

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

Meeting of: October 23, 2018

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

Present: LaVerne Bliet, David Scudder, Dan LaGasse, Mark Humbert, William Hammond, Lori Furguson

Absent: Jean Johnson, Robert Hutteman, Donald Ross

Advisors Present: Michael Howard, General Counsel

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

Visitors: None

Chairman LaVerne Bliet called the meeting to order at 4:04 p.m.

I. Chairman's Report

Adoption of Minutes Mr. Howard remarked that he had suggested some minor changes to the wording of one of his reports. After due discussion and deliberation, Mr. LaGasse moved, Mr. Hammond seconded, and all members present unanimously approved the following resolution:

RESOLVED, that the minutes of the September 25, 2018 meeting of the Wayne County Water and Sewer Authority be accepted with the suggested changes.

Correspondence: None. Mr. Aman introduced Jessica Freling, Administrative Assistant, who would be observing the meeting.

II. Treasurer's Report

Ms. LaDelfa presented the warrant and bills. After due discussion and deliberation, Mr. Hammond moved, Mr. LaGasse 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: Vouchers 18-1553 to 18-1740 totaling \$571,357.23.

Ms. LaDelfa presented the Financial Statements for the month of September. After due discussion and deliberation, Mr. Hammond moved, Mr. Scudder 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 2018 be approved and accepted.

At 5:07 p.m. Mr. Scudder moved, Ms. Furguson 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 the employment history, compensation and potential promotion of particular employees.

At 5:42 p.m. Mr. Scudder moved, Ms. Furguson seconded and all members present unanimously approved the following resolution:

RESOLVED, that the Board return to open session.

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

RESOLVED, that the Board adopt the 2019 Water and Sewer Rate Schedules, copies of which are attached to these minutes.

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

RESOLVED, that per the recommendation of the Finance Committee, the Board adopt the 2019 Authority Budget, a copy of which is attached to these minutes

Western Regional WWTP Project Update

Mr. Aman reported that the IMA has been distributed to all the participating municipalities. The Town of Marion and the Village of Palmyra have signed the agreement; Thursday the Towns of Macedon and Palmyra will meet to approve it. Mr. Howard noted that detailing the process with the structural chart and implementing the Memorandum of Understanding first made the process more incremental and helped facilitate the negotiation and development of the IMA. Mr. Aman asked the board to authorize him to sign the agreement on behalf of the Authority. After due discussion and deliberation, Mr. Scudder moved, Mr. Hammond seconded and all members present unanimously approved the following resolution:

RESOLVED, that the Executive Director be authorized to execute and deliver the Western Regional Wastewater Treatment System Improvements and Service Agreement with the Town of Macedon, Town of Marion, Town of Palmyra and Village of Palmyra.

Mr. Howard described the Supporting IMA, which is the agreement between the Town and the Village of Palmyra that obligates the village to reimburse the Town for the Village's Pro-Rata Share of Capital Charges associated with Out-of-Village Users located in the Town. The Authority is a third party beneficiary to this agreement; the Supporting IMA allows for continuing sanitary service to existing out of village customers in the Town of Palmyra and also allows for growth that may occur in the town in the future. After due discussion and deliberation, Mr. LaGasse moved, Mr. Humbert seconded and all members present unanimously approved the following resolution:

RESOLVED, that the Executive Director be authorized to execute and deliver the Intermunicipal Agreement by and between Village of Palmyra, Town of Palmyra and the WCW&SA regarding Out-of-Village Users within the Town receiving wastewater service from the Village.

Mr. Howard noted that there will be several additional agreements that will need to be either terminated, amended and restated or entered into *de novo* that relate to the new Wastewater Plant, the timing and effective dates of which will be coordinated and defined in a future Control Agreement.

