

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

Meeting of: July 28, 2020

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

Present: LaVerne Blied, Jean Johnson, Dan LaGasse

Participating via Conference Phone:
Robert Hutteman, Donald Ross, Lori Furguson

Absent: David Scudder, Mark Humbert, William Hammond

Advisors Participating via Conference Phone:
Michael Howard, General Counsel

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

Visitors: Bill Davis, MRB Group

Pursuant to the Governor's Executive Order No. 202 of March 7, 2020, declaring a State disaster emergency to address the threat that COVID-19 poses to the health and welfare of New York State residents and visitors, this meeting of the WCWSA Board of Directors was held via conference phone and recorded in accordance with the Public Officers Law, Article 7, Open Meetings Law, as amended.

Chairman LaVerne Blied called the meeting to order at 4:05 p.m. and roll call was taken. Mr. Blied led the meeting in the Pledge of Allegiance.

I. Chairman's Report

Adoption of Minutes: After due discussion and deliberation, Mr. LaGasse moved, Ms. Johnson seconded, and all participating members unanimously approved the following resolution:

RESOLVED, that the minutes of the June 23, 2020 meeting of the Wayne County Water and Sewer Authority be accepted with no changes.

Correspondence: None

II. Treasurer's Report

Mr. Aman reported that the Authority would need to establish a new bank account for the short term funds from the EFC for the Western Regional Wastewater Treatment Plant Project. He asked the Board to adopt a resolution permitting Ms. LaDelfa to open a new bank account for monies received from the EFC. After due discussion and deliberation, Mr. Ross moved, Ms. Furguson seconded, and all participating members unanimously approved the following resolution:

RESOLVED, that an EFC Regional Wastewater Plant Construction account be opened at Lyons National Bank for short term funds received from the EFC to be used in the Western Regional Wastewater Treatment Plant Project.

Mr. Howard reported that in regard to the financial disclosure form required to be completed by all Board members, Wayne County's procedure is to retain each form in a sealed envelope. While this information is technically subject to disclosure under FOIL, dollar amounts would likely be exempted from disclosure as "an unwarranted invasion of personal property"; and in any event, based on the County's experience to date, the need for disclosure seldom occurs. He reminded the Board members to submit to Ms. Verzulli their form in a sealed envelope with their name on it.

Ms. Johnson invited questions on the warrant, which had previously been emailed to Board members for examination. After due discussion and deliberation, Ms. Furguson moved, Mr. Ross seconded and all participating members unanimously approved the following resolution:

RESOLVED, that the following statements are hereby authorized and directed to the Treasurer for payment: Vouchers 20-1018 to 20-1192 totaling \$1,127,191.07.

Ms. Johnson invited questions on the Financial Statements for the month of June, which had previously been emailed to the Board members. After due discussion and deliberation, Ms. Furguson moved, Mr. Ross seconded and all participating members unanimously approved the following resolution:

RESOLVED, that the Wayne County Water and Sewer Authority's Monthly Financial Statements for June 2020 be approved and accepted.

III. Agenda Items

COVID-19 Update

Mr. Aman apologized for asking some Board members not to attend the meeting in person, due to the COVID-19 situation and a limited ability to accommodate in-person meetings consistent with applicable State Guidelines. Mr. Howard had suggested having members attend in person on a rotating basis. Mr. Aman reported that the employees remain healthy and his challenge is to keep fresh the message of following protective guidelines and other means of staying safe.

Western Regional WWTP Project Update

Mr. Aman summarized the Amended and Restated BAN resolution and the Ninth Supplemental Indenture before the Board that have been prepared by bond counsel. The purpose of the BAN Resolution is to increase the amount of short term funds to be borrowed from the EFC. Mr. Howard remarked that adoption of the resolution would represent a major step towards the closing on the short term financing in September. Mr. Aman reminded the Board that this was a continuation of the changes made necessary by the inclusion of the Walworth and Gananda sewer areas. After due discussion and deliberation, the following resolution was made by Mr. LaGasse, seconded by Ms. Johnson and placed before the members of the board:

AMENDED AND RESTATED RESOLUTION AUTHORIZING THE ISSUANCE, EXECUTION, SALE AND DELIVERY OF THE WAYNE COUNTY WATER AND SEWER AUTHORITY WATER AND SEWER SYSTEM REVENUE BOND ANTICIPATION NOTE, SERIES 2020B IN THE PRINCIPAL AMOUNT OF UP TO \$37,000,000 AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS.

WHEREAS, by Title 8-E of Article 5 of Chapter 43-A of the Consolidated Laws of the State of New York, as amended, (hereinafter collectively called the "Act"), the Wayne County

Water and Sewer Authority (hereinafter called the "Authority") was created with the authority and power to acquire, construct and develop water supply systems, water distribution systems, sewerage treatment facilities and sewerage disposal systems, and to own, operate, maintain, repair, improve, reconstruct, enlarge and extend such water supply systems, water distribution systems, sewerage treatment facilities and sewerage disposal systems in the manner and subject to the limitations imposed by said act and to borrow money and issue negotiable bonds or notes for its corporate purposes and to fix and collect rates and charges for the use of the facilities of or services rendered by the Authority as authorized by the Act; and

WHEREAS the Authority has previously entered into a certain Indenture of Trust, dated as of March 1, 2001, (the "Original Indenture") originally with HSBC Bank USA, as trustee and currently with U.S. Bank National Association, as successor trustee thereunder (the "Trustee"), pursuant to which the Authority may provide for the issuance, from time to time, of its Water and Sewer System Revenue Bonds and Bond Anticipation Notes to finance or refinance the acquisition, construction, reconstruction and installation of certain additional improvements to the Authority's water and sewer system facilities, and

