



SARATOGA COUNTY WATER AUTHORITY

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SARATOGA COUNTY WATER AUTHORITY BOARD OF DIRECTORS ADOPTED MEETING MINUTES WEDNESDAY, DECEMBER 22, 2021 @ 3:30 P.M.

PRESENT: Chairman John Lawler, Vice Chair Tim Szczepaniak, Treasurer Philip Barrett, Deputy Treasurer Theodore Kusnierz, Supervisor Darren O'Connor and Art Johnson (joined by phone) and Robert Wilcox. Also, Executive Director Ed Hernandez and General Counsel Leah Everhart, Esq. **ABSENT:** None

Chairman Lawler welcomed all to the meeting and inquired if there were any changes, additions or deletions to the November 17, 2021 meeting minutes. **On a motion by Mr. Szczepaniak and a second by Mr. Wilcox the minutes of the November 17, 2021 meeting were adopted. Unanimous.**

Reports:

Operations: Mr. Hernandez reported water flows for November were 6.2 mgd and a rolling annual average of 7.1 mgd.

Financials: Mr. Hernandez read the Administrative Summary as of November 30, 2021. Budgeted water revenues through November 30, 2021 were \$5.81 mil and actual revenues were \$6.73 mil. Budgeted expenses through November 30, 2021 were \$1.97 mil and actual expenses were \$1.98 mil. The next Bond payment is due March 1st, 2022 for \$605,522. Cash available for operations after that payment and a final Service Fee repayment of \$1.86 mil to the County was estimated at \$783k.

Capital Projects: Mr. Hernandez discussed the Plant Expansion Project and remarked that the project was in operation. There were some punch list items remaining. The Sludge Lagoon Project is on hold until the spring. The second Tank Project has been submitted for financing.

Legal: Ms. Everhart discussed the closing of the 2021 Bond Refunding that was completed today. She also discussed that both the Village of Stillwater and Global Foundries had new water contracts in the works and was expecting both to be concluded by the next meeting. Chairman Lawler discussed the savings memorandum regarding the Bond Refunding with a total savings of 6% present value.

Motions & Resolutions:

Motion was made by Mr. Johnson and seconded by Mr. O'Connor to authorize the following budget transfers:

Transfer of \$600 from Security to Auditor Expense.

Transfer of \$4,000 from Empl. Benefits: Contingency to NYS Retirement Expense.

Transfer of \$25,000 from SCADA & Instr. Services to Water System Maintenance.

Transfer of \$5,000 from Engineering to Misc. Service Contracts.

Transfer of \$5,000 from Fuel to Pipeline Equipment.

Transfer of \$10,000 from Plant Repairs & Maint. to Bank Fees.

Transfer of \$3,000 from Operating Exp: Contingency to Saratoga Co. Sewer District.

Chairman Lawler inquired about the Bank Fee transfer. Mr. Hernandez explained that the fees related to additional financing activity this year. **Motion carried unanimously. (2021-0118)**

At this time, Mr. Hernandez introduced Ken Gray and Jodi Nobile from Marshall & Sterling Insurance Company. Mr. Gray thanked him and proceeded to discuss the 2022 Commercial Insurance Package Proposal for the Authority. Mr. Gray reviewed the process they take in getting the very best rates possible. He discussed the insurance market in general and lauded the Authority on its operating standards. He discussed his recommendation to raise the deductible and four options for cyber liability. He discussed how the Cyber market had gotten much more expensive, especially for government agencies. Ms. Nobile discussed in more detail the various cyber company coverages. Mr. Wilcox inquired if there were ever any claims relating to cyber-attacks. Mr. Hernandez stated there were not. Chairman Lawler polled the Board for preference on the Cyber policy. Chairman Lawler stated his biggest concern was ransomware and stated his preference was Option #3 Corvus Company with \$3 million in coverage with a \$25k deductible. The additional Board members concurred. **Motion was made by Mr. Barrett and seconded by Mr. Kusnierz to approve the Commercial Insurance Package with Tokio Marine/Houston Casualty at a cost of \$52,999.86 and the Cyber Liability coverage with Corvus at a cost of \$18,477.56. Motion carried unanimously. (2021-0119)**

Mr. Hernandez discussed the next proposed motion to amend the 2022 Operating Budget. He indicated that the costs of chemicals had gone up substantially due to a supply shortage causing costs to triple. He also discussed a salary structure proposal for the Board's consideration. A request was made to increase the chemical line item for 2022 by \$100,000 and an increase to insurance for \$15,000 to cover the increase cost of the cyber coverage. He also noted he had updated the revenue side of the budget to properly reflect increases in revenues. Overall the proposed increase in operating expenses would be 13.5% and revenues would increase by 16%. Chairman Lawler requested that Mr. Hernandez review what he was proposing with salary adjustments. Mr. Hernandez then reviewed his proposal with increases ranging from 3.7% to 13.9%. He discussed the shortage of qualified operators in the area and expressed concerns that staff may consider other offers based on better salaries in the area. He also indicated that salaries for operators in

