

MINUTES of the **MEETING** of the **ERIE COUNTY WATER AUTHORITY** held in the office, 295 Main Street, Room 350, Buffalo, New York, on the 28th day of October, 2010.

PRESENT: Kelly M. Vacco, Chairperson
 Francis G. Warthling, Vice Chairman
 John F. O'Donnell, Treasurer
 Robert A. Mendez, Executive Director
 Robert J. Lichtenthal, Jr., Assistant Secretary to the Authority
 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
 Steven V. D'Amico, Budget and Financial Analyst

ATTENDEES: Dan Rusin
 Brian Gould

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, October 14, 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, October 14, 2010.

David Slotman and Ed Kopyc appeared before the Board to discuss cross-connection control issues with property located at S-7199 Lower East Hill Road, Colden, New York.

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 \$30,450.00 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 Mr. O'Donnell and carried to approve for payment of Master Purchase Order Nos. as listed on the attached pages 1-13 after certification by the Comptroller that the orders are in accordance with the quotations and that the Director of Administration be authorized to execute the above and all associated documents after certifying that they are in conformity with applicable laws and the Authority=s By-Laws and Purchasing Guidelines, Policies and Procedures.

VI. - UNFINISHED BUSINESS (NONE)

VII. - NEW BUSINESS (RESOLUTIONS 3-14)

ITEM 3 - 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 October 19, 2010 that there will be available on November 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 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 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 - INVESTMENT OF FUNDS FROM THE MANUFACTURERS & TRADERS TRUST COMPANY, DEBT SERVICE FUND WATER WORKS SYSTEM REVENUE REFUNDING BONDS, SERIES 1998B - \$89,342.25

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

WHEREAS, Susan Rinaldo, Cash Manager advised under date of October 19, 2010 that there will be available on November 1, 2010 the following amounts in the Debt Service Fund Water Works System Revenue Refunding Bonds, Series 1998B:

Interest Account	\$17,675.58
Principal Account	\$71,666.67

and has recommended that the Manufacturers & Traders Trust Company, as Fiscal Agent, be authorized to invest from the Interest Account, in the amount of \$17,675.58 to mature in time for the April 15, 2011 and invest from the Principal Account in the amount of \$71,666.67 to mature in time for the October 15, 2011 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 \$17,675.58 to mature in time for the April 15, 2011 and invest from the Principal Account in the amount of \$71,666.67 to mature in time for the October 15, 2011 Principal Payment at the highest yield to maturity to 1998B Bondholders, is hereby approved; 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 - 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 October 19, 2010 that there will be available on November 1, 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 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 - 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 October 19, 2010 that there will be available on October 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 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 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 - 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 October 19, 2010 that there will be available on October 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 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 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 - AWARD OF CONTRACT TO ZOLADZ CONSTRUCTION CO., INC. FOR CONTRACT NO. EA-009B, STURGEON POINT TREATMENT PLANT DRAINAGE AND PAVING IMPROVEMENTS, TOWN OF EVANS, ERIE COUNTY, NEW YORK, PROJECT NO. 201000118 - \$790,585.51

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

WHEREAS, The Erie County Water Authority (Authority) heretofore advertised in the Dodge Reports and Front Page on the 6th day of October, 2010, and in Business First on the 8th day of October, 2010, a notice inviting sealed bids or proposals in accordance with Section 1069 of the Public Authorities Law for Contract No. EA-009B, Sturgeon Point Treatment Plant Drainage and Paving Improvements, Town of Evans, Erie County, New York; and

WHEREAS, Sealed bids or proposals were opened in the office of the Authority on the 19th day of October, 2010, at 11:00 a.m., local time, and were as follows:

BIDDERS	AMOUNT
Zoladz Construction Co., Inc.	\$ 790,585.51
Anastasi Trucking, Inc.	967,154.65
Occhino Corporation	1,025,494.00

Ingalls Site Development, Inc.	1,069,844.00
Accadia Site Contracting, Inc.	1,168,330.00
Tom Greenauer Development, Inc.	1,269,100.00
Milherst Construction, Inc.	1,331,575.00
Scott Lawn, Inc.	1,353,900.00
Sicar Management Construction, Inc.	1,631,651.10; 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, Zoladz Construction Co., 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, Erdman Anthony, Consulting Engineers, Wesley C. Dust, P.E., Executive Engineer and Richard M. Rosenberry, Sr. Distribution Engineer have reviewed the specifications and bids and determined that Zoladz Construction Co., 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 Director concurs with said recommendation;

NOW, THEREFORE, BE IT RESOLVED:

That it is hereby determined that Zoladz Construction Co., 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 Contract No. EA-009B, Sturgeon Point Treatment Plant Drainage and Paving Improvements, Town of Evans, Erie County, New York in the total amount of \$790,585.51; 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. Vacco, Warthling, and O'Donnell

Noes: None

ITEM 9 - REFUND FOR NEW SERVICE INSTALLATIONS - \$28,042.45

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 October 28, 2010, has recommended that the following refunds as set forth on attached Schedule "A" be made ;

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 10 - 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 3rd quarter of 2010, savings in the amount of \$103,909 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>\$ 103,909</u>	
1010	0	Supervision		21,606
4010	0	Supervision		26,046
1035	1	Salaries		14,526
2501	1	Salaries		14,853
4010	1	Salaries		10,290
1010	2	Labor		11,850
2010	2	Labor		\$ <u>4,738</u>
Totals			\$ 103,909	\$ 103,909

WHEREAS, Robert A. Mendez, Executive Director, Robert J. Lichtenthal Jr., Deputy Director, 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 11 - AUTHORIZATION TO FILE AN UPDATED STANDARD WORK DAY REPORTING CERTIFICATION FOR THE COMMISSIONERS OF THE ERIE COUNTY WATER AUTHORITY

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

WHEREAS, Heretofore on the 30th day of December, 1991, the Erie County Water Authority (Authority) adopted a resolution establishing a work day for the Commissioners of the Erie County Water Authority; and

WHEREAS, The State of New York amended Title 2 NYCRR, Chapter VI, by adding a new Section 315.4; and

WHEREAS, Heretofore on the 30th day of April, 2010 the Authority amended Item No. 21 of the Minutes of the Meeting of December 30, 1991 to reflect the changes of Title 2 NYCRR, Chapter VI; and

WHEREAS, In said resolution the Authority approved an Erie County Water Authority Standard Work Day Reporting Certification (Certification) which was submitted to the State Comptroller's Office; and

WHEREAS, Due to the appointment of John F. O' Donnell, the Authority deems it necessary to update the Certification to reflect the appointment of John F. O'Donnell (copy attached);

NOW, THEREFORE, BE IT RESOLVED:

That the Authority update the Certification to reflect the appointment of John F. O'Donnell; and be it further

RESOLVED: That the Secretary is directed to complete the updated Erie County Water Authority Standard Work Day Reporting Certification and submit said certification to the State Comptroller's Office along with a certified copy of this resolution within forty five days, to post same on the Erie County Water Authority's web site for not less than 30 days.

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

ITEM 12 - 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 14-20 after certification by the Comptroller that the orders are in accordance with the quotations and that the Director of Administration be authorized to execute the above and all associated documents after certifying that they are in conformity with applicable laws and the Authority's By-Laws and Purchasing Guidelines, Policies and Procedures.

ITEM 13 - 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 21 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 Mr. O'Donnell and carried to approve Service Connection Work Order Nos. 2010-41 and 2010-42, 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, November 9, 2010.

Robert J. Lichtenthal, Jr.
Assistant Secretary to the Authority

SLZ