WHEREAS, the Authority has previously issued multiple series of its Water and Sewer System Revenue Bonds pursuant to the Original Indenture, as supplemented from time to time by Supplemental Indentures entered into in accordance with Article II of the Original Indenture between the Authority and the Trustee (such Indenture of Trust, as amended, modified and supplemented from time to time by one or more Supplemental Indentures, being hereinafter referred to as the "Indenture"); and

WHEREAS, the Authority is planning on undertaking certain capital improvements consisting of the construction of a new western regional wastewater treatment plant (the "WWTP") to be located in the Village of Palmyra, which WWTP was originally intended to have a projected capacity of up to 1.75 million gallons per day (MGD), to serve all or portions of the Towns of Macedon and Marion and the Village of Palmyra, including certain "out-of-Village users" within the Town of Palmyra currently receiving wastewater services from the Village of Palmyra, including (i) the acquisition of certain parcels of land on which the WWTP and certain pump stations and other improvements are to be located; (ii) the acquisition from the Towns of Macedon and Marion and the Village of Palmyra of specified portions of their respective existing wastewater facilities and equipment; (iii) the construction of the WWTP, to include, among other things, an influent building, a sequencing batch reactor ("SBR") system or similar activated sludge treatment system, a disinfection system, sludge digesters, a sludge dewatering system, a process building, a chemical facility, associated aeration systems and an outfall pipe to the Erie Canal for discharge of treated effluent; (iv) the installation of approximately 65,000 linear feet of gravity and pressure sewer conveyance mains; (v) the construction of two new pump stations and related improvements at the locations of the existing Marion and Macedon wastewater treatment facilities; (vi) the decommissioning and demolition of specified portions of the existing wastewater treatment facilities in the Towns of Marion and Macedon and the Village of Palmyra, including the rehabilitation of certain portions of such existing facilities, such as replacement of existing influent pumps, screenings and grit removal equipment and associated electrical and control systems; and (vii) all ancillary and appurtenant improvements, costs and expenses related to the foregoing and the financing thereof (collectively, "Original Project"); and

WHEREAS, by resolutions of the Authority adopted on May 23, 2017, and August 22, 2017 (collectively, the "Original SEQRA Proceedings"), the Authority (i) determined that the Original Project constituted a Type I Action within the meaning of the State Environmental Quality Review Act and the regulations of the New York State Department of Environmental Conservation promulgated thereunder (collectively, "SEQRA"), (ii) assumed "lead agency" status for the purpose of conducting a coordinated review under SEQRA with respect to the Original Project; and (iii) determined that the Original Project will not have a significant adverse impact on the environment and issued a Negative Declaration under SEQRA to such effect; and

WHEREAS, following the completion of the Original SEQRA Proceedings, the Authority determined to update and modify the routing and alignment of certain of the sewer mains to be installed as part of the Original Project to include additional installation areas (the Original Project, as so updated and modified, being hereinafter referred herein as the "Project"); and

WHEREAS, by resolution of the Authority adopted on February 26, 2019 (the "Amended SEQRA Resolution"), the Authority amended the Original SEQRA Proceedings, by determining that the Project, as so updated and modified, will not have a significant adverse impact on the environment and issued an amended Negative Declaration under SEQRA to such effect (the Original SEQRA Proceedings, as so amended by the Amended SEQRA Resolution, being referred to herein as the "Prior SEQRA Proceedings"); and

WHEREAS, in order to provide for the financing of the cost of the Project, the Authority previously adopted an Initial Bond Resolution on May 22, 2018, as amended and restated in its entirety on February 26, 2019 (as so amended and restated, the "Prior Initial Bond Resolution") authorizing the issuance, pursuant to the Indenture, of up to \$35,400,000 aggregate principal amount of its Water and Sewer System Revenue Bonds in one or more series and in anticipation of the issuance of such bonds, the issuance, in one or more series, of up to \$34,200,000 aggregate principal amount of its Water and Sewer System Revenue Bond Anticipation Notes; and

WHEREAS, in order to provide for the initial financing of the cost of the Project the Authority previously adopted a Bond Anticipation Note Resolution on May 28, 2019 (the "Prior BAN Resolution") authorizing the issuance of up to \$34,200,000 of its Water and Sewer System Revenue Bond Anticipation Notes pursuant to the Indenture and a proposed Supplemental Indenture, to be entered into between the Authority and the Trustee; and

WHEREAS, following the adoption of the Prior Initial Bond Resolution and Prior BAN Resolution, the Authority, at the request of the Town of Walworth, determined to increase the scope and capacity of the Project, at an additional cost of approximately \$18,100,000, so as to also serve all or portions of the Town of Walworth (including certain out-of-district service areas located in the Town of Macedon's Gananda Sewer District No. 1 that receive wastewater services from the Town of Walworth), including the following additional improvements and actions (collectively, the "Enhanced Project Improvements"): (i) the acquisition from the Town of Walworth of specified portions of its existing wastewater facilities and equipment (the "Existing Walworth WWTP"); (ii) the decommissioning and destruction of specified portions of the Existing Walworth WWTP, including the rehabilitation of certain portions of such existing facilities, such as replacement of existing influent pumps, screenings and grit removal equipment and associated electrical and control systems; (iii) the construction of a new pump station and related improvements at the site of the Existing Walworth WWTP; (iv) the installation of approximately 27,750 linear feet of gravity and pressure sewer conveyance mains to convey the Walworth wastewater to the Macedon pump station; (v) the increase in capacity of the gravity and pressure sewer conveyances mains to convey the Walworth wastewater from the Macedon pump station to the Regional WWTP; (vi) the increase in the capacity of the Regional WWTP from 1.75 million gallons per day ("MGD") to 3.0 MGD and the inclusion of enhanced sludge digestion or drying processes, and the inclusion of filtration and post aeration in order to accommodate the wastewater flow from the Town of Walworth; and (vii) all ancillary and appurtenant improvements, costs and expenses related to the foregoing (Existing Project, together with the Enhanced Project Improvements, being hereinafter collectively referred to as the "Enhanced Project"); and

