

MINUTES of the **MEETING** of the **ERIE COUNTY WATER AUTHORITY** held in the office, 350 Ellicott Square Building, Buffalo, New York, on the 2nd day of April, 2007.

PRESENT: **Frank E. Swiatek, Chairman**
Robert J. Lichtenthal, Jr., Vice Chairman
Francis G. Warthling, Treasurer
Robert A. Mendez, Executive Director
Matthew J. Baudo, Secretary to the Authority
Edward J. Kasprzak, Deputy Director
Wesley C. Dust, Executive Engineer
Mark J. Fuzak, Attorney
Ronald P. Bennett, Associate Attorney
Paul H. Riester, Director of Administration
Karla L. Thomas, Director of Human Resources
Daniel J. NeMoyer, Public Affairs Officer
Albert J. Meaney, Comptroller
Susan L. Rinaldo, Cash Manager
Karen A. Prendergast, Manager of Accounting Services

ATTENDEES: **Michael Rensch**
Thomas Malecki
Luke Malecki

CALL TO ORDER

PLEDGE TO THE FLAG

I. - ROLL CALL

II. - READING OF MINUTES

Motion by Mr. Lichtenthal seconded by Mr. Warthling and carried to waive the reading of the Minutes of the Meeting held on Thursday, March 22, 2007.

III. - APPROVAL OF MINUTES

Motion by Mr. Lichtenthal seconded by Mr. Warthling and carried to approve the Minutes of the Meeting held on Thursday, March 22, 2007.

IV. - REPORTS (See "Report" Minutes for Details)

- A) SECRETARY/PERSONNEL**
- B) LEGAL**
- C) FISCAL**
- D) OPERATIONS**
- E) HUMAN RESOURCES**

V. - COMMUNICATIONS AND BILLS

ITEM 1 - MASTER PURCHASE ORDERS:

Motion by Mr. Lichtenthal seconded by Mr. Warthling and carried to approve for payment of Master Purchase Order Nos. as listed on the attached sheets pages 1-12 after certification by the Comptroller that the orders are in accordance with the quotations and that the Director of Administration be authorized to execute the above and all associated documents after certifying that they are in conformity with applicable laws and the Authority's By-Laws and Purchasing Guidelines, Policies and Procedures.

VI. - UNFINISHED BUSINESS (NONE)

VII. - NEW BUSINESS (RESOLUTIONS 2-20)

ITEM 2 - RATIFICATION OF THE INVESTMENT OF FUNDS FROM THE MANUFACTURERS & TRADERS TRUST COMPANY, DEBT SERVICE FUND FOURTH RESOLUTION REFUNDING WATER REVENUE BONDS, SERIES 1992 - \$462,916.67

Motion by Mr. Lichtenthal seconded by Mr. Warthling

WHEREAS, Susan Rinaldo, Cash Manager, advised under date of March 26, 2007 that there was available on March 27, 2007 the following amounts in the Debt Service Fund Fourth Resolution Refunding Water Revenue Bonds, Series 1992:

Accreted Value \$462,916.67

and has recommended that the Manufacturers & Traders Trust Company, as Fiscal Agent, be authorized to invest from the Bond Fund in the amount of \$56,666.67 to mature in time for the June 1, 2007 Capital Appreciation Bond Maturity at the highest yield to 1992 Bondholders and invest from the Bond Fund in the amount of \$406,250.00 to mature in time for the December 1, 2007 Capital Appreciation Bond Maturity at the highest yield to 1992 Bondholders; and

WHEREAS, Inasmuch as the Authority does not have adequate safekeeping facilities for

the aforementioned securities, the Comptroller recommends that the Manufacturers & Traders Trust Company be authorized to maintain possession of the securities, in trust, for the Authority for safekeeping purposes;

NOW, THEREFORE, BE IT RESOLVED:

That the action of Albert Meaney, Comptroller, in authorizing the Manufacturers & Traders Trust Company to invest from the Bond Fund in the amount of \$56,666.67 to mature in time for the June 1, 2007 Capital Appreciation Bond Maturity at the highest yield to 1992 Bondholders and invest from the Bond Fund in the amount of \$406,250.00 to mature in time for the December 1, 2007 Capital Appreciation Bond Maturity at the highest yield to 1992 Bondholders, is hereby approved and ratified; and be it further

RESOLVED: That the Manufacturers & Traders Trust Company be and it hereby is authorized to retain possession of the securities, in trust, for the Authority until further direction by the Authority's Comptroller.

