

MINUTES of the **MEETING** of the **ERIE COUNTY WATER AUTHORITY** held in the office, 295 Main Street, Room 350, Buffalo, New York, on the 16th day of December, 2010.

PRESENT: Kelly M. Vacco, Chairperson
 Francis G. Warthling, Vice Chairman
 John F. O'Donnell, Treasurer (via conference call)
 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

ATTENDEES: Brian Gould
 Joseph Matteliano

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, December 2, 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, December 2, 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 1-2 not to exceed the amount of \$8,707,386.76 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 1-17 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.

VI. - UNFINISHED BUSINESS (NONE)

VII. - NEW BUSINESS (RESOLUTIONS 3-19)

ITEM 3 - FINAL ACCEPTANCE OF PROJECT WITH AMHERST PAVING, INC. FOR AREA NO. 2 RESTORATION, APRIL 1, 2008 THROUGH MARCH 31, 2010, PROJECT NO. 200800017, CONTRACT NO. 08-12-04 - \$161,938.03

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

WHEREAS, Heretofore and on the 25th day of March, 2008, the Erie County Water Authority ("Authority") entered into a contract with Amherst Paving, Inc. for Area No. 2 Restoration, April 1, 2008 through March 31, 2010, identified as Contract No. 08-12-04; and

WHEREAS, Amherst Paving, Inc. has submitted a final invoice in the amount of \$161,938.03; and

WHEREAS, Wesley C. Dust, P.E., Executive Engineer, and Robert A. Mendez, Executive Director, recommend acceptance of said project;

NOW, THEREFORE, BE IT RESOLVED:

That the above project is hereby accepted by the Authority as of the date hereof.

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

ITEM 4 - FINAL ACCEPTANCE OF PROJECT WITH FERGUSON ELECTRIC FOR CONTRACT NO. NC-30, STURGEON POINT WATER TREATMENT PLANT ELECTRICAL SUBSTATION PROJECT, PROJECT NO. 200600113, CONTRACT NO. 08-13-04 - \$336,221.00

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

WHEREAS, Heretofore and on the 20th day of March, 2008, the Erie County Water Authority ("Authority") entered into a contract with Ferguson Electric for Contract No. NC-30, Sturgeon Point Water Treatment Plant Electrical Substation Project, identified as Contract No. 08-13-04; and

WHEREAS, Nussbaumer & Clarke, Inc., Consulting Engineers has submitted a final invoice in the amount of \$336,221.00; and

WHEREAS, Nussbaumer & Clarke, Inc., Consulting Engineers, Wesley C. Dust, P.E., Executive Engineer, and Robert A. Mendez, Executive Director, recommend acceptance of said project;

NOW, THEREFORE, BE IT RESOLVED:

That the above project is hereby accepted by the Authority as of the date hereof.

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

ITEM 5 - AUTHORIZATION TO OPEN A CUSTODIAL ACCOUNT AT MANUFACTURERS & TRADERS TRUST COMPANY FOR THE INVESTMENT OF OPERATING AND MAINTENANCE FUNDS

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

WHEREAS, The Erie County Water Authority (the "Authority") desires to open a Custodial Account at Manufacturers & Traders Trust Company (M&T) for operating and maintenance funds; and

WHEREAS, The following Authority employees are authorized to sign any checks necessary on behalf of the Authority for said account:

John F. O'Donnell, Treasurer
Robert A. Mendez, Executive Director
Matthew J. Baudo, Secretary to the Authority
Mark J. Fuzak, Associate Counsel; and

WHEREAS, Robert J. Lichtenthal, Jr., Deputy Director and Robert A. Mendez, Executive Director recommend the Authority open a Money Market Account at M&T Bank for customer deposit funds;

NOW, THEREFORE, BE IT RESOLVED:

That the Authority is hereby authorized to open a Custodial Account at Manufacturers & Traders Trust Company (M&T) for operating and maintenance funds; and be it further

RESOLVED: That the individuals specified above are hereby authorized to sign any checks necessary on behalf of the Authority for said account.