WHEREAS, by resolution of the Authority adopted on September 12, 2019 (the "Enhanced Project SEQRA Resolution"), the Authority (i) determined that the Enhanced Project Improvements (other than the increase in the capacity of the Regional WWTP from 1.75 MGD to 3.0 MGD, which was already covered by the Prior SEQRA Proceedings), constitute a Type I Action within the meaning of SEQRA, (ii) assumed "lead agency" status

for the purpose of conducting a coordinated review under SEQRA with respect to the Enhanced Project Improvements (other than the increase in the capacity of the Regional WWTP which was already covered by the Prior SEQRA Proceedings); and (iii) determined that the Enhanced Project Improvements (other than the increase in the capacity of the Regional WWTP, which was already covered by the Prior SEQRA Proceedings) will not have a significant adverse impact on the environment and issued a Negative Declaration under SEQRA to such effect (the Prior SEQRA Proceedings, together with the Enhanced Project SEQRA Resolution being referred to as the "SEQRA Proceedings"); and

WHEREAS, to provide for the financing of the cost of the Enhanced Project, the Authority by resolution adopted September 12, 2019, amended and restated the Prior Initial Bond Resolution in its entirety, so as to authorize the issuance, pursuant to the Indenture, of up to \$53,500,000 aggregate principal amount of its Water and Sewer System Revenue Bonds in one or more series and in anticipation of the issuance of such bonds, the issuance, in one or more series, of up to \$51,400,000 aggregate principal amount of its Water and Sewer System Revenue Bond Anticipation Notes (as so amended and restated, the "Initial Bond Resolution"), with the specific terms, interest rates and actual principal amounts of each such series of such bonds or notes to be approved by subsequent resolutions of this Board and determined pursuant to supplemental indentures to the Indenture to be executed in connection therewith; and

WHEREAS, in order to provide for the initial financing of the cost of the Enhanced Project the Authority now proposes to amend and restate the Prior BAN Resolution in its entirety so as to authorize the issuance of up to \$37,000,000 of its Water and Sewer System Revenue Bond Anticipation Notes pursuant to the Indenture and a proposed Ninth Supplemental Indenture, to be entered into between the Authority and the Trustee (the "Ninth Supplemental Indenture").

NOW, THEREFORE, BE IT RESOLVED by the Wayne County Water and Sewer Authority that the Prior BAN Resolution is hereby amended and restated in its entirety read as follows:

Section 1. In anticipation of the issuance of the Bonds, it is desirable and in the public interest of the Authority to issue its Water and Sewer System Revenue Bond Anticipation Note, Series 2020B (the "Series 2020B Note") in the principal amount of up to \$37,000,000 pursuant to the Indenture, as amended and supplemented by the Ninth Supplemental Indenture, and to sell the Series 2020B Note to the New York State Environment Facilities Corporation ("EFC") pursuant to a certain proposed Project Finance Agreement to be entered into between the Authority and EFC (the "Project Finance Agreement"); provided, however, that such maximum principal amount of the Series 2020B Note shall be subject to reduction in such amount as may hereinafter be determined by the Chairman (or Vice Chairman) or Executive Director of the Authority in accordance with the delegation of authority set forth in Sections 4(a) and 5(a) hereof, to account for all or a portion of any grant monies hereinafter awarded or made available to the Authority with respect to the Project, including without limitation any grant funds to be advanced by EFC in accordance with the Project Finance Agreement.

Section 2. The form and substance of the Ninth Supplemental Indenture (in substantially the form presented to this meeting) are hereby approved, and the Secretary is hereby directed to include a copy of the form of the Ninth Supplemental Indenture, as submitted to this meeting, with the records of the Authority.

Section 3. The form and substance of the Project Finance Agreement (in substantially the form presented to this meeting) are hereby approved, and the Secretary is hereby directed to include a copy of the form of the Project Finance Agreement, as submitted to this meeting, with the records of the Authority.

Section 4. The Authority is hereby authorized to issue, execute, sell and deliver to the EFC the Series 2020B Note in the principal amount of up to \$37,000,000 pursuant to the Act and in accordance with this Resolution, the Indenture, the Ninth Supplemental Indenture and the Project Finance Agreement; provided that:

(a) The Series 2020B Note authorized to be issued, executed, sold and delivered pursuant to this Section 4 (i) shall be issued, executed and delivered at such time as the Chairman (or Vice Chairman) or Executive Director of the Authority shall determine, (ii) shall be in such principal amount (not to exceed \$37,000,000) as is hereinafter approved by the Chairman (or Vice Chairman) or Executive Director of the Authority in accordance with Section 5(a) hereof, after taking in account the amount and expected timing of receipt of grant moneys to be advanced to the Authority for the Project, including without limitation, grant monies expected to be advanced by EFC in accordance with the Project Finance Agreement; (iii) shall bear interest at such rate or rates as are set forth in the Series 2020B Note, the Ninth Supplemental Indenture and the Project Finance Agreement or as are hereinafter approved by the Chairman (or Vice Chairman) or Executive Director of the Authority in accordance with Section 5 hereof, and (iv) shall be subject to prepayment prior to maturity, and have such other provisions and be issued in such manner and on such conditions as are or shall be set forth or provided for in the Indenture, the Ninth Supplemental Indenture and the Project Loan Agreement, all of which provisions are specifically incorporated herein with the same force and effect as if fully set forth in this Resolution.

