

**WAYNE COUNTY WATER AND SEWER AUTHORITY
BOARD MEETING MINUTES**

Meeting of: December 27, 2016

Location: Wayne County Water & Sewer Authority Operations Center, Walworth, New York

Present: LaVerne Blik, Jean Johnson, Robert Hutteman, Rick Stevens, David Scudder, Mark Graf, Dan LaGasse, Mark Humbert

Advisors Present: Michael Howard, General Counsel

Staff Present: Martin J. Aman, Executive Director
Jason Monroe, Director of Operations
Demaris Verzulli, Secretary of the Meeting
Sheryl LaDelfa, Accounting Manager (Financials portion only)

Vice Chairman Blik called the meeting to order at 4:00 p.m.

I. Chairman's Report

Recognition of David Lyon

Mr. Aman expressed to the Board his sorrow that David Lyon, Chairman of the Board, had passed away the previous month. He asked that the Board make a resolution honoring Mr. Lyon and his long service to the Authority. Mr. LaGasse moved, Mr. Stevens seconded and all members present unanimously approved the following resolution:

WHEREAS, the Wayne County Water & Sewer Authority and the broader community lost a strong, forward-thinking leader on November 22, 2016 with the death of David C. Lyon; and

WHEREAS, the Authority Board wishes to recognize and honor Dave's life and his legacy of selfless service to the Authority; and

WHEREAS, Dave devoted nearly thirty years of unwavering dedicated professional service as Chairman of the Wayne County Water & Sewer Authority since its creation in 1987 and until his death; and

WHEREAS, Dave was significantly influential in the operations, planning and growth of the Authority from the beginning; and

WHEREAS, Dave showed a committed dedication to this Authority that has allowed this Authority to maintain high standards, reasonable water and sewer rates, a safe and efficient working environment, and sound customer and employee relations;

NOW, THEREFORE BE IT RESOLVED that the Wayne County Water & Sewer Authority hereby recognizes the substantial contributions of David C. Lyon over the course of his distinguished career and mourns his death; and

BE IT FURTHER RESOLVED that the Authority celebrates the memory of our colleague David C. Lyon and expresses its heartfelt condolences to the entire Lyon family; and

BE IT FURTHER RESOLVED that a copy of this Resolution shall be presented to the family of David C. Lyon and recorded in the permanent minutes of this Board.

The adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Mr. Hutteman	VOTING	Aye
Mr. LaGasse	VOTING	Aye
Mr. Stevens	VOTING	Aye
Mr. Humbert	VOTING	Aye
Ms. Johnson	VOTING	Aye
Mr. Scudder	VOTING	Aye
Mr. Graf	VOTING	Aye
Mr. Bliet	VOTING	Aye

The Resolution was thereupon declared duly adopted.

Mr. Aman informed the Board that at the suggestion of Jessica Freling of the administrative staff to further honor Mr. Lyon he had instituted a David C. Lyon Memorial Award to be given annually to a deserving employee. This year the award was given to Regional Plant Chief Operator Seth Galek, who is helpful to the new operators, creative in dealing with problems and challenges, and who maintained a strong work presence this year in the face of extreme health challenges to his family. Mr. Aman also advised the Board of another staff suggestion to dedicate a room or an area in the future expanded operations center to Mr. Lyon, with an appropriate plaque or display of some kind.

Adoption of Minutes: Ms. Johnson moved, Mr. Hutteman seconded and all members present unanimously approved the following resolution:

RESOLVED, that the minutes of the November 22, 2016 meeting of the Wayne County Water and Sewer Authority be accepted with no changes.

Correspondence: None

II. Treasurer's Report

Ms. Johnson presented the warrant and bills. Mr. LaGasse questioned a payment to Project Resources Group for cable line damage. Mr. Aman explained that after the heavy snowstorm several weeks ago, the crew had to repair a shear water main break in Lyons, and the stakeout marks for Time Warner Cable appeared to be clear but were not because of the heavy snow and ice. A cable was struck and damaged, and since the policy of Time Warner is to replace cable from connect point to connect point and not just repair the break, this expense was significant.

After due discussion and deliberation, Mr. Stevens moved, Mr. Hutteman seconded and all members present unanimously approved the following resolution:

RESOLVED, that the following statements are hereby authorized and directed to the Treasurer for payment: Water Authority Operational – (includes all) vouchers 16-1608 to 16-1794 totaling \$467,194.91.

