

Poughkeepsies' Joint Water Board

**August 7, 2018
Minutes**

Board Members

Jay Baisley
Bill Carlos
Mark Newton
Rob Rolison

Others

Randy Alstadt, Water Plant Administrator
Scott Volkman, SRDD
John Lazarony, Morris Associates
Pete Sotero, Morris Associates
Bridget Barclay, Dutchess County Water and
Wastewater Authority
Bill Brady, City Finance Commissioner

1. Approval of July 10, 2018 Minutes

Randy Alstadt advised that he made changes to minutes being reviewed that corrected comments by Doreen Tignanelli. What she stated was as follows.

Doreen stated that going into Executive Session to discuss contract items is not one of the eight valid items that can be discussed behind closed doors in Executive Session.

Doreen did not state the following.

Doreen stated that minutes should not discuss contract terms.

Board approve minutes with Randy's corrections 4-0.

2. Public Participation

None

3. Town of East Fishkill Water Request

Scott Volkman stated that City approved agreement for short term supply and that the Town will approve agreement in August. Bill Carlos stated that it was important that people had water. John Lazarony advised that Town of East Fishkill is still taking water.

4. Water Sale to County Airport

Bridget Barclay discussed plan to supply water to customers along new County main to Airport. Bridget stated that she has negotiated with GlobalFoundries to use their not taken water. Mark Newton questioned why water would not be additional volume not GlobalFoundries. Bridget replied that County Airport will be a major customer and that County is not interested in take or pay water.

Bridget stated that GlobalFoundries has subdivided their property into eight (8) parcels of land which need to be assigned water.

Mark Newton questioned why Board would give up take or pay and opportunity to sell more water. Bridget stated that if Board desires Take or Pay, County is

not interested in contracting for more water.

Rob Rolison questioned if deal has to be take or pay. Mark stated that he will have difficult time supporting City and Town taking risk while County has no risk. Rob stated that John Hickman has told him that if Board wants to sell water it must not be take or pay. Mark stated risk is we have to reserve gallons that are locked up which could cause need to build extra capacity even though it is not being taken.

Bill Carlos stated that Board would need to increase rate for taken water to cover risk. Scott Volkman stated that Board has to talk about considering a rate for water without take or pay rate. Mark Newton stated that if take or pay works for industry it should work for municipalities.

Bill Carlos asked if GlobalFoundries is planning to dedicate their water to other properties. Bill asked if GlobalFoundries is marking up water they transfer. Bridget Barclay stated that GlobalFoundries does want to recoup cost and be made whole for transferring their water.

Bill questioned if GlobalFoundries agreement allows them to share their allocation. Scott Volkman replied that the intent was not for them to reallocate water.

Bridget stated that GlobalFoundries has set up an interim water supply and wants County to operate the water system. Mark Newton pointed out that County doesn't have any water. Bridget stated that intent is for them to distribute their allocation throughout the parcels. Mark again questioned if their contract allows for the reallocation.

Scott Volkman stated that County proposal to reallocated GlobalFoundries water to airport is another concern. Bridget stated that County is offering to lease storage. Mark stated that Board is not interested in allowing relocation and questioned why Board should agree to this. Bridget replied Board would be a good partner and that County has invested \$10 million into project.

Rob Rolison asked when County expected to start taking water. Bridget replied that water main is in and their desire is to be serving water prior to end of next year.

Jay Baisley questioned if County has right to sell water that has been allocated to others. Bridget suggested Board add Capital and Operating Costs into water rate rather than having a take or pay contract. Scott Volkman suggested decisions be held over until next meeting. Bridget stated that Contract provision to allow special sales has expired.

Bill Carlos stated that key to development is water. Bill is concerned that Board takes steps that will be correct for the future.

Scott Volkman stated that Board is exploring options.

5. Plant Status Report/Upgrade Status

Randy Alstadt directed Board Members to his report. Randy stated that Plant has been operating well.

6. 2018 Operating Budget

Randy Alstadt referred Board to his spreadsheet and stated that he expects to complete year within budget.

7. 2019 Operating Budget

Jay Baisley stated that he would like to consider including into a Capital Budget which puts off pay. Scott Volkman stated that Inter-municipal Agreement if Board does not approve budget by August 16th the proposed budget is to be submitted to City and Town.

Rob Rolison questioned that if Board does not take action can't the City and Town revise. Scott stated that budget can be revised can agree. He stated that Town needs to have budget prior to November 20th.

Mark Newton asked if there is a Capital Budget. Randy stated that he was instructed at previous budget to include all proposed costs into the operating budget and that City and Town would determine how they are going to pay for it.

Rob Rolison asked if low lift valve is in budget. Randy stated it is. Bill Carlos stated that budget only has a \$30,000 contingency

8. Flow Study Authorization

Randy Alstadt stated that he has distributed proposals four proposals that were received. Bill Carlos asked if Board could hold off action for a month. Scott Volkman stated that Pete Sotero of Morris Associates is present to answer Board questions or concerns. Bill proposed decision be put off until next Board meeting. Board members agreed.

9. Resolutions Based Upon State Audit

Bill Carlos passed out a summary of the Resolutions that were developed in response to State Comptroller Audit and went over them. Bill stated that Board does not have the authority to make City or Town do anything.

Rob Rolison asked if Board can agree that City has rectified the issues. Scott Volkman stated that when Comptroller files issues agency must submit a corrective action plan. He stated that the Board hired an Auditor to provide findings toward compliance.

Mark Newton stated a major concern is issue #5 concerning cost of administration. Bill Carlos stated that cost of administration should not be paid wholly by the Town but shared equally between City and Town. Mark Newton stated that total cost was set at 8-percent of operating expenses, which is why Town is charged 4-percent. Mark stated City needs to determine actual cost.

Bill Carlos expressed concern that reconciliation was originally done by Water Plant Administrator until 2007 – 2008 when procedure changed. Bill expressed

concern that 2017 reconciliation has not been completed. Mark Newton stated that report should be done with the municipality report.

10. Old Business

None.

11. New Business

Jay Baisley that letter from City stated that wholesale revenue would not be included in budget. Mark Newton and Scott Volkman asked for copy of letter.

Jay stated that wholesale water

Board set next regularly scheduled meeting will be September 5, 2018, 4:30 PM at the Poughkeepsies' Water Treatment Facility Board Room