



SARATOGA COUNTY WATER AUTHORITY

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

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

J. GREGORY CONNORS
ANITA M. DALY
MARY BETH HYNES
ARTHUR J. JOHNSON
KEVIN T. KING
CHARLES WAIT

SARATOGA COUNTY WATER AUTHORITY OFFICIAL BOARD MEETING MINUTES THURSDAY, MAY 22, 2012; 3:00 PM

PRESENT: Chairman John Lawler, Supervisor Anita Daly, Supervisor Arthur Johnson, Kevin King, Treasurer, Gregg Connors, Charles Wait, SCWA Board Members; Craig Crist, SCWA Special Counsel; John Dowd, SCWA Special Counsel; Ed Hernandez, Acting Executive Director; Press. ABSENT: Marybeth Hynes, SCWA Board Member.

Chairman Lawler called the regular meeting to order at 3:02 p.m. and welcomed all in attendance.

A motion was made by Greg Connors and seconded by Charles Wait to adopt the draft minutes of the April 26, 2012 regular meeting, as well as the Audit Committee minutes, 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 monthly graphs and that the plant produced a significant increase in water during April. He clarified that it was not due to an increase in sales but rather due to the semi-annual flushing of the 30 mile pipeline. Mr. Hernandez discussed that Global Foundries is still quite a bit under their anticipated demand. He noted that Clifton Park's usage was beginning to steadily increase, as is anticipated during the summer months. Mr. King inquired if the plant was selling about the same quantities between March and April. Mr. Hernandez commented that the decreases from Global Foundries were offset by the increases from the other customers. Ms. Daly commented that it was her belief that Global Foundries was still in the process of startup and the anticipated usage will increase once startup procedures had concluded. Mr. Lawler commented that according to the graphs the plant was producing about 3MGD per day. Mr. Hernandez commented that during flushing the plant was producing up to 8MGD during those particular days.

Financial: Mr. Hernandez discussed the financial reports year to date. Mr. Hernandez discussed the balance in the Cost of Issuance account as related to the Bond Issuance. He indicated that a resolution would be proposed by the Finance Committee later in the meeting to transfer those funds to the Debt Service Fund. It was his opinion that it be accomplished since there would be no further costs associated with the Bond Issuance. It was reflected that the Authority budgeted operating costs at \$877,000 through April 30, 2012 and actual expenses totaled \$568,739. Revenues were anticipated at \$1.1 million year to date and actual revenues were \$727,454. Mr. Hernandez noted that our net income was better than anticipated. Mr. Lawler noted the net income amount.

Mr. Hernandez also discussed the Monthly Management Report which detailed the past month's activities at the Authority. Hernandez discussed the Kubricky Construction punch list that was ongoing. He noted the items listed for the Board, such as startup flow control valves and the SCADA items. Mr. Hernandez noted that he anticipated the final payment to Gross Electric would be presented at the next Board meeting. Hernandez stated he did not have an update on the Luther Forest EDC outstanding item. Mr. Lawler stated it would be discussed in Executive Session due to legal issues. Hernandez stated that the CAD drawings were finally received from Malcolm Pirnie. He also indicated that a representative from Malcolm Pirnie had indicated they would be reviewing the final payment application from Gross Electric in order to facilitate final payment. Chairman Lawler asked if Special Counsel had to initiate a letter requesting the CAD drawings and John Dowd of Dreyer Boyajian indicated in the affirmative. Mr. Lawler inquired how many requests had been made of Malcolm Pirnie to acquire the CAD drawings and Mr. Hernandez noted that several attempts had been made prior to Special Counsel's request.

Mr. Hernandez discussed the quarterly disinfection sampling and that results had not been received as of the meeting. He indicated that he expected them to be higher than the last quarter but still expected the annual running average to be below the allowable levels.

Mr. Hernandez next discussed the ongoing Authority Budget Office audit. Mr. Lawler inquired if there were any indications from the Budget Office staff of any irregularities to which Mr. Hernandez responded he did not have his notes with him. He indicated that there were about ten items that had been discussed. He indicated that they were winding down and would be forwarding their findings shortly.

The next item Hernandez discussed was the Stream Mitigation Project. He indicated that in the forthcoming months a resolution would be presented to request that the Authority file a SEQRA Lead Agency status. Mr. Lawler inquired if the Authority was still on track with the budgeted amount for the project, to which Mr. Hernandez indicated in the affirmative of the \$300,000 that was initially budgeted. Mr. Hernandez then indicated that the Resolution was prepared if the Board wished to have it presented at the meeting. Mr. Crist of Dreyer Boyajian then commenced with a commentary on the SEQRA process for the Board. He stated that the Authority is required to follow the SEQRA process if there is an impact to the environment. The process is geared towards making sure that environmental considerations are considered as part of the overall decision-making component of the project. It is a NYS requirement. The agency that declares itself lead agency is the one that ushers the project through the review process. Mr. Lawler indicated they would propose the resolution under New Business or at a future meeting.

Mr. Hernandez discussed that he requested of the Safety Committee at the Water Plant that a Safety Manual be developed and he would apprise the Board of its progress over the next couple of months. He indicated that the Authority should have one in place and that he had supplied the Committee with a sample one to follow. Once it was in place it would reviewed with all staff at the plant.