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

ITEM 6 - AUTHORIZATION TO ADVERTISE FOR BIDS FOR THE FURNISHING AND DELIVERING OF BOOSTER PUMP FOR THE ERIE COUNTY WATER AUTHORITY, PROJECT NO. 201100005

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 the furnishing and delivering of booster pump for the Erie County Water Authority; 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 the furnishing and delivering of booster pump for the Erie County Water Authority 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, Jay Meyers, Production 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 furnishing and delivering of booster pump for the Erie County Water Authority 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 7 - AUTHORIZATION TO ADVERTISE FOR BIDS FOR LARGE SERVICES CONTRACT, FEBRUARY 1, 2011 THROUGH JANUARY 31, 2013, PROJECT NO. 201100003

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 large services contract, February 1, 2011 through January 31, 2013; 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 large services contract, February 1, 2011 through January 31, 2013 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 large services contract, February 1, 2011 through January 31, 2013 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; Comms. Vacco, Warthling, and O'Donnell
Noes: None

ITEM 8 – AUTHORIZATION TO ADVERTISE FOR BIDS FOR SMALL SERVICES CONTRACT AREA #1, FEBRUARY 1, 2011 THROUGH JANUARY 31, 2013, PROJECT NO. 201100001

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 small services contract, Area #1, February 1, 2011 through January 31, 2013; 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 small services contract, Area #1, February 1, 2011 through January 31, 2013 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 small services contract, Area #1, February 1, 2011 through January 31, 2013 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 9 - AUTHORIZATION TO ADVERTISE FOR BIDS FOR SMALL SERVICES CONTRACT AREA #2, FEBRUARY 1, 2011 THROUGH JANUARY 31, 2013, PROJECT NO. 201100002

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 small services contract, Area #2, February 1, 2011 through January 31, 2013; 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 small services contract, Area #2, February 1, 2011 through January 31, 2013 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 small services contract, Area #2, February 1, 2011 through January 31, 2013 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 - RATIFICATION OF THE INSTALLATION OF HYDRANTS AND VALVES AND RETIREMENT OF EXISTING HYDRANTS AND VALVES - VARIOUS LOCATIONS

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

WHEREAS, The Engineering Department of the Erie County Water Authority ("Authority") advised that hydrants and valves were installed as part of the Authority's program to keep pace with improvements in fire fighting technology, as follows:

Replace existing hydrant at 559 Mapleview Road, Town of Cheektowaga with a new Kennedy K81D hydrant on 10/27/10. Work done by ECWA forces under Work Authorization No. 107.200 6056.

Old hydrant originally installed in 1956 was scrapped and retired under Retirement Authorization No. R100123.

Replace existing hydrant at 60 Kendale Road, Town of Cheektowaga with a new Kennedy K81D hydrant on 10/26/10. Work done by ECWA forces under Work Authorization No. 107.200 6047.

Old hydrant originally installed in 1954 was scrapped and retired under Retirement Authorization No. R100114.

Replace existing hydrant at 54 Oehman Blvd., Town of Cheektowaga with a new Kennedy K81D hydrant on 10/19/10. Work done by ECWA forces under Work Authorization No. 107.200 6037.

Old hydrant originally installed in 1952 was scrapped and retired under Retirement Authorization No. R100104.

Replace existing hydrant at 1751 Kensington Avenue, Town of Cheektowaga with a new Kennedy K81D hydrant on 10/20/10. Work done by ECWA forces under Work Authorization No. 107.200 6042.

Old hydrant originally installed in 1939 was scrapped and retired under Retirement Authorization No. R100109.

Replace existing hydrant at 4681 South Alfred Road, Town of Hamburg with a new Kennedy K81D hydrant on 10/26/10. Work done by ECWA forces under Work Authorization No. 107.200 6048.

Old hydrant originally installed in 1956 was scrapped and retired under Retirement Authorization No. R100115.

Replace existing hydrant at 3058 Lyth Road, Town of Hamburg with a new Kennedy K81D hydrant on 10/19/10. Work done by ECWA forces under Work Authorization No. 107.200 6039.

