

MINUTES of the **MEETING** of the **ERIE COUNTY WATER AUTHORITY** held in the office, 350 Ellicott Square Building, Buffalo, New York, on the 30th day of November, 2007.

PRESENT: Frank E. Swiatek, Chairman
 Francis G. Warthling, Treasurer
 Kelly M. Vacco, Member
 Robert A. Mendez, Executive Director
 Matthew J. Baudo, Secretary to the Authority
 Robert J. Lichtenthal, Jr., Deputy Director
 Wesley C. Dust, Executive Engineer
 Mark J. Fuzak, Attorney
 Emilio L. Colaiacovo, 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
 Steven V. D'Amico, Budget and Financial Analyst
 Anthony Alessi, Claims Representative/Risk Manager

ATTENDEES: Danielle Elliott
 Christopher Knospe

CALL TO ORDER

PLEDGE TO THE FLAG

I. - ROLL CALL

ITEM 1 - ELECTION OF VICE CHAIR

Motion by Mr. Warthling seconded by Mr. Swiatek

WHEREAS, The Erie County Water Authority (“Authority”) accepted the resignation of Robert J. Lichtenthal, Jr. as Vice Chairman of the Authority effective midnight September 30, 2007; and

WHEREAS, On the 29th day of November, 2007 the Erie County Legislature duly appointed Kelly M. Vacco as a Member of the Authority to serve for the balance of a three year term expiring April 27, 2008; and

WHEREAS, It is desired to elect a Vice Chair to fill the vacancy created by Robert J. Lichtenthal, Jr.; and

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Nominations are opened for the office of Vice Chair;

Motion by Mrs. Vacco seconded by Mr. Warthling and carried to nominate Ms. Vacco as Vice Chair of the Authority to serve until the next annual meeting of the Authority.

Mr. Mrs. Vacco moves the nominations be closed, seconded by Mr. Mr. Warthling and carried.

On Roll Call the following votes were cast:

Ayes: Two; Commrs. Swiatek and Warthling

Noes: None

II. - READING OF MINUTES

Motion by Mr. Warthling seconded by and Mrs. Vacco carried to waive the reading of the Minutes of the Meeting held on Thursday, November 15, 2007.

III. - APPROVAL OF MINUTES

Motion by Mr. Warthling seconded by Mrs. Vacco and carried to approve the Minutes of the Meeting held on Thursday, November 15, 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 2 - CREATION OF MASTER PURCHASE ORDERS:

Motion by Mr. Warthling seconded by Mrs. Vacco and carried to approve the creation of Master Purchase Order Nos. as listed on the attached sheet page 1 not to exceed the amount of \$12,500.00 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.

11/30/07

ITEM 3 - MASTER PURCHASE ORDERS:

Motion by Mr. Warthling seconded by Mrs. Vacco and carried to approve for payment of Master Purchase Order Nos. as listed on the attached sheets pages 1-16 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 4-20)**

ITEM 4 - FINAL ACCEPTANCE OF PROJECT WITH E&R GENERAL CONSTRUCTION INC. FOR CONTRACT NO. DA-005B, WATER SYSTEM IMPROVEMENTS IN THE TOWNS OF CHEEKTOWAGA, HAMBURG, WEST SENECA, CITY OF LACKAWANNA AND VILLAGE OF DEPEW, PROJECT NO. 200400490, CONTRACT NO. 07-13-03 - \$188,003.35

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Heretofore and on the 20th day of February, 2006, the Erie County Water Authority ("Authority") entered into a contract with E & R General Construction Inc. for Contract No. DA-005B, Water System Improvements in the Towns of Cheektowaga, Hamburg, West Seneca, City of Lackawanna and Village of Depew, identified as Contract No. 07-13-03; and

WHEREAS, DiDonato Associates, Consulting Engineers has submitted a final invoice dated November 14, 2007 in the amount of \$188,003.35; and

WHEREAS, DiDonato Associates, Consulting Engineers, Wesley C. Dust, P.E., Executive Engineer, and Robert A. Mendez, Executive Director, recommend acceptance of said project;

NOW, THEREFORE, BE IT RESOLVED:

That the above project is hereby accepted by the Authority as of the date hereof.