Ayes: Three; Commrs. Swiatek, Lichtenthal and Warthling
Noes: None

ITEM 3 - RATIFICATION OF THE INVESTMENT OF FUNDS FROM THE MANUFACTURERS & TRADERS TRUST COMPANY, DEBT SERVICE FUND WATER WORKS SYSTEM REVENUE BONDS, SERIES 1993A - \$120,083.33

Motion by Mr. Lichtenthal seconded by Mr. Warthling

WHEREAS, Susan Rinaldo, Cash Manager, advised under the date of March 26, 2007 that there was available on March 23, 2007 the following amounts in the Debt Service Fund Water Works System Revenue Bonds, Series 1993A:

Secondary Interest Account	\$82,296.58
Payment Account	\$37,786.75

and has recommended that the Manufacturers and Traders Trust Company, as Fiscal Agent, be authorized to invest the Secondary Interest Account in the amount of \$82,296.58 and Payment Account in the amount of \$37,786.75 in the Guaranteed Investment Contract to mature in time for the June 1, 2007 Interest Payment to bondholders and Swap Payment to AIG at the highest yield to maturity; and

WHEREAS, Inasmuch as the Authority does not have adequate safekeeping facilities for the aforementioned securities, the Comptroller recommends that the Manufacturers & Traders Trust Company be authorized to maintain possession of the securities, in trust, for the Authority for safekeeping purposes;

NOW, THEREFORE, BE IT RESOLVED:

That the action of Albert Meaney, Comptroller, in authorizing the Manufacturers & Traders Trust Company to invest from the Secondary Interest Account the amount of \$82,296.58 and Payment Account in the amount of \$37,786.75 in the Guaranteed Investment Contract to mature in time for the June 1, 2007 Interest Payment to bondholders and Swap Payment to AIG at the highest yield to maturity, is hereby approved and ratified; and be it further

RESOLVED: That the Manufacturers & Traders Trust Company be and it hereby is authorized to retain possession of the securities, in trust, for the Authority until further direction by the Authority's Comptroller.

Ayes: Three; Commrs. Swiatek, Lichtenthal and Warthling

Noes: None

ITEM 4 - RATIFICATION OF THE INVESTMENT OF FUNDS FROM THE MANUFACTURERS & TRADERS TRUST COMPANY, DEBT SERVICE FUND WATER WORKS SYSTEM REVENUE BONDS, SERIES 1993B - \$73,625.00

Motion by Mr. Lichtenthal seconded by Mr. Warthling

WHEREAS, Susan Rinaldo, Cash Manager, advised under the date of March 26, 2007 that there was available on March 23, 2007 the following amounts in the Debt Service Fund Water Works System Revenue Bonds, Series, 1993B:

Secondary Interest Account	\$44,889.04
Payment Account	\$28,735.96

and has recommended that the Manufacturers & Traders Trust Company, as Fiscal Agent, be authorized to invest the Secondary Interest Account in the amount of \$44,889.04 and Payment Account in the amount of \$28,735.96 in the Guaranteed Investment Contract to mature in time for the June 1, 2007 Interest Payment to bondholders and Swap Payment to AIG at the highest yield to maturity; and

WHEREAS, Inasmuch as the Authority does not have adequate safekeeping facilities for the aforementioned securities, the Comptroller recommends that the Manufacturers & Traders Trust Company be authorized to maintain possession of the securities, in trust, for the Authority for safekeeping purposes;

NOW, THEREFORE, BE IT RESOLVED:

That the action of Albert Meaney, Comptroller, in authorizing the Manufacturers & Traders Trust Company to invest from the Secondary Interest Account the amount of \$44,889.04 and Payment Account in the amount of \$28,735.96 in the Guaranteed Investment Contract to mature in time for the June 1, 2007 Interest Payment to bondholders and Swap Payment to AIG at the highest yield to maturity, is hereby approved and ratified; and be it further

RESOLVED: That the Manufacturers & Traders Trust Company be and it hereby is authorized to retain possession of the securities, in trust, for the Authority until further direction by the Authority's Comptroller.

