



SARATOGA COUNTY WATER AUTHORITY

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CHARLES WAIT

SARATOGA COUNTY WATER AUTHORITY OFFICIAL BOARD MEETING MINUTES THURSDAY, JULY 26, 2012; 2:45 PM

PRESENT: John E. Lawler, Chairman; Supervisor Anita Daly, Supervisor Arthur Johnson, Kevin King, Treasurer, Gregg Connors, Charles Wait, Marybeth Hynes (arrived at 3:00 p.m. due to attending another commitment) SCWA Board Members; Craig Crist, SCWA Special Counsel; John Dowd, SCWA Special Counsel; Ed Hernandez, Acting Executive Director; Press. ABSENT: None

Chairman Lawler called the regular meeting to order at 2:45 p.m. and welcomed all in attendance.

A motion was made by Charles Wait and seconded by Greg Connors to adopt the draft minutes of the June 21, 2012 regular meeting, as the official minutes of those meetings. Motion to accept the draft minutes were 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.)

Production: Ed Hernandez, Acting Director, discussed the first of the monthly graphs. The first graph was average daily flow and he indicated that the average daily flow for June was up at approximately 4.5 MGD and it has been up significantly with the heat to as high as 5.5 MGD throughout July. Mr. Hernandez discussed that Global Foundries is at 1.8 MGD currently and the remaining customers are taking their maximum. He noted that Clifton Park is taking their maximum as well through both connections. Mr. Hernandez stated that he had an expectation that the Town of Moreau would be on board by the end of next year. Mr. Lawler stated that he is able to ascertain that Global Foundries has been at 1.5 MGD without being at full production as yet. He stated he was very optimistic that Global Foundries would be at full production by year end and therefore would be requiring the full 4 MGD they had predicted as usage. Mr. Wait inquired what the estimates from Global are for next year. Mr. Lawler stated we have received estimates from 3.5 MGD to 5 MGD.

Financial: Mr. Hernandez discussed the financial reports through June 30, 2012. Hernandez reflected that actual operating costs were at \$824,000 year to date. Revenues were budgeted at \$2.3 million for all of 2012 and the actual revenues through June 30, 2012 were \$1.3 million. Mr. Hernandez noted that the Net Income to date was \$492,745. Mr. Wait noted we are on budget for net income. Mr. Hernandez noted that the Bond Service payments are \$2.5 million per year. Mr. Lawler inquired what the third quarter revenues were budgeted for. Mr. Hernandez did not have the data with him but stated it should be close to the second quarter budgeted revenues. Mr. Wait inquired at what point the Authority would be at the breakeven point and what are the restrictions regarding accumulated surplus funds. Mr. Lawler responded

that the debt to the County would need to be paid down and the second would be the capital improvement fund. Mr. Lawler stated that the County would set up an amortization schedule once the Authority was in a position to pay it down. Mr. Hernandez next briefly discussed the current bank account balances.

The first motion was to authorize the payment of the vouchers for the month at a total cost of \$87,939.10 as reviewed and approved by Kevin King, Treasurer. Mr. King noted that he wanted to reiterate that the Authority needed to make progress on a contract with Delaware Engineering for Management Services. Mr. Lawler inquired of Mr. Crist, Special Counsel, if the Board could offer a resolution to extend the terms of the 2011 Proposal Letter to which Mr. Crist responded in the affirmative. Mr. Lawler asked Mr. Hernandez if he was comfortable with that arrangement and he agreed. Mr. Lawler stated they would offer the resolution under New Business later in the meeting. **Mr. Wait moved to authorize that vouchers, as proposed for payment, be paid subject to review by the Treasurer. The motion was seconded by Mr. Connors and passed unanimously. (Motion 2012-34)**

The next item was a motion to ratify the appointments of three provisional employees to permanent probationary status. All three passed their civil service exams and placed in the top three positions which qualified them for permanent appointment. Mr. Wait asked for a clarification on the appointment letters to which Mr. Hernandez explained the movement of status for all three was exactly the same. **Motion was made by Mr. Connors to ratify the appointment of the three employees to permanent probationary for E. Huneau, F. Russell and P. Stahl. Motion was seconded by Art Johnson. Motion passed unanimously. (Motion 2012-35)**

The next matter was to approve the extension of the contract for Laboratory Services with CNA Environmental. Mr. Hernandez stated that the rates would remain the same as the prior year's fees. Mr. Wait inquired if this was bid last year to which Mr. Hernandez responded in the affirmative. Mr. King stated that there was an option in most bid specs to extend the contract for one or two additional years if all parties are in agreement. Ms. Hynes asked if this was the primary lab services provider, and if we still had the option to use other labs if necessary for any additional testing requirements. Mr. Hernandez stated that he did use other labs for the quarterly testing requirements. Mr. Wait inquired if these were considered professional services to which Mr. Hernandez replied it had historically been put out to bid. **Motion was presented by Ms. Hynes to extend the contract with CNA Laboratories for water testing services for another year. Motion was seconded by Ms. Daly. Motion passed unanimously. (Motion 2012-36)**

