



SARATOGA COUNTY WATER AUTHORITY

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SARATOGA COUNTY WATER AUTHORITY BOARD OF DIRECTORS OFFICIAL MEETING MINUTES THURSDAY, APRIL 28, 2016 @ 2:30P.M.

PRESENT: Vice Chairwoman Anita Daly, Supervisor Art Johnson, Board Members Jim Smith and Darren O'Connor, Executive Director Ed Hernandez, SCWA General Counsel Mark Schachner, Esq.
Absent: Chairman John Lawler, Board Member Tom Cumm, and Treasurer Patrick Ziegler.

Vice Chair Anita Daly called the regular meeting to order at 2:30 p.m. and welcomed all in attendance.

Motion was made by Mr. Smith and seconded by Mr. O'Connor to adopt the draft minutes of the March 30, 2016 Board Meeting minutes as the official minutes of that meeting. Motion to adopt the minutes – Unanimous.

Motion was made by Mr. O'Connor and seconded by Ms. Daly to adopt the draft minutes of the March 30, 2016 Audit Committee minutes as the official minutes of that meeting. Motion to adopt the minutes – Unanimous.

Motion was made by Mr. Smith and seconded by Mr. O'Connor to adopt the draft minutes of the March 30, 2016 Smart Growth/Governance Committee minutes as the official minutes of that meeting. Motion to adopt the minutes – Unanimous.

The minutes of the February 25, 2016 Finance Committee meeting minutes were tabled due to lack of quorum of members of that committee.

(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.)

Reports:

Production: Ed Hernandez, Executive Director, reported that production data for the month of March 2016 at 4.339 MGD and again reiterated that largest drop in flows was Global Foundries due to their

recycling of water now. Rolling annual average was 5.599 MGD. There were no further inquiries from the Board about the production data.

Financial: Mr. Hernandez discussed the financial report through March 31, 2016. Budgeted expenses were \$476,000 and actual expenses were \$378,000. Revenues for the year were budgeted at \$1.19 million and actual revenues were \$1.2 million. Estimated cash available for operations at June 1, 2016, (after bond payment) is \$1.80 million. The next bond payment for the 2014 Bond is due June 1, 2016.

SPDES Outfall Project:

Mr. Hernandez stated contractor has mobilized and has begun digging. He stated that the project had a tentative completion in July.

Halfmoon-Waterford Connection Update:

Mr. Hernandez stated he received an email from the state regarding an extension on water grants. He said they have increased the amount you can request from \$2 million to \$3 million. He stated that the Authority has an opportunity to revise the grant application to request the full \$3 million. He requested that the Board pass a resolution to amend the grant application to the \$3 million. Mr. Johnson inquired what the approximate cost of the project was going to be. Mr. Hernandez replied it was estimated at \$6.5 million with the Authority's share being \$2.5 million, which would be further reduced if the full grant were received. **Resolution was offered Mr. Johnson to submit an amended NYS Water Improvement Act Grant application in lieu of the revised guidelines from the NYS DOH and EFC. Resolution was seconded by Mr. Smith. Motion carried unanimously. (2016-0043)**

Legal: Mr. Schachner stated the Board was previously sent a short memo regarding ongoing legal matters. He provided an update regarding the Bond Refunding and stated that it was moving along well with a few minor issues along the way. He was hopeful that the closing was still on track for May 5th. The only other matter to discuss was the Jersen Construction claim, which would be discussed in Executive Session due to ongoing litigation.

Motion was made by Mr. O'Connor and seconded by Mr. Johnson to authorize the payment of the monthly vouchers at a cost of \$74,788.35 in operating costs and \$310.00 in SPDES Outfall Project costs. Mr. Hernandez stated that all vouchers had been reviewed previously by Mr. Ziegler and were approved. Ms. Daly inquired if Holland & Knight was involved in the Bond Refunding. Mr. Schachner stated they were heavily involved and had been in all three bond issues. **Motion carried unanimously. (2016-0044)**

Motion to approve the proposed increase from General Control Systems for their Prevailing Wage Rates effective March, 2016. Mr. Hernandez reviewed the rate increases and recommended they were reasonable. Mr. Hernandez explained that this company was an unusual arrangement as they did some prevailing wage work as well as Professional Services for the SCADA work. Mr. Johnson inquired if this

was in the middle of a contract period. Mr. Hernandez stated the contract was on an automatic renewal basis. Ms. Daly inquired about the date reflected at the top of the price chart. Ms. Alden explained that GCS had attempted to raise the prevailing wage last July, but it was declined by the Board at that time. The Authority and GCS had mutually agreed to hold rates until March of 2016. Mr. O'Connor inquired about the mileage rate and the Public Transport rates. He inquired why the mileage rate was so high if they were already being paid Prevailing Wages for their work. Ms. Alden stated that the company was located in Albany so there were never any charges for public transport and living. Ms. Daly concurred that the mileage rate was considerably higher than the Federal Rate. . Mr. Hernandez suggested that the motion be tabled to allow him to discuss the mileage rate with GCS. **Matter was tabled.**

New Business:

Mr. Hernandez reviewed a recent email from Rick McCarthy of Environmental Capital regarding the investment strategies for the proceeds of the Bond Refunding. Ms. Daly inquired if Chairman Lawler had weighed in on this recommendation to which Mr. Hernandez stated he had not. Mr. O'Connor stated he felt that the recommendation was appropriate for the "ladder" alternative. **Resolution was offered by Mr. O'Connor to liquidate the current Treasury Note in the 2008 Debt Service Reserve Fund and to approve the recommendation of Environmental Capital to invest the proceeds in the new Debt Service Reserve Fund in the "ladder" series of Treasuries. Motion was seconded by Mr. Johnson. Motion carried unanimously. (2016-0045)**

The next meeting of the Authority Board was scheduled for May 26, 2016 at 2:30 p.m. There will be no prior committee meetings. Ms. Daly stated she would be unable to attend that meeting.

Motion was offered by Mr. Johnson and seconded by Mr. O'Connor to adjourn to Executive Session at 3:10 p.m. for purposes of attorney/client privileged discussions relating to ongoing litigation matter with Jersen Construction. Unanimous. (2016-0046)

Motion to return to open session at 3:30 p.m. was made by Mr. Smith and seconded by Ms. Daly. Unanimous.

The following resolution was offered as a result of Executive Session attorney/client discussions. Motion was made to Authorize settlement of the Jersen Construction claim pursuant to their most recent offer in a form acceptable to General Counsel. Motion was offered by Mr. O'Connor and seconded by Mr. Smith. Motion carried unanimously. (2016-0047)

With no further action, motion to adjourn was made by Mr. O'Connor and seconded by Ms. Daly. Motion passed and meeting was adjourned at 3:35 p.m.

Respectfully Submitted,

Carol A. Alden, Confidential Secretary