Arcadia Water District #17 Materials and Directional Drilling Bids Awards

Mr. Monroe reported that bids were received on October 16 for the materials for the Arcadia Water District #17 project. He displayed the list of vendors with the lowest responsible bids. He remarked that the costs are higher than the Authority has been paying for materials, because the American Iron and Steel (AIS) provision requires USDA Rural Utilities Service (RUS) water assistance recipients to use iron and steel products that are produced in the United States. This will likely be a requirement for every project going forward. After due discussion and deliberation, Mr. Hammond moved, Mr. Humbert seconded and all members present unanimously approved the following resolution:

WHEREAS, the Members of the Authority, in accordance with Article 8 of the Authority's Procurement Policy, make the following determinations: (i) the proposed awardees have been found to be responsible; (ii) the proposed awardees have complied with the Authority's Procurement Policy; (iii) the proposed awardees have disclosed all information required by the Authority's Procurement Policy; and (iv) the procurement process did not involve conduct that is prohibited by the Public Officers Law and the Authority's Procurement Policy.

THEREFORE, BE IT RESOLVED, that the bids for the materials for the Arcadia Water District #17 be awarded to the lowest responsible bidders as follows:

Blair Supply			Unit Price	Subtotal
6" Mechanical Gasket Pack with 4-1/2" T-Bolts	90	each	\$ 10.95	\$ 985.50
8" Mechanical Gasket Pack with 4" T-Bolts	190	each	\$ 11.10	\$ 2,109.00
8" Mechanical Gasket Pack with 6" T-Bolts	20	each	\$ 15.00	\$ 300.00
1" SS Insert	30	each	\$ 1.20	\$ 36.00
			Total	\$ 3,430.50

EJ Prescott			Unit Price	Subtotal
6" Gate Valve MJ x MJ	29	each	\$ 520.00	\$ 15,080.00
8" Gate Valve MJ x MJ	22	each	\$ 827.50	\$ 18,205.00
1" Corporation Stop-Lead Free Brass	15	each	\$ 36.25	\$ 543.75
1" Curb Stop -Lead Free Brass	15	each	\$ 75.75	\$ 1,136.25
			Total	\$ 34,965.00

Martisco Corp.			Unit Price	Total
1" Polyethylene CTS 200 psi Water Service Tubing	200	feet	\$ 0.33	\$ 66.00

Core & Main			Unit Price	Subtotal
8" DR 18 PVC Pipe	16500	feet	\$ 6.58	\$ 108,570.00
8" MJ Restraints for PVC	190	each	\$ 33.99	\$ 6,458.10
8" x 6" x 8" Anchor Tee	29	each	\$ 182.12	\$ 5,281.48
6" x 3 ft Anchor Pipe	29	each	\$ 132.00	\$ 3,300.00
6" x 2 ft Anchor Pipe	3	each	\$ 108.00	\$ 324.00
6" x 1 ft Anchor Pipe	2	each	\$ 86.00	\$ 172.00
2-piece Valve Box with Lid	51	each	\$ 129.99	\$ 6,629.49
Hydrant Unit, from MJ Inlet to Bonnet	29	each	\$ 2,232.00	\$ 64,728.00
8" MJ x MJ Solid Sleeve	19	each	\$ 100.11	\$ 1,902.09

CGI Video Update

Mr. Ceratt reported that the first cut of the CGI video is due in a week.

NYMIR Insurance Discussion

Mr. Aman reported that a representative from NYMIR, the Authority's insurance carrier, made a visit to the Authority facilities to become more familiar with the Authority's operations and made specific recommendations with respect to limits and types of coverage that have been incorporated into the IMA for the Regional Wastewater Treatment Project.

Village of Red Creek Water Operations

Mr. Monroe reported that there were a couple of small repairs done in the past month and the village has been invoiced.

Miscellaneous Meetings Report

Mr. Aman reported that the meetings had been reported under the specific agenda items.

Employee Handbook Discussion

Mr. Aman reported that he expects to be having a discussion with Scott Mooney of Boylan, Code, who is revising the Employee Handbook, and he will have a report at the November board meeting.