Old hydrant originally installed in 1941 was scrapped and retired under Retirement Authorization No. R100106.

Replace existing hydrant at 3094 Lyth Road, Town of Hamburg with a new Kennedy K81D hydrant on 10/21/10. Work done by ECWA forces under Work Authorization No. 107.200 6043.

Old hydrant originally installed in 1945 was scrapped and retired under Retirement Authorization No. R100110.

Replace existing hydrant at 189 West Elmview Avenue, City of Lackawanna with a new Kennedy K81D hydrant on 10/22/10. Work done by ECWA forces under Work Authorization No. 107.200 6044.

Old hydrant originally installed in 1955 was scrapped and retired under Retirement Authorization No. R100111.

Replace existing hydrant at 30 Goodrich Road, City of Lackawanna with a new Kennedy K81D hydrant on 10/20/10. Work done by ECWA forces under Work Authorization No. 107.200 6040.

Old hydrant originally installed in 1955 was scrapped and retired under Retirement Authorization No. R100107.

Replace existing hydrant at 91 Francis Avenue, Village of Sloan with a new Kennedy K81D hydrant on 10/21/10. Work done by ECWA forces under Work Authorization No. 107.200 6041.

Old hydrant originally installed in 1928 was scrapped and retired under Retirement Authorization No. R100108.

Replace existing valve at Seymour and Adam Street, City of Tonawanda with a new resilient seat valve on 10/27/10. Work done by ECWA forces under Work Authorization No. 107.200 6057.

Old valve originally installed prior to 2004 was scrapped and retired under Retirement Authorization No. R100124.

Replace existing hydrant at Heather Road corner of Peachrow Lane, Town of Cheektowaga with a new Kennedy K81D hydrant on 10/8/10. Work done by ECWA forces under Work Authorization No. 107.200 6028.

Old hydrant originally installed in 1942 was scrapped and retired under Retirement Authorization No. R100095; and

WHEREAS, Wesley C. Dust, P.E., Executive Engineer and Robert A. Mendez, Executive Director ratify said installations and work;

NOW, THEREFORE, BE IT RESOLVED:

That the Authority approve the retirement of the abovementioned hydrants and valves at the abovementioned locations; and be it further

RESOLVED: That the installation of the new hydrants and valves in the abovementioned locations, as part of the Authority's continuing program to improve its facilities is hereby approved, ratified and confirmed.

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

Noes: None

**ITEM 11 - AUTHORIZATION TO GRANT LEAK ALLOWANCE REQUESTS -
\$4,274.49**

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

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

- | | |
|---|--|
| <p>1) Daryl Santill
11735 Clarence Center Road
Akron, NY 14001
\$578.51</p> | <p>3) Depew Union Free School
1780 Como Park Blvd. & 5201 Transit Road
Lancaster, NY 14043
\$2,702.12; and</p> |
| <p>2) JMR Ventures
770 Maple Road
Sturbridge Village
Amherst, NY 14221
\$993.86</p> | |

WHEREAS, Robert J. Lichtenthal, Jr., Deputy Director advised that the requests contain documentation showing that the leaks have been repaired; and

WHEREAS, Said leak allowance requests have 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 requests; and

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

NOW, THEREFORE, BE IT RESOLVED:

That the Authority grant the leak allowance requests to the abovementioned customers; and be it further

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

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

Noes: None

ITEM 12 - AUTHORIZATION TO WRITE-OFF ACCOUNTS RECEIVABLE FOR THE CALENDAR YEAR 2010 - \$242,908.92

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

WHEREAS, Susan L. Rinaldo, Cash Manager, has submitted a report dated December 9, 2010 stating that the attached list of accounts receivable for water service totaling \$242,908.92 are uncollectible as per status received from the Authority's collection agencies, represent discharged bankruptcies or are amounts less than \$10.00 representing billings rendered prior to December 31, 2010; and

WHEREAS, This listing has been reviewed by Karen A. Prendergast, Comptroller; and

WHEREAS, Robert J. Lichtenthal, Jr., Deputy Director, and Robert Mendez, Executive Director, recommend that the Authority write-off these accounts as uncollectible;

NOW, THEREFORE, BE IT RESOLVED:

That the report of Susan L. Rinaldo, Cash Manager, is hereby approved and that said list of uncollectible accounts receivable for water service, totaling \$242,908.92 be charged off as bad debts against the reserve set up by the Authority for that purpose.

