

MINUTES of the **MEETING** of the **ERIE COUNTY WATER AUTHORITY** held in the office, 350 Ellicott Square Building, Buffalo, New York, on the 22nd day of July, 2010.

PRESENT: Kelly M. Vacco, Chairperson
Francis G. Warthling, Vice Chairman
John F. O'Donnell, Treasurer
Robert A. Mendez, Executive Director
Matthew J. Baudo, Secretary to the Authority/Personnel Director
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
Karen A. Prendergast, Comptroller
Steven V. D'Amico, Budget and Financial Analyst
Brian C. 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 Mr. O'Donnell and carried to waive the reading of the Minutes of the Meeting held on Thursday, July 8, 2010.

III. - APPROVAL OF MINUTES

Motion by Mr. Warthling seconded by Mr. O'Donnell and carried to approve the Minutes of the Meeting held on Thursday, July 8, 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 Mr. O'Donnell and carried to approve the creation of Master Purchase Order Nos. as listed on the attached page 1 not to exceed the amount of \$9,969.48 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 Mr. O'Donnell and carried to approve for payment of Master Purchase Order Nos. as listed on the attached pages 1-15 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.

VI. - UNFINISHED BUSINESS (NONE)

VII. - NEW BUSINESS (RESOLUTIONS 3-15)

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 Mr. O'Donnell

WHEREAS, Susan Rinaldo, Cash Manager advised under date of July 13, 2010 that there was available on July 30, 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 December 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, Comptroller, 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 December 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. Vacco, Warthling and O'Donnell
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 Mr. O'Donnell

WHEREAS, Susan Rinaldo, Cash Manager advised under date of July 13, 2010 that there was available on July 30, 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 October 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, Comptroller, 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 October 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. Vacco, Warthling and O'Donnell
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 - \$90,780.70

Motion by Mr. Warthling seconded by Mr. O'Donnell

WHEREAS, Susan Rinaldo, Cash Manager advised under date of July 13, 2010 that there was available on July 30, 2010 the following amounts in the Debt Service Fund Water Works System Revenue Refunding Bonds, Series 2003F:

Interest Account	\$37,030.70
Principal Account	\$53,750.00

and has recommended that the Manufacturers & Traders Trust Company, as Fiscal Agent, be authorized to invest from the Interest Account, in the amount of \$37,030.70 to mature in time for the January 15, 2011 Interest Payment at the highest yield to maturity to 2003F Bondholders and to invest from the Principal Account in the amount of \$53,750.00 to mature in time for the July 15, 2011 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, Comptroller, in authorizing the Manufacturers & Traders Trust Company to invest from the Interest Account in the amount of \$37,030.70 to mature in time for the January 15, 2011 Interest Payment at the highest yield to maturity to 2003F Bondholders and to invest from the Principal Account in the amount of \$53,750.00 to mature in time for the July 15, 2011 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. Vacco, Warthling and O'Donnell
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 Mr. O'Donnell

WHEREAS, Susan Rinaldo, Cash Manager advised under date of July 13, 2010 that there was available on July 23, 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 December 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, Comptroller, 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 December 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. Vacco, Warthling and O'Donnell
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 Mr. O'Donnell

WHEREAS, Susan Rinaldo, Cash Manager advised under date of July 13, 2010 that there was available on July 23, 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 December 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, Comptroller, 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 December 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. Vacco, Warthling and O'Donnell
Noes: None

ITEM 8 - AUTHORIZATION TO EXECUTE GENERAL RELEASE IN CONNECTION WITH COST OF RELOCATING MUNICIPALLY OWNED FACILITIES MAINTAINED FOR PUBLIC USE (SUBDIVISION 24, SECTION 10, OF THE HIGHWAY LAW) FOR TRANSIT ROAD, PART 4, SH 1334, NY ROUTE 78, AERO DRIVE TO NY ROUTE 5, TOWNS OF CHEEKTOWAGA, CLARENCE, LANCASTER AND AMHERST, PROJECT NO. 200000263, IDENTIFIED AS PIN NO. 5209.40 - \$9,331.80

Motion by Mr. Warthling seconded by Mr. O'Donnell

WHEREAS, By resolution identified as Item No. 16 of the Minutes of the Meeting of August 10, 2006, the Erie County Water Authority ("Authority"), a public benefit corporation in the County of Erie and State of New York, entered into a Preliminary Utility Work Agreement with the New York State Department of Transportation ("NYSDOT") acting by and through Adele Cannarozzo, Regional Utilities for the NYSDOT, for Transit Road, Part 4, SH 1334, NY Route 78, Aero Drive to NY Route 5, Towns of Cheektowaga, Clarence, Lancaster and Amherst, identified as PIN No. 5209.40; and

WHEREAS, By Authority resolution dated August 10, 2006, the Authority entered into a Betterment Agreement with the NYSDOT for Transit Road, Part 4, SH 1334, NY Route 78, Aero Drive to NY Route 5, Towns of Cheektowaga, Clarence, Lancaster and Amherst, identified as PIN No. 5209.40 in the amount of \$47,164.05; and

WHEREAS, By resolution identified as Item No. 11 of the Minutes of the Meeting of February 8, 2007, the Authority entered into an Agreement in Connection with Cost of Relocating Municipally Owned Facilities Maintained for Public Use (Subdivision 24, Section 10 of the Highway Law) in an amount not to exceed \$25,583.00; and

WHEREAS, All the work under said Agreements has been performed by the employment of the forces and the use of the equipment of the Authority or by contract between the Authority and others and accepted by the State of New York; and

WHEREAS, The NYSDOT under date of June 28, 2010, submitted a Utility Field Audit Report for costs incurred in the relocation of the Authority's facilities in the adjusted amount of \$9,331.80 and has requested the execution of a General Release in said amount; and