Monthly Operations Report

Mr. Monroe gave a verbal report. The crews have focused on the Sodus 11 project while also installing new water services within the customary two-week period following application. The crew ran into rock in the Sodus project and a second crew was mobilized. Approximately two thousand feet remain to be installed.

There being no further business to come before it, upon a motion made by Mr. Scudder and seconded by Mr. Humbert, the meeting was adjourned at 6:18 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. 2019 Water Rate Schedule
5. 2019 Sewer Rate Schedule
6. 2019 Combined Authority Budget

Respectfully submitted: 
Demaris Verzulli, Secretary of the Meeting

Wayne County Water and Sewer Authority

3377 Daansen Road
Walworth, New York 14568

ANNUAL REPORT ON WATER AND SEWER SYSTEM OPERATIONS

for the

WAYNE COUNTY WATER AND SEWER AUTHORITY WATER SYSTEM REVENUE BONDS, SERIES 2006 AND SERIES 2017

October 12, 2018

MRB Group Project No. 230072

Prepared by:

MRB | *group*

145 Culver Road, Suite #160
Rochester, NY 14620
(585) 381-9250 — (585) 381-1008 fax
www.mrbgroup.com — e-mail: info@mrbgroup.com

1.0 INTRODUCTION

1.1 PURPOSE

The Wayne County Water and Sewer Authority (the "Authority") issued Water and Sewer System Revenue Bonds, Series 2011 on November 3, 2011 in the amount of \$920,000.00 and Series 2017 on September 20, 2017 in the amount of \$1,570,000.00. In addition the Authority obtained financing through the NYS Environmental Facilities Corporation on July 1, 2015 in the amount of \$220,000.00. (Series 2015D). As the Authority's appointed Consulting Engineer, the purpose of this report is to comply with Section 709 of the Bond Indenture, requiring an annual examination and report on the properties and operations of the Water and Sewer System ("the system").

1.2 SCOPE

This report summarizes our annual examination of the operations of the system. Our examination has included the following:

- In conjunction with the Authority's professional staff and certified public accountants, we have reviewed the Statement of Forecasted Sources and Uses of Cash (Projected December 31, 2018) prepared by the Authority, to assist in the determination of the sufficiency of the amount being charged and collected for services.
- Based solely on an interview with Jason Monroe, Director of Operations and observations of the condition of selected Authority facilities during the natural course of our various duties as the Authority's consulting engineer during the year 2018, we have assessed the general condition of the Authority's facilities and determined that it appears that proper maintenance is being performed, and that the facilities are in generally good repair.
- We have reviewed the major repairs and improvements made to the system in 2018 and assessed the necessity or desirability for additional betterments to improve system reliability and performance.

2.2 SOURCES AND USES OF CASH IN 2018

Contained in Appendix A, is a Statement of Forecasted Sources and Uses of Cash projected through December 31, 2018 (the "Statement") and also a written opinion regarding the Statement by the Authority's certified public accountants.

3.0 MAINTENANCE OF WATER AND SEWER SYSTEM

3.1 GENERAL BACKGROUND

Under the direction of the Authority's Director of Operations, the Authority monitors the system and provides routine maintenance and repairs, as necessary.

Based on an interview with Jason Monroe, Director of Operations for the Authority, on September 26, 2018 routine maintenance performed thus far in 2018 includes, but is not necessarily limited to, the following:

- Dead end hydrants and blow-offs were flushed in 2018. The Authority typically does this once per year and twice in some areas of dead-end mains.
- The Authority employs full time personnel to regularly exercise valves as part of their overall duties.
- Meters are replaced periodically, as needed. The Authority replaces meters that are over 15 to 20 years old (or when excessive flow through has occurred) with radio-read models.
- Several hundred fire hydrants were rehabilitated and/or painted in 2018.
- Master meters are typically read on a daily basis, and calibrated and checked annually. Locking mechanisms on master meter stations are inspected regularly.
- Large commercial and industrial meters are checked every two years.
- The Authority maintains an on-going leak detection program.
- The Authority continues with its on-going inflow/infiltration program for sanitary sewers.

improvement program, will allow the Authority to continue to meet its contractual obligations without significant un-planned capital expense.

