



SARATOGA COUNTY WATER AUTHORITY

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ED HERNANDEZ, P.E., EXECUTIVE DIRECTOR

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TIMOTHY J. SZCZEPANIAK

SARATOGA COUNTY WATER AUTHORITY BOARD OF DIRECTORS DRAFT MEETING MINUTES THURSDAY, AUGUST 27, 2020 @ 3:30 P.M.

PRESENT: Chairman John E. Lawler, Vice Chair Anita (Attended by Phone), Deputy Treasurer Todd Kusnierz, Supervisor Darren O'Connor, Supervisor Phil Barrett and Board Member Art Johnson. Also, Executive Director Ed Hernandez and General Counsel Mark Schachner, Esq. **ABSENT:** Treasurer Tim Szczepaniak.

Chairman Lawler welcomed all to the meeting and inquired if there were any changes, additions or deletions to the July 25, 2020 meeting minutes. **On a motion by Mr. Johnson and a second by Mr. Kusnierz the minutes of the July 25, 2020 meeting were adopted. Unanimous.**

Reports:

Operations: Mr. Hernandez reported water sales for July were 9.04 mgd and rolling annual average was 6.6 mgd.

Financials: Mr. Hernandez read the Administrative Summary as of July 31, 2020. Budgeted water revenues through July 31, 2020 were \$3.7 mil and actual revenues were \$4.29 mil. Budgeted expenses through July 31, 2020 were \$1.2 mil and actual expenses were \$952k. The next Bond payment was due September 1st, 2020 for \$1.47mil. Cash available for operations after that payment were estimated at \$1.69 million.

Capital Projects: Mr. Hernandez reported that the Plant Expansion Project contracts were awarded at the last meeting. He indicated that Notice to Proceed letters were sent to all four contractors for the project. He expected mobilization to commence within the next couple of weeks. Mr. Hernandez also reported that an RFP had been sent out for an increased capacity study for the supply pipeline to local engineering firms. He expected to have those back before the next Board meeting and they would be reviewed by the Engineering Committee before any recommendations would be made.

Legal: Mr. Schachner stated there were only minor issues that arose during the last month but nothing of note.

Motions & Resolutions:

Motion was made by Mr. Kusnierz and seconded by Mr. Johnson to authorize the payment of the monthly vouchers at a cost of \$130,024.76 in operating costs and \$11,720.48 in WTP Plant Expansion costs. Chairman Lawler inquired if Treasurer Szczepaniak had reviewed all payments and Mr. Hernandez indicated that he had with no concerns. **Motion carried unanimously. (2020-0027)**

Mr. Hernandez then discussed a request to put a mini bid on the NYS Vehicle Marketplace for a new pickup truck that was currently scheduled for purchase next year. He noted that the staff had requested that we retain the oldest vehicle for snow plowing and sanding at the plant. He indicated that there was some room in the budget to move up that purchase if the Board was in favor of that. Chairman Lawler stated that Mr. Hernandez could come back to the Board with the Bid results and then a motion would be considered for the purchase. He inquired if any Board members had any concerns with placing the bid request. No Board members had objections and Chairman Lawler instructed Mr. Hernandez to proceed.

At this time Mr. Hernandez discussed the renewal of the Service Agreement with Pall Corporation for the maintenance of the filtration system at the plant. He discussed the previous cost of the three-year Agreement and was proposing the Board consider approving a new three-year Agreement at a cost of \$55,228.80, which covers a two-day inspection service, a five-day CIP Service and 24/7 Tech Support each year. **Motion was made by Mr. Johnson and seconded by Mr. O'Connor to authorize the Executive Director to approve the Three-Year Service Agreement with Pall Corporation at a cost of \$55,228.80. Motion carried unanimously. (2020-0028)**

The next matter was a discussion of the terms of purchase of the additional racks for the Plant Expansion Project. Mr. Hernandez discussed that Pall Corporation; the supplier of the membrane filters required a pre-payment schedule in order to purchase the filters due to the long lead time for the filters. Mr. Hernandez stated that Delaware Engineering was recommending adding language to the contract between the general contractor for the project and Pall Corporation. Discussion ensued regarding prepayment to any vendor and following approved purchasing procedures for a purchase of this magnitude. Mr. Barrett indicated his discomfort with the SCWA prepaying for this purchase. Mr. Hernandez discussed what was involved with this type of construction material. Chairman Lawler indicated that the County had also prepaid for the filter membranes during the original construction of the water plant, but that he too had reservations. Mr. Hernandez discussed terms that would indicate approval of the purchase with a graduated 65% prepayment schedule subject to NYS EFC approval. Additional language would include a clause that payment would be made by the general contractor within 30 days of receipt of the funds from the Authority and a proof of purchase would be supplied to the Authority. The following language was to be included in the purchase agreement with Pall Corporation:

Partial payment for the Pall package can be made as an off-site stored material provided the material is suitably stored at a location agreed to in writing, The Application for Payment shall be accompanied by a bill of sale, invoice, or other documentation warranting that SCWA has received the design documents, materials and equipment free and clear of all Liens, and evidence that the design documents, materials and equipment are covered by appropriate property insurance, a warehouse bond, or other arrangements to protect SCWA's interest

therein, all of which must be satisfactory to SCWA. Proof of payment to Pall must be provided within 30 days of Schultz receiving payment and the maximum payment for off-site stored material shall not exceed 65% of the total Pall contract. Schultz/Pall must also provide any additional documentation that may be required by the funding agency (NYSEFC). The SCWA will not be liable for any funding agency related payment delays resulting from or associated with these stored materials.

The standard retainage will continue to apply to all payments, including the stored material payments.

Motion was made by Chairman Lawler and seconded by Mr. O'Connor approving the payment to W. M. Schultz pending agreement of the referenced language between Pall Corp and W.M. Schultz in a manner acceptable to counsel. Motion carried unanimously. (2020-0030)

The next matter was the adoption of the 2021 Operating Budget as recommended by the Finance Committee. Chairman Lawler discussed that the Finance Committee had met prior to this meeting to review the Draft Budget. He indicated that the Committee was recommending no rate increases for customers in 2021. Mr. Hernandez reviewed a few of the line items included in the budget. He noted that the chemical costs did go up due to a new bid that went out this year in the summer. He also noted some minor changes and a reduction to utility costs that he was anticipating. **With no further discussion, motion was made by Mr. Kusnierz and seconded by Ms. Daly to adopt the 2021 Operating Budget and authorize submittal to the Authorities Budget Office in their reporting system PARIS. Motion carried unanimously. (2020-0031)**

Chairman Lawler also discussed that the Finance Committee was recommending the Readoption of the SCWA Investment Policy with no changes. **Motion was made by Mr. O'Connor and seconded by Mr. Kusnierz to readopt the SCWA Investment Policy. Motion carried unanimously. (2020-0032)**

The final matter before the Board was a **motion by Mr. Johnson and seconded by Mr. Barrett to Readopt the SCWA Procurement Policy with no changes as recommended by the Finance Committee. Motion carried unanimously. (2020-0032)**

The next meeting of the Saratoga County Water Authority Board of Directors was scheduled for Thursday, September 24, 2020 at 3:30 p.m. at the County.

Chairman Lawler indicated there would also be a meeting of the Audit Committee at 3:15 p.m. Members of that Committee are Daly, Johnson and O'Connor.

At 4:20 p.m., with no further business, a motion was made by Mr. Barrett and seconded by Mr. O'Connor to adjourn. Motion carried unanimously.

Respectfully Submitted,

Carol A. Alden, Confidential Secretary