Ayes: Three; Commrs. Swiatek, Lichtenthal and Warthling
Noes: None

ITEM 5 - RATIFICATION OF THE INVESTMENT OF FUNDS FROM THE MANUFACTURERS & TRADERS TRUST COMPANY, DEBT SERVICE FUND WATER WORKS SYSTEM REVENUE REFUNDING BONDS, SERIES 1998A - \$50,840.41

Motion by Mr. Lichtenthal seconded by Mr. Warthling

WHEREAS, Susan Rinaldo, Cash Manager advised under date of March 26, 2007 that there was available on March 27, 2007 the following amounts in the Debt Service Fund Water Works System Revenue Refunding Bonds, Series 1998A:

Principal Account	\$30,833.33
Interest Account	\$20,007.08

and has recommended that the Manufacturers & Traders Trust Company, as Fiscal Agent, be authorized to invest from the Interest Account, in the amount of \$20,007.08 to mature in time for the June 15, 2007 Interest Payment at the highest yield to maturity and invest from the Principal Account in the amount of \$30,833.33 to mature in time for the December 15, 2007 Principal Payment at the highest yield to maturity; and

WHEREAS, Inasmuch as the Authority does not have adequate safekeeping facilities for the aforementioned securities, the Comptroller recommends that the Manufacturers & Traders Trust Company be authorized to maintain possession of the securities, in trust, for the Authority for safekeeping purposes;

NOW, THEREFORE, BE IT RESOLVED:

That the action of Albert Meaney, Comptroller, in authorizing the Manufacturers & Traders Trust Company to invest from the Interest Account in the amount of \$20,007.08 to mature in time for the June 15, 2007 Interest Payment at the highest yield to maturity and to invest from the Principal Account in the amount of \$30,833.33 to mature in time for the December 15, 2007 Principal Payment at the highest yield to maturity, is hereby approved and ratified; and be it further

RESOLVED: That the Manufacturers & Traders Trust Company be and it hereby is authorized to retain possession of the securities, in trust, for the Authority until further direction by the Authority's Comptroller.

Ayes: Three; Commrs. Swiatek, Lichtenthal and Warthling
Noes: None

ITEM 6 - RATIFICATION OF THE INVESTMENT OF FUNDS FROM THE MANUFACTURERS & TRADERS TRUST COMPANY, DEBT SERVICE FUND WATER WORKS SYSTEM REVENUE REFUNDING BONDS, SERIES 1998B - \$112,761.48

Motion by Mr. Lichtenthal seconded by Mr. Warthling

WHEREAS, Susan Rinaldo, Cash Manager advised under date of March 26, 2007 that there was available on March 27, 2007 the following amounts in the Debt Service Fund Water Works System Revenue Refunding Bonds, Series 1998B:

Interest Account	\$50,261.56
Principal Account	\$62,500.00

and has recommended that the Manufacturers & Traders Trust Company, as Fiscal Agent, be authorized to invest from the Interest Account, in the amount of \$25,130.74 to mature in time for the April 15, 2007 Interest Payment at the highest yield to maturity to 1998B Bondholders and invest from the Interest Account, in the amount of \$25,130.74 to mature in time for the October 15, 2007 Interest Payment at the highest yield to maturity to 1998B Bondholders and invest from the Principal Account in the amount of \$62,500.00 to mature in time for the October 15, 2007 Principal Payment at the highest yield to maturity to 1998B Bondholders; and

WHEREAS, Inasmuch as the Authority does not have adequate safekeeping facilities for

the aforementioned securities, the Comptroller recommends that the Manufacturers & Traders Trust Company be authorized to maintain possession of the securities, in trust, for the Authority for safekeeping purposes;

NOW, THEREFORE, BE IT RESOLVED:

That the action of Albert Meaney, Comptroller, in authorizing the Manufacturers & Traders Trust Company to invest from the Interest Account in the amount of \$25,130.74 to mature in time for the April 15, 2007 Interest Payment at the highest yield to maturity to 1998B Bondholders and invest from the Interest Account, in the amount of \$25,130.74 to mature in time for the October 15, 2007 Interest Payment at the highest yield to maturity to 1998B Bondholders and invest from the Principal Account in the amount of \$62,500.00 to mature in time for the October 15, 2007 Principal Payment at the highest yield to maturity to 1998B Bondholders, is hereby approved and ratified; and be it further

RESOLVED: That the Manufacturers & Traders Trust Company be and it hereby is authorized to retain possession of the securities, in trust, for the Authority until further direction by the Authority's Comptroller.