Ms. Johnson presented the Financial Statements for the month of November. After due discussion and deliberation, Mr. Humbert moved, Mr. Hutteman seconded and all members present unanimously approved the following resolution:

RESOLVED, that the Wayne County Water and Sewer Authority's Monthly Financial Statements for November 2016 be approved and accepted.

Ms. LaDelfa noted that one of the Certificates of Deposit with Lyons National Bank would be coming due on January 6, 2017, and a decision needed to be made on what to do. Discussion ensued. After due discussion and deliberation, Mr. Scudder moved, Mr. Stevens seconded and all members present unanimously approved the following resolution:

RESOLVED, that the expiring six-month Certificate of Deposit for \$500,000 with Lyons National Bank be renewed for six months at the current rate of 0.25%.

III. Agenda Items

Town of Sodus Discussion

Mr. Aman reported that Mr. Howard has been working on two contracts for the operational lease of the Town of Sodus water system. The operational agreement will be patterned after the Macedon agreement; the towns have the same attorney. Mr. Aman met with Sodus Supervisor Steve LeRoy, and since the town attorney is recommending a permissive referendum, the assumption of operation of the Sodus system will not take place until April. The Sodus operational employees are taking inventory and preparing for the changeover. Mr. Howard remarked that there are actually five separate agreements that must be amended or terminated; in addition to the two operational ones, there are supply agreements with the Villages of Sodus and Sodus Point and the Town of Williamson that are impacted.

Marion Water Projects

Mr. Aman reported that a Certificate of Substantial Completion was prepared for the Town of Marion following the construction completion date of December 2, and the town has already paid the Authority. All the functioning components are in place and more cleanup and restoration will be done in the spring. Some elements of the project will extend into 2017 since the grant money was sufficient to cover these, including replacing some very old water lines on Mill Street extending down to Smith Road.

Port Bay Sewers Update

Mr. Aman reported that while the towns of Huron and Wolcott are behind schedule in obtaining easements, the engineers continue to work on pump station details and there will be a meeting with the engineers on January 3 to discuss adaptations of the Wolcott wastewater plant/pump station for this project.

Town/Village of Macedon Update

Mr. Aman reported that he attended a joint meeting of the Town and Village boards, and they have not yet come to a consensus on the contract with the Authority, although Mr. Howard reported that the contract is ready for signatures. It appears the Authority will take over operations in the spring. The village finally obtained the NYSDOT permit for the water main replacement project on Route 31 and the contractor is discussing starting the long-delayed project in January. Mr. Aman reported that the village was told by Monroe County Environmental Services that there is no interest in receiving Macedon wastewater; Monroe County is reserving its resources for in-county needs. Mr. Aman attended a meeting with the Village of Palmyra to

discuss necessary upgrades to that village's wastewater plant in the next few years. The possibility was discussed of building a new plant to serve the communities of Macedon and Palmyra in a more efficient manner. Macedon has set April 1 as a tentative date for deciding whether to go ahead with the plant upgrades or not.

Village of Red Creek Sewers

Mr. Aman reported that the village has received another grant, this for \$570,000 to extend sewers on Canada Street. The project on South Street could start in late January or early February. Mr. Aman also reported that the village collects sewer fees from the customers and pays the Authority per unit for operating the system. The village had been paying the Authority for the incorrect number of sewer units for some time and as a consequence owes the Authority approximately \$22,000. This will be paid in two installments.

Regional Water Storage Tank Update

Mr. Aman reported that the appraiser for the Brantling Hill property should be presenting his findings soon. After walking the property with the engineers, it appears there would be a better solution than installing the transmission main crosslots from Route 88 through woods and wetlands. The new idea is to install the main along Brantling Hill Road since there are approximately fifteen properties on that road that could use public water, including Brantling Ski Slopes. He will have more information for the Board at the next meeting. Mr. Aman also reported that he met today with Assemblyman Robert Oaks and the new State Senator Pam Helming to discuss what projects would be important to the county, including this one involving six towns and a village. Since she is now aware of this and other possible projects, Ms. Helming could support future grant applications.

Mr. Aman also reported that he and Mr. Howard had attended a meeting in Syracuse with both New York State and national representatives of Rural Development to discuss RD's new initiative to consider not just a prospective water district's ability to pay the debt, but drawing on the rest of the districts in a town to be sure there are adequate funds. Mr. Howard presented the legal aspect of the ability for a New York municipality to relevel unpaid tax bills to the county and the county can then sell the property to pay these bills. The likelihood of a district not being able to pay its bond obligation is remote. As a result of this meeting, RD is no longer suspending funding application reviews in New York State. In addition, it was confirmed that the Authority can be the direct applicant for funding for a project like the regional tank or for combining a number of small projects for which towns can't bond small amounts.

