

ALBANY WATER BOARD
MINUTES OF REGULAR MEETING
June 24, 2016

A regular meeting of the Albany Water Board was officially convened at 9:30 AM, local time, in the Conference Room at the Albany Water Board, 10 North Enterprise Drive, Albany, New York Friday, June 24, 2016.

PRESENT: David McGuire, Chairman; William Clay, Vice Chairman; Daniel Ranellone, Treasurer; Charles Houghton, Secretary; Rachel Johnson, Member.

STAFF PRESENT: Joseph E. Coffey, Jr. PE, Commissioner, AWB; William Simcoe, P.E., Deputy Commissioner; Christopher Quirk, Chief Fiscal Officer, AWB; Elizabeth Romand, Confidential Assistant; Andrea Scheely, Customer Service Supervisor;

BOARD ADVISORS PRESENT: William Kahn, UHY Advisors; Paul Goytes, SAX-BST; Kevin Hogan, ARCADIS;

Approval of May 26, 2016 Meeting Minutes

Chairman David McGuire introduced the minutes of the May 26, 2016 meeting. With no objection, the reading of minutes was dispensed and Chairman McGuire called for a motion to approve the minutes of said meeting. A motion was made by Mr. Ranellone, seconded by Mr. Houghton, and passed unanimously.

Public Comment Period

No public comments were made.

Water Bill Review Committee

There were four cases heard by the Water Bill Review Committee on June 9, 2016. The case details and recommendations are attached.

Water Board Policy Reviews

Whistleblower Policy- A proposed Whistleblower Policy (draft attached) was introduced to the Board for review in May. The Albany Water Board membership requested slight modification of the language used in the initial draft noting that employees of the Department of Water & Water Supply should be considered as employees of the Albany Water Board for the purposes of this Policy. The revised document was presented for adoption. Document attached.

Presentation of the 2015 Albany Municipal Finance Authority Audit Report

Paul Goytes of SAX-BST presented the findings of the 2015 Albany Water Board and Finance Authority Independent Audit Report to the Board. There were no material findings noted during this audit period. The draft audit report is attached.

Committee & Staff Reports

Cash Flows and other Combined Financial Information: Christopher Quirk, Chief Fiscal Officer, submitted a statement of the Albany Water Board and Albany Municipal Water Finance Authority's Cash Flows and other combined Financial Information for the one month period ending May 31, 2016. The detailed report is attached.

Key Performance Indicators and Critical Numbers Dashboard: Commissioner Coffey presented the monthly Key Performance Indicators as of the end of May, 2016 (attached).

The Commissioner also provided an update on the status of the Madison Avenue sinkhole repair and noted that Water Department news and any emergency communications can be found on Twitter at @Albanywater.

The Commissioner noted preventive maintenance statistics for leak detection and sewer cleaning. He noted we could do a demo on how we do leak detection using the acoustic detection equipment.

The Commissioner discussed the proposal from Envision Architects to perform a feasibility study for work needed at the Alcove farmhouse/office and related facilities.

The Commissioner noted we are proceeding to secure a Safety Consultant in lieu of hiring a Safety Coordinator due to the inability to recruit candidates for a full time equivalent employee position.

Deputy Commissioner Simcoe noted we are migrating to cellular reads for our large meter customers.

Quail Street GI Project Update: The work on Quail Street is completed with punch list items remaining.

Alcove Forest Carbon Project: This project has been rekindled; we are now awaiting a draft contract from the Nature Conservancy for review to proceed.

Summer Sewer Lining Projects: The Commissioner will be sending a note out to Board Members detailing the locations of sewer lining projects planned in our 2016 Sewer Lining Contract that is going out to bid.

Consultant Engineer's Report: Kevin Hogan of ARCADIS submitted the Consultant Engineer's Report to the Board. The report details progress on upcoming LTCP Projects and ARCADIS Projects (attached). All action items are occurring within scheduled time frames and progressing as expected.

Resolutions

Resolution 16-19: Adopting the Whistleblower Policy for the Albany Water Board was offered by Chairman McGuire and seconded by Mr. Ranellone. Resolution passed unanimously.

Resolution 16-23: Designating the Albany Water Board as Lead Agency relating to SEQRA for the Upper Washington Avenue Wastewater project was offered by Chairman McGuire and seconded by Mr. Ranellone. Resolution passed unanimously.

Resolution 16-24: Adopting the SEQRA Finding of No Significant Impact for the North Swan Street Sewer Project was offered by Chairman McGuire and seconded by Mr. Houghton. Resolution Passed unanimously.

Resolution 16-25: Adopting SEQRA finding of No Significant Impact for the Upper Washington Avenue Wastewater project was offered by Chairman McGuire and seconded by Mr. Houghton. Resolution passed unanimously.

Resolution 16-26: Accepting 2015 Financial Statements and Independent Audit Report was offered by Chairman McGuire and seconded by Mr. Houghton. Resolution passed unanimously.

Resolution 16-27: Authorizing Agreement with Denise Delaney as Safety Consultant to the Department of Water & Water Supply at an hourly rate of \$50 for a period of one year with option for two additional one year extensions. Agreement is in accordance with RFP for Safety Consultant Services dated June 2016 was offered by Chairman McGuire and seconded by Mr. Houghton. Resolution passed unanimously.

Resolution 16-28: Authorizing issuance of Task Order #1 to Master Services Agreement with Envision Architects for an estimated fee of \$35,000 for conducting a feasibility study for building improvements at multiple Albany Water Board facilities at the Alcove Reservoir.

Resolution 16-29: Authorizing the Chairman to execute "no cost" contract amendments to Master Services Agreements with CHA Consulting, Inc.; ARCADIS, USA Inc.; Barton & Loguidice DPC; and the Albany Pool Joint Venture Team for incorporation of EFC Contract language for those projects that the AWB has received EFC financing Chairman McGuire and seconded by Mr. Houghton. Resolution passed unanimously.

Resolution 16-30: Authorizing Quarterly payment to Hugh Johnson Financial Advisors in the amount of \$2,468.75 was offered by Chairman McGuire and seconded by Mr. Houghton. Resolution passed unanimously.

Resolution 16-31: Authorizing approval of Change Order #3 to contract with Ganem Contracting Corp for Feura Bush Filtration Plant Masonry Repairs and Roofing Chairman McGuire and seconded by Mr. Houghton. Resolution passed unanimously.

Resolution 16-32: Adopting the Official Excavation Policy of the Department of Water & Water Supply Chairman McGuire and seconded by Mr. Houghton. Resolution passed unanimously.

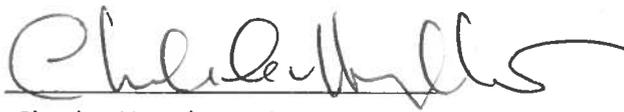
Executive Session

No Executive Session took place.

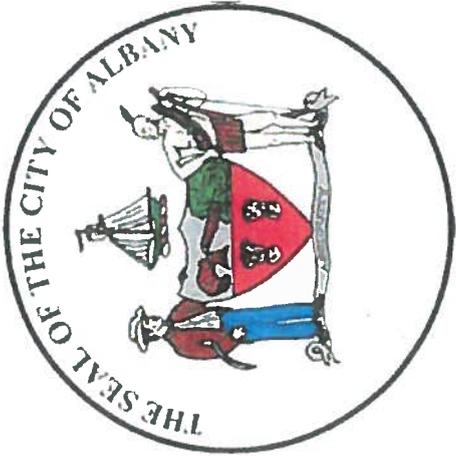
Chairman Dave McGuire informed all those in attendance that the next regular meeting of the AWB will be **Friday July 22, 2016** at 9:30 a.m. in the AWB Conference Room.

Being no further business, Chairman McGuire called for a motion to adjourn the meeting. A motion was made by Mr. Ranellone, seconded by Mr. Houghton and passed unanimously. The meeting was adjourned at 11:30 a.m.

Approved by:



Charles Houghton, Secretary



Albany Water Board
Albany Municipal Water Finance Authority

December 31, 2015

Albany Water Board
Albany Municipal Water Finance Authority
Audit Results Presentation – June 24, 2016

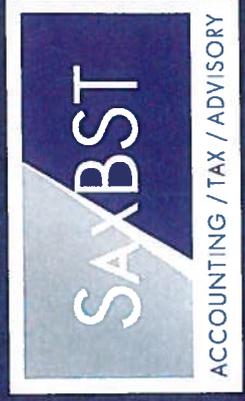


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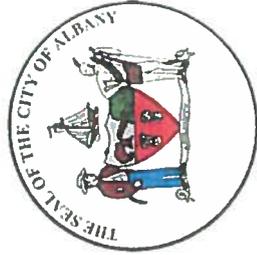
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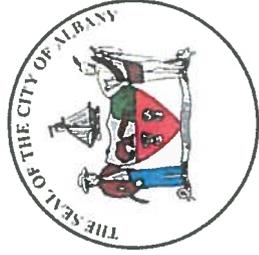
Executive Summary

- Second audit engagement (2014-2016)
- Deliverables
 - ❖ Independent auditor's report on financial statements
 - ❖ Report of internal controls over financial reporting
 - ❖ Required communications
 - ❖ Management comments
- No instances of noncompliance identified that would have a material effect on the financial statements.
- Unmodified opinion on the basic financial statements.



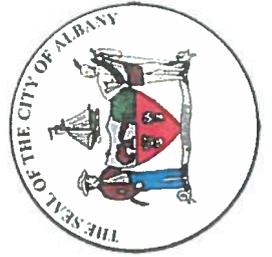
Financial Statements

- Independent Auditor's Reports (pages 1-2)
 - Management's responsibilities
 - Auditor's responsibilities
 - Unmodified opinion
 - Reference to required supplementary information
 - Reference to *Government Auditing Standards*
- Management's Discussion and Analysis (pages 3-6)
 - Organizational overview and analytical analysis
 - No significant changes from prior periods
- Financial Statements (pages 7-9)
 - Statements of Net Position
 - Statements of Revenues, Expenses and Changes in Net Position
 - Statements of Cash Flows



Financial Statements, continued

- Notes to Financial Statements (pages 10-22)
 - Organization and Summary of Significant Accounting Policies
 - New Accounting Standards
 - Reclassifications
 - Cash and Investments
 - Fidelity Investments -- certificates of deposit
 - Capital Assets
 - Debt
 - Other Matters
 - Long-term control plan
 - Accounting Pronouncements



Financial Audit Results

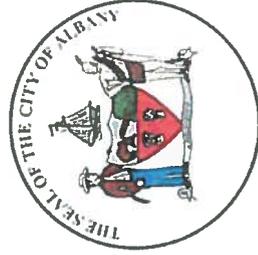
- Area of focus included:
 - ❖ Cash and investments
 - ❖ Receivables
 - ❖ Capital assets
 - ❖ Long-term debt
 - ❖ Transactions with the City
 - ❖ Revenues
 - ❖ Receivables
 - ❖ Payables and operating expenses



Required Communications

- **Accounting policies and practices:**
 - ❖ Significant accounting policies disclosed in footnote 1 to the financial statements.
 - ❖ The Board and Authority adopted GASB Statements 68 and 71 during 2015; no impact on the financial statements.

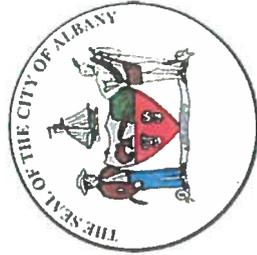
- **There were no:**
 - ❖ Unusual transactions
 - ❖ Disagreements with management
 - ❖ Significant issues discussed with management
 - ❖ Difficulties encountered during the audit
 - ❖ Material uncorrected audit differences



Required Communications, continued

- **Significant accounting estimates:**
 - ❖ Unbilled receivables
 - ❖ Allowance for doubtful accounts
 - ❖ Depreciation of capital assets

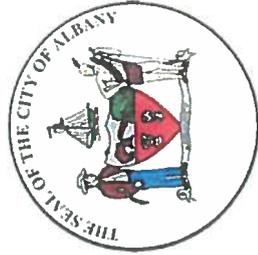
- **Significant written communications between management and SaxBST:**
 - ❖ Management representation letter



Discussion Points

Prior Year – 2014 Audit

- Transition of certain accounting functions from auditors to AWB
- Policy for allowance for unbilled receivables
- Analytic tools for financial/accrual basis analysis
- Capital assets
 - Inventory
 - Track individual assets
 - CIP accounting
- Investments
 - Close inactive accounts
 - Reconciliation/rollforward



Discussion Points

Current Year – 2015 Audit

- Policy for allowance of receivables
 - Change in 2015: no longer carrying large receivables and allowances for unmetered water receivables
 - Collectability for billed & unbilled receivables changed from 95% to 100%
- Analytic tools for financial/accrual basis analysis
- Capital assets
 - Inventory/Clean-up Listing
 - Accounting for acquisitions/trade-ins
- Investments
 - Close inactive accounts
- Restricted assets
 - Assets restricted for old bond issuances

Concentrations of customers

- SUNY Nano and NYS OGS



Questions or Comments?



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Thinking Differently / Achieving More



**Albany Water Board and
Albany Municipal Water Finance Authority**
(A Component Unit of the City of Albany, New York)

Combined Financial Report
December 31, 2015 and 2014

DRAFT

**Albany Water Board and
Albany Municipal Water Finance Authority**
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Combined Financial Report
December 31, 2015 and 2014

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Independent Auditor's Report

Members of the Boards
Albany Water Board and Albany Municipal
Water Finance Authority
Albany, New York

Report on the Financial Statements

We have audited the accompanying combined financial statements of the Albany Water Board and the Albany Municipal Water Finance Authority, a component unit of the City of Albany, New York, which comprise the combined statements of net position as of December 31, 2015 and 2014, and the related combined statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Albany Water Board and the Albany Municipal Water Finance Authority as of December 31, 2015, and the combined changes in financial position and cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 6 be presented to supplement the basic combined financial statements. Such information, although not a part of the basic combined financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic combined financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic combined financial statements, and other knowledge we obtained during our audits of the basic combined financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated _____, 2016, on our consideration of the Albany Water Board's and the Albany Municipal Water Finance Authority's internal control over financial reporting and our tests of their compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Albany Water Board's and the Albany Municipal Water Finance Authority's internal control over financial reporting and compliance.