Ayes: Three; Commrs. Swiatek, Vacco and Warthling

Noes: None

ITEM 5 - RATIFICATION OF THE INVESTMENT OF FUNDS FROM THE MANUFACTURERS & TRADERS TRUST COMPANY, DEBT SERVICE FUND FOURTH RESOLUTION REFUNDING WATER REVENUE BONDS, SERIES 1992 - \$33,333.33

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Susan Rinaldo, Cash Manager, advised under date of November 26, 2007 that there was available on November 30, 2007 the following amounts in the Debt Service Fund Fourth Resolution Refunding Water Revenue Bonds, Series 1992:

Accreted Value	\$33,333.33
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and has recommended that the Manufacturers & Traders Trust Company, as Fiscal Agent, be authorized to invest from the Bond Fund in the amount of \$33,333.33 to mature in time for the June 1, 2008 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 \$33,333.33 to mature in time for the June 1, 2008 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, Vacco 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 BONDS, SERIES 1993A -
\$120,083.33**

Motion by Mr. Warthling seconded by Mrs. Vacco

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

Secondary Interest Account	\$76,668.49
Payment Account	\$43,414.84

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 \$76,668.49 and Payment Account in the amount of \$43,414.84 in the Guaranteed Investment Contract to mature in time for the December 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 \$76,668.49 and Payment Account in the amount of \$43,414.84 in the Guaranteed Investment Contract to mature in time for the December 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, Vacco 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 BONDS, SERIES 1993B - \$73,625.00

Motion by Mr. Warthling seconded by Mrs. Vacco

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

Secondary Interest Account	\$41,819.17
Payment Account	\$31,805.83

and has recommended that the Manufacturers & Traders Trust Company, as Fiscal Agent, be authorized to invest the Secondary Interest Account in the amount of \$41,819.17 and Payment Account in the amount of \$31,805.83 in the Guaranteed Investment Contract to mature in time for the December 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 \$41,819.17 and Payment Account in the amount of \$31,805.83 in the Guaranteed Investment Contract to mature in time for the December 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, Vacco and Warthling
Noes: None

**ITEM 8 - RATIFICATION OF THE INVESTMENT OF FUNDS FROM THE
MANUFACTURERS & TRADERS TRUST COMPANY, DEBT SERVICE
FUND WATER WORKS SYSTEM REVENUE REFUNDING BONDS, SERIES
1998A - \$50,972.29**

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Susan Rinaldo, Cash Manager advised under date of November 26, 2007 that there was available on November 30, 2007 the following amounts in the Debt Service Fund Water Works System Revenue Refunding Bonds, Series 1998A:

Principal Account \$31,666.67
Interest Account \$19,305.62

and has recommended that the Manufacturers & Traders Trust Company, as Fiscal Agent, be authorized to invest from the Interest Account, in the amount of \$10,003.54 to mature in time for the December 15, 2007 Interest Payment at the highest yield to maturity to 1998B Bondholders and invest from the Interest Account, in the amount of \$9,302.08 to mature in time for the June 15, 2008 Interest Payment at the highest yield to maturity to 1998B Bondholders and invest from the Principal Account in the amount of \$31,666.67 to mature in time for the December 15, 2008 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 \$10,003.54 to mature in time for the December 15, 2007 Interest Payment at the highest yield to maturity to 1998B Bondholders and invest from the Interest Account, in the amount of \$9,302.08 to mature in time for the June 15, 2008 Interest Payment at the highest yield to maturity to 1998B Bondholders and invest from the Principal Account in the amount of \$31,666.67 to mature in time for the December 15, 2008 Principal Payment at the highest yield to maturity to 1998B, 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, Vacco and Warthling
Noes: None

**ITEM 9 - RATIFICATION OF THE INVESTMENT OF FUNDS FROM THE
MANUFACTURERS & TRADERS TRUST COMPANY, DEBT SERVICE
FUND WATER WORKS SYSTEM REVENUE REFUNDING BONDS, SERIES
1998B - \$112,094.89**

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Susan Rinaldo, Cash Manager advised under date of November 26, 2007 that there was available on November 30, 2007 the following amounts in the Debt Service Fund Water Works System Revenue Refunding Bonds, Series 1998B:

Interest Account \$47,511.56
Principal Account \$64,583.33

and has recommended that the Manufacturers & Traders Trust Company, as Fiscal Agent, be authorized to invest from the Interest Account, in the amount of \$47,511.56 to mature in time for the April 15, 2008 Interest Payment at the highest yield to maturity to 1998B Bondholders and invest from the Principal Account in the amount of \$64,583.33 to mature in time for the October 15, 2008 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 \$47,511.56 to mature in time for the April 15, 2008 Interest Payment at the highest yield to maturity to 1998B Bondholders and invest from the Principal Account in the amount of \$64,583.33 to mature in time for the October 15, 2008 Principal Payment at the highest yield to maturity to 1998B, 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, Vacco and Warthling
Noes: None

**ITEM 10 - RATIFICATION OF THE INVESTMENT OF FUNDS FROM THE
MANUFACTURERS & TRADERS TRUST COMPANY, DEBT SERVICE
FUND WATER WORKS SYSTEM REVENUE REFUNDING BONDS, SERIES
2003F - \$92,860.49**

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Susan Rinaldo, Cash Manager advised under date of November 26, 2007 that there was available on November 30, 2007 the following amounts in the Debt Service Fund Water Works System Revenue Refunding Bonds, Series 2003F:

Interest Account	\$40,777.16
Principal Account	\$52,083.33

and has recommended that the Manufacturers & Traders Trust Company, as Fiscal Agent, be authorized to invest from the Interest Account, in the amount of \$40,777.16 to mature in time for the January 15, 2008 Interest Payment at the highest yield to maturity to 2003F Bondholders and to invest from the Principal Account in the amount of \$52,083.33 to mature in time for the July 15, 2008 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 \$40,777.16 to mature in time for the January 15, 2008 Interest Payment at the highest yield to maturity to 2003F Bondholders and to invest from the Principal Account in the amount of \$52,083.33 to mature in time for the July 15, 2008 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, Vacco and Warthling
Noes: None

**ITEM 11 - APPROVAL OF CHANGE ORDER NO. 1 OF KANDEY COMPANY INC.
FOR CONTRACT NO. CH-002, LARGE VALVE REPLACEMENTS, TOWNS
OF CHEEKTOWAGA AND WEST SENECA AND CITY OF
LACKAWANNA, PROJECT NO. 200600163, CONTRACT NO. 07-17-04 -
\$33,437.07**

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Heretofore and on the 22nd day of March, 2007, the Erie County Water Authority (the "Authority") entered into a contract with Kandey Company, Inc. for Contract No. CH-002, Large Valve Replacements, Towns of Cheektowaga and West Seneca and City of Lackawanna, identified as Contract No. 07-14-04; and

WHEREAS, Said contractor has submitted Change Order No. 1 in the sum of \$33,437.07 to provide for the following changes:

1. Extra work associated with the installation of an additional 110 LF of 24-inch ductile iron pipe on Ridge Road at Slade Avenue during the installation of the scheduled 24-inch butterfly valve.
2. Additional work associated with the scheduled installation of the 24-inch butterfly valve on Cayuga Creek Road; and

WHEREAS, The reasons for the above changes are as follows:

1. Additional piping was installed adjacent to the newly installed 24-inch butterfly valve due to the existing condition being different than what was originally anticipated.
2. Due to unusually high water demands, work could not be performed at the time that was originally scheduled. The Contractor was required to backfill the excavation, demobilize, and then remobilize at a later date; and

WHEREAS, Clough Harbour & Associates LLP, Consulting Engineers, 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 Kandey Company, Inc. in the amount of \$33,437.07 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, Vacco and Warthling

Noes: None

ITEM 12 - APPROVAL OF CHANGE ORDER NO. 1 OF OCCHINO CORP. FOR CONTRACT NO. WE-3B, 2007 RENOVATION AND IMPROVEMENT PROJECTS, SERVICE CENTER, LEYDECKER ROAD PUMP STATION, STURGEON POINT TREATMENT PLAN, PROJECT NO. 200700126, CONTRACT NO. 07-38-08 – \$7,236.04

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Heretofore and on the 24th day of August, 2007, the Erie County Water Authority (the "Authority") entered into a contract with Occhino Corp. for Contract No. WE-3B, 2007 Renovation and Improvement Projects, Service Center, Leydecker Road Pump Station, Sturgeon Point Treatment Plan, identified as Contract No. 07-38-08; and

WHEREAS, Said contractor has submitted Change Order No. 1 in the sum of \$7,236.04 to provide for the following changes:

1. Additional work associated with excavation and backfilling for underground electrical service and exploratory test pit at the Leydecker Road Pump Station.
2. Additional work associated with repairs to existing catch basin at the Leydecker Road Pump Station.
3. Additional work associated with replacement of an existing catch basin; parging of interior walls of an existing catch basin; resetting an existing manhole frame and grate to grade; and resetting of two cleanouts at the Union Road Service Center; and

WHEREAS, The reasons for the above changes are as follows:

1. The installation of the electrical service was not a part of the original scope of work and it was advantageous for the Authority to have the work performed by the Contractor during the site work.
2. An existing storm drain problem was repaired during the site work by the Contractor that was not part of the original Contract.