general had increased substantially. He also requested that an operator trainee be included in the budget for the second half of the year as there would be a retirement at the end of the year. Mr. Szczepaniak indicated he struggled with the increases based upon what other municipalities were granting. He also indicated that the employees had a generous benefit package as well. Mr. Hernandez reviewed how well the current staff operated this type of plant and the expectations of the staff. Chairman Lawler indicated that the Authority had historically stayed in step with the County contract employee raises. Chairman Lawler inquired from the other Board members their thoughts. Mr. Kusnierz acknowledged that the Authority is a separate entity but still has ties to the County. He indicated that the “rank and file” received 2% increases. Mr. Wilcox inquired about the succession plan for the Chief Operator. He requested that next year the salary proposal be presented in November for the Board to have more time to digest the proposal. Mr. Barrett inquired about the employee with the highest proposed adjustment. Mr. Hernandez discussed his reasons for that employee’s proposed adjustment. Mr. Johnson inquired how our salaries compare to other municipalities in the area. Mr. Hernandez stated that our facility was quite different than most in the area. Mr. Barrett suggested that the Personnel Committee do a salary survey and look at job descriptions. Mr. Wilcox suggested perhaps some sort of performance bonus as opposed to salary adjustments. Mr. Johnson suggested that the base salaries need to be looked at as well. Chairman Lawler inquired who was on the Personnel Committee. Secretary Alden stated it was Supervisor Barrett and Supervisor Kusnierz. Also, Supervisor O’Connor was on the committee, but he was ending his term with the Board. **Motion was made by Mr. Kusnierz and seconded by Mr. Barrett to authorize an amendment to the 2022 Operating Budget to increase chemicals by \$100,000 and to increase insurance by \$15,000. Motion carried unanimously. (2021-0120)**

At this time Supervisor Kusnierz was excused from the meeting to attend other commitments.

Motion was made by Mr. Wilcox and seconded by Mr. Szczepaniak to authorize the payment of the monthly vouchers at a cost of \$239,580.41 in operating costs, \$6,942.50 in Bond Issuance costs and \$1,782,831.73 in WTP Plant Expansion costs. Treasurer Barrett had reviewed all vouchers and was amenable to the payments with the inclusion of the payment to Marshall & Sterling for the 2022 Commercial Insurance Package. **Motion carried unanimously. (2021-0121)**

The next item was a **motion to authorize the final payment to Saratoga County for service fee loan payments and preconstruction loans in the amount of \$1,855,357.37. Motion was made by Mr. Szczepaniak and seconded by Mr. Johnson. Motion carried unanimously. (2021-0122)**

The next agenda item was a **motion to authorize a transfer of \$400,000 from the Revenue Fund to the Renewal and Replacement Fund as recommended by the Authority engineer, Delaware Engineering. Motion was made by Mr. Wilcox and seconded by Mr. Johnson. Motion carried unanimously. (2021-0123)**

The next matter was to authorize Computershare, the Authority's Trustee Bank to sell three Treasury Bonds and place the proceeds in a Money Market Fund for the 2016 Debt Service Reserve Fund. This will prevent the value of the 2016 DSRF from going below the required DSRF amount. **Motion was made by Mr. O'Connor and seconded by Mr. Szczepaniak to authorize the Executive Director to instruct Computershare to complete the proposed transaction. Motion carried unanimously. (2021-0124)**

The next matter was to authorize the Chairman to execute a Water Sale Agreement with the Village of Stillwater for another 10-year term. **A motion was made by Mr. Wilcox and seconded by Mr. Johnson. Motion carried unanimously. (2021-0125)**

At this time, Mr. Hernandez requested that the Board declare water rates to remain unchanged for 2022. Municipal rates will remain at \$2.322 per thousand gallons and the commercial rate to remain at \$3.316 per thousand gallons. **Motion was made by Mr. Szczepaniak and seconded by Mr. Barrett. Motion carried unanimously. (2021-0126)**

The next matter was **a motion to authorize a one-year renewal of the security contract with Mahoney Notify for fire and security services.** Mr. Hernandez stated the increase was 2.9%. **Motion was made by Mr. Szczepaniak and seconded by Mr. Barrett. Motion carried unanimously. (2021-0127)**

Under Old Business Mr. Hernandez discussed a recent meeting with a local business to acquire a portion of their land for the proposed pump station mid-way in the distribution pipeline. He reviewed the map he provided with Board members. He was requesting currently to get proposals from three appraiser/s to value the property. He requested any suggestions for appraisers from the Board. **Motion was made by Mr. Barrett and seconded by Mr. Szczepaniak to get proposals from three appraisers. Motion carried unanimously. (2021-0128)**

Chairman Lawler stated the next Board meeting was currently scheduled for January 26, 2022 at 3:30 p.m.

Under New Business, Mr. Hernandez stated he had been contacted by Northwood Water Company in the Town of Malta to connect to the Water Authority. They are a very small private water system. He indicated that the connection is very close to our water line. He noted that the issue of "Bad Use" relating to the tax-exempt bonds. Ms. Everhart stated she would touch base with bond counsel and get back to the Board on that. Ms. Everhart stated she had no problem supplying a written guidance from their firm. Chairman Lawler requested that a formal opinion letter be supplied by bond counsel on the subject. Ms. Everhart stated she would reach out to them.

Supervisor O'Connor took this time to thank the members of the Board for his time on the Water Authority Board and what a good experience it has been. He was pleased at the overall operation of the Authority and the governance he had participated in. Chairman Lawler and other members of the Board thanked him for his service and wished him well.

At 4:46 p.m., with no further business, a motion was made by Mr. Szczepaniak and seconded by Supervisor Barrett to adjourn. Motion carried unanimously.

Respectfully Submitted,

Carol A. Alden, Confidential Secretary