



CLIFTON PARK WATER AUTHORITY

BOARD MEETING MINUTES

JUNE 7, 2016

Those present at the Clifton Park Water Authority board meeting were: Mr. John Ryan, Vice Chairman; Mr. George Peterson, Treasurer; and Mr. Peter Taubkin, Secretary. Absent: Mr. Helmut Gerstenberger, Chairman; and Mr. William Butler, Board Member. Also present: Mr. Donald Austin Jr., Administrator; Mr. Neil Weiner, Attorney; and Mr. Edwin Vopelak, CT Male Associates.

Mr. Ryan called the meeting to order at 7:19pm.

PRIVILEGE OF THE FLOOR

No members of the public present.

OLD BUSINESS

NEW BUSINESS

APPROVE INVESTMENT AND PROCUREMENT POLICIES

A **motion** was made by Mr. Taubkin adopting the CPWA Investment Policy; seconded by Mr. Peterson.

RESOLUTION #14, 2016 – ADOPTING THE CPWA INVESTMENT POLICY

RESOLVED, that the Clifton Park Water Authority Board of Directors hereby approves the policy with regard to the investment of Authority funds as attached.

Roll Call Vote:

Mr. Gerstenberger	- Absent
Mr. Ryan	- Aye
Mr. Peterson	- Aye
Mr. Taubkin	- Aye
Mr. Butler	- Absent

A **motion** was made by Mr. Peterson adopting the CPWA Procurement Policy; seconded by Mr. Taubkin.

RESOLUTION #15, 2016 – ADOPTING CPWA PROCUREMENT POLICY

RESOLVED, that the Clifton Park Water Authority Board of Directors hereby approves the procurement policy as attached.

Roll Call Vote:

Mr. Gerstenberger	- Absent
Mr. Ryan	- Aye
Mr. Peterson	- Aye
Mr. Taubkin	- Aye
Mr. Butler	- Absent

TANK INSPECTIONS AT KNOLLTOP, MILLER, AND BLUE SPRUCE

This item is part of the Capital Improvement Plan prepared by Mr. Vopelak of CT Male and Associates. This project would involve hiring a qualified tank inspector to perform inspections of the Knolltop, Miller Road, and Blue Spruce Tanks. The results of the inspections would be used to determine the need for future maintenance and/or repairs to the tanks. Mr. Vopelak has estimated the cost for all three tanks to be \$12,000.00. A **motion** was made by Mr. Taubkin authorizing Mr. Austin to prepare a request for proposal for tank inspections at Knolltop, Miller Road, and Blue Spruce Tanks; seconded by Mr. Peterson. The **motion** carried 3-0, 2 absent.

REXFORD SUBMETERING

This item is also part of the Capital Improvement Plan. The sub-metering program would isolate certain sections of the system (via closing of valves) and use portable meters to measure flows for a period of time. The results of the metering would be compared with water use in that area to determine if any portions of the system have unaccounted water use. The estimated cost is \$25,000.00 for three ultrasonic meters and a handheld reader. A **motion** was made by Mr. Taubkin authorizing Mr. Austin to prepare a request for proposal for three ultrasonic meters and a handheld; seconded by Mr. Peterson. The **motion** carried 3-0, 2 absent.

PRESERVE TEST WELL

This item is also part of the Capital Improvement Plan. Mr. Austin would like have a test well drilled, to production well standards, in the Preserve. The project will include all necessary evaluation of the well location, including pump testing and water sampling. The estimated cost is \$160,000.00 which also includes the pump and the pitless adapter. This matter was tabled until next month when the full board is present.

The Board discussed approaching the Village of Round Lake to discuss the possibility of them connecting directly to the Saratoga County Water Authority to alleviate some of the CPWA capacity issues. The current agreement runs through 2020.

