



SARATOGA COUNTY WATER AUTHORITY

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SARATOGA COUNTY WATER AUTHORITY BOARD OF DIRECTORS OFFICIAL MEETING MINUTES THURSDAY, SEPTEMBER 29, 2016 @ 3:00 P.M.

PRESENT: Chairman John Lawler, Vice Chairwoman Anita Daly (arrived at 3:10p.m.), Supervisor Art Johnson, Supervisor Tim Szczepaniak, Treasurer Tom Cumm, Darren O'Connor, Jim Smith, Executive Director Ed Hernandez, and SCWA General Counsel Mark Schachner, Esq.

Prior to commencement of the meeting, Secretary Alden administered the Oath of Office to Supervisor Szczepaniak as the newly appointed member of the Board of Directors replacing Patrick Ziegler who resigned effective September 27th, 2016.

Chairman Lawler called the regular meeting to order at 3:04 p.m. and welcomed all in attendance. The meeting was held in the Administrators Conference room.

Motion was made by Mr. Smith and seconded by Mr. Johnson to adopt the draft minutes of the July 28, 2016 Meeting minutes as the official minutes of that meeting. Motion carried unanimously.

Motion was made by Mr. Cumm and seconded by Mr. Smith to adopt the draft minutes of the August 25, 2016 Meeting minutes as the official minutes of that meeting. Motion carried unanimously.

Motion was made by Mr. Johnson and seconded by Mr. Cumm to adopt the amended minutes of the December 17, 2015 Meeting minutes as the official amended minutes of that meeting. Motion carried 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.)

At this time, Mr. Hernandez introduced Berny Terpening of the Heritage Group Insurance Company, who was present to discuss health insurance coverage options for the employees of the Authority. She reviewed the multiple plans presented and the pros and cons of each plan versus the current plan offering. She noted that MVP is maintaining the current plan so the Authority could simply renew that plan if decided. She

reviewed the difference between the “aggregate” and the “embedded” terms on the various plans. She pointed out that the HRA plan is administered by a third party if the Authority opts to go with Blue Shield. She noted that CDPHP is again limiting the company contribution for the HRA for employees, which many companies did not like. She discussed the “injectable” drug cost increases through CDPHP as well. Mr. Hernandez thanked Ms. Terpening for her time and her expertise. Chairman Lawler discussed high deductible plans and the fact that employees will be taking more ownership of their healthcare. **Motion was made by Mr. Cumm and seconded by Ms. Daly to enter into an Agreement with MVP Healthcare for the Silver 4 Plan Liberty EPO with an HRA for the plan year December 1, 2016 to November 30, 2017. Motion carried unanimously. (2016-0071)**

Reports:

Production: Ed Hernandez, Executive Director, reported that production data for the month of August 2016 was 5.39 MGD. Rolling annual average was 5.12 MGD. He noted that there has been a drop in Clifton Park’s usage this year. Mr. O’Connor inquired about the drop in usage by Clifton Park. Ms. Daly responded that inclement weather played a large part in that drop.

Financial: Mr. Hernandez discussed the financial report through August 31, 2016. Budgeted expenses were \$1.29 mil and actual expenses were \$1.04 million. Revenues for the year were budgeted at \$3.18 million and actual revenues were \$3.63 million. Estimated cash available for operations at December 1, 2016, (after the 2014 bond payment) is \$6 million. The next payment for the 2016 Bonds is due December 1, 2016. Mr. Hernandez noted that the revenue fund balance was higher than normal due to the funds received from the settlement of a litigation matter. Mr. Hernandez discussed the funds in the 2008 Escrow Fund for the benefit of new members on the Board. He then discussed the line item budget and the variances.

Governance Committee: Chairman Lawler discussed that the Committee met prior to the full Board meeting and that several SCWA Policies were readopted with no changes. The resolution to readopt the policies will follow later in the meeting.

Legal: Mr. Schachner stated there were two minor matters that were handled during the past month. The first being a resolution and redrafting of the By-Laws of the Authority to add the position of Deputy Treasurer and the second matter being the drafting of a resolution to address the paying of utility bills in advance of audit by the Treasurer.

Motion was made by Mr. Cumm and seconded by Mr. Szczepaniak to authorize the payment of the monthly vouchers at a cost of \$184,183.82 in operating costs and \$323.00 in Distribution Expansion Project expenses. Mr. Hernandez stated that all vouchers had been reviewed previously by Mr. Cumm and were approved. **Motion carried unanimously. (2016-0072)**

The next matter was a proposal by Mr. Hernandez to exchange the open Instrumentation Technician position for a new operator trainee position in combination with contracted instrumentation services. He indicated that it was difficult to find qualified individuals to fill the position, that extensive training was required and that it is difficult to retain individuals once hired. The current professional services contract has been accomplishing the requirements with a once per week visit. He was proposing to instead create a Water Operator Trainee position at a starting salary of \$45,000 and utilized the remaining salary dollars to fund the additional professional services contract. Ms. Daly inquired about the cost of that continued service. Mr. Hernandez responded that the line item for those services is sufficient to cover the costs for 2016 and that there is no net change in the funds budgeted for 2017. Ms. Daly inquired if Mr. Hernandez was confident that the necessary work remaining for the year would be accomplished within the current budget. He indicated that he was. With no further discussion, **a motion was made by Ms. Daly to create the position of Water Operator Trainee. The motion was seconded by Mr. Johnson. Motion carried unanimously. (2016-0073)**