Ayes: Three; Commrs. Swiatek, Lichtenthal and Warthling

Noes: None

ITEM 7 - RATIFICATION OF THE INVESTMENT OF FUNDS FROM THE MANUFACTURERS & TRADERS TRUST COMPANY, DEBT SERVICE FUND WATER WORKS SYSTEM REVENUE REFUNDING BONDS, SERIES 2003F - \$92,944.53

Motion by Mr. Lichtenthal seconded by Mr. Warthling

WHEREAS, Susan Rinaldo, Cash Manager advised under date of March 26, 2007 that there was available on March 27, 2007 the following amounts in the Debt Service Fund Water Works System Revenue Refunding Bonds, Series 2003F:

Interest Account	\$41,694.53
Principal Account	\$51,250.00

and has recommended that the Manufacturers & Traders Trust Company, as Fiscal Agent, be authorized to invest from the Interest Account, in the amount of \$41,694.53 to mature in time for the July 15, 2007 Interest Payment at the highest yield to maturity to 2003F Bondholders and invest from the Principal Account in the amount of \$51,250.00 to mature in time for the July 15, 2007 Principal Payment at the highest yield to maturity to 2003F Bondholders; and

WHEREAS, Inasmuch as the Authority does not have adequate safekeeping facilities for

the aforementioned securities, the Comptroller recommends that the Manufacturers & Traders Trust Company be authorized to maintain possession of the securities, in trust, for the Authority for safekeeping purposes;

NOW, THEREFORE, BE IT RESOLVED:

That the action of Albert Meaney, Comptroller, in authorizing the Manufacturers & Traders Trust Company to invest from the Interest Account in the amount of \$41,694.53 to mature in time for the July 15, 2007 Interest Payment at the highest yield to maturity to 2003F Bondholders and invest from the Principal Account in the amount of \$51,250.00 to mature in time for the July 15, 2007 Principal Payment at the highest yield to maturity to 2003F Bondholders, is hereby approved and ratified; and be it further

RESOLVED: That the Manufacturers & Traders Trust Company be and it hereby is authorized to retain possession of the securities, in trust, for the Authority until further direction by the Authority's Comptroller.

Ayes: Three; Commrs. Swiatek, Lichtenthal and Warthling
Noes: None

**ITEM 8 - AUTHORIZATION TO EXECUTE MUTUAL LIMITED RELEASE
REFLECTING SETTLEMENT OF LITIGATION**

Motion by Mr. Lichtenthal seconded by Mr. Warthling

WHEREAS, Heretofore and on the 14th day of March, 2002, the Erie County Water Authority ("Authority") entered into a Consultant Agreement ("Wendel Agreement") with Wendel Duchscherer Architects & Engineers, P.C. ("Wendel") for professional engineering services in connection with Contract No. W-19, water system improvements Route 5, Town of Clarence, New York; and

WHEREAS, Heretofore and on the 3rd day of October, 2002, the Authority entered into a contract ("Accadia Contract") with Accadia Site Contracting, Inc. ("Accadia") for Contract No. W-19, water system improvements, Route 5, Town of Clarence, New York, identified as Contract No. 02-17-10; and

WHEREAS, Accadia filed a Summons and Complaint in New York State Supreme Court against the Authority alleging breach of contract in connection with the above-referenced Accadia Contract; and

WHEREAS, The Authority tendered to Wendel the defense and indemnification in this legal proceeding pursuant to the Wendel Agreement; and

WHEREAS, Wendel failed and refused to accept and assume the Authority's defense in this action or to indemnify the Authority as required by the Wendel Agreement; and

WHEREAS, The Authority filed and served a Third-Party Complaint against Wendel as a result of Wendel's breach of contract; and

WHEREAS, Extensive discovery and mediation have taken place; and

WHEREAS, Prior to the scheduled trial, the parties have agreed to resolve any and all issues in the legal proceeding; and

WHEREAS, Mark J. Fuzak, Counsel and Robert A. Mendez, Executive Director recommend executing the Mutual Limited Release in order to resolve the dispute and legal proceedings without a trial;

NOW, THEREFORE, BE IT RESOLVED:

That the Authority enters into a Mutual Limited Release and Settlement Agreement between the parties in order to resolve the dispute between the Authority, Accadia and Wendel; and be it further

RESOLVED: That the Legal Department of the Authority is hereby authorized to take all steps necessary to conclude the matter without trial.

Ayes: Three; Commrs. Swiatek, Lichtenthal and Warthling

Noes: None

ITEM 9 - CONSENT TO THE ASSIGNMENT OF LEASE AND AGREEMENT FOR THE LEASING OF SPACE ON THE ERIE COUNTY WATER AUTHORITY'S WEHRLE TOWER

Motion by Mr. Lichtenthal seconded by Mr. Warthling

WHEREAS, Heretofore and on the 19th day of December 1996 the Erie County Water Authority ("Authority") entered into a Lease Agreement with New Cingular Wireless PCS, LLC ("Cingular") for the leasing of space on the Authority's Wehrle Tower on Wehrle Drive in the Town of Amherst, New York; and