Observations of selected facilities during the natural course of our duties as the Authority's consulting engineer (i.e., storage tanks, pumping stations, meter pits, etc.), were visual, above-ground examinations of selected areas which were deemed adequate to comment on the condition of the existing facilities and were not in the detail required to reveal conditions with respect to safety, water quality, potential contamination sources or conditions, the internal physical condition of any facilities, or the conformance with agreements, codes, permits, rules or regulations of any party having jurisdiction with respect to the construction, operation and maintenance of the properties.

MRB Group did not conduct a dedicated "inspection" of the Authority's facilities, nor did MRB Group attempt to observe each of the Authority's various facilities as part of this evaluation. Rather, in rendering our conclusions, we have relied on our observations of selected facilities during the natural course of our duties as the Authority's consulting engineer, our general knowledge of the Authority's operation and maintenance program, and information provided to us by the Authority's staff.

4.0 IMPROVEMENTS TO THE WATER AND SEWER SYSTEM

4.1 IMPROVEMENTS MADE IN 2018

The following improvements have been made to the system in 2018:

- The Authority completed work on Water District No. 12 in the Town of Arcadia, which consists of approximately 31,000 linear feet of 12-inch and 8-inch water main in the eastern part of the town.
- The expansion of the Authority's office and facilities on Daansen Road in Walworth was completed.
- As part of the completed Marion Southeast water district, the Authority replaced approximately 2,600 linear feet of antiquated water main on Mill Street in the hamlet of Marion, with new 8" water main.

- The Town of Wolcott is in the process of forming the Brown-Wadsworth Water District, which if approved by the residents, will provide water for 46 Equivalent Dwelling Units in the north-central area of the town. The project will consist of the installation of 22,000 linear feet of 8" water main on Wadsworth Road, Wheeler Road, Brown Road, Cemetery Road and Rasbeck Road.
- The Authority has been preliminary approved for USDA Rural Development funding for the Wayne County Regional Water Storage Project which consists of a new 2,000,000 gallon water storage tank in the Town of Arcadia, a new water booster pump station and 12" transmission main along NYS Rte. 88 in the Towns of Arcadia and Sodus, improvements to the existing water booster station in the Town of Williamson, transmission main improvements in the Town of Williamson and a secondary transmission connection in the Town of Huron. Design of the project is planned for 2019 with construction to start in 2020.
- The Village of Palmyra, the Town of Marion and the Town of Macedon are considering the decommissioning of their existing wastewater treatment facilities and construction of a new regional wastewater treatment facility to be located on NYS Rte. 31 in the Town of Palmyra. This new facility would be owned, operated and maintained by the Authority. Should the project receive the appropriate funding, design could begin in 2019 with construction to start in 2020.
- The Town of Lyons has obtained a grant from New York State to replace existing lead water services. The Authority plans to replace approximately 20 services this year and 70 in 2019.
- The Wayne County Highway Department will be reconstructing a portion of Mill Street in the Hamlet of Marion in 2019. The Authority will be replacing a remaining 1,100 linear feet of antiquated water main on Mill Street in conjunction with the road reconstruction.

5.0 PRINCIPAL ASSUMPTIONS, OPINIONS AND CONCLUSIONS

5.1 PRINCIPAL CONSIDERATIONS AND ASSUMPTIONS

In the preparation of this report and the conclusions and opinions contained herein, we have made certain assumptions with respect to conditions which may

context, and has relied heavily on the Authority's professional staff and accounting advisors.

5.2 OPINIONS AND CONCLUSIONS

Based on our annual examination, and in conjunction with the principal considerations and assumptions set forth above, we offer the following opinions and conclusions:

- It appears that the Authority is charging a sufficient amount for its services.
- In general, the Authority's facilities appear to be properly maintained and in good repair.
- The Authority has made beneficial improvements to the system in 2018.

