

Village of Tannersville

Date

March 12, 2019

Time

6:00PM

Location

Tannersville Village Hall

Present:

Lee McGunnigle, Mayor
David Kashman, Trustee
Gregory Landers, Trustee
Leigh McGunnigle, Trustee
Robin Dumont, Village Clerk-
Treasurer

Type of meeting: Regular Board Meeting

George Bain, Jr.. Trustee

Absent:

Also Present:

Francois Veder and Jason
Preisner from Lamont Engineers

Minutes:

The Mayor opened the meeting with the Pledge of Allegiance.

The Mayor turned over the floor to Jason Preisner and Francois Veder from Lamont Engineering for an update on the water project:

**Village of Tannersville
Water System Improvements Project
Project Update 3/12/2019**

I. New Well, Arsenic Treatment Building (Contract No. 3):

Bids were received for Contracts 3, 3A, 3B and 3C on February 6th. Bids received are presented in Attachment 1. Bids are open for approval by Village until March 23, 2019 (45 days).

Total of all bids was: \$1,181,645. The Pre-Bid Estimate was \$750,000 – this is a \$431,645 cost overrun. Bids received are summarized as follows:

Contract No. 3 – General Construction: \$946,000

Contract No. 3A – Electrical: \$164,645

Contract No. 3B – HVAC: \$41,000

Contract No. 3C – Plumbing: \$30,000

3 Deduct Alternates were received for Contract No. 3:

DA1 – Substitute Shingle Roof for Metal Roof: - \$17,000

DA2 – Village to provide final paving around treatment plant: - \$4,000

DA3 – Simplified laboratory casework for treatment plant: - \$6,000

If the Village accepts all bids, and all deducts for Contract No. 3 the total project cost would be \$1,154,645.

What is the cause of the cost overrun?

- a. General industry price increases (tariffs, steel pricing, AIS, MWBE).
- b. Clearwell was added to design, but not originally scoped.
- c. Backwash pump station was added to the design, but not originally scoped.
- d. Building slightly larger than originally scoped
- e. Design incorporates “double pumping”, thus more pumps and controls – not originally scoped.
- f. Higher than anticipated flow rate from aquifer was found. This is good for the Village, but also increased costs since the filter system required was larger.
- g. Filter system was upgraded from semi-manual controls to automated controls which increases cost.

Lamont Engineers has been negotiating with Contract No. 3 to find possible cost reductions:

Cost Reductions Identified/Negotiated:

- a. Switch to Pre-Manufactured Metal Building: Changes DA1 from \$17,000 to \$7,000, but Village will get a metal roof on the building (which is a better long-term end product)
- b. Filter Skid: \$10,000 reduction
- c. Controls: Eliminate Communication between Arsenic Treatment Plant and Water Tank at SWTP. Arsenic Treatment Plant will run on timers, not tank level: \$20,000 cost reduction
- d. Chemical Feed Equipment: \$6,000 cost reduction
- e. Misc. Plant Equipment: \$6,000 cost reduction (Village can buy this equipment vs. contractor).
- f. Well Pump and Pitless - Made some adjustments and pricing TBD.

Total additional reduction: \$49,000 (not including well work which is TBD).

This would reduce the overall project cost to \$1,122,654. (including deducts 2 and 3).

An additional cost savings could be realized if the Village completed the plumbing contract inhouse using the DPW. This is would likely reduce the cost of this work from \$30,000 to \$15,000.

The only work not able to be completed by the Village would be the gas piping for the generator and unit space heater in the building. This could be done by the local propane supplier.

This would further reduce the project costs to 1,107,654. (\$357,654 over original budget).

II. Surface Water Treatment Plant (Contract No. 4):

Based on the bid prices received for the Arsenic Treatment Plant, Lamont Engineers has projected the cost of the SWTP upgrades to be \$1,050,000. This is \$300,000 in excess of the original budget of \$750,000.

