



SARATOGA COUNTY WATER AUTHORITY

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ED HERNANDEZ, P.E., EXECUTIVE DIRECTOR

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ROBERT D. WILCOX

SARATOGA COUNTY WATER AUTHORITY BOARD OF DIRECTORS OFFICIAL MEETING MINUTES THURSDAY, JANUARY 21, 2021 @ 3:30 P.M.

PRESENT: Chairman John Lawler, Treasurer Tim Szczepaniak, Deputy Treasurer Todd Kusnierz and Supervisor Phil Barrett. Also present by phone Supervisor Darren O'Connor, Mr. Art Johnson and Mr. Robert Wilcox; Executive Director Ed Hernandez, General Counsel Leah Everhart, Esq. and General Counsel Mark Schachner, Esq. **ABSENT:** None

The first order of business was to welcome new member Robert Wilcox to the Board. Chairman Lawler stated that at this time officers should be elected. The following appointments were nominated and passed.

Chairman: Mr. Johnson nominated John Lawler as Chairman and the motion was seconded by Mr. Szczepaniak. Motion carried unanimously.

Vice Chairman: Supervisor Kusnierz nominated Mr. Szczepaniak as Vice Chairman. Motion was seconded by Supervisor Barrett. Motion carried unanimously.

Treasurer: Supervisor O'Connor nominated Supervisor Barrett. Motion was seconded by Mr. Szczepaniak. Motion carried unanimously.

Deputy Treasurer: Mr. Szczepaniak nominated Supervisor Kusnierz. Motion was seconded by Supervisor O'Connor. Motion carried unanimously.

Secretary: Chairman Lawler nominated Carol Alden, Confidential Secretary of the Authority, to the position after a brief discussion regarding her previously holding that appointment throughout her term at the Authority. Motion was seconded by Supervisor Kusnierz. Motion carried unanimously.

Chairman Lawler thanked the Board for their continued confidence in his Chairmanship and looked forward to the coming year working together. Chairman Lawler inquired about newly appointed or reappointed members getting their Oaths accomplished during Covid. Ms. Everhart explained how the two members involved could achieve that within the 30-day appointment window.

At this time Chairman Lawler made the following Committee assignments:

Governance: Johnson, Lawler, Szczepaniak

Audit: Johnson, O'Connor, Wilcox

Finance: Johnson, Kusnierz, Lawler

Personnel: Barrett, Kusnierz, O'Connor

Smart Growth: Daly, Johnson, Szczepaniak

Outreach: O'Connor, Szczepaniak, Wilcox

Chairman Lawler inquired if there were any changes, additions or deletions to the December 17, 2020 meeting minutes. **On a motion by Supervisor Kusnierz and a second by Mr. Szczepaniak the minutes of the December 17, 2020 meeting were adopted. Unanimous. (2021-0001)**

Reports:

Operations: Mr. Hernandez reported water flows for December were 6.05 mgd and a rolling annual average of 7.13 mgd.

Financials: Mr. Hernandez read the Administrative Summary as of December 31, 2020. Budgeted water revenues through December 31, 2020 were \$6.38 mil and actual revenues were \$7.37mil. Budgeted expenses through December 31, 2020 were \$2.12 mil and actual expenses were \$1.83 mil. The next Bond payment is due March 1st, 2021 for \$776,147. Cash available for operations after that payment and a Service Fee repayment of \$2 mil to the County was estimated at \$1.19 million.

Capital Projects: Mr. Hernandez discussed the Plant Expansion Project and remarked that the project was moving along slowly. He stated he was becoming concerned about the contractors meeting the completion date. Mr. Wilcox suggested perhaps a letter from Counsel might get their attention and spur some activity. Supervisor Barrett inquired about the reason for the delays. Mr. Hernandez stated there is a long lead time for some of the equipment and that it has not been ordered timely by the Contractor. Mr. Hernandez stated that the Archaeological Survey update for the Water Tank Project at LFTC was complete and the Board would see the SEQRA on next month's agenda.

Legal: Chairman Lawler inquired if Counsel needed to adjourn to Executive Session with regard to contract negotiations. Ms. Everhart stated earlier discussions had ensued during open session and she was comfortable with that. She then stated that Clifton Park Water Authority's counsel had a verbal conversation with her earlier in the week. She stated that their position was that CPWA should be given extra consideration for their demands as they were the first customer of the Authority. She indicated there were three areas of concern with the current version of the agreement. The first being the Force Majeure language, the second being a guarantee of meeting peak flows, and the third being retaining the annual usage minimum instead of going to a quarterly minimum. She then went into each item in depth. Supervisor Barrett suggested a special meeting with CPWA's counsel and Administrator to work through

the differences. Chairman Lawler instructed Secretary Alden to canvass the Board for availability and to schedule said meeting.

