



# SARATOGA COUNTY WATER AUTHORITY

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## SARATOGA COUNTY WATER AUTHORITY BOARD OF DIRECTORS OFFICIAL AMENDED MEETING MINUTES THURSDAY, DECEMBER 17, 2015 @ 2:30P.M.

**PRESENT:** Chairman John Lawler, Supervisor Anita Daly, Treasurer Kevin King, Supervisor Patrick Ziegler (arrived at 3:05 p.m. due to prior commitment), Supervisor Arthur Johnson, Board Members Jim Smith and Tom Cumm, Ed Hernandez, Executive Director, and SCWA General Counsel Mark Schachner, Esq. Absent: None.

Chairman Lawler called the regular meeting to order at 2:30 p.m. and welcomed all in attendance.

Chairman Lawler announced the resignation of Kevin King as Treasurer and as a Board member effective December 22, 2015. He thanked Mr. King for his extraordinary contributions to the Authority for many years. He noted Mr. King's expertise was instrumental in helping the Authority through bond issuances, audits and all financial matters in a very professional manner. Chairman Lawler then indicated that another board member, Supervisor Ziegler had offered to serve as Treasurer. Chairman Lawler indicated he would be appointed at today's meeting.

**Motion was made by Mr. Cumm and seconded by Mr. Johnson to adopt the draft minutes of the November 19, 2015 Board Meeting minutes as the official minutes of that meeting. Motion carried.**

**Motion was made by Mr. Lawler and seconded by Mr. Smith to adopt the minutes of the September 24, 2015 Governance Committee meeting as the official minutes of that meeting. Motion carried.**

(As is the practice of the Board, the Board waived a reading of the draft minutes and the adopted minutes include the long form resolutions that were passed at said meeting and the Board waived the reading of the long form resolutions.)

At 2:40 p.m. Chairman Lawler announced the opening of the Public Comment Period relating to the Public Notice for purposes of increasing the municipal water rate from \$2.176 per 1,000 gallons to \$2.209 per 1,000 gallons for contract year 2016. Secretary Alden noted no written views were submitted to the Authority. Chairman Lawler inquired if anyone present wished to speak. With no public comments brought, Chairman Lawler closed the Public Hearing at 2:45 p.m.

### **Reports:**

**Production:** Ed Hernandez, Executive Director, reported that production data for the month of November 2015 at 4.82 MGD. There were no inquiries from the Board about the production data.

**Financial:** Mr. Hernandez discussed the financial reports through November 30, 2015. Budgeted expenses were \$1.76 million and actual expenses were \$1.41 million. Revenues year to date were budgeted at \$4.27 million and actual revenues were \$5.1 million. Mr. Hernandez stated that net income to date was \$923,000. The next bond payment for the 2008 Bond is due March 1, 2016. He stated he anticipated no service fee from the County would be needed to meet the payment. Mr. King inquired if there would be any repayments to the County next year. Chairman Lawler stated he was hopeful that he was uncertain at this time. He stated that the General Electric case would prove beneficial to the Authority and that would be available to repay the County.

**Legal Update:** Chairman Lawler requested that ongoing legal matters be discussed in Executive Session as attorney-client privileged discussion.

**Audit Committee Report:** Ms. Daly reported that the Audit Committee met prior to this meeting. Topics discussed were Readoption of the Internal Control Policy and adoption of GASB Statement #68 – Accounting and Financial Reporting for Pensions. This recommendation was suggested by the Authority auditor, Cusack & Co. as it will need to be reflected in the 2015 Audited Financial Statements. The Committee also completed Committee Evaluations. Ms. Daly reported that resolutions would follow for the Readoption of the Internal Control Policy and the GASB 68 Statement.

