

The Onondaga County Water Authority met in regular session on October 28, 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 G. Miller, and C. Marvin.

- I. R. Tomeny called the meeting to order at 12:35pm.
- II. Minutes of the meeting of August 27, 2008 were approved by all Members by Motion of F. Picardi duly seconded by W. Simmons.
- III. EXECUTIVE DIRECTOR'S REPORT
  - M. Hooker reviewed his Executive Director's report.
  - Advised the Board that the State Comptroller's Office completed its audit of OCWA Board Member compensation and that the draft report is forthcoming at a later, yet undetermined, date.
  - Advised the Board that State Comptroller's office started an audit of OCWA's procurement practices on October 28<sup>th</sup>. There is one onsite auditor who estimates that he will be here for one month. The auditor informed OCWA that the audit was undertaken in response to a complaint.
  - Reported that the Teamster audit of the health fund was completed with only minor adjustments. Both adjustments were related to the timing of the switch from the Teamsters plan to OCWA's health plan for retirees.
  - Distributed and reviewed the Water Sales report through September 30, 2008.
  - Reviewed the September budget variance.
  - Discussed the recent repairs and upgrade of our phone system. Board discussion on the age of the present phone system ensued.

### III. FINANCE COMMITTEE MEETING

On Motion by W. Simmons, duly seconded by H. Rosenthal, with all Members approving, the regular Board meeting adjourned at 1:20pm in order to convene as the Finance Committee, chaired by C. Incaudo

- C. Incaudo introduced C. Marvin, OCWA's Chief Accountant. C. Marvin reviewed the distributed Quarterly Investment Report for period ending September 30, 2008. Curt reported that in comparison, the average yield for September 30, 2007 was 4.7%. Discussed bank types and investments available to OCWA. The Board requested a review of which local/regional banks might be available to provide trustee services for OCWA.
- The Finance Committee agreed and will recommend that the Board accept the Quarterly report for period ending September 30, 2008 as outlined.

On Motion by W. Simmons, duly seconded by F. Picardi, with all Members approving, the Finance Committee adjourned at 1:40 to return to the regular Board meeting.

On Motion by R. Tomeny, duly seconded by H. Rosenthal, with all Members approving, at the recommendation of the Finance Committee, the Board accepted the Quarterly report for period ending September 30, 2008 as outlined.

The Chairman directed that the Minutes of the meeting of the Finance Committee be included in the Board Minutes.

V. CHIEF ENGINEERS REPORT:

- T. Geiss reviewed the Engineering report.
- Reported on the Central Square tank following the one year inspection. During the inspection a problem was found with the adherence of the final coating of interior paint to the intermediate coat. The other coats of paint are in good shape, so the tank has been put back in service. Repairs will be made in the Spring.
- Westvale and Clay tanks are up for the one year inspection.
- Reported that the S. Peterboro Street main replacement project in Canastota is wrapping up.
- Reported that Otisco Lake level is up two inches since his October report was prepared and distributed.
- G. Miller provided an update on the Capital projects underway.
- Reported on the Water Treatment Plant project and the improvements on Sevier Road that went well. Intake work and road work are also underway.
- Distributed and reviewed the potential change orders for the Water Treatment Plant project. Requested approval of the recommended \$51,848.20 for Change orders #1.

On Motion by W. Simmons, duly seconded by F. Picardi, with all Members approving, the Board approved the requested change order(s) #1 valued at \$51,848.20.

- T. Geiss gave an update on the reservoir replacement project.
- T. Geiss met with representatives from Malcom Pirnie Engineers for their quality control review
- A meeting with three potential tank constructors is scheduled for early November.
- Advertising for bids for the Western Tank is planned for November 7, 2008 with the intent to award bids at our January Board meeting. Bids for the first Eastern Branch reservoir will follow the Western bid.

VI. LEGAL REPORT

- T. Pickard reviewed the Legal report.
- Reviewed the Southern Branch take over and lease. The agreement is in the hands of the County who is reviewing potential modifications to the renewal authorization terms. Construction is scheduled to begin in the next few weeks on the Southern Branch connection to Nedrow. 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.
- Reviewed the Customer Rules Amendments, specifically the question of whether the purchaser of a residence is responsible for the payment of a past due water bill incurred by the former owner? Board reviewed the memo prepared by T. Pickard and discussed options, as well as the minimal number of accounts in arrears. After due deliberation, the Board decided to defer continuation of a proposed rule which would have made purchasers responsible for unpaid water bills of former owners. The Board tabled the issue for review at a future meeting.

VII. HUMAN RESOURCES/INSURANCE

- L. Khanzadian reviewed the HR/Insurance report.
- Reviewed the Arbitration hearing held on October 10, 2008 concerning the Teamster grievance related to Call-outs.

