



SARATOGA COUNTY WATER AUTHORITY

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SARATOGA COUNTY WATER AUTHORITY BOARD OF DIRECTORS OFFICIAL MEETING MINUTES THURSDAY, AUGUST 25, 2016 @ 3:00 P.M.

PRESENT: Chairman John Lawler (arrived at 3:15 due to prior commitment), Vice Chairwoman Anita Daly, Supervisor Art Johnson, Board Members Tom Cumm and Darren O'Connor, Executive Director Ed Hernandez, and SCWA General Counsel Leah Everhart, Esq. **Absent:** Treasurer Patrick Ziegler and Jim Smith. Also in attendance were: Supervisors Ed Kinowski-Stillwater and Vince DeLucia-Malta.

Vice Chair Anita Daly called the regular meeting to order at 3:00 p.m. and welcomed all in attendance.

Motion was made by Mr. Cumm and seconded by Mr. O'Connor to adopt the draft minutes of the May 26, 2016 Personnel Committee Meeting minutes as the official minutes of that meeting. Motion to adopt the minutes – Unanimous.

The adoption of the draft minutes of the July 28, 2016 meeting minutes were table.

(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 July 2016 at 5.36 MGD. Rolling annual average was 5.24 MGD. Mr. O'Connor inquired about the spike in usage during the summer months.

Financial: Mr. Hernandez discussed the financial report through July 31, 2016. Budgeted expenses were \$1.1 mil and actual expenses were \$853,000. Revenues for the year were budgeted at \$2.78 million and actual revenues were \$3.12 million. Estimated cash available for operations at September 1, 2016, (after bond payment) is \$1.74 million. The next payment for the 2016 Bonds is due September 1, 2016. Ms. Daly inquired about the low level of expenditures. Mr. Hernandez responded that some major expenses are typically scheduled for later in the year.

Legal: Ms. Everhart stated there were no pending legal matters to discuss. She noted the firm had completed draft water agreements for the Town of Halfmoon and the Waterford Water Commissioners and they were awaiting responses from both.

Mr. Cumm inquired about how much longer the Outfall Project would take. Mr. Hernandez stated it was just about completed and that pressure testing was scheduled for the current week.

Motion was made by Ms. Daly and seconded by Mr. Cumm to approve a proposal from Delaware Engineering for reallocation of \$8,000 from Construction Administration to Construction Inspection. Mr. Hernandez stated there was more time involved in inspection due to the directional drilling to satisfy the Town of Moreau. **Motion carried unanimously. (2016-0062)**

Ms. Everhart discussed that the current Treasurer, Mr. Ziegler, was unavailable this month to audit and sign the monthly voucher payments. It was her understanding that at this meeting a new Treasurer would be appointed. Ms. Daly requested that the matter be tabled until later in the meeting when the Chairman arrived. Mr. Cumm inquired if the Water Authority could appoint an Assistant Treasurer. Ms. Everhart stated it was not outlined in the founding Statute or in the SCWA By-Laws to do so.

Motion was made by Mr. Cumm and seconded by Mr. Johnson to revise the Personnel Manual, pg. 34, Section V.b. – add the following language, “For purposes of NYS Retirement, a Standard Work Day for part-time employees is eight hours per day.” Motion carried unanimously. (2016-0063)

At this time, Chairman Lawler joined the meeting and offered a **motion to recommend Readoption of the SCWA Investment Policy, Procurement Policy and Fixed Asset Policy as members of the Finance Committee.** Motion was seconded by Mr. Johnson as the other member of the Finance Committee. **Motion carried unanimously. (2016-0064)**

Motion was then offered by Ms. Daly to readopt the SCWA Investment Policy, Procurement Policy and Fixed Asset Policy as recommended by the members of the Finance Committee. Motion was seconded by Mr. Cumm. Motion carried unanimously. (2016-0065)

The next matter was a motion to authorize the disposal of certain surplus assets as outlined on the Surplus Asset Schedule provided to Board members. Mr. Hernandez discussed the list of items, in particular a Ford F250 vehicle, the 2009 Ford Escape passenger vehicle and the tracked utility vehicle. The other items included old computers and printers with no residual value. The hard drives would be removed and the hardware recycled. Mr. Cumm inquired about the mileage on the vehicles. Secretary Alden responded with the mileage on each. **The motion offered by Mr. Cumm is to dispose of the computers and printers that have been determined to have no resale value and to also authorize the disposal of the**

vehicles by public bid or auction consistent with SCWA Guidelines for Disposal of Assets. Motion was seconded by Mr. O'Connor. Discussion ensued regarding online forums for auction of the vehicles. Chairman Lawler inquired if the vehicles had been fully depreciated. He noted that if they had not, any remaining depreciation would have to be expensed and deducted from the residual value. **Motion carried unanimously. (2016-0066)**

Mr. Hernandez then discussed that the Engineering Committee had met several times over the last three months as well as meeting with the two lowest bidders for the Contract for Professional Engineering Services relating to the potential expansion of the pipeline to the municipalities of Halfmoon and Waterford. He stated that since the financing was still in process there was no urgency regarding making an award of the contract at this time however a firm would need to be hired for the financing to be completed. Chairman Lawler agreed and stated that since there was no financing of the project in place it would be premature to award any contracts. The matter was tabled at this time with no action by the Board.