**Motion was made to authorize a budget transfer of \$500 from line item “Cellphones” to “Telephone”. Motion was made by Mr. Johnson and seconded by Mr. Cumm to recommend the transfer. Motion carried unanimously.**

**Motion to authorize the payment of the vouchers for the month at a total cost of \$93,414.90 in operating costs, \$7,037.22 in DBP Project costs and \$725.00 in original construction legal costs, as reviewed by the Treasurer. Ms. Daly moved to authorize that vouchers be approved for payment. The motion was seconded by Mr. Smith. Mr. King noted some of the larger payments and that none were out of the ordinary. Mr. Cumm inquired about the Delaware Engineering payment. Mr. Hernandez stated it was a final payment for the Upgrade project. Motion passed unanimously.**

***Motion to authorize the 2017 municipal water rates at \$2.209 per thousand gallons and the commercial rate at \$3.005 per thousand gallons. Motion was made by Mr. Cumm and seconded by Mr. King. Motion passed unanimously.***

**Motion to approve a negative change order to the contract with Family Danz Mechanical for \$10,000. Mr. Hernandez stated the contract came in under budget necessitating the change order. Motion was made by Ms. Daly and seconded by Mr. King. Motion passed unanimously.**

**Motion was made by Mr. King and seconded by Mr. Smith to adopt Governmental Accounting Standards Board Statement #68 – Financial Reporting for Pensions by the Authority. Mr. King explained it was a new financial reporting requirement for state and local government pension plans. It would change how local governments calculate and report the costs and obligations associated with pensions**

to report a net pension liability, pension expense, and pension-related deferred inflows and outflows based on their proportionate share. **Motion passed unanimously.**

**The next matter was to readopt the SCWA Internal Control Policy as recommended by the Audit Committee.** The Committee did not recommend any changes to the policy. **Motion was offered by Ms. Daly and seconded by Mr. Johnson. Motion carried unanimously.**

**Next motion was offered by Ms. Daly and seconded by Mr. King to approve 2% raises to all employees who qualified effective January 1, 2016.** Chairman Lawler inquired if this was in line with what County employees received. Mr. Hernandez affirmed it was. **Motion carried unanimously.**

The next matter before the Board were personnel requests by Mr. Hernandez to fill two currently posted promotional positions. The first being the Chief Operator, due to the impending exit of Don Coalts, who has been the Authority's contracted Chief since 2008. He recommended Mark Dennison of SCWA, who was currently a 2A operator and had completed coursework to gain his 1A license. He also recommended to appoint Jacob Fort to the newly created position of Assistant Chief Operator. Mr. Fort was also a 2A operator who had been with the Authority for over a year. Both men had come to the Authority from Schuylerville and were very qualified. Mr. Hernandez also requested that the Board approve a short term arrangement with Mr. Coalts to assist in the transition on an hourly basis not to exceed 10 hours per month for a period of 6 months at a rate of \$85 per hour. Mr. Hernandez also informed the Board that a long time operator had given notice he was taking a position with County EMS, but Mr. Hernandez wanted permission to hire him on a part time basis. Both Mr. Lawler and Ms. Daly expressed concerns with that arrangement. Mr. Hernandez stated that having additional staff to pull from in times of emergency was very beneficial in this type of facility. He also requested to fill the vacancy created by this employee's departure. **At this time, motion was made by Mr. Johnson and seconded by Mr. Cumm to accept Mr. Hernandez' recommendations to promote Mark Dennison to Chief Operator effective December 21<sup>st</sup> at an annual salary of \$60,000; to promote Jacob Fort to Assistant Chief Operator effective December 21<sup>st</sup> at an annual salary of \$50,000; to engage DCK Services for a term of six months, not to exceed 10 hours per month at a rate of \$85 per hour; and to engage Thomas Lundquist on a part time basis at his current hourly rate for a period of 6 months not to exceed 20 hours per week; and finally to authorize the Executive Director to post the open water operator vacancy.** Mr. Johnson inquired if the two promoted employees would also be entitled to 2% raises, to which Mr. Hernandez stated they would not. **Motion carried unanimously.**

**The next meeting of the Authority Board was scheduled for January 21, 2016 at 2:30 p.m.**

**New Business: Chairman Lawler made a motion to appoint Patrick Ziegler to the position of Authority Treasurer to fill the vacancy created by the resignation of Kevin King. Motion was seconded by Mr. Cumm. Motion carried unanimously.**

**At 3:25 p.m. motion was made to enter into Executive Session to discuss potential litigation and/or to discuss Attorney Client Privileged matters. Motion was made by Mr. Ziegler and seconded by Mr. King. Motion carried unanimously.**

**Motion was made by Mr. Cumm to return to open session at 3:50 p.m. Seconded by Ms. Daly. Motion carried unanimously.**

**At 3:55 p.m. Motion to adjourn was made by Mr. Ziegler and seconded by Mr. King. Motion passed and meeting was adjourned.**