

MINUTES of the **MEETING** of the **ERIE COUNTY WATER AUTHORITY** held in the office, 350 Ellicott Square Building, Buffalo, New York, on the 21st 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
Mark J. Fuzak, Attorney
Ronald P. Bennett, Associate Attorney
Paul H. Riester, Director of Administration
Daniel J. NeMoyer, Director of Human Resources
Steven V. D'Amico, Budget and Financial Analyst
Anthony Alessi, Claims Rep/Risk Manager

ATTENDEES: Danielle Elliott

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, May 7, 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, May 7, 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 - 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 \$10,725.00 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.

ITEM 2 - 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 1-10 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 3-20)

**ITEM 3 - RATIFICATION OF THE INVESTMENT OF FUNDS FROM THE
MANUFACTURERS & TRADERS TRUST COMPANY, DEBT SERVICE
FUND WATER WORKS SYSTEM REVENUE REFUNDING BONDS,
SERIES 1998A - \$50,064.15**

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Susan Rinaldo, Cash Manager advised under date of May 15, 2009 that there was available on June 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 \$17,147.48

and has recommended that the Manufacturers & Traders Trust Company, as Fiscal Agent, be authorized to invest from the Interest Account, in the amount of \$8,573.74 to mature in time for the June 15, 2009 Interest Payment at the highest yield to maturity to 1998A Bondholders and invest from the Interest Account, in the amount of \$8,573.74 to mature in time for the December 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;

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 \$8,573.74 to mature in time for the June 15, 2009 Interest Payment at the highest yield to maturity to 1998A Bondholders and invest from the Interest Account, in the amount of \$8,573.74 to mature in time for the December 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 4 - 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 May 15, 2009 that there was available on June 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 5 - 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 May 15, 2009 that there was available on June 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 6 - 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 May 15, 2009 that there was available on May 22, 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 7 - RATIFICATION OF THE INVESTMENT OF FUNDS FROM THE MANUFACTURERS & TRADERS TRUST COMPANY, DEBT SERVICE FUND WATER WORKS SYSTEM REVENUE REFUNDING BONDS, SERIES 2008 - \$493,750.02

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Susan Rinaldo, Cash Manager advised under date of May 15, 2009 that there was available on May 22, 2009 the following amounts in the Debt Service Fund Water Works System Revenue Refunding Bonds, Series 2008:

Interest Account \$180,833.35
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 \$180,833.35 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 \$180,833.35 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 8 - AWARD OF CONTRACT TO KEMIRA WATER SOLUTIONS, INC. 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, 2009 THROUGH JUNE 30, 2011, PROJECT NO. 200900037 - \$854,000

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 March, 2009, and in Business First on the 13th day of March, 2009, a notice inviting sealed bids or proposals in accordance with 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, 2009 through June 30, 2011; and

WHEREAS, Sealed bids or proposals were opened in the office of the Authority on the 31st day of March, 2009, at 11:00 a.m., local time, and were as follows:

BIDDERS	AMOUNT
Kemira Water Solutions, Inc.	\$ 854,000.00
Delta Chemical Corporation	889,000.00
Applied Specialties, Inc.	1,097,600.00 and

WHEREAS, The bid bonds have all been approved by Anthony Alessi, Claims Representative/Risk Manager; and

WHEREAS, Robert Brown, Director of Equal Employment Opportunity, has advised that the low bidder, Kemira Water Solutions, Inc. has complied with the Authority's Affirmative Action Requirements and recommends that they be allowed to proceed with their contract based on that fact; and

WHEREAS, Wesley C. Dust, P.E., Executive Engineer and Robert A. Niederpruem, Sr. Production Engineer have reviewed the specifications and bids and determined that Kemira Water Solutions, Inc. is the lowest bidder qualified to perform the project and have recommended that a contract be awarded to that firm for the abovementioned project; and

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

NOW, THEREFORE, BE IT RESOLVED:

That it is hereby determined that Kemira Water Solutions, Inc. is the lowest responsible bidder for the abovementioned project, and that the Chairman be and he hereby is authorized and directed to execute a contract with said contractor 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, 2009 through June 30, 2011 in the total amount of \$854,000.00; 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 contract, the Restricted Period will cease; and be it further

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

RESOLVED: That the Director of Administration is hereby authorized and directed to create a Master Purchase Order for the abovementioned contract.

