DUTCHESS COUNTY
WATER AND
WASTEWATER AUTHORITY

27 High St. 2nd Floor
Poughkeepsie
New York, 12601
(845) 486-3601
Fax (845) 486-3610
dcwwa@dutchessny.gov
www.DCWWA.org

Authority Board Members

Thomas LeGrand
Chairperson

Vincent DiMaso
Vice-Chairperson

Rudy Vavra
Treasurer

Lawrence R. Knapp
Secretary

Amanda Baxter-Dingee

Ex officio Members

Brian Scoralick
Acting Executive Director
Soil and Water Conservation District

Eion Wrafter
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 MAY 20, 2015

Board Members Present
Tom LeGrand
Rudy Vavra
Larry Knapp

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

Board Member Absent
Vince DiMaso
Amanda Baxter-Dingee

Others Present
Don Sagliano – Legislative Liaison
Pete Marlow – Dutchess County Department of Health

Meeting Open
Tom opened the meeting at 3:30 p.m.

Approval of Board Meeting Minutes
Tom asked for a motion to approve the minutes of April 15, 2015. The motion was made by Rudy; seconded by Larry; voted on and passed unanimously. (Res. 2015.05.A/01)

Operations Report
Tom noted that water usage is down and appears to be a national trend. Doug agreed and said customers are using less water almost across the board. Tom asked if this could have a significant impact on our system budgets. Bridget said it already has as most systems in the last several years have had a decline in billed water usage. Tom asked if there were any questions on the Operations report included in the package. There were no questions and the report was accepted as submitted.

Finance Report – Approval of Warrant

Tom said the warrant was included in the package and asked if there were any questions. Larry inquired about the $5,000 payment to the Town of Hyde Park. Bridget said the Town of Hyde Park obtained 90% grant funding for the total project cost of $195,000 and the other a 10% local match. The Town of Hyde Park contributed $5,000 and the Authority contributed $5,000.

Mary noted an amendment to the warrant was handed out at todays meeting. This was a payment for a course taken by one of our operators to the New York Section American Water Works Association (AWWA). She then noted payment to Southern Dutchess News and the Poughkeepsie Journal, listed on page 5 of 11. These legal notices are expensive as we are required to list all of the properties involved which include our acquisition of the 8 Water and Sewer Systems in Hyde Park as well as the Fairways Sewer System.

Rudy made a motion to approve the warrant as amended. The motion was seconded by Larry; voted on and passed unanimously. (Res. 2015.05.B/02)

Authorize M&T Bank Treasury Management Agreement

Mary said M&T requested a paperwork update as we had some internal changes. Nothing changed in terms of the substance of our original Treasury Management Agreement with the bank. This is in front of the Board as a resolution because the resolution requires the signature of the Board Secretary.

Larry made a motion that the Authority Board authorizes the Board Secretary to sign and process the amended M&T Bank Master Treasury Management Services Agreement. This was seconded by Rudy; voted on and passed unanimously. (Res. 2015.05.C/03)

Disposal of Surplus Property

Bridget said we no longer have a use for the 8' x 20' construction trailer originally provided as part of the CDWTL construction project in July of 2006, which has not been used since 2007. We considered using it on projects since then but it wasn't worth the cost of moving the trailer or the repairs. The trailer was used for Construction Administration and we can require Construction Administrators to provide their own facilities. We can also use local firms which generally don't set up an office of that type. Tom asked what the purchase price was. Bridget said it was paid for as part of the construction contract and the value, based on the bid and pay items for that job, was $5,500.

Larry made a motion that an 8' x 20' Construction Trailer be declared surplus and the purchase offer of $2,000.00 from Landworks of Hudson Valley be accepted, and that the Executive Director or Deputy Director shall be authorized to execute the Bill of Sale and such other documents as may be necessary to complete the transaction. This was seconded by Rudy; voted on and passed unanimously. (Res. 2015.05.D/04)

Staatsburg Bid BAN Results
Mary said our $1.6 million BAN was awarded to JP Morgan Chase with an interest rate of 1.67% callable on or after November 20th. M&T Bank was the only other bidder with a rate of 2.27%. The expiring BAN was at 1.51%.

System/Capital Project Updates – VDW North Well Access Improvements – Award Construction Contract
Larry commented on the higher number of bids received on this project. Ed said we had received numerous bids on this type of project at Dalton Farms last spring also. Peter said the project is small enough that the local contractors have the small equipment that would fit the job.