- Reviewed our Workers Compensation modification analysis. Favorable outcome with our premium remaining the same for 2009.
- Reviewed the proposed changes to the Summary Plan Description, effective January 1, 2009, that pertain to Administrative, and CSEA employees as well as OCWA retirees. CSEA will adopt the changes through the ratification of the collective bargaining contract that is currently in negotiation. Distributed proposed language for the Summary Plan description which is reviewed and verified by EBS for continuity and compliance. Proposed resolutions for the following areas:
  - Minimum service requirement for an OCWA employee to retire with health coverage.
  - Guidelines on coverage for dependents of retirees. The Board agreed that this should be outlined and limited to dependents listed at the time of retirement.
  - Replace our current prescription drug plan with \$5 co-pay to a three tier drug plan of \$5/\$15/\$30.

On Motion by C. Incaudo duly seconded by H. Rosenthal with all Members approving, the Board agreed to adopt the resolution outlining the summary plan description language requiring a minimum service requirement of ten years of full-time service in order to qualify for health coverage and outline enrollment guidelines for dependents of retirees.

On Motion by C. Incaudo duly seconded by H. Rosenthal with all Members approving, the Board agreed to adopt the resolution outlining three tier drug benefit effective January 1, 2009 for the Administrative staff and OCWA retirees.

On Motion by F. Picardi duly seconded by C. Incaudo with all Members approving, the Board agreed to adopt the resolution increasing the Flexible Spending health benefit maximum from \$2000.00 to \$3000.00 effective January 1, 2009.

- Reported on the status of CSEA contract negotiations.

#### VIII. EXECUTIVE SESSION

The Board Chairman requested that the Board convene to Executive Session.

On Motion by F. Picardi duly seconded by H. Rosenthal with all Members approving the Board convened to Executive session at 2:10pm.

On Motion by F. Picardi duly seconded by W. Simmons, the Executive session adjourned at 2:40pm and the Board returned to the regular Board meeting.

#### IX. NEW BUSINESS:

- Two Rights of Way were presented for consideration.

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

9003454	Sun Hotels, LLC	6" & 8" Ext. Comfort Suites, Town of Cicero
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4080067	The Timbers, LLC	8" Ext. The Timbers Res. & Golf Community Clubhouse and Maintenance Bldg.
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- Three Developer Main Extensions were presented for consideration.

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

9003454	Sam Patel	6" & 8" Ext. Comfort Suites, Town of Cicero
4080067	Pooler Development	8" Ext. The Timbers Res. Golf Comm. Clubhouse & Maint. Bldg.
4080075	Sun Meadows, Phase 3	8" Ext., Sun Meadow, Phase 3

- Five bids were presented for review and consideration. Four chemical Bids:
  - Bid # 6 Powdered Activated Carbon
  - Bid # 7 Copper Sulphate
  - Bid # 8 Hydrofluosilicic Acid
  - Bid # 9 Phosphoric Acid or Orthophosphate
- One Major Project bid:
  - Security Improvements

Reported that there were no bids received for #6, Powdered Activated Carbon. Will repeat the bid process.

Rejected all bids received for # 7, Copper Sulphate. Currently have stock and wish to delay the purchase. Will rebid in the spring.

On Motion by H. Rosenthal duly seconded by C. Incaudo, with all Members approving, the Board approved the rejection of the Copper Sulfate bids.

Reviewed bids received for #8, Hydrofluosilicic Acid. Recommend accepting, Thatcher, the lowest bidder.

On Motion by W. Simmons duly seconded by H. Rosenthal, with all Members approving, the Board approved awarding the bid to the lowest bidder.

Reviewed bids received for #9, Phosphoric Acid and recommending accepting the lowest bid.

On Motion by F. Picardi duly seconded by C. Incaudo, with all Members approving, the Board approved awarding the bid to the lowest bidder.

- G. Miller reviewed and discussed the Security Improvement project and the bid responses recently received. Geoff reported that there was a wide range of bid prices that was not expected. The lowest bidder, Huen, contacted C & S, our Engineering consultant on the project, soon after submission to acknowledge that they had left equipment valuing approximately \$50,000.00 out of the project bid. Huen was advised of the process and the options that they had available through the bid process. Huen has made contact with OCWA indicating that they will honor the submitted bid. C & S has written to OCWA following a review of the bids and recommended that OCWA accept the bid.

On Motion by F. Picardi duly seconded by C. Incaudo, with all Members approving, the Board recommended accepting the bid unconditionally from, Huen, the lowest bidder.

- M. Hooker reviewed and presented (via Power Point presentation) an overview of the 2009 Operations & Maintenance Budget and the 2009 Capital Budget. A review and discussion of the 2008 budgets as a follow-up to the Budget Workshop on October 15, 2008. Reviewed and responded to questions on Bond interest expense. Reviewed in detail water revenues and discussed the impact of a rate increase on

OCWA customers. Discussed OCWA vehicles. A resolution was requested in order to approve the amended and outlined budget.

On Motion by F. Picardi duly seconded by H. Rosenthal, with all Members approving, the Board recommended adoption of the Capital and Operation & Maintenance Budget as outlined and presented.

On Motion by F. Picardi duly seconded by C. Incaudo with all Members approving, the Board agreed to adjourn the meeting at 4:10pm

As there was no further business to come before the Authority, the meeting adjourned at 4:10pm. The next Authority meeting is scheduled for Tuesday November 18, 2008 at 12 noon.

Respectfully Submitted,

Laurie Khanzadian,  
Recording Secretary