

MINUTES of the **MEETING** of the **ERIE COUNTY WATER AUTHORITY** held in the office, 350 Ellicott Square Building, Buffalo, New York, on the 7th day of May, 2009.

PRESENT: **Frank E. Swiatek, Chairman**
Kelly M. Vacco, Vice Chair
Francis G. Warthling, Treasurer
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
Ronald P. Bennett, Associate Attorney
Paul H. Riester, Director of Administration
Daniel J. NeMoyer, Director of Human Resources

ATTENDEES: **Joseph Matteliano**

CALL TO ORDER

PLEDGE TO THE FLAG

I. - ROLL CALL

II. - READING OF MINUTES

Motion by Mr. Warthling seconded by Mrs. Vacco and carried to waive the reading of the Minutes of the Meeting held on Thursday, April 23, 2009.

III. - APPROVAL OF MINUTES

Motion by Mr. Warthling seconded by Mrs. Vacco and carried to approve the Minutes of the Meeting held on Thursday, April 23, 2009.

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

- A) SECRETARY/PERSONNEL**
- B) LEGAL**
- C) FISCAL**
- D) OPERATIONS**
- E) HUMAN RESOURCES**
- F) AUDIT COMMITTEE**
- G) GOVERNANCE COMMITTEE**

V. - COMMUNICATIONS AND BILLS

ITEM 1 - 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 1-13 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 2-16)**

ITEM 2 - RATIFICATION OF THE INVESTMENT OF FUNDS FROM THE MANUFACTURERS & TRADERS TRUST COMPANY, DEBT SERVICE FUND WATER WORKS SYSTEM REVENUE REFUNDING BONDS, SERIES 1998A - \$50,064.17

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Susan Rinaldo, Cash Manager advised under date of April 28, 2009 that there was available on May 1, 2009 the following amounts in the Debt Service Fund Water Works System Revenue Refunding Bonds, Series 1998A:

Principal Account	\$32,916.67
Interest Account	\$17,147.50

and has recommended that the Manufacturers & Traders Trust Company, as Fiscal Agent, be authorized to invest from the Interest Account, in the amount of \$17,147.50 to mature in time for the June 15, 2009 Interest Payment at the highest yield to maturity to 1998A Bondholders and invest from the Principal Account in the amount of \$32,916.67 to mature in time for the December 15, 2009 Principal Payment at the highest yield to maturity to 1998A 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;

5/7/09

NOW, THEREFORE, BE IT RESOLVED:

That the action of Karen A. Prendergast, Manager of Accounting Services, in authorizing the Manufacturers & Traders Trust Company to invest from the Interest Account in the amount of \$17,147.50 to mature in time for the June 15, 2009 Interest Payment at the highest yield to maturity to 1998A Bondholders and invest from the Principal Account in the amount of \$32,916.67 to mature in time for the December 15, 2009 Principal Payment at the highest yield to maturity to 1998A 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 3 - RATIFICATION OF THE INVESTMENT OF FUNDS FROM THE MANUFACTURERS & TRADERS TRUST COMPANY, DEBT SERVICE FUND WATER WORKS SYSTEM REVENUE REFUNDING BONDS, SERIES 1998B - \$111,688.64

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Susan Rinaldo, Cash Manager advised under date of April 28, 2009 that there was available on May 1, 2009 the following amounts in the Debt Service Fund Water Works System Revenue Refunding Bonds, Series 1998B:

Interest Account	\$44,605.31
Principal Account	\$67,083.33

and has recommended that the Manufacturers & Traders Trust Company, as Fiscal Agent, be authorized to invest from the Interest Account, in the amount of \$44,605.31 to mature in time for the October 15, 2009 and invest from the Principal Account in the amount of \$67,083.33 to mature in time for the October 15, 2009 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 Karen A. Prendergast, Manager of Accounting Services, in authorizing the Manufacturers & Traders Trust Company to invest from the Interest Account in the amount of 44,605.31 to mature in time for the October 15, 2009 and invest from the Principal Account in the amount of \$67,083.33 to mature in time for the October 15, 2009 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, Vacco 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 REFUNDING BONDS, SERIES 2003F - \$91,766.74

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Susan Rinaldo, Cash Manager advised under date of April 28, 2009 that there was available on May 1, 2009 the following amounts in the Debt Service Fund Water Works System Revenue Refunding Bonds, Series 2003F:

Interest Account	\$39,683.41
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 \$39,683.41 to mature in time for the July 15, 2009 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, 2009 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 Karen A. Prendergast, Manager of Accounting Services, in authorizing the Manufacturers & Traders Trust Company to invest from the Interest Account in the amount of \$39,683.41 to mature in time for the July 15, 2009 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, 2009 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 5 - RATIFICATION OF THE INVESTMENT OF FUNDS FROM THE MANUFACTURERS & TRADERS TRUST COMPANY, DEBT SERVICE FUND WATER WORKS SYSTEM REVENUE REFUNDING BONDS, SERIES 2007 - \$188,046.98

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Susan Rinaldo, Cash Manager advised under date of April 24, 2009 that there was available on May 1, 2009 the following amounts in the Debt Service Fund Water Works System Revenue Refunding Bonds, Series 2007:

Interest Account	\$135,130.31
Principal Account	\$ 52,916.67

and has recommended that the Manufacturers & Traders Trust Company, as Fiscal Agent, be authorized to invest from the Interest Account, in the amount of \$135,130.31 to mature in time for the June 1, 2009 Interest Payment at the highest yield to maturity to 2007 Bondholders and invest from the Principal Account in the amount of \$52,916.67 to mature in time for the December 1, 2009 Principal Payment at the highest yield to maturity to 2007 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 Karen A. Prendergast, Manager of Accounting Services, in authorizing the Manufacturers & Traders Trust Company to invest from the Interest Account in the amount

of \$135,130.31 to mature in time for the June 1, 2009 Interest Payment at the highest yield to maturity to 2007 Bondholders and invest from the Principal Account in the amount of \$52,916.67 to mature in time for the December 1, 2009 Principal Payment at the highest yield to maturity to 2007 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 REFUNDING BONDS, SERIES 2008 - \$493,750.00

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Susan Rinaldo, Cash Manager advised under date of April 24, 2009 that there was available on April 24, 2009 the following amounts in the Debt Service Fund Water Works System Revenue Refunding Bonds, Series 2008:

Interest Account	\$180,833.33
Principal Account	\$312,916.67

and has recommended that the Manufacturers & Traders Trust Company, as Fiscal Agent, be authorized to invest from the Interest Account, in the amount of \$180,833.33 to mature in time for the June 1, 2009 Interest Payment at the highest yield to maturity to 2008 Bondholders and invest from the Principal Account in the amount of \$312,916.67 to mature in time for the December 1, 2009 Principal Payment at the highest yield to maturity to 2008 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 Karen A. Prendergast, Manager of Accounting Services, in authorizing the Manufacturers & Traders Trust Company to invest from the Interest Account in the amount of \$180,833.33 to mature in time for the June 1, 2009 Interest Payment at the highest yield to maturity to 2008 Bondholders and invest from the Principal Account in the amount of

\$312,916.67 to mature in time for the December 1, 2009 Principal Payment at the highest yield to maturity to 2008 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 7 - AUTHORIZATION TO AUCTION FOURTEEN (14) ERIE COUNTY WATER AUTHORITY VEHICLES AT VARIOUS PUBLIC AUCTIONS

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, The Erie County Water Authority ("Authority") desires to auction off fourteen (14) Authority vehicles (see attached list) at various public auctions; and

WHEREAS, Heretofore and on the 26th day of September, 2007 the Authority entered into a Professional Contracting Service Agreement with Roy Teitsworth, Inc. for auctioneer services in connection with the Authority's Vehicular Auction for the years 2007, 2008 and 2009; and

WHEREAS, Wesley C. Dust, Executive Engineer, Paul H. Riester, Director of Administration and Robert A. Mendez, Executive Director recommend disposing of the fourteen (14) Authority vehicles as noted on the attached list in accordance with the Professional Contracting Service Agreement with Roy Teitsworth, Inc.

NOW, THEREFORE, BE IT RESOLVED:

That the Authority is hereby authorized to auction off fourteen (14) Authority vehicles as noted on the attached list in accordance with the Professional Contracting Service Agreement with Roy Teitsworth, Inc.