(b) The Series 2020B Note shall be issued solely for the purpose of providing funds to finance the Project and pay certain costs incidental to the issuance of the Series 2020B Note.

(c) The Series 2020B Note and the interest thereon, if any, are not and shall never be a debt of the State of New York or Wayne County, New York, and neither the State of New York nor Wayne County, New York shall be liable thereon.

(d) The Series 2020B Note, together with interest payable thereon, if any, shall be a special obligation of the Authority, payable solely from the revenues and receipts derived from operation of the Authority's water and sewer system facilities and from the enforcement of the security provided by the Indenture.

(e) The sale of the Series 2020B Note shall be subject to the approval of the New York State Comptroller, in accordance with subdivision 10 of Section 1199-hh of the Act.

Section 5.

(a) The Chairman (or Vice Chairman) or Executive Director of the Authority is hereby authorized, on behalf of the Authority, to execute and deliver the Series 2020B Note, the Ninth Supplemental Indenture and the Project Finance Agreement (hereinafter collectively called the "Financing Documents"), and the Secretary of the Authority is hereby authorized to affix the seal of the Authority thereto where appropriate and to attest the same, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman (or Vice Chairman) or Executive Director shall approve. The execution of the Financing Documents by the Chairman (or Vice Chairman) or Executive Director shall constitute conclusive evidence of such approval.

(b) The Chairman (or Vice Chairman) or Executive Director is further hereby authorized, on behalf of the Authority, to designate any additional Authorized Representatives of the Authority (as defined in and pursuant to the Indenture).

Section 6. The officers, employees, and agents of the Authority are hereby authorized and directed for and in the name and or behalf of the Authority to do all acts and things required or provided by the provisions of the Financing Documents, and to execute and deliver all such additional certificates, instruments and documents, including the

Financing Documents and to do all such further acts and things as may be necessary or in the opinion of the officer, employee, or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Authority with all of the terms, covenants, and provisions of the Financing Documents binding upon the Authority.

Section 7. It is hereby found and determined that all formal actions of the Authority concerning and relating to the adoption of this resolution were adopted in an open meeting of the Authority; and that all deliberations of the Authority and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 8. This Resolution shall take effect immediately and the Series 2020B Note is hereby ordered to be issued in accordance with this Resolution.

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

Ms. Johnson	VOTING	Aye
Mr. LaGasse	VOTING	Aye
Mr. Bliet	VOTING	Aye
Mr. Hutteman	VOTING	Aye
Mr. Ross	VOTING	Aye
Ms. Furguson	VOTING	Aye

The Resolution was thereupon declared duly adopted.

Mr. Aman introduced Bill Davis from MRB Group and reminded the Board that the original agreement with MRB Group for engineering services for \$4,260,500 had been made before the inclusion of Walworth in the project. Now the budget has increased, the plant upsized, more collection main included, and more environmental review needed, among other key engineering tasks. The agreement has been updated to address these changes. Mr. Bliet and Mr. Hutteman met with Mr. Aman and Mr. Davis previously to review the amended agreement, and have no issues with it. A summary of the amendments was displayed on the whiteboard and shared with the remote attendees. The increases include \$961,000 in the Design Phase, \$17,000 in the Bidding, and \$229,100 in Construction Administration for a Lump Sum Services increase of \$1,207,100. Hourly service increases include \$60,000 in Construction Observation, \$20,000 in Post Construction Services, and \$310,000 in Additional Services for a Total Hourly Services increase of \$390,000. The total increase per Amendment #1 is \$1,597,100 making the Adjusted Agreement amount \$5,857,600. Mr. Davis reviewed the amendments, which were in general driven by the addition of Walworth which increased the plant capacity from 1.75 MGD to 3.0 MGD. The scope of design has been much expanded to include, among other things, a more sophisticated digestion method, filtration due to effluent limitations, and the capability to receive septage. Mr. Davis would like to be able to begin work quickly on the geotechnical components and the surveying for the Walworth/Gananda service area. He advised the Board that the original agreement was between 17% and 18% of the total estimated project construction cost, and the new total is 15% of the project. Mr. Aman remarked that the MRB amendment as well as the increased legal, financial management and grant administration costs are all within the revised project budget that has been presented to EFC. After due discussion and deliberation, Ms. Johnson moved, Mr. LaGasse seconded and all participating members unanimously approved the following resolution:

RESOLVED, that the Executive Director be authorized and directed to execute and deliver Amendment #1 to the Owner-Engineer Agreement with MRB Group for Professional Services for the Western Wayne County Regional Wastewater Treatment Plant project, including Engineering Design, Bidding and Construction and Post Construction Phase Services for a total increase of \$1,597,000.00, with Environmental Design and Research (EDR) included as an approved sub-contractor, for an Adjusted Agreement amount of \$5,857,600.

Mr. Davis left the meeting.

Mr. Aman then asked Mr. Howard to summarize a potential solution on how best to finance future needed repairs and replacements in the “Walworth Service Area” (i.e. the area currently serviced by the Walworth Treatment Plant) that exceed the “Funding Threshold” to be established in the Authority Lease/Operations Agreement. Typically, such costs are the responsibility of the Towns and/or their underlying districts. However, in the case of the Walworth Service Area, a joint district was never legally established—so there is no existing mechanism for Macedon/Walworth to borrow to cover such costs. As an alternative, the Authority could consider using its reserves or issuing debt with the cost being reimbursed to the Authority by the towns using the same structure that is being used to finance the Regional WWTP. The Authority would enter into an improvement and services agreement with respect to the collection system and collect a “capital charge” on a pro rata basis from the towns which, in turn, would collect the costs from users by adding to their tax bills. With such an approach, the Authority could assess costs uniformly across the Walworth Service Area and avoid the towns having to assess costs based on the location of needed repairs and/or how much of the system each is using. Mr. Howard stressed that this approach is conceptual only at this point and offered to provide an outline that could potentially be discussed at a future meeting.

