



SARATOGA COUNTY WATER AUTHORITY

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SARATOGA COUNTY WATER AUTHORITY BOARD OF DIRECTORS OFFICIAL MEETING MINUTES THURSDAY, MAY 2, 2019 @ 2:45 P.M.

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

At this time Vice Chair Anita Daly called to order the Audit Committee Meeting. In attendance were members Daly, Johnson and O'Connor. **Motion was made by Mr. O'Connor to Reaffirm and Reauthorize the 2018 Audited Financial Statements for posting to PARIS. Motion was seconded by Mr. Johnson. Unanimous.**

Committee was adjourned at 2:47 p.m.

Vice Chair Anita Daly called to order the Finance Committee Meeting. In attendance were members Cumm and Johnson. Chairman Lawler was absent. **Motion was made by Mr. Johnson to Reaffirm and Reauthorize the 2018 Investment Report and the 2018 Procurement Report for posting to PARIS. Motion was seconded by Mr. Cumm. Unanimous.**

Committee was adjourned at 2:50 p.m.

Vice Chair Anita Daly called the regular meeting to order at 2:45 p.m. and welcomed all in attendance. The meeting was held in the Board of Supervisors Meeting Room One.

Motion was made by Mr. Szczepaniak and seconded by Mr. O'Connor to adopt the draft minutes of the March 28, 2019 meeting minutes as the official minutes of that meeting. Ms. Daly abstained. Motion passed.

Motion was made by Mr. Szczepaniak and seconded by Mr. O'Connor to adopt the Governance Committee draft minutes of March 28, 2019 as the official minutes of that meeting. Unanimous.

(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.)

Reports:

Production: Mr. Hernandez reported that production data for the month of March was 5.33 MGD. Rolling annual average was 5.86 MGD.

Financial: Mr. Hernandez discussed the financial reports through March 31, 2019. Revenues for the year were budgeted at \$1.35 Million while actual revenues were \$1.41 Million. Budgeted expenses for the year were \$487,000 while actual expenses were \$369,000. Estimated cash available for operations at June 1, 2019 after the next debt service payment of \$183,000 will be an estimated at \$2.43 million.

Capital Projects:

Mr. Hernandez stated the storage building was close to completion and the doors were being installed. The project would be completed shortly.

The Phase II project had no new activity to report.

Mr. Hernandez noted that the Notice to Proceed had been issued to the contractor for the Halfmoon Project construction and he was awaiting the contractor to supply some preliminary paperwork for EFC. He stated he expected the contractor to supply those shortly and for work to commence soon. He stated the engineer was pursuing the contractor for startup information.

Legal Update:

Ms. Everhart noted the items in her firm's monthly legal memo. Mr. Cumm inquired about the contractor's compliance with Stillwater's various requirements. Ms. Everhart stated they were in progress with those requirements.

Motions & Resolutions:

Motion was made by Mr. Szczepaniak and seconded by Mr. Johnson to authorize the payment of the monthly vouchers at a cost of \$116,773.44 in operating costs, \$1,770.55 in Halfmoon Project Costs, \$4,748.80 in Plant Expansion costs and \$70,161.00 in Storage Building costs. Motion carried unanimously. (2019-0015)

Mr. Hernandez discussed the Memorandum of Understanding presented to the Authority by Rick McCarthy of Capital Market Advisors, LLC for financial advisor services. Mr. McCarthy had recently merged his previous firm, Environmental Capital, with Capital Advisors and was requesting a new MOU be executed. Capital Advisors would continue to provide the Authority with Continuing Disclosure services for the Bonds, as well as any necessary advisory services for future financing matters. **Motion was made by Mr.**

O'Connor to authorize the Vice Chair to execute the MOU with Capital Market Advisors, LLC. Motion was seconded by Mr. Cumm. Motion carried unanimously. (2019-0016)