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

ITEM 8 - AUTHORIZATION TO EXTEND CONTRACT FOR A PERIOD OF ONE YEAR WITH NEPTUNE TECHNOLOGY GROUP, INC. FOR THE FURNISHING AND DELIVERING OF WATER METERS, PROJECT NO.

200700422, CONTRACT NO. 07-39-09

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Heretofore and on the 7th day of September, 2007, the Erie County Water Authority (Authority) entered into a contract with Neptune Technology Group, Inc. (Neptune) for the furnishing and delivering of water meters from August 1, 2007 to July 31, 2009, identified as Contract No. 07-39-09; and

WHEREAS, Article 3, Section 3.02 of the contract states "If the Erie County Water Authority and Contractor mutually agree to continue this Contract after the 31st day of July 2009, it shall be extended for the term of one year under the same terms and conditions; and

WHEREAS, Neptune submitted a letter dated April 9, 2009 requesting the contract be extended for a period of one year under the same terms and conditions of existing contract; and

WHEREAS, Edward J. Kuwik, Sr. Distribution Engineer and Wesley C. Dust, P.E., Executive Engineer recommend extending the above noted contract for a period of one year; and

WHEREAS, Robert A. Mendez, Executive Director concurs with said recommendation;

NOW, THEREFORE, BE IT RESOLVED:

That the Authority extends the contract with Neptune Technology Group, Inc. for the furnishing and delivering of water meters, identified as Contract No. 07-39-09 for a period one year.

Ayes: Three; Commrs. Swiatek, Vacco and Warthling

Noes: None

ITEM 9 - AUTHORIZATION TO EXECUTE APPLICATION FOR ELECTRICAL SERVICE – FORM "C" WITH NIAGARA MOHAWK POWER CORPORATION IN CONNECTION WITH CONTRACT NO. NC-30, STURGEON POINT WATER TREATMENT PLANT ELECTRICAL SUBSTATION PROJECT, PROJECT NO. 200600113

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Heretofore and on the 25th day of May, 2006, the Erie County Water Authority ("Authority") entered into an agreement with Nussbaumer & Clarke, Inc. (Nussbaumer), Consulting Engineers to render professional engineering services for Contract No. NC-30, design and construction of the high voltage electrical substation at the Authority's Sturgeon Point Water Treatment Plant (Sturgeon Point); and

5/7/09

WHEREAS, Due to the modifications required at Sturgeon Point, Nussbaumer advised Niagara Mohawk Power Corporation (Niagara Mohawk) of the project; and

WHEREAS, Niagara Mohawk advised Nussbaumer and the Authority that Niagara Mohawk will deliver 5904 kilowatts of demand and associated energy in accordance with Electric Service P.S.C. Tariff No. 207; and

WHEREAS, Niagara Mohawk submitted an Application for Electric Service – Form “C” to be executed by the Authority accepting the above terms; and

WHEREAS, Nussbaumer, Wesley C. Dust, P.E., Executive Engineer and Robert A. Mendez, Executive Director recommend executing the application;

NOW, THEREFORE, BE IT RESOLVED:

That the Chairman be and he hereby is authorized to execute the Application for Electric Service – Form “C” submitted by Niagara Mohawk.

Ayes: Three; Commrs. Swiatek, Vacco and Warthling

Noes: None

**ITEM 10 - AUTHORIZATION TO REJECT THE BIDS RECEIVED FOR THE
FURNISHING AND DELIVERING OF BOOSTER PUMPS FOR THE ERIE
COUNTY WATER AUTHORITY, PROJECT NO. 200900010**

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, The Erie County Water Authority (Authority) heretofore advertised in the Dodge Reports and Front Page on the 11th day of February 2009, and in Business First on the 13th day of February 2009, a notice inviting sealed bids or proposals in accordance with Section 1069 of the Public Authorities Law for the furnishing and delivering of Booster Pumps for the Erie County Water Authority; and

WHEREAS, Sealed bids or proposals were opened in the office of the Authority on the 3rd day of March, 2009, at 11:30 a.m., local time, and were as follows:

BIDDERS	AMOUNT
Gehring Pumps, Inc.	\$20,135.00
Pioneer Pump Systems, Inc.	29,374.00
Fluid Kinetics, Inc.	31,288.00; and

WHEREAS, The cashier's checks have all been approved by Anthony Alessi, Claims Representative/Risk Manager; and