Regional Water Storage Tank Update

Mr. Aman reported that the crew has begun the water main project on Buffalo Road in Arcadia, with 1700 feet having been installed to date. He has received a lot of calls from residents who were unaware that a water main would be installed. Although not in an established water district, pursuant to a separate Out-of-District Connection Agreement, these residents will be able to connect to the main and pay the respective town a debt service equivalent as well as the tank charge and Authority connection costs. The project is on track although DEC wetlands approval has not yet been received. There is no need to work in the wetlands yet. Mr. Aman expects to address amended engineering services for the project at the next Board meeting. There will be somewhat less construction inspection oversight needed since this water main belongs to the Authority itself. He reminded the Board that construction on the tank will begin in 2021. Mr. Howard advised that the attorneys for the Participating Municipalities have been making good progress on establishing the Article 12-C improvement areas and have discussed the need for several changes to the Services Agreement to conform to details in the Map/Plan/Report.

Port Bay Sewers Update

Ms. Furguson reported that all the grinder pumps have been installed, the contractor is doing restoration work and most of the letters regarding hooking up have gone out to residents. Phase 2, the construction of a new equalization tank at the former Village of Wolcott wastewater plant, is on time and in budget. Mr. DiBenedetto displayed on the white board photographs of the construction being done by C. P. Ward. Mr. Monroe reported that over the weekend of the 4th of July, there were a lot of alarms from the grinder pumps, caused by brownouts in the electrical system, which has been deficient in the area for a number of years. RG&E has been aware of this and has a project to bolster the electrical supply, but it hasn't been implemented beyond one repair that improved the system somewhat. Mr. Monroe regarded the phone calls as an opportunity to educate the users on how the grinder pump system works and what to do in the case of alarms. Ms. Furguson will work with the Port Bay Improvement Association to contact RG&E in an effort to expedite needed electrical improvements.

Mr. Ross left the meeting.

Miscellaneous Water Projects

- **Brown-Wadsworth Water District Project**

Mr. Monroe reported that the project is 90% complete; all asphalt restoration and some road restoration has been done. It is not a good time to plant grass and the residents seem to agree.

That will be addressed in the fall. About two-thirds of the residents have expressed a desire to connect to the system, which is more than usual in a new district.

- **Arcadia Water District 16**

Mr. Monroe reported that MRB Group will soon be issuing a certificate of substantial completion. Two large asphalt restoration areas will be repaired in conjunction with a subcontractor.

Miscellaneous Meetings

Mr. Aman reported that the Town of Huron has had meetings on three new proposed water districts, including the East Bay area. The Town of Wolcott has had two meetings about water around Blind Sodus Bay and in the area of Broadway Road. In Galen, a large business may be interested in having water service; the Village of Clyde would likely be the supplier. It takes about two years to form a district and have it built. Mr. Aman also reported that irrigation is a sensitive topic in this dry year. Because properties in Agricultural Districts have exemptions it is hard to have those properties contribute a fair share of the costs for constructing new water mains.

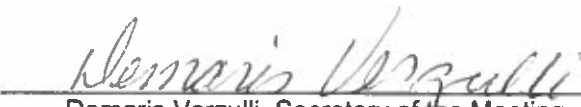
Monthly Operations Report

Mr. Monroe reported that there have been a lot of minor repairs in Macedon and Lyons. Mr. DiBenedetto narrated a presentation of photographs of a Wayneport Road sinkhole, an old cast iron line with a leaking valve directly fastened to a tee, a repair of a four-inch water line in Lyons, and the project of emptying one of the biosolid reed beds at the Eastern Regional Wastewater Plant in Red Creek. This is the first time either of the two beds has been cleaned out. So far 319 tons of reed bed sludge have been removed from three quarters of the north bed, and trucked to the Ontario County landfill under permit. The reeds are the invasive *Phragmites australis* and need to be landfilled, not composted. While reed beds were a favored option when the plant was built, the DEC does not allow the use of that particular reed any more.

Mr. LaGasse asked about the progress of the water main relocation project on Route 14 in the former Village of Lyons. Mr. Aman reported that the project awaits DOH and DOT permits. The crossing of Route 14 may be scheduled for a Sunday to try and avoid traffic.

There being no further business, upon a motion by Mr. LaGasse, seconded by Ms. Johnson, the meeting was adjourned at 5:24 p.m.

Attachment to these minutes: Ninth Supplemental Indenture

Respectfully submitted by: 
Demaris Verzulli, Secretary of the Meeting

NINTH SUPPLEMENTAL TRUST INDENTURE

Dated as of _____, 2020

FROM

WAYNE COUNTY WATER AND SEWER AUTHORITY

TO

U.S. BANK NATIONAL ASSOCIATION

As Trustee

Water and Sewer System Revenue Bond Anticipation Note, Series 2020B

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NINTH SUPPLEMENTAL TRUST INDENTURE

This NINTH SUPPLEMENTAL TRUST INDENTURE is dated as of _____, 2020, and is by and between the WAYNE COUNTY WATER AND SEWER AUTHORITY, a body corporate and politic constituting a public benefit corporation of the State of New York and having its principal office at 3377 Daansen Road, Walworth, New York 14568, New York (the "Authority") and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States and having a corporate trust office at 100 Wall Street, Suite 1600, New York, New York 10005 ("USBNA"), as successor trustee under the hereinafter defined Indenture (in such capacity, the "Trustee").