Respectfully Submitted,



Martin Mroczek, P.E.
MRB|group

WAYNE COUNTY
WATER AND SEWER AUTHORITY
NEW YORK

REPORT ON APPLYING
AGREED - UPON PROCEDURES

Raymond F. Wager, CPA, P.C.
Certified Public Accountants

Procedures Performed

- A. We have reviewed the Authority's Statement of Forecasted Sources and Uses of Cash (Attachment 1) as presented in the Annual Report on Water and Sewer System Operations prepared by the MRB Group dated October 12, 2018, and compared items to the approved budget for 2018.
- B. We have reviewed the projected operating sources and uses of cash.
- C. The forecasted information includes an increase in water rates and is supported by a Board of Directors Resolution dated February 21, 2001, which states the Board will make appropriate rate increases as needed to service the debt.

Findings

Based upon our review, the Statement of Forecasted Sources and Uses of Cash presented herewith, and the underlying computations and assumptions of the consulting engineers and the Authority, if events occur as anticipated in the cash forecast, for the year ended December 31, 2018 monies will be sufficient to cover:

- 115% of P&I
- 100% of operations and
- 100 % of any required deposits pursuant to the indenture

There will be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

This agreed upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the statement of forecasted sources and uses of cash. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Wayne County Water and Sewer Authority, New York and is not intended to be and should not be used by anyone other than those specified parties.

Raymond F. Wagner, CPA, PC

Rochester, New York
October 12, 2018

**WAYNE COUNTY WATER AND
SEWER AUTHORITY**

NEW YORK

ENGAGEMENT LETTER FOR ACCOUNTING SERVICES

FOR YEAR ENDED DECEMBER 31, 2018

Raymond F. Wager, CPA, P.C.

**A Division of Mengel Metzger Barr & Co., LLP
Certified Public Accountants**

We have also been engaged to report on supplementary information other than RSI that accompanies the Wayne County Water and Sewer Authority's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, [in a separate written report accompanying our auditor's report on the financial statements OR in a report combined with our auditor's report on the financial statements]:

1. Combined Revenues, Expenditures and Changes in Net Position

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Wayne County Water and Sewer Authority and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Wayne County Water and Sewer Authority's financial statements. Our report will be addressed to the governing board of the Wayne County Water and Sewer Authority. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by Government Auditing Standards. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Wayne County Water and Sewer Authority is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures-Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Wayne County Water and Sewer Authority's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to Government Auditing Standards.

Other Services

We will also assist in preparing the financial statements and related notes of the Wayne County Water and Sewer Authority in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

(Engagement Administration, Fees, and Other)(Continued)

The audit documentation for this engagement is the property of Raymond F. Wager, CPA, P.C. a Division of Mengel, Metzger, Barr & Co., LLP and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Raymond F. Wager, CPA, P.C. a Division of Mengel, Metzger, Barr & Co., LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Wayne County Water and Sewer Authority If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party (ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Mr. Thomas Zuber is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee to complete the above services for the Wayne County Water and Sewer Authority, including expenses, is estimated to be \$15,795.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2015 peer reviews, completed by Marvin and Company, P.C., and Henderson Hutcherson & McCullough, PLLC accompany this letter.

We do not charge for any phone consultation throughout the year. If you require accounting assistance which necessitates travel to your location, we will charge an hourly rate and mileage. Our hourly rates will be as follows:

Partner	\$ 225	Director	\$ 190	Senior Manager	\$ 175
Manager	\$ 130	Senior	\$ 115	In-Charge & Staff	\$ 95-105

We appreciate the opportunity to be of service to the Wayne County Water and Sewer Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,
Raymond F. Wager, CPA, P.C. a
Division of Mengel Metzger Barr & Co. LLP

Thomas Zuber CPA

Thomas Zuber, CPA

This letter correctly sets forth the understanding of the Wayne County Water and Sewer Authority.

