DUTCHESS COUNTY
WATER AND
WASTEWATER AUTHORITY

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Authority Board Members

Thomas LeGrand
Chairperson

Vincent DiMaso
Vice-Chairperson

Rudy Vavra
Treasurer

Lawrence R. Knapp
Secretary

Ex officio Members

Ed Hoxsie
District Manager
Soil and Water Conservation District

Eion Wrafter
Acting Commissioner
D.C. Dept. of Planning & Development

Staff

Bridget Barclay
Executive Director

Mary C. Morris
Deputy Director

DUTCHESS COUNTY WATER AND WASTEWATER AUTHORITY
UNAPPROVED - MINUTES OF NOVEMBER 19, 2014

Board Members Present
Tom LeGrand
Vince DiMaso
Rudy Vavra
Larry Knapp

Staff Present
Bridget Barclay
Jackie Burger
Peter Fadden
Ed Mills
Mary Morris
Doug Odell

Ex-Officio Member
Eoin Wrafter – Acting Commissioner, Dutchess County Planning and Development

Others Present
Pete Marlow – Dutchess County Department of Health
Peter Dowley – Staatsburg Watchdog Committee

Meeting Open
Chairman Tom LeGrand opened the meeting at 3:33 p.m.

Approval of Minutes
Tom asked for a motion to approve the Board Meeting Minutes of October 15, 2014. Rudy made the motion; seconded by Larry, voted on and passed unanimously with Vince abstaining as he was not at the meeting. (2014.11.A/01)

Tom asked for a motion to approve the Budget Workshop Minutes of October 29, 2014. Rudy made the motion; seconded by Vince, voted on and passed unanimously with Tom abstaining as he we not at the meeting. (2014.11.B/02)

Chairman's Report
Tom said this month he and Bridget had discussions on the costs and time involved in the Shore Haven Water System Permanent Treatment Building project. He said there would be further discussion on this topic later in the meeting.

Public Hearing on Proposed 2015 System Rates
Tom opened the public hearing on the proposed 2015 rates at 3:35 p.m. There were no members of the public present. Tom said the public hearing would remain open for the duration of the board meeting.

Operations Report
Tom asked if there were any questions on the Operations report included in the package. Bridget said next two resolutions reflect the lowest bids for chemicals and the sludge hauling.

Larry made a motion to authorize the Executive Director or Deputy Director to execute the necessary instruments to obtain chemicals from the lowest possible bidders as identified on the attached schedule. The motion was seconded by Rudy, voted on and passed unanimously. (2014.11.C/03)

Larry asked if Wind River/Earthcare handled sludge hauling for the Authority in the past. Doug said yes. This was split between Earthcare and another company last year. This year Wind River/Earthcare is the lowest bidder. Bridget added that both the chemical and sludge hauling bids are slightly lower this year.

Larry made a motion to authorize the Executive Director or Deputy Director to execute the necessary instruments to obtain the hauling and cleaning services from the lowest responsible bidders as recommended. The motion was seconded by Rudy, voted on and passed unanimously. (2014.11.D/04)

Tom noted that VRI Environmental Services was low bidder for all of the System Operation Contracts. Bridget said there were two proposers, VRI and Environmental Consultants. Environmental Consultants were consistently higher across the board. Tom asked how much higher. Bridget said it varied from system to system. The closest was about 5% higher and about 15% higher than some others.

Tom asked if there were any other contract operators in the area that might be interested in submitting bids. Bridget said that is dependent upon where the industry is at any given time. There were two other local firms, Richard Cain and Aquarion that were active in Dutchess County and worked with the Authority up until a couple of years ago. Rich Cain retired and Aquarion was bought out by another company which decided not to do small system operations. Severn Trent is an internationally owned Company. Larry said they are active in Putnam County and do mostly industrial. Tom asked if Staff has solicited these firms. Bridget said yes, but they have not bid on our work.

Camo Pollution Control operates more so in the Southern part of Dutchess County. There is also a new company, JCO, which has been in business for about a year. Bridget said we e-mail all of the firms to advise them that the proposals are coming out and provide basic information on same. Tom suggested sending written letters in the future also as he would like to have more bids for comparison purposes next year.