Motions & Resolutions:

Motion was made by Mr. Szczepaniak and seconded by Supervisor Kusnierz to authorize the following budget transfers:

Transfer of \$5,000 from Salaries & Wages: Contingency to Health Ins. Expense

Transfer of \$1,000 from Insurance Expense to Brookfield Power Expense.

Transfer of \$2,000 from Training Expense to SCSD Fees.

Transfer of \$1,000 from Fuel to Equip. Parts: Plant

Transfer of \$10,000 from Utilities to Plant Repairs and Maintenance

Motion carried. Unanimous. (2021-0002)

Motion was made by Supervisor Kusnierz and seconded by Supervisor Barrett to authorize the payment of the monthly vouchers at a cost of \$238,510.05 in operating costs, \$198,553.75 in Plant Expansion Project costs and \$1,725.00 in Bond Issuance costs. Treasurer Szczepaniak had reviewed all vouchers and was in favor of paying all presented. Motion carried unanimously. (2021-0003)

The next matter was a motion to amend the Authorized Signers on all bank accounts. Chairman Lawler explained that with the new appointments there would be a need to delete a former member and add the new Treasurer. **Motion was made by Mr. Szczepaniak and seconded by Mr. Johnson to amend the Authorized Signers on all Ballston Spa National Bank and Wells Fargo Bank accounts. Motion carried unanimously. (2021-0004)**

The next matter was to consider renewing the contract with Mahoney Alarms for fire and security protection. Mr. Hernandez explained that they have provided this service at a reasonable cost for many years and were requesting an increase in the Prevailing Wage rates established by NYS only. They were not increasing their regular hourly rates. **Motion was made by Mr. Johnson and seconded by Mr. Wilcox to renew the Fire and Security Protection Contract with Mahoney Alarms for 2021. Motion carried unanimously. (2021-0005)**

The next matter was to consider the formal Resolution presented by Bond Counsel to include the revised Plant Expansion Project to include the additional sludge lagoon as follows:

A RESOLUTION AMENDING CERTAIN TERMS OF THE SUPPLEMENTAL BOND RESOLUTION NO. 2018-0023 DATED JUNE 21, 2018 AND ADOPTED BY THE SARATOGA COUNTY WATER AUTHORITY.

WATER TREATMENT PLANT EXPANSION

WHEREAS, on June 21, 2018, the Saratoga County Water Authority (the “**Authority**”) adopted a supplemental bond resolution (the “**Supplemental Bond Resolution**”) entitled:

“RESOLUTION NO. 2018-0023 AUTHORIZING THE ISSUANCE BY THE SARATOGA COUNTY WATER AUTHORITY OF ITS WATER SYSTEM REVENUE BONDS; PROVIDING FOR PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS; AND PROVIDING FOR THE RIGHTS OF THE HOLDERS THEREOF.”

WHEREAS, the Supplemental Bond Resolution previously recited that the Authority has made an application to the Environmental Facilities Corporation (“**Corporation**”) under its New York Drinking Water State Revolving Fund, for a financing in an amount currently estimated to be Eight Million Two Hundred Thousand Dollars (\$8,200,000) for a project (the “**Project**”) consisting of the following: (1) for the purpose of addressing water supply needs throughout Saratoga County and expansion of the Authority’s existing water system (the “**Water System**”) by adding plant treatment capacity of 4 million gallons per day (“mgd”) at an estimated cost of \$8,200,000, but in no event to exceed \$8,500,000; and

WHEREAS, on February 6, 2020 pursuant to a project finance agreement dated February 6, 2020 (the “Project Finance Agreement”) by and between the Corporation and the Authority, the Authority issued its E.F.C. Drinking Water Facility Note – 2020 (the “2020 Note”) to finance a portion of the Project; and

WHEREAS, since the date of the Supplemental Bond Resolution, the Authority has done additional work with the Corporation for the purpose of finalizing the description and the estimated costs of the proposed improvements to the Water System described and approved by the Supplemental Bond Resolution (the “**Water System Project**”); and

