

MINUTES of the **MEETING** of the **ERIE COUNTY WATER AUTHORITY** held in the office, 350 Ellicott Square Building, Buffalo, New York, on the 15th day of October, 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
Steven V. D'Amico, Budget and Financial Analyst
Brian Bray, Public Affairs Officer

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, October 1, 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, October 1, 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 \$6,000.00 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 1-8 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 3-14)

ITEM 3 - AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH LUMSDEN & MCCORMICK, LLP TO PROVIDE PROFESSIONAL ACCOUNTING SERVICES IN CONNECTION WITH THE EXAMINATION OF THE AUTHORITY'S FINANCIAL STATEMENTS FOR THE YEARS ENDING DECEMBER 31, 2009, 2010 AND 2011 AND SUBMITTING THE AUTHORITY'S FINANCIAL STATEMENTS/ REPORTS TO THE GOVERNMENT FINANCE OFFICERS ASSOCIATION FOR CONSIDERATION OF RECEIVING THE CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, The Comptroller, the Deputy Director and Executive Director advise it is necessary to retain professional accounting services in connection with the examination of the Erie County Water Authority's ("Authority") financial statements for the years ending December 31, 2009, 2010 and 2011; and

WHEREAS, The Authority is interested in submitting its financial statements/reports to

the Government Finance Officers Association (GFOA) for consideration of receiving GFOA's Certificate of Achievement for Excellence in Financial Reporting and, with respect to this goal, the Authority seeks professional assistance in making its submission; and

WHEREAS, The Authority solicited request for proposals from qualified firms for professional accounting services in connection with the examination of the Authority's financial statements for the years ending December 31, 2009, 2010 and 2011 and for submitting its financial statements/reports to GFOA; and

WHEREAS, Based on the Authority's Audit Committee's review and recommendation Lumsden & McCormick, LLP was selected to provide its professional services for the aforementioned years; and

WHEREAS, The Authority retains the option to extend the agreement for professional accounting services for the years ending December 31, 2012 and 2013 with Lumsden & McCormick, LLP, based on terms and conditions acceptable to the Authority;

NOW, THEREFORE, BE IT RESOLVED:

That Lumsden & McCormick, LLP be retained to provide professional accounting services in connection with the examination of the Authority's financial statements for the years ending December 31, 2009, 2010 and 2011 and submission of the Authority's financial statements/reports to GFOA; and be it further

RESOLVED: That the Authority has the option to extend the agreement for professional accounting services for the years ending December 31, 2012 and 2013 with Lumsden & McCormick, LLP, based on terms and conditions acceptable to the Authority; and be it further

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

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

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

ITEM 4 - AUTHORIZATION TO EXTEND THE AGREEMENT WITH PUBLIC FINANCIAL MANAGEMENT, INC. AND PFM ASSET MANAGEMENT, LLC TO RENDER PROFESSIONAL FINANCIAL ADVISORY SERVICES, PROJECT NO. 200600606

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Heretofore and on the 7th day of December, 2006 the Erie County Water Authority ("Authority") entered into an Agreement with Public Financial Management, Inc. and PFM Asset Management, LLC (PFM) to render professional advisory services; and

WHEREAS, The Agreement will expire on November 8, 2009; and

WHEREAS, Pursuant to Paragraph 3 of the Agreement (Time of Performance) the agreement shall be completed in three (3) years with a two or three year renewal at the option of the Authority under the same terms and conditions; and

WHEREAS, Robert J. Lichtenthal, Jr., Deputy Director advises that it is in the best interest of the Authority to exercise its option to extend the contract for a three year term and recommends extending the contract; and

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

NOW, THEREFORE, BE IT RESOLVED:

That the Authority extends the Agreement with PFM to render professional advisory services for a three year period.

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

**ITEM 5 - ERIE COUNTY WATER AUTHORITY LOCAL GOVERNMENT
EFFICIENCY GRANT RESOLUTION FOR WATER DISTRICT
CONSOLIDATION WITH THE VILLAGE OF EAST AURORA AND THE
TOWN OF AURORA**

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, The Erie County Water Authority (Authority) fully supports inter-municipal initiatives to enhance services and reduce costs; and

WHEREAS, The Authority, in collaboration with the Village of East Aurora (Village) and the Town of Aurora (Town), seek grant monies in the amount of \$50,000, for the purposes of a High Priority Planning grant that will examine the potential benefits and costs to the Village, Town, and the Authority by converting to direct service; and

WHEREAS, The Authority in collaboration with the Village/Town will support a feasibility study that examines the possible efficiencies, benefits and costs of an Authority takeover of water service within the Village/Town as a direct service provider, thereby potentially eliminating all future involvement and responsibility of the Village/Town with respect to water system facilities within the Village/Town except for the payment of certain hydrant fees; and

