



SARATOGA COUNTY WATER AUTHORITY

JOHN E. LAWLER, CHAIRMAN
ED HERNANDEZ, P.E., EXECUTIVE DIRECTOR

260 BUTLER ROAD, GANSEVOORT, NY 12831
TELEPHONE: (518) 761-2058
FACSIMILE: (518) 792-4942
www.saratogacountywaterauthority.com

THOMAS K. CUMM
ANITA M. DALY
ARTHUR J. JOHNSON
DARREN O'CONNOR
JAMES M. SMITH
TIMOTHY SZCZEPANIAK

SARATOGA COUNTY WATER AUTHORITY BOARD OF DIRECTORS OFFICIAL MEETING MINUTES THURSDAY, MARCH 28, 2019 @ 3:30 P.M.

PRESENT: Chairman John Lawler, Deputy Treasurer Tim Szczepaniak, Supervisor Darren O'Connor, and Board Member Jim Smith; also, Executive Director Ed Hernandez, General Counsel Leah Everhart, Esq. and Ken Claflin, CPA of Cusack & Co. **ABSENT:** Vice Chair Anita Daly, Treasurer Tom Cumm and Supervisor Art Johnson.

Chairman Lawler called the regular meeting to order at 3:30 p.m. and welcomed all in attendance. The meeting was held in the Board of Supervisors Meeting Room One.

At this time, Chairman Lawler invited Ken Claflin of Cusack and Company to speak regarding the results of the 2018 financial audit. He referred the Board to the Executive Summary he had prepared of the highlights of the audit. He reviewed the Balance Sheet and Income Statement and that depreciation reduced the net assets overall. He noted revenues were up substantially over 10%. He noted expenses were down overall from the savings from refunded debt. Chairman Lawler noted the County repayment. Mr. Cusack discussed the change from GASB 45 to GASB 75. Chairman Lawler inquired about that change. Mr. Cusack stated it was a small amount. He stated that the liability needed to be recognized during the current period instead of when an employee actually takes retirement. Chairman Lawler inquired about the increase in receivables. Mr. Cusack stated there were no difficulties with receivables. Notably there was a grant receivable and two months of Global Foundries receivables. All receivables and revenues are confirmed by all customers during the audit. He stated no significant disclosures. He discussed the three adjustments done during the audit. Chairman Lawler inquired who sets the useful life for assets. Mr. Cusack indicated he did, however Secretary Alden stated she used an IRS schedule for calculating depreciation and useful life. The Authority has a Fixed Asset Policy as well, from the previous Treasurer's recommendation. He then discussed the funds in the Replacement Reserve Fund that could be earning more in interest rates. He discussed NY Class and NYLAF investment pools as possible funds for better returns on that money. Chairman Lawler stated he would need more information and asked Mr. Hernandez to investigate those options and report back to the board next month. Chairman Lawler then discussed global interest rates and the US Federal Reserve rates forthcoming. Mr. Hernandez suggested referring this to the Authority's fiscal adviser for his recommendation. Chairman Lawler also recommended contacting the local bank for better rates. The final item was a new requirement by the Authorities Budget Office that auditors opine on the annual Investment Report. Chairman Lawler thanked Ken for his comprehensive report as well as Mr. Hernandez and Secretary Alden for another great audit.

Motion was made by Mr. O'Connor and seconded by Chairman Lawler to adopt the draft minutes of the February 28, 2019 meeting minutes as the official minutes of that meeting. Motion 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.)

At 3:55 p.m. motion was made to adjourn for the Governance Committee to meet. Motion was made by Mr. O'Connor and seconded by Mr. Smith. Unanimous.

At 4:00 p.m. motion was made to return to open meeting by Mr. O'Connor. Seconded by Mr. Smith. Unanimous.

Reports:

Production: Mr. Hernandez reported that production data for the month of February was 5.15 MGD. Rolling annual average was 5.84 MGD.

Financial: Mr. Hernandez discussed the financial reports through February 28, 2019. Revenues for the year were budgeted at \$900,000 while actual revenues were \$901,000. Budgeted expenses for the year were \$316,000 while actual expenses were \$260,000. Estimated cash available for operations at June 1, 2019 after the next debt service payment of \$183,000 will be an estimated at \$2.25 million. He stated he was considering to recommend increasing the re-payment to Saratoga County this year. Chairman Lawler stated any funds applied against the principal amount would be fortuitous.