Ayes: Three; Commrs. Swiatek, Vacco and Warthling

Noes: None

ITEM 9 - AWARD OF CONTRACT TO JEM ENTERPRISES FOR TABLET CHLORINATION SYSTEMS FOR THE ERIE COUNTY WATER AUTHORITY, PROJECT NO. 200900013 - \$23,768.00

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 25th day of March, 2009, and in Business First on the 27th day of March, 2009, a notice inviting sealed bids or proposals in accordance with Section 1069 of the Public Authorities Law for tablet chlorination systems for the Erie County Water Authority; and

WHEREAS, Sealed bids or proposals were opened in the office of the Authority on the 7th day of April, 2009, at 11:00 a.m., local time, and were as follows:

BIDDERS	AMOUNT
JEM Enterprises	\$23,768.00
Applied Specialties, Inc.	34,890.00; and

WHEREAS, The bid bond and check have all been approved by Anthony Alessi, Claims Representative/Risk Manager; and

WHEREAS, Inasmuch as said contract is under the limit of \$100,000 and complies with the Authority's Affirmative Action Policy, Robert Brown, Director of Equal Employment Opportunity, recommends that JEM Enterprises proceed with their contract; and

WHEREAS, Wesley C. Dust, P.E., Executive Engineer and Robert A. Niederpruem, Sr. Production Engineer have reviewed the specifications and bids and determined that JEM Enterprises is the lowest bidder qualified to perform the project and have recommended that a contract be awarded to that firm for the abovementioned project; and

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

NOW, THEREFORE, BE IT RESOLVED:

That it is hereby determined that JEM Enterprises is the lowest responsible bidder for the abovementioned project, and that the Chairman be and he hereby is authorized and directed to execute a contract with said contractor for the tablet chlorination systems for the Erie County Water Authority in the total amount of \$23,768.00; 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 contract, the Restricted Period will cease; and be it further

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

RESOLVED: That the Director of Administration is hereby authorized and directed to create a Master Purchase Order for the abovementioned contract.

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

ITEM 10 - AWARD OF CONTRACT TO FRANKLIN MILLER, INC. FOR THE FURNISHING AND DELIVERING OF ONE SLUDGE GRINDER TO THE ERIE COUNTY WATER AUTHORITY'S STURGEON POINT WATER TREATMENT PLANT, PROJECT NO. 200900012 - \$54,950.00

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 one sludge grinder to the Erie County Water Authority's Sturgeon Point Water Treatment Plant; and

WHEREAS, Sealed bids or proposals were opened in the office of the Authority on the 3rd day of March, 2009, at 11:15 a.m., local time, and were as follows:

BIDDERS	AMOUNT
Franklin Miller, Inc.	\$54,950.00
JWC Environmental	72,014.00; and

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

WHEREAS, Inasmuch as said contract is under the limit of \$100,000 and complies with the Authority's Affirmative Action Policy, Robert Brown, Director of Equal Employment Opportunity, recommends that Franklin Miller, Inc. proceed with their contract; and

WHEREAS, Wesley C. Dust, P.E., Executive Engineer and Robert A. Niederpruem, Sr. Production Engineer have reviewed the specifications and bids and determined that Franklin Miller, Inc. is the lowest bidder qualified to perform the project and have recommended that a contract be awarded to that firm for the abovementioned project; and

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

NOW, THEREFORE, BE IT RESOLVED:

That it is hereby determined that Franklin Miller, Inc. is the lowest responsible bidder for the abovementioned project, and that the Chairman be and he hereby is authorized and directed to execute a contract with said contractor for the furnishing and delivering of one sludge grinder to the Erie County Water Authority's Sturgeon Point Water Treatment Plant in the total amount of \$54,950.00; 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 contract, the Restricted Period will cease; and be it further

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

RESOLVED: That the Director of Administration is hereby authorized and directed to create a Master Purchase Order for the abovementioned contract.