By: [Signature] Title: EXECUTIVE DIRECTOR

Date: 11/2/18

System Review Report

Kevin J. McCoy, CPA

Thomas W. Donovan, CPA

Frank S. Venezia, CPA

James E. Amell, CPA

Carol A. Hausamann, CPA

Daniel J. Litz, CPA

Karl F. Newton, CPA

Kevin P. O'Leary, CPA

Timothy A. Reynolds, CPA

Heather D. Patten, CPA

To the Shareholders
Raymond F. Wager, CPA, P.C.
and the Peer Review Committee of the NYSSCPA

We have reviewed the system of quality control for the accounting and auditing practice of Raymond F. Wager, CPA, P.C. (the firm) in effect for the year ended May 31, 2015. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*.

In our opinion, the system of quality control for the accounting and auditing practice of Raymond F. Wager, CPA, P.C. in effect for the year ended May 31, 2015 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Raymond F. Wager, CPA, P.C. has received a peer review rating of *pass*.

Marvin and Company, P.C.

July 24, 2015

**WAYNE COUNTY WATER AND
SEWER AUTHORITY**

NEW YORK

PROPOSAL FOR AGREED - UPON PROCEDURES

Raymond F. Wager, CPA, P.C.

**A Division of Mengel Metzger Barr & Co., LLP
Certified Public Accountants**

The agreed-upon procedures to be performed do not constitute an examination or review of the subject matter. Accordingly, we will not express an opinion or conclusion on the subject matter. If we did perform additional procedures, other matters might come to our attention that would be reported to you.

Our report will list the procedures performed and our findings. Our report will be addressed to the Executive Director of the Wayne County Water and Sewer Authority, New York and will be intended for use by and restricted to the use of the specified parties as identified above. Our report will contain such restricted-use language.

Should we have any reservations with respect to the subject matter, we will discuss them with you before the report is issued.

We have no responsibility to update our report for events and circumstances occurring after the date of our report.

As part of our engagement, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the agreed upon procedures.

During the course of the engagement, we may communicate with you or with your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Mr. Thomas Zuber is the engagement partner for the services specified in this letter. His responsibilities include supervising Raymond F. Wager, CPA, P.C., a Division of Mengel Metzger Barr & Co., LLP's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the agreed-upon procedures report.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices are payable upon presentation. We estimate that our fee for the engagement will not exceed \$1,650.

We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate.

We will maintain the confidentiality of your personal information and will apply procedures to protect against any unauthorized release of your personal information to third parties.

We agree to retain our attest documentation or work papers for a period of five years from the date of our report

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our engagement including our respective responsibilities. If you have any questions, please let us know.

WAYNE COUNTY WATER AND SEWER AUTHORITY

**WATER RATES BY SERVICE AREAS
2019**

	BASE CHARGE/MINIMUM QUARTERLY CHARGE	COST PER T.G. (beyond minimum) if applicable
Western, (Including former Village of Macedon Customers) Arcadia, Shaker Heights, Huron, Wolcott-Butler, Cardinal Rd, Lyons-Rte 31 East, and Red Creek customers	\$25.00 Basic Service	\$4.50
BUTLER PRISON	\$41.67 monthly meter charge	\$4.50
LYONS - Old Lyons Road Customers	\$25.00 Basic Service	\$4.50
LYONS - Former Village Customers	\$25.00 Basic Service	\$5.50
INGERSOLL DRIVE	minimum \$25.00 for first 5,000 gallons	\$5.00
THORNTON POINT Customers	minimum \$50.00 including 5,000 gallons	\$4.50

Wholesale Water Rates:

CCWSA		\$3.50
(Emergency Supply) Town of Rose		\$2.75
BULK WATER RATE:	per 1,000 gallons	\$4.50
HYDRANT METER CHARGE:	per 1,000 gallons	\$4.50