Mr. Vopelak prepared a spreadsheet showing the Boyack operating costs per year and the SCWA water purchase operating costs per year. He also prepared the capital project costs for the Boyack Water Treatment Plant and Vischer Ferry Preserve Wells projects along with the SCWA connection (see attached).

The Board discussed various scenarios with regard to getting the maximum amount of water into the system at the SCWA connections. The current infrastructure in the system isn't big enough to handle the capacity needed to move the water around from the north to the south. It was constructed to move water from the south to the north.

POLICY WITH REGARD TO SUBMETERING TENANTS

Prior to the formation of the CPWA, Village Plaza and Shoppers World were allowed to have one water line going into their buildings and then sub-meter their tenants. The Authority reads and bills the individual tenants. The Authority has no way to control the tenants at these plazas if

they don't pay, without terminating service to the entire plaza. The Authority requires that all newly constructed shopping plazas, that have only one water line going into their buildings, have a master meter which is billed directly to the property owner. If the plaza runs more than one water line the Authority meters each individual line allowing the Authority to terminate water service if the bill goes unpaid. Mr. Austin would like to have a policy written that states if a property has only one water line going into the property, the property shall have a master meter that the Authority will read and then bill the property owner. This policy would create consistency with regard to similarly situated properties. Another option discussed would be to have the property owner sign an agreement that they are ultimately responsible if their tenant doesn't pay their water bill.

The Board suggested Mr. Austin contact Windsor Development and notify them that a tenant is past due and is showing no intention to pay their water bill because they believe it is the owner's responsibility because of a leaking toilet. Instruct them, based upon what the Authority deems to be theft of services, to pay the bill or to terminate water service to their tenant's location by a certain date.

Mr. Weiner will work on writing up a new policy for next month's board meeting.

UNION NEGOTIATIONS

The CSEA contract ends at the end of this year. The CSEA union representative will be calling soon to set up a meeting to begin negotiations. Mr. Austin wants to know what kind of legal representation the board would like to have. Mr. Ryan stated to sit down with the union representatives and have a conversation to see what the requests are and then go from there to decide the best way to move forward. The board will defer to Mr. Gerstenberger regarding representatives from the board.

OTHER BUSINESS

- Mr. Peterson would like to make sure the Ballston Lake Water District contract is reviewed and renegotiated, if necessary, at least six months in advance of the contract renewal date in 2017. Mr. Austin added that he had the meter reader read all of the meters and the master meter today. He will have the meters read again in two weeks and compare the readings.
- Mr. Austin provided the Board with a Verified Notice of Claim by 69 Winthrop Avenue, LLC against the CPWA. He stated that the insurance company is investigating it now and it's in their hands at this point.
- Mr. Weiner drafted a notice to customers concerning termination of service for non-payment of water bills. Mr. Austin explained that when water service is terminated for non-payment and there is no one living at the property the Authority has no way of verifying water service is actually turned off. In these instances Mr. Austin would like to be able to send a certified letter to the customer stating that the water service has been terminated for non-payment but due to the fact that the Authority can't verify successful shut off, the customer bears all responsibility and liability of risk of damage arising from leakage or burst and/or frozen pipes.

The board recommended adding a "Service Guides and Policies" link on the Authority web page and put this information under a link for termination of water service. They also recommended adding links with information for irrigation, billing, connections, etc under the service guides and policies link. When a customer pays their water bill they are implicitly accepting the fact that they are governed by the terms and conditions of the CPWA.

APPROVE MINUTES OF APRIL 12, 2016 MEETING

A **motion** was made by Mr. Taubkin approving the minutes of April 12, 2016; seconded by Mr. Peterson. The **motion** carried 3-0, 2 absent.

The next scheduled board meeting is Tuesday, July 12, 2016 at 7pm.

A **motion** was made by Mr. Peterson to adjourn the meeting at 9:23pm; seconded by Mr. Taubkin. The **motion** carried 3-0, 2 absent.

