



SARATOGA COUNTY WATER AUTHORITY

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SARATOGA COUNTY WATER AUTHORITY BOARD OF DIRECTORS OFFICIAL MEETING MINUTES THURSDAY, AUGUST 24, 2017 @ 3:00 P.M.

PRESENT: Vice Chair Anita Daly, Treasurer Tom Cumm, Deputy Treasurer Tim Szczepaniak, Supervisor Art Johnson, and Board Member Darren O'Connor; Executive Director Ed Hernandez and General Counsel Mark Schachner, Esq. **ABSENT:** Chairman John Lawler and Board Member Jim Smith.

Vice Chair Anita Daly called the regular meeting to order at 3:07 p.m. and welcomed all in attendance. The meeting was held in the Board of Supervisors Meeting Room One.

Motion was made by Mr. Szczepaniak and seconded by Mr. Johnson to adopt the draft minutes of the July 27, 2017 Meeting minutes as the official minutes of that meeting. Motion to adopt the minutes was adopted unanimously.

(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: Mr. Hernandez reported that production data for the month of July 2017 was 6.02 MGD. Rolling annual average was 5.21 MGD.

Financial: Mr. Hernandez discussed the financial reports through July 31, 2017. Revenues for the year were budgeted at \$2.98 million while actual revenues were \$3.12 million. Budgeted expenses through July 31, 2017 were \$1.1 million while actual expenses were \$888,630. Estimated cash available for operations at Sept. 1, 2017 is estimated at \$2.48 million. The next scheduled debt service payment is \$1.4 million on Sept. 1 for the Series 2016 Bonds.

Legal: Attorney Schachner discussed the items his firm was working on for the Authority at this time. He discussed a proposed settlement agreement with LFTC EDC for disposition of the debt and the agreed upon sum to clear the obligation. He noted the Authority would need to pass a resolution authorizing the Chairman to execute that Agreement. Ms. Daly reviewed that the Board was in general agreement on the

terms of the settlement agreement and authorized Mr. Schachner to forward the Agreement to LFTC EDC's counsel. He then discussed the NRG Curtail Solutions Agreement for participation in the program. He stated if the Authority wished to enter into the program his firm had a few recommended changes to the agreement. The final item with regard to the recent Public Service Commission decision would be discussed in Executive Session under Attorney/Client Privileged discussions.

Motions & Resolutions:

Motion was made by Mr. Szczepaniak and seconded by Mr. O'Connor to authorize the payment of the monthly vouchers at a cost of \$82,395.99 in operating costs and \$418 in costs related to the proposed Halfmoon/Mechanicville Expansion Project. Mr. Hernandez stated that Mr. Cumm had previously reviewed all vouchers and found the payments appropriate. **Motion carried unanimously. (2017-0032)**

Agenda Item 4.b. – The Village of Stillwater submitted a request to reduce its minimum purchase requirement by 100,000 gpd as was originally outlined under Paragraph II of their original contract with the Authority. This reduction request is due to the anticipated cancellation of the water purchase agreement between the Town of Stillwater and the Village of Stillwater. The Town of Stillwater would now be buying directly from the Authority. No action was necessary by the Board as the original contract language authorized this reduction.

Agenda Item 4.c. – Review and adoption of the 2018 Draft Operating Budget was tabled until the September meeting in order for the Chairman to be present for that discussion. Mr. Hernandez wished to discuss a few items. He noted that the overall proposed operating budget would include a slight decrease. He reviewed the proposed budget with the contractual water rate increase and without a rate increase to customers. He also was proposing a repayment schedule to Saratoga County for payments received under the Service Agreement. He anticipated revenues would increase in 2019 due to the addition of the communities of Halfmoon and Mechanicville. He urged board members to review it and forward any questions or concerns they may have to him. Mr. O'Connor inquired about inflation rates and interest rates and the effect on the contracts and the limitation of rate increases in inflationary times. Discussion ensued regarding when contracts would be renewing. Mr. Cumm interjected that the Board should be mindful of what other communities pay for water. Mr. Johnson added that commercial customers could not be raised if municipalities were not raised. Mr. Cumm inquired how many communities we serve that had secondary sources that could be potential competitors. Mr. Hernandez reviewed each community's sources.

Agenda Item 4.d. – A motion was made by Mr. Szczepaniak and seconded by Mr. O'Connor to readopt the SCWA Investment Policy, SCWA Procurement Policy and the SCWA Fixed Asset Policy with no changes as recommended by the Finance Committee. Mr. Cumm requested that commencing with fiscal year 2018 that any small equipment items with a serial number be catalogued as

part of the asset schedule for tracking purposes. Mr. Hernandez stated he would review that with staff and have Ms. Alden complete that for the Authority. **Motion carried unanimously. (2017-0033)**

New Business:

The next meeting of the Saratoga County Water Authority Board of Directors was scheduled for Thursday, September 28, 2017 at 3:00 p.m. There will be a Governance Committee meeting prior to that at 2:45 p.m. Members of that Committee are: Lawler, Szczepaniak, and Smith.

Mr. Hernandez then discussed a program entitled NRG Curtailment Solutions which provides a payment to utilities that participate in energy usage reduction by switching to generator or tank storage use during periods of peak or emergency electricity supply periods commonly known as “brownouts”. He discussed the requirements to participate in the program. Mr. Schachner’s firm was directed to supply commentary and recommendations to complete the application process.

Mr. Hernandez then discussed the intentions of the Board for commercial insurance renewal for 2018. He noted that last year the Chairman had indicated he wanted the Authority to send out Requests for Proposal. Ms. Daly stated she believed it was his intention to send the RFP to several agencies in the area. Mr. Hernandez stated he believed that was the indication he understood as well, but was requesting clarity from the Board.

At 3:45 p.m., Motion was made by Mr. Cumm and seconded by Mr. Johnson to adjourn to Executive Session to discuss potential litigation as Attorney/Client privileged discussions. (2017-0034)

Motion was made by Mr. Cumm and seconded by Mr. O’Connor to return to open session at 4:05 p.m. (2017-0035)

With no further action, motion to adjourn was made by Mr. Johnson and seconded by Mr. Cumm. Motion passed and meeting was adjourned at 3:55 p.m.

Respectfully Submitted,

Carol A. Alden, Confidential Secretary