Albany, New York
_____, 2016

**Albany Water Board and
Albany Municipal Water Finance Authority**
(A Component Unit of the City of Albany, New York)

Management's Discussion and Analysis
December 31, 2015 and 2014

The following Management's Discussion and Analysis (MD&A) of the Albany Water Board (AWB) and the Albany Municipal Water Finance Authority (AMWFA) (collectively the System), a component unit of the City of Albany (City) present a brief narrative of the System's financial performance for the years ended December 31, 2015 and 2014. Management has prepared the combined financial statements and related combined footnote disclosures, along with this MD&A. This information should be read in conjunction with the combined financial statements and accompanying notes.

Two five-member Boards govern the AWB and the AMWFA. The Boards have adopted policies and procedures as required under the Public Authorities Accountability Act ("PAAA") of 2005 and the Public Authorities Reform Act ("PARA") of 2009, enhancing transparency and embracing best governance practices.

The AWB Finance Committee meets on a quarterly basis to provide enhanced project and transactional analysis. On a monthly basis, the AWB meets to discuss infrastructure needs, project activity, and progress. The AWB meets monthly, and the AMWFA meets quarterly to discuss financial position. In addition, the AWB Audit Committee and the AMWFA Board meet with the independent auditors to discuss relevant issues and concerns.

In summary, positive operational and financial results were achieved during each of the years ended December 31, 2015 and 2014. The System, working together with the City, realized strong revenues, generally controlled the growth of expenses, and recorded positive cash flow.

Required Financial Statements: The combined financial statements of the System are prepared under accounting principles generally accepted in the United States of America (U.S. GAAP) and contain three statements that provide information on the System's financial position and results of operations as of and for the years ended December 31, 2015 and 2014. A description of these combined statements follows:

- The combined statements of net position include all assets, liabilities, and deferred inflows of resources and provide information about the nature and amounts of investments in resources (assets), the obligations to creditors (liabilities), and the sales of future revenues (deferred inflows of resources). The combined statements of net position present the financial position of the System at December 31, 2015 and 2014, at the end of its fiscal years.
- The combined statements of revenues, expenses, and changes in net position report all of the years' revenues and expenses and results of operations.
- The combined statements of cash flows provide information about cash receipts and cash payments during the two reporting periods. The combined statements report cash receipts, cash payments, and net changes in cash and cash equivalents resulting from operating, capital, financing, and investing activities.

**Albany Water Board and
Albany Municipal Water Finance Authority**
(A Component Unit of the City of Albany, New York)

Management's Discussion and Analysis
December 31, 2015 and 2014

The following comparative condensed financial statements (amounts in millions) and other selected information provide key financial data and indicators for management, monitoring, and planning.

	2015	2014	Percentage Change 2015-2014	2013	Percentage Change 2014-2013
NET OPERATING REVENUES	\$ 38.6	\$ 38.2	1.0	\$ 35.3	8.2
OPERATING EXPENSES					
Operation and maintenance of water system	9.6	10.0	(4.0)	10.0	-
Operation and maintenance of sewer system	9.2	9.3	(1.1)	8.9	4.5
Depreciation expense	3.1	3.2	(3.1)	3.1	3.2
Administration and general	4.5	4.6	(2.2)	4.9	(6.1)
Total operating expenses	26.4	27.1	(2.6)	26.9	0.7
Operating income	12.2	11.1	9.9	8.4	32.1
Non-operating items	(1.6)	(1.5)	6.7	(1.9)	(21.1)
CHANGE IN NET POSITION	10.6	9.6	10.4	6.5	47.7
NET POSITION, <i>beginning of year</i>	24.3	14.6		8.1	
NET POSITION, <i>end of year</i>	\$ 34.9	\$ 24.3		\$ 14.6	

Operating Revenues: Operating revenues for 2015 increased by approximately \$362,000 (or by 1%), due to an increase in water usage. Operating revenues for 2014 increased by approximately \$2,901,000 (or by 8.2%), also due to an increase in water usage. Operating revenues exceeded budgeted revenues in each year. In September 2012, the System rate structure was increased by approximately 4% for substantially all users.

Operating Expenses: Operating expenses for 2015 decreased by approximately \$650,000 (or by 2.6%). Increased costs in several areas of the System's operations were offset to a large extent by a decrease in bad debt (administrative and general) expense. On the water side, total costs approximated \$9,654,000, slightly less than costs incurred in 2014, principally due to lower payroll and payroll related costs. On the sewer side, total costs approximated \$9,147,000, approximately \$162,000 in excess of similar costs in 2014. Decreases in payroll, payroll related costs, and outside consultants were offset by increased costs associated with the County Sewer Contract, the System's largest line item cost at approximately \$6,141,000, which increased by approximately \$226,000 (or about 3.8%).

Operating expenses for 2014 increased by approximately \$138,000 (or less than 1%). On the water side, total costs approximated \$9,973,000, slightly less than costs incurred in 2013. On the sewer side, total costs approximated \$9,309,000, approximately \$395,000 in excess of similar costs in 2013. Sewer services, principally reflecting sewer repairs and maintenance, exceeded the prior year by approximately \$295,000. Costs associated with the County Sewer Contract, the System's largest line item cost at approximately \$5,915,000, increased by approximately \$32,000 (or less than 1%). Other system operating expenses, including administration and general, also increased due to enhanced security requirements and increases to payroll related costs.

Other Revenue and Expense Items: Interest expense declined by approximately \$88,000 in 2015 and \$263,000 in 2014 as the System began amortizing its 2011A revenue bonds.

**Albany Water Board and
Albany Municipal Water Finance Authority**
(A Component Unit of the City of Albany, New York)

Management's Discussion and Analysis
December 31, 2015 and 2014

	2015	2014	Percentage Change 2015-2014	2013	Percentage Change 2014-2013
Current and restricted assets	\$ 48.2	\$ 42.0	14.8	\$ 37.0	13.5
Capital assets, net	32.8	32.9	(0.3)	33.4	(1.5)
Total assets	81.0	74.9	8.1	70.4	6.4
Current liabilities	8.0	7.6	5.3	8.0	(5.0)
Noncurrent liabilities	37.8	42.7	(11.5)	47.3	(9.7)
Total liabilities	45.8	50.3	(8.9)	55.3	(9.0)
Deferred inflows	0.3	0.4	(25.0)	0.5	(20.0)
Net position					
Net investment in capital assets	(4.6)	(9.3)	(50.5)	(12.8)	(27.3)
Other	-	-	-	0.4	(100.0)
Unrestricted	39.5	33.5	17.9	27.0	24.1
Total net position	\$ 34.9	\$ 24.2	44.2	\$ 14.6	65.8

Assets: Capital assets decreased from December 31, 2013 to December 31, 2014 by approximately \$429,000 and from December 31, 2014 to December 31, 2015, by approximately \$194,000 as depreciation expense was greater than capital asset additions in each year. Capital additions to the System approximated \$2.9 million and \$2.8 million during 2015 and 2014, respectively. Cash and investments increased from 2013 to 2014 and from 2014 to 2015 by approximately \$3.5 million and \$5.5 million, respectively, as a result of positive cash flow.

Liabilities: During June 2011, the System took advantage of the low interest rate environment, and issued \$52,120,000 of Revenue Bonds for the purpose of providing the System with the funds required to refund its then outstanding (higher interest rate) Revenue Bonds and to fund certain reserve accounts. As a result of payments during 2015 and 2014, the System's total bond debt declined by approximately \$4,355,000 and \$4,210,000, respectively. During 2016 (and in each of the next five years), an additional \$4,420,000 to \$3,255,000 is scheduled to be paid in debt reduction payments.

Debt Coverage Ratio: Under the Bond Resolution, the System is required to maintain rates such that, in each year, revenues (net of operating expenses) are at least 115% of total annual debt service. The System was in compliance with the required ratio during 2015 and 2014.

Looking Ahead: The System is focused on managing a balanced budget for 2016, continuing to improve the water and sewer infrastructure, controlling operating expenses, and minimizing the impact of future system rate structure changes on City residents. In 2011, the System began allocating \$2 million annually to fund a reserve for major unbudgeted capital projects - while still committing over \$3 million annually to fund current capital projects. To this end, over the past 25 years, the System has expended over \$75 million to fund capital projects. The System continues to seek potential water sales to other municipalities and new commercial customers. All of these actions, along with a commitment to maintain an adequate security environment, position the System to continue an increasing investment in needed infrastructure capital expenditures in future years. Working in concert with the City, the System remains committed to its primary mission: to ensure system users have access to a clean, safe, plentiful, and low cost water supply for many generations.

**Albany Water Board and
Albany Municipal Water Finance Authority**
(A Component Unit of the City of Albany, New York)

Management's Discussion and Analysis
December 31, 2015 and 2014

The challenges for the future are many: budgetary pressures, an aging infrastructure, the requirement of funding over \$50 million in the Hudson River Combined Sewer Overflow Project, and the County sewer contract. Looking ahead, the System remains in a strong financial and operating position with the leadership team and financial resources to appropriately address these challenges in the years ahead.

Questions about this report may be directed to the System at 518-434-5300 or at 10 North Enterprise Drive, Albany, New York 12204.

DRAFT

**Albany Water Board and
Albany Municipal Water Finance Authority**
(A Component Unit of the City of Albany, New York)

Combined Statements of Net Position

	December 31,	
	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,978,777	\$ 11,144,572
Cash and cash equivalents, restricted	955,742	748,361
Investments	14,507,753	5,006,999
Investments, restricted	4,454,863	4,458,691
Receivables, net	10,676,631	10,362,029
Due from City	9,636,233	9,276,571
Prepaid expenses	993,763	1,011,018
Total current assets	48,203,762	42,008,241
CAPITAL ASSETS, AT COST, NET OF ACCUMULATED DEPRECIATION		
	32,791,141	32,985,265
Total assets	80,994,903	74,993,506
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	1,062,667	1,031,021
Revenue bonds payable, current installments	4,505,000	4,325,000
Accrued expenses	2,427,755	2,356,456
Total current liabilities	7,995,422	7,712,477
LONG-TERM LIABILITIES		
Revenue bonds payable, less current installments	33,050,000	37,585,000
Premium on revenue bonds, net	4,787,017	5,060,561
Total long-term liabilities	37,837,017	42,645,561
Total liabilities	45,832,439	50,358,038
DEFERRED INFLOWS OF RESOURCES		
Sales of future revenues	284,384	384,384
COMMITMENTS AND CONTINGENCIES		
NET POSITION		
Net investment in capital assets	(4,631,706)	(9,269,318)
Unrestricted	39,509,786	33,520,402
Total net position	\$ 34,878,080	\$ 24,251,084

See accompanying Notes to Financial Statements.

**Albany Water Board and
Albany Municipal Water Finance Authority**
(A Component Unit of the City of Albany, New York)

Combined Statements of Revenues, Expenses, and Changes in Net Position

	Years Ended December 31,	
	2015	2014
NET OPERATING REVENUES	\$ 38,577,580	\$ 38,215,354
OPERATING EXPENSES		
Operation and maintenance of water system		
Water supply, power and pumping	1,002,029	1,184,642
Water purification	2,274,515	2,380,014
Water transmission and distribution	4,454,778	4,438,768
Taxes paid to municipalities	1,922,748	1,969,305
Operation and maintenance of sewer system		
Sewer services	2,640,339	2,846,284
Albany County sewer contract	6,141,315	5,914,930
Sewer pumping stations	365,630	548,056
Depreciation	3,141,019	3,205,005
Administration and general	4,452,611	4,560,623
Total operating expenses	26,394,984	27,047,627
Operating income	12,182,596	11,167,727
NON-OPERATING INCOME (EXPENSE)		
Interest expense	(1,814,467)	(1,902,486)
Gain on sale of assets	15,435	150,425
Interest income	260,992	232,255
Realized loss on sale of investments	(4,787)	-
Unrealized loss on investments	(12,773)	(10,720)
	(1,555,600)	(1,530,526)
CHANGE IN NET POSITION	10,626,996	9,637,201
NET POSITION, <i>beginning of year</i>	24,251,084	14,613,883
NET POSITION, <i>end of year</i>	\$ 34,878,080	\$ 24,251,084

See accompanying Notes to Financial Statements

**Albany Water Board and
Albany Municipal Water Finance Authority**
(A Component Unit of the City of Albany, New York)

Combined Statements of Cash Flows

	Years Ended December 31,	
	2015	2014
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Cash received from customers	\$ 41,306,186	\$ 38,082,127
Cash payments to suppliers for goods and services	<u>(26,328,024)</u>	<u>(25,152,448)</u>
	<u>14,978,162</u>	<u>12,929,679</u>
CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(2,946,895)	(2,775,940)
Net proceeds from sales of capital assets	15,435	150,425
Payments to City of Albany and other Government Agencies	(359,662)	(649,186)
Principal payments on bonds and notes	(4,355,000)	(4,210,000)
Interest expense	<u>(2,036,960)</u>	<u>(2,164,821)</u>
	<u>(9,683,082)</u>	<u>(9,649,522)</u>
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		
Purchase of investments	(10,273,592)	(4,779,780)
Proceeds from sales and maturities of investments	759,106	(10,720)
Interest earned on investments	<u>260,992</u>	<u>232,255</u>
	<u>(9,253,494)</u>	<u>(4,558,245)</u>
Net decrease in cash and cash equivalents	(3,958,414)	(1,278,088)
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	<u>11,892,933</u>	<u>13,171,021</u>
CASH AND CASH EQUIVALENTS, <i>end of year</i>	<u>\$ 7,934,519</u>	<u>\$ 11,892,933</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH AND CASH EQUIVALENTS PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income	<u>\$ 12,182,596</u>	<u>\$ 11,167,727</u>
Adjustments to reconcile operating income to net cash and cash equivalents provided (used) by operating activities		
Depreciation	3,141,019	3,205,005
Changes in		
Receivables, net	(314,602)	(828,887)
Prepaid expenses and deposits	17,255	(14,609)
Accounts payable, accrued expenses and other	<u>(48,106)</u>	<u>(599,557)</u>
Total adjustments	<u>2,795,566</u>	<u>1,761,952</u>
	<u>\$ 14,978,162</u>	<u>\$ 12,929,679</u>

See accompanying Notes to Financial Statements.