WHEREAS, the Authority has heretofore executed and delivered its Trust Indenture, dated as of March 1, 2001 (as from time amended, modified or supplemented by one or more Supplemental Indentures, the "Indenture"), to HSBC Bank USA, National Association, as trustee (the "Original Trustee"), to secure the payment of the principal, premium, if any, and interest on all bonds and bond anticipation notes, issuable in series, at any time under any Supplemental Indenture; and

WHEREAS, pursuant to an Agreement of Resignation, Appointment and Acceptance, dated as of November 17, 2011, by and among the Authority, the Original Trustee and USBNA, (i) the Original Trustee resigned from its positions as trustee, registrar and paying agent under the Indenture and assigned and transferred all of its rights and obligations under the Indenture and all of its interest in and to the trust created thereunder to USBNA, (ii) the Issuer appointed USBNA as the successor trustee, registrar and paying agent under the Indenture, and (iii) USBNA accepted such appointment and all of the rights, duties and interest transferred to it thereunder by the Original Trustee; and

WHEREAS, the Authority and the Trustee have heretofore executed and delivered, as Supplemental Indentures entered into in accordance with Article II of the Indenture, (i) a First Supplemental Indenture, dated as of March 1, 2001, pursuant to which the Authority issued as a series of bonds under the Indenture, its \$1,630,000 Water and Sewer System Revenue Bonds, Series 2001 (the "Series 2001 Bonds"); (ii) a Second Supplemental Indenture, dated as of September 1, 2004, pursuant to which the Authority issued as a series of bond anticipation notes under the Indenture its \$1,750,000 Water and Sewer System Revenue Bond Anticipation Note (the "Series 2004 Note"); (iii) a Third Supplemental Indenture, dated as of May 1, 2005, pursuant to which the Authority issued as a series of bond anticipation notes under the Indenture, its \$3,500,000 Water and Sewer System Revenue Bond Anticipation Notes, Series 2005 (the "Series 2005 Notes"); (iv) a Fourth Supplemental Indenture, dated as of April 1, 2006, pursuant to which the Authority issued as a series of bond anticipation notes under the Indenture, its \$2,199,338 Water and Sewer System Revenue Bond Anticipation Notes, Series 2006A (the "Series 2006 Notes"); (v) a Fifth Supplemental Indenture, dated as of July 1, 2006, pursuant to which the Authority issued as a series of bonds under the Indenture its \$4,000,000 Water and Sewer System Revenue Bonds, Series 2006 (the "Series 2006 Bonds") in order to refinance the Series 2004 Note and the Series 2006 Notes; (vi) a Sixth Supplemental Indenture, dated as of November 1, 2011, pursuant to which the Authority issued as a series of refunding bonds under the Indenture, its \$920,000 Water and Sewer System Revenue

(Refunding) Bonds, Series 2011 (the "Series 2011 Refunding Bonds") for the purpose of refunding the then outstanding Series 2001 Bonds; a Seventh Supplemental Indenture, dated as of September 1, 2017, pursuant to which the Authority issued as a series of bonds under the Indenture, its \$1,570,000 Water and Sewer System Revenue Bonds, Series 2017 (the "Series 2017 Bonds"); and an Eighth Supplemental Indenture, dated as of May 1, 2020, pursuant to which the Authority issued as a series of bond anticipation notes under the Indenture, its \$2,000,000 Water and Sewer System Revenue Bond Anticipation Note, Series 2020A (the "Series 2020A Note"); and

WHEREAS, in order to provide moneys to pay the cost of the Project (as hereinafter defined) the Authority, by resolution duly adopted on May 22, 2018, and duly amended and restated in its entirety on February 26, 2019 and as further duly amended and restated in its entirety on September 12, 2019 (as so amended and restated, the "Initial Bond Resolution"), authorized the issuance, pursuant to the Indenture, of its Water and Sewer System Revenue Bonds in one or more series in the aggregate principal amount of up to \$53,500,000 and in anticipation of the issuance of such bonds, the issuance of the Authority's Water and Sewer System Revenue Bond Anticipation Notes in one or more series in an aggregate principal amount up to \$51,400,000 with the specific interest rates, terms, provisions and principal amounts of each such series of such bonds or bond anticipation notes to be approved and determined by subsequent resolutions of the Authority and separate supplemental indentures to the Indenture to be entered into the connection therewith; and

WHEREAS, by resolution duly adopted on May 28, 2019, as duly amended and restated in its entirety on July __, 2020 (the "BAN Resolution"), the Authority has authorized the execution and delivery of this Ninth Supplemental Trust Indenture for the purpose of issuing its \$ _____ aggregate principal amount of Water and Sewer System Revenue Bond Anticipation Note, Series 2020B (the "Series 2020B Note") in order to finance the Project (as hereinafter defined); and

WHEREAS, pursuant to Article II of the Indenture, upon compliance with the provisions of said Article, the Authority may execute a Supplemental Indenture for the purpose of providing for the issuance of one or more series of Bonds; and

WHEREAS, all action has been taken and conditions met necessary to make the Series 2020B Note issued hereunder, when duly executed and issued by the Authority and authenticated and delivered by the Trustee, the legal, valid and binding obligations of the Authority and to make this Ninth Supplemental Trust Indenture a legal, valid and binding instrument, enforceable in accordance with its terms.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. (a) Except as provided in Section 1.01(b) hereof, all defined terms contained in the Indenture shall have the same meanings when used in this Ninth Supplemental Trust Indenture as is set forth in the Indenture.

(b) As used in this Ninth Supplemental Trust Indenture, the following terms shall have the following meanings, unless the context otherwise requires:

“Bond Counsel” means Harris Beach PLLC or any other counsel of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions.

“BAN Resolution” shall have the meaning set forth in the 5th “WHEREAS” paragraph contained in the recitals hereof.

“Code” means the Internal Revenue Code of 1986, as amended and supplemented from time to time.

“EFC” means the New York State Environmental Facilities Corporation.