WHEREAS, The Authority has certain water system standards that the Village/Town must comply with prior to becoming a direct service customer, and such standards may require improvements to the Village's and Town's current water system which the Village/Town must identify and determine the financial impact of; and

WHEREAS, The Village/Town will submit an application entitled the "Village of East Aurora/Town of Aurora Water System Consolidation with Erie County Water Authority Water" that will include a detailed feasibility study to determine the viability of consolidating the Village/Town water system into the Authority's County wide system as a direct service customer for benefit of the ratepayers; and

WHEREAS, The Village will serve as "Lead Agency" for purposes of securing and administering this High Priority Planning Grant; and

WHEREAS, The Authority, Village and Town will work cooperatively to share all necessary information in a timely manner to facilitate this grant application and feasibility; and

WHEREAS, The Village/Town will provide all matching funds required to complete

this project, inclusive of the required local match of 10 percent (\$5,555), and there will be no cost to the Authority,

NOW, THEREFORE, BE IT RESOLVED:

That Robert A. Mendez, Executive Director, on behalf of the Authority, is hereby authorized and directed to support an application filed by the Village/Town on the Authority's behalf to the 2009-2010 Local Government Efficiency Grant Program to obtain financial assistance for a detailed feasibility study to determine the viability of consolidating the Village/Town water system into the Authority's county wide system.

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

ITEM 6 - AUTHORIZATION TO SOLICIT REQUEST FOR PROPOSALS FOR CONSULTING SERVICES FOR TECHNICAL SUPPORT FOR THE ERIE COUNTY WATER AUTHORITY'S GEOGRAPHIC INFORMATION SYSTEM (GIS) FOR 2010 AND 2011, PROJECT NO. 201000003

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Pursuant to Article V, Title 3, Section 1053 of the Public Authorities Law, the Erie County Water Authority ("Authority") has the authority to contract for expert professional services; and

WHEREAS, Article III, Section 6 of the Authority's By-Laws grants to the Authority the right to contract for expert professional services; and

WHEREAS, The Authority deems it necessary to issue a Request for Proposal ("RFP") to qualified firms to provide consulting services for technical support for the Authority's Geographic Information System (GIS) for 2010 and 2011; and

WHEREAS, The proposals received by the Authority will be evaluated in accordance with the terms of the RFP, and a professional services contract will be negotiated and executed with the successful offerer; and

WHEREAS, The RFP for consulting services for technical support for the Authority's GIS for 2010 and 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, Richard Rosenberry, Sr. Distribution Engineer, will be the designated contact person for the RFP with the adoption of this resolution;

NOW, THEREFORE BE IT RESOLVED:

The Authority is hereby authorized to issue a RFP to qualified firms to provide consulting services for technical support for the GIS for 2010 and 2011.

Ayes: Three; Commrs. Swiatek, Vacco and Warthling

Noes: None

ITEM 7 - APPROVAL OF AMENDMENT NO. 1 OF GREEMAN-PEDERSEN, INC. TO RENDER PROFESSIONAL ENGINEERING SERVICES FOR WATER SYSTEM IMPROVEMENTS IN THE TOWNS OF AMHERST, WEST SENECA, CHEEKTOWAGA AND THE CITIES OF LACKAWANNA AND TONAWANDA, IDENTIFIED AS CONTRACT NO. GP-004, PROJECT NO. 200800091 - \$3,658.00

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Heretofore and on the 3rd day of April, 2008, the Erie County Water Authority ("Authority") entered into an agreement with Greeman-Pedersen, Inc. for engineering services for water system improvements in the Towns of Amherst, West Seneca and Cheektowaga and the Cities of Tonawanda and Lackawanna, New York, identified as Contract No. GP-004; and

WHEREAS, Said consultant has submitted Amendment No. 1 in the sum of \$3,658.00 to modify the design phase services; and

WHEREAS, The reason for said change is because the Authority desires to abandon approximately 1,000 lf of 6-inch watermain and to transfer all services and connections to an existing 16-inch watermain; and

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

NOW, THEREFORE, BE IT RESOLVED:

That Amendment No. 1 of Greeman-Pedersen, Inc. in the amount of \$3,658.00 to provide for the abovementioned change be approved; and be it further

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

Ayes: Three; Commrs. Swiatek, Vacco and Warthling

Noes: None

ITEM 8 - AUTHORIZATION TO GRANT LEAK ALLOWANCE REQUEST - \$1,345.07

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Robert J. Lichtenthal, Jr., Deputy Director advised the Authority that he has received a leak allowance request from an Authority customer listed below resulting from a service line leak:

- 1) Jalak Enterprises
865 Center Road
West Seneca, NY 14224
\$1,345.07; and

WHEREAS, Robert J. Lichtenthal, Jr., Deputy Director advised that the request contains documentation showing that the leak has been repaired; and

WHEREAS, Said leak allowance request has complied with all leak allowance requirements; and

WHEREAS, As stated in Section 9.09 of the Authority's Tariff, the granting of a leak allowance shall be in the sole discretion of the Authority; and

WHEREAS, Robert J. Lichtenthal, Jr., Deputy Director recommends granting the above leak allowance request; and

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

NOW, THEREFORE, BE IT RESOLVED:

That the Authority grant the leak allowance request to the abovementioned customer; and be it further

RESOLVED: That the Comptroller is hereby authorized and directed to adjust the account of the abovementioned customer.