Albany Water Board and Albany Municipal Water Finance Authority

(A Component Unit of the City of Albany, New York)

Notes to Combined Financial Statements
December 31, 2015 and 2014

Note 1 - Organization and Summary of Significant Accounting Policies

a. Financial Reporting Entity

The City of Albany Water and Sewer System (System) provides water supply and distribution, and the collection and disposal of sewage, principally for the City of Albany (City). The System, as presented in the accompanying combined financial statements, began operations in 1988, and consists of two legally separate, but interdependent, entities: Albany Water Board (Board) and Albany Municipal Water Finance Authority (Authority). The System is a component reporting unit of the City and, as such, is included in the City's general-purpose financial statements.

The Board, a corporate municipal instrumentality, was established in 1986 with the power to set and collect water and sewer fees in amounts sufficient to pay the debt service on the bonds of the Authority, as well as to provide for the costs of the operation and maintenance of the System. The primary responsibility of the Board is to charge, collect, and enforce rates and other charges for the System. The Board consists of five members who are appointed by the Mayor of the City.

The Authority, a public benefit corporation, was established in 1986 for the purpose of issuing revenue bonds to pay for the purchase, future improvement, and construction of the System. Among its powers, the Authority may borrow money, issue debt, and require that the Board charge and collect sufficient rates to pay the costs of operating and financing the System. The Authority consists of seven members, two members of whom are appointed by the Governor of New York State and five members of whom are appointed by the Mayor of the City.

The Board is a party to an operation agreement with the City whereby the City provides the Board with management, operational, and administrative personnel, and certain services, supplies, and equipment for the operation and maintenance of the System. Direct costs under this agreement, including substantially all operation, maintenance, payroll, and payroll related costs, are charged to the Board (by the City) as incurred. Certain indirect costs, including certain legal services and accounting and engineering support, are charged to the Board (by the City) on an annual basis. Other indirect costs have been assumed by the City in lieu of the City paying water and sewer charges. Revenues and expenses relating to the City's use of the System, which have not been quantified and recorded in the combined financial statements, are not believed to be significant relative to the total operations of the System.

The City, Board, and Authority are parties to a financing agreement which authorized the issuance of bonds by the Authority to finance the purchase of the System (from the City). The financing agreement requires the Board to maintain a rate structure which adequately funds debt service (Note 10), requires the Board to provide for the monthly transfer of revenues to the Authority for debt service payments, and stipulates other administrative requirements for the Board, Authority, and City. The financing agreement also requires the Board to prepare an annual budget for the funding of debt service costs of the Authority and the operation and maintenance costs of the System.

Albany Water Board and Albany Municipal Water Finance Authority

(A Component Unit of the City of Albany, New York)

Notes to Combined Financial Statements December 31, 2015 and 2014

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

b. Basis of Accounting and Presentation of Financial Statements

The accompanying combined financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Activities of both the Board and the Authority are accounted for similar to those often found in the private sector using the flow of economic resources measurement focus and the accrual basis of accounting. All assets, liabilities, deferred outflows of resources, deferred inflows of resources, net position, revenues, and expenses are accounted for through a single enterprise fund with revenue recorded when earned and expenses recorded at the time liabilities are incurred.

The Board and Authority, as fiscally interdependent entities, are combined for financial reporting purposes. Additionally, both the Board and the Authority are included in the City's financial statements as a component reporting unit (an enterprise fund) of the City.

The principal revenues of the Board and Authority include all water and sewer user charges billed to customers, including penalties relating to late payments, service income, and connection and repair charges. The System had approximately 29,000 water and sewer customer accounts at December 31, 2015. Approximately 80% of the customer base is comprised of residential customers, substantially all of which are within the City of Albany. Water services are billed based on meter readings or at flat rate charges; sewer charges are generally billed at 100% of water charges. Revenues are based on billing rates imposed by the Board, which were last increased in September 2012. Approximately 20% of operating revenues is derived from the System's 50 largest customers, which also include certain inter-municipality agreements.

c. Bond Resolutions

The Authority has entered into four Water and Sewer System General Revenue Bond Resolutions: the 1988 General Revenue Bond Resolution, the 2003 Second General Revenue Bond Resolution, the 2011 Third General Revenue Bond Resolution, and in 2012, the fourth General Revenue Bond Resolution. These resolutions provide that the Authority pledge, for the payment of the bonds, all System revenues, the proceeds from the sale of bonds, and all monies and securities in any funds and accounts. Additionally, the Bond Resolutions provide for the assignment and transfer of all of the Authority's rights and interests relative to the collection of revenues and the payment of debt service to an authorized trustee. Certain restricted funds and accounts (Note 6) have been established with the trustee to assure the Board's and Authority's compliance with the Bond Resolutions.

d. Cash, Cash Equivalents, and Investments

Cash includes amounts in demand deposits. Cash equivalents include all highly liquid investments with original maturities of three months or less when purchased. All cash deposits and repurchase agreements are fully collateralized or covered by federal deposit insurance.

Investments principally consist of obligations of the United States and its agencies and certificates of deposit. Investments are carried at fair value based principally on quoted prices in active markets.

Albany Water Board and Albany Municipal Water Finance Authority

(A Component Unit of the City of Albany, New York)

Notes to Combined Financial Statements December 31, 2015 and 2014

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

e. Receivables

Net receivables include all unpaid customer bills for System related services and also include estimated amounts earned for unbilled usage which relate to billing cycles which end subsequent to December 31 of each year. The Board records estimated unbilled revenue based on historic billing trends and, when applicable, considers the effect of rate structure changes which may have been implemented during the year. In November of each year, substantially all metered delinquent accounts are transferred to the City and placed on the City's general property tax rolls. These accounts are subject to the City's collection procedures (which subsequently provide for full collection by the County of Albany). Certain unmetered resident accounts (which comprise less than 1% of the overall customer base) are not transferred to the City and are not placed on the City's general property tax rolls. However, these unmetered balances are subject to the Board's collection procedures.

The Board maintains an allowance for doubtful accounts to reflect potentially uncollectible receivables that may not be subject to the City's or County's collection procedures. The allowance for doubtful accounts, which is reflected as a contra-receivable for financial reporting purposes, approximated \$170,000 and \$3,300,000 at December 31, 2015 and 2014, respectively.

f. Capital Assets

Capital assets, acquired through either purchase or construction, are recorded at cost. Depreciation is computed using the straight-line method based upon estimated useful lives as follows:

	<u>Estimated Useful Life</u>
Buildings	20-40 Years
Water supply and waste water treatment systems	5-50 Years
Water distribution and sewage collection systems	5-50 Years
Equipment, furniture, fixtures and vehicles	3-10 Years

Maintenance and repairs are charged to current operations. Major replacements and improvements, including all costs associated with the Board/Authority capital plan, are capitalized as capital assets.

g. Net Position

Net position is classified as follows:

- *Net investment in capital assets* consists of capital assets, net of accumulated depreciation reduced by the net outstanding debt balances.
- *Restricted net position* has externally placed constraints on use.
- *Unrestricted net position* consists of assets and liabilities that do not meet the definition of "restricted net position" or "net investment in capital assets."

Albany Water Board and Albany Municipal Water Finance Authority

(A Component Unit of the City of Albany, New York)

Notes to Combined Financial Statements December 31, 2015 and 2014

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

h. Restrictions on Cash and Cash Equivalents and Investments

Certain proceeds from bond issues, including monies set aside for future capital expenditures or debt reserve purposes, are restricted under various provisions of the bond resolution and financing agreement.

i. Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent unearned revenues that do not meet both the measurable and available criteria for recognition in the current year. The Board has one item that qualifies for reporting in this category. It is the deferred sales of future revenues reported in the combined statement of net position. The deferred sales of future revenues results from an inter-municipality agreement with the Town of Guilderland which provides for a commitment to sell water to the Town (Note 10).

j. Employee Benefit Plans

Certain employee benefit plans are provided (by the City) for System employees and reimbursed (by the Board) under the operation agreement. In this regard, employees earn vacation time credits as they provide service. Pursuant to collective bargaining agreements, they may accumulate (subject to certain limitations) unused time earned and, upon retirement, termination, or death, may be compensated for such accumulated time. In addition, substantially all full-time employees of the City are members of the New York State Employees' Retirement System, a multi-employer defined benefit pension plan. Participant contributions are mandatory for those employed after June 1976. The majority of participants employed before that date do not contribute. Under the operation agreement, all employee benefits are recorded in the combined financial statements at the time they are billed by the City.

k. Income Taxes

The Board and Authority are both exempt from federal, state, and local income taxes.

l. Estimates and Assumptions

The preparation of combined financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. The application of these accounting principles involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. The Board and Authority periodically evaluate estimates and assumptions used in the preparation of the combined financial statements and make changes on a prospective basis when adjustments are necessary. Significant estimates made by the Board and Authority in the accompanying combined financial statements include certain assumptions related to the allowance for doubtful accounts.

Albany Water Board and Albany Municipal Water Finance Authority

(A Component Unit of the City of Albany, New York)

Notes to Combined Financial Statements December 31, 2015 and 2014

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

m. New Accounting Pronouncements

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this statement.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68*. This statement addresses an issue regarding the application of the transition provisions of Statement No. 68, *Accounting and Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of the statement are to be adopted simultaneously with Statement No. 68.

The adoption of these standards did not significantly impact the System's financial statements

n. Reclassifications

Certain reclassifications were made to the prior year amounts in order to conform to the current year presentation.

o. Subsequent Events

The Board and the Authority have evaluated subsequent events for potential recognition or disclosure through _____, 2016, the date the combined financial statements were available to be issued.

Note 2 - Receivables, Net

Receivables, net consist of the following:

	December 31,	
	2015	2014
Billed	\$ 4,195,219	\$ 6,927,185
Unbilled	6,654,977	6,751,617
	10,850,196	13,678,802
Allowance for doubtful accounts	(173,565)	(3,316,773)
Receivables, net	\$ 10,676,631	\$ 10,362,029

Albany Water Board and Albany Municipal Water Finance Authority

(A Component Unit of the City of Albany, New York)

Notes to Combined Financial Statements December 31, 2015 and 2014

Note 3 - Cash, Cash Equivalents, and Investments

Guidelines issued by the New York State Office of the State Comptroller (OSC) establish the criteria for permissible investments by the Board and Authority. Additionally, the Board and Authority have combined investment policies which incorporate provisions of the Bond Resolutions and the OSC's guidelines.

Under these policies, the Board and Authority may invest in obligations of the U.S. Government and its agencies, obligations of the State of New York, certificates of deposit (issued by a New York State commercial bank), and repurchase agreements (which are collateralized by obligations of the federal government).

Investments are stated at fair value. Generally, it is the Board's and Authority's policy to purchase U.S. Government agency obligations with the intent of holding them until they mature. All such obligations are registered and held by the Board's or Authority's custodian in the Board's or Authority's name.

The December 31, 2015 and 2014 cash, cash equivalents, and investments comprise the following:

December 31, 2015	Cost	Market
Non-interest bearing accounts		
Cash accounts	\$ 6,978,777	\$ 6,978,777
Interest bearing and money market accounts		
U.S. Treasury Fund money market	955,742	955,742
	<u>7,934,519</u>	<u>7,934,519</u>
Investments in debt securities		
U.S. Treasury Notes and Securities	8,769,055	8,757,730
Government Agency Notes	5,158,281	5,253,676
Certificates of Deposit	4,948,461	4,951,210
	<u>18,875,797</u>	<u>18,962,616</u>
Total	<u>\$ 26,810,316</u>	<u>\$ 26,897,135</u>
December 31, 2014	Cost	Market
Non-interest bearing accounts		
Cash accounts	\$ 11,140,491	\$ 11,140,491
Interest bearing and money market accounts		
U.S. Treasury Fund money market	748,361	748,361
Other	4,081	4,081
	<u>11,892,933</u>	<u>11,892,933</u>
Investments in debt securities		
U.S. Treasury Notes and Securities	1,627,508	1,630,067
Government Agency Notes	4,101,972	4,201,571
Certificates of Deposit	3,636,618	3,634,052
	<u>9,366,098</u>	<u>9,465,690</u>
Total	<u>\$ 21,259,031</u>	<u>\$ 21,358,623</u>

Albany Water Board and Albany Municipal Water Finance Authority

(A Component Unit of the City of Albany, New York)

Notes to Combined Financial Statements December 31, 2015 and 2014

Note 4 - Capital Assets

Capital assets, including additions, deletions, and related transfers comprise the following:

	December 31, 2014	Additions	Deletions	December 31, 2015
Water supply, distribution, and collection systems	\$ 25,726,845	\$ -	\$ -	\$ 25,726,845
Water and sewer system capital improvements, equipment, furniture and fixtures, and vehicles	70,900,383	1,518,539	(164,602)	72,254,320
Six Mile Waterworks (Rensselaer Lake) ground lease	7,210,000	-	-	7,210,000
Construction in progress	123,452	2,105,121	(676,765)	1,551,808
	<u>103,960,680</u>	<u>3,623,660</u>	<u>(841,367)</u>	<u>106,742,973</u>
Less accumulated depreciation	<u>(70,975,415)</u>	<u>(3,141,019)</u>	<u>164,602</u>	<u>(73,951,832)</u>
Total	<u>\$ 32,985,265</u>	<u>\$ 482,641</u>	<u>\$ (676,765)</u>	<u>\$ 32,791,141</u>
	December 31, 2013	Additions	Deletions	December 31, 2014
Water supply, distribution, and collection systems	\$ 25,726,845	\$ -	\$ -	\$ 25,726,845
Water and sewer system capital improvements, equipment, furniture and fixtures, and vehicles	68,181,183	3,061,361	(342,161)	70,900,383
Six Mile Waterworks (Rensselaer Lake) ground lease	7,210,000	-	-	7,210,000
Construction in progress	408,872	123,450	(408,870)	123,452
	<u>101,526,900</u>	<u>3,184,811</u>	<u>(751,031)</u>	<u>103,960,680</u>
Less accumulated depreciation	<u>(68,112,570)</u>	<u>(3,205,006)</u>	<u>342,161</u>	<u>(70,975,415)</u>
Total	<u>\$ 33,414,330</u>	<u>\$ (20,195)</u>	<u>\$ (408,870)</u>	<u>\$ 32,985,265</u>

In December 2002, the Board and the City entered into a fifty-year ground lease under which the City conveyed to the Board a leasehold interest in certain real property, including Six Mile Waterworks (Rensselaer Lake), an emergency facility. The total cost of this lease, including certain related financing costs, was recorded as a capital asset.