WHEREAS, Heretofore and on the 13th day of April, 2000 the Erie County Water Authority ("Authority") entered into a Lease Agreement with AT&T Wireless, PCS, LLC ("AT&T") for the leasing of space on the Authority's Wehrle Tower; and

WHEREAS, Cingular and AT&T ("Cingular/AT&T") have recently merged; and

WHEREAS, Cingular/AT&T has informed the Authority that they will terminate one of their leases at the end of the next term in 2011; and

WHEREAS, Buffalo Lake Erie Wireless Systems Co., LLC ("BLEWSC") has inquired if BLEWSC could lease space on the Authority's Wehrle Tower; and

WHEREAS, Cingular/AT&T has agreed to assign their lease over to BLEWSC; and

WHEREAS, Cingular/AT&T has agreed to pay \$48,125.50 credited towards the remaining rent due directly to the Authority; and

WHEREAS, BLEWSC has agreed to pay the amount of \$1,500 per month for the remainder of the term; and

WHEREAS, Pursuant to the Lease Agreement the Tenant shall not sublease space or assign its rights under the lease for the premises without the prior written consent of the Landlord; and

WHEREAS, Under the terms of the Assignment and Assumption of the Lease Agreement between Cingular/AT&T and BLEWSC, Cingular/AT&T shall still remain liable for the payment of the remainder of the rent until termination if BLEWSC fails to pay said rent; and

WHEREAS, Paul H. Riester, Director of Administration, Mark J. Fuzak, Counsel and Robert A. Mendez, Executive Director recommend the Authority consent to the Assignment and Assumption of Lease between Cingular/AT&T and BLEWSC for the leasing of space on the Authority's Wehrle Tower;

NOW, THEREFORE, BE IT RESOLVED:

That the Authority consent to the Assignment and Assumption of Lease between Cingular/AT&T and BLEWSC for the leasing of space on the Authority's Wehrle Tower; and be it further

RESOLVED: That the Chairman be and he hereby is authorized to execute the Consent of Landlord for the assignment of the lease; and be it further

RESOLVED: That the Secretary be and he hereby is authorized to forward an executed copy of the Consent of Landlord together with a certified copy of this resolution to Cingular/AT&T and BLEWSC.

Ayes: Three; Commrs. Swiatek, Lichtenthal and Warthling
Noes: None

**ITEM 10 - AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH
NUSSBAUMER & CLARKE, INC. TO RENDER PROFESSIONAL
CONSULTING ENGINEERING SERVICES FOR A STANDBY POWER
STUDY, IDENTIFIED AS CONTRACT NO. NC-31, PROJECT NO.
200700009 FOR A LUMP SUM OF \$92,600.00**

Motion by Mr. Lichtenthal seconded by Mr. Warthling

WHEREAS, The Erie County Water Authority's ("Authority") Board of Commissioners authorized the issuance of a Request for Proposals ("RFP") to qualified firms to provide consulting engineering services for a standby power study on December 28, 2006; and

WHEREAS, A copy of the RFP was sent to:

Nussbaumer & Clarke, Inc.
O'Brien & Gere
Malcolm Pirnie, Inc.
Wendel Duchscherer
Stearns & Wheeler
URS
EI Team; and

WHEREAS, All seven firms responded to the RFP; and

WHEREAS, The RFP process was conducted pursuant to the enacted state legislation (New York State Finance Law §§139-j and 139-k) and the Authority's Purchasing Guidelines, Policies and Procedures; and

WHEREAS, Upon evaluating the response to the RFP, the Authority deems it advisable to have Nussbaumer & Clarke, Inc. render professional consulting engineering services for a standby power study; and

WHEREAS, Wesley C. Dust, Executive Engineer and Robert A. Mendez, Executive Director recommend that the Authority enter into an agreement with Nussbaumer & Clarke, Inc. for a total cost of \$92,600.00;

NOW, THEREFORE, BE IT RESOLVED:

That the Authority accepts the proposal of Nussbaumer & Clarke, Inc. to render professional consulting engineering services for a standby power study; and be it further

RESOLVED: Pursuant to New York State Finance Law §§139-j and 139-k and the Authority's Purchasing Guidelines, Policies and Procedures with the award and execution by the Authority of this agreement, the Restricted Period will cease; and be it further

RESOLVED: That the Chairman be and he hereby is authorized to execute said agreement on behalf of the Authority; and be it further

RESOLVED: That the Secretary be and he hereby is authorized to forward an executed copy of said Agreement together with a certified copy of this resolution to Nussbaumer & Clarke, Inc.

