

MINUTES OF MEETING OF THE BOARD OF COMMISSIONERS
of
JERICHO WATER DISTRICT

held remotely via telephone conference, on the 3rd day of September 2020 at 9:00 A.M.

Present:	Commissioners	Thomas A. Abbate (9:10 a.m.) James Asmus Patricia Beckerle
	Superintendent	Peter F. Logan
	Business Manager	Kathleen Cannon
	Asst. Business Manager	Amanda Blum

At 9:00 a.m., Commissioner Asmus opened the public hearing to hear comments on appropriating funds from the Repair Reserve Fund and from excess balances in a capital project account originally funded from the repair reserve for the purpose of providing funding for the construction of an Altitude Valve Vault at the Woodbury Tank site in the amount of \$375,000.00.

At 9:05 a.m., Commissioner Asmus noted that there were no speakers and closed the hearing. After discussion and upon motion duly made and seconded the Commissioners unanimously enacted the following resolution:

RESOLUTION AUTHORIZING THE TREASURER TO APPROPRIATE FUNDS FROM THE REPAIR RESERVE FUND AND FROM THE EXCESS BALANCE IN A CAPITAL PROJECT ACCOUNT ORIGINALLY FUNDED FROM THE REPAIR RESERVE, FOR THE PURPOSE OF PROVIDING FUNDING FOR THE CONSTRUCTION OF AN ALTITUDE VALVE VAULT AT THE WOODBURY TANK SITE IN THE AMOUNT OF \$375,000.00

WHEREAS, the Board of Commissioners approved appropriated funds be set aside for the purpose of establishing a Repair Reserve Fund in accordance with § 6-d of General Municipal Law; and

WHEREAS, effective August 19, 2020 the Repair Reserve Fund (A-0880) had a balance of \$518,008.37; and

WHEREAS, as of August 19, 2020 capital project account no. H-8397-875-2020 Fuel Tank Monitoring System had an excess balance of \$42,681.53 which was originally funded from appropriating funds from the Repair Reserve(A-0880); and

WHEREAS, the District held a public hearing on the 3rd of September, 2020 at 9:00 a.m. to consider appropriating moneys from the Repair Reserve Fund (A-0880) in the amount of \$332,318.47 and \$42,681.53 from excess funds in capital project account

no. H-8397-875-2020 for the purpose of funding the construction of an altitude valve vault at the Woodbury Tank site in the amount of \$375,000.00; and

WHEREAS, the Superintendent of the District has reported that during certain operating conditions the Woodbury Tank overflows into the blowoff pit near Orchard Drive; and

WHEREAS, constructing an altitude valve vault would prevent this overflow condition from happening in the future; and

WHEREAS, D&B Engineers and Architects estimated the total cost of constructing a new altitude valve vault at the Woodbury Tank site to be \$375,000.00, including engineering, legal, surveying and a contingency allowance; and

WHEREAS, funds would be appropriated from the Reserve Fund Account without incurring any additional debt service payments for principal and interest and, therefore, be cost beneficial to the District taxpayers; and

WHEREAS, the funding of repair reserve projects in the Jericho Water District is a Type II action pursuant to SEQRA as defined by 6 N.Y.C.R.R. §617(c)(1)(2) and therefore no further SEQRA review is required; and

NOW THEREFORE,

BE IT RESOLVED that the Board of Commissioners hereby authorizes the Treasurer to appropriate \$332,318.47 from the Repair Reserve Fund (A-0880) and transfer \$42,681.53 from capital project account no. H-8397-875-2020 Fuel Tank Monitoring System to capital project account no. H-8397-878-2303 Altitude Valve for Woodbury Road Site.

VOTE AYES: 3 NOES: 0 ABSENTIONS: 0

Commissioner Abbate AYE (9:10 a.m.)
Commissioner Asmus AYE
Commissioner Beckerle AYE

At 9:05 A.M., Commissioner Asmus opened the public hearing to hear and consider comments on the District's 2021 Proposed Revenue and Expenditure Budget and the 2021 Five Year Capital Plan. Miss Cannon reported that the proposed 2021 Budget was made available for public review at the District office pursuant to public notice placed in the Oyster Bay Guardian on August 14, 2020. It was further noted that the hearing notice was placed on the District's website and the District's own sign board located just outside the main gate.