“Project” means, collectively, the construction of a new western regional wastewater treatment plant (the “Regional WWTP”) to be located in the Village of Palmyra with a projected capacity of up to 3.0 million gallons per day (MGD), to serve all or portions of the Towns of Macedon and Marion, the Village of Palmyra, including certain “out-of-Village users” within the Town of Palmyra currently receiving wastewater services from the Village of Palmyra, and all or portions of Town of Walworth (including certain out-of-district service areas located in the Town of Macedon’s Ganada Sewer District No. 1 that receive wastewater services from the Town of Walworth), including (i) the acquisition of certain parcels of land on which the Regional WWTP and certain pump stations and other improvements are to be located; (ii) the acquisition from the Towns of Macedon and Marion and the Village of Palmyra of specified portions of their respective existing wastewater facilities and equipment; (iii) the construction of the Regional WWTP, to include, among other things, an influent building, a sequencing batch reactor (“SBR”) system or similar activated sludge treatment system, a disinfection system, sludge digesters, a sludge dewatering system, a process building, a chemical facility, associated aeration systems and an outfall pipe to the Erie Canal for discharge of treated effluent; (iv) the installation of approximately 65,000 linear feet of gravity and pressure sewer conveyance mains, (v) the construction of two new pump stations and related improvements at the locations of the existing Marion and Macedon wastewater treatment facilities, (vi) the decommissioning and demolition of specified portions of the existing wastewater treatment facilities in the Towns of Marion and Macedon and the Village of Palmyra, including the

rehabilitation of certain portions of such existing facilities, such as replacement of existing influent pumps, screenings and grit removal equipment and associated electrical and control systems, (vii) the acquisition from the Town of Walworth of specified portions of its existing wastewater facilities and equipment (the "Existing Walworth WWTP"); (ii) the decommissioning and destruction of specified portions of the Existing Walworth WWTP, including the rehabilitation of certain portions of such existing facilities, such as replacement of existing influent pumps, screenings and grit removal equipment and associated electrical and control systems; (viii) the construction of a new pump station and related improvements at the site of the Existing Walworth WWTP; (ix) the installation of approximately 27,750 linear feet of gravity and pressure sewer conveyance mains to convey the Walworth wastewater to the Macedon pump station; (x) the increase in capacity of the gravity and pressure sewer conveyances mains to convey the Walworth wastewater from the Macedon pump station to the Regional WWTP, and (xi) all ancillary and appurtenant improvements, costs and expenses related to the foregoing and the financing thereof.

"Project Finance Agreement" means the Project Finance Agreement (Short-Term Financing Project / State Revolving Fund Project No. C8-6506-03-00) by and between the Authority and EFC, dated as of _____, 2020, pursuant to which EFC agrees to make a Clean Water State Revolving Fund ("CWSRF") Short-Term Loan to the Authority in the principal amount of up to \$ _____ and, in connection therewith, to purchase the Series 2020B Note, which agreement shall be in substantially the form of Exhibit A attached hereto, with such changes as may be hereinafter approved by an Authorized Officer of the Authority.

"Series 2020B Note" means the Authority's Water and Sewer System Revenue Bond Anticipation Note, Series 2020B, in the principal amount of up to \$ _____ authorized by this Ninth Supplemental Indenture Trust Indenture.

ARTICLE II

THE SERIES 2020B NOTE

Section 2.01 Authorization of Bond Anticipation Note; Form. There is hereby established a Series of Water and Sewer Revenue Bond Anticipation Notes, such Series to be designated "Water and Sewer System Revenue Bond Anticipation Note, Series 2020B". The form of the Series 2020B Note shall be substantially in the form of Exhibit G to the Project Finance Agreement with such insertions or variations as may be required or permitted by the Indenture, this Ninth Supplemental Trust Indenture and the Project Finance Agreement..

Section 2.02. Conditions Precedent to Delivery of Series 2020B Note. Upon execution and delivery of this Ninth Supplemental Trust Indenture, the Authority shall execute the Series 2020B Note and deliver it to the Trustee and the Trustee shall authenticate the Series 2020B Note and deliver it to the purchasers thereof, upon receipt by the Trustee of the following:

- (a) A duly certified copy of the BAN Resolution of the Authority authorizing the issuance of the Series 2020B Note and this Ninth Supplemental Trust Indenture;
- (b) A written order of the Authority authorizing the delivery of the Series 2020B Note and specifying the price to be paid therefor, signed by an Authorized Officer;
- (c) A certificate of an Authorized Officer stating that, as of the time of the delivery of the Series 2020B Note, the Authority is not in default in the performance of any of the terms, provisions or covenants of the Indenture or any of the Bonds or bond anticipation notes issued thereunder;
- (d) An original executed counterpart of the Ninth Supplemental Trust Indenture;
- (e) An original executed counterpart of the Project Finance Agreement;
- (f) In accordance with Section 210(d) of the Indenture, a certificate of the Consulting Engineer stating that, in the opinion of the signer, the Project will, upon the Authority's acquisition, construction and equipping thereof, be useful in connection with the Water and Sewer System.
- (e) In accordance with Section 210(e) of the Indenture, a certificate of an Authorized Officer of the Authority showing that the Revenues for any consecutive twelve-month period out of the twenty-four months immediately preceding the month in which the Series 2020B Note is being issued, as such

Revenues may be adjusted in accordance with such Section 210(e), were equal to not less than one hundred fifteen per cent (115%) of the maximum annual debt service on the bonds and bond anticipation notes issued under the Indenture, including the Series 2020B Note then being issued. For the purpose of preparing such certificate, the annual debt service on the Series 2020B Note shall be calculated in accordance with Section 214(c) of the Indenture.

