

MINUTES of the **MEETING** of the **ERIE COUNTY WATER AUTHORITY** held in the office, 350 Ellicott Square Building, Buffalo, New York, on the 28th day of January, 2010.

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
Daniel J. NeMoyer, Director of Human Resources
Albert J. Meaney, Comptroller
Steven V. D'Amico, Budget and Financial Analyst
Karen A. Prendergast, Manager of Accounting Services
Susan L. Rinaldo, Cash Manager

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, January 14, 2010.

III. - APPROVAL OF MINUTES

Motion by Mr. Warthling seconded by Mrs. Vacco and carried to approve the Minutes of the Meeting held on Thursday, January 14, 2010.

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 \$110,000.00 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 ORDER RELEASES:

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 1-9 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 3-17)

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 - \$49,350.42

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Susan Rinaldo, Cash Manager advised under date of January 20, 2010 that there was available on February 1, 2010 the following amounts in the Debt Service Fund Water Works System Revenue Refunding Bonds, Series 1998A:

Principal Account \$33,750.00

Interest Account \$15,600.42

and has recommended that the Manufacturers & Traders Trust Company, as Fiscal Agent, be authorized to invest from the Interest Account, in the amount of \$15,600.42 to mature in time for the June 15, 2010 Interest Payment at the highest yield to maturity to 1998A Bondholders and invest from the Principal Account in the amount of \$33,750.00 to mature in time for the December 15, 2010 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 \$15,600.42 to mature in time for the June 15, 2010 Interest Payment at the highest yield to maturity to 1998A Bondholders and invest from the Principal Account in the amount of \$33,750.00 to mature in time for the December 15, 2010 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 - \$110,669.38

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Susan Rinaldo, Cash Manager advised under date of January 20, 2010 that there was available on February 1, 2010 the following amounts in the Debt Service Fund Water Works System Revenue Refunding Bonds, Series 1998B:

Interest Account \$41,502.71

Principal Account \$69,166.67

and has recommended that the Manufacturers & Traders Trust Company, as Fiscal Agent, be authorized to invest from the Interest Account, in the amount of \$41,502.71 to mature in time for the April 15, 2010 and invest from the Principal Account in the amount of \$69,166.67 to mature in time for the October 15, 2010 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 \$41,502.71 to mature in time for the April 15, 2010 and invest from the Principal Account in the amount of \$69,166.67 to mature in time for the October 15, 2010 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 - \$91,376.12

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Susan Rinaldo, Cash Manager advised under date of January 20, 2010 that there was available on February 1, 2010 the following amounts in the Debt Service Fund Water Works System Revenue Refunding Bonds, Series 2003F:

Interest Account \$38,459.45

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 \$38,459.45 to mature in time for the July 15, 2010 Interest Payment at the highest yield to maturity to 2003F Bondholders and to invest from the Principal Account in the amount of \$52,916.67 to mature in time for the July 15, 2010 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 \$38,459.45 to mature in time for the July 15, 2010 Interest Payment at the highest yield to maturity to 2003F Bondholders and to invest from the Principal Account in the amount of \$52,916.67 to mature in time for the July 15, 2010 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 - \$187,749.06

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Susan Rinaldo, Cash Manager advised under date of January 20, 2010 that there was available on January 25, 2010 the following amounts in the Debt Service Fund Water Works System Revenue Refunding Bonds, Series 2007:

Interest Account	\$132,749.06
Principal Account	\$ 55,000.00

and has recommended that the Manufacturers & Traders Trust Company, as Fiscal Agent, be authorized to invest from the Interest Account, in the amount of \$132,749.06 to mature in time for the June 1, 2010 Interest Payment at the highest yield to maturity to 2007 Bondholders and invest from the Principal Account in the amount of \$55,000.00 to mature in time for the December 1, 2010 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 \$132,749.06 to mature in time for the June 1, 2010 Interest Payment at the highest yield to maturity to 2007 Bondholders and invest from the Principal Account in the amount of \$55,000.00 to mature in time for the December 1, 2010 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 - \$490,816.67

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Susan Rinaldo, Cash Manager advised under date of January 20, 2010 that there was available on January 25, 2010 the following amounts in the Debt Service Fund Water Works System Revenue Refunding Bonds, Series 2008:

Interest Account \$168,316.67
Principal Account \$322,500.00

and has recommended that the Manufacturers & Traders Trust Company, as Fiscal Agent, be authorized to invest from the Interest Account, in the amount of \$168,316.67 to mature in time for the June 1, 2010 Interest Payment at the highest yield to maturity to 2008 Bondholders and invest from the Principal Account in the amount of \$322,500.00 to mature in time for the December 1, 2010 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 \$168,316.67 to mature in time for the June 1, 2010 Interest Payment at the highest yield to maturity to 2008 Bondholders and invest from the Principal Account in the amount of \$322,500.00 to mature in time for the December 1, 2010 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 - AUTHORIZATION TO WRITE-OFF AN UNCOLLECTIBLE RECEIVABLE
- \$6,361.77**

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Robert J. Lichtenthal, Jr., Deputy Director and Mark J. Fuzak, Counsel advised that the Erie County Water Authority ("Authority") was unable to collect \$6,361.77 owed from MetLife Auto & Home due to a damage claim; and

WHEREAS, Robert J. Lichtenthal, Jr., Deputy Director and Mark J. Fuzak, Counsel recommend that this uncollectible account be charged off as a bad debt and be written off;

NOW, THEREFORE, BE IT RESOLVED:

That the above account having a total amount of \$6,361.77 is hereby determined uncollectible and is to be charged off as a bad debt against the reserve set up by the Authority for that purpose.

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

ITEM 9 - AUTHORIZATION TO EXTEND THE CUSTOMER AGREEMENT WITH IRON MOUNTAIN TO RENDER RECORDS MANAGEMENT SERVICES, PROJECT NO. 200600056

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Heretofore and on the 21st day of February, 2007 the Erie County Water Authority (“Authority”) entered into a Customer Agreement with Iron Mountain to render record management services; and

WHEREAS, Paragraph 1 (Term) of the current agreement states “...the term will continue with a right of renewal for two (2) additional three (3) year terms...”; and

WHEREAS, It also states “...the two (2) three (3) year renewal terms shall be subject to mutually agreed upon cost increases consistent with industry standards, and will be set forth in a supplemental Schedule A at the time of renewal...” and

WHEREAS, The Authority desires to exercise its option to extend the agreement for a three year period;

WHEREAS, Iron Mountain has submitted a new fee schedule (attached) for the three year extension; and

WHEREAS, Matthew J. Baudo, Secretary to the Authority recommends extending the Agreement for a three year period with the new fee schedule;

NOW, THEREFORE, BE IT RESOLVED:

That the Authority extends the Agreement with Iron Mountain to render records management for a three year period.

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

ITEM 10 - AUTHORIZATION TO REJECT AND READVERTISE FOR THE FURNISHING, DELIVERING AND INSTALLATION OF HAZARDOUS ATMOSPHERE – CONFINED SPACE MONITORING EQUIPMENT, PROJECT NO. 200900128

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, The Erie County Water Authority (the "Authority") heretofore advertised in the Dodge Reports and Front Page on the 31st day of December, 2009, and in Business First on the 1st day of January, 2010, a notice inviting sealed bids or proposals in accordance with Section 1069 of the Public Authorities Law for the furnishing, delivering and installation of hazardous atmosphere – confined space monitoring equipment; and

WHEREAS, Sealed bids or proposals were opened in the office of the Authority on the 12th day of January, 2010, at 11:00 a.m., local time, and were as follows:

BIDDERS	AMOUNT
DiVal Safety Equipment, Inc.	\$42,464.76
Triad Synergy Group, Inc.	46,959.00; and

WHEREAS, Paragraph 5 of the Instruction to Bidders Section of the specification and contract documents states" that the Authority, in the best interests of the public, reserves the right to reject any and all bids....."; and

WHEREAS, Wesley C. Dust, Executive Engineer found that after a review of the bids submitted, there were deficiencies in the bid documents and recommends that the bids be rejected and said project be readvertised with revised specifications; and

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

NOW, THEREFORE, BE IT RESOLVED:

That the Authority reject the bids received on January 12, 2010 for the furnishing, delivering and installation of hazardous atmosphere – confined space monitoring equipment; and be it further

RESOLVED: That the Secretary is authorized to publish an additional notice pursuant to Section 1069 of the Public Authorities Law for the furnishing, delivering and installation of hazardous atmosphere – confined space monitoring equipment.

