

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 June, 2018 as amended August 16, 2018

PRESENT: **Jerome D. Schad, Chairman**
Mark S. Carney, Vice Chairman
Terrence D. McCracken, Secretary to the Authority
Margaret A. Murphy, Associate Attorney
Robert J. Lichtenthal, Jr. Deputy Director
Karen A. Prendergast, Comptroller
Paul H. Riester, Director of Administration
John J. Mogavero, Chemist/Chief WTPO
Susan L. Rinaldo, Cash Manager

ATTENDEES: **Rick Ganci**
Mike Luksch, WGRZ
Maura Christie, Spectrum News
Dave Rich, Spectrum News
Jeff Hezmicx, WIVB
Thuylan Nguen, WKBW
Nicole DeMentri, WKBW
David Morales, WKBW
Chris Horvatits, WIVB

CALL TO ORDER

PLEDGE TO THE FLAG

I. - ROLL CALL

II. - READING OF MINUTES

Motion by Mr. Carney seconded by Mr. Schad and carried to waive the reading of the Minutes of the Meeting held on Thursday, June 14, 2018.

DISCUSSION

None

VOTE

Ayes: Two; Commrs. Schad and Carney

Noes: None

III. - APPROVAL OF MINUTES

Motion by Mr. Carney seconded by Mr. Schad and carried to approve the Minutes of the Meeting held on Thursday, June 14, 2018.

DISCUSSION

None

VOTE

Ayes: Two; Commrs. Schad and Carney

Noes: None

IV. – REPORTS

SECRETARY

1. Executive Session

Discussion of Appointment of Attorney pursuant to Public Officers Law §105(1)(f) (matters leading to the appointment of a particular person)

Secretary McCracken announced that there will be an Executive session at the end of the regular meeting to discuss the above.

2. FOIL Request from Investigative Post and Dan Telvock, both requesting privileged documents

Secretary McCracken distributed to the Board a copy of the FOIL requests received from the Investigative Post and Dan Telvock.

3. Report on Hiring of Attorney

Secretary McCracken advised the Board that the interviews for the position of Attorney were held this week. The two candidates for interviews at today's meeting in front of the Board are David Mineo and Margaret Murphy.

LEGAL

1. FOIL Request from Investigative Post and Dan Telvock, both requesting privileged documents

Margaret Murphy advised the Board that she emailed the Commissioners and the Secretary a confidential memo regarding the above FOIL requests. She informed the Board that these two requests are asking for information that in the past have been withheld under various privileges, so therefore, it needed to be brought to the Board's attention. Per Chairman Schad's instruction, Ms. Murphy reached out to both of the individuals who made these requests making them aware of today's meeting and that no decision would be reached today. Ms. Murphy expects to receive the material today to review, and by the next meeting she will have a privileged log outlining what those documents are and a summary of what is contained. Her recommendation is not to release this for the reasons set forth in her memo. Ms. Murphy does, however, recommend releasing her memo to the public along with forwarding a copy to Ms. Keith and Mr. Telvock. Vice Chairman Carney confirmed for the record that Ms. Murphy is recommending the release of her June 26, 2018 memo. Both Commissioners agreed that they do not have any opinion until they review the documents. Vice Chairman Carney asked Ms. Murphy to prepare a brief memo on whether or not a redacted section could be done.

Subsequently, Vice Chairman Carney moved and Chairman Schad seconded to authorize the release of the confidential memo prepared by counsel Margaret Murphy dated June 26, 2018.

VOTE

Ayes: Two; Commrs. Schad and Carney

Noes: None

FISCAL

1. Neptune Technologies Contract

Karen Prendergast informed that Board the contract with Neptune Technologies will expire at the end of July. Neptune has expressed interest in extending this contract under the same terms and conditions as current contract which allows for a year extension. Ms. Prendergast recommends the Board extends the contract and will have a resolution at the next Board meeting.

2. EMA Contracts

Karen Prendergast gave an update to the Board relative to Phase 1 of the EMA project. Phase 1 is still in progress. There is extensive work being done at the plants. She advised that she is not ready to move forward with a contract for Phase 2 but is ready to start talking about it. There is still a lot of work to be done in Phase 1 which might impact what happens in Phase 2. Ms. Prendergast is hoping to come back to the Board in approximately six weeks to make a recommendation on how we want to move forward. Chairman Schad asked Mr. Stoll to identify the kind of skill set and how many people we need to get this completed.

