

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

Meeting of: October 25, 2017

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

Present: LaVerne Blik, Jean Johnson, David Scudder, Dan LaGasse, William Hammond

Absent: Robert Hutteman, Rick Stevens, 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
Derek Ceratt, Executive Administrative Assistant
Sheryl LaDelfa, Accounting Manager (Financials portion only)

Visitors: None

Chairman LaVerne Blik called the meeting to order at 4:05 p.m.

I. Chairman's Report

Adoption of Minutes: Mr. LaGasse moved, Mr. Hammond seconded and all members present unanimously approved the following resolution:

RESOLVED, that the minutes of the September 26, 2017 meeting of the Wayne County Water and Sewer Authority be accepted with no changes.

Correspondence: Mr. Aman informed the board that the Authority's accounting advisory firm Raymond F. Wager, CPA, PC was merging with the accounting firm of Mengel, Metzger, Barr & Co. LLP and would be operating as a separate municipal division.

II. Treasurer's Report

Ms. Johnson presented the warrant and bills.

After due discussion and deliberation, Mr. Scudder moved, Mr. Hammond 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 17-1563 to 17-1736 totaling \$984,793.27.

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

RESOLVED, that the Wayne County Water and Sewer Authority's Monthly Financial Statements for September 2017 be approved and accepted.

III. Agenda Items

Audit Committee Report

Ms. Johnson reported on the Audit Committee meeting at which the members present reviewed the Report on Applying Agreed-Upon Procedures and Statement of Forecasted Sources and Uses of Cash, part of the Annual Report prepared for the Bond Trustee, and proposals from Raymond F. Wager CPA, P.C. for preparation of the 2017 audit and for 2018 non-audit services, and resolved to recommend that the board approve the report and accept the proposals. After due discussion and deliberation, Mr. Hammond moved, Mr. LaGasse seconded and all members present unanimously approved the following resolution:

RESOLVED, that the Annual Report prepared for the Bond Trustee as required by the Authority's Series 2011 System Revenue (Refunding) Bonds, including the Report on Applying Agreed-Upon Procedures and Statement of Forecasted Sources and Uses of Cash be approved and filed, effective as of October 15, 2017 (copy attached.)

After due discussion and deliberation, Ms. Johnson moved, Mr. Scudder seconded and all members present unanimously approved the following resolution:

RESOLVED, that the Board award the contract for conducting Audit Services for the year ended December 31, 2017 for the Authority to Raymond F. Wager, CPA, P.C. for an amount not to exceed Fourteen Thousand Nine Hundred Fifty dollars (\$14,950.00) as set forth in the Engagement Letter for Accounting Services dated October 4, 2017 (copy attached.)

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

RESOLVED, that the Board engage Raymond F. Wager, CPA, P.C. to prepare the 2018 Report on Applying Agreed-Upon Procedures and Statement of Forecasted Sources and Uses of Cash for an amount not to exceed \$1,600.00 and to provide other non-audit services according to the terms set forth in the Quotation for Agreed-Upon Procedures dated October 25, 2017 (copy attached.)

Finance Committee Report

Mr. Scudder reported that at the Finance Committee meeting of October 23 the members discussed retail and wholesale revenue and reviewed the budget line items. The committee agreed to recommend that the board adopt the proposed 2018 rate schedules, which did not change from 2017, and the 2018 Combined Authority Budget.

Budget Discussion

Mr. Aman presented the board with the proposed 2018 Authority Combined Budget. As he reviewed with budget, he remarked that the budget was calculated without an increase in either the water or sewer rates. Mr. Monroe presented the board with the proposed 2018 Vehicle and Construction Equipment Budget and requested that since 2017 budget funds are available the board approve the 2017 purchase of two items: a large excavator to replace the John Deere 160 and a compactor attachment for the Bobcat excavator. Four state bid priced excavators were considered. Discussion ensued. After due discussion and deliberation, Mr. Hammond moved, Mr. Scudder seconded and all members present unanimously approved the following resolution:

RESOLVED, that the Director of Operations be authorized to purchase from 2017 funds a 160 class excavator at a state bid price, make and model to be determined after examination

of specifications, and a compactor attachment for the Bobcat E-55 Excavator, the total cost not to exceed \$160,000 (One hundred sixty thousand dollars.)

At 4:41 p.m. Ms. Johnson 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 specific employee salaries.

At 5:11 p.m. Mr. LaGasse moved, Mr. Hammond seconded and all members present unanimously approved the following resolution:

RESOLVED, that the Board return to open session.

After due discussion and deliberation, Mr. Scudder moved, Ms. Johnson seconded and all members present unanimously approved the following resolution:

RESOLVED, that the Board adopt the 2018 Water and Sewer Rate Schedules, unchanged from the 2017 rates, copies of which are attached to these minutes.

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

RESOLVED, that per the recommendation of the Finance Committee, the Board adopt the 2018 Authority Budget, a copy of which is attached to these minutes.