Larry made a motion that the bid received on May 16, 2015 from Landworks of Hudson Valley, Inc. of Red Hook, NY for Contract No. VDW-PWC-2015-01 for the Valley Dale Water North Well Access Project in the amount of $48,440 be accepted, and that the Executive Director or Deputy Director is authorized to execute the contract, notice to proceed and other project documents as may be needed. This was seconded by Rudy; voted on and passed unanimously. (Res. 2015.05.E/05)

HPR/CDWTL Building Exterior Maintenance and Repair – Award Design Services
Bridget said Schwartz Architecture would provide the details for the contractors for the repair and maintenance of the exterior of the buildings. Tom noted the project cost and asked if Peter could handle it. Peter said he did not have the time to do so. Peter said all the exterior caulk joints are failing, all the caulking around the windows are failing, concrete repairs, etc. The building is 20 years old. Larry said this is not something we could do ourselves and we cannot procure a contractor on this without design services, as it is a project that involves a formal bid package.

Rudy made a motion to authorize the Executive Director or Deputy Director to execute a contract with Schwartz Architecture, DPC with the amount not-to-exceed $33,210.00 for the Professional Services Agreement for the Hyde Park Water Treatment Plant/CDWTL Pump Station Building Exterior Maintenance and Repair. This was seconded by Larry; voted on and passed unanimously. (Res. 2015.05.F/06)

CDWTL Pump Station Roof Maintenance – Award Construction Contract
Larry made a motion to authorize the Executive Director or Deputy Director to enter into a contract with Titan Roofing, Inc. for the CDWTL Pump Station – Roof Maintenance Contract for a cost not-to-exceed $21,800. This was seconded by Rudy; voted on and passed unanimously. (Res. 2015.05.G/07)

VDS WWTP Rehabilitation Project – Review of Revised Project Scope and Costs
Bridget said staff had previously presented to the Board the updated cost estimates for the Valley Dale Sewer Rehabilitation Project based on the cost estimating provided for us by Emil Leinau. The concern at that time was that the cost was significantly higher than the original estimate. We have re-evaluated the scope of the project, and the memo in the board package summarizes the proposed changes. We are proposing to eliminate anything that is not absolutely necessary in order to cut the cost. Using Emil's

numbers as the basis for the estimates, the end result would reduce the construction cost from $1.6 million to $966,000. The total final project cost including the engineering, design construction administration, contingency, etc. would be $1.35 million. The current cost per customer at this time is about $1,400 annually. With the scope as it is currently, cost per customer would be about $2,200 annually. The revised scope brings it down to about $1,800 annually.

Tom inquired about their homeowners association. Bridget said there is no homeowners association. There are one or two homeowners that have come in over the years to comment on budgets but we generally provide project information in their billing letters. Discussion followed on house values and fund balance used. Bridget said Staff is looking into potential funding sources.

VDS WWTP Rehabilitation Project – Authorize Amendment to Engineering Services Agreement

Larry made a motion to authorize the Executive Director or Deputy Director to execute Amendment No. 4 to the Professional Services Agreement with Lawrence J. Paggi, PE, PC for the Valley Dale Wastewater System – Treatment Plant Rehabilitation Project Professional Engineering Services to increase the total agreement price by an amount not-to-exceed $34,000 to $141,500. This was seconded by Rudy; voted on and passed unanimously. (Res. 2015.05.H/08)

SHW System Improvement Project Status Report

Tom asked about the proposed increase to the Engineering agreement for Shore Haven. Bridget said this is for the project contract with Savin. A couple of months ago, we did the updated project cost to the Board based on a range of options and decided to scale the project back. We will eliminate the pipe on Route 292 and the MIEX for the disinfection by-products issues, making the current chloramine system permanent.

Included in the board package was a proposal from Savin which includes their basis for the requested increase. There is a fairly significant amount of electrical work that has been done related to the generator and the variable frequency drives for the pumps, as well as the switch to three phase power that was not part of the original project scope. They have spent about $20,000 on that electrical design. They are looking at about $59,000 on redesign due to the changes to the project, etc.

Tom voiced his displeasure with the amount of money and time spent on this project to date and Larry was in agreement. Tom asked if this project would be completed by the end of 2015. Bridget said she did not believe so. We have the basis of design for the revised project that has now been approved by the New York State Department of Health. We now need to finalize the plans and specs and put the project out to bid. Changes will be made as a result of the change to the treatment system and the change to the building. Further discussion followed. Tom, Larry and Rudy agreed that the Board and Staff need to meet with Savin before the June meeting. Further discussion followed and the Board agreed to table the resolution to authorize the amendment to the Engineering Agreement with Savin.