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

**ITEM 11 - AUTHORIZATION TO ADVERTISE FOR BIDS FOR EMERGENCY
WATERMAIN REPAIR CONTRACT AUGUST 1, 2009 THROUGH JULY 31,
2011, PROJECT NO. 200900114**

Motion by Mr. Warthling seconded by Mrs. Vacco

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 Emergency Watermain Repair Contract from August 1, 2009 through July 31, 2011; and

WHEREAS, The work, labor and services for the abovementioned project is estimated to cost an amount in excess of \$5,000.00; and

WHEREAS, The Advertisement for Bids for Emergency Watermain Repair Contract from August 1, 2009 through July 31, 2011 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, James Ehrin, Distribution 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 Emergency Watermain Repair Contract from August 1, 2009 through July 31, 2011 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, Vacco and Warthling
Noes: None

ITEM 12 - AUTHORIZATION TO REFUND SERVICE CONNECTION FEE TO MARRANO/MARC-EQUITY CORPORATION - \$9,500.00

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, On the 17th day of April, 2008, Marrano/Marc-Equity Corporation applied for a ten-inch service to Pleasantview Drive, Town of Lancaster and deposited with the Erie County Water Authority ("Authority") the sum of \$9,500; and

WHEREAS, Donna Spencer, Customer Service Representative, has advised that the Erie County Health Department would not approve the plans as submitted; and

WHEREAS, Karen A. Prendergast, Manager of Accounting Services, recommends that the Authority refund the \$9,500 deposit of Marrano/Marc-Equity Corporation; and

NOW, THEREFORE, BE IT RESOLVED:

That the Comptroller be and he hereby is authorized and directed to refund \$9,500.00 to Marrano/Marc-Equity Corporation.

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

ITEM 13 - REFUND FOR NEW SERVICE INSTALLATIONS - \$3,908.94

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, The Erie County Water Authority ("Authority") has installed new services identified on its records by OWIP numbers; and

WHEREAS, Said new services have been completed and the actual cost thereof ascertained; and

WHEREAS, The entire actual cost thereof is less than the estimated cost of the new services; and

WHEREAS, Karen A. Prendergast, Manager of Accounting Services, under the date of May 12, 2009, has recommended that the following refunds be made as set forth on attached Schedule A;

NOW, THEREFORE, BE IT RESOLVED:

That the Authority repay the difference between the estimated cost of said new services and the entire actual costs thereof to the parties and in the amounts hereinafter set forth in attached Schedule A.

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

ITEM 14 - AUTHORIZATION TO AMEND ITEM NO. 11.0 (CODE OF ETHICS) TO THE ERIE COUNTY WATER AUTHORITY'S HUMAN RESOURCES POLICIES/PROCEDURES MANUAL

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Heretofore and on the 18th day of May, 1995, by Resolution Item No. 25, the Erie County Water Authority ("Authority") adopted a Human Resources Policies/ Procedures Manual; and

WHEREAS, Heretofore and on the 27th day of December, 2005 the Authority adopted a revised Human Resources Policies/Procedures Manual; and

WHEREAS, Matthew J. Baudo, Secretary to the Authority advises that it is in the best interest of the Authority to amend Policy No. 11.0 (Code of Ethics) of said Manual to read as follows:

PURPOSE

To promote continued public confidence in the integrity of the Authority; and

To accord the members and employees of the Authority clear guidelines as to the ethical standards required of them; and

To establish and to maintain the standards and conduct expected of its members and employees.

POLICY

This policy is in addition to any and all other laws, restrictions, standards and provisions applicable to the conduct of the Authority's members and employees.

It applies to all full time or regular part time employees, hereafter called employees, as well as to the three members of the Authority appointed pursuant to Section 1053 of the Public Authority's Law to serve for a specific term, hereafter called members.

This policy shall be in compliance with the Public Authorities Accountability Act of 2005 Section 19.

MEMBERS AND EMPLOYEES OF THE AUTHORITY SHALL:

- 1) Endeavor to perform the duties of their position to the best of their ability and in a spirit of service to all persons and concerns for which the Authority was created;
- 2) Uphold the high standards of dedicated public service rendered over the years by Water Authority members and employees;
- 3) Support and encourage fellow employees in the proper execution of their duties;
- 4) When a question of conduct or regulation occurs, seek the advice of a supervisor or Counsel of the Authority.