Total depreciation expense was \$3,141,019 and \$3,205,005 for the years ended December 31, 2015 and 2014, respectively.

Albany Water Board and Albany Municipal Water Finance Authority
(A Component Unit of the City of Albany, New York)

Notes to Combined Financial Statements
December 31, 2015 and 2014

Note 5 - Bonds and Notes Payable

Bonds and notes payable balances and activity for the years ended December 31, 2015 and 2014, are summarized below:

	December 31, 2014	Additions	Reductions	December 31, 2015	Due Within One Year
General revenue bonds					
Series 2011A	\$ 40,180,000	\$ -	\$ 4,245,000	\$ 35,935,000	\$ 4,420,000
EFC revenue bonds					
Series 2003-C	45,000	-	45,000	-	-
Series 2010-C	85,000	-	15,000	70,000	15,000
Series 2012-B	1,600,000	-	50,000	1,550,000	70,000
Bonds payable	<u>41,910,000</u>	<u>-</u>	<u>4,355,000</u>	<u>37,555,000</u>	<u>\$ 4,505,000</u>
Unamortized bond premium	5,060,561	-	273,544	4,787,017	
Bonds payable, net	<u>\$ 46,970,561</u>	<u>\$ -</u>	<u>\$ 4,628,544</u>	<u>\$ 42,342,017</u>	

	December 31, 2013	Additions	Reductions	December 31, 2014	Due Within One Year
General revenue bonds					
Series 2011A	\$ 44,295,000	\$ -	\$ 4,115,000	\$ 40,180,000	\$ 4,245,000
EFC revenue bonds					
Series 2003-C	90,000	-	45,000	45,000	45,000
Series 2010-C	90,000	-	5,000	85,000	15,000
Series 2012-B	1,645,000	-	45,000	1,600,000	20,000
Bonds payable	<u>46,120,000</u>	<u>-</u>	<u>4,210,000</u>	<u>41,910,000</u>	<u>\$ 4,325,000</u>
Unamortized bond premium	5,334,105	-	273,544	5,060,561	
Bonds payable, net	<u>\$ 51,454,105</u>	<u>\$ -</u>	<u>\$ 4,483,544</u>	<u>\$ 46,970,561</u>	

Future principal payments required on all outstanding revenue bonds are as follows:

Year Ending December 31	Series 2011A	EFC Revenue Bonds		Total
		2010-C	2012-B	
2016	\$ 4,420,000	\$ 15,000	\$ 70,000	\$ 4,505,000
2017	3,940,000	15,000	100,000	4,055,000
2018	3,220,000	15,000	100,000	3,335,000
2019	3,350,000	25,000	100,000	3,475,000
2020	3,515,000	-	110,000	3,625,000
2021-2025	9,915,000	-	660,000	10,575,000
2026-2030	4,320,000	-	410,000	4,730,000
2031-2033	<u>3,255,000</u>	<u>-</u>	<u>-</u>	<u>3,255,000</u>
Net bonds and notes payable	<u>\$ 35,935,000</u>	<u>\$ 70,000</u>	<u>\$ 1,550,000</u>	<u>\$ 37,555,000</u>

Albany Water Board and Albany Municipal Water Finance Authority

(A Component Unit of the City of Albany, New York)

Notes to Combined Financial Statements December 31, 2015 and 2014

Note 5 - Bonds and Notes Payable - Continued

Future interest payments required on all outstanding revenue bonds are as follows:

Year Ending December 31	Series 2011A	EFC Revenue Bonds		Total
		2010-C	2012-B	
2016	\$ 1,757,350	\$ 2,184	\$ 93,987	\$ 1,853,521
2017	1,536,350	1,774	88,484	1,626,608
2018	1,378,750	1,322	82,897	1,462,969
2019	1,217,750	846	77,234	1,295,830
2020	1,050,250	-	71,331	1,121,581
2021-2025	2,916,000	-	249,135	3,165,135
2026-2030	1,487,250	-	43,534	1,530,784
2031-2033	330,500	-	-	330,500
Totals	<u>\$ 11,674,200</u>	<u>\$ 6,126</u>	<u>\$ 706,602</u>	<u>\$ 12,386,928</u>

Interest expense was \$1,814,467 and \$1,902,486 for the years ended December 31, 2015 and 2014, respectively.

a. Revenue Bonds

During June 2011, the Authority issued \$52,120,000 of Series 2011 A Water and Sewer System Revenue Bonds for the purpose of providing the Authority with the funds required to refund (higher interest rate) all of the previously outstanding 2003 A and Series 2003 B Revenue Bonds.

The Series 2011 A Revenue Bonds comprise both Serial and Term Bonds, with varying rates and maturities, as follows:

Type	Rate	Maturity	Total
Serial Bonds/Series A	2.00% to 5.00%	2012 to 2022	\$ 42,440,000
Term Bonds/Series A	5.00%	2023 to 2033	<u>9,680,000</u>
			<u>\$ 52,120,000</u>

Interest on both the Serial and Term Bonds is payable semi-annually. The Series A Term Bonds require sinking fund installments, beginning in the year 2023, through the year 2033, of amounts ranging from \$65,000 to \$1,135,000, annually. The Term Bonds are callable at the option of the Authority, in whole or in part, beginning December 2023, at a redemption price of par, plus accrued interest.

Under the financing agreement, the Board granted a security interest and mortgage in the System to the Authority. The Revenue Bonds are direct obligations of the Authority, secured by a pledge of revenues and funds established under the Bond Resolutions.

Albany Water Board and Albany Municipal Water Finance Authority
(A Component Unit of the City of Albany, New York)

Notes to Combined Financial Statements
December 31, 2015 and 2014

Note 5 - Bonds and Notes Payable - Continued

b. Environmental Facilities Corporation (EFC) Revenue Bonds

During 2012, certain previously outstanding pooled borrowing notes were refunded and reissued, resulting in one new EFC pooled borrowing note: 2012 B. This EFC note requires serial installments, with an interest rate of approximately 4%. Final maturity dates extend through 2028. Interest is payable semi-annually. The 2010 C EFC note requires serial installments, with interest rates ranging from .87% to 3.38% for 2010 C. Final maturity dates extend through 2019. Interest is payable semi-annually.

The Authority receives a subsidy credit toward its annual debt service cost from, and is charged an annual administrative fee by, the New York State Environmental Facilities Corporation.

Note 6 - Restrictions on Cash, Cash Equivalents and Investments

Substantially all the cash, cash equivalents, and investments of the Authority are held by a Trustee in accordance with the provisions of the Bond Resolutions and/or the Financing Agreement. A schedule by fund and account follows:

	December 31, 2015			December 31,
	Cash and Cash Equivalents	Investments	Total	2014 Total
Authority Funds				
1999 Debt Service Reserve Fund (b)	\$ 25,624	\$ 10,982	\$ 36,606	\$ 36,267
2003 C and 2012-B EFC Debt Service Reserve Fund (b)	106,726	246,145	352,871	348,376
2011 A Debt Service Reserve Fund (b)	816,766	4,197,736	5,014,502	4,815,570
2011 A Debt Service Fund (a)	4,326	-	4,326	3,891
Other Funds	2,300	-	2,300	2,948
Total Authority Funds	955,742	4,454,863	5,410,605	5,207,052
Board Funds				
Ongoing Projects Account (c)	2,051,345	14,507,753	16,559,098	11,040,334
Lockbox and Other Accounts	4,927,432	-	4,927,432	5,111,237
Total Board Funds	6,978,777	14,507,753	21,486,530	16,151,571
Total	\$ 7,934,519	\$ 18,962,616	\$ 26,897,135	\$ 21,358,623

- (a) Debt Service Funds: These accounts, which are held by a Trustee, provide for the monthly funding of semi-annual debt service payments. The revenues from the Board are utilized to fund these accounts on a priority basis.
- (b) Debt Service Reserve Funds: These accounts, which are held by a Trustee, were originally funded with deposits from the proceeds of various bond issues in amounts approximating the maximum annual debt service payments. In accordance with the Bond Resolution (or, as applicable, the SRF note agreements), these funds may only be applied to debt service payments to the extent other funds are not available.
- (c) Ongoing Projects Account: This account provides for the funding of special, non-recurring capital projects as approved by the Board. The account is currently funded on an annual basis, pursuant to the Board's budget, in the amount of \$2,000,000.

Albany Water Board and Albany Municipal Water Finance Authority

(A Component Unit of the City of Albany, New York)

Notes to Combined Financial Statements December 31, 2015 and 2014

Note 7 - Accrued Expenses

Accrued expenses comprise the following:

	Years Ended December 31,	
	2015	2014
Albany County Sewer Contract obligation (Note 10)	\$ 2,054,102	\$ 2,033,854
Accrued interest on Authority bonds	147,921	165,711
Accrued interest rebate (Note 10)	225,732	156,891
Total	<u>\$ 2,427,755</u>	<u>\$ 2,356,456</u>

Note 8 - Transactions with the City of Albany

Amounts due from/to the City of Albany are as follows:

	Years Ended December 31,	
	2015	2014
Due from the City of Albany	\$ 15,662,996	\$ 15,046,101
Due to the City of Albany	<u>(6,026,763)</u>	<u>(5,769,530)</u>
Due from the City of Albany	<u>\$ 9,636,233</u>	<u>\$ 9,276,571</u>

Pursuant to the operation agreement, the City is entitled to water and sewer services without charge in exchange for providing the Board with services described in the agreement. Certain indirect costs, including certain legal services and accounting and engineering support incurred by the City, are charged to the Board on an annual basis. Indirect costs charged to the Board were \$750,000 during each of the years ended December 31, 2015 and 2014.

Note 9 - Retirement Plan

As noted in Note 1a, the System reimburses the City for all personnel costs, including the costs associated with the retirement system. All personnel who perform work for the System are employees of the City. Furthermore, the System does not make a direct contribution to the New York State Employee's Retirement System (ERS) but rather reimburses the City for a portion of their ERS costs as stipulated in the management agreement. As the System is considered a non-employer and does not make direct contributions to the ERS, they are not required to report a net pension liability or asset, or any related deferred inflows of resources or deferred outflows of resources.

The System is a member of the ERS and makes contributions on behalf of two AMWFA Board members who are eligible for compensation under New York State regulations. These contributions, and any resulting net pension liability, are immaterial to these financial statements.

Albany Water Board and Albany Municipal Water Finance Authority

(A Component Unit of the City of Albany, New York)

Notes to Combined Financial Statements December 31, 2015 and 2014

Note 10 - Commitments and Contingencies

a. *Litigation*

The System is a party to various legal actions normally associated with water and sewer utility operations, the aggregate effect of which is not expected to be material to the future financial condition of the System.

b. *Sales of Future Revenue*

During 1998, the Board entered into an inter-municipality agreement with the Town of Guilderland which provides for a commitment to sell water to the Town through the year 2018. Under the agreement, the Town advanced the Board \$2.3 million, of which \$2.0 million was provided to induce the Board to enter into the agreement providing for the sale of water at below market rates over a 20-year period. The Board has recorded these funds as deferred inflows of resources, which is being amortized into revenue on the straight-line basis over the 20-year term of the agreement.

c. *Rebate on Interest Earnings*

In accordance with the Tax Reform Act of 1986, the Board and Authority are required to rebate to the Federal government the net interest earned on certain restricted funds under the bond issues, in excess of the interest expense on the bonds. Rebate calculations have been completed and rebate obligations have been identified in the amount of \$225,732 and \$156,891 as of December 31, 2015 and 2014, respectively, and are included in accrued expenses on the combined statements of net position. Any change to the rebate amount is included within interest expense on the combined statements of revenues, expenses, and changes in net position. Amounts charged to interest for rebate revenue were \$68,841 and \$30,521 during 2015 and 2014, respectively. Any future amounts to be rebated are not expected to be material in relation to the System's investment income.

d. *Albany County Sewer Contract*

The City, along with certain other municipalities, entered into an agreement with the Albany County Sewer District (the District) which was subsequently assumed by the Board. The District maintains and operates the County sewer system and waste treatment plants. Under the agreement, the District bills the Board its share of the debt service on County sewer obligations and related operating expenses. The Board is liable for its allocable share of debt service whether or not the City's sewer system remains connected to the County system.

e. *Rate Covenants*

Under the Bond Resolution (Note 1), the Board has agreed to establish rates sufficient in each year so that budgeted revenues are at least equal to 115% of the sum of budgeted annual aggregate debt service and System operating expenses. The Board has also agreed that operating revenues collected for each fiscal year be at least equal to 100% of operating and Authority expenses and 100% of the amount necessary to pay the required deposits for debt service reserve and other funds from revenue sources.

