Poughkeepsies' Joint Water Board

October 2, 2012
4:30 PM

Poughkeepsies' Water Treatment Facility

Agenda

1. **Approval of September 4, 2012 Minutes**
2. **Public Participation**
3. **Plant Status Report**
4. **Operating Budget Status**
5. **2013 Proposed Capital Budget Status Report**
6. **IBM Letter concerning Water Purchase**
7. **Wholesale Water Rate Status Report**
8. **Old Business**
9. **New Business**

Next meeting: November 6, 2012 4:30 PM?
POUGHKEEPSIES' WATER TREATMENT FACILITY

Poughkeepsies' Joint Water Board

July 2, 2012
Minutes

Board Members	**Others**
Mark Newton	Randy Alstadt, Administrator
Mayor John Tkazyik	Don Beer, Morris Associates
Paul Herman	David Wise, Gellert & Klein
Sean Eagleton	Mike Long, City Administrator
	Milo Bunyi, City Finance Commissioner
	Keith Ballard, Town Water
	Jim Wojtowicz, Town Comptroller
	Jesse Purcell, City Water
	Doreen Tignanelli, Customer

1. **Approval of June 5, 2012 Minutes**

   Minutes were approved with minor typing corrections.

2. **Public Participation** Doreen Tignanelli questioned what status of aeration testing that was discussed at the December 20, 2012. Board Meeting. Randy Alstadt stated meter that was to be used to quantify disinfection byproduct removal was determined unacceptable as a result testing was not performed.

3. **Plant Status Report**

   Randy Alstadt reviewed his written report. Randy stated that High Lift Pump #3 failed and was sent out for repairs. Randy stated that Low Lift Pump #3 tripped out which was determined to be an overheating problem. Sean Eagleton questioned cause, stating based upon his experience temperature should not of caused pump to trip out. Randy stated he would investigate cause further.

4. **Operating Budget Status**

   Randy Alstadt provided Board 2012 operating budget status. Mark Newton requested Randy prepare list of projects that are to be performed under significant budget lines. Randy stated he would review lines with staff and update projects monthly.

   Mayor Tkazyik stated Board needs to look at shortage based upon loss of Village of Wappingers Falls water sale. He stated budget needs to be frozen now to prevent ending up short.

   Mark Newton stated that he does not see shortage this year as ultimately Village of Wappingers Falls will pay. Mark stated revenue was budget windfall which was extras. Mayor Tkazyik stated if water fund is short we need to take action.

   Mark Newton stated it is the Water Boards fiduciary obligation to see needs of plant

are met. Mayor Tkazyik stated City and Town cannot afford cost now. Mark replied that Board objective is to take care of plant. Mayor Tkazyik replied that cost deficit is serious concern for City. Sean Eagleton stated that real question needs to be how do we resolve this issue. Mayor Tkazyik stated bleeding needs to stop now.

Sean Eagleton suggested that another meeting might be necessary. Mike Long recommended Board make decisions now and implement action. Sean replied that he is concerned that Board needs to start the process.

Mayor Tkazyik suggested a subgroup meet and come back with proposals. He then questioned David Wise when budget must be approved. David replied that the Inter-Municipal Agreement requires Board to adopt budget by August 16th or proposed budget shall be deemed approved by the Joint Board.

Mayor Tkazyik stated Board needs to deal with 2012 shortage now and need to establish 2013 budget based upon anticipated revenue. Mark Newton stated that Town contributes $1.6 million to cover their Water Fund expenses. Mark expressed concern that monies are barely sufficient now. Mark stated that he is concerned that plant has been under funded and he has previously proposed adding to the budget for maintenance.

Mayor Tkazyik questioned proposed staffing plan. Sean Eagleton stated Board could quantitatively determine proper staffing. Randy Alstadt replied that evaluation needs to take into consideration risks of reducing staffing.

Mark Newton proposed getting a team together to look for cost prudency.

Mayor Tkazyik stated need to cut $500,000 in 2012 from budget. Don Beer pointed out that if current staffing is kept there is only roughly $150,000 in operating equipment. Sean Eagleton proposed City Engineer, Town Engineer and Administrator get together to review budget further.

Milo Bunyi stated that City is receiving $140,000 less in water sales quarterly. He stated City has 300 vacant homes and that City residents average income is only $25,000.

Don Beer stated that based upon budget you cannot cut electric and chemical costs. To get proposed cuts it will be necessary to cut staff. Sean Eagleton recommended a detailed look into staffing needs. Don recommended he, Jim Wojtowicz, Rich DuPilka and Milo Bunyi meet with Randy to identify plan.

Milo Bunyi stated that health insurance costs could go up 25-35 percent versus typical 10 percent. Sean Eagleton suggested Board select likely cost based upon available information

5. Disinfection Byproduct Study

Randy stated study is complete. Randy stated that staff has obtained activated carbon which will be tested in pilot plant for effectiveness of total organic carbon

removal.

6. Distribution Model Status

Randy stated purchase order was issued and consultant is moving forward.

7. Bottled Water Investigation

Randy Alstadt stated he has not completed report.

8. Old Business

None.

9. New Business

Mayor Tkazyik stated that City has invited County Executive, Marc Molinaro and Ron Hicks of Dutchess County to plant so we can highlight what we do and get their support to promote our ability to provide good low cost water to potential industries and developments.