Ayes: Three; Commrs. Swiatek, Lichtenthal and Warthling

Noes: None

ITEM 11 - AUTHORIZATION TO WAIVE THE POLLUTION LEGAL LIABILITY INSURANCE REQUIREMENT AND REDUCE THE EXCESS UMBRELLA LIABILITY INSURANCE COVERAGE FOR THE FURNISHING AND INSTALLING OF CHLORINATION SYSTEM FOR HORNER PUMP STATION, CALIFORNIA ROAD AND SOUTHWESTERN BLVD., TOWN OF ORCHARD PARK, NEW YORK, PROJECT NO. 200600634

Motion by Mr. Lichtenthal seconded by Mr. Warthling

WHEREAS, The Erie County Water Authority ("Authority") heretofore advertised in the Dodge Reports and Front Page on the 21st day of February 2007, and in Business First on the 23rd day of February 2007, a notice inviting sealed bids or proposals in accordance with Section 1069 of the Public Authorities Law for the furnishing and installing of chlorination system for Horner Pump Station, California Road and Southwestern Blvd., Town of Orchard Park, New York; and

WHEREAS, Applied Specialties, Inc. was the only bid received; and

WHEREAS, The Authority's Risk Assessment for this project requires the contractor carry Pollution Legal Liability insurance in the amount of \$5,000,000 and \$5,000,000 in Excess Umbrella Liability insurance; and

WHEREAS, Robert A. Niederpruem, Sr. Production Engineer advised that Applied Specialties, Inc. does not carry Pollution Legal Liability insurance and only carries \$4,000,000 in Excess Umbrella Liability insurance; and

WHEREAS, Robert A. Niederpruem, Sr. Production Engineer deems it necessary to waive the Pollution Legal Liability insurance and reduce the \$5,000,000 Excess Umbrella Liability insurance requirement to \$4,000,000 in order to award the bid to Applied Specialties, Inc. for the abovementioned project; and

WHEREAS, Edward J. Kasprzak, Deputy Director, Wesley C. Dust, Executive Engineer and Robert A. Mendez, Executive Director recommend waiving the Pollution Legal Liability insurance and reducing the \$5,000,000 Excess Umbrella Liability insurance requirement to \$4,000,000 for the abovementioned project;

NOW, THEREFORE, BE IT RESOLVED:

That the Authority is hereby authorized to waive the Pollution Legal Liability insurance and reduce the \$5,000,000 Excess Umbrella Liability insurance requirement to \$4,000,000 for the furnishing and installing of chlorination system for Horner Pump Station, California Road and Southwestern Blvd., Town of Orchard Park, New York abovementioned project.

Ayes: Three; Commrs. Swiatek, Lichtenthal and Warthling
Noes: None

ITEM 12 - APPROVAL OF REPORTS TO BE SUBMITTED IN COMPLIANCE WITH NEW YORK STATE PUBLIC AUTHORITIES LAW

Motion by seconded by

WHEREAS, The Public Authorities Accountability Act of 2005 ("PAAA") requires authorities to prepare and submit a complete and detailed report known as the Annual Report; and

WHEREAS, Public Authorities Law §1070 requires the preparation and submission of an Annual Report; and

WHEREAS, The staff of the Erie County Water Authority ("Authority") has prepared the Annual Report for 2006 in compliance with the requirements; and

WHEREAS, The Annual Report is being submitted to the Authority's Board of Commissioners for its approval; and

WHEREAS, The Annual Report includes:

Copy of the letter from the Executive Director (CEO) and Deputy Director (CFO) addressing those items required by the PAAA,

Basic Financial Statements for the Years Ended December 31, 2006 and 2005, including,
Independent Auditors' Report
Management's Discussion and Analysis
Financial Statements,
Notes to the Financial Statements, and
Report on Internal Control over Financial Reporting
Schedule of Major Capital Projects Completed in 2006
Annual Report Financials Template
Schedule of Debt Template
Employees Template
Personal Property Template
Schedule of Real Property
Erie County Water Authority's Code of Ethics
Copies of credit ratings from Standard and Poor's Rating Services, Moody's Investor
Services, and Fitch Ratings

WHEREAS, Edward J. Kasprzak, Deputy Director (Chief Financial Officer), and
Robert A. Mendez, Executive Director (Chief Executive Officer), recommend that the Authority
approve the above report as detailed;

NOW, THEREFORE, BE IT RESOLVED:

In compliance with the Public Authorities Accountability Act of 2005 and the Public
Authorities Law §1070, the Board hereby approves the Annual Report; and be it further

RESOLVED: That the Authority will make the required submissions to the designated
parties identified in the legislation; and be it further

RESOLVED: A certified copy of this resolution will be included in the Annual Report.