For the 2015 year, the minimum debt coverage ratio was reached. For the 2015 year, operating revenues collected were at least 100% of operating and authority expenses. For the 2015 year, operating revenues collected were at least 100% of required deposits made to the Debt Service Reserve Fund.

Albany Water Board and Albany Municipal Water Finance Authority

(A Component Unit of the City of Albany, New York)

Notes to Combined Financial Statements December 31, 2015 and 2014

Note 11 - Other Matters

The City of Albany, by the Albany Water Board, entered into a Memorandum of Agreement (the Agreement) with various communities in June 2013. The Agreement is in support of the communities anticipated entry into an order of consent with the New York State Department of Environmental Conservation (NYSDEC) to resolve claims made by NYSDEC. The claims relate to alleged violations by the communities of requirements under the Federal Clean Water Act and the communities individual state Pollutant Discharge Elimination System permits governing combined sewer overflows. The order of consent requires the communities to enter into an Inter-Municipal Agreement to facilitate the implementation of the Albany Pool Combined Sewer Overflow Long-Term Control Plan.

In January 2014, another Memorandum of Agreement was signed between the Albany Water Board and the Capital District Regional Planning Commission. The Agreement summarizes cost allocations, project implementation, and a resolution for initial funding support. The communities agreed to create a not-for-profit corporation to carry out all actions necessary and appropriate for implementation of the combined sewer overflow Long-Term Control Plan in accordance with the Inter-Municipal Agreement. The total estimated project costs for legal support associated with creating a 501(c)(3) (operation bond counsel and financial advisors) amounted to \$1,000,000. The Albany Water Board was allocated to pay 58% of the total estimated costs, or \$586,800, which was paid in March 2014. Total construction costs are estimated to be \$90,820,000, of which 58.68% (\$53,000,000) are the Albany Water Board's and Albany Municipal Water Finance Authority's responsibility.

The Authority currently expects to fund its portion of allocable construction costs through the issuance of bonds. Costs expected to be incurred through 2017 approximate \$6.8 million. In February 2015, the Authority authorized the issuance of Series 2015-A bonds in the amount of \$7 million to fund such costs.

Note 12 - Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 72, Fair Value Measurement and Application (GASB 72). GASB 72 defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information should be disclosed in the notes to the financial statements. The provisions of GASB 72 are effective for fiscal years beginning after June 15, 2015.

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. GASB 75 establishes financial reporting standards for other postemployment benefits ("OPEB") plans for state and local governments. This standard replaces the requirements of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended. The statement establishes standards for recognizing and measuring liabilities, deferred inflows and outflows of resources, and expense/expenditures, as well as identifying the methods and assumptions required to project benefit payments, discount projected benefit payments, to their actuarial present value, and attribute that present value to periods of employee service. Additionally, GASB 75 lays out requirements for additional note disclosures and required supplementary information. These requirements are effective for fiscal years beginning after June 15, 2017.

Management has not estimated the extent of the potential impact, if any, of these statements on the System's financial statements.

**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed In Accordance With
Government Auditing Standards**

Members of the Boards
Albany Water Board and Albany Municipal
Water Finance Authority
Albany, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined statement of net position of the Albany Water Board and the Albany Municipal Water Finance Authority (a component reporting unit of the City of Albany), as of December 31, 2015, and the related combined statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated _____, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the Albany Water Board's and Albany Municipal Water Finance Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's and Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's and Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Albany Water Board's and the Albany Municipal Water Finance Authority's combined financial statements are free from material misstatement, we performed tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, including Investment Guidelines for Public Authorities and the Albany Water Board's and the Albany Municipal Water Finance Authority's Investment Guidelines, noncompliance which could have a direct and material effect on the determination of combined financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's and Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's and Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Albany, New York
_____, 2016

MEMORANDUM

To: Vice Chairman David R. McGuire
From: Gerald E. Campbell
Date: June 9th, 2016
Re: Water Bill Review Hearing

Pursuant to City Ordinance 19.31.98, the Water Bill Review Committee has reviewed the following cases on June 9th, 2016 and has made the following recommendation(s) for consideration by the Water Board.

Mr. Paul Miller 2, 4, 6 Foss Avenue Albany, NY 12203	2 Foss Ave - Current \$60.25	} Remove + Suspend Accounts
	4 Foss Ave - Current \$60.25	
	6 Foss Ave - Current \$60.25	

RE: 2, 4, 6 Foss Avenue

The Water Bill Review Committee recommends the accounts be suspended.

Mark King 425 Kenwood Avenue Delmar, NY 12054	#031932 - Current Bill \$4617.56	} Remove + Suspend Accounts
	Penalty \$230.88	
RE: 40 Karner Road	#027573 - Current Bill \$4815.18	}
	Penalty \$240.76	

The Water Bill Review Committee recommends the accounts be suspended.

cc: Commissioner Joseph Coffey
Andrea Scheely

Protest
2, 4, & 6 Foss Ave
Accounts: 031943, 031945, 031947 Route: Vacant Lots
Paul Miller

Customer is protesting the yearly vacant lot fees in the amount of \$60.25, \$60.25 & \$72.30

AWD received a letter from Mr. Miller stating they were undevelopable. There are currently only being billed for sewer.

Overview of June 9th, 2016 meeting:

To remove and suspend accounts. AWD has gone to property and found there are no service lines there.

Protest
40 Karner Rd
Accounts: 031932 & 027573 Route: Vacant Lots
The Mohawk Hudson Land Conservancy, Inc.

Customer is protesting the yearly vacant lot fees in the amount of \$4,617.56 & \$4,815.18

The customer contacted AWD and explained that they had just purchased from the county in January 2016. They are in a land trust arrangement (no development). They would like the accounts suspended.

Overview of June 9th, 2016 meeting:

To remove billing and suspend accounts due a land trust agreement (no development) in their deed.

Albany Water Board

Whistleblower Policy and Procedures

Purpose

It is the policy of the Albany Water Board to afford certain protections to individuals who in good faith report violations of the Water Board's Code of Ethics or other instances of potential wrongdoing within the Water Board. The Whistleblower Policy and Procedures set forth below are intended to encourage and enable employees to raise concerns in good faith within the Water Board and without fear of retaliation or adverse employment action.

Definitions

"Good Faith": Information concerning potential wrongdoing is disclosed in "good faith" when the individual making the disclosure reasonably believes such information to be true and reasonably believes that it constitutes potential wrongdoing.

"Water Board Employee": All board members, and officers and staff employed at the Albany Water Board whether full-time, part-time, employed pursuant to contract, employees on probation and temporary employees. The category "Water Board Employee" includes all employees of the City of Albany Department of Water & Water Supply.

"Whistleblower": Any Water Board Employee (as defined herein) who in good faith discloses information concerning wrongdoing by another Water Board employee, or concerning the business of the Water Board itself.

"Wrongdoing": Any alleged corruption, fraud, criminal or unethical activity, misconduct, waste, conflict of interest, intentional reporting of false or misleading information, or abuse of authority engaged in by a Water Board Employee (as defined herein) that relates to the Water Board.

"Personnel action": Any action affecting compensation, appointment, promotion, transfer, assignment, reassignment, reinstatement or evaluation of performance.

Section 1: Reporting Wrongdoing

All Water Board Employees who discover or have knowledge of potential wrongdoing concerning board members, officers, or employees of this Water Board (as defined herein); or a person having business dealings with this Water Board; or concerning the Water Board itself, shall report such activity in accordance with the following procedures:

- a) The Water Board Employee shall disclose any information concerning wrongdoing either orally or in a written report to his or her supervisor, or to the Water Board's ethics officer (City of Albany Corporation Counsel), or human resources representative (Confidential Assistant to the Commissioner of the Department of Water & Water Supply).
- b) All Water Board Employees who discover or have knowledge of wrongdoing shall report such wrongdoing in a prompt and timely manner.
- c) The identity of the whistleblower and the substance of his or her allegations will be kept confidential to the best extent possible.
- d) The individual to whom the potential wrongdoing is reported shall investigate and handle the claim in a timely and reasonable manner, which may include referring such information to the Authorities Budget Office or an appropriate law enforcement agency where applicable.
- e) Should a Water Board Employee believe in good faith that disclosing information within the Water Board pursuant to Section 1 (a) above would likely subject him or her to adverse personnel action or be wholly ineffective, the Water Board Employee may instead disclose the information to the Authorities Budget Office or an appropriate law enforcement agency, if applicable. The Authorities Budget Office's toll free number (1-800-560-1770) should be used in such circumstances.

Section II: No Retaliation or Interference

No Water Board Employee shall retaliate against any whistleblower for the disclosure of potential wrongdoing, whether through threat, coercion, or abuse of authority; and, no Water Board Employee shall interfere with the right of any other Water Board Employee by any improper means aimed at deterring disclosure of potential wrongdoing. Any attempts at retaliation or interference are strictly prohibited and:

- a) No Water Board Employee who in good faith discloses potential violations of the Water Board's Code of Ethics or other instances of potential wrongdoing, shall suffer harassment, retaliation or adverse personnel action.
- b) All allegations of retaliation against a Whistleblower or interference with an individual seeking to disclose potential wrongdoing will be thoroughly investigated by this Water Board.
- c) Any Water Board Employee who retaliates against or had attempted to interfere with any individual for having in good faith disclosed potential violations of this Water Board's Code

of Ethics or other instances of potential wrongdoing is subject to discipline, which may include termination of employment.

- d) Any allegation of retaliation or interference will be taken and treated seriously and irrespective of the outcome of the initial complaint, will be treated as a separate matter.

Section III: Other Legal Rights Not Impaired

The Whistleblower Policy and Procedures set forth herein are not intended to limit, diminish or impair any other rights or remedies that an individual may have under the law with respect to disclosing potential wrongdoing free from retaliation or adverse personnel action.

- a) Specifically, these Whistleblower Policy and Procedures are not intended to limit any rights or remedies that an individual may have under the laws of the State of New York, including but not limited to the following provisions: Civil Service Law § 75-b, Labor Law § 740, State Finance Law § 191 (commonly known as the "False Claims Act"), and Executive Law § 55(1).
- b) With respect to any rights or remedies that an individual may have pursuant to Civil Service Law § 75-b or Labor Law § 740, any employee who wishes to preserve such rights shall prior to disclosing information to a government body, have made a good faith effort to provide the appointing authority or his or her designee the information to be disclosed and shall provide the appointing authority or designee a reasonable time to take appropriate action unless there is imminent and serious danger to public health or safety. (See Civil Service Law § 75-b[2][b]; Labor Law § 740[3]).

Adopted by the Albany Water Board as of:

Resolution:

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**ALBANY WATER BOARD
ALBANY MUNICIPAL WATER FINANCE AUTHORITY
STATEMENTS OF CASH FLOWS
May 31, 2016**

	One Month Period Ended		Year-To-Date Periods Ended		Percent Variance	Percent Variance
	2016	2015	2016	2015		
Revenues						
Water/sewer revenue	\$ 3,370,803	\$ 2,830,445	\$ 14,103,655	\$ 14,107,309	19.1%	0.0%
Investment income	139,798	110,086	182,606	126,993	27.0%	43.8%
Total revenues	3,510,601	2,940,531	14,286,261	14,234,302	19.4%	0.4%
Operating expenses						
Operation/maintenance costs	1,175,679	1,047,306	128,373	8,416,950	12.3%	0.6%
Board/Authority expenses	9,459	6,944	2,515	36,114	36.2%	-6.1%
Total expenses	1,185,138	1,054,250	130,888	8,453,064	12.4%	0.6%
Net operating cash flows before debt service and capital project costs	2,325,463	1,886,281	439,182	5,781,238	23.3%	0.0%
Debt service costs	(561,580)	(564,620)	3,040	(2,823,080)	-0.5%	-0.5%
Capital project costs	(94,213)	(86,474)	(7,739)	(281,871)	8.9%	109.4%
Net cash flow (deficiency)	\$ 1,669,670	\$ 1,235,187	\$ 434,483	\$ 2,676,287	35.2%	-10.9%

ALBANY WATER BOARD
ALBANY MUNICIPAL WATER FINANCE AUTHORITY
SCHEDULE OF REVENUES
May 31, 2016

	2016		2016		2015		Variance Favorable (Unfavorable)	Variance %
	Budget	Actual	Budget	Actual	Budget	Actual		
Water and sewer revenue								
May	\$ 3,076,537	\$ 3,370,803	\$ 2,878,411	\$ 2,830,445	\$ (47,966)		-2%	
Year-to-Date	\$ 13,399,617	\$ 14,103,655	\$ 12,341,515	\$ 14,107,309	\$ 1,765,794		14%	
Investment income								
May	\$ 16,667	\$ 139,798	\$ 12,500	\$ 110,086	\$ 97,586		781%	
Year-to-Date	\$ 83,334	\$ 182,606	\$ 62,500	\$ 126,993	\$ 64,493		103%	

Additional Cash Receipts

Meter Recovery Fees						
May	\$ -					
Year-to-Date	\$ -	\$ -				
Sales of Scrap						
May	\$ -	\$ 383				
Year-to-Date	\$ -	\$ 1,257				
Insurance Recoveries						
May	\$ -	\$ -				
Year-to-Date	\$ -	\$ 14,609				
Miscellaneous Income						
May	\$ -	\$ 15,232				
Year-to-Date	\$ -	\$ 27,682				

Note: The revenue budgets reflect forecasted revenue collections of \$37,000,000 and \$34,700,000 for 2016 and 2015, respectively.

