

The Onondaga County Water Authority met in regular session on August 27, 2008. Members of the Authority present were R. Tomeny, F. Picardi, C. Incaudo, W. Simmons, and H. Rosenthal.

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

- I. R. Tomeny called the meeting to order at 12:35pm.
- II. Minutes of the meeting of July 16, 2008 were approved by all Members by Motion of F. Picardi duly seconded by C. Incaudo.

III. AUDIT COMMITTEE MEETING

On Motion by W. Simmons, duly seconded by F. Picardi, with all Members approving, the regular Board meeting adjourned at 12:50pm in order to convene as the Audit Committee, chaired by C. Incaudo

- M. Hooker announced that C. Marvin will present to the Audit Committee, OCWA's Quarterly Investment Report for the period ended June 30, 2008.
- C. Marvin reviewed the Quarterly Investment report that was distributed to Committee members indicating that this report is ultimately included in our annual report to the NYS Comptroller. Claude Incaudo, Chairman of the Audit Committee requested a motion to accept the Quarterly report as outlined.

On Motion by R. Tomeny duly seconded by F. Picardi with all Members approving, the Audit Committee, agreed to accept the Quarterly Report for period ending June 30, 2008.

- C. Incaudo reported that C. Marvin had recently met with B. Dumond from Dermody Burke & Brown to discuss the proposed rate structure and services provided to OCWA in connection with the annual audit. The Chairman reviewed with the Committee a recent letter received from Dermody Burke & Brown outlining a rate structure for the Onondaga County Water Authority for one, three and five year period(s). The Board discussed and recommended that, since D B & B has been working with OCWA for five years, it would be appropriate to submit an RFP for Audit services. C. Marvin also reviewed for the Board the additional work that was performed during the 2007 audit. It was agreed that Dermody Burke & Brown has provided excellent service and was key in assisting OCWA through the last transition and compliance with new audit guidelines. The Board authorized C. Marvin to pay an additional amount not to exceed \$2,500.00 for the 2008 audit. C. Marvin will finalize our pricing with DB & B for 2008 and prepare an RFP for subsequent years.
- Discussed money that is invested in local banks and the low rate of return and its impact on cash flow.

On Motion by W. Simmons, duly seconded by H. Rosenthal with all Members approving, the Audit Committee was adjourned at 1:15pm in order to convene to the regular meeting. The Chairman directed that the Minutes of the meeting of the Audit Committee be included in the Board Minutes.

IV. EXECUTIVE DIRECTOR'S REPORT

- Discussed money that is invested in local REPORT
- M. Hooker reviewed his Executive Director's report.

- Reviewed water sales analysis and the impact of the wet weather in July. Sales were down for the month of July and we continue to monitor expenses.
- E. Syracuse is now converted from a wholesale customer to a residential customer which will not immediately be reflected in sales since billing is quarterly and the first meter readings won't occur until September.
- Northeast bio-fuels have been operational for a few weeks. Paul O' Malley is meeting with NEB and reviewing their usage and billing.
- Trip and presentation to the World Water Congress has been cancelled due to the AWWA president's request to attend in place of M. Hooker.
- The AMWA Annual meeting is scheduled for New Orleans on October 19-22, 2008.
- Bob Warner contacted M Hooker on behalf of Justine Bush regarding covered tanks and setting rates. M. Hooker responded that OCWA would have more flexibility in setting rates. OCWA can establish customer class rates if OCWA constructed the tanks vs. MWB. Were MWB to raise rates, the entire increase would flow through to the industrial accounts.
- Total accounts up to 90,173. Town of Clay is our largest Town with accounts at 11,724. The three Northern suburbs; Town of Clay, Cicero, Salina are larger than the total number of city accounts.
- Currently have 11,161 hydrants.
- M. Hooker reviewed the scheduled repair of the transmission main at the North Street pump station in Marcellus. During the shut-down, there was a valve problem which sent a slug of discolored water through the transmission main and into the system. The cloudy water impacted numerous customers including the NY State Fair. We have revised OCWA's shut down procedures and internal coordination efforts.

V. CHIEF ENGINEERS REPORT:

- T. Geiss reviewed the Engineering report.
- Reported on the Upper Crown Mills public hearing that he recently attended. Overall the project is moving forward and it appears that the Contractor will receive the permit to demolish the dam.
- Lathrop property-The owner has requested to buy additional land near the causeway on Otisco Lake. After review and discussion of the location it was determined that the property does provide a valuable access to the Southern portion of the lake and the causeway to OCWA and thus is not for sale.
- Reviewed the recent power failure at the Water Treatment Plant and the necessary improvements that will be done to correct the problem.
- Attended the City of Syracuse bid openings for the Syracuse Water Tank Project.
- Drying beds were cleaned out at the Water Treatment Plant.
- Abbey Road tank is back in service following the painting.
- T. Geiss updated the Board on the status of the covered storage tank project. A discussion was held regarding the plan to raise the floor elevation of the Western reservoir, thus increasing the usable storage volume. While this will increase the project cost, it is believed to be worthwhile as it increases the usefulness of the tank. Meeting was held last

week with Malcolm Pirnie to continue discussing project design and the related costs. It was reported that the Malcolm Pirnie rates from the MWB contract are significantly higher than what is typical of OCWA projects. The Board recommended that design continue but that AJ Geiss and G. Miller continue to negotiate with Malcolm Pirnie to lower their rates and finalize project design costs. The Board requested continued status reports with an update in mid-September and a target advertisement date of December 1, 2008.