The next agenda item was to reapprove and readopt the 2018 Investment Report as recommended by the Finance Committee. **Mr. Johnson made a motion to reauthorize posting the Investment Report and the Procurement Report to PARIS and to the Authority's website as recommended by the Finance Committee. Motion was seconded by Mr. O'Connor. Motion carried unanimously. (2019-0017)**

Mr. Cumm made a motion to readopt and reauthorize posting the 2018 Audited Financial Statements to PARIS and to the Authority's website as recommended by the Audit Committee. Motion was seconded by Mr. Johnson. Motion carried unanimously. (2019-0018)

New Business:

The next meeting of the Saratoga County Water Authority Board of Directors was scheduled for Thursday, May 30, 2019 at 3:30 p.m.

At this time, Joe Lanaro of Chazen Companies was invited to address the Board regarding a potential formation of a water district in an area of the Town of Malta known as Maltaville. Mr. Hernandez stated that the Authority had received a letter of inquiry from Mr. Lanaro as a representative for the Town of Malta's proposed water district. Mr. Lanaro discussed some proposed ideas to address the water issues in Maltaville. The first being a water district with an agreement with Saratoga Water Services for supply and maintenance of the system. The second scenario being Saratoga County Water supplies the water through the Town of Stillwater's distribution system similar to what Malta does now on the west side of town. He wished to ratify that the County Water Authority has the capacity to supply that area. He discussed additional parcels in the Luther Forest Technology Park and a secondary purveyor of water in the park. Mr. Hernandez spoke to Mr. Lanaro regarding a response letter he had prepared. He noted that the Water Authority had the capacity to serve the area. He discussed that the resale of water was prohibited in certain circumstances by the bonds issued by the Authority. Ms. Everhart clarified some of those prohibitions. Mr. Lanaro went on to inquire about a legal agreement regarding water supply to the Luther Forest Tech Park and that the Water Authority was the sole provider of water to the Tech Park, with the exception of Pod 5. Mr. Lanaro stated that LFTC had indicated they would like to be included in the new district. Mr. Hernandez discussed further the issues relating to service areas. Mr. Lanaro then went on regarding water supply in the Tech Park. Mr. Hernandez stated it would cost the Town more money for water supply from SWS rather than the Authority. Ms. Everhart inquired who would be supplying the water. Mr. Lanaro stated he had not received any response from SWS to date. He went on to discuss benefits of funding and development within the park. Mr. Hernandez stated there were no water quality issues any longer and that the Water Authority had won several water contests last year for water quality. Ms. Everhart inquired when the Public Hearing would be held. Mr. O'Connor stated sometime in June. Mr. Lanaro thanked the Board for their time. Further discussion ensued with Mr. O'Connor and the Board regarding Malta's options, storage capacity and recommendations from Chazen.

Final discussion item Mr. Hernandez discussed investment options that were recommended by our Auditor. Mr. Hernandez stated the two investment options recommended by the auditor were not available to the

Authority. He then discussed CD options from Ballston Spa National Bank with interest rates offered. He requested that the Board consider moving \$5 mil from the Renewal & Replacement Fund to a 180 day CD and an additional \$500,000 to a 60 day CD. He also requested consideration of moving \$1 mil from the Revenue Fund to a 60 day CD as well. Mr. O'Connor inquired about T Bills for 180 days. He stated the interest rates are slightly better. Mr. Hernandez stated liquidity was the biggest factor. He also noted that the Authority would have to set up that transaction with another banking institution as BSNB did not offer that option. Remaining board members expressed their support for the CDs at Ballston Spa National. **Motion was made by Mr. Szczepaniak and seconded by Mr. Cumm to move the outlined funds. Motion passed. Unanimous. (2019-0019)**

With no further action, motion to adjourn was made by Mr. Szczepaniak and seconded by Mr. Johnson. Motion passed and meeting was adjourned at 3:30 p.m.

Respectfully Submitted,

Carol A. Alden, Confidential Secretary