Motion was offered by Mr. Johnson and seconded by Mr. O'Connor to authorize a one time limit increase for a credit card purchase from \$1,000 to \$1,090 to purchase an item on Amazon which will save the Authority approximately \$400 for the item. Motion carried unanimously. (2016-0067)

Ms. Daly then discussed two items on the Agenda which had been tabled until later in the meeting. She discussed that the monthly vouchers were approved by Tom Cumm, who was should be retroactively appointed Acting Treasurer in the absence of the Treasurer. Ms. Everhart inquired if the appointment would be to appoint Mr. Cumm as Treasurer for the purposes of today's meeting and to remove Mr. Ziegler as Treasurer. Chairman Lawler agreed and asked for a **motion to remove Mr. Ziegler as the current Treasurer of the Board. Motion was offered by Mr. Johnson and seconded by Mr. O'Connor. Motion carried unanimously. (2016-0068)**

A second motion was offered by Ms. Daly to appoint Tom Cumm as the new Treasurer of the Authority. Motion was seconded by Mr. Johnson. Motion carried unanimously. (2016-0069)

Motion was made by Ms. Daly and seconded by Mr. Johnson to authorize the payment of the monthly vouchers at a cost of \$59,259.42 in operating costs, \$130,136.40 in SPDES Outfall Project costs, and \$1,178 in Distribution Expansion Project expenses. Mr. Hernandez stated that all vouchers had been reviewed previously by Mr. Cumm and were approved. **Motion carried unanimously. (2016-0070)**

A motion was made by Mr. Cumm and seconded by Ms. Daly to adjourn to Executive Session at 4:10 p.m. to seek legal advice regarding personnel matters. Motion carried unanimously.

A motion was made by Mr. Cumm and seconded by Ms. Daly to return to open session at 4:25 p.m. Motion carried unanimously.

At this time, Mr. Hernandez discussed the Draft 2017 Operating Budget. He reviewed the basis for each customer's budgeted revenue for 2017. Mr. O'Connor inquired about the line item for bank fees. Mr. Hernandez stated that the fees were associated with the 2016 bond issuance. Chairman Lawler inquired about net income for fiscal year 2016. Mr. Hernandez stated there is an estimated positive cash flow of approximately \$1 mil. **Motion was made by Ms. Daly and seconded by Mr. Cumm to approve the 2017 Operating Budget as presented with salary adjustments and the creation of a seasonal laborer position. Motion carried unanimously. (2016-0071)**

Chairman Lawler then discussed the settlement payment from General Electric. He noted that there were some minor expenses that Saratoga County spent during the litigation process. He referenced an email from the County Administrator that stated the amount owed was \$17,325. He asked for a motion to authorize the reimbursement to the County for those expenses. **Motion was offered by Ms. Daly and seconded by Mr. Johnson to reimburse Saratoga County in the amount of \$17,325. Motion carried unanimously. (2016-0072)**

Mr. Hernandez then discussed the recent State Comptroller's Audit which recommended that there be bonding in place for the Treasurer. Secretary Alden noted that the Authority had previously done that, but it was dropped when the Authority switched carriers and was replaced with coverage under the Crime Policy. She then discussed the cost of \$354 to add coverage for the four officers of the Board. Chairman Lawler wanted the Director and Ms. Alden to confirm that the full Board was covered under an Errors and Omissions policy. She stated she would confirm same. **Motion was made by Ms. Daly and seconded by Mr. O'Connor to authorize the additional insurance coverage for the bonding of the four officers. Motion carried unanimously. (2016-0073)**

Chairman Lawler then discussed a phone interview held with the State Comptroller's Office auditor at the conclusion of their audit. He stated that everything looked very good with a few minor issues. He congratulated the Mr. Hernandez and Ms. Alden. Mr. Cumm discussed the utility bills that are paid by automatic deduction every month and his discomfort with vendors having access to the account. Chairman Lawler discussed that many municipal governments issue an unaudited list of claims that can be paid prior to the monthly audit. He noted those items typically are specific items like health insurance and utility bills. The items will still be presented to the Board for approval, but would be authorized for payment in advance of same. Discussion also ensued regarding collateralization of the cash accounts. The Chairman requested that a follow up with Ballston Spa National Bank be conducted regarding the collateralization of our accounts.

Mr. Cumm inquired about some issues at the plant due to a recent lightning strike. Mr. Hernandez discussed those issues in detail and how the staff was working overtime to address those issues and the

parts needed to correct a blending valve that was part of the recent issues. He discussed that each time the plant has a lightning strike the staff and instrumentation contractor strive to make improvements to prevent further damage in the future and significant progress had been made in that regard.

The next meeting of the Authority Board was scheduled for September 29, 2016 at 3:00 p.m. There will be a Governance Committee meeting prior to that meeting at 2:45 p.m. to readopt SCWA policies. Members of that Committee are Lawler, Smith and Ziegler.

With no further action, motion to adjourn was made by Mr. Johnson and seconded by Ms. Daly. Motion passed and meeting was adjourned at 4:45 p.m.

Respectfully Submitted,

Carol A. Alden, Confidential Secretary