as the Acting Chief Operator at the water plant and he will be responsible for the duties normally associated with this position.

In Particular, the following areas will be addressed:

- 1. Continue to be the "Responsible Operator in Charge" with regard to signing and filing the Monthly Operations Report (MOR) to the Albany County Department of Health in a timely fashion (prior to the 10th of the month).*
- 2. Act as "foreman" of the water facility. Correct deficiencies, work with Senior Operators with regard to scheduling maintenance, operational activities and other facility needs.*
- 3. Setup and implement a training program for new employees.*
- 4. Maintain the safety culture that is growing at the facility. Implement safety procedures after a thorough review by the plant management staff and the safety committee.*
- 5. Setup and implement a training program for the Senior Operators and other operations staff members that are eligible for/interested in obtaining a 1A Water Operator's License from the New York State Department of Health.*
- 6. Ensure budgetary compliance by reviewing all necessary purchases and checking against line item budget.*
- 7. Perform annual evaluation (in November) of the individual employees within the facility and forward these reviews to the appropriate Administrative Staff Member for final review and documentation to the file.*
- 8. Instruct the plant staff in day to day operations, chemical changes, laboratory analysis, scheduled maintenance, etc. Further, to be sure that all members of the operations staff can properly calculate the necessary dosages being applied to all chemical treatments at the facility.*
- 9. Monitor the system operation through the use of the SCADA system, not only while onsite but also check into the system from time to time remotely when not onsite at the water treatment plant.*
- 10. Continue to work with the Senior Operators in updating the SOPs (Standard Operating Procedures), SEPs (Standard Emergency Procedures), as well as maintaining an up to date SDS file for Right to Know compliance.*
- 11. Ensure that all staff members understand the value and need of clear and fully documented records of operation, maintenance and laboratory results. Further, to ensure that the records are properly saved and available for future use.*
- 12. In general, truly, act as the Chief Operator of a Water Treatment facility.*

In order to accomplish the needs of an Acting Chief, I would increase my on-site time at the plant to at least one day per week. I would also setup a daily discussion schedule with the operators so that all aspects of the plant; personnel, scheduling, flow adjustments, chemistry, maintenance, etc can be addressed and kept moving forward even when I am not on site at the plant.

In addition to the currently Monthly Narrative Report, I will submit Weekly Operational Reports on the status of the Fuera Bush Water Treatment Facility, as discussed. Of course, I will still maintain my involvement in the many projects that are ongoing at the facility as part of this assignment.

Lastly, as discussed, while I will be doing evaluations of the employees on staff (at the end of the year) and submitting to the Administrative Offices for review and filing; I will not be responsible for any discipline of any employees at the plant. If a situation arises, I will perform due diligence in gathering facts and forward to you or your designee for appropriate action.

It is intended for this Proposal to take effect on April 1, 2017 and run through December 31, 2017.

PROFESSIONAL FEES:

For Paragraph (A)-

DCK Services LLC will provide a NYS DOH Licensed Operator with a 1A Operator's License to be assigned as the "Acting Chief Operator" at the Fuera Bush Water Treatment Facility for a lump sum monthly fee of \$4,200. per month.

If you find this Letter Proposal to be acceptable, please sign at the appropriate location below. We have signed as the proposer and this document will serve as our agreement.

If you have any questions, please let me know. Thank you.

Yours truly,

Don Coalts

Don Coalts
Chief Operations Officer
DCK Services LLC

EC: file

Accepted by: *[Signature]*
Albany Water & Water Supply

Date: 3-10-17

Proposed by: Don Coalts Date: 3/9/2017
DCK Services LLC

From: Craig Tripp [mailto:ctripp@chazencompanies.com]
Sent: Friday, December 23, 2016 11:38 AM
To: Koch, Ted; dave@sadowskyarchitect.com; 'Bill Keefer'; Al Burgazoli
Subject: Ida Yarbrough Waterlines to be conveyed to the City of Albany
Importance: High