NO MEMBER OR EMPLOYEE OF THE AUTHORITY SHALL:

- 1) Receive any compensation for or have an interest, financial or otherwise, direct or indirect, or incur any obligation that is in substantial conflict with the proper discharge of their duties with the Authority;
- 2) Engage in other employment that might impair the independence of their judgment in the execution of their duties with the Authority;
- 3) Disclose confidential information acquired in the course of official duties nor use such confidential information to further their own personal financial interests;
- 4) Directly or indirectly solicit any gift, or accept or receive any gift having a value of seventy-five dollars, or more, whether in the form of money, service, loan, travel, thing or promise, or in any other form under circumstances in which it could reasonably be inferred that the gift was intended as a reward for any official action on their part; excepting entertainment, meals or social invitations that are customary and proper under the circumstances and are wholly in keeping with good business ethics, and do not place the recipient under obligations.
- 5) Arrange for the extension of credit, or renew an extension of credit in the form of a personal loan from the Authority.

REGULATIONS:

Conflicts with the Authority's interest for an employee or member shall include, but not be limited to, the following:

- 1) Performing any water service work other than that required by the employee's position when such outside water service involves customers of the Authority and is done for personal monetary gain.
- 2) Releasing any data on competitive bids or any other information that is confidential to the Authority to anyone outside the Authority's employment.

Data on contract rates and the cost experience of the Authority, as well as other confidential information, shall not be released to anyone outside the Authority except when required by the Freedom of Information Law and except where this is deemed essential and appropriate by duly designated management representatives and does not weaken the Authority's position in negotiating agreements with contractors and others for services and materials or otherwise affect the interest of the Authority.

- 3) Serving as an officer, director, or manager with another company or business organization directly or indirectly related to the Authority without specific authorization from the Authority.
- 4) It is considered to be in conflict with the Authority's interest for an employee, member of the Authority or any immediate family member (spouse or child),
 - a) To have a financial interest, in or a manager or director relationship with, any business organization that deals with the Authority where there is an opportunity for, or the appearance of an opportunity for, preferential treatment to be given or received by such organization except where the financial interest is limited to the insubstantial (less the 5%) ownership of the securities of widely held corporations that are quoted and sold on the open market.
 - b) To lease as a contractor or supplier any equipment to the Authority.

The foregoing is not intended as necessarily all encompassing of every situation where a conflict of interest may arise. If in doubt, inquiry is to be made to the Counsel of the Authority.

PROCEDURES

1. The Authority hereby establishes the three members of the Authority to act as the Ethics Board to interpret and make recommendations in regard to any question or purported violations of this code or any statutory enacted ethics standards affecting its members, officers or employees. On an annual basis, the voting members of the Authority shall appoint a Chairperson of the Ethics Board (Ethics Officer).
2. In the event the advice of the Board is sought by a member of the Authority, that member will abstain from the decisions and recommendations made by the Board of Ethics in that particular instance.
3. The Board may appoint a three member panel to advise on any question.
4. In all matters, a member may be excused from voting in any matter where a conflict might arise.
5. At its discretion, the Ethics Board may recommend appropriate disciplinary action which may include, but is not limited to, a reprimand, suspension or termination of employment. Any such recommendation will only be final after any hearing required by Section 75 of the Civil Service Law or any applicable Collective Bargaining Agreement.
6. The Board may make and amend these rules, regulations and policies as it shall consider appropriate.
7. Each member and each employee in the Exempt Civil Service classification and those holding the following titles: Director of Administration, Chief Business Office Manager, Sr. Distribution Engineer, Sr. Production Engineer, Distribution Engineer, Production Engineer, Lab Director, Director of Drinking Water Quality, Cash Management Manager, Director of Human Resources, Administrative Assistant, Sr. Stores Clerk, Inspectors, Civil Engineer, Cashier, Coordinator of Employee Relations, Manager of Accounting Services, Manager of Audits and Administrative Engineer shall submit annually to the Board of Ethics,
 - a) A notarized statement listing any stock holdings, except where such holdings represent less than 5% ownership of a widely held corporation whose stock is quoted and sold on the open market, or other financial interest that he or she feels may constitute a conflict of interest;