Town of Rose

Mr. Aman reported that he met with Keenan Baldrige, Supervisor of Rose because the Authority's water supply contract with the town expires at the end of this year. The town has no wholesale rate, and bills the Authority the same retail rate that its residents pay. This has not been acceptable, but now Rose will consider adopting a "supplier" rate, perhaps on a stepped quantity basis.

Village of Palmyra Operations Agreement

Mr. Aman reminded the Board that the water and wastewater operation and maintenance agreement the Authority has with the Village of Palmyra must be updated with an addendum every two years. He briefly described the terms: The Village pays all direct costs plus an administrative fee, plus any extra services. The administrative fee is increased by three percent

each year. After due discussion and deliberation, Mr. Hutteman moved, Mr. Humbert seconded and all members present unanimously approved the following resolution:

RESOLVED, that the Executive Director be authorized to sign Addendum No. 3 to the Water and Wastewater Operation and Maintenance Agreement between the Wayne County Water & Sewer Authority and the Village of Palmyra.

Moody's Rating Upgrade

Mr. Aman reported that Moody's Investors Service has upgraded the Authority's bond rating to Aa3 from A1, reflecting improved and solid debt service coverage, strong useful asset life, and healthy liquidity position.

Employee Handbook Amendment

Mr. Aman reported that the section of the Employee Handbook referring to medical insurance for Authority retirees needed clarification, and he employed Boylan Code for this because of their employment law expertise. After due discussion and deliberation, Mr. Scudder moved, Mr. Hutteman seconded and all members present unanimously approved the following resolution:

RESOLVED, that the Authority's current policy regarding the provision of medical insurance for retirees, as set forth in Section 312 of the Employee Handbook, be revised with respect to all current and prospective Authority employees, effective as of December 27, 2016, by amending and replacing such section in its entirety. (Revised section included as Appendix A of these minutes.)

Land Use Agreement

Mr. Aman reminded the board that of the 200 or so acres of Authority property on which the Regional Plant is situated, 9.8 acres have been farmed by a local operation, Slobe Farms, LLC, under a land use agreement that is renewed every five years. This time Mr. Aman asked Mr. Slobe for a certificate of liability insurance, which he has received. There was discussion of the value of this agreement and its severability. After due discussion and deliberation, Mr. Stevens moved, Mr. LaGasse seconded and all members present unanimously approved the following resolution:

RESOLVED, that the Executive Director be authorized to sign a land rent agreement with Slobe Farms, LLC of Red Creek for the agricultural use of 9.8 acres of the Authority property at 7809 Ford Road, Town of Wolcott, for the 2017 crop year, continuing for five years and ending in December of the year 2017, the rent to be \$0 per acre.

Operations Center Building Expansion

Mr. Aman reported that the Town of Walworth will review the building expansion plans as a site plan amendment. Walworth has also requested that a licensed professional engineer stamp and approve the expanded leach system plan. He is still hoping to be able go to bid in February so that the project can begin in May and be completed in four or five months from then.

Schedule Committee Meetings

Mr. Aman reminded the board that it is necessary to schedule the January board meeting, a Finance Committee meeting to review the Procurement Policy and Investment Guidelines and an Audit Committee meeting to discuss the procedures for the year-end audit. After due discussion and deliberation, Mr. Hutteman moved, Ms. Johnson seconded and all members present unanimously approved the following resolution:

RESOLVED, that the regular January meeting of the board of the Wayne County Water and Sewer Authority be scheduled at 4 p.m. on Tuesday, January 24, and a meeting of the Finance Committee be scheduled at 3:15 p.m. prior to the board meeting and a meeting of the Audit Committee be scheduled at 3:30 p.m. prior to the board meeting.

Board Members

Mr. Aman reminded the board that each year the terms of three members of the board expire. Mr. Hutteman and Mr. Stevens wish to be reappointed. Mr. Lyon was the third member, and Sodus Supervisor Steve LeRoy has proposed Kelley Allen, the former mayor of the Village of Sodus, be appointed to fill that vacancy. Mr. Graf affirmed that he wished to submit his resignation due to pressing business and family obligations. Mr. Aman has advised the Town of Macedon to consider recommending a few names to the county for a potential replacement for Mr. Graf.