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

Noes: None

Schedule "A"

2010 Write Off Aging

as of 12/9/2010

01/01/2010 to 12/31/2010	\$2,743.24
01/01/2009 to 12/31/2009	\$13,630.22
01/01/2008 to 12/31/2008	\$32,105.79
01/01/2007 to 12/31/2007	\$35,027.61
01/01/2006 to 12/31/2006	\$45,596.54
01/01/2005 to 12/31/2005	\$42,659.79
01/01/2004 to 12/31/2004	\$31,659.85
01/01/2003 to 12/31/2003	\$20,164.63
01/01/2002 to 12/31/2002	\$11,695.06
01/01/2001 to 12/31/2001	\$5,788.72
01/01/2000 to 12/31/2000	\$1,603.21
prior to 1/1/2000	\$234.26

Totals **\$242,908.92**

**ITEM 13 - AUTHORIZATION TO AMEND THE ERIE COUNTY WATER
AUTHORITY'S ANNUAL CAPITAL 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 Capital 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, The Authority has been advised by Richard Rosenberry, Senior Distribution Engineer, that acceleration of projects and increases in project scope have resulted in various Capital Budget items exceeding, or are expected to exceed, their budgeted amounts; and

WHEREAS, In order to fund these additional amounts, it will be necessary to transfer \$1,520,000 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>
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12/16/10

956

2510	100524	Contract MP-73	200,000	
2510	100525	Contract NC-30	200,000	
2510	100770	Contract EA-9B	200,000	
2520	100789	Contract NC-33	300,000	
2590	100787	Contract WE-4	20,000	
2595	100622	Contract EA-8	<u>600,000</u>	
2510	100806	Contract SW-5		50,000
2515	100785	Contract MP-76		500,000
2520	100625	Contract NC-32B		550,000
2520	100782	Contract W-21A		250,000
2590	100619	Contract WSA-7		100,000
2590	100784	City of Tonawanda Betterment		<u>70,000</u>
			Totals	\$ 1,520,000
				\$ 1,520,000

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 Capital Budget for the fiscal year 2010 be amended as listed above.

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

ITEM 14 - AUTHORIZATION TO AMEND ITEM NO. 43.0 (INSURANCE BENEFITS) TO THE ERIE COUNTY WATER AUTHORITY'S HUMAN RESOURCES POLICIES/PROCEDURES MANUAL

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

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

12/16/10

WHEREAS, Matthew J. Baudo, Secretary to the Authority advises that it is in the best interest of the Authority to amend Policy No. 43.0 (Insurance Benefits) of said Manual to read as follows on the attached Schedule “A”; and

WHEREAS, Matthew J. Baudo, Secretary to the Authority recommends amending Policy No. 43.0 (Insurance Benefits) 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. 43.0 (Insurance Benefits) of the Authority's Human Resources Policies/Procedures Manual as noted on the attached Schedule “A”.

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

Noes: None

SCHEDULE "A"

**ERIE COUNTY WATER AUTHORITY
HR Policies/Procedures**

Re: INSURANCE BENEFITS

Policy No.: 43.0

**Application: Managerial/Confidential
Employees**

Amended: 07/29/97 12/16/10

11/26/02

09/25/03

01/16/04

03/25/04

07/26/05

12/18/08

02/12/09

11/30/09

PURPOSE

To provide a comprehensive and competitive program of employee insurance benefits.