Capital Projects:

Mr. Hernandez stated the materials for the new storage building had been delivered and construction would commence as soon as the area dried out a bit.

He then stated a kickoff meeting was held with Delaware Engineering for the Phase II Project and that he had reached out to Bond Counsel and General Counsel for estimates of legal costs and related documents for furtherance of the EFC grant and loan the Authority had qualified for.

Mr. Hernandez then stated that the construction contracts had been signed by the contractor for the Halfmoon Project and were available for signature at today's meeting by the Chairman. Once that had occurred a Notice to Proceed would be issued to the contractor and the construction of the Halfmoon Project would be commence. Chairman Lawler noted that the Town of Halfmoon had completed their portion. He was looking forward to providing clean, potable water to the Town.

Legal Update:

Ms. Everhart discussed the Intermunicipal Agreement with the Town of Stillwater regarding their concerns over an easement owned by the Town. The overlap of two easements was the basis for the Agreement. A copy had been provided for the Board. Ms. Everhart stated that Stillwater's counsel agreed to the Agreement in its substance. Final draft was not available but a Resolution was before the Board to authorize the Chairman to execute the Agreement in a form acceptable to counsel.

Motions & Resolutions:

Motion was made by Mr. Szczepaniak and seconded by Mr. Smith to authorize the payment of the monthly vouchers at a cost of \$79,024.03 in operating costs and \$3,350.00 in Halfmoon Project Costs. Motion carried unanimously. (2019-0012)

Motion was made by Mr. Szczepaniak and seconded by Mr. Smith to approve and adopt the 2018 Procurement Report as recommended by the Governance Committee. Motion carried unanimously. (2019-0013)

The next agenda item was to approve and adopt the 2018 Investment Report as recommended by the Finance Committee. The committee was unable to meet due to lack of quorum. Mr. Hernandez stated the Authority would not make the submission deadline without the Board's approval to do so. **Chairman Lawler made a motion to authorize posting the Investment Report to PARIS and to the Authority's website subject to the review and reaffirmation by the Finance Committee at its next meeting. Motion was seconded by Mr. Smith. Motion carried unanimously. (2019-0014)**

The next agenda item was to approve and adopt the 2018 Performance Measurement Report as recommended by the Governance Committee. At this time, discussion ensued regarding the Agenda and committee responsibilities. It was determined that the Finance Committee was responsible for authorizing the Procurement Report. **Due to an error in the agenda, the regular meeting was adjourned by Chairman Lawler at 4:10 p.m. with a second by Mr. Szczepaniak so the Governance Committee could reconvene for approval of the Performance Measurement Report. Unanimous.**

The regular meeting reconvened at 4:15 p.m. on a motion by Mr. O'Connor and seconded by the Chairman. Unanimous.

Motion was made by Mr. Szczepaniak and seconded by Mr. Smith to approve and adopt the 2018 Performance Measurement Report for posting to PARIS and to the Authority's website as recommended by the Governance Committee. Motion carried unanimously. (2019-0015)

The next item was a motion to approve and adopt the 2018 Audited Financial Statements for Posting to PARIS and to the Authority website as recommended by the Audit Committee. The Audit Committee was unable to meet due to lack of quorum. Therefore, **Mr. O'Connor made a motion to authorize posting the 2018 Audited Financial Statements to PARIS and to the Authority's website subject to the review and reaffirmation by the Audit Committee at its next meeting. Motion was seconded by Mr. Smith. Motion carried unanimously. (2019-0014)**

The final item was a motion to **Authorize the Chairman to Execute the Intermunicipal Agreement with the Town of Stillwater for the Authority's Easement with the Town of Stillwater in a form acceptable to counsel. Motion was offered by Mr. O'Connor and seconded by Mr. Smith. Motion carried unanimously. (2019-0015)**

New Business:

The next meeting of the Saratoga County Water Authority Board of Directors was scheduled for Thursday, May 2, 2019 at 2:45 p.m. The Finance and Audit Committees will meet on May 2, 2019 to review documents previously approved by the Board for posting and submission to meet state deadlines.

With no further action, motion to adjourn was made by Mr. Szczepaniak and seconded by Mr. O'Connor. Motion passed and meeting was adjourned at 4:20 p.m.

Respectfully Submitted,

Carol A. Alden, Confidential Secretary