Ayes: Three; Commrs. Swiatek, Lichtenthal and Warthling
Noes: None

**ITEM 13 - AUTHORIZATION TO ADVERTISE FOR BIDS FOR THE FURNISHING
AND DELIVERING OF POLYALUMINUM CHLORIDE COAGULANT
TO THE ERIE COUNTY WATER AUTHORITY FOR THE TREATMENT
OF WATER FOR THE PERIOD OF JULY 1, 2007 THROUGH JUNE 30,
2009, PROJECT NO. 200700116**

Motion by Mr. Lichtenthal seconded by Mr. Warthling

WHEREAS, Wesley C. Dust, P.E., Executive Engineer and Robert A. Mendez, Executive Director recommend that the Erie County Water Authority ("Authority") publish a notice inviting sealed bids or proposals pursuant to Section 1069 of the Public Authorities Law for the furnishing and delivering of polyaluminum chloride coagulant to the Erie County Water Authority for the treatment of water for the period of July 1, 2007 through June 30, 2009; and

WHEREAS, The work, labor and services for the abovementioned project is estimated to cost an amount in excess of \$10,000.00; and

WHEREAS, The Advertisement for Bids for the furnishing and delivering of polyaluminum chloride coagulant to the Erie County Water Authority for the treatment of water for the period of July 1, 2007 through June 30, 2009 will be conducted pursuant to the newly enacted legislation, New York State Finance Law §§ 139-j and 139-k and the Authority's Purchasing Guidelines, Policies and Procedures; and

WHEREAS, John Mogavero, Chemist & Chief Water Treatment Plant Operator will be the designated contact person for the project with the adoption of this resolution;

NOW, THEREFORE, BE IT RESOLVED:

That the plans and specifications and form of bid be prepared for the furnishing and delivering of polyaluminum chloride coagulant to the Erie County Water Authority for the treatment of water for the period of July 1, 2007 through June 30, 2009 and upon completion be made available for inspection by bidders in the office of the Authority; and be it further

RESOLVED: That the Secretary be and he hereby is authorized and directed to publish a notice inviting sealed bids or proposals pursuant to Section 1069 of the Public Authorities Law for the abovementioned project.

Ayes: Three; Commrs. Swiatek, Lichtenthal and Warthling

Noes: None

ITEM 14 - AUTHORIZATION TO ADVERTISE FOR BIDS FOR BUOY INSTALLATION AND UNDERWATER SERVICES, PROJECT NO. 200700136

Motion by Mr. Lichtenthal seconded by Mr. Warthling

WHEREAS, Wesley C. Dust, P.E., Executive Engineer and Robert A. Mendez, Executive Director recommend that the Erie County Water Authority ("Authority") publish a notice inviting sealed bids or proposals pursuant to Section 1069 of the Public Authorities Law for buoy installation and underwater services; and

WHEREAS, The work, labor and services for the abovementioned project is estimated to cost an amount in excess of \$10,000.00; and

WHEREAS, The Advertisement for Bids for buoy installation and underwater services will be conducted pursuant to the newly enacted legislation, New York State Finance Law §§ 139-j and 139-k and the Authority's Purchasing Guidelines, Policies and Procedures; and

WHEREAS, Jay Meyers, Production Engineer will be the designated contact person for the project with the adoption of this resolution;

NOW, THEREFORE, BE IT RESOLVED:

That the plans and specifications and form of bid be prepared for the buoy installation and underwater services and upon completion be made available for inspection by bidders in the office of the Authority; and be it further

RESOLVED: That the Secretary be and he hereby is authorized and directed to publish a notice inviting sealed bids or proposals pursuant to Section 1069 of the Public Authorities Law for the abovementioned project.

Ayes: Three; Commrs. Swiatek, Lichtenthal and Warthling

Noes: None

ITEM 15 - APPROVAL OF CHANGE ORDER NO. 1 OF AMHERST PAVING, INC. FOR AREA NO. 2 RESTORATION FOR THE PERIOD OF APRIL 1, 2006 THROUGH MARCH 31, 2008, PROJECT NO. 200600002, CONTRACT NO. 06-08-04 - \$26,000.00

Motion by Mr. Lichtenthal seconded by Mr. Warthling

WHEREAS, Heretofore and on the 23rd day of March, the Erie County Water Authority ("Authority") entered into a contract with Amherst Paving, Inc. for Area No. 2 Restoration for the period of April 1, 2006 through March 31, 2008, identified as Contract No. 06-08-04; and