3. The various items were discovered during the course of the site work necessitating repairs by the Contractor; and

WHEREAS, Watts Architecture & Engineering, P.C., Consulting Engineers, 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 Occhino Corp. in the amount of \$7,236.04 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, Vacco and Warthling
Noes: None

**ITEM 13 -AUTHORIZATION TO AMEND THE ERIE COUNTY WATER
AUTHORITY'S ANNUAL CAPITAL BUDGET FOR FISCAL YEAR 2007**

Motion by Mr. Swiatek seconded by Mr. Warthling

WHEREAS, In a resolution dated November 20, 2006 the Erie County Water Authority (the "Authority") adopted its Annual Budget for the fiscal year 2007; and

WHEREAS, From time to time, due to changes in spending priorities, availability of funds, or changes in other circumstances the Authority finds it proper to amend its Budget to reflect such changes; and

WHEREAS, The Authority has been advised by Richard Rosenberry, Senior Distribution Engineer, that construction estimates for Contracts NC-31, CH-3, T-21-A, EI-1 and CH-2, along with the Virginia Street Betterment project, have all exceeded budgeted amounts; and

WHEREAS, In order to fund the exceeded amounts for construction work on Contracts NC-31, CH-3, T-21-A, EI-1, CH-2 and the Virginia Street Betterment project, it will be necessary to transfer \$189,000 from Capital Budget Item 100609 entitled "Contract DA-5B", which ran below estimate, as follows:

<u>Unit No</u>	<u>Capital No:</u>	<u>Description</u>	<u>Increase</u>	<u>Decrease</u>
2510	100606	Contract NC-31	\$25,000	
2590	100596	Contract CH-3	\$20,000	
2590	100597	Contract EI-1	\$16,000	
2590	100598	Contract T-21-A	\$35,000	
2590	100608	Virginia Street Betterment	\$10,000	
2595	100519	Contract CH-2	\$83,000	
2590	100609	Contract DA-5B		\$189,000
Totals			\$189,000	\$189,000

WHEREAS, Robert A. Mendez, Executive Director, Robert J. Lichtenthal Jr., Deputy Director, and Wesley Dust, Executive Engineer, recommend approval of said amendment;

NOW, THEREFORE, BE IT RESOLVED:

That the Authority's Annual Budget for the fiscal year 2007 be amended by transferring \$189,000 from unused, and not expected to be used, funds from Capital Budget Item 100609 entitled "Contract DA-5B", to various items in the capital budget for 2007, as listed above.

Ayes: Two; Commrs. Swiatek and Warthling

Noes: None

Commissioner Vacco abstained.

ITEM 14 - AUTHORIZATION TO ADOPT THE 2008 OPERATING AND MAINTENANCE BUDGET

Motion by Mr. Warthling seconded by Mr. Swiatek

WHEREAS, The Annual Operating and Maintenance Budget for the fiscal year 2008 has been presented and fully reviewed by Wesley C. Dust, Executive Engineer; Robert J. Lichtenthal, Jr., Deputy Director; Matthew J. Baudo, Secretary to the Authority; James M. Byron, Budget Director; Steven V. D'Amico, Budget and Financial Analyst and Robert A. Mendez, Executive Director, who recommend its adoption;

NOW, THEREFORE, BE IT RESOLVED:

That the Annual Operating and Maintenance Budget for the fiscal year 2008 be adopted as presented; and be it further

RESOLVED: That said Annual Operating and Maintenance Budget and a certified copy of this resolution be filed with (a) Manufacturers and Traders Trust Company as Fiscal Agent for the 1990 A&B Bond Series and the 1993A&B Weekly Adjustable/Fixed Rate Water Works System Revenue Bonds, issued under the Water Works System Revenue Bond Resolution and the 1992, 1998A&B and 2007 Bonds, issued under the Fourth General Water Revenue Bond Resolution and (b) HSBC Bank USA, as Trustee for the Improvement and Extension Revenue Bonds issued under the General Improvement and Extension Bond resolution and (c) the New York State Environmental Facilities Corporation for the Series 1998A&B Bonds and Series 2003F Bonds pursuant to the Project Financing Loan Agreements; and be it further

RESOLVED: That the Comptroller is authorized to advance monies for the Extension and Improvement Fund for the Capital Program described in said Annual Budget.