WHEREAS, in connection with such additional work with the Corporation for the purpose of finalizing the description and the estimate costs of the proposed improvements to the Water System Project, the Corporation has approved the construction of an additional sludge lagoon as part of the Water System Project, as described in a letter dated December 24, 2020 from Delaware Engineering, D.P.C.; and

WHEREAS, the Authority desires to amend the Supplemental Bond Resolution in order to finalize the description and the estimated costs of the Water System Project, and the principal amount of the obligations to be issued by the Authority contained in the Supplemental Bond Resolution; and

WHEREAS, the Authority further desires to amend the Project Finance Agreement and the 2020 Note to provide for the changes to the Water System Project and to provide additional financing from the Corporation for the Water System Project;

NOW, THEREFORE, it is hereby

RESOLVED, that any term or word not defined herein, shall have the same meaning as defined in the Supplemental Bond Resolution, and it is further

RESOLVED, that the description and the estimated costs of the Water System Project are amended as follows:

“for the purpose of addressing water supply needs throughout Saratoga County and expansion of the Authority’s existing water system (the “Water System”) by adding plant treatment capacity of approximately 4 million gallons per day through the undertaking of various capital improvements,

including, but not limited to, the construction of an additional sludge lagoon, at an estimated cost of \$12,400,000, but in no event to exceed \$12,700,000; “

and it is further

RESOLVED, that the authorized principal amount of the Water System Revenue Bonds to be issued by the Authority to finance the cost of the Water System Project is amended as follows:

“that the authorized principal amount of the Water System Revenue Bonds to be issued by the Authority pursuant to this Resolution shall be an amount up to Twelve Million Four Hundred Thousand Dollars (\$12,400,000) and included in such principal amount are costs for debt reserves, costs of issuance and other items, but not to exceed in the aggregate, Twelve Million Seven Hundred Thousand Dollars (\$12,700,000), as certified in writing by either the Chairman, or Vice Chairman or Treasurer of the Authority, which bonds are to be issued in denominations and mature at such dates as certified to in writing by the Chairman or Vice Chairman or Treasurer of the Authority and agreed to by the Corporation, all of which said bonds are to be sold to the Corporation;”

and it is further

RESOLVED, that the Authority, through its Chairman or Vice Chairman, is authorized by this Resolution to enter into any amendments to the Project Finance Agreement and the 2020 Note to provide for the changes to the Water System Project described in this Resolution and to provide additional financing from the Corporation for the Water System Project; and it is further

RESOLVED, that all actions taken by the Authority in connection with the Water System Project and the application to the Corporation are hereby ratified and confirmed; and it is further

RESOLVED, that the Supplemental Bond Resolution and this Resolution, shall otherwise remain in full force and effect in accordance with its terms, and is hereby ratified and confirmed.

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

AYES:	Barrett, Johnson, Kusnierz, Lawler, O'Connor, Szczepaniak, Wilcox
NAYS:	None
ABSENT:	None
ABSTAIN:	None

The Resolution was declared duly adopted on January 21, 2021. (2021-0006)

Mr. Hernandez then reviewed the bid received for the replacement modules. He stated the bid went out and we received only one bid from Pall Corporation. The price received was \$1,460 per module. Mr. Wilcox inquired if there would be future purchases of these same membranes. Mr. Hernandez indicated there would but not for many years. **On a motion by Supervisor Kusnierz and a second by Mr. Szczepaniak the Board authorized the Executive Director to purchase up to all 622 modules in the first year. Motion carried unanimously. (2021-0007)**

The final matter before the Board was a request by Mr. Hernandez to authorize a reduction in the Town of Halfmoon’s annual usage requirement for 2020 by 2 million gallons. He indicated that the plant was

having an issue and he had requested that they go offline for two days in December. **Motion was made by Mr. Szczepaniak and seconded by Mr. Wilcox to authorize the reduction of the Town of Halfmoon's annual minimum usage by two million gallons. Motion carried unanimously. (2021-0054)**

Chairman Lawler stated the next Board meeting was proposed for February 25, 2021 at 3:30 p.m. There would also be a Finance Committee meeting prior to that at 3:15 for members of that Committee which included Mr. Johnson, Supervisor Kusnierz and Chairman Lawler.

At 4:25 p.m., with no further business, a motion was made by Mr. Szczepaniak and seconded by Supervisor O'Connor to adjourn. Motion carried unanimously.

Respectfully Submitted,

Carol A. Alden, Confidential Secretary