The first motion was to authorize the payment of the vouchers for the month at a total cost of \$75,416.39, as reviewed and approved by Kevin King, Treasurer. Mr. King discussed the vouchers and reviewed the costs of the legal fees from Holland and Knight. **Mr. Connors moved to authorize that vouchers, as**

proposed for payment, be paid subject to review by the Treasurer. The motion was seconded by Mr. Wait and passed unanimously. (Motion 2012-21)

The next item was the motion awarding the 2012-2013 Water Treatment Chemical Contracts that had been put out to bid in May. Mr. Hernandez reviewed the Bid Memo that had been presented to the Board. He reviewed the bids received, the prior year's costs and what the increases were, or decrease in the case of the sodium hydroxide. Recommendation was made to award the contracts as indicated. Mr. King asked if the Bid Spec included language making the contracts multiple year contracts or were they one year contracts. Mr. Hernandez stated they were one year contracts but could certainly do that in forthcoming years. Mr. Wait asked about the regulatory specifications on the chemicals. Mr. Hernandez stated that all chemicals met the bid spec. **Motion was made by Ms. Daly to award the Water Treatment Chemical Contracts to Slack Chemical, Surpass Chemical and Holland Company. Motion was seconded by Arthur Johnson. Motion passed unanimously. (Motion 2012-22)**

Mr. Lawler then requested of Mr. Wait an opinion regarding an Amendment to the Investment policy and the stipulation that all investments be backed by the US government as secured funds. Federal Home Loan Bank and Federal Home Loan Credit are not currently secured in that way. Mr. Wait stated that they were not collateralized in that manner. Mr. Wait stated that he felt that these investments did not currently fit with our investment policy. **Mr. Lawler offered that based upon a recommendation by the Finance Committee, the Board amend the current investment policy to include the Federal Home Loan Bank and the Federal Home Loan Mortgage Corporation as permitted investments.** Mr. Wait stated that he wanted to table the matter until he could confirm that they were permissible by the New York State Comptroller's Office. Mr. Crist volunteered that he would be willing to check on that matter. **Mr. King offered to amend the motion that, subject to the findings of Special Counsel as to permissibility by NYS Comptroller's Office, the Investment Policy be amended to include the Federal Home Loan Bank and the Federal Home Loan Mortgage Corporation as permissible investments. Motion was seconded by Mr. Wait. Motion passed unanimously. (Motion 2012-23)**

The next matter was a **motion presented by the Finance Committee to amend the Fixed Asset Policy threshold for capitalization from \$1,000 to \$5,000. Motion was presented by Charles Wait and seconded by Greg Connors. Motion passed unanimously. (Motion 2012-24)**

The next Resolution presented by the Finance Committee was a **Resolution to do a budget transfer of the former Executive Director's salary from the budget line Salaries and Wages to Professional Service Contracts to allow for the current Acting Director's fees. Motion was presented by Arthur Johnson and seconded by Kevin King. Motion was unanimously passed. (Motion 2012-25)**

The Finance Committee also presented a **Resolution to transfer the balance of monies in the Wells Fargo Cost of Issuance Account, in the amount of \$36,039.04, to the Wells Fargo Debt Service Fund. Motion was offered by Charles Wait and seconded by Greg Connors. Motion passed unanimously. (Motion 2012-26)**

The final item presented by the Finance Committee was the **Resolution adopting the 2011 Investment Report as the official report for the website and PARIS reporting.** All members reviewed the report. **Motion was presented by Greg Connors and seconded by Kevin King. Motion passed unanimously. (Motion 2012-27)**

New Business:

Chairman Lawler reviewed the request from Greenfield Development Corporation. Mr. Hernandez discussed that it was part of the Polo Club mixed use development project. They requested a connection to the Water Authority pipeline. He discussed if it was possible that they connect as a Water Transportation Corporation or as a town water district with the Town of Greenfield assuming control. The board engaged in a discussion about the advantages and disadvantages of serving transportation corporations versus municipal districts and Crist read various portions from the SCWA's statutory powers. He stated that the Authority has certain Bond considerations as to whom the Authority could enter into contracts with. Mr. Lawler stated that for this application it appeared it would be in the best interest of the Authority if it were served via the Town of Greenfield, expressly noting that each application be treated on its own merits. He then queried the Board for their opinions. Mr. King stated that he would prefer to hear from the Town of Greenfield for this application. Mr. Connors stated he agreed. Mr. Hernandez stated he would prepare a response to C.T. Male indicating that the Board's wishes and it would be forwarded to Special Counsel for their review.

The next new business item was the matter of an inquiry to Mr. Hernandez from a professional forester who was working in the area of the Water Plant who noticed that several of the pine trees surrounding the property of the plant appeared diseased. Hernandez indicated that he needed something in writing and the forester, Mr. Richard Cipperly, had since supplied same. The letter was included in the Board's packets for their review. In his letter, Mr. Cipperly indicated that the trees had a condition known as root rot disease. Mr. Hernandez then noted that he provided the letter to Counsel and Mr. Crist indicated that we should receive another professional forestry consultant opinion. He then indicated that once that was in place, the timber contract would be put out to bid. Mr. Hernandez then deferred to Mr. Crist regarding the threshold for the sale of property which is less than a certain acreage and less than a value of \$15,000. The percentage paid to the forester would be 10% of the total sale of the timber, which would most likely be less than \$2,000. Mr. Crist reflected that it was his opinion that we follow competitive bidding practices to which Mr. Hernandez agreed. Ms. Daly stated that Saratoga County had a professional forester within Cooperative Extension available to us. Mr. Hernandez stated that he had put a call in to them and was anticipating he would have more information, as well as the second forestry opinion by the date of the next Board meeting.

The next meeting of the SCWA Board of Directors was scheduled for Thursday, June 21, 2012 at 2:30 p.m.

Upon motion by Mr. Connors, seconded by Ms. Daly, the Board unanimously adjourned to executive session at 4:00 p.m. to discuss legal matters with LFTCEDC and a personnel matter.

The Board returned to open meeting at 4:25 p.m. 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 4:28 p.m.**

Respectfully Submitted,

Carol Alden, Confidential Secretary