Ayes: Two; Commrs. Swiatek and Warthling

Noes: None

Commissioner Vacco abstained.

ITEM 15 - AUTHORIZATION TO ADOPT THE 2008 ANNUAL CAPITAL BUDGET

Motion by Mr. Warthling seconded by Mr. Swiatek

WHEREAS, The Annual Capital Budget for the fiscal year 2008 has been presented and fully reviewed by Wesley C. Dust, Executive Engineer; Robert J. Lichtenthal, Jr., Deputy Director; Matthew J. Baudo, Secretary to the Authority; James M. Byron, Budget Director; Steven V. D'Amico, Budget and Financial Analyst and Robert A. Mendez, Executive Director, who recommend its adoption;

NOW, THEREFORE, BE IT RESOLVED:

That the Annual Capital Budget for the fiscal year 2008 be adopted as presented; and be it further

RESOLVED: That said Annual Capital Budget and a certified copy of this resolution be filed with (a) Manufacturers and Traders Trust Company as Fiscal Agent for the 1990 A&B Bond Series and the 1993A&B Weekly Adjustable/Fixed Rate Water Works System Revenue Bonds, issued under the Water Works System Revenue Bond Resolution and the 1992, 1998A&B and 2007 Bonds, issued under the Fourth General Water Revenue Bond Resolution and (b) HSBC Bank USA, as Trustee for the Improvement and Extension Revenue Bonds issued under the General Improvement and Extension Bond resolution and (c) the New York State Environmental Facilities Corporation for the Series 1998A&B Bonds and Series 2003F Bonds pursuant to the Project Financing Loan Agreements; and be it further

RESOLVED: That the Comptroller is authorized to advance monies for the Extension and Improvement Fund for the Capital Budget described in said Annual Capital Budget in contemplation of replenishment of the fund through subsequent sale of bonds or other permissible funding instruments.

Ayes: Two; Commrs. Swiatek and Warthling
Noes: None

Commissioner Vacco abstained.

**ITEM 16 - FISCAL YEAR 2008 INSURANCE-PROTECTION PROGRAM AND
AUTHORIZATION TO PAY INSURANCE INVOICES**

Motion by Mr. Warthling seconded by Mr. Swiatek

WHEREAS, The Erie County Water Authority ("Authority") is required by bond covenant to maintain insurance for its properties and protection from loss, damage, liability, etc., from such causes that are customarily insured against; and

WHEREAS, The Authority's Board of Commissioners authorized the issuance of a Request for Proposals ("RFP") in connection with the procurement of Insurance-Protection Program Services on September 26, 2007; 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, It is in the best interest of the Authority to maintain insurance coverage including, but not limited to, the following:

WORKERS' COMPENSATION (Amherst Insurance Co./Lawley Insurance Co.);

COMMERCIAL PROPERTY (Liberty Mutual Insurance Co.);

BOILER & MACHINERY (Liberty Mutual Insurance Co.);

COMMERCIAL AUTO (Amherst Insurance Co./Lawley Insurance Co.);

INLAND MARINE (Liberty Mutual Insurance Co.);

GENERAL LIABILITY - covering all operations of the ECWA (Amherst Insurance Co./Lawley Insurance Co.);

PROFESSIONAL LIABILITY (Amherst Insurance Co./Lawley Insurance Co.);

LEAD LAYER UMBRELLA COVERAGE (\$10,000,000) (Amherst Insurance Co./Lawley Insurance Co.);

EXCESS UMBRELLA COVERAGE (\$25,000,000 EXCESS OVER \$10,000,000) (Amherst Insurance Co./Lawley Insurance Co.);

EXCESS UMBRELLA COVERAGE (\$5,000,000 EXCESS OVER \$35,000,000) (Amherst Insurance Co./Lawley Insurance Co.);