ALBANY WATER BOARD
ALBANY MUNICIPAL WATER AUTHORITY
SCHEDULE OF OPERATING EXPENSES
May 31, 2016

	2016 ANNUAL ADJUSTED BUDGET	YEAR-TO-DATE MAY 2016			2015 YTD ACTUAL
		ADJUSTED BUDGET	ACTUAL	(OVER)/ UNDER	
Administration					
Personnel services	1,152,736	\$ 478,494	391,538	\$ 86,956	325,167
Equipment	1,000	\$ -	-	0	975
Contractual and other expenses	193,148	\$ 69,688	74,359	(4,671)	65,283
Benefits	390,398	\$ 162,666	132,312	30,354	132,110
	1,737,282	710,848	598,209	112,639	523,535
Supply, Power and Pumping					
Personnel services	803,481	\$ 333,520	274,497	59,023	282,057
Equipment	43,000	\$ 17,917	745	17,172	-
Contractual and other expenses	104,913	\$ 37,853	14,835	23,018	36,005
Benefits	358,894	\$ 149,539	91,891	57,648	84,319
	1,310,288	538,829	381,968	156,861	402,381
Purification					
Personnel services	1,139,326	\$ 472,928	409,246	63,682	453,613
Equipment	190,000	\$ 79,167	30,457	48,710	29,317
Contractual and other expenses	1,146,062	\$ 413,499	234,013	179,486	353,948
Benefits	375,037	\$ 156,265	130,207	26,058	151,334
	2,850,425	1,121,859	803,923	317,936	988,212
Transmission/Distribution					
Personnel services	2,531,584	\$ 1,050,846	1,002,703	48,143	867,760
Equipment	745,000	\$ 208,626	7,069	201,557	36,369
Contractual and other expenses	1,628,765	\$ 587,658	529,554	58,104	388,487
Benefits	849,238	\$ 353,849	354,017	(168)	316,353
	5,754,587	2,200,980	1,893,343	307,637	1,608,969
Sewer Services					
Personnel services	825,134	\$ 342,508	243,329	99,179	292,086
Equipment	589,000	\$ 212,511	-	212,511	26,750
Contractual and other expenses	1,714,370	\$ 618,545	42,796	575,749	170,899
Benefits	196,956	\$ 82,065	72,080	9,985	57,175
	3,325,460	1,255,629	358,205	897,424	546,910
Pumping Stations					
Personnel services	149,790	\$ 62,177	30,771	31,406	68,059
Equipment	25,000	\$ 8,333	4,489	3,844	2,082
Contractual and other expenses	400,609	\$ 122,386	57,321	65,065	50,936
Benefits	37,757	\$ 15,732	10,150	5,582	26,204
	613,156	208,628	102,731	105,897	147,281
Taxes Paid to Municipalities					
	2,112,359	\$ 600,000	558,282	41,718	558,787
County Sewer Contract					
	6,177,000	\$ 3,078,617	3,081,152	(2,535)	3,050,782
Contingencies, Insurance and Other					
	4,575,643	\$ 1,238,733	691,406	547,327	590,093
TOTALS	\$ 28,456,200	\$ 10,954,123	\$ 8,469,219	\$ 2,484,904	\$ 8,416,950

EXPENSE SUMMARY:	2016	2015	Change
Personal Services	2,352,084	2,288,742	63,342
Equipment	42,760	95,493	(52,733)
Contractual and other expenses	952,878	1,065,558	(112,680)
Benefits	790,657	767,495	23,162
Other	4,330,840	4,199,662	131,178
	8,469,219	8,416,950	52,269

Percent Increase/Decrease over 2015	0.6%
Percent under Budget	22.68%
Personal Services under Budget	-14.17%

ALBANY WATER BOARD
ALBANY MUNICIPAL WATER AUTHORITY
SCHEDULE OF CAPITAL PROJECT COSTS
May 31, 2016

Actual Expenditures to Date

1995	\$	3,459,286
1996		3,148,713
1997		2,977,569
1998		2,059,812
1999		2,696,065
2000		1,771,829
2001		2,437,338
2002		3,384,049
2003		3,845,848
2004		5,673,522
2005		2,389,244
2006		1,575,740
2007		459,599
2008		1,230,331
2009		1,807,010
2010		1,108,164
2011		734,443
2012		2,266,553
2013		2,059,475
2014		1,832,084
2015		2,076,594
	\$	48,993,267

Comparative Expenditures

[----- 2015 -----]		2016	
January	\$ -	January	\$ -
February	77,235	February	
March	33,828	March	423,060
April	84,334	April	72,924
May	86,474	May	94,213
June	17,174	June	
July	161,417	July	
August	59,130	August	
September	208,826	September	
October	373,623	October	
November	44,554	November	
December	929,999	December	-
	\$ 2,076,594		\$ 590,197

	Budget 5/31/2016 YTD	Actual 5/31/2016 YTD	Budget Difference (over)/under	Actual 5/31/2015 YTD	Actual Difference (over)/under
OVERTIME					
<i>Supply, Power and Pumping</i>	\$ 40,192	\$ 47,497	\$ (7,305)	\$ 17,840	\$ (29,657)
<i>Purification</i>	\$ 57,115	\$ 55,595	\$ 1,520	\$ 52,709	\$ (2,886)
<i>Transmission/Distribution</i>	\$ 126,923	\$ 155,381	\$ (28,458)	\$ 159,128	\$ 3,747
<i>Sewer Services</i>	\$ 16,923	\$ 20,947	\$ (4,024)	\$ 29,295	\$ 8,348
<i>Pumping Stations</i>	\$ 4,231	\$ 1,001	\$ 3,230	\$ 4,765	\$ 5,809
TOTAL	\$ 245,385	\$ 280,421	\$ (35,036)	\$ 263,737	\$ (14,639)
Percentage			-14%		-5.6%
DUE FROM THE CITY OF ALBANY					
		5/31/2016			
	\$	<u>11,716,132</u>			

**MEMORANDUM
DEPARTMENT OF WATER & WATER SUPPLY**

To: Albany Water Board Members

From: Joseph E. Coffey, Jr., P.E., Commissioner

Date: June 21, 2016

Re: Safety Consultant Award

Requests for Proposals for a Safety Consultant to the Albany Water Board were issued June 8th. The RFP was published on the City web site and were due Friday June 17th.

Two proposals were received:

Arcadis of New York, Inc., submitted a proposal that listed three candidates for AWB consideration. The billing rates for the three candidates were: \$95/hour, \$125/hour and \$135/hour, all based on a minimum commitment of 25 hours per week for the first 12 months. Arcadis proposed to add \$10/hour for mileage to each of the billing rates.

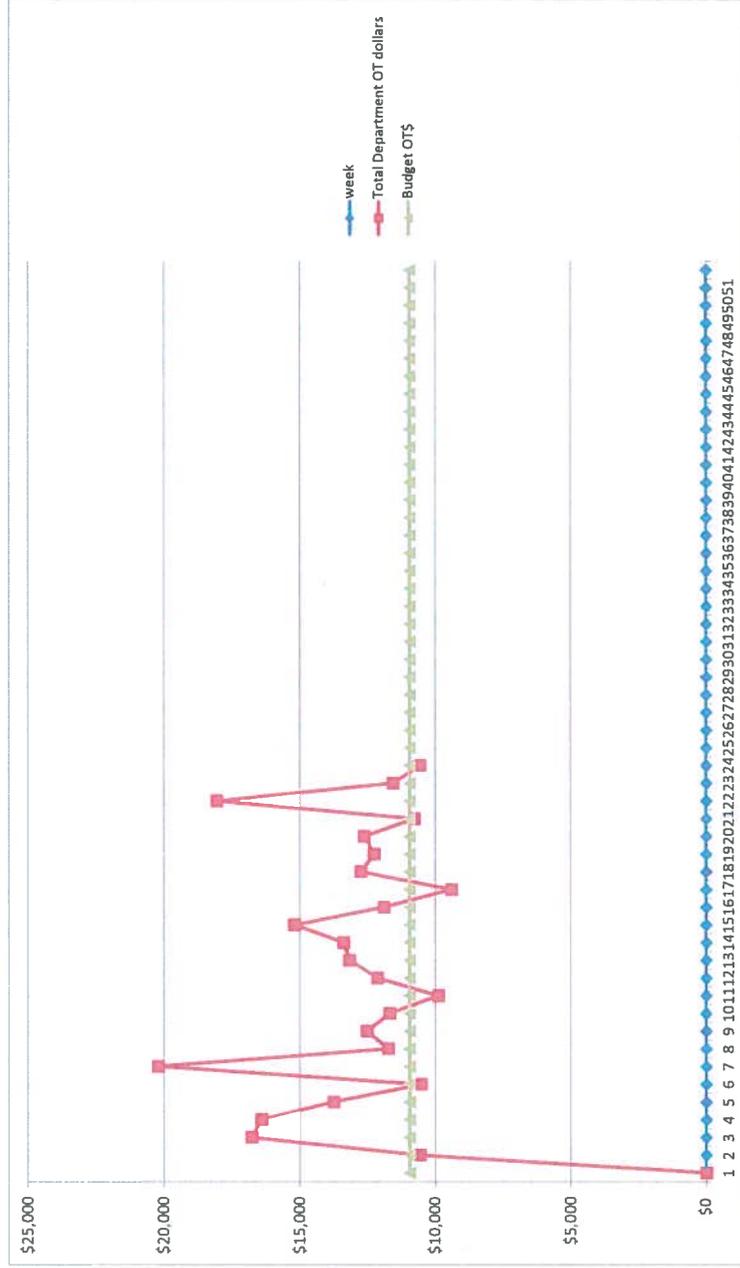
Denise Delaney, RSP (Registered Safety Professional) submitted a proposal with a billing rate of \$50/hour, inclusive of mileage. Denise currently provides safety consultant services for Keller Construction.

Based on the proposals submitted and a review of the candidates' background and experience, we recommend the award to, and execution of an Agreement with, Denise Delaney as Safety Consultant to the Albany Water Board, at a billing rate of \$50/hour. The Agreement shall be for a period of one year with the potential for two one-year extensions.

budget OT\$ weekly OT\$

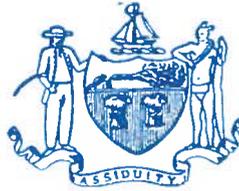
week

1	\$10,943	\$0
2	\$10,943	\$10,549
3	\$10,943	\$16,773
4	\$10,943	\$16,410
5	\$10,943	\$13,739
6	\$10,943	\$10,503
7	\$10,943	\$20,210
8	\$10,943	\$11,720
9	\$10,943	\$12,509
10	\$10,943	\$11,664
11	\$10,943	\$9,871
12	\$10,943	\$12,114
13	\$10,943	\$13,152
14	\$10,943	\$13,370
15	\$10,943	\$15,186
16	\$10,943	\$11,872
17	\$10,943	\$9,385
18	\$10,943	\$12,730
19	\$10,943	\$12,237
20	\$10,943	\$12,606
21	\$10,943	\$10,752
22	\$10,943	\$18,041
23	\$10,943	\$11,546
24	\$10,943	\$10,536
25	\$10,943	
26	\$10,943	
27	\$10,943	
28	\$10,943	
29	\$10,943	
30	\$10,943	
31	\$10,943	
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41	\$10,943	
42	\$10,943	
43	\$10,943	
44	\$10,943	
45	\$10,943	
46	\$10,943	
47	\$10,943	
48	\$10,943	
49	\$10,943	
50	\$10,943	
51	\$10,943	
52	\$10,943	
53	\$10,943	



Critical Numbers

week	#incidents	Lost work days	Leak Detection		Prev. Maintenance		LF cleaned	Blocks tested	LF pipe tested	Leaks detected
			Blocks Tested	LF Pipe Tested	Leaks Detected	LF Pipe Cleaned				
1-Jan	0	0	0	0	0	0				
4-Jan			28	10450	1	0				
11-Jan			27	11600	2	0				
18-Jan			30	12550	0	0				
25-Jan			30	11900	1	400				
1-Feb			20	8500	0	2529				
8-Feb			25	9750	3	4336				
15-Feb			23	9150	0	2172				
22-Feb			22	7900	1	1801				
29-Feb			27	13850	3	787				
7-Mar			25	11110	2	4908				
14-Mar			24	10975	2	5455				
21-Mar			22	10400	1	4445				
28-Mar			0	0	0	8406	35239	303	128135	16
4-Apr			0	0	0	6698				
11-Apr			21	9650	2	5281				
18-Apr			24	18050	1	3773				
25-Apr			23	15550	2	3610				
2-May			21	13600	1	0				
9-May			20	12400	1	3280				
16-May			22	12275	1	1454				
23-May			24	14500	0	2966				
30-May			18	9500	0	2129				
6-Jun			16	8250	0					
13-Jun										
20-Jun										
27-Jun							29191	189	113775	8
4-Jul										
11-Jul										
18-Jul										
25-Jul										
1-Aug										
8-Aug										
15-Aug										
22-Aug										
29-Aug										
5-Sep										
12-Sep										
19-Sep										
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17-Oct										
24-Oct										
31-Oct										
7-Nov										
14-Nov										
21-Nov										
28-Nov										
5-Dec										
12-Dec										
19-Dec										
26-Dec										
sum	0	0	492			64430				



CITY OF ALBANY
DEPARTMENT OF WATER & WATER SUPPLY
10 N. ENTERPRISE DRIVE
ALBANY, NEW YORK 12204
TELEPHONE (518) 434-5300
FAX (518) 434-5332

JOSEPH E. COFFEY JR., P.E.
COMMISSIONER

KATHY M. SHEEHAN
MAYOR

EXCAVATION POLICY

It is the official policy of the City of Albany Department of Water and Water Supply that restoration or repair of any special landscaping, steps or other structures on or within the City of Albany right-of-way or easement shall be the responsibility of the property owner. It is the property owner's responsibility, at their expense, to maintain or replace all structures altered or removed due to an excavation by the City of Albany Water Department.

Any walkways and driveways damaged or removed will be replaced by the Department using standard City of Albany restoration materials only. Such materials include concrete, asphalt and red brick. Any custom landscaping such as special concrete, slate, retaining walls, etc. will be the responsibility of the property owner, and the work to be performed with such materials by the property owner or a contractor hired by the property owner will be done solely at the property owner's expense. All lawn area restorations will be restored by the Department with standard City of Albany supplied topsoil and seeds only. It is the responsibility of the property owner to water and maintain the lawn after restoration is complete.

