

April 22, 2020

A regular meeting of the Board of Commissioners of the Port Washington Water District was held at the District offices located at 38 Sandy Hollow Road, Port Washington, New York, on Wednesday, April 22, 2020 at 8:00am.

PRESENT: COMMISSIONERS:

David Brackett, Chairman
Peter Meyer, Secretary
Mindy Germain, Treasurer

Italo Vacchio, Superintendent
Peter Fishbein, Attorney
William Merklin, P.E., Engineer
Michael Savarese, P.E., Engineer
Michelle Handley, Office Manager

This meeting was held using phone conferencing and approved by Governor Cuomo's executive order 202.1 due to the Covid-19 virus.

The meeting was called to order by David Brackett, Chairman of the Board of Commissioners.

Minutes for the meetings held on April 15, 2020 were read and approved.

The Board further reviewed the District's account balances as follows as of April 22, 2020:

General Checking	\$281,797.63
Money Market	\$28,482.29
Tap Fee Account	\$18,042.37
Repair Reserve Equipment	\$251,840.82
Repair Reserve Bldg & Grounds	\$112,163.95

The following claim was received for payment and approved by the Board:

1. D & B Engineers & Architects, Engineering, 1st Quarter Retainer 2020 \$2,000.00

At 8:00am Commissioner Brackett opened the Public Hearing to consider an increase to the District's water rates as of May 1, 2020. Commissioner Brackett gave the following statement:

Good morning everyone and thank you for attending. I am David Brackett, Chairman of the Port Washington Water District Board of Commissioners. I'm joined today by my fellow commissioners, Peter Meyer and Mindy Germain, as well as our Superintendent, Italo Vacchio, and we are here to discuss a rate adjustment to go into effect beginning on May 1, 2020.

The Port Washington Water District (PWWD) works hard to provide its customers with the highest quality water at the lowest possible cost while ensuring unwavering compliance with all federal, state and local regulations. We are dedicated to improving efficiencies wherever possible and cutting costs when the opportunity exists. Through previous communications and by conducting this conference call this morning, we would like to inform you that, despite our best efforts, stricter environmental regulations, water quality standards and capital improvement project costs require the District to implement a water rate adjustment.

As you may be aware through our past communications and recent flyers regarding irrigation reduction measures, the District is one of many water suppliers in New York State impacted by issues posed by emerging contaminants in its drinking water. Of particular significance to the District are three contaminants in which the New York State Department of Health (NYSDOH) recently announced its proposed maximum contaminant levels (MCLs): 1,4-dioxane, perfluorooctanoic acid (PFOA), and perfluorooctanesulfonic acid (PFOS). The District has proactively begun pilot testing and design of treatment technology to address each of these contaminants. The District applied for and received \$18,076,800 in grant funding through the New

York State Water Infrastructure Improvement Act (WIIA). Despite this tremendous grant, there is still a need to implement a water rate adjustment.

The District prepared a Five-Year Capital Improvement Plan to identify and prioritize projects required to maintain the high level of service reliability of our critical drinking water infrastructure and address the new regulations for emerging contaminants treatment.

In the past five years, the District has undertaken the following infrastructure improvements:

- Rehabilitation of Stonytown Well 10
- Replacement of the boosters and transfer pumps at the Morley Park facility
- Rehabilitation of Sandy Hollow Wells 1 and 2
- Upgrade of the primary electric service for the Neulist Plant
- Interim repairs to the Southport elevated water storage tank
- Construction of the new Beacon Hill water tower
- Soundview Area Water Main Replacement

Based on the Five-Year Capital Improvement Plan evaluation, in the coming five years, the District will be undertaking the following infrastructure improvements:

- Hewlett AOP Treatment System & Misc Improvements
- Stonytown AOP Treatment System & Misc Improvements
- Neulist Station Electrical, Architectural and Tank Improvements
- Morley AOP Treatment System & Misc Improvements
- Sandy Hollow PFAS Treatment, Well 2 Above Grade Modifications and Misc. Improvements
- Miscellaneous Building and Site Improvements
- 24" Diameter Transmission Main Evaluation
- Replacement of Undersized Water Mains

Each one of these vital projects is needed to improve the reliability and resiliency of our aging infrastructure as well as address concerns about water quality and requirements of the new regulations.

The District retained a rate consultant, NewGen Strategies and Solutions (NewGen), to evaluate the current structure of water rates and property taxes and project the required adjustment necessary to be able to fund the projects identified by the Five-Year Capital Improvement Plan.

NewGen's evaluation resulted in several conclusions and recommendations.

In order to maintain the financial health of the District's water operations over the next five years, revenue needs to be increased. Current water charges, rates and taxes, if left in place, are projected to generate insufficient revenue to fund the operating and capital costs for 2020 through 2024.

To address these shortfalls, it is recommended that rates be adjusted gradually over the next five years, as opposed to all at once. A gradual adjustment will help alleviate any financial burden for the District's customers.

In order to ensure its rate structure is more easily understood by customers, it is recommended that the District convert from the past approach of billing in cubic feet to billing in gallons, a more understandable unit of measure.

In order to provide revenue stability, it is recommended that the District continue recovering future debt service from property taxes.

The District is implementing water rate increases on May 1, 2020.

For a typical residential customer, who uses about 19,000 gallons per quarter, this results in a change from a current bill of \$39.50 to \$46.09.

The proposed water rates to be implemented, which address each of these comments, can be found on pages 20 through 22 of NewGen's Report in the Findings, Conclusions and Recommendations section (attached).

The Port Washington Water District continues to do everything in its power to ensure that it provides safe and reliable water to its customers at an affordable price. The bill for a typical water customer served by the District is among the lowest in the area. Even with these rate increases, that will continue to be the case.

Commissioner Meyer made a motion which was seconded by Commissioner Germain to adopt the new water rate structure as outlined in the attached addendum.

Commissioner Brackett	Yes
Commissioner Meyer	Yes
Commissioner Germain	Yes
Carried	

Superintendent Vacchio reported on the following:

1. As reported at the meeting of April 15, 2020 concerning the Nitrate Plant at Well No. 4. A price quote from Philip Ross Industries has been received in the amount of \$18,200.00 to make emergency filter repairs. This was approved by the Board.
2. Our four employees Benny DeGuida, Josh Christel, Justin Bautista and Charles Savinetti have passed the IIB New York State Water Operators course.
3. Asked the Board to review the spring newsletter.
4. Reviewed with Board the Budget vs. Actual Expenses and Revenue up to March 31, 2020.
5. Bancker Construction will be starting water service work at the Soundview water main next week.

William Merklin and Michael Savarese, P.E. reported on the following:

1. Morley Park AOP Treatment – Discuss project status and schedule for piloting and design.
2. Sanitary Inspection of Water Storage Tanks – Sanitary inspection of ground water storage tanks completed Tuesday 4/13. Reports to be provided the week of 4/27.
3. Security / Entry System Upgrades - Providing draft RFP document for district review the week of 4/27.
4. Neulist Station Electrical and Miscellaneous Improvements – Preparing detailed design. Schedules a separate design meeting to review the generator building electrical room HVAC design with Commissioner Meyer for 4/29.

Peter Fishbein advised that he is expecting word from the County by this Friday on the Morley Park property needed by the District.

Checks for payment of claims, due from the Port Washington Water District totaling \$48,475.09 were approved for payment by the Board.

There being no further business to discuss the meeting was adjourned at 8:51 am.

I hereby certify that the above is a true and correct copy of the minutes of the meeting held on April 22, 2020.

Peter Meyer, Secretary