PUBLIC OFFICIALS LIABILITY (The Vanner Group, Inc.);

VARIOUS OWNER'S PROTECTIVE LIABILITY (Amherst Insurance Co./Lawley Insurance Co.);

GROUP TRAVEL ACCIDENT (The Vanner Group, Inc.);

VARIOUS STREET OPENING BONDS (The Vanner Group, Inc.); and

CRIME - COVERAGE FOR FORGERY, THEFT, DISHONESTY, ALTERATION, ETC. (Amherst Insurance Co./Lawley Insurance Co.);

NOW, THEREFORE, BE IT RESOLVED:

That the coverage recommendations for the types of insurance set forth in the body of this resolution be approved and that staff is authorized to bind coverage as identified in this resolution, and be it further

RESOLVED: That the Chairman be and he hereby is authorized to execute any and all applications, agreements, forms, etc., to effectuate coverage; and be it further

RESOLVED: That upon receipt, invoices from Amherst Insurance Company/Lawley Insurance Company, Liberty Mutual Insurance Company and the Vanner Group, Inc., for subject coverages, be referred to the Comptroller's Office for verification, and if found to be in order, that said invoices be approved and the Treasurer, or in his absence, the Assistant Treasurer, be and he hereby is authorized to pay the same; and be it further

RESOLVED: That the Board of Commissioners, with the adoption of this resolution, deems that the restricted period as prescribed in the New York State Finance Law §§ 139-j and 139-k and the Authority's Purchasing Guidelines, Policies and Procedures, is now concluded.

Ayes: Two; Commrs. Swiatek and Warthling

Noes: None

Commissioner Vacco abstained. Mrs. Vacco noted for the record that she requested this item be put off for two weeks so she could review the documents, and in light of not being able to do that she does not feel comfortable enough going forth with all things being equal on the workers' compensation package. Mrs. Vacco noted that the other Commissioners have been looking at this for several weeks and the rationale behind going with the lowest responsible bidder. She is not in full agreement without having the opportunity to review the RFP.

**ITEM 17 - AUTHORIZATION TO AMEND THE ERIE COUNTY WATER
AUTHORITY'S TARIFF**

Motion by Mr. Warthling seconded by Mr. Swiatek

WHEREAS, The Erie County Water Authority ("the Authority") is a non-profit public benefit corporation and is required by its Charter and Tariff to set rates that cover its costs and insure that no one type of service is subsidized by another; and

WHEREAS, The Act creating the Authority and the General Bond Resolutions establishing issuance of all Authority bonds mandate: that the Authority maintain rates and fees sufficient to operate and maintain the waterworks system; to pay the principal and interest on its Revenue Bonds as they become due and payable; and to maintain reserves for capital improvements as well as for all obligations and indebtedness of the Authority; and

WHEREAS, The Authority's Senior Staff has the responsibility to review, analyze and make recommendations relative to charges and procedures contained in the Authority's Tariff; and

WHEREAS, Various department heads have conducted this review and have recommended amendments to the Authority's Tariff; and

WHEREAS, Robert J. Lichtenthal, Jr., Deputy Director, Steven V. D'Amico, Budget and Financial Analyst, Wesley C. Dust, Executive Engineer and Robert A. Mendez, Executive Director have reviewed the above recommendations and changes and concur with them; and

WHEREAS, Mark J. Fuzak, Attorney has also reviewed all these recommendations and changes and concurs with them; and

WHEREAS, After considering all the above recommendations, the Authority has determined that for the best interest of the public to maintain its quality water supply that the Tariff should be amended as set forth in the attached Schedule "A";

NOW, THEREFORE, BE IT RESOLVED:

That the Authority's Tariff, as previously amended, is hereby revised and amended in accordance with Schedule "A" attached hereto and made part hereof, to become effective at 12:01 a.m. January 1, 2008; and be it further

RESOLVED: That the Secretary to the Authority or in his absence the Assistant Secretary is hereby authorized and directed to file in the office of the Clerk of the County of Erie a duly certified copy of this resolution along with a copy of the revised pages to the Tariff and to publish a copy of this resolution authorizing the abovementioned changes in the Buffalo News and the Buffalo Law Journal pursuant to Section 1054, Subdivision 10, of the Public Authorities Law; and be it further

RESOLVED: That the Secretary or in his absence the Assistant Secretary, is further directed to forward a copy of this resolution along with a copy of the revised pages of the Tariff to the Town, Village or City Clerks of each of the towns, villages or cities receiving water from the Authority and that the Secretary or in his absence the Assistant Secretary is further directed to furnish a duly certified copy of this resolution along with a copy of the revised pages of the Tariff to all Fiscal Agents named in the Authority's Bond Resolutions.