Larry made a motion to authorize the Executive Director or Deputy Director to execute system operations contracts for the systems, firms and amounts as recommended by Staff as follows:

Birch Hill Water System to VRI Environmental Services (VRI) in the amount of $10,265

Chelsea Cove Sewer System to VRI in the amount of $34,200

Dalton Farms Sewer System to VRI in the amount of $43,100

Dalton Farms Water System to VRI in the amount of $17,500

Fairways Water System to VRI in the amount of $6,600

Rokeby Water System to VRI in the amount of $7,400

Schreiber Water System to VRI in the amount of $5,775

Shore Haven Water System to VRI in the amount of $10,300

Valley Dale Sewer System to VRI in the amount of $16,400

Valley Dale Water System to VRI in the amount of $6,200

The motion was seconded by Rudy, voted on and passed unanimously. (2014.11.E/05)

Finance Report – Approval of Warrant

Tom said the warrant was included in the package. Mary said there is an addendum to the warrant. There was some confusion with the closing of the refunding of the 2007 bonds and we have only recently received the bills. This addendum/amendment increases the Chelsea Cove Sewer System subtotal and the total warrant amount by $3,000. Mary noted for the Board this is a large warrant this month due to our annual payment to New York State Retirement System for Employer contribution

Tom noted the Double Dee Excavation, hydrant and valve repair, on page 7 of 10. He asked how many hydrants had been repaired. Mary said this is a mix of hydrant and valve repair and some excavation work that was done at Shore Haven Water System. This involved several different jobs and a project that was undertaken. Doug said that is the flushing valve put in for the booster pump station. Mary said that piece alone was about $7,000. Tom asked that copies of the invoices are sent to him by mail.

Larry noted that the bill from Smith Labs covered a nine month period. Mary said it is unusual for them to be delayed to that extent but there has been some transitioning within the company. Tom asked if the City of Poughkeepsie Water Purchase Service was paid directly to the City of Poughkeepsie. Mary said yes. Bridget advised the

Board that the City does all of the Financial Administration for the Joint Water Treatment Plant. There were no further questions.

Rudy made a motion to approve the warrant as amended. The motion was seconded by Larry, voted on and passed unanimously. (2014.11.F/06)

Update on 2015 System Budgets and Rates

Mary said there is only one change in the package as presented at the Budget Workshop which is a change to the Shore Haven Water System rate. We had hoped to obtain an additional meter reading but that information was not available on the date of the Budget Workshop. We were able to obtain some updated readings through the 10/31 billing cycle. This provided information that there had been somewhat of an increase in water sales and allowed us to bring the rate down to $6.16/Thousand Gallons. The water sales numbers still reflect about a 12.5% decrease in water sales from the number we were able to use for the 2014 budget. Tom asked if there were any questions. There were no questions.

Review of 2015-2019 Capital Plan

Bridget said the 2015-2019 Capital Plan is presented as a draft for the Board's review. Staff brings this back to the Board at the December meeting for approval as a part of the overall budget approval process. This is an update to the 2014-2018 Capital Plan. Projects completed have been removed, new projects are identified as well as ongoing projects. Generally anything with a 2015 design or 2015 construction shows the status as "funded" and the source of the funding. There are a significant number of future projects we have not yet made a commitment of funding and are not identified with a specific funding source.

Tom inquired about the CDWTL water storage and asked where we stand with storage we are using from Poughkeepsie. Bridget said we are beyond the five-year time period we had to have storage on-line or Poughkeepsie could unilaterally decide that we no longer have access to their storage. There was discussion about two years ago when we were nearing the five-year mark. There was no resolution of the issue and they were willing to entertain extending the timeframe that we could access their storage at a cost.

Bridget continued by saying that at this point we really have no use for the storage. IBM has their own storage on site. The line started operation in 2007 and we have had one incident where a fire district used a fire hydrant and took 2,000 gallons of water. Hopewell Glen Water District has their own, separate agreement with Poughkeepsie. Tom asked how much water IBM was using. Doug said about 1.1-1.2 million gallons per day. Bridget asked the Board to contact Staff via phone or e-mail with any questions or comments on the 2015-2019 Capital Plan between now and the next board meeting.