Respectfully submitted,

Sheri Collins

Recording Secretary

cc: CPWA Board of Directors
Neil Weiner

CLIFTON PARK WATER AUTHORITY AND SUBSIDIARIES

INVESTMENT POLICY

The objectives of the investment policy of the Clifton Park Water Authority (Authority) and Subsidiaries are to minimize risk, to ensure that investments mature when the cash is required to finance operations, construction schedules and debt service payments, and to ensure a competitive rate of return. In accordance with this policy, the Authority Administrator is hereby authorized to invest all funds, exclusive of those held by the bond trustee(s) in accounts directly related to the Authority's bond obligations, in:

1. Direct obligations of the United States of America,
2. Securities fully and unconditionally guaranteed by the United States of America,
3. Direct obligations of any state of the United States of America or any subdivision or agency thereof,
4. Federal funds, certificates of deposit, time deposits, or bankers' acceptances of any domestic bank authorized to do business in New York State,
5. Investment in money market funds,
6. Time deposit accounts in a bank or trust company authorized to do business in New York State.

All investments made pursuant to this investment policy shall comply with the following conditions:

1. Collateral

- a. Certificates of deposit and time deposit accounts shall be fully secured by insurance of the Federal Deposit Insurance Corporation, obligations of New York State, obligations of the United States, obligations of federal agencies with principal and interest which are guaranteed by the United States or obligations of New York State local governments. Collateral shall be delivered to the custodial bank with which the Authority has entered into a custodial agreement. The market value of the collateral shall at all times equal or exceed the principal amount of the certificate of deposit or balance of the time deposit accounts.
- b. Collateral shall not be required with respect to the direct purchase obligations of New York State, obligations of the United States, and the obligations of federal agencies with principal and interest of which are guaranteed by the United States government.

2. Delivery of securities

Payment shall be made by or on behalf of the Authority for obligations of New York State, obligations the principal and interest of which are guaranteed by the United States. United States obligations, certificates of deposits, and other purchase securities upon the delivery thereof to the custodial bank, or in the case of a book-entry transactions, when the purchased securities are credited to the custodial bank's federal reserve system account. All transactions shall be confirmed in writing.

3. Written contracts

Written contracts are required for certificates of deposit, and custodial undertakings. With respect to the purchase of obligations of the United States, New York State, or other governmental entities, etc., in which monies may be invested, the interest of the Authority will be adequately protected by conditioning payment on the physical delivery of purchased securities to the Authority or custodian, or in the case of book-entry transactions, on the crediting of purchases security to the custodian's federal reserve system account. All purchases will be confirmed in writing to the Authority.

It is therefore the policy of the authority to require written contracts as follows:

- a. Written contracts shall be required for the purchase of all certificates of deposit.
- b. A written contract shall be required with the custodial bank.

4. Designation of custodial bank

First Niagara Bank, M & T Bank, and BNY Mellon, chartered by the State of New York, are designated to act as custodial banks of the Authority's investments. However, securities may not be purchased through a repurchase agreement with the custodial bank.

5. Investment of Bond Obligations and Bond Reserve Funds

Investment of bond obligations and bond reserve funds are subject to the limitations and guidelines set forth in the Water System Revenue Bond Resolution, Article 1, Section 1.01 under "Authorized Investments", Section 6.03 "Investment of Certain Funds" and Section 6.04 "Valuation or Sale of Investments", adopted November 16, 1993.

6. Financial strength of institutions

All trading partners must be credit worthy. Their financial statements must be reviewed at least annually by the Authority Administrator, or the Authority Administrator may use credit rating agencies or credible online rating services to determine satisfactory financial strength of trading partners. Concentration of investments in financial institutions should be avoided.

Investments in time deposits and certificates of deposit are to be made with banks or trust companies. Their annual reports must be reviewed by the Authority Administrator to determine satisfactory financial strength.

When purchasing eligible securities, the seller shall be required to deliver the securities to the custodial bank.