3. Hi-Tech Services Contract Extension Proposal

Bob Lichtenthal distributed a memo addressing an extension of the contract with Hi-Tech Services. He noted that Hi-Tech has developed most, if not all of the major technology systems at the Authority. The current contract is due to expire on July 31, 2018. Mr. Lichtenthal feels it is imperative that we have the knowledge transfer from Hi-Tech in order to make a smooth transition of current systems to the proposed new platforms. The Commissioners agreed that the Authority should extend this contract for one year.

4. May 2018 Investment Report

Mr. Lichtenthal distributed the May 2018 investment report. Vice Chairman Carney questioned how often do we shop investments. Mr. Lichtenthal replied that we shop as they come up as we have very short term based upon NYS Finance Law.

5. Monthly Financial Report – May 2018

Steve D'Amico distributed the May 2018 Investment Report. This report includes operating revenue, investment income, operating expense and net income. Commissioner Schad noted that the operating expense seems to have a significant variation - is that just weather related. Mr. D'Amico explained the biggest items that are running under budget are payroll along with the payments to contractors.

Budget Calendar

Mr. D'Amico distributed a proposed budget calendar. Chairman Schad asked that the budget hearings be split into two days. Vice Chairman Carney noted that it was the Board's intention to have a final budget schedule some time around the first week of August.

OPERATIONS

1. Gov Spend Software

Paul Riester distributed a memo explaining the pricing transparency software he would like to try for one year. This software will allow Mr. Riester to look at pricing transparently around the country. It also verifies sole sources better and will access a larger market place. The Commissioners felt this was a good idea to explore.

HUMAN RESOURCES

No Report

06/28/18

AUDIT COMMITTEE

No Report

GOVERNANCE COMMITTEE

1. Summary of 6/14/18 and 6/20/18 meetings

Commissioner Schad gave a summary of the June 14, 2018 and June 20, 2018 Governance Committee meetings.

FINANCE COMMITTEE

No Report

ETHICS BOARD

No Report

At this time Chairman Schad took a moment to thank Mr. Stoll and his staff on the marvelous job they did on the 48" leak. It demonstrates the quality of the staff how well and how fast they responded particularly on a pipe that large.

V. - COMMUNICATIONS AND BILLS**ITEM 1 - MASTER PURCHASE ORDER RELEASES, PURCHASE ORDERS AND PURCHASE ORDER AMENDMENTS**

Motion by Mr. Carney seconded by Mr. Schad

DISCUSSION

None

VOTE

Ayes: Two; Commrs. Schad and Carney

Noes: None

ITEM 2 - MASTER PURCHASE ORDER RELEASES, PURCHASE ORDERS AND PURCHASE ORDER AMENDMENTS

Motion by Mr. Carney seconded by Mr. Schad

DISCUSSION

Chairman Schad has reviewed and they are all in order. Vice Chairman Carney asked for further clarification on legal services.

VOTE

Ayes: Two; Commrs. Schad and Carney

Noes: None

VI. - UNFINISHED BUSINESS

T-1 APPROVAL OF THE AMENDMENT TO THE PROPOSED POLICY NO. 94.0 (ITEM NO. 4 4/19/18) (REFERRED TO GOVERNANCE COMMITTEE)

T-2 ADOPTION OF POLICY NO. 96.0 (ITEM NO. 15 4/19/18) (REFERRED TO GOVERNANCE COMMITTEE)

T-10 APPROVAL OF AMENDMENT NO. 4 OF EMA, INC. FOR MANAGEMENT AND OPERATIONS ENHANCEMENTS, ASSISTANCE IN OPTIMIZING OPERATIONS AND MAINTENANCE, IDENTIFIED AS CONTRACT NO. EMA-003, PROJECT NO. 201400160 IN THE AMOUNT NOT TO EXCEED \$74,280.00 - ITEM NO. 11 OF THE MEETING HELD ON JUNE 14, 2018 (ITEM NO. 11 6/14/18)