SEC Municipal Continuing Disclosure Cooperation Initiative Status Report

Bridget said this was previously discussed in a June or July time frame. The SEC

Municipal Continuing Disclosure Cooperation Initiative is the enforcement initiative implemented by the SEC as an amnesty of sorts for municipal bond issuers to self report if they had any deficiencies in meeting their continuing disclosure obligations. We were initially told that we had to file anything we felt reportable by September 10, 2014. SEC subsequently extended our deadline to December 1, 2014. As a result, this is the time to decide if we will self report. Staff's recommendation to the Board is that we do not self report. We discussed the issue at length, investigated extensively with bond counsel, financial advisors, the County Finance Commissioner.

During the relevant time period covered by the enforcement initiative we worked with one underwriter, and the underwriters have an independent obligation to report any issuers they worked with that had any deficiencies. Our underwriter was Roosevelt and Cross. Their date to file by was September 9, 2014. They did not file any deficiencies for the Authority. The consensus was that the overall intent of the financial disclosure requirements was met and there were no deficiencies that rose to the level of being considered material. Bridget reiterated that based on discussions with bond counsel Staff is recommending that we do not self report. Tom agreed.

System and Capital Projects

Bridget said in order for the Authority to sell water to the Town of East Fishkill/Hopewell Glen Water District we required an addendum to our agreement by which we buy water from Poughkeepsie. Two of the provisions at the time that the agreements were executed were that Hopewell Glen took an initial purchase of 50,000 gallons per day with a five year option to purchase an additional 84,500 gallons. They separately negotiated, but were reflected in all these agreements, that Hopewell Glen is able to take advantage of storage in the Poughkeepsie Water System to meet their obligation to have storage to meet maximum day demand for the first phase of the development.

Because the project has built out more slowly than anticipated the Town of East Fishkill has requested of us, and have made a similar request of Poughkeepsie, that the option be extended for an additional two years and the access for storage also be extended for an additional two years. The Poughkeepsie Joint Water Board has agreed with this and if our Board approves it we will execute the agreements.

Rudy made a motion that the Authority board authorizes the Chairman to execute Amendment No. 1 to Addendum No. 2 to the Poughkeepsie Water Sale and Purchase Agreement to provide a two year extension within which the Town may exercise the Option of additional water for the Hopewell Glen Water District and access Poughkeepsie storage. The motion was seconded by Larry, voted on and passed unanimously. (2014.11.G/07)

Rudy made a motion that the Authority board authorizes the Chairman to execute Amendment No. 1 to the Hopewell Glen Water Sale Agreement to provide a two year extension within which the Town may exercise the Option of additional water for the Hopewell Glen Water District and access Poughkeepsie storage. The motion was seconded by Vince, voted on and passed unanimously. (2014.11.H/08)

Construction Contract - Shore Haven Water Permanent Treatment Building
Tom said he spoke to Bridget this afternoon regarding the Shore Haven Water System Permanent Treatment Building Construction. We have one more month to approve the bids. Tom suggested the Board members take a set of the plans for their review in effort to bring the construction costs down. There is the possibility that if this project were to go out to bid again the bids could come in much higher but the concern is if the project costs continue to rise the funding could be depleted. The Board agreed. Larry said there was a meeting with Savin and Ferrari and both were agreeable to some changes which lessened some of the cost. Discussion followed.

Bridget said we have a cost estimate from Weston and Sampson for the distribution system design. Staff has been reviewing that. Savin has advised us that they will have an updated estimate on the equipment for the permanent treatment by the end of the month. The Board agreed to Table the resolution for the Shore Haven Water Permanent Treatment Building Construction.

Chelsea Cove Sewer System WWTP Rehabilitation Project
Peter said this resolution for the Chelsea Cove WWTP Rehab does include the board's request that Morris Associates consult with the low bidder, Arold Construction, as part of the evaluation of potential changes to reduce the project cost. The Staff also requested that they involve Schultz Construction along with Arold Construction as they were the two lowest bidders. Bridget said the bids came in about 60% over the engineers estimate. We went back to Morris Associates and internally identified some changes to the scope to bring the construction cost down. Morris had discussion with Arold and agreed that some changes could be made to bring the cost down. This is the proposal that Morris has submitted to do the re-evaluation of the design to the building to evaluate and incorporate the changes to bring the overall construction costs down. Discussion followed on all of the factors involved. Tom voiced his displeasure that this contract was for a not-to-exceed amount yet that amount was exceeded. He said we need to make sure it doesn't happen again.