Good Morning All,

I received a phone call from Bill Simcoe today regarding the email I sent to him earlier this morning (copying you all) for the waterlines and testing results on the Ida Yarbrough project. Below is a summary of that conversation:

- Bill is good with the information contained in the email for the water testing of the lower line.
- Bill understands that a similar package will be emailed to him on the upper line once we have the remaining test results back.
- Bill outlined the requirements for the city accepting the lines (both upper and lower lines) as follows:
 - The portions of the waterlines that the city is going to be taking over have to be described in an easement.
 - The installed locations of the waterlines to be included in the easement need to be field surveyed first so that the easement gets described over their actual location.
 - Before the easement can be filed with the city, the city water board has to officially accept the work by resolution
 - The next water board meeting is on January 27, 2017
 - The city needs to know the value (construction costs) of the portions of the waterlines that they will be accepting (they will be counted as city assets).
- Bill and I discussed the easements briefly over the phone and I mentioned to him that they are depicted on the plans that were submitted to the city for review and approval. I also mentioned that the extent of additional utilities that would be captured by a wider easement led to the 10 foot easement width shown on the plans. To help streamline the process, I emailed Bill PDF files of the utility plans for Site 1 (attached here for reference) and he is currently reviewing the easement locations shown on those plans. He said he would get back to me today after taking a look.

I spoke with Ted Koch this morning to let him know about this conversation with Bill and the necessary next steps. Ted is going to coordinate the process going forward, including talking with Hershberg for the work associated with the as-built survey and easement descriptions for the waterlines to be turned over to the city. Bill/Al – we would be looking for your assistance on the value/costs aspect of the waterlines hydrants, etc. to be turned over.

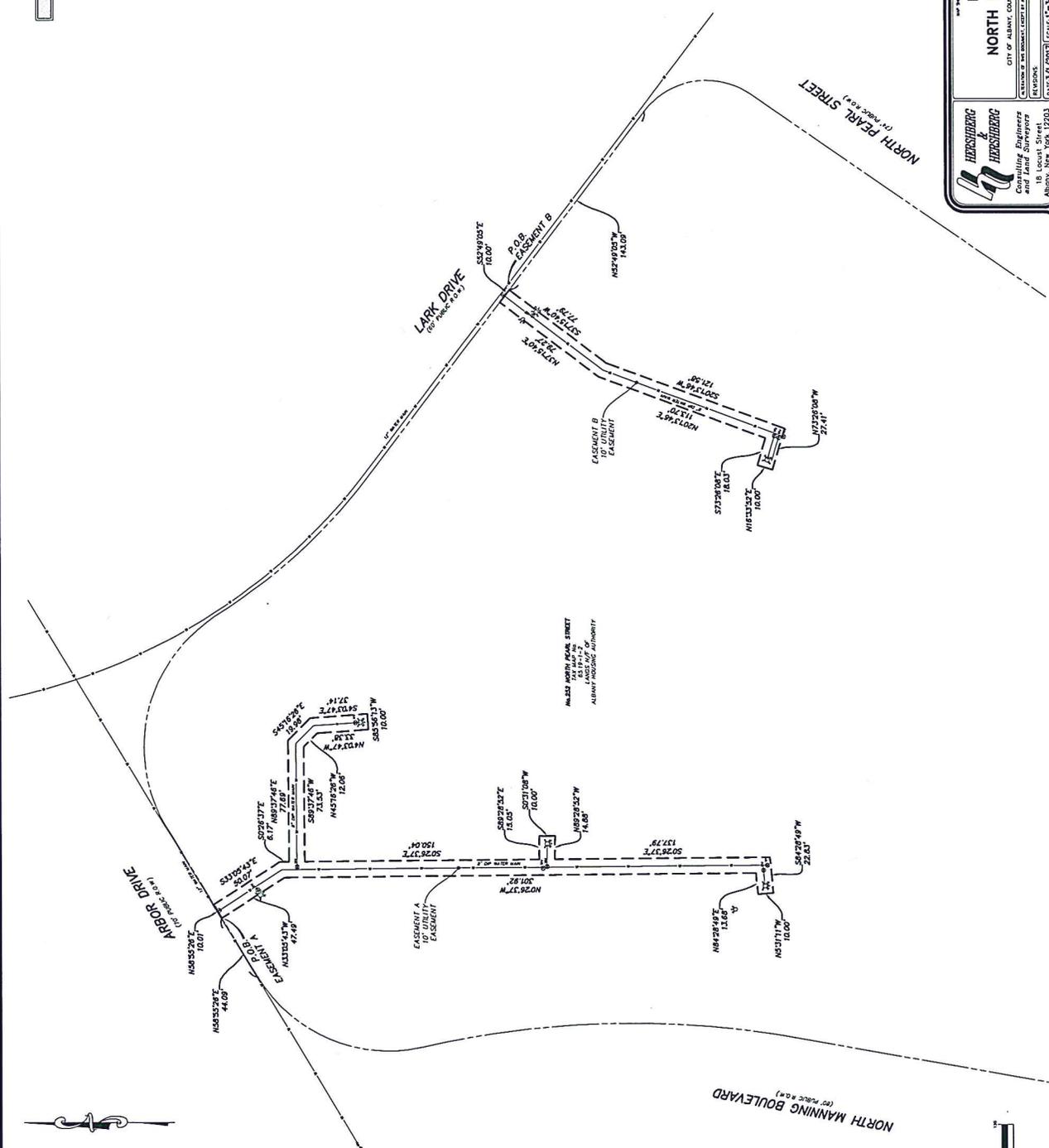
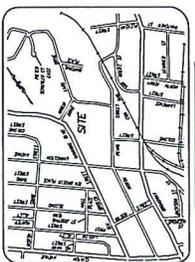
If there are any questions, please feel free to email or call.