The repair work does not impose liability upon the City or its agents and they shall be held harmless from any claims related to the repair work.

As stated in Albany City Code Section 42-118 and Section 299-16, it is the responsibility of the property owner to maintain the water service and sewer lateral from the city-owned water and sewer mains to their point of entry into the property. However, as a courtesy, under the current practice, the City of Albany will repair the portion of the water service from the City main to – but not including – the curb stop. The property owner is responsible for the repair of the remainder of the service line from the curb stop, including the curb box, to the point of entry into the structure. Depending upon time and available resources – and solely at the discretion of the Department – the City may agree to make repairs, once a consent form has been properly executed, and will bill the property owner for time and materials. This only applies to the water service. The property owner is still fully responsible for the entire sewer lateral from the city-owned sewer main to its point of entry into the property.

Work performed by the City of Albany Department of Water and Water Supply does not alter any responsibility of the property owner in any manner with respect to future claims.

The Commissioner, or his designee, shall have the discretion to require installation of a new water service, from the water main to the curb stop, if the old service line has been determined to be lead, and has been disconnected from the water main.

Adopted by the Albany Water Board by Resolution 16-32, dated June 27, 2016



**RYAN BIGGS
CLARK DAVIS**
ENGINEERING & SURVEYING

CHANGE ORDER 03

Ganem Contracting Corp.
Ushers 9 Park – Route 9
PO Box 1349
Clifton Park, NY 12065

Date: May 25, 2016
Owner: City of Albany
Department of Water and Water Supply
Project name: Feura Bush Filtration Plant
Masonry Repairs and Roofing
Change order number: 03
Reason for Change: Waterproof coating protection of interior spaces and new construction

You are directed to make the following changes in this contract:

Contract Add:

Waterproof coating over maintenance office roof: 100 SF x \$28.98/SF \$2,898
Waterproof coating over PRV concrete structure: 170 SF x \$15.65/SF \$2,661

Extension to completion date for backordered stair coating (90 days) \$0

Total Add: \$5,559

The original contract sum was: \$972,000.00

Net amount of previous change orders (\$23,200 - \$15,000 allowance): \$8,200

Total original contract amount plus or minus net previous change orders: \$980,200.00

Total amount of this change order: +\$5,559

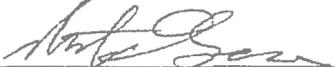
The new contract amount including this change order will be: \$985,759.00

The contract time will be changed by the following number of days: (60) Days

The date of completion as of the date of this change order is: June 30, 2016

Contractor:
Ganem Contracting Corp.

Owner:
City of Albany
Department of Water and Water Supply


Signature

6/21/16
Date

Signature Date



**RYAN BIGGS
CLARK DAVIS**
ENGINEERING & SURVEYING

May 25, 2016

Mr. Neil O'Connor
City of Albany
Department of Water & Water Supply
10 North Enterprise Drive
Albany, New York 12204

**Re: Feura Bush Filtration Plant
Masonry Repairs and Roofing
Ryan-Biggs Proposal Project 10833**

Dear Neil:

Attached please find revised proposed Change Order 3 for the above referenced project. The scope of the change order items include adding waterproof coatings to the maintenance office concrete deck roof and PRV structure concrete roof (constructed under earlier contract). The same subcontractor that is installing the stair coating under the current contract would do these additional areas at the same time. The work includes installing a waterproof coating and wood blocking in both areas. The total cost of the work is \$5,559.

We have reviewed the scope of work and costs. In our opinion, the cost is reasonable and we recommend approving the proposed change order.

Please call me if you have questions.

Sincerely,

RYAN BIGGS | CLARK DAVIS
ENGINEERING & SURVEYING, P.C.

Jack Healy, P.E.
Principal

10833/CA/CO.03rev

RYAN BIGGS | CLARK DAVIS
ENGINEERING & SURVEYING
www.ryanbiggs.com
info@ryanbiggs.com

CAPITAL DISTRICT-CORPORATE OFFICE
257 Ushers Road
Clifton Park, NY 12065
p 518 406 5506

FINGER LAKES OFFICE
4592 Jordan Road, PO Box 217
Skaneateles Falls, NY 13153
p 315 685.4732

HUDSON VALLEY OFFICE
20 Shaker Road, PO Box 730
New Lebanon, NY 12125
p 518 794.8613



Thursday, April 28, 2016

Attention: Stacey Thomas
Ryan Biggs / Clark Davis
Engineering & Surveying
257 Ushers Road
Clifton Park, NY 12065

Re: Feura Bush / RBC 10833 / Coating Extras

Dear Stacey,

The following are the proposed coating extras:

Maintenance Office Coating per Finger Lakes Waterproofing attached proposal:

- 1. Finger Lakes quote \$2,270.00 + .05% G.C. mark-up of \$113.00 equaling **\$2,383.00**
- 2. Prep work of installing wood blocking by Ganem Contracting of 6 manhours @ 67.50 per manhour equaling \$405.00 + 15% mark-up of 60.00 equaling **\$465.00**
- 3. Wood blocking totaling **\$50.00**

Total change order \$2,898.00

Vented Concrete Pad per Finger Lakes Waterproofing attached proposal:

- 1. Finger Lakes quote of \$2,320.00 + 5% G.C. mark-up of \$116.00 equaling **\$2,436.00**
- 2. Prep work of installing wood blocking by Ganem Contracting of 2 manhours @ 67.50 per manhour equaling \$135.00 + 15% mark-up of 20.00 equaling **\$155.00**
- 3. Wood blocking totaling **\$20.00**

Total change order \$2,661.00

Sincerely,

Peter Ganem
President



Finger Lakes Waterproofing

P.O. Box 667, Seneca Falls, New York 13148 • Phone 315-568-6938 Fax 315-568-5734 • flwtrproof@verizon.net

April 1, 2016

Peter Ganem
Ganem Contracting Corporation
2023 U.S. Rt. 9
Round Lake, NY 12151

Re: Feura Bush Filtration Plant Deck Coating

Dear Peter:

Thank you for the opportunity to be involved in this project. Per your request please note the following quotations.

Lower Front Steps

Supply and install an epoxy based concrete overlay with a urethane top coat to the lower steps at the above referenced site. Installation includes a face ground and/or pressure washed surface preparation, a two-part urethane cove sealant to all vertical to horizontal interfaces, silica sand loaded MasterSeal 350 epoxy overlay @ 50SF/gallon, and a MasterSeal TC225 top coat, as a lock coat @ 80SF/gallon. Silica sand will be applied @ ¼ lb/SF to the epoxy overlay to ensure a non-skid surface. Any existing sealant will be removed and replaced and cracks greater than 1/16 of an inch wide will be routed and sealed with a two-part urethane sealant prior to the epoxy overlay installation.

The price to do this work is\$7,990.00

Maintenance Office Coating

Supply and install MasterSeal 1500 Pedestrian System Deck Coating to the elevated concrete slab over the maintenance office. Installation includes a face ground and/or pressure wash surface preparation, urethane sealants, as needed, MasterSeal M200 base coat @ 60SF/gallon, and a MasterSeal TC225 top coat @ 80SF/ gallon with washed silica sand broadcast @ 10lbs/100SF. The deck coating will up turn at the pressure treated wood at the wall, supplied by others.

The price to do this work is\$2,270.00

Vented Concrete Pad

Supply and install an epoxy based concrete overlay with a urethane top coat to the vented concrete pad. Installation includes a face ground and/or pressure wash surface preparation, a two part urethane cove sealant to the perimeter of the existing vent, silica sand loaded MasterSeal 350 epoxy overlay @ 50SF/gallon, and a MasterSeal TC225 top coat as a lock coat @ 80SF/gallon. The deck coating will turn up at the pressure treated wood, supplied by others.

The price to do this work is\$2,320.00

Pricing assumes all work to be completed during normal working hours and assumes no premium overtime rates. No provisions to apply deck coatings during inclement weather are included in this price and price includes no concrete restoration.

If you have any questions, please contact our office.

Sincerely,

Charles Swenson
Finger Lakes Waterproofing, Inc.

21 June 2016

Joseph E. Coffey, Jr. P.E.
Commissioner
City of Albany
Department of Water & Water Supply
10 North Enterprise Drive
Albany, New York 12204

Re: Task Order #1 – Proposal for Scope and Fee for work at Albany Water Board Facilities
Alcove Reservoir

Dear Mr. Coffey,

We have familiarized ourselves with the scope of work set forth in the RFP. We have also visited all of the sites listed in the RFP and observed the existing conditions. Based upon the variety of tasks involved and the alternatives available to you as to how to address each of the various alternatives, we are recommending that these services be initiated with a planning study that includes the following scope of work:

- 1) Assemble available existing documentation including drawings, reports and summary of prior work (we understand that there is very little such information available)
- 2) Tour each site; evaluate and document scope, quantities and alternative approaches for each task, identify any special testing that may be required (eg cut tests or infrared subsurface moisture detection on farm-house roof)
- 3) Conduct any special tests, including hazardous materials survey, testing and report. Document findings.
- 4) Prepare a schedule of work items, alternative recommendations, priorities and estimate of probable costs. This will include sketch details and / or outline specification
- 5) Meet with client to review findings and define project scope to be developed
- 6) Prepare final report inclusive of budget and fee proposal
- 7) Final client review meeting
- 8) Finalize and distribute final report

Our Project team shall include;

ENVISION Architects;
Ted W. Mallin AIA – Principal-in-charge
Todd Cirillo AIA – Project Manager
Ryan-Biggs / Clark Davis Engineering & Surveying PC, Structural Engineers (WBE)
Jack Healy PE
Ambient Environmental Inc. – Hazardous Materials (WBE)
Joella Viscusi – Project Director
Nasco Construction Services Inc. – Cost consulting (WBE)

There is no mechanical or electrical work included in the project scope.

We propose to provide these services as follows:

ENVISION Architects: on a time card basis at hourly rates for an amount not to exceed \$17,000.

Ryan-Biggs / Clark-Davis: on a time card basis at hourly rates for an amount not to exceed \$11,000 (and in accordance with attached proposal).

Ambient Environmental Inc.: On a lump sum basis of \$2,450, plus laboratory service expenses, and as set forth in attached proposal

Nasco Construction Services, Inc.: On a basis not to exceed \$3,000

We propose to provide these services, as stipulated, for an amount not to exceed \$35,000.

This fee is exclusive of special testing that may be recommended subject to initial findings from site investigations.

Normal reimbursable expenses related to automobile mileage (\$.55 / mile) and document reproduction shall be at value plus a 10% administrative charge. We do not anticipate these expenses exceeding \$1,500.

Joe, should you have any questions or concerns related to this proposal, please contact me at your convenience. Thank you for this opportunity. We look forward to working with you in the near future!

Very Truly Yours,
E N V I S I O N Architects DPC

Ted W. Mallin AIA
Principal



Managing Principals
Ted W. Mallin
Michael Poost

Design Counsel
Sandra M. Baptie
Benjamin Mendel

Associates
Daria Mallin
Damon Hern
Michael L. Naylor

52 James Street
Albany, New York
12207

518 462 1848 T
518 462 2529 F

www.envisionarchitects.com



**RYAN BIGGS
CLARK DAVIS**
ENGINEERING & SURVEYING

June 20, 2016

Mr. Ted Mallin
Envision Architects
52 James Street
Albany, NY 12207

**Re: Albany Water Board Facilities at Alcove Reservoir
Ryan Biggs | Clark Davis Proposal P10310**

Dear Ted:

We are pleased to submit this proposal for limited professional services to be performed for structural evaluations for several buildings at the Alcove Reservoir that supplies the City of Albany water system. This proposal is based upon the request for proposal dated June 6, 2016, photographs provided by your office, and conversations with you.

Ryan Biggs | Clark Davis Engineering & Surveying, P.C., (Ryan Biggs | Clark Davis) and Envision Architects (Client) agree as set forth below.

A. SCOPE OF SERVICES

The scope of services provided by Ryan Biggs | Clark Davis will be to:

1. Review specifications and drawings of original structures and previous reports or other related documents, if available. Documents to be provided by Client. The following structures are included:
 - a. Two wood framed barns and the "corn crib" structure
 - b. Kline Stone House
 - c. Alcove Main Office Farmhouse
 - d. Three gatehouses
2. Make interior and exterior observations and take measurements of existing conditions as required for our work. This includes a combination of observations from the ground and inside the structure. The observations will be limited to structural items that are readily accessible. No removal of existing finishes are anticipated.

Client will coordinate access to building interiors to allow observations to be made.
3. Perform non-destructive testing to assist with our investigations. Ryan Biggs | Clark Davis will utilize our testing equipment (no rental charges will apply). For this investigation, we anticipate the use of a resistograph (resistance driller for wood) and a moisture meter.
4. Perform structural analysis on selected structural members. The analysis will be limited to members that are suspected of being overstressed or have deteriorated

RYAN BIGGS | CLARK DAVIS
ENGINEERING & SURVEYING
www.ryanbiggs.com
info@ryanbiggs.com

CAPITAL DISTRICT-CORPORATE OFFICE
257 Usners Road
Clifton Park, NY 12065
p 518 406 5506

FINGER LAKES OFFICE
4592 Jordan Road, PO Box 217
Saratoga Falls, NY 12158
p 315 685 4732

HUDSON VALLEY OFFICE
20 Shaker Road, PO Box 730
New Lebanon, NY 12125
p 518 794 8613

- conditions. The analysis will be based upon the 2015 International Existing Building Code (IEBC), as modified by the 2016 NYS Uniform Code Supplement.
5. Prepare a preliminary report of our findings and recommendations. In the report, we will:
 - a. Identify problems observed.
 - b. Recommend additional removals for areas displaying symptoms of possible problems.
 - c. Develop a priority list of concept-level repair work to address problems observed.
 - d. Prepare an opinion of probable construction cost for repairs identified.
 6. Meet with Client to review the preliminary report and Client's comments.
 7. Issue a final report.
 8. Provide a proposal for the Design Phase.

