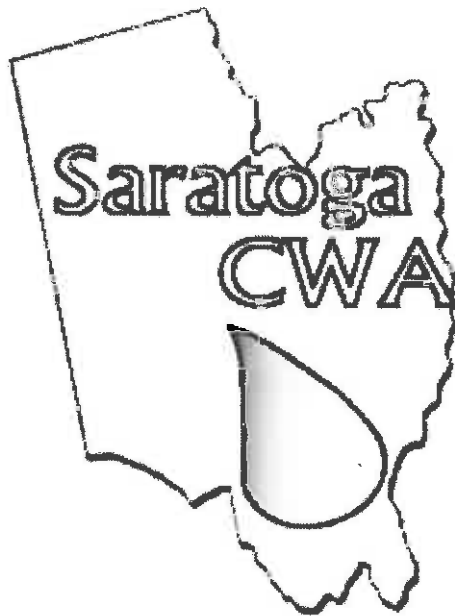


**SARATOGA COUNTY  
WATER AUTHORITY**



**2020 ANNUAL REPORT**

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## **Operations and Accomplishments**

The Authority is a corporate governmental agency as defined by the Saratoga County Water Authority Act (Act), Title 8-F of Article 5 of the New York State Public Authorities Law. The Authority is charged with providing water services for the public benefit. The Authority is empowered to borrow money and issue notes, bonds or obligations in order to pay the costs of water projects or projects for corporate purposes. Bonds issued by the Authority are not considered debt of the State of New York (the "State") or any municipality thereof. However, the State pledges not to alter or limit the rights of the Authority involving any projects that are being funded through bonds that the Authority had issued. The Authority is empowered to fix rates and collect charges for use of the facilities and services rendered in order to provide revenues for paying the principal and interest of bonds, notes and/or other obligations and for regular operation and maintenance ("O&M") expenses. No public service commission or entity of like character has jurisdiction over the Authority in management and control of operations or in regulation of rates fixed and charges collected.

The Act also states that powers of the Authority are vested in and exercised by a governing board of seven members. The members are appointed by the chairperson of the Board of Supervisors of Saratoga County ("County"). The officers of the Authority (other than the secretary) are required to be members of the Board. In addition to a secretary, officers include a chairperson, vice chairperson, treasurer and deputy treasurer. The officers are elected by the Board.

In 2020 our water system served 10 customers; The Town of Moreau, the Wilton Water & Sewer Authority, the Town of Ballston, the Clifton Park Water Authority, the Town of Halfmoon, the Town of Malta, Stewart's Shops, the Village of Stillwater, Town of Stillwater and Global Foundries. The total water provided to our customers in 2020 was 2,619 billion gallons. The daily average water consumption was 7.1 million gallons a day. Our highest monthly daily flow occurred in June and was recorded at 9.73 million gallons per day. In 2020, municipal water customers were charged \$2.322 per 1,000 gallons of water.

## **PROJECTS UNDERTAKEN BY THE SARATOGA COUNTY WATER AUTHORITY IN 2020**

### **SCWA Phase II Expansion Project**

In 2020, the SCWA began the construction phase of a 4 mgd expansion to the treatment facility. The project is anticipated to include two additional membrane racks, a new 1.0 million-gallon clear well, chemical feed system upgrades and additional pumps, an additional sludge lagoon and other equipment. The project is partially funded with a \$3.2 million grant and is needed in order to meet anticipated future demands for the Authority.

Projected Cost - \$12 million

SCWA Expenses through Dec. 31, 2020 - \$1,110,550

### **SCWA 5mgd Water Storage Tank**

In 2020, the SCWA began SEQRA review and archaeological surveys for construction of a second 5-million-gallon storage tank at the Luther Forest Tech Park. The project is anticipated to begin construction in late fall of 2021.

Projected Cost – \$5.03 million

SCWA Expenses through Dec. 31, 2020 - \$13,351

**SARATOGA COUNTY WATER AUTHORITY**  
**(A COMPONENT UNIT OF SARATOGA COUNTY, NEW YORK)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)**  
**DECEMBER 31, 2020 AND 2019**

**Analysis of the Authority's Financial Position**

The Authority's net position increased by \$3.9 million in 2020, to \$27.4 million. The Authority's net position increased by \$252,639 in 2019, to \$23.5 million.