7. Operations audit and reporting

The Authority Administrator or Business Manager shall authorize the purchase or sale of all securities and execute contracts for certificates of deposit on behalf of the Authority. Oral directions concerning the purchase or sale of securities shall be confirmed in writing. The Authority shall pay for purchased securities upon the delivery or book entry thereof.

The Authority will encourage the purchase and sale of securities and certificates of deposit through a competitive or negotiated price involving telephone solicitation of at least three bids for each transaction.

At the time independent auditors conduct the annual audit of the accounts and financial affairs of the Authority, the independent auditors shall audit the investments of the Authority for compliance with provisions of these investment guidelines.

Within 120 days of the end of the fiscal year, the Authority Administrator or Business Manager shall prepare and submit to the Board of the Authority, or designated committee thereof, an annual investment report, recommendations for change in these investment guidelines, the results of the annual independent audit, the investment income record, a list of total fees, commissions, or other charges (if any) paid to the custodial bank, and such other matters as the Authority Administrator or Business Manager deems appropriate. The Board of the Authority shall review and approve the annual investment report if practicable at its May meeting.

At least annually, and if practicable, at the May meeting of the Board of the Authority, the members shall review and amend, if necessary, these investment guidelines.

The provisions of these investment guidelines and any amendments hereto shall take effect prospectively and shall not invalidate the prior selection of any custodial bank or prior investment.

CPWA Procurement Policy

Determination of the Need for Competitive Bidding:

General Municipal Law requires purchase contracts exceeding \$20,000 and public works contracts exceeding \$35,000, be awarded to the lowest responsible bidder after public advertising requesting sealed bids.

In determining the necessity for competitive bidding, the aggregate cost of an item or commodity estimated to be purchased in a fiscal year would be considered.

The term "public works contract" would apply to those items or projects involving labor, or both materials and labor. Included in this category would be construction, paving, printing, repair contracts, etc.

The advertisement for bids shall contain a statement of the time and place where all bids will be publicly opened and read. The Authority retains the right to reject any and all bids at any time.

The bid announcement will be placed in the Authority's designated official newspaper for at least one day as a minimum.

Purchases Exempt from Competitive Bidding:

Provisions in State Law allow certain procurements to be exempt from the competitive bidding requirements as follows:

1. Purchases made from state contracts issued by the Office of General Services.
2. Prison Industries and Industries of the Blind purchases.
3. Professional services such as: insurances, medical services, legal services, engineering services, and accounting services.

Standardization of Purchase:

When deemed necessary, for reasons of economy and efficiency, the Authority may approve a standard of purchase of a material or equipment.

Standardization, as the word implies, restricts a purchase to a specific make, model, or type of equipment or supply. For example, to limit the purchase of trucks to a particular make or model based on past performance or to reduce the inventory of spare parts, may

be acceptable, provided that sufficient justification is supplied to the Authority Board of Directors.

In order to apply this standardization, the Board must approve the purchase by a two-thirds majority vote.

Inspection of Commodities after Delivery:

Primary responsibility to ensure full vendor performance with contract requirements and commodity specifications, lies in the inspection at the point of receipt. This is particularly true with regard to delivery specifications, including damage to or shortage of, merchandise. Staff must inspect immediately upon delivery, and damaged goods should be refused for delivery.

If there is a shortage, personnel should insist on a notation to that effect on the freight receipt. Both the Authority and the contractor must be notified immediately. All packing slips must be forwarded to the office.

Purchase Requisitions:

All requirements for goods and services shall be recorded on a requisition form and forwarded to the Administrator for approval and line item assignment.

The following information is necessary on the requisition:

1. Date
2. Person requesting order
3. Place material is to be delivered
4. Delivery requirements (rush, time frame, special delivery vehicle requirements)
5. Description of item/service required, including part/catalog numbers (if applicable)
6. Suggested vendor and cost if available
7. Signature of person making request

Any additional information, such as price quotes or other available vendors or literature for specialized equipment should accompany the requisition form at the time of presentation to the Administrator.