Mr. Hernandez next discussed that the current Field Employee Location and Management Policy was not relevant to the current staffing since there were no longer any field employees. He noted that the Authority could discontinue use of the policy and associated costs of GPS tracking to save money. Ms. Daly expressed concerns with the suspension of an active policy and the potential complication of having to reinstate that policy later on if necessary. Mr. Lawler concurred with that opinion. He suggested that the suspension of the policy be at the discretion of the Executive Director to be enforced as necessary. Mr. O'Connor stated that it would be better to have the policy in place and concurred that the Director should have the discretion to use it. **Motion was made by Mr. O'Connor and seconded by Mr. Cumm to grant the Executive Director the discretion to suspend or reinstate the Field Employee Location Policy as necessary, with notification to the Board, and to terminate the GPS tracking services at this time. Motion carried unanimously. (2016-0074)**

The next matter was offered by Mr. Johnson and seconded by Ms. Daly:

**RESOLUTION # 2016-0075 AMENDING THE BY-LAWS OF THE SARATOGA
COUNTY WATER AUTHORITY TO PROVIDE FOR THE POSITION OF DEPUTY
TREASURER**

WHEREAS, the Saratoga County Water Authority (Authority) was created by Chapter 678 of the Laws of 1990 set forth at Public Officers Law Section 1199-aaa, et seq.; and

WHEREAS, Public Officers Law Section 1199-eee (21), authorizes the Authority to create and amend its By-Laws to provide for the management of its affairs; and

WHEREAS, the By-Laws now in effect were adopted on March 27, 2014 by Resolution and the By-Laws were thereafter duly recorded in the Saratoga County Clerk's Office on April 4, 2014 (instrument number 2014009355); and

WHEREAS, Public Officers Law Section 1199-ddd (3) creates the Offices of Chairperson, Vice chairperson, Treasurer and Secretary and expressly authorizes the Board to appoint Board Members to fill these offices and to appoint such other and further officers as it deems necessary and appropriate; and

WHEREAS, the Office of Authority Treasurer requires the performance of duties that are both time-sensitive and integral to the proper functioning of the Authority and the day-to-day management of its affairs; and

WHEREAS, the Authority wishes to prepare for unforeseen circumstances when the Treasurer is unable to perform his or her duties, whether due to geographical location or for any other reason.

NOW, THEREFORE, BE IT RESOLVED, that the Saratoga County Water Authority hereby creates the position of Deputy Treasurer to serve in the Treasurer’s stead when the Treasurer is unavailable; and be it further

RESOLVED, that the Authority By-Laws be and the same hereby are amended by including new Section 6 to Article IV as follows:

6. Deputy Treasurer: The Deputy Treasurer shall have all the duties, responsibilities and authority of the Treasurer, but may act only when the Treasurer is absent, unavailable or where the Treasurer is prevented from performing his/her duties due to a conflict of interest or potential conflict of interest. Like the Treasurer, the Deputy Treasurer must execute a bond conditioned upon the faithful performance of the duties of his/her office, the amount and sufficiency of which shall be approved by the Board and the premium paid by the Authority or, in the alternative, the Authority may procure liability insurance in an amount and upon such terms as it deems sufficient and pay the premium thereof.

And be it further

RESOLVED, that the provision of the Authority By-Laws entitled “Members of the Board of the Authority” is hereby renumbered to be Section 7 of Article IV as set forth more fully in the attached revised Authority By-Laws; and be it further

RESOLVED, that the Executive Director, Secretary and Legal Counsel are hereby authorized and directed to undertake any and all further action necessary to effectuate this Resolution and to cause the revised By-Laws to be duly recorded in the Office of the Saratoga County Clerk.

The question of the adoption of this Resolution was duly put to a vote on roll call which resulted as follows:

AYES: Cumm, Daly, Johnson, Lawler, O’Connor, Smith, Szczepaniak
NAYS: None
ABSENT: None
ABSTAIN: None

The Resolution was declared duly adopted on September 29, 2016.