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

ITEM 11 - APPROVAL OF CHANGE ORDER NO. 1 OF SLACK CHEMICAL CO., INC. FOR THE FURNISHING AND DELIVERING OF POTASSIUM PERMANGANATE TO THE ERIE COUNTY WATER AUTHORITY FOR USE IN THE TREATMENT OF WATER FOR TWO YEARS FROM MARCH 1, 2008 THROUGH FEBRUARY 28, 2010, PROJECT NO. 200800007, CONTRACT NO. 08-15-05 - \$163,584.00

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Heretofore and on the 24th day of April, 2008, the Erie County Water Authority ("Authority") entered into a contract with Slack Chemical Co., Inc. for the furnishing and delivering of potassium permanganate to the Erie County Water Authority for use in the treatment of water for two years from March 1, 2008 through February 28, 2010, identified as Contract No. 08-15-05; and

WHEREAS, Paragraph 15 (Grounds for Renewal of Contract) of the Agreement section of the contract allows for a one year extension of the contract under the same terms and conditions if the Authority and Slack Chemical Co., Inc. mutually agree; and

WHEREAS, Slack Chemical Co., Inc. submitted a letter dated December 11, 2009 agreeing to a one year extension to the contract; and

WHEREAS, Said contractor has submitted Change Order No. 1 in the sum of \$163,584.00 to provide for a one year extension of the contract; and

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

NOW, THEREFORE, BE IT RESOLVED:

That Change Order No. 1 of Slack Chemical Co., Inc. in the amount of \$163,584.00 to provide for the abovementioned change be approved; and be it further

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

Ayes: Three; Commrs. Swiatek, Vacco and Warthling

Noes: None

ITEM 12 - APPROVAL OF CHANGE ORDER NO. 1 OF MODERN DISPOSAL SERVICES, INC. FOR THE FURNISHING OF NECESSARY LABOR AND MATERIALS FOR THE PICKUP, HAULING, AND DISPOSAL OF ALUM SLUDGE, ZEBRA MUSSELS, TIRES AND OTHER CONSTRUCTION MATERIALS LOCATED AT DIFFERENT PROPERTIES BELONGING TO THE ERIE COUNTY WATER AUTHORITY FROM FEBRUARY 29, 2008 THROUGH FEBRUARY 28, 2010, PROJECT NO., CONTRACT NO. 08-07-03 - \$48,432.04

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Heretofore and on the 19th day of February, 2008, the Erie County Water Authority ("Authority") entered into a contract with Modern Disposal Services, Inc. for the furnishing of necessary labor and materials for the pickup, hauling, and disposal of alum sludge, zebra mussels, tires and other construction materials located at different properties belonging to the Erie County Water Authority from February 29, 2008 through February 28, 2010, identified as Contract No. 08-07-03; and

WHEREAS, Paragraph 12 (Grounds for Renewal of Contract) of the Agreement section of the contract allows for a one year extension of the contract under the same terms and conditions if the Authority and Modern Disposal Services, Inc. mutually agree; and

WHEREAS, Modern Disposal Services, Inc. submitted a letter dated January 5, 2010 agreeing to a one year extension to the contract; and

WHEREAS, Said contractor has submitted Change Order No. 1 in the sum of \$48,432.04 to provide for a one year extension of the contract; and

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

NOW, THEREFORE, BE IT RESOLVED:

That Change Order No. 1 of Modern Disposal Services, Inc. in the amount of \$48,432.04 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 CARRY OVER 2009 VACATION TIME TO 2010 VACATION TIME

Motion by Mr. Warthling seconded by Mrs. Vacco that due to the recent amendment to Erie County Water Authority Human Resources Policy No. 41, Vacations and the pending retirement of Mr. Albert J. Meaney, Comptroller, that Mr. Meaney, during this subsequent transition, be permitted to carry over his 2009 vacation balance into 2010 and utilize such balance during 2010.

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

ITEM 14 - ALBERT J. MEANEY – RETIREMENT

Motion by Mr. Warthling seconded by Mrs. Vacco

WHEREAS, Albert J. Meaney, Comptroller, will retire from the Erie County Water Authority effective January 30, 2010; and

WHEREAS, Mr. Meaney has been employed at the Authority for eighteen years and during that period has rendered to the Authority outstanding, dedicated service that will truly be missed;

NOW, THEREFORE, BE IT RESOLVED:

That, on behalf of the Erie County Water Authority, we would like to congratulate Albert and express our sincere appreciation for his service and cooperative spirit throughout his tenure at the Authority; and be it further

RESOLVED: That the Board of Commissioners extends best wishes to Albert for health, happiness and longevity in retirement; and be it further

RESOLVED: That a copy of this resolution be presented to Albert J. Meaney at the Authority=s Board meeting on January 28, 2010.

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

ITEM 15 - 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 10-15 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.

ITEM 16 - 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 17 - SERVICE CONNECTION WORK ORDER LIST:

Motion by Mr. Warthling seconded by Mrs. Vacco and carried to approve Service Connection Work Order Nos. 2010-02 and 2010-03, 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 Wednesday, February 10, 2010.

Matthew J. Baudo
Secretary to the Authority

PF