The Board of Commissioners proposed an \$14,502,361 budget for the year 2021. The proposed budget represents a 15.33% increase over the 2020 Adopted Budget. Miss Cannon presented a detailed budget to the Commissioners and reported that the increase in expenditures was mainly due to; increases in employee salaries due to negotiated raises and a new position for a Capital Project Manager, liability insurance, electric costs, chemicals, carbon replacement, lab testing, safety supplies and cleaning service related to Covid-19, health insurance, subscription service for cellular meters, debt service costs, employee accrual payouts, as well as an increase cost to maintain and improve the District's infrastructure. The 2021 Budget includes a 43% increase in the tax levy which equates to an annual increase of \$35.40 for the average home with an assessed value of \$500,000.

At 9:10 a.m., Commissioner Asmus noted that there were no speakers and closed the hearing.

Discussion was then held regarding the need for the District to override the Tax Levy Limit. The proposed 2021 Budget will require the District to override the Tax Levy Limit applicable to the District pursuant to the Tax Levy Limit Law. After discussion, the following Resolution was offered:

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE JERICHO WATER DISTRICT AUTHORIZING THE OVERRIDE OF THE TAX LEVY LIMIT FOR THE 2021 FISCAL YEAR.

WHEREAS, New York State Town Law § 215 subd. 9-a requires the Jericho Water District ("District") to prepare an estimated budget for its fiscal year commencing January 1, 2021, conduct a public meeting thereon and file such estimated budget with the Budget Officer for the Town of Oyster Bay; and

WHEREAS, the District is subject to the property tax levy restrictions imposed upon local governments pursuant to General Municipal Law §3-c (the "Tax Levy Limit Law"); and

WHEREAS, the Board has prepared an estimated budget for the District's 2021 fiscal year and conducted a public meeting with respect thereto on September 3rd, 2020; and

WHEREAS, the Board, in preparing its estimated budget and conducting its public meeting, has determined that the best interests of the District, its residents and its tax payers will be served by approving for filing with the Budget Officer of the Town of Oyster Bay, a budget for the fiscal year commencing January 1, 2021 that includes a tax levy that exceeds the limits of the Tax Levy Limit Law in order to enable the District to perform its functions and satisfy its statutory mandate to provide service to its residents in a responsible, safe and cost-effective manner; and

WHEREAS, the Board makes such determinations based upon unavoidable cost increases that must be borne by the Water District and its taxpayers, including: debt service on a bond financing for Water District capital improvement and repairs; the Water District must satisfy contractual obligations for salary increases, increased health insurance costs for employees, anticipated increases in amounts to be paid to vendors and suppliers, debt service and unfunded mandates imposed upon Water District by State of New York, and subdivisions, agencies and instrumentalities thereof;

WHEREAS, the District is mandated by law to comply with all Federal, State and Nassau County regulations and directives with respect to providing the purest quality potable water to its residents for personal consumption and firefighting purposes; and

NOW THEREFORE, the Board unanimously resolves to override the Tax Levy Limit applicable and pursuant to the Tax Levy Limit Law and hereby approves for filing with the Budget Officer for the Town of Oyster Bay the Operating Budget for the Jericho Water District for the fiscal year commencing January 1, 2021 and the Five-Year Capital Plan.

VOTE AYES: 3 NOES: 0 ABSENTIONS: 0

Commissioner Abbate AYE
 Commissioner Asmus AYE
 Commissioner Beckerle AYE

Discussion was then held regarding the District's rates for water usage for both inside District and outside District water rates. Miss Cannon reported that the 2021 Proposed Budget includes increasing water rates approximately 5.5% for all inside District tiers and outside District tiers. The rate increases are based on the recommendation of Municipal & Financial Services Group after they completed a water/tax rate study for the District. After discussion, and upon motion duly made and seconded, it was

RESOLVED that, effective April 1, 2021, Sec. 3-B, Rates, under Article III entitled Deposits, Rates and Charges appearing in the Rules and Regulations heretofore enacted by this District be amended and set/adopted as follows:

Section 3-B Rates
 Jericho Water District Water Rates as of April 1, 2021

\$11.30 Minimum per quarter	
0 to 10,000 gallons	\$1.13 per 1,000
10,001 to 30,000 gallons	\$1.19 per 1,000

30,001 to 100,000 gallons	\$2.26 per 1,000
Over 100,000 gallons	\$2.99 per 1,000

Water supplied outside the boundary of the District:

\$14.70 Minimum per quarter	
0 to 10,000 gallons	\$1.47 per 1,000
10,001 to 30,000 gallons	\$1.55 per 1,000
30,001 to 100,000 gallons	\$2.94 per 1,000
Over 100,000 gallons	\$3.89 per 1,000

VOTE AYES: 3 NOES: 0 ABSECTIONS: 0

Commissioner Abbate AYE
 Commissioner Asmus AYE
 Commissioner Beckerle AYE

Miss Cannon then reported that Municipal & Financial Services Group, as part of their water/tax rate study, also recommended the District increase annual fire line charges effective January 1, 2021 as follows:

<u>Connection Size</u>	<u>Current</u>	<u>Proposed</u>
Up to 2" diameter	\$ 33.00	\$ 37.00
3" diameter	\$ 47.00	\$ 51.00
4" diameter	\$ 94.00	\$103.00
6" diameter	\$275.00	\$303.00
8" diameter & larger	\$550.00	\$605.00

After discussion and upon motion duly made and seconded, it was

RESOLVED, that effective January 1, 2021 the Board of Commissioners set rates for annual fire line demand charges as follows:

<u>Connection Size</u>	<u>Rate</u>
Up to 2" diameter	\$ 37.00
3" diameter	\$ 51.00
4" diameter	\$103.00
6" diameter	\$303.00
8" diameter & larger	\$605.00

VOTE AYES: 3 NOES: 0 ABSECTIONS: 0

Commissioner Abbate AYE
 Commissioner Asmus AYE
 Commissioner Beckerle AYE

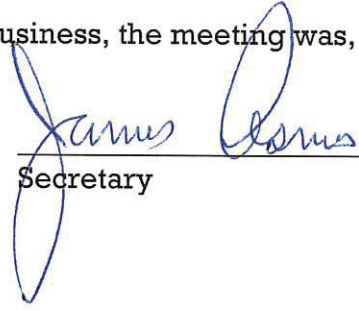
Monthly report from the Superintendent was read and ordered filed.

Miss Cannon reported that she did not receive the General Liability Insurance Renewal Package from Salerno Insurance as expected and requested the item be removed from the Agenda until the next scheduled Board Meeting.

At 9:15 a.m. Joseph Todaro and Arthur Eschete, Jr. of H2M architects + engineers called into the Board meeting to discuss the New Elevated 1.5 mg Water Storage Tank at the Wheatley Site. Commissioner Abbate opened the discussion by stating that the Commissioners were concerned about the delay in the completion of the project and the additional fees requested for construction observation and construction administration. Mr. Todaro responded by stating that H2M conducted bi-weekly meetings with the contractor and the District and it was his understanding that the Commissioners were informed of the problems that occurred with Caldwell's painting subcontractor and how far behind schedule they were. Arthur Eschete assured the Commissioners that H2M along with Mr. Logan and Mr. Ingham put in a lot of time and effort to try to resolve the issues with Corrosion Control (painting sub-contractor) in a timely matter but were more focused on making sure that the painting job was done right and in accordance with the specifications in the contract more than the length of time it was taking to get the job done right. They were not willing to accept a sub-par painting job and expose the District to premature corrosion issues or peeling paint. Mr. Eschete also pointed out that H2M, the District and Caldwell Tank contemplated replacing Corrosion Control with another painting contractor but determined that they could get Corrosion Control to complete the job correctly in less time than it would take to replace them with another contractor. Replacing them with another contractor could have delayed the job up to two (2) years. Commissioner Asmus expressed his frustration with the delay in the project, the cost overruns and the lack of communication between H2M and the Commissioners. Mr. Eschete stated that he was also frustrated, that the actual construction of the tank done by Caldwell went smoothly and the entire delay was due to the painting subcontractor. Mr. Todaro stated that the additional inspection required to complete the project was discussed with Superintendent Logan and Michael Ingham, the District's Attorney and it was his understanding that H2M would track the additional time beyond the fees approved by the Commissioners in October of 2019 and that the District would deduct these fees directly from the Contractor's invoice.

Discussion was then held with regards to H2M's August 4, 2020 request for additional fees for construction observation, construction administration and overtime work in the total amount of \$242,396.00. Commissioner Abbate requested that H2M provide the District with more details and perhaps sharpen their pencil and report back to Mr. Logan.

There being no further business, the meeting was, upon motion duly made and seconded, adjourned.



Secretary