

The Onondaga County Water Authority met in regular session on August 5, 2009. Members of the Authority present were R. Tomeny, F. Picardi, W. Simmons and H. Rosenthal.

Others present: M. Hooker, A. Geiss, T. Pickard, L. Khanzadian, G. Miller and C. Marvin.

I. R. Tomeny called the meeting to order at 11:00am.

II. Minutes of the meeting of June 24, 2009 were approved by all Members on Motion by W. Simmons, duly seconded by F. Picardi.

III. M. HOOKER REPORTED:

- Distributed and reviewed the July, 2009 Preliminary Budget Variance Report. Evaluated water revenues which are down and commented that where we can reduce our expenses without impacting operations we have been doing so since early on in 2008. We are also watching capital expenditures and planning for the carbon purchase for the Water Treatment Plant.
- Distributed the Water Sales Analysis Report (through July 31). Reviewed the reduction in Industrial accounts.
- Reported that active customer accounts have reached 91,000 at the end of July 2009.
- Reported that the Procurement Audit previously conducted by the NYS Comptroller's office is pending, however, the auditors are currently concentrating on school district audits.
- Discussed the Great Lakes study and the continued efforts in developing an OCWA rate structure that is tied to conservation, a lower minimum cost and a two component structure: debt service portion and an O & M portion.
- Introduced F. Picardi as the Acting Chairman of the Audit Committee.

On Motion by W. Simmons, duly seconded by H. Rosenthal, with all Members approving, the Board convened as the Audit Committee at 11:30 am.

- F. Picardi requested that Curt Marvin, Accounting Manager review the Quarterly Investment Report for the period ending June 30, 2009 and present the audit proposals received.
- C. Marvin reviewed the OCWA investments and the minimal change in yield. C. Marvin explained that the Accounting department is continuing to evaluate the investment advisor options available to OCWA and also continue to review fees paid to financial institutions.

On Motion by R. Tomeny, duly seconded by H. Rosenthal, with all Members approving, the Board recommends accepting the Quarterly Investment report as presented.

- C. Marvin explained that RFP's were mailed to six audit firms in the Syracuse area. Received responses from two firms, Dermody, Burke and Brown and Green & Seifter. The complete proposal response was previously distributed to all Board members for review. M. Hooker commented on the two firms responding, indicating that Green & Seifter showed limited Authority experience. C. Marvin indicated that if OCWA changes to a firm with limited Authority experience that OCWA personnel would be faced with orientating the audit firm. Reported that four other firms did not respond. Discussed continuing our audits with Dermody, Burke and Brown and

continued negotiation on pricing. The Board requested that the Accounting department outline a comparison of the firms and the reasons to support the recommended selection. C. Marvin will update the Board at the September meeting, at which time the Board will make its final decision related to the selection of OCWA's independent auditor for the next three years.

On Motion by R. Tomeny, duly seconded by W. Simmons with all Members approving, the Audit Committee adjourned and reconvened to the regular Board at 12:00pm.

On Motion by W. Simmons, duly seconded by H. Rosenthal with all Members approving, the Board accepted the Investment Report as presented by the Audit Committee.

- Discussed a letter from Assemblyman Townsend regarding the Town of Constantia's request for legislation authorizing OCWA to operate their water system. The Town will be responding to the letter.