- After some adjustments, there is approximately \$300,000 left in the original budget for the SWTP
- Improvements, therefore, you will need approximately \$750,000 to finish the project.
- This additional cost can be rolled into the long-term debt service, 0%, 30 year loan.
- This will require an amendment to the Original Bond Resolution.
- **The Village must complete the SWTP upgrades. These upgrades were the primary driver behind the Village getting the grant. If you don't complete them, you could lose your grant financing.**

III. Projected Debt Service based on Project Overage:

Original Project Financing:

- Original Opinion of Project Cost: \$3,457,998
- Financing Received: \$2,074,799 Grant, 1,383,199, 0%, 30 Year Loan.
- Annual Loan Repayment based on original financing: \$46,106.63
- Anticipated Additional O&M Increase: \$50,000

Updated Project Financing:

- Additional costs (\$750,000) will result in an annual debt payment of: \$71,106.63
- New Anticipated O&M Increase based on project: \$50,000
- Total of Additional Debt Service and O&M = \$121,106.63
- Current Water Budget includes \$65,000 debt service repayment in anticipation of original debt service for project.
- New project budget provides for \$6,106.63 of additional debt service (\$71,103.63 - \$65,000) than is currently built into the Village water budget.
- Projected Additional O&M + Debt Service = \$56,106.63 (\$50,000 + \$6,106.63)
- Current system user count and annual rate (FLAT RATES GUARANTEED – DOES NOT INCLUDE ESTIMATED USAGE CHARGES):
 - o 454 Residential (Inside Village) @ \$450/yr.
 - o 77 Commercial (Inside Village) @ \$600/yr.
 - o 141 Residential (Outside Village) @ 740/yr.
 - o 14 Commercials (Outside Village) @840/yr.
- **Rate Impact based on original debt service and O&M (based on existing Village Budget):**
 - o **\$31,106.63 / 686 connections = \$46 annually or \$23 Semi-annually.**
- **Rate Impact based on Additional Project Cost (based on existing Village Budget):**
 - o **\$56,106.63 / 686 connections = \$82 annually, or \$41 semi-annually**

Note: The impacts above are based on the current Village water budget and are additional costs only. They and not incorporate any reduction to capital reserve funds.

Note: The impacts above do not take into account revenue offset from usage charges.

Note: It is the understanding that existing water rates have not increased since 2012.

IV. Avenues to Offset Additional Costs:

The Village can pursue more grants. The existing grant award allows you to “stack” the grants.

- Pursue SAM Grant to offset additional user impacts.
- Contact Empire State Development Regarding Potential Grants
- Pursue USDA Rural Development Financing (Last Resort – Have to Research More).

The Mayor thanked Francois and Jason for their update.

The Mayor asked that reports be entered into the minutes.

Highway Department Report

No report submitted

Updated report from Clerk/Treasurer:

As we are winding down the fiscal year, we are expecting the following revenues :

Large Revenue Items yet to be received before 5/31/2019:

General Fund:

Fire District buyback agreement amount:	\$12,900	3/31/2019
Relevied Village Taxes/del water (County)	\$53,089	3/31/2019
Time warner Franchise fees	\$15,000	3/31/2019
Due from NYSOPRHP	\$25,000	5/31/2019

Water Fund:

Anticipated billing April 1, 2019	\$170,000	4/30/2019
Due from EFC/Capital	\$30,000	3/22/2019

I have an email in to EFC/DEC to see if the planning grant is a reimbursable as you go grant, as of today, I have not gotten a response from our representative.

Electric Vehicle Charging Grant(s):

Applications pending.

Bank of Greene County

\$2500 submitted January 15. Sponsorship of concerts and events covering this year. Grants awarded in April.

Other updates:

Trustee McGunnigle had conference call with NY Authority regarding their lighting program. Copy of proposal enclosed in packet. I did reach out to central Hudson for something in comparison but have not received anything yet as they were backlogged from storm recovery. The Mayor asked to reach out and see if they would like to come to the next meeting to present their proposal.

Feasibility study for highway garage: none were received. Spoke with CWC said to hold off on rebidding.

The budget process in underway.

Trustee Kashman made a motion to approve the minutes from January 8 and February 26, 2019.

Trustee Landers seconded. Four in favor, one absent. Motion carried.

Trustee Landers made a motion to approve the vouchers. Trustee McGunnigle seconded. Four in favor, one absent. Motion carried.

Being that there was no other business, Trustee McGunnigle made a motion to adjourn. Trustee Landers seconded. All in favor, motion carried.