

**DUTCHESS COUNTY WATER AND WASTEWATER AUTHORITY
DRAFT MINUTES OF THE BUDGET WORKSHOP MEETING ON
NOVEMBER 4, 2025**

Board Members Attending in Person

Rudy Vavra
Dale Borchert
Jennifer Cannella

Staff Attending in Person

Jonathan Churins
Jessica McMahon
Mary Morris
Pam Compasso

Board Members Present via Video/Conference Call

N/A

Staff Present via Video/Conference Call

N/A

Board Members Absent

Larry Knapp
Tom LeGrand

Ex-Officio Member Present

Others Present via Video/Conference Call

Members of the Public in Person

Meeting Open – Introductions

The meeting opened at 4:36 p.m.
Rudy Vavra called the meeting to order and began with a roll call to identify those attending the meeting both in person and by video/conference call.

Public Comment

None

Chairman's Report

None

Finance Reports

None

2026 Overall Budget Adjustments: - Summary

Jessica McMahon identified a 3.02% increase in CPI year over year. Monthly charges have been adjusted to reflect static system readiness expenses that do not vary with consumption. Single-event system repairs will be funded through the application of fund balance where feasible. Out of twenty-five system budgets, twenty maintain a minimum 30% contingency fund balance.

2026 Proposed Staff Costs

Jessica McMahon presented the proposed 2026 staff costs and revenue sources, addressing questions from Dale Borchert and others about percentage changes, staff hiring, overtime, and salary adjustments related to county work hour policies. Jessica McMahon stated that the County does not currently have a contract in place. As of January 2026, employees will get their step increases but not cost of living increase until the County has a contract with CSEA. Jessica McMahon clarified that the budget includes provisions for retroactive pay, budgeting a 4% increase for both 2025 and 2026, even though the exact retroactive amount is not yet known.

Jessica McMahon explained that the budget is a work in progress, with the current best available data showing a higher percentage increase in staff costs compared to last year, primarily due to hiring more staff and planning for overtime.

System Rate Comparison & 2026 Draft System Comparison

Jessica McMahon and Jonathan Churins reviewed system budgets, highlighting a shift from increasing usage rates to raising monthly costs for guaranteed income, and explained the rationale and impact of these changes across various water and sewer systems.

Monthly Cost Versus Usage Rate: The team decided not to increase usage rates but to raise monthly costs, providing more predictable revenue and reducing dependence on customer water usage; this change is reflected in the average annual cost lines for each system.

Definition of Monthly Rate: Jessica explained that the monthly payment is a readiness charge, ensuring a baseline of funds to cover fixed costs such as insurance and labor, rather than being tied to capital expenditures or specific usage.

Debt Inclusion in System Budgets: For systems with existing debt, such as Dutchess County, the revenue and support for capital debt are included in the average annual cost, with commercial users' share of debt fluctuating based on flow.

Jessica McMahon and other participants provided detailed explanations for significant budget increases and maintenance needs in specific systems, including Dalton Farm, Hyde Park, Tivoli, Traditions, and Valley Dale, addressing questions and outlining planned improvements and challenges.

Dalton Farm Sewer and Water: Dalton Farm Sewer's budget increase is due to building maintenance, UV projects, tank cleaning, screen adjustments, RBC repairs, pump repairs, and main line cleaning, with repairs costing up to \$15,000 per instance; Dalton Farm Water faces similar aging infrastructure and increased field repair costs.

Hyde Park System Debt and Rate Comparisons: The Hyde Park system's apparent rate increases are largely due to the inclusion of capital debt in recent years, with plans to update historical data for accurate comparisons and ongoing efforts to manage aging infrastructure and plan for future improvements.

Tivoli Sewer and Water System Upgrades: Tivoli Sewer is undergoing a \$22 million wastewater treatment plant improvement, supported by federal and state grants, with increased budget for maintenance during the transition; Tivoli Water has liabilities from old pipes, non-functional meters, and the need for further capital improvements.

Traditions Water System Transition: The Traditions system is transitioning from developer support, with an imbalance between purchased and sold water, and rates being adjusted to reflect these changes; further details will be provided as the transition progresses.

Valley Dale Water and Sewer System Challenges: Valley Dale systems have faced significant rate increases and operational challenges, including DEC-identified wastewater treatment plant failures, emerging PFOA contamination risks.

Use of Fund Balances and Grant Funding:

The team discussed the strategic use of fund balances and grant funding to keep rates low and support necessary improvements, highlighting successes and limitations in systems like Schrieber and Quaker Hills.

Application of Fund Balances: Fund balances were used where available to avoid rate spikes and support improvements, with most systems maintaining a 30% contingency fund, though five systems, including Schreiber, could not.

Please see information below as to what drove the rate increases for the individual systems.

ABW – No individual system increases

BHW – Building maintenance needed, chemical pump and water main repairs

CCS – Filter Media, electrical, heating, and air handler repairs

DFS – Building maintenance, UV Project, EQ cleaning, fine screen, RBC repairs, pump repairs and main line cleaning

DFW – Booster pump/control system, building maintenance, main repairs and curb valve repairs needed

FAS – Pump upgrades/repairs

FAW – Water main, pipe gallery, and curb valve repairs

GEN – Increase for software expense, costs of maintaining office building, labor cost increases

GBW – No individual system increases

GFS – Building maintenance, sewer main repairs and cleaning

GFW – Water main repairs, booster pump and hydrant replacement

PBS – New influent pump

QHW – Roof repairs, well work and water main repairs

RKW – Well work if needed, hydro tank repair, plant piping and water main repairs

DSW – No individual system increases

SHW – HVAC/Softener repairs, well maintenance, Main/Service line and curb box repairs

TRS – No individual system increases

TRW – Transition from developer subsidy to full build out

TVS – Sludge hauling, sewer main, manhole, and blower repairs.

TVW – Well, SCADA upgrades, water main, and hydrant repairs

VCS – Sewer pump and piping repairs, line cleaning

VDS – Sewer pump and piping repairs, line cleaning

VDW – Building, well, main/service line and curb valve repairs needed

AWL – No individual system increases

HPR – No individual system increases

OCS – No individual system increases

Motion to Adjourn:

At 5:34 pm Larry Knapp made a motion to adjourn. This was seconded by Dale Borchert, a roll call vote was taken, voted on and passed unanimously.

The next Board Meeting will be on Wednesday, November 19, 2025, at 4:30 pm,
at 1 Lagrange Ave., Poughkeepsie, NY 12603.

Respectfully submitted,
Pamela Compasso,
Program Assistant

Resolutions

- 1. (2025.11.AA) Open Executive Session – Not Used**
- 2. (2025.11.BB) Close Executive Session – Not Used**

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