Monthly Report

Mr. Monroe presented his monthly report. After the completion of the Marion project, its pressure control vault and roadside cleanup and paving, the crews are beginning equipment maintenance. In the eastern area, maintenance and repairs were done at the Canada Street pump station, all hydrant stakes were checked, replaced or installed and at the Regional Plant the Roots blower and oxidation ditch rotor were serviced. Operations were normal at the Village of Palmyra plants with water treatment plant upgrades beginning. Soon work will begin on addressing the corrosive elements of the source water. In Macedon, pump station and SCADA upgrade installations were substantially completed at the Cedar Creek and East Park Drive wastewater pump stations, for which the Authority has been reimbursed by Macedon. The wastewater plant has been a challenge to keep running properly. The anaerobic digester is supposed to produce methane to aid in heating the plant, but none is currently being produced so the natural gas costs are increased. In Lyons, hydrant markers were placed for the winter and there were multiple curb box, valve box and manhole cover repairs completed. Seven new water services were installed and there was one water main repair, a shear break of the 6-inch main on Gristmill Drive in Lyons, where the cable was hit. The winter months' projects will include training sessions, especially on traffic control, since the construction project for 2017 will include a heavily travelled road. In the next two months, Mr. Monroe expects to advertise for bids on the materials for the project. In the El-Vi Farms water project south of Newark, the master meter pit on Clark Road has been installed, an rpz has been installed and scheduled to be tested soon. The farm's wells have recovered some, but it appears that the treated water works better for cleaning and the cows seem to produce more milk when on the treated water supply.

Adopt Schedule A

Mr. Aman said that although Schedule A, the salary schedule, has been adopted in January in past years, it makes more sense to adopt it in December before any payrolls have been issued for the next year. At 5:35 p.m., after due discussion and deliberation, Mr. Hutteman moved, Mr. LaGasse seconded and all members present unanimously approved the following resolution:

RESOLVED, that the Board adjourn into Executive Session for discussion with counsel in regard to salaries of particular persons.

The Board returned to open session at 5:55 p.m. After due discussion and deliberation, Mr. Stevens moved, Mr. Humbert seconded and all members present unanimously approved the following resolution:

RESOLVED, that the Board adopt Schedule A, the Authority salary schedule for 2017, a copy of which shall be placed on file in the office of the Executive Director.

After due discussion and deliberation, Mr. Hutteman moved, Mr. Humbert seconded and all members present unanimously approved the following resolution:

RESOLVED, that the Board adopt the salary for the Executive Director as set in Schedule A.

There being no further business to come before it, upon a motion by Mr. Hutteman, seconded by Mr. Stevens, the meeting was adjourned at 6:01 p.m.

Respectfully submitted: _____
Demaris Verzulli, Secretary of the Meeting

Appendix A

PROPOSED REVISION TO §312 OF THE EMPLOYEE HANDBOOK-- MEDICAL INSURANCE FOR AUTHORITY RETIREES

Full time employees who retire after 25 or more years of continuous service with the Authority or after 25 or more years of combined continuous service with both the Authority and a municipality that joins the Authority (with at least 5 years of those combined years spent working for the Authority), and who are retiring in accordance with the NYS Retirement System eligibility requirements, may elect to continue to be covered by the health insurance plan(s) offered to current employees.

If the employee elects to continue coverage under the Authority's plan, the Authority will pay up to \$250.00 per month toward the premium for the former employee and spouse, provided that the retired employee pays the balance of the premium due by the first day of the month of coverage. If the former employee fails to pay his or her share of the premium when due, the Authority reserves the right to cancel the coverage without notice. Once the retired employee is no longer covered by the Authority's health insurance plan, whether because the retired employee does not elect to maintain coverage, or the retired employee does not pay his or her share of the premium when due, then the retired employee's right to this benefit shall terminate and may only be reinstated by the action of the Board of the Authority, in its sole discretion. This benefit shall also terminate upon the death of the retired employee, when the retired employee is no longer eligible for coverage under the terms of the Authority's health insurance plan, or when the retired employee becomes eligible for other coverage (excluding Medicare).

At age 65, the retired employee must switch from regular coverage to Medicare Supplement coverage. Several different Medicare Supplement policies are available. It is the retired employee's responsibility to apply for Medicare Parts A and B, so he or she is eligible for a Medicare Supplement policy. After the retired employee has applied for such coverage, the Authority will continue to pay up to \$250.00 per month toward the cost of any approved supplemental insurance policy to help cover the Medicare "gap".

The Authority reserves the right to modify or terminate any or all of these retirement benefits at any time with or without notice.