- b) Alternatively, a notarized statement that he or she has no outside interest or stock holdings that might create a conflict.
 - c) This disclosure statement is to be filed with the Authority's counsel annually by May 15, and is to be retained for one year by the Authority.
 - d) New employees must file within thirty days of employment.
 - e) This disclosure will also be filed with the Erie County Board of Ethics in accordance with the Public Authorities Accountability Act of 2005 Section 19.
- 8. This code is to be distributed to each member and employee of the Authority who shall acknowledge receipt thereof in writing.
 - 9. This code is to be delivered to each new employee who shall acknowledge receipt thereof in writing; and

WHEREAS, Matthew J. Baudo, Secretary to the Authority recommends amending Policy No. 11.0 (Code of Ethics) of the Authority's Human Resources Policies/Procedures Manual; and

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

NOW, THEREFORE, BE IT RESOLVED:

That the Authority amend Policy No. 11.0 (Code of Ethics) of the Authority's Human Resources Policies/Procedures Manual as noted above.

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

ITEM 15 - AUTHORIZATION TO APPOINT KELLY M. VACCO, COMMISSIONER AS CHAIRPERSON OF THE ERIE COUNTY WATER AUTHORITY'S ETHICS BOARD

Motion by Mr. Warthling seconded by Mr. Swiatek

WHEREAS, Pursuant to the Erie County Water Authority's (Authority) Code of Ethics Policy the Authority is required to establish the three members of the Authority to act as the Ethics Board to interpret and make recommendations in regard to any question or purported violations of this code or any statutory enacted ethics standards affecting its members, officers or

employees; and

WHEREAS, The Board of Commissioners (Commissioners) is also required, on an annual basis, to appoint a Chairperson of the Ethics Board (Ethics Officer); and

WHEREAS, The Commissioners desire to appoint Kelly M. Vacco as the Chairperson of the Ethics Board;

NOW, THEREFORE, BE IT RESOLVED:

That the Authority hereby appoints Kelly M. Vacco as Chairperson of the Ethics Board pursuant to the requirements of the Code of Ethics Policy.

Ayes: Two; Commrs. Swiatek and Warthling

Noes: None

ITEM 16 - AUTHORIZATION TO AMEND ERIE COUNTY WATER AUTHORITY'S PURCHASING GUIDELINES POLICIES AND PROCEDURES MANUAL

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Heretofore and on the 29th day of April, 1999, by Resolution Item No. 26, the Erie County Water Authority ("Authority") adopted a Purchasing Guidelines Polices and Procedures Manual ("Manual"); and

WHEREAS, Heretofore and on the 5th day of July, 2005, by Resolution Item No. 20, the Authority adopted a revised Purchasing Guidelines Policies and Procedures Manual; and

WHEREAS, As a public benefit corporation, the Authority must conduct its operations in a manner that best serves the interests of its customers and the general public; and

WHEREAS, In an effort to stay current with necessary changes and revisions to purchasing guidelines, Paul H. Riester, Director of Administration recommends amending the attached Manual; and

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

NOW, THEREFORE, BE IT RESOLVED:

That the Authority amend the attached Purchasing Guidelines Policies and Procedures Manual.

Ayes: Three; Commrs. Swiatek, Vacco and Warthling

Noes: None

ITEM 17 - DAVID JUDA - LEAVE OF ABSENCE

Motion by Mr. Warthling seconded by Mrs. Vacco and carried to grant David Juda a leave of absence from his permanent position of Water Treatment Operator Trainee during his probationary period as Meter Service Worker.

Ayes: Three; Commrs. Swiatek, Vacco and Warthling

Noes: None

ITEM 18 - 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 11-16 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.

ITEM 19 - 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 17 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. Warthling seconded by Mrs. Vacco and carried to approve Service Connection Work Order Nos. 2009-19 and 2009-20, 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 Tuesday, June 2, 2009.

Matthew J. Baudo
Secretary to the Authority

SLZ