Ayes: Two; Commrs. Swiatek and Warthling
Noes: None

Commissioner Vacco abstained.

SCHEDULE "A"
AMENDMENTS TO THE ERIE COUNTY WATER AUTHORITY'S TARIFF
TO BECOME EFFECTIVE AT 12:01 A.M. JANUARY 1, 2008

UNDERLINED PORTIONS INDICATE NEW MATERIAL
PORTIONS IN BRACKETS [] INDICATE DELETIONS

13.00 CLASSIFICATION RATES
AND CHARGES

SERVICE CLASSIFICATION NO. 1

13.01 The following classification of services rendered, facilities furnished hereunder and rates and charges therefore are hereby established.

RATE:

Meters read and billed quarterly: (To Nearest Thousand Gallons)

First	300,000	gallons	per	quarter	at	[\$ 2.81]	<u>2.86</u>	per	1000	gallons
Next	1,950,000	"	"	"	"	[2.50]	<u>2.54</u>	"	"	"
Next	5,250,000	"	"	"	"	[2.29]	<u>2.33</u>	"	"	"
Over	7,500,000	"	"	"	"	[2.01]	<u>2.05</u>	"	"	"

Meters read and billed monthly: (To Nearest Thousand Gallons)

First	100,000	gallons	per	month	at	[\$ 2.81]	<u>2.86</u>	per	1000	gallons
Next	650,000	"	"	"	"	[2.50]	<u>2.54</u>	"	"	"
Next	1,750,000	"	"	"	"	[2.29]	<u>2.33</u>	"	"	"
Over	2,500,000	"	"	"	"	[2.01]	<u>2.05</u>	"	"	"

SIZE OF METER	QUARTERLY MINIMUM CHARGE	ALLOWANCE PER QUARTER GALLONS	MONTHLY MINIMUM CHARGE
5/8 inch	\$ [25.29] <u>25.74</u>	9,000	\$ [8.43] <u>8.58</u>
3/4 inch	[33.72] <u>34.32</u>	12,000	[11.24] <u>11.44</u>
1 inch	[59.01] <u>60.06</u>	21,000	[19.67] <u>20.02</u>
1-1/4 inch	[75.87] <u>77.22</u>	27,000	[25.29] <u>25.74</u>
1-1/2 inch	[109.59] <u>111.54</u>	39,000	[36.53] <u>37.18</u>
2 inch	[177.03] <u>180.18</u>	63,000	[59.01] <u>60.06</u>
3 inch	[337.20] <u>343.20</u>	120,000	[112.40] <u>114.40</u>
4 inch	[556.38] <u>566.28</u>	198,000	[185.46] <u>188.76</u>
6 inch	[1,068.00] <u>1,086.60</u>	390,000	[356.00] <u>362.20</u>
8 inch	[1,668.00] <u>1,696.20</u>	630,000	[556.00] <u>565.40</u>
10 inch	[2,343.00] <u>2,382.00</u>	900,000	[781.00] <u>794.00</u>
12 inch	[3,168.00] <u>3,220.20</u>	1,230,000	[1,056.00] <u>1,073.40</u>
20 inch	[7,023.30] <u>7,139.10</u>	2,820,000	[2,341.10] <u>2,379.70</u>
24 inch	[9,359.00] <u>9,515.70</u>	3,840,000	[3,119.70] <u>3,171.90</u>

ITEM 18 - PURCHASE ORDERS:

Motion by Mrs. Vacco seconded by Mr. Warthling and carried to approve for payment of Purchase Order Nos. as listed on the attached sheets pages 17-31 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 Mrs. Vacco seconded by Mr. Warthling and carried to approve for payment of Purchase Order Amendments as listed on the attached sheet page 32 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 Mrs. Vacco seconded by Mr. Warthling and carried to approve Service Connection Work Order Nos. 07-47 and 07-48, 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, December 13, 2007 at 4:00 p.m.

Matthew J. Baudo
Secretary to the Authority

PF