The following services are not included in Ryan Biggs | Clark Davis' proposed fee. If requested, Ryan Biggs | Clark Davis can be retained to provide additional scope items.

1. Provide material testing services.
2. Design modifications to existing building, including the analysis and reinforcement of existing members to resist seismic loads, increased wind loads, increased snow loads, or drifted snow loads.
3. Perform a structural code review to determine structural upgrades needed for Alterations or Change of Occupancy. The evaluation will be focused on the existing conditions only and a change of use for the buildings is not anticipated.
4. Design repairs for the structural deficiencies found.

B. COMPENSATION FOR PROFESSIONAL SERVICES

Ryan Biggs | Clark Davis will perform the listed services on an hourly basis with the maximum fee not exceeding \$11,000 plus the reimbursable expenses listed in C below.

C. COMPENSATION FOR EXPENSES

Reimbursable expenses incurred by Ryan Biggs | Clark Davis for the project are in addition to the fee and shall include the following: printing, postage, shipping, courier services, and travel mileage from our office.

1. Reimbursable expenses will be billed monthly for the actual cost of expenditures plus a 10 percent administrative fee.
2. Reimbursable expenses are estimated to be \$100, but the amount invoiced may be greater depending upon the costs incurred.

D. STANDARD HOURLY RATES

a. Ryan Biggs | Clark Davis' current rates are as follows:

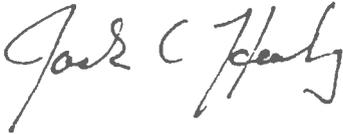
<u>Personnel</u>	<u>Hourly Rates</u>
Principal/Principal Consultant	\$225
Principal Associate	200
Senior Associate	175
Associate	160
Senior Engineer	140
Chief Surveyor	130
Professional Engineer	120
Design Engineer/Technician	100
Senior CADD	90
CADD	80
Non-Technical	55

b. After 6 months, the hourly rates may increase at the discretion of Ryan Biggs | Clark Davis and may increase annually thereafter.

Thank you for your consideration for this proposal. If the scope and fee are acceptable to you, please forward a contract.

Sincerely,

RYAN BIGGS | CLARK DAVIS
ENGINEERING & SURVEYING, P.C.



Jack C. Healy, P.E.
Principal



Ambient Environmental, Inc.
Comprehensive Building Science Solutions

June 17, 2016

Mr. Ted Mallin
Envision Architects
52 James Street
Albany, New York 12207
(518) 462-1848

RE: Hazardous Materials Pre-renovation Survey
Albany Water Board Properties
Albany County, NY
Ambient Proposal No. 2016-06-301

Dear Mr. Mallin:

Ambient Environmental, Inc. (Ambient) is pleased to submit our proposal for a pre-renovation asbestos survey for the above listed facilities. The following paragraphs outline the project understanding, project scope of work, unit costs, projects base fee estimates, and business term

PROJECT SCOPE OF WORK

The project includes the following structures and the stated scope of renovations:

Alcove Main Office Farmhouse:

- Exterior siding, insulation
- Roof inspected
- Bathroom: floor tiles, paint
- Interior cosmetic: Paint walls floors

Kline Stone house:

- Needs full inspection to see to what extent it needs rehabilitation

Barns:

- Siding rehab
- Roof inspected
- Beams inspected
- Upper barn floor inspected
- Addition or modification for future indoor storage of tractors, etc.
- Windows fixed, caulked, etc.
- Corn crib-either fix or demolish

Alcove and Basic Reservoir Gatehouses (Three Total):

- Gutters
- Slate roof

Ambient will complete the following tasks. All activities will be provided by certified professionals with demonstrated experience within the required disciplines.

Asbestos Sampling – After completion of a review of the site conditions and historical documents including bulk sampling previously completed, Ambient shall perform additional bulk asbestos sampling and analysis as required. A team of NYS Certified and AHERA trained Asbestos Inspectors shall conduct the sampling activities. Ambient personnel shall use the means necessary, up to and including destructive methods, to access suspect asbestos-containing materials in the path of the roof replacement.

Roof Sampling and Patching - Ambient is not a roofing contractor and will not be responsible for leaks, water damage, or any other complications resulting from the sampling of roof materials. Only a qualified, certified roofer may appropriately patch roofs. Ambient shall not be responsible for voiding of any roof warranties should they exist. **If the owner would like a qualified roofer to patch test locations the owner may hire one directly or one can be contracted by Ambient at cost plus 10%.**

PCB Inspection - Ambient shall perform sampling of suspect PCB-containing caulk. The caulk shall be analyzed for the presence of Polychlorinated Biphenyls (PCBs). No other materials will be sampled for PCBs as part of this proposal as this has not been authorized by the client.

Lead Based Paint Inspection - Ambient shall perform lead-based paint testing in accordance with 24 CFR Part 35 - HUD Guideline for the Evaluation and Control of Lead Based Paint Hazards in Housing. Ambient shall conduct the testing using an RMD LPA-I XRF machine. This unit has no inconclusive range.

Sample Analysis – Samples obtained in the field will be analyzed by an accredited laboratory under the Environmental Laboratory Approval Program (ELAP) administered by the New York State Department of Health, as appropriate for the type of sample analysis.

Report Preparation – At the completion of the testing services, Ambient shall provide a report that summarizes the location of confirmed asbestos material and lead-based paint, and PCBs along with drawings depicting the asbestos material and sample locations at the site. The report will also include the laboratory analysis report and all supporting documents.

PROJECT ESTIMATE

Ambient has prepared the following cost estimate for this project. All work will be completed in the timeframes stipulated by the Client.

LABORATORY ANALYTICAL SERVICES

Asbestos Bulk Sample Analysis, PLM Friable Five day turnaround, per sample.....	\$10.00
Asbestos Bulk Sample Analysis, PLM Non Friable Organically Bound Material Five day turnaround, per sample.....	\$22.00
Asbestos Bulk Sample Analysis, TEM Confirmation Five day turnaround, per sample.....	\$40.00
PCB Samples, Five day turnaround, per sample.....	\$70.00

Sample Analysis fees do not include off hours, weekends, or holiday lab fees. These services will be provided as needed and pricing will be communicated at the time of service.

MISCELLANEOUS SERVICES

Expenses such as certified roofer or lifts required to complete work.....	\$Cost plus 10%
---------------------------------------------------------------------------	-----------------

PROJECT ESTIMATE

Asbestos Inspection and Reporting, Lump Sum.....	\$2,450.00*
---------------------------------------------------------	--------------------

**Does not include the cost of a roofer to patch sample locations. Also does not include sample analysis. Client will be invoiced for actual samples collected and analyzed.*

PROJECT TEAM

Ambient will staff this project from our team of experienced environmental professionals. Joella Viscusi will direct the project. Ms. Viscusi will be responsible for development of the specification and all project deliverables. Ambient’s network of health and safety professionals allows for both a quality and cost effective project.

PROJECT SCHEDULE

Ambient is prepared to begin the project scope of work upon written receipt of authorization to proceed from Envision Architects. It is anticipated that the project can be scheduled at a mutually agreed upon time frame.

BUSINESS TERMS

Ambient's Client Service Agreement, applies to this proposal and any subsequent contracts. This Agreement is attached. If this proposal is acceptable to you, please authorize Ambient to proceed with the work described by signing and returning one copy of the Agreement.

Very truly yours,

Ambient Environmental, Inc.

A handwritten signature in cursive script that reads "Joella Viscusi". The signature is written in black ink and is positioned above the typed name and title.

Joella M. Viscusi
President

Enclosure

ALBANY MUNICIPAL WATER FINANCE AUTHORITY

10 NORTH ENTERPRISE DRIVE

ALBANY, NEW YORK 12204

(518) 434-5300

Michael J. Hall, Esq., Chairman
Gary R. Overdorf, Secretary
Julia Cannizzaro, Treasurer
Gardner Lerner, Member
Rev. Dr. Edward B. Smart, Member

Legal Notice

ALBANY MUNICIPAL WATER FINANCE AUTHORITY

PUBLIC NOTICE IS HEREBY GIVEN THAT a public hearing will be held pursuant to Section 1115-h of the Albany Municipal Water Finance Authority Act on Monday, July 25, 2016, at 10:00 A.M., in the Conference Room located at the offices of the Albany Municipal Water Finance Authority located at 10 North Enterprise Drive, Albany, New York, concerning the amendment of the provisions of the Financing Agreement by and among the City of Albany, the Albany Municipal Water Finance Authority and the Albany Water Board to provide for the undertaking of certain capital projects. Copies of drafts of the amendments to the Financing Agreement, including the descriptions of the capital projects, are available for inspection during regular business hours at the office of the Albany Municipal Water Finance Authority, 10 North Enterprise Drive, Albany, New York.

**Michael Hall, Chairman
Albany Municipal Water Finance Authority**

ALBANY CITY WATER BOARD
CAPITAL IMPROVEMENTS
4/22/2016 Summary

Project	2016 Proposed Budget	Status	Vendor	Asset	Invoice Date	Amount Spent to Date	Description of Project
Supply Reservoir	\$ 325,000						
Supply Conduit	\$ 90,000	Open	General Controls	Pinebush Pump Station	4/13/2016	\$ 11,750	
Fuera Bush Filtration Plant	\$ 310,000	Open	Ryan-Biggs	FB Plant	4/4/2016	\$ 11,750	
		Open	Ryan-Biggs	FB Plant	5/17/2016	\$ 11,117	
		Open	Ryan-Biggs	FB Plant	5/26/2016	\$ 2,654	
Distribution System	\$ 400,000	Open	CHA	Distribution	4/1/2016	\$ 24,127	
Loudonville Reservoir	\$ 365,000						
Pumping Stations - Water	\$ 130,000						
Engineering Fees-Water	\$ 100,000	Open	Arcadis	Engineering Service	3/28/2016	\$ 6,311	Engineering Services Water
		Open	O'Brien	Engineering Service	3/9/2016	\$ 2,729	Engineering Services Water
		Open	Arcadis	Engineering Service	4/28/2016	\$ 11,461	Engineering Services Water
		Open	O'Brien	Engineering Service	5/20/2016	\$ 23,982	Engineering Services Water
Erie Blvd Facility	\$ 100,000					\$ 44,363	
Contingency - Water	\$ 75,000						
Computers/ Meters	\$ 400,000	Complete	Badger				
		Complete	Accela	Software V7 Migration	3/8/2016	\$ 1,500	
		Complete	General Controls	Woodville Pumpstations	4/1/2016	\$ 6,703	
		Complete	ABS Solutions	Office	4/30/2016	\$ 16,900	
		Complete	Hewlett Packard	Office Computers	5/9/2016	\$ 453	
		Complete	B&H	Printers	5/18/2016	\$ 6,708	
Sewer Separation	\$ 50,000					\$ 32,556	
Sewer Rehabilitation	\$ 155,000	Complete	Kenyon Pipeliner	Cured in Place Pipe relining		\$ 395,945	Various Streets
		Open	CHA	Eberon Place Flood Mitigation Study		\$ 15,873	Eberon Place Flood Mitigation
		Open	Barton and Loguidice	N Swan St GIP		\$ 1,053	N Swan GIP
		Open	Barton L	N Swan St GIP	5/13/2016	\$ 6,000	
		Open	Arcadis	Solmwater credit and Banking feasibility	5/18/2016	\$ 12,992	
		Open	CHA	Eberon Place Flood Mitigation Study	5/26/2016	\$ 22,170	
Pumping Stations	\$ 225,000					\$ 454,033	
Engineering Fees-Sewer	\$ 100,000		Barton and Loguidice	Engineering Services Sewer Plant Line feed	5/18/2016	\$ 7,965	Engineering Services Sewer 14-04
Contingency - Sewer	\$ 100,000	Complete	Arold Construction	Main Drain Valve		\$ 7,965	
		Complete	JAT Construction	Replace Sanitary Sewer Force Main New Scotland Ave	Not yet invoiced		
		Open	CHA	Engineering Services Sewer	Not yet invoiced		
Overflows	\$ 75,000		CHA	Engineering Services Sewer	4/1/2016	\$ 3,739	

2016 Budgeted Capital Improvements \$ 3,000,000

Invoiced \$ 590,198 Total 2016 Capital Improvements
 \$ 76,919 Less: Open Projects 2015
 \$ 513,279 Completed 2016 Projects

**Albany Water Board
Arcadis Engineering Report
Date: June 24, 2016**

Upcoming LTCP Projects\Dates

- **Big “C” Control Facility** – The project was awarded to the Albany Pool Joint Venture Team. Completed Preliminary Design Report is due 8/1/2016. Project is underway.
- **Performance of a Codes and Local Law Review, & Green Infrastructure Technical Design Guidance** - CDRPC awarded a contract to Barton & Loguidice. Local Law completion date is 8/1/2016, Technical Design Guidance by 8/1/2017.
- **Marietta Place Stormwater Storage Facility** – Awarded to Barton & Loguidice. Completed plans and specifications due by 10/1/2016.
- **Green Infrastructure Banking System Feasibility Assessment**. Awarded to Arcadis. Work must be completed by 8/1/2017.

Arcadis Projects

- **Green Infrastructure Banking System Feasibility Assessment**
- **Feura Bush Filtration Plant – (NYSERDA FlexTech Grant)** – Project will include energy evaluation at the Feura Bush filtration plant (blowers, lighting, windows\doors). The project also includes some condition assessment and treatment system evaluation.
- **CIP Projects** – Sewer condition assessment, erosion problems, Loudonville Reservoir Basin C wall cap replacement.
- **Geographic Information System (GIS) Data Integration (Patroon Creek Sewershed)** - Project included digitizing about 150 sewer system drawings to GIS.
- **Asset Management Program** – First workshop is scheduled for July 15. Some components will include establishing levels of service, key performance indicators, and risk.
- **Long Term Control Plan Schedule of Compliance** – Monitoring deadlines and costs