Motion to remove from table by Mr. Schad seconded by Mr. Carney

DISCUSSION

None

VOTE

Ayes: Two; Commrs. Schad and Carney

Noes: None

T-10 APPROVAL OF AMENDMENT NO. 4 OF EMA, INC. FOR MANAGEMENT AND OPERATIONS ENHANCEMENTS, ASSISTANCE IN OPTIMIZING OPERATIONS AND MAINTENANCE, IDENTIFIED AS CONTRACT NO. EMA-003, PROJECT NO. 201400160 IN THE AMOUNT NOT TO EXCEED \$74,280.00 - ITEM NO. 11 OF THE MEETING HELD ON JUNE 14, 2018 (ITEM NO. 11 6/14/18)

Motion by Mr. Carney seconded by Mr. Schad

DISCUSSION

None

VOTE

Ayes: Two; Commrs. Schad and Carney

Noes: None

VII. - NEW BUSINESS

ITEM 3 - AUTHORIZATION TO EXTEND THE CONTRACT WITH FREDERICK MACHINE REPAIR, INC. FOR MACHINING AND FABRICATION SERVICES FOR THE REPAIR OF VARIOUS ERIE COUNTY WATER AUTHORITY EQUIPMENT FROM AUGUST 1, 2017 TO JULY 31, 2018, PROJECT NO. 201700071, CONTRACT NO. 17-09-06 - \$36,425.00

Motion by Mr. Carney seconded by Mr. Schad

DISCUSSION

Vice Chairman Carney wanted it clarified as to if the Authority was paying Frederick Machine \$36,425.00 or is the money just budgeted. Staff informed Mr. Carney that the money was for any amount the Authority might be billed over the next year.

VOTE

Ayes: Two; Commrs. Schad and Carney

Noes: None

ITEM 4 - REFUND FOR NEW SERVICE INSTALLATIONS - \$15,192.44

Motion by Mr. Carney seconded by Mr. Schad

DISCUSSION

None

VOTE

Ayes: Two; Commrs. Schad and Carney

Noes: None

ITEM 5 - SALARY INCREMENTS - JULY 1, 2018

Motion by Mr. Carney seconded by Mr. Schad

DISCUSSION

Vice Chairman Carney questioned if there are any “special movements” here or is it just standard as time passes. Staff advised Mr. Carney that he is correct. These are strictly increments due to the employee’s step.

VOTE

Ayes: Two; Commrs. Schad and Carney

Noes: None

ITEM 6 - RESCIND PRIOR RESOLUTIONS RELATING TO ACCRUE OF ADDITIONAL VACATION TIME FOR SELECTIVE EMPLOYEES

Motion by Mr. Carney seconded by Mr. Schad

DISCUSSION

Vice Chairman Carney noted that after reviewing this resolution he is confirming the Board is bringing everyone back to the normal rules for all employees to follow and anyone who was given special privileges for additional time that is not being taken back.

VOTE

Ayes: Two; Commrs. Schad and Carney

Noes: None

ITEM 7 - AMENDMENT TO THE AUTHORITY’S CODE OF ETHICS RELATING TO CONDUCT OF COMMISSIONERS AND FORMER COMMISSIONERS (T-11)

Motion to table and refer to Governance Committee by Mr. Carney seconded by Mr. Schad

DISCUSSION

Vice Chairman Carney would like to have a better understanding or who is affected by this so he would like it referred to the Governance Committee.

VOTE

Ayes: Two; Commrs. Schad and Carney

Noes: None

ITEM 8 - SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO \$25,000,000 WATER REVENUE BONDS, SERIES 2018

Motion by Mr. Carney seconded by Mr. Schad

DISCUSSION

Chairman Schad noted that we are in a good place to move forward. Vice Chairman has reviewed all the documents and they are all appropriate.

