

OCWA Board Meeting – December 10, 2010

The meeting was called to order at 10:00 am

Present were the following Board Members:

R. Tomeny, F. Picardi, E. Gilligan, S. Miller, and J. Bianchini

Also in attendance:

Michael E. Hooker, Executive Director, Anthony J. Geiss, Deputy Executive Director, and Terry R. Pickard, Esq, Legal Counsel

The Chairman reviewed the minutes of the Meeting of November 17, 2010. On motion duly made and seconded, the Minutes were approved as distributed.

The Chairman called for reports:

Executive Director reported on the following:

- Agreement with Forte consulting for upgrade of Lawson Financial Software is in process.
- Remote Camera in operation at Otisco Lake Intake
- Dermody, Burke & Brown – Auditors have begun preliminary work on the 2010 audit.
- Analysis of 2005 Bond Fund revealed no arbitrage issue
- Meter replacement is ongoing, at a rate of approximately 6,000 per year. Replacement of the remaining 1,250 cubic feet meters are being prioritized for 2011.
- Financial results for period ending November, 2010 show net income to be \$1,410,028 greater than the budget figure of \$3,915, 739.
- Paving. Executive Director recommended rebidding of contract for 2011 due to the fact that new pay items are required for work requiring deeper base layers of asphalt.
- Sales report revealed a 715,000 gpd increase over 2009.

Deputy Executive Director's Report:

- Otisco Lake Level at +1.5 inches. Gates have been opened to reduce water levels.
- Recommended increase in engineering fee of \$29,000 for Western Reservoir for additional testing/supervision of earth moving not in specifications. Overall savings of \$166,000 achieved for use of on-site material. Chief Engineer to review additional fee for concrete testing. Following a discussion, the Board approved \$20,000 and requested details on additional expenses beyond \$20,000

On motion by Mr. Picardi, seconded by Dr. Gilligan, \$20,000 increase in the Western Engineering fee was approved.

- Discussed letter to Westhill District customers regarding turbidity levels that exceeded the allowable standards on December 1 and 2, 2010. The situation occurred due to Skaneateles Lake water conditions. The district is supplied water via the City of Syracuse's Skaneateles Lake Water System. The letter is being sent as required by the Department of Health. The notice is required to be mailed within 30 days of the incident.
- Discussed proposal to sell 5.54 acres (Nine Mile Creek-Amboy Dam) to DEC for Sportsman Federation. Property is overlaid by a Flood Protection District, which might lower appraised value. Requested permission to survey property.

On motion by Mr. Bianchini, seconded by Mr. Picardi, the Board authorized the survey work.

Legal Counsel Report:

- Finger Lake Condemnation Trial Decision still pending
- Agreement with Sisters of St. Francis has been finalized and sent for signature, permitting OCWA to use property adjacent to Eastern Tank for materials storage.

The Chairman thereupon called upon the Board to consider the following unfinished business:

- The Mission Statement previously distributed to Board Members was brought up for review. Dr. Gilligan proposed adding the following language:
“in a manner that is protective of the resource and the environment”
After further discussion, on motion by Ms. Miller, seconded by Mr. Picardi, the OCWA Mission Statement, as amended by the proposed language, was adopted.

The Chairman thereupon called upon the Board to consider new business as follows:

- The Executive Director distributed the Cost of Service Study to the Board. The Study proposed that the Rate Schedule be changed to a fixed amount for capital construction, with variable charges based upon consumption. The Executive Director also distributed a table showing the results of the proposed rates on various levels of consumption. The Board expressed concerns over customers using 6,000-8,000 gallons per quarter, resulting in increases of up to 18.82%. However, it was noted that this result cannot be avoided unless rates are decreased in the 4,000-8,000 gallon range, creating an irregular lower step.

After further discussion, on motion by Mr. Picardi, recorded by Mr. Bianchini, the concept of the Cost of Service Study was approved for implementation March 1, 2011. Final rates will be submitted in early January for Board review and approval.

- The Executive Director distributed the 2012-2015 Projected Budget for review. The Executive Director explained that the 4 Year projection is an ABO requirement.

After further discussion, on motion by Mr. Picardi, secondly by Mr. Bianchini, the 2012-2015 projected budget was approved.

- The Resolution Memorializing the passing of Jack Easterly was, on motion duly made and seconded, unanimously approved.

- The following Main Extension Contract, on motion by Ms. Miller, seconded by Mr. Bianchini, was unanimously approved:

<u>Project #</u>	<u>Developer</u>	<u>Job Title</u>
4100063	Bella Casa Builders by Alberici, Inc	8" Ext., Collington Point, Phase 3

- The following Rights-of-Way, on motion by Ms. Miller, seconded by Dr. Gilligan, were unanimously approved.

<u>Project #</u>	<u>With</u>	<u>For</u>
4100057	Minoa Farms Development Co., LLC	8" Ext., Minoa Farms VMIN
9003482	Plank Road Seniors, LP	8" Ext., Toll Road Sr. Apts., VNSY

- The meeting schedule for 2011, with the following revised Board Meeting dates, January 20th, February 17th and March 16th, was, on motion duly made and seconded, unanimously approved.
- The Executive Director proposed that OCWA standardize on the following equipment/vendors with respect to OCWA's 2011 purchasing:

Radios	Microwave Data Systems
Meters	Neptune Corporation and Sensus Corporation
SCADA equipment	Bristol Corporation
Valves	Ross Valves Corporation
Computer equipment	Dell Corporation
Chemicals	SternPAC Corporation

- The Executive Director stated that OCWA will seek competitive bids of the brand named items where appropriate. Legal Counsel noted that a 2/3's vote was required for standardization. After further discussion, an motion by Mr. Bianchini, seconded by Dr. Gilligan, the resolutions standardizing on the various proprietary items were unanimously approved

There being no further business to come before the Board, an motion by Mr. Picardi, seconded by Ms. Miller, the meeting adjourned at 1:40 pm.

Respectfully Submitted

Terry R. Pickard
Acting Secretary