**CONDENSED STATEMENT OF NET POSITION**

	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b><u>Total</u></b>	<b><u>%</u></b>	<b><u>Total</u></b>	<b><u>%</u></b>	<b><u>Total</u></b>	<b><u>%</u></b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>						
Current Assets	\$ 11,804,961	15.1	\$ 8,307,364	11.0	\$ 8,815,991	11.6
Restricted Assets	3,192,173	4.0	3,088,310	4.0	2,980,185	3.9
Property, Plant, and Equipment, Net	<u>63,095,744</u>	<u>80.5</u>	<u>64,275,589</u>	<u>84.8</u>	<u>64,101,718</u>	<u>84.3</u>
Total Assets	78,092,878	99.6	75,671,263	99.8	75,897,894	99.8
Deferred Outflows of Resources	<u>297,002</u>	<u>.4</u>	<u>117,584</u>	<u>.2</u>	<u>157,429</u>	<u>.2</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 78,389,880</u>	<u>100.0</u>	<u>\$ 75,788,847</u>	<u>100.0</u>	<u>\$ 76,055,323</u>	<u>100.0</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>						
Current Liabilities	\$ 4,049,919	5.2	\$ 3,605,594	4.7	\$ 2,451,564	3.2
Long-Term Liabilities	<u>46,900,456</u>	<u>59.8</u>	<u>48,633,931</u>	<u>64.2</u>	<u>50,182,491</u>	<u>66.0</u>
Total Liabilities	50,950,375	65.0	52,239,525	68.9	52,634,055	69.2
Deferred Inflows of Resources	27,402	-	64,553	.1	189,139	.3
Net Position	<u>27,412,103</u>	<u>35.0</u>	<u>23,484,768</u>	<u>31.0</u>	<u>23,232,129</u>	<u>30.5</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 78,389,880</u>	<u>100.0</u>	<u>\$ 75,788,847</u>	<u>100.0</u>	<u>\$ 76,055,323</u>	<u>100.0</u>

**CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION**

	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b><u>Total</u></b>	<b><u>%</u></b>	<b><u>Total</u></b>	<b><u>%</u></b>	<b><u>Total</u></b>	<b><u>%</u></b>
Operating Revenue	\$ 10,006,419	98.4	\$ 6,477,314	97.1	\$ 6,283,438	99.3
Non-Operating Revenue	<u>160,588</u>	<u>1.6</u>	<u>192,465</u>	<u>2.9</u>	<u>42,847</u>	<u>.7</u>
Total Revenues	<u>10,167,007</u>	<u>100.0</u>	<u>6,669,779</u>	<u>100.0</u>	<u>6,326,285</u>	<u>100.0</u>
Depreciation	2,551,630	25.1	2,735,303	41.0	2,730,516	43.2
Other Operating Expense	1,909,434	18.8	1,858,036	27.9	1,735,398	27.4
Non-Operating Expense	<u>1,778,608</u>	<u>17.5</u>	<u>1,823,801</u>	<u>27.3</u>	<u>1,905,814</u>	<u>30.1</u>
Total Expenses	<u>6,239,672</u>	<u>61.4</u>	<u>6,417,140</u>	<u>96.2</u>	<u>6,371,728</u>	<u>100.7</u>
Change in Net Position	<u>\$ 3,927,335</u>	<u>38.6</u>	<u>\$ 252,639</u>	<u>3.8</u>	<u>\$ (45,443)</u>	<u>(.7)</u>

## **Real Property Transactions**

The Saratoga County Water Authority had no real property transactions in 2020 that exceeded \$5,000.

## **Personal Property Transactions**

The Saratoga County Water Authority had no personal property dispositions in 2020 that exceeded \$5,000.

## **Remaining Debt of the Authority**

The Authority currently has two municipal Bond issuances outstanding:

Series 2014 Bonds - \$4.34 million original issuance. Remaining Principal is \$3,875,000 at December 31, 2020. Total Interest Payments made in 2020 are \$199,875.

Series 2016 Refunding Bonds - In 2016, the Authority issued \$41,360,000 of general obligation refunding bonds to provide resources to purchase U.S. Government and State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$42,115,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net position. This advance refunding was undertaken to reduce total debt service payments over the next 32 years by approximately \$11.2 million and resulted in an economic gain of approximately \$6.9 million. In 2020, a principal payment in the amount of \$680,000 and an interest payment was made in the amount of \$1,586,294.