VOTE

Ayes: Two; Commrs. Schad and Carney

Noes: None

ITEM 9 - AUTHORIZATION TO ACCEPT FEE PROPOSAL FROM MANUFACTURERS AND TRADERS TRUST COMPANY FOR PAYMENT OF BOND TRUSTEE AND ESCROW AGENT SERVICES FOR THE ERIE COUNTY WATER AUTHORITY SERIES 2018 BONDS AND EXECUTION OF FEE PROPOSAL

Motion by Mr. Carney seconded by Mr. Schad

DISCUSSION

None

VOTE

Ayes: Two; Commrs. Schad and Carney

Noes: None

ITEM 10 - AUTHORIZATION TO OPEN AN ACCOUNT AT M&T BANK, BUFFALO, NEW YORK, ENTITLED "ERIE COUNTY WATER AUTHORITY CONSTRUCTION ACCOUNT, SERIES 2018"

Motion by Mr. Carney seconded by Mr. Schad

DISCUSSION

None

VOTE

Ayes: Two; Commrs. Schad and Carney

Noes: None

ITEM 11 - AUTHORIZATION TO OPEN AN ACCOUNT AT M&T BANK, BUFFALO, NEW YORK, ENTITLED "ERIE COUNTY WATER AUTHORITY, SERIES 2018 DEBT SERVICE FUND"

Motion by Mr. Carney seconded by Mr. Schad

DISCUSSION

Vice Chariman asked Mr. Lichtenthal if we have shopped the banks. Mr. Lichtenthal explained M&T is offering the Authority the best rate and the lowest fee. Mr. Lichtenthal believes since M&T has been the trustee on the Authority's other bonds it creates confusion if you have multiple trustees on multiple bond issues and that all of these accounts are tied together with the factor of this bond issuance. Chairman Schad added that stability on this is important.

VOTE

Ayes: Two; Commrs. Schad and Carney

Noes: None

ITEM 12 - AUTHORIZATION TO OPEN AN ACCOUNT AT M&T BANK, BUFFALO, NEW YORK, ENTITLED "BOND ISSUANCE COSTS 2018"

Motion by Mr. Carney seconded by Mr. Schad

DISCUSSION

None

VOTE

Ayes: Two; Commrs. Schad and Carney

Noes: None

ITEM 13 - AUTHORIZATION TO ENTER INTO AN EMPLOYMENT AGREEMENT WITH ROBERT J. LICHTENTHAL, JR., DEPUTY DIRECTOR

Motion by Mr. Carney seconded by Mr. Schad

DISCUSSION

Vice Chairman Carney noted that the has reviewed the employment contract and values Mr. Lichtenthal's as he has been quite helpful. Chairman Schad added that he believes the Authority needs stability to run this operation and he thanks Mr. Lichtenthal for his service.

VOTE

Ayes: Two; Commrs. Schad and Carney

Noes: None

ITEM 14 - SERVICE CONNECTION WORK ORDER LIST

Motion by Mr. Carney seconded by Mr. Schad

DISCUSSION

None

VOTE

Ayes: Two; Commrs. Schad and Carney

Noes: None

At this time the Board of Commissioners conducted interviews with David Mineo and Margaret Murphy for the position of Attorney.

Motion by Mr. Schad seconded by Mr. Carney and carried to convene an Executive Session to discuss appointment of Attorney pursuant to Public Officers Law §105(1)(f) (matters leading to the appointment of a particular person) and invited, along with Commissioners, Secretary McCracken, Robert Lichtenthal and Karen Prendergast to attend the Executive Session. 9:48 a.m.

DISCUSSION

None

VOTE

Ayes: Two; Commrs. Schad and Carney

Noes: None

Motion by Mr. Schad seconded by Mr. Carney carried to close Executive Session. 10:13 a.m.

DISCUSSION

None

VOTE

Ayes: Two; Commrs. Schad and Carney

Noes: None

ITEM 15 – MARGARET MURPHY - APPOINTMENT AS ATTORNEY

Motion by Mr. Schad seconded by Mr. Carney

DISCUSSION

None

VOTE

Ayes: Two; Commrs. Schad and Carney

Noes: None

Chairman Schad noted that in executive session they discussed issues relating to the appointment of Attorney pursuant to Public Officers Law §105(1)(f) (matters leading to the appointment of a particular person) and part of that discussion led to a discussion of regrading one position within the organization. Vice Chairman Carney added it was also discussed of the possibility of a hire to fill the part time position that Ms. Murphy held.

VIII. - ADJOURNMENT

Motion by Mr. Carney seconded by Mr. Schad carried that the meeting adjourn.

DISCUSSION

None

VOTE

Ayes: Two; Commrs. Schad and Carney

Noes: None

Terrence D. McCracken
Secretary to the Authority

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