WHEREAS, Robert A. Niederpruem, Sr. Production Engineer advised that the apparent low and second lowest bidder's equipment would require substantial modifications to the existing pump bases, the suction and discharge piping and electrical; and

WHEREAS, Paragraph No. 5 of the Instruction to Bidders Section of the proposal states that the Authority, in the best interests of the public, reserves the right to reject any and all bids, to accept either in whole or in part any one bid or combination of bids as may be provided in the bid specifications, and to waive any informalities in bids; and

WHEREAS, The Authority does not obligate itself to accept the lowest or any other proposal and reserves the right to rebid; and

WHEREAS, Robert A. Niederpruem, Sr. Production Engineer and Wesley C. Dust, P.E., Executive Engineer recommend that the bids be rejected due to the above information; and

WHEREAS, Robert A. Mendez, Executive Director concurs with said recommendation;

NOW, THEREFORE, BE IT RESOLVED:

That the Authority reject the bids received on March 3, 2009 for furnishing and delivering of Booster Pumps for the Erie County Water Authority; and be it further

RESOLVED: That the Secretary be and he hereby is authorized to return to the bidders their deposit submitted with their bid to the Authority for the abovementioned project.

Ayes: Three; Commrs. Swiatek, Vacco and Warthling

Noes: None

ITEM 11 - RATIFICATION OF THE INSTALLATION OF HYDRANTS AND VALVES AND RETIREMENT OF EXISTING HYDRANTS AND VALVES - VARIOUS LOCATIONS

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, The Engineering Department of the Erie County Water Authority ("Authority") advised that hydrants and valves were installed as part of the Authority's program to keep pace with improvements in fire fighting technology, as follows:

Replace existing hydrant at 8 Eltham Drive, Town of Amherst with a new Clow hydrant on 10/15/08. Work done by ECWA forces under Work Authorization No. 107.200 5826.

Old Darling hydrant originally installed in 1987 was scrapped and retired under Retirement Authorization No. R80055; and

WHEREAS, Wesley C. Dust, P.E., Executive Engineer and Robert A. Mendez, Executive Director ratify said installations and work;

NOW, THEREFORE, BE IT RESOLVED:

That the Authority approve the retirement of the abovementioned hydrants and valves at the abovementioned locations; and be it further

RESOLVED: That the installation of the new hydrants and valves in the abovementioned locations, as part of the Authority's continuing program to improve its facilities is hereby approved, ratified and confirmed.

Ayes: Three; Commrs. Swiatek, Vacco and Warthling

Noes: None

ITEM 12 - STEPHEN PALUCH - LEAVE OF ABSENCE

Motion by Mr. Warthling seconded by Mrs. Vacco and carried to grant Stephen Paluch a leave of absence from his permanent position of Crew Chief during his provisional appointment

as General Crew Chief.

Ayes: Three; Commrs. Swiatek, Vacco and Warthling

Noes: None

ITEM 13 - DANIEL RUSIN - LEAVE OF ABSENCE

Motion by Mr. Warthling seconded by Mrs. Vacco and carried to grant Daniel Rusin a leave of absence from his permanent position of Skilled Water Utility Worker during his probationary period as Dispatcher.

Ayes: Three; Commrs. Swiatek, Vacco and Warthling

Noes: None

ITEM 14 - PURCHASE ORDERS:

Motion by Mr. Warthling seconded by Mrs. Vacco and carried to approve for payment of Purchase Order Nos. as listed on the attached sheets pages 14-19 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 15 - PURCHASE ORDER AMENDMENTS:

Motion by Mr. Warthling seconded by Mrs. Vacco and carried to approve for payment of Purchase Order Amendments as listed on the attached sheet page 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 16 - SERVICE CONNECTION WORK ORDER LIST:

Motion by Mr. Warthling seconded by Mrs. Vacco and carried to approve Service Connection Work Order Nos. 2009-17 and 2009-18, to Nichols Long & Moore Construction Corp. for Service Area No. 1 under Contract No. 09-07-01 and to Russo Development, Inc. for Service Area No. 2 under Contract No. 09-08-01 and large services under Contract No. 09-06-01 to

Kandey Company, Inc.

VIII. - ADJOURNMENT

Meeting adjourned until the next regular meeting to be held on Thursday, May 21, 2009.

Matthew J. Baudo
Secretary to the Authority

SZ