

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

**Meeting of:** Tuesday, February 28, 2023

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

**Present:** LaVerne Blik, Jean Johnson, David Scudder, Lori Furguson, William Hammond, Mark Humbert, Dan LaGasse

**Viewing via Conference Phone:** Donald Ross

**Absent:** Robert Hutteman

**Advisors Present:** Michael Howard, General Counsel.

**Staff Present:** Martin J. Aman, Executive Director  
Jason Monroe, Director of Operations  
Derek Ceratt, Technical Director  
Peter DiBenedetto, Operational Support  
Mark Loria, Director of Engineering and Program Compliance  
Sheryl LaDelfa, Accounting Manager  
Demaris Verzulli, Secretary of the Meeting

**Visitors:** None

Chairman LaVerne Blik called the meeting to order at 4:00 p.m. and led the meeting in the Pledge of Allegiance.

**I. Chairman's Report**

**Adoption of Minutes**

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

RESOLVED, that the minutes of the January 24, 2023 meeting of the Wayne County Water and Sewer Authority be accepted with no changes.

**Correspondence:** None

**II. Treasurer's Report**

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

RESOLVED, that the following claims are hereby authorized and directed to the Treasurer for payment: Vouchers 23-157 to 23-349 for a total of \$1,120,988.15.

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

RESOLVED, that the Wayne County Water and Sewer Authority's Monthly Financial Statements for January 2023 be approved and accepted.

Ms. LaDelfa reported that a Certificate of Deposit at Lyons National Bank would reach maturity next month on March 6. There was discussion of terms and interest rates. After due discussion and deliberation, Ms. Ferguson moved, Mr. Humbert seconded and all participating members unanimously approved the following resolution:

RESOLVED, that the proceeds of the \$1,000,000 Certificate of Deposit maturing on March 6, 2023 be reinvested in a Certificate of Deposit with Lyons National Bank at the prevailing rate, anticipated to be 3.5% or better simple interest, for a term of three months.

### III. **Agenda Items**

#### **Finance Committee Report**

Mr. Blik reported on the meeting of the Finance Committee immediately preceding the Board meeting, where the Committee voted to recommend Board approval of the Investment Guidelines and Procurement Policy. The Committee also voted to recommend that the Board approve the Authority's policy regarding its operating and capital reserve funds. After due discussion and deliberation, Mr. LaGasse moved, Ms. Ferguson seconded and all members participating unanimously approved the following resolution:

WHEREAS, the Authority is required by Public Authorities Law §2925 to adopt and annually review and approve comprehensive investment guidelines which detail the Authority's operative policy and instructions to officers and staff regarding the investing, monitoring and reporting of funds of the Authority; and

WHEREAS, the Authority has adopted comprehensive investment guidelines ("Investment Guidelines") and has reviewed the Investment Guidelines as required by statute; it is therefore

RESOLVED, that the Guidelines are hereby ratified and approved in their current form; and it is further

RESOLVED, that a copy of the Authority's Investment Guidelines adopted pursuant to Public Authorities Law §2925 be distributed to the Authority's officers, members and administrative staff as required by statute; and it is further

RESOLVED, that the Authority Staff are hereby authorized and directed to implement the Guidelines in accordance with their terms.

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

WHEREAS, the Authority is required by General Municipal Law §104b to adopt policies and procedures for purchases for which competitive bidding is not required by statute and to annually review such policies and procedures; and

WHEREAS, the Authority has adopted a Procurement Policy in conformance with the state finance law ("Policy") and has reviewed the Policy as required by statute; it is therefore

RESOLVED, that the Policy is hereby ratified and approved in its current form; and it is further

RESOLVED, that a copy of the Authority's Procurement Policy adopted pursuant to State Finance Law §§ 139-j and 139-k be distributed to the Authority's officers, members and administrative staff as required by statute; and it is further

RESOLVED, that the Authority Staff are hereby authorized and directed to implement the Policy in accordance with its terms.

Mr. Howard reminded the Board that each year the Authority reviews the use of capital reserve funds, the current level of which is \$2,649,527. He advised that the language of the Policy regarding use of capital funds has been broadened in light of the Authority's two large capital projects, which could generate significant expenses before grant money and other funding has been received. The revised policy would also allow for use of reserve funds for purchase of materials in connection with approved construction contracts with area municipalities, in advance of being reimbursed for those materials. He recommended that any proposed expenditures out of capital reserve funds be first brought before the Board for approval. After due discussion and deliberation, Ms. Furguson moved, Mr. Scudder seconded and all members participating unanimously approved the following resolution:

WHEREAS, the Wayne County Water and Sewer Authority (hereafter "Authority") was created by the New York State Legislature pursuant to Chapter 685 of the Law of 1987, as supplemented and amended by Chapter 501 of the Laws of 1990, to provide for the long-term water and sewer needs of the residents of Wayne County, and

WHEREAS, the Authority is authorized by Public Authorities Law §1199-kk to deposit and invest moneys of the Authority not required for immediate use and disbursement in statutorily-authorized obligations and, thereby, to establish reserve funds; and

WHEREAS, the Authority has established a policy of maintaining a reasonable amount of undesignated fund balance within its annual operating funds to protect against unforeseen expenditures or revenue shortfalls and to help ensure that adequate cash flow is available to meet the cost of operations; and

WHEREAS, the Authority recognizes the need to plan for and establish reasonable reserve requirements in support of future anticipated infrastructure, equipment and other requirements while minimizing debt service costs and obligations; and

WHEREAS, the Authority has adopted a long-term, 20-year Capital Projects Plan, the most recent version of which was last updated in 2018 (the "2018 Capital Plan") and provides for water, sewer and building-related capital needs and improvements through 2038; and

WHEREAS, the Authority recognizes the need to annually monitor and review the reasonableness of reserves in light of current and anticipated growth plans as the Authority's water and sewer operations continue to expand in response to ongoing municipal consolidation within Wayne County, as well as evolving water and sewer needs; and

WHEREAS, the Authority previously approved utilizing a portion of the current reserves in an amount not to exceed \$1.2 Million to pay for Project Development Costs in connection with the Western Regional Wastewater Treatment Project (Regional WWTP), provided that such costs, together with interest at 1% per annum, shall be repaid to the Authority by the municipalities participating in such project over a period of twenty-four (24) months commencing on June 1, 2020; and

WHEREAS, such costs, together with interest, have now been repaid to the Authority by such participating municipalities; and

WHEREAS, the Authority previously closed with the NYS Environmental Facilities Corporation ("EFC") on short term financing for the Regional WWTP in the aggregate principal amount of up to \$36,995,940.00 by entering into a Project Finance Agreement, dated as of September

24, 2020, as amended by that certain Amendment Number One, dated as of November 10, 2022; and

WHEREAS, by letter dated November 9, 2022, the Authority was advised by EFC that the Regional WWTP has been awarded an IMG Grant of up to \$30 Million and expects to close with EFC on enhanced, replacement short term funding of up to \$80 Million for the Regional WWTP in the first quarter of 2023 (collectively, the "EFC Closing"); and

WHEREAS, the Authority issued a notice to proceed on January 26, 2023 to its approved contractors to commence construction of the Regional WWTP and may need to utilize a portion of existing reserve funds to make payments in advance of the EFC Closing; and

WHEREAS, the Authority closed on its permanent financing for the 2017 Regional Water Tank Project ("Regional Tank Project") on May 11, 2021 and is waiting for the final disbursement of funds following substantial completion of the project; and

WHEREAS, the Authority may, from time to time, be required to purchase materials needed in connection with approved contracts with area towns/improvement districts for municipal water and or/sewer expansion projects, in advance of being reimbursed for the cost of such materials; and

WHEREAS, the Authority also recognizes the need to carefully balance the appropriate level of reserves with the impact on ratepayers; and

WHEREAS, the Authority's sound financial planning, including its strong debt service coverage and limited exposure to capital improvement needs, has been favorably commented upon by the rating agencies (as evidenced most recently by a credit upgrade in Moody's Credit Opinion, dated November 2, 2016);

NOW, THEREFORE, be it

RESOLVED, to ratify the 2018 Capital Plan and confirm that it continues to be appropriate and reasonable given the Authority's current and anticipated capital needs; and it is further

RESOLVED, to authorize and approve the current level of Restricted Assets-Capital Reserve ("Reserves") in the aggregate amount of \$2,649,527, in light of the longer-term needs identified in the 2018 Capital Plan; and it is further

RESOLVED, to ratify and approve the attached Policy Regarding the Authority's Operating and Capital Reserve Funds for 2023.

### **Western Regional WWTP Project Update**

Mr. Aman reported that general contractor Crane-Hogan has begun excavation for the aeration basins; Palmyra plant operator Brian Bieda is pleased with the contractor's work so far. Discussion ensued on a revised proposal from LaBella Associates to conduct a Phase I and limited Phase II environmental audit which would include soil analysis and testing along the route of the proposed sewer forcemain across the Garlock property north of the Erie Canal. As discussed in depth at the prior Board meeting, this is a brownfield site which requires strict compliance with a DEC-approved Site Management Plan. The Authority was encouraged by the DEC to explore the possibility of routing the sewer force main there instead of through adjacent wetlands. At this point, the Authority is awaiting comment and approval from Garlock. The revised LaBella proposal, for \$34,400, includes a number of test probes that would be made to an approximate depth of ten feet to characterize soil layers and test for possible contamination. Garlock's existing wells would be used to analyze water table conditions. Assuming Garlock's approval, the proposal will be sent for DEC review and approval and a site access agreement would need to be negotiated with Garlock. (Mr. Ross commenced viewing the meeting via conference

phone during this discussion.) After due discussion and deliberation, Ms. Furguson moved, Mr. Scudder seconded and all members participating unanimously approved the following resolution:

RESOLVED, that the Executive Director be authorized and directed to execute and deliver Proposal No. P2301185R2 from LaBella Associates for Environmental Engineering and Consulting Services in connection with the Western Regional Wastewater Treatment Plant Project Proposed Force Main Sewer through Garlock Mechanical Property at 1666 Division Street, Palmyra, in the amount of \$34,400.

Mr. Aman reported that he and Mr. Howard have been working with the Authority's Bond Counsel, Doron Bar-Levav, to finalize a closing schedule with EFC, and to prepare the necessary closing documents. The closing is currently targeted to occur during the first two weeks of April. Because EFC needs up to ten days to review and approve the Authority's paperwork, the March 28 Board meeting may be too late for the April closing. A special meeting in mid-March might be needed; Wednesday the 15<sup>th</sup> of March was acceptable to the Board members. By next week Mr. Aman should know the closing date. Bill Davis of MRB Group notified Mr. Aman that Crane-Hogan will likely submit a large payment request for the March audit; fortunately, there are Authority reserve funds and potentially other funds from the participating municipalities available that can be used on a short-term basis pending the EFC closing. Mr. Aman reported on several productive meetings with the Villager representative, Mark Vitale, looking at the practicality of making some value engineering adjustments to the plans for the force mains and pump stations. Only a very few easements need to be finalized, two being temporary. There are forty-some temporary easements on the force main route; these are used for boring setup and temporary spoil storage.

### **Regional Water Storage Tank Update**

Mr. Monroe reported that substantial completion of the project might be possible in April, but more likely in early May. A key component is the electric tie to the Williamson pump station, which is scheduled for the next morning with RG&E. The contractor can then complete work on the pump station. All the water main sections have been approved except for a section at the tank site. At the Joy Road Pump Station, some minor components still need to be installed and getting the control panels up and running, but the pumps and all the parts are in place. Mr. Aman noted that substantial completion doesn't depend on minor details like cleanup and fencing being in place.

### **Red Creek WWTP Disinfection Project**

Mr. Aman reported that the programming of the new system has been worked out and it is running well.

### **Award Pipe Bid for 2023 Construction Season**

Mr. DiBenedetto reported that bids for water main pipe for the 2023 construction season were received from five vendors, out of the eight who registered. The low bidder was Core & Main at \$21.02 per linear foot. This is a reasonable price in the current market. The pipe is Iplex brand and meets all Authority specifications for being plugged, capped and wrapped and palletized at a 4-inch separation for safe loading, unloading and moving. After due discussion and deliberation, Mr. Humbert moved, Mr. LaGasse 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 awardee has been found to be responsible; (ii) the proposed awardee has complied with the Authority's Procurement Policy; (iii) the proposed awardee has 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 bid for water main pipe for the 2023 Construction Season be awarded to Core & Main LP, 6800 West Henrietta Road, Rush, New York for 60,000 linear feet of 8-inch DR-18 PVC Water Main Pipe at \$21.02 per linear foot.

### **Discussion of Invoice Cloud**

Mr. Ceratt reported that he and Jessica Freling had been researching third-party bill paying options since there have been some issues and degradation of service with the current provider, Paymentus. He distributed a document comparing the current customer cost of making on-line payments with the cost under Invoice Cloud, the proposed replacement third-party vendor. Invoice Cloud would charge 2.65% of the payment, with a minimum of \$1.95, while Paymentus charges \$1.95 per payment, with a maximum of \$200 per payment. Invoice Cloud offers more options like paperless billing, Auto-Pay enrollment, bill history and other advantages. There would be a three-month rollover period. After due discussion and deliberation, Ms. Furguson moved, Mr. Humbert seconded and all members present unanimously approved the following resolution:

RESOLVED, that the Authority enter into a contract with Invoice Cloud, Inc. of Braintree, MA to provide third-party online payment and associated services for Authority customers to use.

### **Miscellaneous Meetings**

Mr. Aman reported that he will be meeting with Phil Eygnor, Chairman of the Wayne County Board of Supervisors, regarding the Authority's position on the status of the Butler Correctional Facility.