Following the resolution to amend the By-Laws to add a Deputy Treasurer, Chairman Lawler asked for a volunteer to fill that position. Mr. Szczepaniak agreed to fill that position. **Motion was made by**

Chairman Lawler and seconded by Mr. O'Connor to appoint Timothy Szczepaniak to the office of Deputy Treasurer of the Water Authority. Motion carried unanimously. (2016-0076)

The next matter was a discussion of authorizing payment of utility bills in an advance of audit by the Treasurer or Deputy Treasurer. Discussion ensued regarding the current method of paying those bills. Mr. Cumm expressed his discomfort with allowing the utility companies access to the operating account to make a direct debit for those bills. He felt that no vendors should have access to the account for that purpose. Chairman Lawler stated he concurred and asked the Confidential Secretary to terminate that procedure and pay the utility bills by EFT on the vendor websites. **Motion was made by Mr. Szczepaniak to grant the Confidential Secretary permission to pay the National Grid and NYSEG monthly utility bills in advance of pre-audit by the Treasurer or Deputy Treasurer.** Discussion ensued regarding the access for the Confidential Secretary to be able to pay those bills. **Motion was amended to grant her permission to pay those bills via website without prior review. Motion carried unanimously. (2016-0077)**

Mr. Hernandez then discussed that during the recent OSC audit, there appeared to be two bank deposits that were a day late and did not technically fall within the Investment Policy window of 72 hours due to a vacation period. He discussed the practicality of granting a longer window of time if necessary to allow for those circumstances. **Motion was made by Mr. Cumm and seconded by Mr. Smith to amend the SCWA Investment Policy, Section 6, Para 1 as follows:**

“All monies collected by any officer or employee of the SCWA shall typically be deposited in a designated depository within 72 hours or as soon as otherwise practical, but in no event shall any deposit be made later than 10 days, inclusive of Sundays and holidays from the day of receipt or when total remittances collected exceed \$250, unless the time specified by law is shorter.”

Motion carried unanimously. (2016-0078)

Chairman Lawler then discussed that the Governance Committee was recommending the Readoption of certain SCWA policies as an annual housekeeping matter. The following policies were reviewed by the Governance Committee:

- SCWA Ethics Policy
- SCWA Whistleblower's Policy
- SCWA Discretionary Funds Policy
- SCWA Equal Opportunity Policy
- SCWA Affirmative Action Policy
- SCWA Guidelines for the Disposal of Real and Personal Property.

Mr. O'Connor noted that the Code of Ethics Policy, Section "Recording of Gifts" was too broad and should be looked at. He noted that anyone that receives a gift of \$75 or more would be required to report

same no matter who the gift came from. Chairman Lawler concurred and requested that Mr. O'Connor and Mr. Schachner review that policy in greater detail and come back to the Board next month with a revision to that section. Mr. O'Connor stated that it should simply be eliminated. Chairman Lawler requested that Mr. O'Connor and Mr. Schachner review the entire policy and come back next month with an updated policy. Both parties agreed to do so. The Ethics Policy Readoption was tabled at this time. **Motion was made by Mr. Cumm and seconded by Mr. O'Connor to readopt the above referenced policies, with the exception of the Ethics Policy, with no changes for 2016. Motion carried unanimously. (2016-0079)**

Mr. Hernandez then requested that the final item on today's agenda be discussed now. He noted that the SPDES Outfall Project was substantially completed and that the contractor, Reale Construction, had successfully completed everything except for some minor punch list items and at this time was submitting a final Change Directive to reduce the total cost of the contract by \$92,990.80 for unused quantities. **Motion was made by Mr. Johnson and seconded by Mr. O'Connor to accept Change Directive #2 from Reale Construction to reduce the Outfall Project Construction Contract by \$92,990.80. Motion carried unanimously. (2016-0080)**

The final item for discussion was the request from Delaware Engineering for an increase in their contract costs for Construction Inspection Services due to delays in the construction period. Mr. Hernandez discussed that the extended time it took for the Authority to acquire easements from the County and National Grid for the outfall piping were a direct effect of the additional time required by the engineering firm to supply Construction Inspection services. Chairman Lawler concurred that it was an inevitable delay and they should be granted the increase. **Ms. Daly made a motion to increase the contract with Delaware Engineering for Construction Inspection services in the amount of \$16,000. Motion was seconded by Mr. Johnson. Motion carried unanimously. (2016-0081)**

The next three meetings of the Authority Board were tentatively scheduled for October 27th, November 22nd and December 22nd, 2016 at 3:00 p.m.

At this time, Chairman Lawler appointed Mr. Szczepaniak to the following Committees: Governance, Audit and Smart Growth. Mr. Cumm was re-assigned to Finance, as the newly appointed Treasurer cannot serve on the Audit Committee.

New Business:

Mr. Hernandez then discussed the upcoming renewal of the Commercial Insurance package. He inquired if the Board wanted to recommend an RFP this year or to instruct our agent to go out to market for new quotes. Chairman Lawler discussed in further detail what would be required for each situation. After some consideration, the Board opted to instruct the current agent to go to market for price quotes and do an RFP after the next term.

Mr. Cumm then discussed his concerns regarding the new FLSA ruling on overtime and compensatory time. Mr. Hernandez stated that the ruling did not apply to any staff as the salaries were all above the FLSA requirement. Mr. Cumm inquired if it was still necessary to pay overtime because most staff was in the exempt category. Mr. Hernandez stated that if the Authority did not pay overtime for emergency situations, it would be difficult or impossible to engage staff in those situations.

With no further action, motion to adjourn was made by Mr. Johnson and seconded by Ms. Daly. Motion passed and meeting was adjourned at 4:50 p.m.

Respectfully Submitted,

Carol A. Alden, Confidential Secretary