Thank you and have a great Christmas and holiday break.

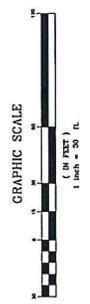
Craig Tripp, RLA, LEED® AP
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LEGEND

—	POINT OF BEGINNING
—	WATER MAIN
—	SEWER MAIN
—	EASEMENT LINE




No. 252
NORTH PEARL STREET
 CITY OF ALBANY, COUNTY OF ALBANY, STATE OF NEW YORK
 ALBANY, NEW YORK
 DATE: 3/7/2017 SCALE: 1"=30'
 BY: AUC
 PROJECT NO.: 170009



**LEGAL DESCRIPTION OF
UTILITY EASEMENT AFFECTING
No.252 NORTH PEARL STREET
CITY OF ALBANY, COUNTY OF ALBANY, STATE OF NEW YORK**

All that parcel of land situate in the City of Albany, County of Albany, and State of New York being more particularly bounded and described as follows:

BEGINNING at a point in the southwesterly bounds of Lark Drive, said **POINT OF BEGINNING** being further located N.52°49'05"W., a distance of 143.09 feet from the northwesterly terminus of a curve connecting the northwesterly bounds of North Pearl Street at its intersection with the southwesterly bounds of Lark Drive;

THENCE through the lands now or formerly of Albany Housing Authority the following seven (7) courses and distances:

1. S.37°15'40"W., a distance of 77.79 feet to a point;
2. S.20°13'46"W., a distance of 121.58 feet to a point;
3. N.73°26'08"W., a distance of 27.41 feet to a point;
4. N.16°33'52"E., a distance of 10.00 feet to a point;
5. S.73°26'08"E., a distance of 18.03 feet to a point;
6. N.20°13'46"E., a distance of 113.70 feet to a point;
7. N.37°15'40"E., a distance of 79.27 feet to a point in the southwesterly bounds of Lark Drive;

THENCE along the southwesterly bounds of Lark Drive, S.52°49'05"E., a distance of 10.00 feet to the **POINT OF BEGINNING**.

Containing 2,189 square feet or 0.05 acres of land more or less.

SUBJECT TO all easements, restrictions and rights-of-way of record.