POLICY

It is the policy of the Authority to make available to active Managerial and Confidential employees, insurance benefits designed to safeguard the health of Authority employees and their families, provide income replacement to employees in the event of loss of regular earnings due to long-term disability, and provide a level of financial protection to families in the event of the death of an employee. The benefit descriptions contained herein are intended as a summary only. The official terms of the Authority's insurance plans are contained in plan documents.

MEDICAL INSURANCE

1. Newly hired employees shall first become eligible for either single or family coverage on the first of the month following their date of active employment.
2. Effective June 1, 2004, the Authority shall provide as its insurance plan a traditional point of service (POS) type contract which shall be provided by Blue Cross and Blue Shield of Western New York through the Labor/Management Health Coalition, Inc. (LMHC).
3. Employees will have the option of participating in the Core Plan, the Enhanced Plan or the Value Plan. Effective January 1, 2011 the Authority shall pay eight-five (85%) percent of the cost of the Core Plan for single and family coverage. The Employee shall contribute fifteen (15%) percent of the monthly premium cost of the Core Plan through payroll deduction.

12/16/10

4. For those employees that elect to enroll in the Enhanced Plan, the employee shall be required to pay the difference in cost between the Enhanced Plan and the Authority's share of the Core Plan.
5. For those employees that enroll in the Value Plan, the Authority shall pay eighty-five (85%) percent of the cost of the Value Plan for single and family coverage. The Employee shall contribute fifteen (15%) of the monthly premium cost of the Value Plan through payroll deduction. The Authority shall deposit fifty (50%) percent of the difference in the monthly premium cost between the Core Plan and the Value Plan in an IRS Section 105-H account. Monies deposited in such account shall roll over year to year until expended, or until employee's death, at which time any unexpended funds shall revert to the Authority.

DENTAL INSURANCE

1. Newly hired employees shall become eligible for either single or family coverage on the first of the month following their date of active employment.
2. Coverage is provided through the Preferred Dental Plan. The plan is administered by Group Health Incorporated (GHI). Benefits shall include 100% Prosthetic Allowance and Orthodontia for dependent children to age twenty-three.
3. The Authority shall contribute toward the premium an amount up to \$27.43 per month for single coverage or \$109.70 per month for family coverage. Any excess cost shall be borne by the employee through an authorized payroll deduction.

VISION CARE PLAN

1. Newly hired employees shall become eligible for either single or family coverage on the first of the month following their date of active employment.
2. Coverage is provided through the Vision Service Plan (VSP). The plan includes benefits for vision examinations, lenses, frames and contact lenses.
3. The Authority shall pay the full premium for either single or family coverage.

SHORT-TERM DISABILITY

1. Newly hired employees shall be enrolled on the first of the month following one month of active employment.
2. Coverage is provided by The Guardian insurance company. Benefits begin on the eighth day of injury/sickness, and may continue for a maximum benefit period of 26 weeks at fifty-percent of

an employees weekly earnings to a maximum of \$1,000 per week less other income benefits. Benefit payments and duration are subject to the conditions of the Plan.

3. Short Term Disability Benefits will not be paid for an occupational injury or sickness.
4. The full cost of this plan shall be borne by the Authority.

LONG-TERM DISABILITY

1. Newly hired employees shall be enrolled on the first of the month following their date of active employment.
2. Coverage is provided by the The Guardian insurance company. Benefits begin following 180 days of disability and equal 70% of an employee=s basic monthly earnings up to \$5,000, less other income benefits. Benefit payments and duration are subject to the conditions of the Plan.
3. The full cost of this plan shall be borne by the Authority.

LIFE INSURANCE

1. Authority paid coverage provides employee life insurance and accidental death and dismemberment benefits through the following group plans:
 - A. Newly hired employees shall be enrolled in The Guardian life insurance plan on the first of the month following their date of hire.
 - B. Newly hired employees shall be enrolled in an additional life insurance plan provided by The Guardian insurance company on the first of the month following their initial 26 weeks of active employment.
2. In addition, the Authority may from time to time offer employees the opportunity to participate in optional life insurance programs on a contributory basis.