Mayor Tkazyik expressed concern that Fishkill is considering building a water plant. He stated that it would be devastating if we lost IBM as water customer. Mike Long stated he would invite IBM to the proposed meeting.

Paul Herman questioned if Board should consider supplying water to tractor trailer companies. Jessie Purcell stated City doesn't have facility. Keith Ballard stated Town provides water for $60 per truck load. Randy Alstadt stated that it would not be feasible to bring additional truck traffic through Marist College into our plant, however, he pointed out that City could establish a fill site at many sites within City where there is adequate water pressure. Paul suggested City investigate selling water to tractor trailer companies. Keith Ballard stated Town sells 20 to 30 truck loads daily.

Randy Alstadt advised Board he provided proposed capital budget in package for their review.

Board went into executive session to discuss Village of Wappingers Falls. Guests were excused.

Board returned from executive session. Guests returned,

Sean Eagleton moved that David Wise submit request to American Arbitration Association for arbitration between Board and Village. Paul Herman seconded Board vote was unanimous.

Board set next meeting date to be held August 7, 2012 at 4:00 PM.

Poughkeepsies' Joint Water Board

September 4, 2012
Minutes

Board Members	**Others**
Mark Newton	Randy Alstadt, Administrator
Mayor John Tkazyik	Don Beer, Morris Associates
Paul Herman	David Wise, Gellert & Klein
Sean Eagleton	Milo Bunyi, City Finance Commissioner
Todd Tancredi	Keith Ballard, Town Water
Rich DuPilka	Doreen Tignanelli, Customer

1. Approval of August 7, 2012 Minutes

Minutes were approved as written.

2. Public Participation

Doreen Tignanelli stated that July 3rd Board minutes should say, "Mayor Tkazyik stated need to cut $500,000 from 2013 budget" not $500. Ms. Tignanelli then questioned status of aeration testing.

3. Plant Status Report

Randy Alstadt reviewed his written report. Sean Eagleton questioned if we are assuming Low Lift Pump tripped due to relay fault. Randy stated he is bringing in electrician to troubleshoot as this problem happened recently.

4. Operating Budget Status

Randy Alstadt provided Board 2012 operating budget status. Mark Newton stated Randy needs to present what he expects to spend through remaining year. Randy replied that he did have detail in budget report. Mark then questioned if Randy expected to under spend the budget by $90,000. Randy replied yes.

Todd Tancredi questioned why Health Insurance was increased $25,000. Milo Bunyi stated that the additional cost was due to contract requirement that does not require employees to pay co-pay. Mayor Tkazyik stated that should be changed in new contract negotiations. Milo Bunyi stated with no co-pay there is no incentive to stay home.

Mark Newton questioned if bills are being paid on time. Randy stated City policy is to pay in 30 to 60 days. Sean Eagleton questioned if this effects our credit rating. Milo Bunyi stated credit rating is effected by bond rating agencies not time of bill payment.

Mark Newton questioned if some vendors are increasing charges due to slow payment process. Randy stated he is not aware of any. Mayor Tkazyik stated bills

are paid in 30 to 60 days.

Sean Eagleton stated if we were private entity credit rating would be reduced.

Mark Newton directed Randy to monitor late fees and report on these to Board.

5. 2013 Proposed Capital Budget

Randy Alstadt stated that based upon proposed budget Board would proceed on design and implementation of new centrifuges in 2013. Mayor Tkazyik questioned if we know if project is included in State Revolving Fund. Randy stated application was processed for total project including ozone and that in past EFC has split out portions in a stepped program. Mayor Tkazyik questioned what interest rate would be. Randy responded he did not know.

Sean Eagleton questioned budgeted cost of engineering. Todd Tancredi requested breakdown of costs. Randy stated he would get more detail from Engineers.

Todd stated that model was to determine ways to reduce disinfection by-products. Randy stated centrifuge upgrade is independent of compliance, they are necessary due to age and by increasing capacity we can eliminate an operator position.

Mark Newton instructed Randy to contact Jim Wojtowicz, Town Comptroller to identify how Town will pay and schedule.

Todd asked when distribution model will be completed. Don Beer replied end of year.

Sean Eagleton stated centrifuge costs are high and he believes engineering work should be bid.

Don Beer stated that design service costs include all engineering services including bid services, construction management and startup. Don stated typical fee is 10% to 15%.

Mayor Tkazyik recommended Town and City elected officials be given tour of water plant by Randy.

6. IBM County Agreement

Letter Agreement with IBM was approved**.**

7. Wholesale Water Rate

Randy Alstadt stated that some potential water customers are concerned that Board requires take or pay contracts. Mark Newton proposed a committee of Randy Alstadt and Don Beer to work on another proposed rate.

8. Old Business

David Wise discussed that mediation with Village of Wappingers Falls is scheduled for October 11th at plant and mediator requests all in attendance schedule day for meeting. Mayor Tkazyik proposed, he, Supervisor Tancredi, City Finance Commissioner Milo Bunyi, Town Comptroller Jim Wojtowicz and Randy. Board agreed.

Mayor Tkazyik stated that the Mediator has charged $6,900 for this service. David Wise stated that cost cannot be added to Village costs.

9. New Business

None

The next regular scheduled meeting will be October2, 2012 at 4:30 PM.