Update on Building Expansion

Mr. Aman presented a revised budget for the building expansion, reflecting the change order the board approved at the September meeting. He described the changes, noting that the bottom line remained the same. The building is basically on schedule, with the expectation that it should be enclosed by the second week in November.

Regional Wastewater Treatment Plant Roof Replacement

Mr. Aman reported that he expects the bids for the roofing replacements and upgrades to be on the street by November 2, for the board to accept at the November meeting.

Regional Water Storage Tank Update

Mr. Aman reported that the application for the \$4 million grant was not approved. However, the USDA met today to underwrite the project. They accepted the request for \$6 million funding but will underwrite the entire \$10 million project. Mr. Aman felt there might still be the possibility of some of the project receiving a grant.

Regional WWTP Feasibility Study Update

Mr. Aman reported that news about the WQIP grants should be released soon

Arcadia WD #12 Construction Project

Mr. Monroe reported that the test results were satisfactory on the final section and went to the Department of Health for certification. All the paving has been completed and there is just a little bit of cleanup yet to be done. The completion meeting has been set for November 2. Fifteen residents have applied for service.

Port Bay Sewers Update

Mr. Aman reported that the bid for the project is on the street and there were five contractors at a pre-bid meeting. The Town of Wolcott will open bids on November 9.

Village of Red Creek

Mr. Aman reported that Authority crews have been assisting village personnel frequently with sidewalk repair issues and other projects. This is in addition to operating the water plant.

Town of Macedon Route 31 Water Project Update

Mr. Monroe reported that the project has received approval from the Department of Health, including the parts crossing Route 31. The contractor is now working on restoration.

Town of Sodus Update

Mr. Aman reported that the Sodus Town Board requested changes in the Authority's proposed lease agreement for building space. The town proposed that the Authority pay nothing for the remainder of 2017 with no lease, and starting in January 2018 paying \$350 per month with the town paying for the electricity. This arrangement would be revisited after a year. After due discussion and deliberation, Mr. Scudder moved, Ms. Johnson seconded and all members present unanimously approved the following resolution:

RESOLVED, that the Executive Director be authorized to enter into an agreement with the Town of Sodus for the three-year lease of an approximately 1600 square foot portion of the town highway barn for \$350 per month including utilities, effective January 1, 2018, to be revisited in one year and subject to the approval of the Authority's General Counsel Michael Howard.

Miscellaneous Meetings Report

Mr. Aman reported on the meeting he had attended in Albany the previous day. The DOH and DEC were represented, as well as a number of individuals from other water purveyors. Blue-green algae was discussed, with an emphasis on septic systems around the bays on Lake Ontario. Strategies for dealing with contaminants were discussed. Tomorrow he will be participating in a DOH simulated emergency event. Mr. Ceratt will be attending a cybersecurity meeting with the Authority's IT consultant. Mr. Howard remarked that there has been increasing scrutiny on wastewater treatment facilities such as Niagara Falls and Monroe County's VanLare facility due to improper discharges violating their permits. Mr. Aman expressed concern about blue-green algae and disinfection byproducts.

Monthly Report

Mr. Monroe presented a verbal monthly report. The month has been busy with a lot of new water services and repair of quite a few leaks. Mr. Ceratt is working with the Authority's security consultants to prepare the vulnerability assessment and emergency response plan required by the state. The Regional Red Creek Wastewater Plant is running well and the Macedon plant operation is improving. Three leaks were repaired in Sodus; a hydrant with no guard valve was replaced in Lyons after being struck by a vehicle; an unexplained water main break on the new Old Lyons Road water main was repaired.

Miscellaneous

It was noted that the December board meeting would fall on the day after Christmas, which has been designated an Authority holiday. At the November meeting, the board will designate a different meeting date. Mr. LaGasse reported that he observed a new water main being installed on Route 318 in Seneca and Ontario Counties to Thruway Exit 42 at Route 14 and wondered if it could be a viable supply for Lyons. Mr. Aman will look into this. Mr. Scudder suggested that on occasion the board could meet at different Authority facilities in order to become more familiar with them. Mr. Aman replied that other Authority facilities have limited space but that an option would be to conduct a tour by bus of the Authority's various facilities.

Mr. Aman reported that board member Kelley Allen has made a verbal resignation from the board. After due discussion and deliberation, Ms. Johnson moved, Mr. Scudder seconded and all members present unanimously approved the following resolution:

RESOLVED, that the Board of Directors of the Wayne County Water and Sewer Authority accept the verbal resignation of board member Kelley Allen.

There being no further business to come before it, upon a motion made by Mr. Scudder and seconded by Mr. Hammond, the meeting was adjourned at 5:58 p.m.

Attachments:

1. Annual Report of Water and Sewer System Operations, including Report on Applying Agreed-Upon Procedures
2. Raymond F. Wager, CPA, P.C. – Engagement Letter for Accounting Services
3. Raymond F. Wager, CPA, P.C. – Quotation for Agreed Upon Procedures
4. 2018 Water Rate Schedule
5. 2018 Sewer Rate Schedule
6. 2018 Combined Authority Budget

Respectfully submitted: _____
Demaris Verzulli, Secretary of the Meeting