### **Monthly Operations**

Mr. Monroe reported that the crews have been able to accomplish some system tasks in spite of the weather. These include following up on a list the summer help had made of problem hydrants and some have been replaced. Records are coming together to be able to identify these problems more accurately. He hopes to be able to start cleanup of the Regional Tank Project in March, and begin preparations for the installation of Arcadia Water District #15. He will meet with County and Town of Arcadia highway personnel, and the project is slated to begin in June. He also has met with County representatives regarding the planned roundabout at the intersection of Gananda Parkway and West Walworth Road. There will need to be utility relocation, for which the County has included funds in the project budget. A crew will be installing a new hydrant at the corner of Canandaigua Road and Westview Circle in Macedon to improve fire protection for the area. Mr. DiBenedetto displayed photos of the check valve vaults to be installed in the Regional Tank Project, the pump room at Joy Road with assembled pumps, the reed beds and the new disinfection building and equipment at the Red Creek Wastewater Treatment Plant, and the excavation in progress at the Western Regional WWTP site. There was discussion of the cost of installing a pole to bring the electrical service to the new plant.

Mr. Loria reported that he and Ms. Freling are working on updating the Authority's Safety Manual. He has also been visiting the Authority's wastewater plants, examining the reed beds in Red Creek, and intends to focus on the Western Regional Plant project. Mr. Aman drew the Board's attention to the plan and profile of a section of the sewer force main displayed on the white board; Mr. Loria's review of this has raised some technical questions and there will be a meeting with MRB and EDR representatives to discuss some ideas.

### **Schedule Audit Committee Meeting for March**

It is necessary that the Audit Committee meet in March to review the 2022 audit with a representative of the Authority's independent auditor, Mengel Metzger Barr. After due discussion and deliberation, Mr. LaGasse moved, Ms. Furguson seconded and all members present unanimously approved the following resolution:

RESOLVED, that a meeting of the Audit Committee of the Wayne County Water & Sewer Authority be scheduled at 3:30 p.m. ahead of the regular March 28, 2023 Board meeting.

There being no further business, upon a motion by Ms. Furguson, seconded by Mr. LaGasse, the meeting was adjourned at 5:12 p.m.

Attachment to these minutes: WCWSA Policy Regarding Its Operating and Capital Reserve Funds

Respectfully submitted by: Demaris Verzulli  
Demaris Verzulli, Secretary of the Meeting



**WAYNE COUNTY WATER AND SEWER AUTHORITY  
POLICY REGARDING ITS OPERATING AND CAPITAL RESERVE FUNDS**

**OPERATING FUND BALANCE**

- The Authority seeks to maintain a reasonable amount of undesignated fund balance within its annual operating funds to protect against unforeseen expenditures or revenue shortfalls and to help ensure that adequate cash flow is available to meet the cost of operations.
- As the Authority expands its area of operations and assumes responsibility for an increasing number of existing and expanding municipal water and sewer systems in various states of repair/condition, the Authority must keep sufficient funds on hand to fund ongoing operations and meet its contractual, repair and maintenance obligations.
- To meet these obligations, the Authority seeks to maintain an undesignated fund balance within its annual operating funds equal to at least two (2) months of the Authority's average monthly operating expenses.

**CAPITAL RESERVE FUNDS**

- The Authority seeks to establish and maintain reasonable capital reserves in support of current and future anticipated infrastructure, equipment and other requirements ("Capital Requirements") as outlined in the Authority's annual budget and Capital Plan, while minimizing debt service costs and obligations and balancing the impact on rates.
- In general, the Authority seeks to maintain reserves at a reasonable level that will allow the Authority to meet its evolving Capital Requirements as such needs change over time.
- As a general matter, capital reserves should be utilized according to the following priorities:
  - (i) First, for longer term capital needs as identified in the Capital Plan;
  - (ii) Second, for short term emergency or longer term needs in connection with the construction/maintenance/repair/replacement of Authority assets and municipal water and/or wastewater systems leased to the Authority, pending reimbursement from such municipalities for (x) the cost of constructing and installing such systems and/or (y) amounts in excess of applicable Funding Thresholds;
  - (iii) Third, for payment of debt service obligations in connection with specified projects (including the 2017 Office Expansion Project) in those years when Authority construction activities produce less net revenue than is necessary to

cover debt service costs associated with such projects;

(iv) Fourth, for the temporary payment of debt service obligations in connection with specified regional projects (including potentially the Regional Tank Project and the Regional WWTP) in the event that the timing of payments from the participating municipalities does not match the Authority's schedule of bond payments; and

(v) Fifth, for the temporary payment of construction costs in connection with ongoing capital projects, including the Regional WWTP and the Regional Tank Project, in the event that such payments are required prior to the receipt of funds from the EFC Closing or other applicable funding sources.