Date: 3/1/2017
Job No.: 2017-0019
File: S:/docs/Tony/170019-B-LD

**LEGAL DESCRIPTION OF
UTILITY EASEMENT AFFECTING
No.252 NORTH PEARL STREET
CITY OF ALBANY, COUNTY OF ALBANY, STATE OF NEW YORK**

All that parcel of land situate in the City of Albany, County of Albany, and State of New York being more particularly bounded and described as follows:

BEGINNING at a point in the southwesterly bounds of Arbor Drive, said **POINT OF BEGINNING** being further located N.58°55'26"E., a distance of 54.10 feet from the northeasterly terminus of a curve connecting the easterly bounds of North Manning Boulevard with the southeasterly bounds of Arbor Drive;

THENCE continuing along the southeasterly bounds of Arbor Drive, N.58°55'26"E., a distance of 10.01 feet to a point;

THENCE through the lands now or formerly of Albany Housing Authority the following nineteen (19) courses and distances:

1. S.33°05'43"E., a distance of 50.07 feet to a point;
2. S.00°26'37"E., a distance of 6.17 feet to a point;
3. N.89°37'46"E., a distance of 77.69 feet to a point;
4. S.45°16'26"E., a distance of 19.98 feet to a point;
5. S.04°03'47"E., a distance of 37.14 feet to a point;
6. S.85°56'13"W., a distance of 10.00 feet to a point;
7. N.04°03'47"W., a distance of 33.38 feet to a point;
8. N.45°16'26"W., a distance of 12.06 feet to a point;
9. S.89°37'46"W., a distance of 73.53 feet to a point;
10. S.00°26'37"E., a distance of 150.04 feet to a point;
11. S.89°28'52"E., a distance of 15.05 feet to a point;
12. S.00°31'08"W., a distance of 10.00 feet to a point;
13. N.89°28'52"W., a distance of 14.88 feet to a point;
14. S.00°26'37"E., a distance of 137.79 feet to a point;
15. S.84°28'49"W., a distance of 22.83 feet to a point;
16. N.05°31'11"W., a distance of 10.00 feet to a point;
17. N.84°28'49"E., a distance of 13.68 feet to a point;

18. N.00°26'37"W., a distance of 301.92 feet to a point;

19. N.33°05'43"W., a distance of 47.49 feet to the **POINT OF BEGINNING**

Containing 5,168 square feet or 0.12 acres of land more or less.

SUBJECT TO all easements, restrictions and rights-of-way of record.

Date: 3/1/2017

Job No.: 2017-0019

File: S:/docs/Tony/170019-A-LD

**Albany Water Board
Arcadis Engineering Report
Date: March 24, 2017**

Upcoming LTCP Projects\Dates

- **Performance of a Codes and Local Law Review, & Green Infrastructure Technical Design Guidance** – Technical Design Guidance is due by 8/1/2017.
- **Green Infrastructure Banking System Feasibility Assessment.** Awarded to Arcadis. Work must be completed by 8/1/2017.

Arcadis Projects

- **Asset Management Program (Water and Sewer)** – Draft Sewer AMP report submitted, and the combined water and sewer report nearly complete.
- **Green Infrastructure Banking System Feasibility Assessment** – A draft of the research report has been completed and delivered to the communities. A meeting with the communities was completed in February.
- **Feura Bush Filtration Plant – (NYSERDA FlexTech Grant)** – A draft report was completed and submitted. Project includes energy evaluation at the Feura Bush filtration plant (blowers, lighting, windows\doors). The project also includes some equipment condition assessment and treatment system evaluation.
- **Sewer Condition Assessment** – Condition assessment and cost estimates for the Warren Street submitted. Hackett and Chapel in internal review.
- **Loudonville Reservoir Basin C wall cap replacement** – Design completed, making some minor updates based on AWD feedback.
- **RedZone Inspection of the Lincoln Park Sewer** - Contractor has completed inspections on Warren Street and has begun inspections in Lincoln Park.