



SARATOGA COUNTY WATER AUTHORITY

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SARATOGA COUNTY WATER AUTHORITY OFFICIAL BOARD MEETING MINUTES THURSDAY, JUNE 21, 2012; 2:45 PM

PRESENT: Vice Chairperson Anita Daly, Supervisor Arthur Johnson, Kevin King, Treasurer, Gregg Connors (arrived at 2:50 p.m. due to attending another commitment), Charles Wait, SCWA Board Members; Craig Crist, SCWA Special Counsel; John Dowd, SCWA Special Counsel; Supervisor Tom Wood; Ed Hernandez, Acting Executive Director; Press. ABSENT: Chairman John Lawler, Marybeth Hynes, SCWA Board Member.

Vice Chairperson Daly called the regular meeting to order at 2:45 p.m. and welcomed all in attendance.

A motion was made by Charles Wait and seconded by Arthur Johnson to adopt the draft minutes of the May 22, 2012 regular meeting, as well as the Finance Committee minutes, as the official minutes of those meetings. Motion to accept the draft minutes were passed 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.)

Production: Ed Hernandez, Acting Director, discussed the first of the monthly graphs. The first graph was average daily flow and he indicated that the average daily flow for May was up slightly at approximately 3.5 MGD and it has been up significantly with the heat to as high as 5 MGD. Hernandez then discussed customer flow data and indicated that all were increasing except for Global Foundries. Mr. Hernandez then moved to the Disinfection Byproduct graphs which indicated that the running annual averages for the last four quarters were 55 mg/l. He indicated that the Authority was still averaging high results, due to last summer's very high average, but overall for the annual average it was well within acceptable limits. Mr. Hernandez indicated that the Authority was currently at approximately 33 mg/l. Ms. Daly inquired as to what may be attributed to the successful averages, to which Mr. Hernandez responded that it was changes in the way the plant was currently operating, as well as regular flushing of the main. Mr. Wait asked if the changes were adding to the operating costs. Mr. Hernandez stated that it was costing more when flushing was occurring but less in the long run with decreased chemical costs. Mr. Hernandez stated that next month he anticipates the plant may run at up to 5MGD. Mr. Wait inquired what the plant's total capacity could be at this time and Mr. Hernandez responded with 14MGD. Mr. Johnson inquired if Mr. Hernandez knew why Global Foundries usage was on the decline to which Mr. Hernandez responded he was not certain but attributed it to testing and startup.

Financial: Mr. Hernandez discussed the financial reports through May 31, 2012. Hernandez reflected that budgeted operating costs were at \$1 million and actual was at \$722,000. Revenues were budgeted at \$1.3 million and the actual revenues through May 31 were \$844,000. Mr. Hernandez noted that the Net Income

to date was \$121,000. Mr. Wait asked if the revenue shortfalls were due to the decrease in usage by Global Foundries. Mr. Hernandez indicated that was correct.

Mr. Hernandez also discussed the Monthly Management Report which detailed the past month's activities at the Authority. Hernandez discussed that the Kubricky contract was still open as they continued to work on punch list items. The Gross Electric contract was closed out and final payment was being made at today's meeting. The LFTCEDC project was awaiting final closeout paperwork from the EDC to close the account. The most significant issue was a severe thunderstorm that passed through the area on May 29th which caused several lightning strikes and caused the plant to require being run on manual operation. The lightning caused a failure in the SCADA system which runs the plant electronically. Hernandez indicated that repairs were still being addressed and that the Authority's insurance carrier had been informed that a claim was forthcoming to recover some of the costs associated with repairs. Hernandez stated that the staff had been working very hard to maintain plant operations. Mr. Connors inquired if it required 24 hour staffing. Mr. Hernandez stated only the night of the storm required 24 hour operation. Mr. Connors also inquired if the plant was susceptible to future incidences like this and Mr. Hernandez stated he was assessing that very possibility and taking steps to resolve the possibility of it. Mr. Wait inquired if Mr. Hernandez finally received the schematics from Malcolm Pirnie which Hernandez stated he did.

Ms. Daly added to the monthly report that she had spoken with a national forester who reiterated that the report on the diseased trees at the plant was conclusive. She stated that there should be protocols in place for the removal of the logs and that they be cut into long logs. Daly was informed that the treetops should be removed thoroughly so as not to cause a significant fire hazard. Ms. Daly also stated that the forester indicated there is no market for red pine.

The first motion was to authorize the payment of the vouchers for the month at a total cost of \$95,393.72 as reviewed and approved by Kevin King, Treasurer. **Mr. Connors moved to authorize that vouchers, as proposed for payment, be paid subject to review by the Treasurer. The motion was seconded by Mr. Wait and passed unanimously. (Motion 2012-28)**

The next item was a motion to adopt the 2012 Service Fee Schedule and approve the second Service Fee Request to Saratoga County as part of the 2008 Service Fee Agreement. Mr. Hernandez reviewed the calculations and noted that the operating costs for the remainder of 2012 have been revised. The requested amount was \$250,000, which was significantly less than the original anticipated request of \$1 million. Ms. Daly inquired if the Chairman had had an opportunity to review the request. Ms. Daly expressed some reservations as a result of the inability of the Chairman to be present at the meeting and felt the matter should be tabled. Mr. Connors inquired as to where the \$250,000 was needed. Mr. Hernandez stated it was strictly for the Debt Service payment in September. Mr. King mentioned that he believed there was a timetable when the request needed to be made, which he was informed it was July 1st. Mr. Wait prompted that the Board should then act upon it in the interest of the Agreement requirements. **Motion was made by Mr. Wait to adopt the Service Fee Schedule and approve the request to the County, with the approval of the Chairman. Motion was seconded by Greg Connors. Motion passed unanimously. (Motion 2012-29)**

