TOWN OF RED HOOK
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Water Board Meeting Minutes April 15, 2026

A Water Board meeting of the Town of Red Hook, NY was held on April 15, 2026, at 7:00 PM in the Town Hall Conference Room to discuss Water Rates and 2026 Expenses.

Present: *Hank Van Parys, Chairman, Doreen Buono, Secretary, Jerry Gilnack, Co Chairman, Bill Hamel, Liaison, Robert McKeon, Town Supervisor*
Board Members: Larry Carr, Phil McDougal, Greg Fildes, Michael Roomberg

The meeting was opened by Hank Van Parys, Water Board Chairman at 7:03 PM.

Minutes of the previous meeting of March 24th were approved. Water Board Member, Larry Carr, motioned to approve, and Water Board Member, Greg Fildes. seconded to accept the motion.

***The Purpose of this meeting was to discuss an initial increase in the water rate to** get us toward a revenue level which will cover Tank Rehabilitation Loan repayments. There was much discussion. We finally agreed to recommend an increase in the minimum charge from $57.33 per quarter to $68.00, along with corresponding increase in the rate per 1000 gallons over the 9000 gallons minimum.*

Other Topics and Questions Raised:

1. *Michael reported that many/most corporate loans are never repaid. Payments are only made to the interest. The loan is "Rolled-over" into a new loan.* ***Can the Town use this practice?***
   Note*: Robert explained why we cannot do what Micheal had suggested. The municipal finance law is different from private sector law.*

2. *Water District insurance. Is the Water District covered by the Town insurance? Robert to check.*

3. *Michal noted a recommendation for a debt-to-reserves ratio of 60%:40%.:*

- *It is common amongst privately held New York State public utility commission regulated utilities to capitalize themselves using a combination of debt and Shareholders equity of 60% debt and 40% equity. Since we don't have private shareholders, The value of our shareholders equity can be calculated from taking the total value of our assets and subtracting out our liabilities. Since most of our assets that have any real value are very old and depreciated at this point, the best way to achieve this prospectively is to capitalize large future investments using 60% debt and 40% cash.*
- *The reason that it's done this way is because debt is typically a cheaper form of financing than equity. In this case, that equity is the Cash beyond what is needed to run the day-to-day operations of our utility plus a buffer. In other words, it's our reserves. We should think about our reserves as property of our homeowners. The reason that the 6040 split exists is because that is the area where New York State and other states find a balance between sufficient rainy day, funds for unexpected events and on the other extreme having too much of our Customers cash, Which creates problems like we mentioned, which include that we are holding our homeowners cash today To address problems that future residents should more appropriately bear the expense for. Hopefully, this makes sense, I'm happy to go a little bit deeper on the math if necessary.*

Respectfully Submitted,

Doreen Buono

Doreen Buono, Secretary