WHEREAS, Said contractor has submitted Change Order No. 1 in the sum of \$26,000.00 to modify the existing Bid Proposal to include the following new Unit Price Pay item:

Item 4C - For Loading of Spoil Materials from
Erie County Water Authority, Service Center
The UNIT PRICE of:

_____	Thirteen	_____	Dollars
and _____	0	_____	Cents

 (\$13.00) per Load 2,000 Loads \$26,000; and

WHEREAS, The reason for said change is because the existing contract documents provide for the Authority to load spoils into trucks provided by the Contractor and is paid for under Unit Price Item 4B - Spoils Removal. It is advantageous to the Authority for the Contractor to perform this work; and

WHEREAS, Wesley C. Dust, P.E., Executive Engineer and Robert A. Mendez, Executive Director recommend approval of said Change Order No. 1;

NOW, THEREFORE, BE IT RESOLVED:

That Change Order No. 1 of Amherst Paving, Inc. in the amount of \$26,000.00 to provide for the abovementioned change be approved; and be it further

RESOLVED: That the Chairman be and he hereby is authorized to execute said Change Order No. 1 on behalf of the Authority.

Ayes: Three; Commrs. Swiatek, Lichtenthal and Warthling
Noes: None

ITEM 16 - APPROVAL OF MASTER PURCHASE ORDER AMENDMENT NO. 1 OF BIDCO MARINE FOR THE REPAIRING OF ISOLATION GATES IN RAW WATER PUMP STATION, MASTER PURCHASE ORDER NO. 200497 - \$4,880

Motion by Mr. Lichtenthal seconded by Mr. Warthling

WHEREAS The Erie County Water Authority ("Authority") currently uses BIDCO Marine for the repairing of isolation gates in Raw Water Pump Station, identified as Master Purchase Order No. 200497; and

WHEREAS, Robert A. Niederpruem, Sr. Production Engineer submitted Master Purchase Order Amendment No. 1 in the amount of \$4,880.00 due to additional hourly work for dive crew; and

WHEREAS, Paul H. Riester, Director of Administration, Wesley C. Dust, Executive Engineer and Robert A. Mendez, Executive Director recommend approval of said Master Purchase Order Amendment No. 1;

NOW, THEREFORE, BE IT RESOLVED:

That Master Purchase Order Amendment No. 1 of BIDCO Marine to provide for the abovementioned change be approved; and be it further

RESOLVED: That the Budget Director be and he hereby is directed to make the necessary budgetary changes.

Ayes: Three; Commrs. Swiatek, Lichtenthal and Warthling
Noes: None

ITEM 17 - JACOB HANANIA, ENGINEERING DRAFTSWORKER - LEAVE OF ABSENCE WITHOUT PAY

Motion by Mr. Lichtenthal seconded by Mr. Warthling and carried to receive and file the request of Jacob Hanania, Engineering Draftsworker a one year leave of absence without pay in accordance with the personnel rules of the Authority.

Ayes: Three; Commrs. Swiatek, Lichtenthal and Warthling
Noes: None

ITEM 18 - PURCHASE ORDERS:

Motion by Mr. Lichtenthal seconded by Mr. Warthling and carried to approve for payment of Purchase Order Nos. as listed on the attached sheets pages 13-20 after certification by the Comptroller that the orders are in accordance with the quotations and that the Director of Administration be authorized to execute the above and all associated documents after certifying that they are in conformity with applicable laws and the Authority's By-Laws and Purchasing Guidelines, Policies and Procedures.

ITEM 19 - PURCHASE ORDER AMENDMENTS:

Motion by Mr. Lichtenthal seconded by Mr. Warthling and carried to approve for payment of Purchase Order Amendments as listed on the attached sheets pages 21 and 22 after certification by the Comptroller that the orders are in accordance with the quotations and that the Director of Administration be authorized to execute the above and all associated documents after certifying that they are in conformity with applicable laws and the Authority's By-Laws and Purchasing Guidelines, Policies and Procedures.

ITEM 20 - SERVICE CONNECTION WORK ORDER LIST:

Motion by Mr. Lichtenthal seconded by Mr. Warthling and carried to approve Service Connection Work Order Nos. 07-11, to C. Destro Development Co., Inc. for Service Area No. 1 under Contract No. 07-04-01 and to C. Destro Development Co., Inc. for Service Area No. 2 under Contract No. 07-05-01 and large services under Contract No. 07-03-01 to Kandey Company, Inc.

VIII. - ADJOURNMENT

Meeting adjourned until the next regular meeting to be held on Thursday, April 19, 2007 at 8:30 p.m.

Matthew J. Baudo
Secretary to the Authority

PF