Dalton Farm Sewer Heating and Ventilation Report

Bridget said a memo on the Dalton Farm Sewer Heating and Ventilation was included in the package. Initially we looked into replacing heating and ventilation equipment at the Sewer Plant and found that what had been installed was not consistent with the originally approved design at the time the plant was constructed. It was not in compliance with electrical and fire safety codes at the time. Those codes have since changed and are now further out of compliance.

Staff did an internal evaluation of the facility and asked Fuss and O'Neill, as the system engineer, to do an evaluation to bring everything up to current code. The problem is that all of the treatment equipment is housed in a single building. There is no division of space in the building, and no acceptable division of space between the main area and the attic area. Everything inside the shell of the building is rated Class 1/Division 1 as far as a fire/explosion hazard. Fuss and O'Neill's estimate to bring everything up to current code is a total project cost of $1.2 million. That does not include making improvements to the treatment process.

Staff has been looking into a broad range of different alternatives, including alterations to the building. We consulted several resources including NYSERDA, New York Rural Water and a number of engineering firms. The general consensus is that there are a significant number of wastewater systems that have these issues which tend to be ignored. Because this project would deal with the heating, ventilating and electrical systems only, the project would not score high enough on the evaluation criteria for funding through the Clean Water Revolving Loan Fund program.

At this point, we are looking at a $1.2 million project funded at market rates, or a very carefully scoped project where we try to do replacement in kind as much as possible. There are gray areas involved whether we would be triggering a requirement to be in compliance with current code. This would not be inexpensive but would probably be below $100,000 for the minimal replacement. The only other option to date is whether it is worth looking to bring in a larger firm with more resources that might have more experience with an issue like this.

Peter said this is a classic case of a developer cutting corners on the basic design and it is a nice looking building but there are some inherent safety issues. Tom asked about the system fund balance. Bridget said they have a fund balance of about $300,000. She added that we do have outstanding bonds from the acquisition of the system that was a 20 year bond starting in 2004. Their overall rates are at about $260 per year for capital assessment. Mary said that rate increases since the Authority took the system have been insignificant.

Tom asked what was the biggest problem at Dalton. Peter said the ventilation and the electrical. Discussion followed. Larry said he would take a look at the building before the June board meeting.

DC Airport Water Main Project Status Report

Bridget said we have a tentative agreement with the County to do this project on the

same model as we did the CDWTL Project. The County will fund the project with bond funds. We will amend the CDWTL funding agreement with the County to include this new infrastructure and cost. As a part of this agreement, the County is going to purchase a reservation of capacity in the waterline. This allows them to transfer those funds to the Authority to design, build, own and operate the extension from the CDWTL to the DC Airport. The County attorney is working on an amendment to the current CDWTL agreement.

Bridget said the County does not want to purchase water from the Poughkeepsie Joint Water Board on the take-or-pay basis. We recommended that they look at the same model that IBM is now proposing to do with East Fishkill. IBM would assign a portion of their right to purchase water from PJWB out of the $2 million gallon allocation that IBM currently has, of which they are using only about half. Essentially the County gets water on a pay as you go basis. IBM has the benefit of reducing their costs for water not taken. IBM appears to be interested in doing this. Bridget asked the County if they would like to proceed and is awaiting their reply.

Old HPWTP Building – Results of Bid Solicitation

Bridget said there was no interest in the purchase of the old Hyde Park Water Treatment Plant. Tom asked if we could now list the property through a realtor. Bridget said staff was looking into it.

Community Projects Updates – Hyde Park Water and Sewer System Acquisitions Status

Larry made a motion to authorize the Executive Director or Deputy Director to execute an Amended and Twelfth Restatement of the Service Agreement between the County of Dutchess and the DCWWA; to execute the Service Agreement between the County and Authority on behalf of Part County District #7, and to execute the Service Agreement between the County and Authority on behalf of Part County District #8. This was seconded by Rudy; voted on and passed unanimously. (Res. 2015.05.J/09)

Fairways Sewer System Acquisition – and Authorization to Execute Transfer Agreement

Rudy made a motion to authorize the Executive Director or Deputy Director to execute the Service Agreement between the County of Dutchess and the DCWWA. This was seconded by Larry; voted on and passed unanimously. (Res. 2015.05.K/10)

Bridget then noted an additional resolution for approval of the transfer of the Fairways Sewer System which was handed out at today's meeting. This is the same transfer agreement used for Fairways Water System with the exception that this resolution indicates we are obtaining an easement to the treatment beds. Tom advised the Board that this is an in-ground leach field. With this system the Authority does not own the land the leach field is on, only the system and the easement. He added that he advised Bridget that for future acquisitions if we cannot acquire the land we will not acquire the system. The board members agreed. He added we had already acquired the Fairways Water System which is why we handled acquiring the sewer system this manner.