Rudy made a motion to authorize the Executive Director or Deputy Director to execute Amendment No. 1 to the Professional Services Agreement with Morris Associates Engineering Consultants PLLC for the Professional Engineering Services for the Chelsea Cove Wastewater Treatment Plant Rehabilitation to increase the total agreement price for an amount not-to-exceed from $268,340 to $289,840. The motion was seconded by Larry, voted on and passed unanimously. (2014.11.J/09)

Shore Haven Water System Update
Bridget said the Status Update was included in the package. We did a 3rd quarter sampling for the disinfecton by-product results which continue to be well below the maximum contamination levels. Tom asked if they were working off one well. Doug said they are alternating because there were some problems with well #3 again with the iron bacteria. After reducing the pumping frequency, the well output seemed to be recovering. Discussion followed.

Staatsburg Route 9 North Pipe Replacement Project Status Report
Peter said as of this Friday we will most likely be unable to do any more pavement restoration on Route 9. The latest information for other pavement is the two local pavement plants plan to close on Wednesday, November 26th. Peter said the State specifications for Dutchess County require that all finished pavement operations cease the 3rd Saturday in November. Tom asked how close they are to completion. Peter said we have approximately 450-480 feet of pipe still to be installed. Approximately 3000 feet of the pipe has been filled as of today. They were starting to pressurize the pipe. Tom asked where we are in the overall budget on that project. Peter said it is very close but he does not believe it will be over the construction contract.

At this time Tom revisited the Chelsea Cove WWTP Rehabilitation Project and asked Staff what they thought about sending designs for future projects to another firm to be value engineered. Peter suggested sending the designs to either a professional estimating firm or an experienced contractor. Tom said we should consider that as a matter of policy. Larry said it would be very difficult to find a professional estimating firm as it is a sub-specialty, especially in the water and wastewater side. Peter said the only other option it to go to some of the specialized firms which are very costly. Further discussion followed.

Bridget said the next upcoming project is Valley Dale Sewer System Rehabilitation. It is similar to Chelsea Cove, smaller in scale but less complicated than Chelsea Cove. We have recently gotten the 100% design construction cost estimates. Larry Paggi is doing the design for this project. We are approaching the point to put that out to bid.

Public Hearing on Proposed 2013 System Rates
Tom asked for any public comment. Peter Dowley requested a hardcopy of the Capital Plan and was provided with same. There was no further public comment. Tom closed the public hearing at 4:17.

Confirm Next Meeting Date
Tom confirmed the next meeting date of December 17, 2014.

Executive Session
Vince made a motion to enter into executive session; seconded by Rudy, voted on and passed unanimously. (2014.11.K/09)

Rudy made a motion to close executive session; seconded by Vince, voted on and passed unanimously. (2014.11.L/10)

Respectfully submitted,
Jackie Burger

Jackie Burger
Senior Typist

Resolutions

Res. 2014.11.A/01	Approval of minutes from the October 15, 2014 board meeting
Res. 2014.11.B/02	Approval of minutes from the October 29, 2014 budget workshop
Res. 2014.11.C/03	Motion to award 2015 chemical bids
Res. 2014.11.D/04	Motion to award 2015 sludge hauling bids
Res. 2014.11.E/05	Motion to award System Operations Contract
Res. 2014.11.F/06	Motion to approve the warrant as amended
Res. 2014.11.G/07	Authorize amendment to addendum No. 2 to the Poughkeepsie Water Sale and Purchase Agreement Motion to approve 2015 Salary Policy and Schedules
Res. 2014.11.H/08	Authorize amendment to the Hopewell Glen Water Sale Agreement
Res. 2014.11.I/00	Motion to award Construction Contract – Shore Haven Water System Permanent Treatment Building Construction**TABLED**
Res. 2014.11.J/09	Motion to enter executive session
Res. 2014.11.K/10	Motion to close executive session