Ayes: Three; Commrs. Swiatek, Vacco and Warthling

Noes: None

ITEM 9 - HEATHER MANOCCHIO – MATERNITY LEAVE OF ABSENCE WITHOUT PAY

Motion by Mr. Warthling seconded by Mrs. Vacco and carried to grant Heather Manocchio, Account Clerk, a maternity leave of absence without pay covering the period from October 15, 2009 to January 4, 2010 inclusive, in accordance with the personnel rules of the Authority covering Maternity Leave.

Ayes: Three; Commrs. Swiatek, Vacco and Warthling

Noes: None

ITEM 10 - AUTHORIZATION TO AMEND THE ERIE COUNTY WATER AUTHORITY'S ANNUAL CAPITAL BUDGET FOR FISCAL YEAR 2009

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, In a resolution dated November 24, 2008 the Erie County Water Authority (the "Authority") adopted its Annual Capital Budget for the fiscal year 2009; 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 work on Contract MP-73 will be six months ahead of schedule by the end of 2009, resulting in a savings to the Authority on the overall project cost of roughly \$150,000; and

WHEREAS, Due to this contract running ahead of schedule, spending planned for 2010 will be done in 2009; and

WHEREAS, In order to fund this additional amount, it will be necessary to transfer \$5,000,000 from the Future Construction Account to Capital Budget item number 100524 Contract MP-73, in the Engineering/Construction Sturgeon Point Unit, increasing the Authority's total capital budget amount from \$25,473,096 to \$30,473,096; and

WHEREAS, Robert A. Mendez, Executive Director, Robert J. Lichtenthal Jr., Deputy Director, Wesley Dust, Executive Engineer, and Steven D'Amico, Budget/Financial Analyst recommend approval of said amendment;

NOW, THEREFORE, BE IT RESOLVED:

That the Authority's Annual Capital Budget for the fiscal year 2009 be amended by transferring \$5,000,000 from Future Construction Reserves to Capital Budget item 100524 Contract MP-73 in the Engineering/Construction Sturgeon Point Unit.

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

**ITEM 11 - AUTHORIZATION TO AMEND THE ERIE COUNTY WATER
AUTHORITY'S ANNUAL CAPITAL BUDGET FOR FISCAL YEAR 2009**

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, In a resolution dated November 24, 2008 the Erie County Water Authority (the "Authority") adopted its Annual Capital Budget for the fiscal year 2009; 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 Capital Budget item number 100524 Contract MP-73, in the Engineering/Construction Sturgeon Point Unit, is running ahead of schedule resulting in this item exceeding its budgeted amount; and

WHEREAS, In order to fund this additional amount, it will be necessary to transfer \$750,000 from unused, and not expected to be used, funds from various Capital Budget items which ran, or will run, below budgeted amounts as follows:

<u>Unit No</u>	<u>Capital No:</u>	<u>Description</u>	<u>Increase</u>	<u>Decrease</u>
2510	100524	Contract MP-73	<u>\$ 750,000</u>	
1010	100692	TOC Analyzer		20,000
1015	100693	Scrubber for Raw Water		60,000
1015	100694	Sludge Pump for Lagoons		25,000
1015	100695	TOC Analyzer		20,000
2070	100741	Service Center Paving		200,000
2510	100525	Contract NC-30		200,000
2520	100618	Contract NC-32A		150,000
2590	100722	Collins Ave. Betterment		<u>75,000</u>
Totals			\$ 750,000	\$ 750,000

WHEREAS, Robert A. Mendez, Executive Director, Robert J. Lichtenthal Jr., Deputy Director, Wesley Dust, Executive Engineer, and Steven D'Amico, Budget/Financial Analyst recommend approval of said amendment;

NOW, THEREFORE, BE IT RESOLVED:

That the Authority's Annual Capital Budget for the fiscal year 2009 be amended as listed above.

Ayes: Three; Commrs. Swiatek, Vacco and Warthling

Noes: None

ITEM 12 - 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 9-15 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.

10/15/09

ITEM 13 - 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 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 14 - SERVICE CONNECTION WORK ORDER LIST:

Motion by Mr. Warthling seconded by Mrs. Vacco and carried to approve Service Connection Work Order Nos. 2009-40 and 2009-41, 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, November 5, 2009.

Matthew J. Baudo
Secretary to the Authority

SLZ