Rudy made a motion to authorize the Executive Director, Deputy Director or Chairman to enter into an Agreement for Transfer with the Fairways Homeowners Association establishing the terms and conditions by which the Authority will accept ownership and operations of the Fairway at Red Hook Sewer System. This was seconded by Larry; voted on and passed unanimously. (Res. 2015.05.N/11)

Vanderburgh Cove Sewer System Acquisition Status and Draft Evaluation Report

Tom said at this time no action is required by the Board regarding Vanderburgh Cove Sewer System. Bridget said a draft report was provided in the package. Larry asked if most of the improvements in the collection system were authorized and completed over time. Tom said some were and some were not. Bridget said the sand filters were replaced with bio clear units. Phase 1 of the collection system improvements was completed, but there are additional phases of the collection system work to be done such as manhole repairs, repairs to collection lines, lining collection lines, etc.

Bridget said they did complete a survey of homeowners that had sump pumps connected and only 4 said they did. Vanderburgh has always had serious inflow and infiltration problems. She believes that if we were to take over this system we would continue addressing inflow and infiltration issues. Tom agreed. He added that the Town is unable to manage the system and most of the work was paid for by grant funding. Bridget said it is not an inexpensive system. They are currently paying $1,800 per year.

Hoffman Project Water and Sewer System Status

Bridget said the memo in the package outlines the proposed MOU that Hoffman has provided to us for the water system. The premise is that the project sponsor would build the distribution system within the project. There would be a connection to the Village of Red Hook and the water purchased from the village of Red Hook. The MOU would address the ownership of the distribution system and responsibility of Operation and Maintenance. Provisions that relate to the construction of the system are similar to what the Authority has done in the past with MOU's. We would have the opportunity to approve the system design, oversee the construction, require changes to anything that is not acceptable, and they would post a performance bond to guarantee completion of the construction of the system.

Bridget continued by saying that rather than either the developer maintaining ownership of the system as Transportation Corporation with the option of a future transfer to the Authority or an initial transfer to the Authority, they are proposing they continue to own the system but we would lease it from them. They are proposing a minimum 10 year lease agreement. The Authority would make an annual lease payment to the developer. We would generate revenues for that through an assessment on the properties within the service area. We would also charge the properties for the cost of purchasing the water, the operation and maintenance and administration of the internal distribution system. Tom said the Board and Staff would discuss this further at the June meeting.

Public Comment

Tom asked for any public comment. There was no public comment.

Executive Session – Discuss Litigation
Larry made a motion to enter into Executive Session for the purpose of discussing litigation. This was seconded by Rudy; voted on and passed unanimously. (Res. 2015.05.L/13)

Rudy made a motion to close Executive Session. This was seconded by Larry; voted on and passed unanimously. (Res. 2015.05.M/14)

Confirm Next Meeting Date
Tom confirmed the next meeting date of June 17, 2015.

Respectfully submitted,

Jackie Burger
Senior Typist

Resolutions

Res. 2015.05.A/01	Motion to approve Minutes from the April 15, 2015 board meeting
Res. 2015.05.B/02	Motion to approve the warrant as amended
Res. 2015.05.C/03	Motion to authorize M&T Bank Treasury Management Agreement
Res. 2015.05.D/04	Motion to authorize Disposal of Surplus Property
Res. 2015.05.E/05	Motion to award contract – VDW North Well Access Improvements
Res. 2015.05.F/06	Motion to award Design Services – HPR/CDWTL Building Exterior Maintenance and Repair
Res. 2015.05.G/07	Motion to award construction contract – CDWTL Pump Station Roof Maintenance
Res. 2015.05.H/08	Motion to Authorize Amendment to Engineering Services – VDS WWTP Rehabilitation Project
Res. 2015.05.I/00	Motion to Authorize Amendment to Engineering Services – SHW Treatment System Improvement Project **TABLED**
Res. 2015.5.J/09	Motion to Authorize Execution of Service Agreements – Hyde Park Water and Sewer Acquisitions
Res. 2015.5.K/10	Motion to Authorize Execution of Service Agreement – Fairways Sewer System Acquisition
Res. 2015.5.L/12	Motion to enter Executive Session to Discuss Litigation
Res. 2015.5.M/13	Motion to close Executive Session
Res. 2015.5.N/11	Motion to Authorize Execution of Transfer Agreement – Fairways Water System