Next on the agenda was the Motion to award the contract for Stream Mitigation Engineering Services to the LA Group for \$40,265.00, based upon the review and recommendation of the Stream Mitigation Committee. Mr. Hernandez stated that the funding would come from the Construction Fund for these services. Mr. King inquired who was on the Stream Mitigation Committee to which Mr. Hernandez responded it was made up of John Hamilton of Soil and Water Conservation Services, Blue Niles of Saratoga County, Jason Kemper of Saratoga County and Mr. Hernandez. At this time, Mr. Wait made disclosure of the relationship between the LA Group and Adirondack Trust Company and that he would abstain from voting on this matter. **Ms. Hynes offered the Motion at this time to enter into the contract with the LA Group for Stream**

Mitigation Engineering Services for the Stream Mitigation Project. Mr. Connors seconded the motion. Motion passes. (Motion 2012-37)

Approved – Lawler, Connors, Johnson, Hynes, Daly, King

Opposed – None

Abstain - Wait

New Business:

Mr. Connors opened a discussion of the use of solar energy at their office building in Mechanicville in an effort to be more energy efficient and environmentally friendly. He stated he was working with a company by the name of Monolith Solar and inquired of them if they could offer the same savings to the County Water Authority. He stated that the monthly expenditure for utilities is approximately \$15,000 to \$20,000. He stated that utility bills were provided to the company as well as the dimensions of the ground space and roof space of the buildings. The company responded that they could provide three 50,000 watt solar PV systems and are able to produce 60,000 kilowatt hours of A/C electricity each per year. The company offered a discount of up to 25% on the electricity produced by the three systems based on the floor rate of 3.5 cents per kwh on all accounts. There are no fees for installation, maintenance or insurance for the term of a 20 year contract. He then stated that the 25% discount is only applicable contingent upon the completed NYSERDA applications with a deadline of September 15th. Mr. Hernandez inquired if Mr. Connors researched the savings available through purchasing the units as opposed to the current offering to which Mr. Connors replied the purchase would not generate the same amount of savings. He stated they did not want to get involved in maintenance as well. Mr. Hernandez inquired if the company would essentially become another utility company for the Authority. Mr. Wait stated that one of the bank branches was involved in transitioning to solar as well and the savings proposed were significant. He offered to forward any information from the three companies that were currently working with Mr. Wait. Mr. King inquired if the vendors were on some sort of NYSERDA approved vendor list to which Mr. Connors responded that was their concern and stated they were happy with NYSERDA's signoff. Mr. Hernandez stated that is was recommended by counsel to place this sort of project out to bid as a municipality is required. Mr. Crist offered to confirm that this particular vendor was an approved State vendor and the procurement procedures would be satisfied by NYSERDA. Mr. Johnson then inquired if there was any guaranteed savings rate to which Mr. Connors replied he assumed there would be contract language specific to the savings rate offered by the installation. Mr. Wait expressed concern about entering into such a lengthy contract with the changes evolving in the costs of oil and natural gas. He reiterated that it was his impression that these costs would begin to decline over time with the advent of hydrofracking and the natural gas resources available through that process. He stated the Board should consider that in their decision making on this matter. Mr. Connors stated he liked the idea that there were no initial costs involved with the NYSERDA component. Mr. Lawler then inquired of the Board if they would like to invite Monolith Solar to make a presentation at the August meeting. Mr. Lawler instructed the Confidential Secretary to gather information from two other companies as well and the Board would then invite one or two of those companies to present at the August meeting.

The next meeting of the SCWA Board of Directors was scheduled for Thursday, August 23, 2012 at 2:45 p.m. Mr. Lawler stated he would not be able to attend that meeting and asked Ms. Daly, Vice Chair if she was able to direct that meeting. She stated in the affirmative.

The Finance Committee scheduled their next meeting for Monday, August 20, 2012 at 3:00 p.m. Members of the committee are Mr. Johnson, Mr. King and Mr. Lawler.

Chairman Lawler then brought a **Motion to authorize the Executive Director to interview and hire the open Laborer position.** Mr. King asked if the Executive Director would be hiring without Board approval of the candidate to which Mr. Lawler stated he had checked with counsel and the Board could delegate that authority. **Motion was offered by Mr. Connors and seconded by Mr. Johnson. (Motion 2012-38)**

Approved - Lawler, Wait, Johnson, Daly, Hynes, and Connors.

Opposed - King

Abstained - None

The final **Motion was to extend the Delaware Engineering contract to December 31, 2012, with the provision that negotiations will continue for the complete contract prior to that date. Motion was made by Mr. Connors and seconded by Ms. Hynes. Motion carried unanimously. (Motion 2012-39)**

At that time, **Motion was made by Mr. Wait to adjourn and seconded by Mr. Connors. The Board unanimously resolved to adjourn the meeting at 3:30 p.m.**