The next matter was the audited Financial Statements. Mr. King discussed that the 2011 audit was completed and discussed the segments of same. He discussed the footnotes and findings, which he indicated all necessary corrective actions had been accomplished. He noted that the report needed to be accepted by the Board and approved for submission to PARIS, which was the Authority Budget Office electronic filing site. He indicated that he was aware there would be a finding on the next audit because the report was being filed past the ABO deadline, which was due to an ongoing negotiation relating to a long term receivable. Mr. Connor inquired as to when the reports are supposed to be filed to which Mr. King responded by the end of the first quarter. He indicated that the Authority has to compete with private firms for auditors in the first quarter of the year and can sometimes cause scheduling issues. **The Motion to accept was presented by Mr. Wait to approve and accept the 2011 audited financial statements and approve them for submission to PARIS. Motion was seconded by Greg Connors. Motion was unanimously passed. (Motion 2012-30)**

At this time, Ms. Daly suspended the business to announce a notification from Senator Roy McDonald's office that the Moreau Reforestation and Veterans Memorial Highway bills had been passed in both houses of the Legislature and would be moved forward for passage.

The meeting reconvened with the next item being three Resolutions. Mr. Crist, Special Counsel, discussed the resolutions. The first was with regard to the forestation project and the diseased tree removal. He indicated that this can be classified as an action that should be considered under the State Environmental Quality Review Act. Both he and the Executive Director had confirmed that they had spoken with DEC regarding the action and how it was properly classified as a Type II action and that there was no further review under the State Quality Review Act that was required. He recommended to the Board that the **Resolution classifying the action towards a Type II Action per SEQRA be adopted. Mr. Wait offered a motion to pass the Resolution and Mr. Connors seconded the motion. The Resolution passed unanimously. (Resolution 2012-09)**

The next **Resolution was to declare the Board's intent to Act as SEQRA Lead Agency for Stream Mitigation Project and Classifying Action as an Unlisted Action.** Mr. Crist discussed that the project promotes fish and plant life health. Mr. Hernandez discussed that the project is done to offset habitat disturbances elsewhere. He indicated it would be done in the Kayderosseras and Snookkill Streams. **Motion was offered by Greg Connors and seconded by Arthur Johnson. Motion passed unanimously. (Resolution 2012-10)**

The next **Resolution was for the Year 2012 Adopting Negative Declaration for Stream Remediation Project.** Mr. Crist discussed that this resolution is for the Executive Director to declare this a negative declaration to state that the project will not have an adverse effect on the environment. Mr. Crist discussed that this is a DEC requirement and a compliance requirement for SEQRA review. **Motion was presented by Art Johnson and seconded by Mr. King. Motion carried unanimously. (Resolution 2012-11)**

The next **motion was to approve the Stream Mitigation Request for Proposal** as presented by the Executive Director. **Motion was offered by Charles Wait and seconded by Mr. Connors. Motion passed unanimously. (Motion 2012-31)**

The next item was a motion to approve the proposal from Jeffrey Beecher, CPA of Jenkins, Beecher and Bethel, P.C. to perform accounting services on a quarterly basis. The Acting Executive Director noted the proposal would result in a savings to the SCWA over the prior firm that provided such services. Mr. Johnson inquired if there would be a conflict because Mr. Jenkins, a partner in the firm, was also a town supervisor. Mr. Crist replied it was his understanding that Jenkins was not actively involved in the firm and did not sit on the Authority's Board, had nothing to do with the submitted proposal or any communications related thereto and until today's meeting the Acting Executive Director, who handled all such communications, did not know of said person's involvement with the firm so there was no reason to disqualify the proposal. **Motion was presented to accept said proposal by Jenkins, Beecher and Bethel, P.C. by Greg Connors and seconded by Kevin King. Motion passed unanimously. (Motion 2012-32)**

The final motion was to approve the Forester Services proposal from Saratoga Land Management as presented by the Executive Director. Mr. Hernandez spoke about hiring a forester to prepare a bid document for the removal of the diseased trees discussed earlier in the meeting. He recommended awarding the contract to Saratoga Land Management, who also did work for Saratoga County. **Motion was offered by Arthur Johnson and seconded by Mr. King. Motion passed unanimously. (Motion 2012-33)**

Old Business:

Mr. Hernandez discussed the proposed response letter to C. T. Male regarding a request for connection from Greenfield Development. Ms. Daly reflected that the Board had a concern if the amount was not paid it could not effectuate the re-levying of the bill onto the tax rolls and that the Board said it would consider such applications of a case-by-case basis. Mr. Crist noted that the response had been transmitted by the Executive Director so that matter could be removed from "old business" on the meeting agenda.

The next meeting of the SCWA Board of Directors was scheduled for Thursday, July 26, 2012 at 2:45 p.m.

Upon motion by Mr. Connors, seconded by Ms. Daly, the Board unanimously adjourned to executive session at 3:25 p.m. to discuss a personnel matter and related thereto in order to communicate with counsel for the SCWA about said matter and obtain the advice of counsel.

The Board returned to open meeting at 3:45 p.m. At that time, **Motion was made by Mr. Wait to adjourn and seconded by Mr. Connors. The Board unanimously resolved to adjourn the meeting at 3:45 p.m.**

Respectfully Submitted,

Carol A. Alden, Confidential Secretary