- G. Miller discussed the SEQRA resolution regarding the State Environmental Review Process Making a Negative Declaration relative to the series resolution authorizing water system bonds not to exceed \$55 M.

On Motion by H. Rosenthal duly seconded by C. Incaudo with all Members approving, the Board agreed to authorize the resolution as outlined and distributed.

- G. Miller reviewed the necessary Bonding required for the tank projects. Reviewed the related cost estimates, construction stages and sequence of the tanks. G. Miller requested that, at this time, the Board authorize bonding for the Western Reservoir tank and the first Eastern reservoir tank. The second Eastern reservoir tank will be handled separately at a later date.

On Motion by C. Incaudo duly seconded by W. Simmons with all Members approving, the Board agreed to authorize a series resolution bonding for the first phase of the project as outlined for up to \$55M.

- G. Miller and T. Geiss gave an overview to the Water Treatment plant project status. Specifically reviewed the excavating for expansion and the need to relocate a drain pipe that runs from the existing filters. The WTP flow will need to be reduced during this work which is scheduled for the week of September 8, 2008. Testing on reducing flow from the drain will be done next week. Reviewed other potential changes as outlined and that we will proceed with potential change orders 1, 3, 4 and 8 as previously authorized. Requested authorization to proceed with potential change order number six, raw water valve actuator, as outlined up to \$19,807.

On Motion by H. Rosenthal duly seconded by C. Incaudo with all Members approving, the Board agreed to authorize the change order as outlined.

- Reviewed the need for repair of a 24 inch water transmission main along Nine Mile Creek in the Town of Marcellus. Also reviewed the related SEQRA Resolution as outlined and distributed. Requested approval of the resolution.

On Motion by W. Simmons duly seconded by F. Picardi with all Members approving, the Board agreed to authorize the SEQRA Resolution as outlined and authorized proceeding with the work for an amount up to \$200,000.

- G. Miller reviewed the Capital Projects outlined in his report mentioning that the Abbey Road tank is completed and the Canastota Water tank site work is wrapping up.

VI. LEGAL REPORT

- T. Pickard reviewed the Legal report.
- Reviewed the Onondaga County Department of Transportation reimbursement to OCWA of \$500,000 for relocation of water transmission facilities on Taft Road.

On Motion by H. Rosenthal duly seconded by C. Incaudo with all Members approving, the Board agreed to accept the reimbursement from the Onondaga County DOT.

- Reviewed the Southern Branch line. Distributed a copy of the agreement between OCWA and MWB. The agreement provides that OCWA will assume maintenance and repair of the Southern Branch line currently maintained by the City of Syracuse. OCWA will purchase water from the City of Syracuse at the in-city rate.

On Motion by F. Picardi duly seconded by R. Tomeny with all Members approving, the Board agreed to approve the MWB/OCWA Agreement.

- Reviewed the CSX Rights-of-Way. Presented information on locations and dimensions of what OCWA needs to acquire.

VII. HUMAN RESOURCES/INSURANCE

- L. Khanzadian reviewed the HR/Insurance report.
- Raised for Board discussion the consideration of outlining in our Summary Plan description, guidelines for retirees covered dependents at the time of retirement. The Board agreed that this should be outlined and limited to dependents listed at the time of retirement.
- Raised for Board discussion the consideration of an OCWA service requirement in order to retire with health benefits. The Board agreed that OCWA should outline a ten year service requirement with an effective date going forward. Also discussed the possibility of considering service increments for health coverage.
- Discussed the consideration of a retiree contribution for health coverage. Discussed implementing a premium contribution going forward and not impacting those that have retired. After much discussion, the Board requested data on other organizations and their retirees. L. Khanzadian agreed to research and provide the appropriate comparative data.
- Reported on the upcoming CSEA contract negotiations and the consideration of wages and benefits. The Board requested a spreadsheet of Management topics as well as what may potentially come up for bargaining.

VIII. UNFINISHED BUSINESS

- Board discussion of conflict with the Board meeting scheduled for November 20, 2008. Proposed changing the meeting to November 18, 2008 at 9:30am. A request was made to post the Board schedule in the email folder.

IX. NEW BUSINESS:

- Five Rights of Way were presented for consideration.

On Motion by C. Incaudo duly seconded by W. Simmons with all Members approving, the Board approved the following:

4070086	Mallards Landing Associates, LLC	Mallards Landing, Sec. 10C
4080047	LaVek, LLC	Carly Court, Phase 2
4080053	Eldan Homes, Inc.	Harbour Heights, Sec. 8 & 9
9003164	Isadore A. & Katherine Rapasadi	NYS Rt. 13 @ Rapasadi
	Stoneleigh Housing	Village of Canastota