WHEREAS, Wesley C. Dust, P.E., Executive Engineer and Karen A. Prendergast, Comptroller have verified the Summary of Costs and recommended executing the General Release in the adjusted amount of \$9,331.80;

NOW, THEREFORE, BE IT RESOLVED:

That the Authority hereby authorizes the Chairperson to execute a General Release to the State of New York in consideration of the sum of \$9,331.80 to it previously paid in part, the balance of which is to be duly paid by the State of New York, the receipt whereof is to be confessed and acknowledged and which sum is in complete and full reimbursement for the work performed by the said Authority, which does for itself, its successors and assigns, in all things give full release and discharges the said State of New York, its officers, agents and employees, from all claims, demands and liabilities of every kind and nature, legal or equitable, occasioned by or arising out of the work performed by the Authority under said Agreement; and be it further

RESOLVED: That the Secretary be and he hereby is authorized to forward the original and four copies of the executed General Release to Richard Lunz, Regional Utilities Engineer, New York State Department of Transportation, 100 Seneca Street, Buffalo, New York, 14203.

Ayes: Three; Commrs. Vacco, Warthling and O'Donnell
Noes: None

ITEM 9 - AUTHORIZATION TO ADVERTISE FOR BIDS FOR CHEMISTRY AND MICROBIOLOGY PROFICIENCY SAMPLES AND CHEMISTRY STANDARDS, PROJECT NO. 201000158

Motion by Mr. Warthling seconded by Mr. O'Donnell

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 chemistry and microbiology proficiency samples and chemistry standards; and

WHEREAS, The work, labor and services for the abovementioned project is estimated to cost an amount in excess of \$10,000.00; and

WHEREAS, The Advertisement for Bids for chemistry and microbiology proficiency samples and chemistry standards 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, John Mogavero, Chemist & Chief WTPO 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 chemistry and microbiology proficiency samples and chemistry standards 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. Vacco, Warthling and O'Donnell

Noes: None

ITEM 10 - AUTHORIZATION TO ADVERTISE FOR BIDS FOR CONTRACT NO. GP-004, WATER SYSTEM IMPROVEMENTS IN THE CITIES OF LACKAWANNA AND TONAWANDA AND THE TOWNS OF AMHERST, CHEEKTOWAGA AND WEST SENECA, PROJECT NO. 200800091

Motion by Mr. Warthling seconded by Mr. O'Donnell

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 Contract No. GP-004, water system improvements in the Cities of Lackawanna and Tonawanda and the Towns of Amherst, Cheektowaga and West Seneca; 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 Contract No. GP-004, water system improvements in the Cities of Lackawanna and Tonawanda and the Towns of Amherst, Cheektowaga and West Seneca 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, Greenman-Pedersen, Inc., Consulting Engineers, will be the designated contact 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 Contract No. GP-004, water system improvements in the Cities of Lackawanna and Tonawanda and the Towns of Amherst, Cheektowaga and West Seneca 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. Vacco, Warthling and O'Donnell
Noes: None

ITEM 11 - REFUND FOR NEW SERVICE INSTALLATIONS - \$50,877.25

Motion by Mr. Warthling seconded by Mr. O'Donnell

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, Comptroller, under the date of July 22, 2010, 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 on attached Schedule "A".

Ayes: Three; Commrs. Vacco, Warthling and O'Donnell
Noes: None

**ITEM 12 - AUTHORIZATION TO AMEND THE ERIE COUNTY WATER
AUTHORITY'S ANNUAL O & M BUDGET FOR FISCAL YEAR 2010**

Motion by Mr. Warthling seconded by Mr. O'Donnell

WHEREAS, In a resolution dated November 30, 2009 the Erie County Water Authority (the "Authority") adopted its Annual O&M Budget for the fiscal year 2010; 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, In an effort to recognize savings in wages due to retirements and vacant positions, line item #73 Personnel Services was added to the 2010 O&M Budget under unit 7510 - General Expense; and

WHEREAS, In order to utilize this line item, savings recognized throughout the various units, for the reasons described above, are to be transferred to this line item on a quarterly basis;

WHEREAS, For the 2nd quarter of 2010, savings in the amount of \$92,220 were recognized and are to be transferred to line item #73 Personnel Services as follows:

<u>Unit No</u>	<u>Internal No:</u>	<u>Description</u>	<u>Increase</u>	<u>Decrease</u>
7510	73	Personnel Services	<u>\$ 92,220</u>	
4010	0	Supervision		24,588
1035	1	Salaries		11,267
2501	1	Salaries		10,603
4010	1	Salaries		10,134
1010	2	Labor		11,670
1035	2	Labor		12,075
2010	2	Labor		\$ <u>11,883</u>
Totals			\$ 92,220	\$ 92,220

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

NOW, THEREFORE, BE IT RESOLVED:

That the Authority's Annual O & M Budget, for the fiscal year 2010, be amended by transferring funds from various line items listed above to line item #73 Personnel Services.

Ayes: Three; Commrs. Vacco, Warthling and O'Donnell

Noes: None

ITEM 13 - PURCHASE ORDERS:

Motion by Mr. Warthling seconded by Mr. O'Donnell and carried to approve for payment of Purchase Order Nos. as listed on the attached pages 16-22 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 - PURCHASE ORDER AMENDMENTS:

Motion by Mr. Warthling seconded by Mr. O'Donnell and carried to approve for payment of Purchase Order Amendments as listed on the attached page 23 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 - SERVICE CONNECTION WORK ORDER LIST:

Motion by Mr. Warthling seconded by Mr. O'Donnell and carried to approve Service Connection Work Order Nos. 2010-27 and 2010-28, 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, August 5, 2010.

Matthew J. Baudo
Secretary to the Authority/Personnel Director

PF