



SARATOGA COUNTY WATER AUTHORITY

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SARATOGA COUNTY WATER AUTHORITY BOARD OF DIRECTORS OFFICIAL MEETING MINUTES THURSDAY, JANUARY 22, 2015 @ 2:30 P.M.

PRESENT: Chairman Jack Lawler, Supervisor Anita Daly, Kevin King, Treasurer, Supervisor Art Johnson, Thomas K. Cumm, James M. Smith, SCWA Board Members; Executive Director Ed Hernandez; Craig Crist, Dreyer Boyajian LLP, SCWA Special Counsel; Mark Schachner, Esq. of Miller, Mannix, Schachner & Hafner. **Absent:** Supervisor Patrick Ziegler.

Prior to the commencement of the meeting, Supervisors Anita Daly and Art Johnson were given their oaths for the new terms of office on the Board of Directors. Said oaths were recorded with the Saratoga County Clerk.

Chairman Lawler called the regular meeting to order at 2:35 p.m. and welcomed all in attendance.

Motion was made by Mr. Cumm and seconded by Mr. Smith to adopt the draft minutes of the December 18, 2014 meeting as the official minutes of that meeting. Motion passed unanimously.

Motion was made by Supervisor Johnson and seconded by Supervisor Daly to adopt the draft minutes of the December 18, 2014 Audit Committee meeting as the official minutes of that meeting. Motion passed unanimously.

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

Reports:

Production: Ed Hernandez, Executive Director, reported that water production for the month of December 2014 was 5.009 MGD. Rolling annual average was 4.06 MGD for the period January 2014 through December 2014. Mr. Hernandez also noted that all water test results were received and all were in compliance, as well as our customers.

Financial Report: Mr. Hernandez reported that budgeted revenues were \$3.7 million and the actual was \$3.9 million. Operating expenses were budgeted at \$2.05 million and actual operating expenses were at \$1.91 million through December 31, 2014. Mr. Hernandez noted that the next bond payment would be due March 1, 2015 for the 2008 bond issuance. Mr. Hernandez stated that the anticipated Service Fee Request would

be \$250,000. Mr. Hernandez then discussed the Capital Projects Financial Report. The Capital Project expenses to date are \$1.98 mil.

Construction Report:

Mr. Hernandez introduced Brock Juusola, P.E., of Delaware Engineering, D.P.C., who was in attendance to discuss a requested Change Order and the stop work order from NYS Dept. of State. Mr. Juusola explained why the Stop Work Order was in place due to a problem with the pouring of concrete in a structural wall and the displacement of rebar during that pour. Mr. Cumm inquired who was responsible for inspection of the rebar placement. Mr. Juusola stated that several responsible parties had inspected the rebar before the pour. Mr. Hernandez discussed the correction for the problem. He stated another wall would be placed next to the existing wall. Mr. Lawler commented on the timeline for completion of the project as it relates to the spring thaw and the previous DBP issues. Mr. Lawler stated he had discussed the ramifications with Jersen Construction and they had assured him the project would be completed on time. Chairman Lawler requested that Mr. Hernandez send the Board the results of the meeting with the Dept. of State scheduled for Friday. Mr. Juusola then discussed the Change Order presented to the Board for their consideration. Mr. Cumm inquired who would be responsible for the site plans once the Project was completed. Mr. Juusola responded that Delaware would only be responsible for work they completed during the project, but were also attempting to capture items that were not shown on the previous plans.

Mr. Hernandez then requested that Mr. Juusola discuss the status of a legal matter with Jersen Construction. Mr. Juusola stated that he had requested additional information from Jersen and to date, had not received anything further from them.

Legal Update:

Mr. Schachner discussed that work was continuing on the Agreement with the Saratoga County IDA and he was hopeful that an Agreement would be ready for the next meeting in February.

Mr. Crist stated that he had a minor matter that would be discussed in detail during privileged attorney-client communications in Executive Session.

Motion was made by Supervisor Johnson and seconded by Supervisor Daly to accept the Year End Committee Reports that are required by the SCWA By-Laws. Unanimous.

Motion was made by Mr. Cumm and seconded by Mr. King to approve the following final budget transfers for the 2014 Budget:

- \$3,110 from Payroll Taxes to Salaries and Wages
- \$20,000 from Chemicals to Prof. Services: Legal
- \$550 from Prof. Services: Engineering to Misc. Services Contracts
- \$1,000 from Pipeline Equipment to Computer Equipment
- \$650 from Cellphone/Data to Brookfield Power
- \$250 from Cellphone/Data to Plant Maintenance

- \$13,000 from Contingency to Utilities
- \$1,000 from Residual Solids to Utilities

All transfers were approved by unanimous vote. Motion carried.

Motion was made by Mr. King and seconded by Mr. Smith to approve the payment abstracts for January at a total cost of \$142,328.72 in operating costs, \$113,265.72 for DBP Project costs, \$174.00 in SPDES Outfall costs, and \$456.80 in 2008 Project Costs. Motion passed unanimously.

Mr. Hernandez then discussed the next agenda item **to approve the first Service Fee Request from Saratoga County in the amount of \$250,000.** Chairman Lawler stated that it was good to see that the requests continued to decline in amount. He was hopeful that by the end of the year the Authority may not require any further payments. **Motion was made by Mr. Cumm and seconded by Mr. Smith. Unanimous.**

The next agenda item was to adopt the proposed Continuing Disclosure Policy. Mr. Crist discussed why the policy was warranted as a result of the new Bond issuance and a new requirement by the SEC. Mr. Schachner requested that the matter be tabled for some minor revisions.

Next agenda item was the adoption of the GASB 45 Valuation Report. Motion was made by Supervisor Johnson and seconded by Mr. King to adopt the 2014-2016 Valuation Report. Mr. King mentioned that it would be beneficial to begin funding the liability in the near future. **Unanimous.**

Next agenda item was **to authorize an employee to commence a course of study to complete his 1A license.** The total cost of the classes and materials would be approximately \$1,197. Mr. Hernandez noted that this was an extensive course of study. Mr. Cumm inquired about the possibility of the employee leaving after. Mr. Hernandez stated it was the Authority's policy that employees are required to reimburse the cost of the program if they leave within one year of completion. **Motion was made by Mr. King and seconded by Mr. Cumm. Unanimous.**

Next agenda item **was to authorize the establishment of a Petty Cash Fund for small expenditures up to \$100. Motion was made by Supervisor Johnson and seconded by Mr. Cumm.** Chairman Lawler discussed the need for both a written Petty Cash Procedure and a Petty Cash Policy. Mr. Hernandez stated they would be presented to the Board before the Fund would be established. **Unanimous.**

Next agenda item was to approve Change Directive #4 from Jersen Construction in the amount of \$4,702 for backwash piping modifications due to the discovery of buried site utilities not reflected on the original site plans. Motion was made by Supervisor Johnson and seconded by Mr. Smith. Unanimous.

The February meeting of the SCWA Board of Directors was scheduled for February 26, 2015 at 2:30 p.m. Prior to that meeting the Finance Committee and Governance Committees will conduct brief meetings. Times for those meetings were to be determined.

At 3:20 p.m., Supervisor Johnson made a motion to adjourn to Executive Session for attorney-client privileged communications. Motion was seconded by Mr. Smith. Unanimous.

At 3:50 p.m. Supervisor Johnson made a motion to return to open session. Mr. Cumm seconded that motion. Unanimous.

At 3:51 p.m. Motion to adjourn was made by Supervisor Daly and seconded by Mr. Cumm. Motion passed and meeting was adjourned.

Respectfully Submitted,

Carol A. Alden, Confidential Secretary