- (f) An opinion of Bond Counsel in form and substance satisfactory to the Trustee; and
- (g) Such other documents or instruments as the Trustee or Bond Counsel may reasonably request.

Section 2.03. Series 2020B Note. The Series 2020B Note shall be dated _____, 2020 and, except as set forth in the Series 2020B Note and the Project Finance Agreement, shall not bear interest, and shall mature on _____, 20__.

Section 2.04. Registration, Denomination and Numbers; Book Entry Only. The Series 2020B Note shall be dated _____, 2020, shall be issued as a single fully registered note without coupons, in the denomination of \$_____, registered in the name of EFC or its nominee and shall be substantially in the form thereof attached as Exhibit G to the Project Finance Agreement.

Section 2.05. Redemption of Series 2020B Note.

(a) The Series 2020B Note is subject to mandatory redemption prior to maturity at the direction of the Authority at the times and in the amounts as are set forth in the Project Finance Agreement and in the form of Note attached thereto as Exhibit G.

(b) The Series 2020B Note is subject to optional redemption, at the election of the Authority, in whole or in part on any date, upon notice as provided in Section 403 of the Indenture and this Section 2.05(b), at a Redemption Price equal to 100% of the principal amount of the Series 2020B Note to be so redeemed, plus accrued interest, if any, to the redemption date.

With respect to any notice of optional redemption of Series 2020B Note, such notice may state that such redemption shall be conditioned upon the receipt by the Trustee on or prior to the redemption date of sufficient moneys to pay the Redemption Price of and interest on the portion of the Series 2020B Note to be redeemed, and that if such money shall not have been so received said notice shall be of no force and effect and the Authority shall not be required to redeem such portion of the Series 2020B Note.

ARTICLE III

ESTABLISHMENT OF FUNDS AND ACCOUNTS FOR SERIES 2020B NOTE AND APPLICATION OF PROCEEDS OF SERIES 2020B NOTE

Section 3.01. Series 2020B Bond Anticipation Note Fund Subaccount.

(a) Pursuant to Section 508 of the Indenture, there is hereby established a subaccount of each of the Interest Account and Principal Account of the Bond Fund designated as the "Series 2020B Water and Sewer System Revenue Bond Anticipation Note Subaccount". Moneys shall be deposited into and paid from the Series 2020B Water and Sewer System Revenue Bond Anticipation Note Subaccount in accordance with the terms of Article V of the Indenture to pay debt service on the Series 2020B Note.

(b) Notwithstanding anything to the contrary in Section 508(a) of the Indenture, payment into the Interest Account for the Series 2020B Note shall be made no less than one (1) Business Day prior to each date interest is payable on the Series 2020B Note and shall be in an amount equal to the interest payable on each such date.

(c) Notwithstanding anything to the contrary in Section 508(b) of the Indenture, payments into the Principal Account for the Series 2020B Note shall be made no less than one (1) Business Day prior to each day principal (including prepayments in accordance with Section 2.05 hereof), is required to be paid on the Series 2020B Note. Notwithstanding the foregoing, to the extent the principal of the Series 2020B Note is paid on the maturity date or any redemption date thereof out of the proceeds of any bonds or notes of the Authority purchased by EFC, such principal payment shall, for all purposes of the Indenture and this Ninth Supplemental Trust Indenture, be considered to have been paid as of the closing date for the bonds or notes so purchased by EFC.

Section 3.02. Series 2020B Construction Fund. (a) There is hereby established a Construction Fund designated as the "Series 2020B Construction Fund", moneys in which shall be used for the purpose of paying costs of construction of the Project, subject to and in accordance with Article VI of the Indenture. The Series 2020B Construction Fund shall be held in the name of the Authority and established as a segregated account maintained by the Authority at a bank or trust company having an office or branch located in, and authorized to do business in, the State of New York.

(b) Payments from the Series 2020A Construction Fund shall be made by the Authority.

Section 3.03 Application of Proceeds of Series 2020B Note. The proceeds of the Series 2020B Note shall be paid to the Authority for deposit into the Series 2020B Construction Fund.

ARTICLE IV

MISCELLANEOUS

Section 4.01. Article and Section Headings. The headings and titles of the several articles hereof, and any table of contents hereto, shall be solely for convenience of reference and shall not affect the meaning, construction, or effect of this Ninth Supplemental Trust Indenture.

Section 4.02. Partial Invalidity. If any one or more of the covenants or agreements, or portions thereof, provided in this Ninth Supplemental Trust Indenture to be performed shall be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of this Ninth Supplemental Trust Indenture or of the Series 2020B Note.

Section 4.03. The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Ninth Supplemental Trust Indenture or for or in respect of the recitals contained herein, all of which are made solely by the Authority.

[SIGNATURE PAGE FOLLOWS]

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[SIGNATURE PAGE TO NINTH SUPPLEMENTAL TRUST INDENTURE]

IN WITNESS WHEREOF, THE WAYNE COUNTY WATER AND SEWER AUTHORITY has caused this Ninth Supplemental Trust Indenture to be executed in its corporate name by Authorized Officer, and the Trustee has caused this Ninth Supplemental Trust Indenture to be executed in its corporate name by its duly authorized officer.

WAYNE COUNTY WATER
AND SEWER AUTHORITY

By: _____
Martin A. Aman, Executive Director

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____

[ACKNOWLEDGEMENT PAGE TO NINTH SUPPLEMENTAL TRUST INDENTURE]

STATE OF NEW YORK)
COUNTY OF WAYNE) ss:

On this __ day of _____, in the year 2020 before me, the undersigned, personally appeared MARTIN J. AMAN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss:

On this __ day of _____, in the year 2020 before me, the undersigned, personally appeared DEBORAH L. TODAK, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

Exhibit A

Form of Project Finance Agreement