In addition to the Bonds, the Authority has the following outstanding debts:

Saratoga County IDA Loan - \$1 million loan. \$525,000 in grant funding. No principal payments are due on this loan until 2021. One interest payment was made in 2020 in the amount of \$6,900.

Series 2020B Bonds - \$1,178,680 original issuance. The closing on this issuance occurred on December 17, 2020, therefore no payments were made in 2020.

In 2020, the Authority issued a BAN for \$4.96 million with NYS EFC to cover construction costs related to expansion of the water plant to supply an additional 4mgd of water to Authority customers. The Project broke ground in August of 2020.

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CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:  
NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Saratoga County Water Authority Governing Board  
Gansevoort, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of net position of the Saratoga County Water Authority (the "Authority"), as of December 31, 2020, and the related statement of revenues, expenses and change in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 25, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **SCWA 2020 Board Committees**

### **Governance Committee – 3 Members**

John Lawler  
Arthur Johnson  
Timothy Szczepaniak

### **Audit Committee – 3 Members**

Darren O'Connor  
Anita Daly  
Arthur Johnson

### **Finance Committee – 3 Members**

Arthur Johnson  
Theodore Kusnierz  
John Lawler

### **Personnel Committee – 3 Members**

Philip Barrett  
Theodore Kusnierz  
Darren O'Connor

### **Smart Growth Committee – 3 Members**

Anita Daly  
Arthur Johnson  
Tim Szczepaniak



**Saratoga County Water Authority Performance Measurement Report  
Fiscal Year 2020**

Performance Measures	FY2020 Actual Jan. 1, 2020 - Dec. 31, 2020
<p align="center"><b>FINANCIAL</b></p> <p>a. Annual budget</p> <p>b. Amount of service fee payment</p> <p>c. Quality of SCWA bond rating</p> <p>d. Procurement practice review</p> <p>e. Expansion of customer base</p>	<p>a. Approved Budget: \$4,781,025 Budgeted Revenues: \$6,379,156 Budgeted Income: \$1,598,131 Actual Revenues: \$7,380,496 Actual Expenses: \$4,422,930 Operating Income: \$2,957,565</p> <p>b. None.</p> <p>c. AA Stable</p> <p>d. Reviewed and Readopted on 08/27/20.</p> <p>e. There were no new customers in 2020.</p>
<p align="center"><b>WATER QUALITY</b></p> <p>a. Annual Drinking Water Report</p>	<p>Annual Water Quality Report has been prepared and is available for viewing at <a href="http://www.saratogacountywaterauthority.com">www.saratogacountywaterauthority.com</a></p>
<p align="center"><b>AUDIT</b></p> <p>a. Continuing self-audit</p> <p>b. Any applicable review or audit</p>	<p>a. 2020 PARIS Reports authorized, approved and submitted by March 31, 2021.</p> <p>b. Independent Audit for 2020 concluded March 2021.</p>
<p align="center"><b>SAFETY</b></p> <p>a. Review of accident reports</p>	<p>a. There was one Accident Report filed for 2020. Job Hazard Analysis system utilized at Facility. Review of Safety Procedures is conducted weekly.</p>
<p align="center"><b>OPERATIONS &amp; MAINTENANCE</b></p> <p>a. Annual inspections</p> <p>b. Number of water main breaks</p>	<p>a. NYS DEC Diesel Bulk Storage done December 2020. Facility Fire Extinguisher Inspections completed July 2020.</p> <p>b. There were no water main breaks in 2020.</p>

# **SARATOGA COUNTY WATER AUTHORITY**

## **LIST OF REAL PROPERTY**

### **260 Butler Road Water Treatment Plant**

Description: Membrane filtration plant on 21.86 acres, located at 260 Butler Road in the Town of Moreau (tax map #62.00-1-12.2).

### **Potter Road Pump Station**

Description: Water pumping station on leased land owned by Brookfield Power Corp.

### **Luther Forest Water Tank**

Description: 5 Million Gallon Water tank and electrical building that houses equipment necessary to maintain the operation of the tank. Tank is located on land owned by the Luther Forest Technology Campus Economic Development Corporation.

### **Easements**

The Saratoga County Water Authority owns a large number of easements for the placement of water main, pressure-reducing vaults, meter pits, ingress/egress to pump stations, and other water supply and distribution equipment.