All approved requisitions will generate a purchase order. One copy of the purchase order (pink) will be returned to the requisitioner. This copy will serve to verify that the item has been ordered. Another copy (yellow) will be forwarded to the Business Manager. Once the item has been delivered and inspected, the packing slip should be attached to the requisitioner's copy of the purchase order, and the copy should be signed indicating

that the item has been received in satisfactory condition. This copy shall be forwarded to the Business Manager for payment.

Blanket Purchase Orders:

Blanket purchase orders are set up with local vendors from whom the Authority purchases a number of small items, such as nuts, bolts, small hand tools, hose, etc.

These blankets are set up for a specific dollar amount determined by historical purchases. Authorized Authority staff may make purchases totaling less than \$100 at these specified vendors. The vendor may bill the Authority monthly for a partial payment against the open purchase order.

Purchase Order Quotations:

The following rules apply to all Authority purchases:

1. Purchases of more than \$1,500, but less than \$3,000, will require at least two verbal quotes recorded.
2. Purchases of \$3,000 or more, but less than \$5,000, will require three verbal quotes recorded.
3. Purchases of \$5,000 or more, but less than \$20,000, will require three written quotes filed.
4. Purchases of \$20,000 or more will require competitive bidding.

Board Approval of Purchases:

All purchases require the prior approval of the Authority Administrator. In the absence of the Administrator, in instances where the purchase cannot be delayed, approvals will be determined by the Business Manager.

Any individual purchases over \$5,000 will require approval by the Authority's Board of Directors, with the exception of the following categories:

- Utility bills
- Equipment/Software service contracts
- Fuel
- Health insurance
- Workers' compensation insurance
- Treatment chemicals
- Purchased water
- Property and school taxes

CAPITAL PROJECT COSTS

BOYACK WTP & VISCHER FERRY PRESERVE WELLS

Project	Year Completed	Project Costs
WTP, Wells & Raw Water Transmission Main	1997	\$4,515,000.00
Filter Vessel Painting, Filter Face Piping Work	2008	\$238,000.00
Pump Replacement	2013	\$95,000.00
Cartridge Filtration Addition	2014	\$830,000.00
Proposed Well Field Expansion		
Well Development/ Installation	Estimated	\$160,000.00
Well Building & Raw Water Main Extension	Estimated	\$700,000.00
National Grid Charges	Estimated	\$30,000.00 (estimated, awaiting National Grid quote)

SCWA CONNECTION

Magnola Way Connection	2010	\$469,000.00
Round Lake Metering Station & Contribution to East Line Road Main & Pump Station	2011	\$846,000.00
New Transmission & Pump Station (Option 3)	Estimated	\$4,996,000.00

C.T. MALE ASSOCIATES

BOYACK OPERATING COSTS/YEAR

2015

General Maintenance	50,000.00
Wage/Benefits	167,856.00
Canal Corp Lease	54,218.00
Cartridge Filters	140,000.00
DEC Discharge Permit	1,875.00
Boyack/Vischer Ferry - Electric	163,306.62
Boyack/Vischer Ferry - Chemicals	149,590.85
Sludge Disposal (Yearly)	25,000.00

Operating Cost \$751,846.47

Boyack Water Production 2015 621,646,600 gal

Boyack Operating Cost/1,000 gal \$1.21/1,000 gal

SCWA WATER PURCHASE OPERATING COSTS/YR

2015

Electrical	2,739.45
Labor	0.00 (not estimated)
Chemicals	0.00 (not estimated)

Operating Cost \$2,739.45 (excludes water purchase cost)

Water Purchased From County 2015 359,757,000 gal

Operating Cost/1,000 gal \$.008/1,000 gal

Water Purchase Cost/1,000 gal \$2.176/1,000 gal

Operating Cost \$2.18/1,000 gal
(County Water)