MEDICAL AND/OR DENTAL INSURANCE WAIVER

Employees who are covered under an alternate plan may elect cash payments in lieu of Authority provided medical and/or dental insurance coverage. The Medical/Dental Insurance Waiver is further explained in Policy No. 44.0.

RETIREE MEDICAL INSURANCE

Eligible employees who retire after April 1, 1991 shall be provided with single or family medical

insurance. Retiree Medical Insurance is explained further in Policy No. 46.0.

COBRA CONTINUATION BENEFITS

Employees and/or their eligible dependents shall be provided the opportunity to continue their medical, dental and/or vision coverage under COBRA should their Authority provided coverage terminate. COBRA is explained further in Policy No. 45.0.

ITEM 15 - AUTHORIZATION TO RETAIN THE LAW FIRM OF MAGAVERN, MAGAVERN GRIMM LLP TO REPRESENT THE ERIE COUNTY WATER AUTHORITY IN THE DEFENSE OF A LAWSUIT WITH SCOTTSDALE INSURANCE COMPANY

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

WHEREAS, In December 2006 a class action lawsuit was commenced in New York State Supreme Court entitled *Pino Alto Partners v. Erie County Water Authority* (the Authority), Index No. I2006-11957; and

WHEREAS, The lawsuit is active and still pending in New York State Supreme Court; and

WHEREAS, In January 2007 Scottsdale Insurance Company (Scottsdale) agreed to defend and indemnify the Authority in the Pino Alto litigation under a reservation of rights, and has been providing a defense to the Authority by Hodgson Russ LLP as counsel since that time; and

WHEREAS, In November 2010 Scottsdale commenced a declaratory judgment lawsuit against the Authority entitled *Scottsdale Insurance Company v. Erie County Water Authority* in New York State Supreme Court seeking a judicial declaration that Scottsdale has no further obligation to defend or indemnify the Authority in the Pino Alto litigation because coverage is excluded under the terms of the policy; and

WHEREAS, It is in the best interest of the Authority to retain outside insurance coverage counsel to defend the Authority in the Scottsdale litigation; and

WHEREAS, It has been determined that Magavern, Magavern Grimm LLP has the requisite experience and qualifications to represent the Authority in the Scottsdale litigation;

NOW, THEREFORE, BE IT RESOLVED:

That the Legal Department should enter into a retainer agreement with Magavern, Magavern Grimm LLP to defend the Authority in the Scottsdale litigation.

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

Noes: None

ITEM 16 - AUTHORIZATION TO AMEND THE AUTHORITY'S CAREER AND SALARY PLAN - BI-WEEKLY EMPLOYEES NOT ELIGIBLE FOR MEMBERSHIP IN A COLLECTIVE BARGAINING UNIT

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

WHEREAS, The Erie County Water Authority (the "Authority") has periodically adopted resolutions establishing a Career and Salary Plan which plan has been amended by resolution of the Authority from time to time; and

WHEREAS, Certain employees of the Authority are represented for the purpose of collective bargaining by AFSCME Local 930 and CSEA Local 1000; and

WHEREAS, Certain bi-weekly employees of the Authority not included in either of the two bargaining units within the Authority are referred to as "Managerial/ Confidential" employees; and

WHEREAS, The Authority deems it advisable to provide for all Managerial/ Confidential" employees that are not covered under separate contract a 2.0 % salary increase;

NOW, THEREFORE, BE IT RESOLVED:

That the Authority's Career and Salary Plan is amended providing the abovementioned 2.0 % wage increase for all "Managerial/Confidential" employees that are not covered under separate contract effective January 1, 2011.

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

Noes: None

ITEM 17 - 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 18-31 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 18 - 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 32 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 - SERVICE CONNECTION WORK ORDER LIST:

Motion by Mr. Warthling seconded by Mr. O'Donnell and carried to approve Service Connection Work Order Nos. 2010-48 and 2010-49, 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

Motion by Mr. Warthling, seconded by Mr. O'Donnell and carried that the meeting adjourn.

Matthew J. Baudo
Secretary to the Authority/Personnel Director

slz