IV. A. GEISS REPORTED:

- Reviewed his Chief Engineer's Report.
- Reported and provided an update on the leak that was repaired on the Brighton Ave Bridge over 481. Also reported that T. Robinson, while working in the area, removed a young woman from a wrecked car that had crashed nearby on Rte. 81. After discussion, the Board decided to honor Terry Robinson's heroic act by giving a \$100 gift certificate and one vacation day as a token of appreciation and recognition.
- Provided an update on the Otisco Lake Preservation Association. OCWA provided access to launch the weed removal equipment. Also offered mapping capability if needed. The Association is applying for grant money and OCWA will continue to offer in-kind assistance when possible. The Board requested that OCWA retain an insurance certificate on file for the weed harvesting company. T. Geiss will request the certificate.
- Reported that OCWA met with the Town of Skaneateles to review the town's water system and their request that OCWA explore options with respect to the Authority's involvement in operation and or assistance with the Town's water system that currently serves an estimated 1000 customers.
- Update on the Western tank project. 1,100 yards of concrete have been placed and expect a second placement this week of August 3. Reviewed the concrete criteria and testing.
- Reported on the progress of the Eastern Tank project indicating that T. Geiss has had a meeting with Hamilton Armstrong and other area residents on the process for continuing construction.
- Reviewed the continuing work on access to the Howlett Hill tank and discussed options for access to the site. Reviewing the possibilities and associated costs for the available options.
- Reported that O'Brien & Gere conducted an evaluation of our HVAC system in response to noted deficiencies and employee complaints. OBG has made recommendations on initial improvements and are working on recommendations for additional phases of work. Will provide an outline of upgrades and proposals at the next Board meeting.
- G. Miller reported on Capital projects.

- The Van Buren and Hastings tank painting has been completed and the tanks are operational. Briefly discussed the Contractor expenses associated with the Van Buren and Hastings repairs and the cost of refilling the tank.
- Town of Constantia and West Monroe project – Barton & LoGuidice will submit preliminary plans for our review in the next week or two.
- Continue to pursue obtaining stimulus money from NYSDOH and NYSEFC.
- Water Treatment plant work continues. Provided an update on the change order that was summarized at the last Board meeting in June. Outlined the specific items and requested Board approval for Change Order #6.

On Motion by H. Rosenthal y, duly seconded by F. Picardi with all Members approving the Board approved Change Order # 6 as outlined and discussed.

- Reviewed upcoming items for Change Order #7 that is currently being evaluated.
 - Grade site and storm water revisions at the intake site
 - Road reconstruction and additional pavement at intake
 - Roof extension to cover chemical fill stations at intake
 - Painting of screenings chamber to match other buildings
 - Additional pipe replacement in boiler room.
 - Polymer feed piping replacement
 - Other miscellaneous items

On Motion by H. Rosenthal, duly seconded by W. Simmons with all Members approving the Board approved Change Order # 7 contingent upon review and recommendation from Stearns & Wheler.

- Reported on a letter received from C.O. Falter regarding a request for a time extension of 218 days on the WTP project completion. Stearns & Wheler with OCWA will review the requested extension.

V. LEGAL REPORT

- T. Pickard reviewed his Legal Report.
- Provided an update on the Finger Lakes Railroad Corporation and the schedule to exchange appraisals the week of August 10, 2009.
- Reviewed the Otisco Lake pending sales.
- Reported on the Town of Clay and OCWA's operation of the various water systems according to legal agreements and leases. Recommend meeting with the town to review the leases and our operations and the benefit the Town receives from our tanks and pump stations

VI. HUMAN RESOURCE REPORT

- L. Khanzadian reviewed report
- Provided information on the recently distributed Summary Material Modification issued annually regarding health, dental and vision plan updates.

VII. NEW BUSINESS:

- One Right(s) of Way was presented for the Authority's approval.

On Motion by W. Simmons, duly seconded by H. Rosenthal, with all Members approving, the Board authorized M. Hooker to execute the following Rights of Way.

9003508 Walrus Enterprises, LLC Nice "n" Easy, Henry Clay Blvd.

- Two Developer Main Extensions were presented for consideration.

On Motion by H. Rosenthal duly seconded by W. Simmons, with all Members approving, the Board authorized M. Hooker to execute the following Main Extension Contract:

9003508 Walrus, LLC Install Hydrant Nice "N" Easy, Henry Clay Blvd.
4090041 The Timbers, LLC 8" Ext. The Timbers, Sec. 1D

As there was no further business to come before the Authority, the meeting was adjourned 1:45pm. The next Authority meeting is scheduled for Wednesday, September 9, 2009.

Respectfully Submitted,

Laurie Khanzadian
Recording Secretary