**BURNWELL is billed consistent with WOLCOTT-BUTLER Customers

Please see additional rate sheets for 2" meters or above; compound meters;
and fire protection fees

As adopted at the October 23rd, 2018 board meeting

WAYNE COUNTY WATER & SEWER AUTHORITY

BUDGET

**Total Water
& Sewer
Adopted
2019**

RECEIPTS

REVENUES

WATER REVENUE - RETAIL	5,400,000
WATER REVENUE - WHOLESALE	75,000
SEWER REVENUE	1,420,000
CONNECTION FEES	170,000
INTEREST ON INVESTMENTS	-
CAPITAL RESERVE INTEREST	2,000
LATE CHARGES	100,000
SEWER BILLINGS (Towns)	13,000
RENTAL INCOME (VERIZON TOWER)	21,781
WATER SYSTEM PERMITS (Large Dia. Connect fee)	2,000
LARGE VOLUME METER REVENUE	35,000
GAIN/LOSS SALE OF ASSET	67,950
HYDRANT METER RENTAL	3,500
FIRE PROTECTION SERVICE LINES	23,000
OTHER OPERATING INCOME (Sale of scrap, etc)	52,000
CAPITAL RESERVE TRANSFER	200,000
VILLAGE OF PALMYRA	220,000
TOWN OF LYONS (debt service collected)	300,000
BOND PROCEEDS	50,000
TOTAL REVENUES	8,155,231
	<i>8,155,231</i>
CONTRIBUTIONS IN AID OF CONSTRUCTION	
CONTRACT REVENUE-PROJECT NET REVENUES	1,250,000
TOTAL CONTRIBUTIONS IN AID OF CONSTRUCTION	1,250,000
TOTAL RECEIPTS	9,405,231
	<i>9,405,231</i>

WAYNE COUNTY WATER & SEWER AUTHORITY

BUDGET

**Total Water
& Sewer
Adopted
2019**

OPERATING EXPENSES		
METERS INVENTORY-RESIDENTIAL		
METERS INVENTORY-LARGE VOLUME		180,000
CHEMICALS & WATER TESTING		30,000
SAFETY SUPPLIES EXPENSE		45,000
PURCHASED WATER		11,000
REPAIR & MAIN: HYDRANTS/MAINS EXPENSES		2,650,000
REPAIR & MAIN: SERVICES EXPENSES		65,000
REPAIR & MAIN: METER EXPENSES		25,000
REPAIR & MAIN: CONTROL/TELEMETRY		10,000
REPAIR & MAIN: TANKS/PUMP STA (WATER)		15,000
GRAVEL/SOIL/STONE/SAND MATERIALS		10,000
VEHICLE REPAIR -AUTOMOTIVE		50,000
VEHICLE REPAIR - CONSTRUCTION		45,000
SAFETY/SECURITY EXPENSE		25,000
DRUG TESTING		10,000
PHYSICALS		1,500
UFPO EXPENSES		1,500
GAS/ELECTRIC		1,000
GASOLINE AND DIESEL FUEL		240,000
GASOLINE AND DIESEL FUEL Construction		60,000
SMALL EQUIPMENT, TOOLS & SUPPLIES		25,000
UNIFORMS EXPENSE		40,000
SEWAGE DISPOSAL		15,000
LAB ANALYSIS		10,000
NYSPE PERMIT		24,000
REPAIR/MAINTENANCE: PUMP STATION (sewer)		6,000
REPAIR/MAINTENANCE: PLANT (sewer)		20,000
REPAIR/MAINTENANCE COLLECT/CONVEY		40,000
LAB SUPPLIES		10,000
POLYMER/BICARB/BIOXIDE		8,000
SEWER LATERALS		35,000
REPAIR & MAIN: GENERATOR		3,000
SLUDGE HAULING		10,000
TOTAL OPERATING EXPENSES		55,000
		3,776,000
		3,776,000