

Members Attending: T. Anderson, S. Beardsley, P. Brooks, E. Gott, T. Saunders

Excused Absent: J. Deming, M. McKeown

Others attending: M. Baines (Executive Director), M. Kosakowski (Director of Operations), R. Lewis (Principal Account Clerk), E. Wies (Clark Patterson Lee), J. Campbell (Kruk & Campbell, P.C.), N. Mazza (Bonadio Group)

Call to Order – With a quorum present, Chairman T. Anderson called the meeting to order at 8:00 am.

Approval of Agenda

Motion: *P. Brooks moved and S. Beardsley seconded to approve the agenda as presented. Carried unanimously.*

Approval of Minutes – August 22, 2018 Regular Board Meeting

Motion: *P. Brooks moved and S. Beardsley seconded to approve regular board meeting minutes dated July 25, 2018. Carried unanimously.*

Privilege of the Floor – None.

Financial report: R. Lewis reviewed the Financial report with the Board. R. Lewis provided some additional updates to the Board on the following:

- *Work-In-Progress, General Reserve Projects* – Project 31111 Technology Upgrades, which was originally established in 2015, will be closed/capitalized, as the majority of the original scope has been completed. Upgrades to the phone system, which were not completed, will be incorporated into a new capital project for 2018, which will include migration services and IT upgrades related to the employee transition.
- *3rd Quarter Water/Sewer Bills* – Were sent out in early August.
- *Lakeville WWTP Upgrades, EFC Disbursement Request:* The second request to EFC has been submitted for approximately \$42,000 in project expenditures.

Motion: *S. Beardsley moved and E. Gott seconded to approve the Financial Report. Carried unanimously.*

Other items discussed under the financial portion of meeting:

2018-2019 Insurance Renewal

Representatives from Tompkins Insurance were unable to attend the Board meeting, but provided information in advance of the meeting summarizing 2018-2019 vs. 2017-2018 premiums in tabular format. R. Lewis and M. Baines reviewed the information with the Board, including those premiums that have increased since last year, including Public Officials Liability (due to an overall rate increase across the board from NYMIR) and Business Auto (attributable to additional vehicles being insured). There was a minor decrease in the General Liability policy, due to favorable experience. The overall increase in annual premium is approximately 1.5% (\$79,666.12 for 2018-2019 vs \$78,481.30 for 2017-2018). T. Anderson requested that LCWSA staff verify the potential cost impact of adjusting the following deductibles: Boiler & Machinery and Municipal Property from \$10,000 to \$5,000; Inland Marine from \$500 to \$1,000; and the Umbrella Policy from \$5,000,000 to \$10,000,000.

Electricity Supply Agreement – Electric Suppliers & Current Rates

As a follow-up to the July 25, 2018 Board Meeting, LCWSA staff contacted Blue Rock Energy to verify its electrical supply rates. Blue Rock Energy submitted the following fixed price options (per kWh): 12-month (\$0.04492), 16-month (\$0.04387), 24-month (\$0.04450). Constellation Energy submitted the following fixed price options: 12-month (\$0.04445), 24-month (\$0.04385), and 27-month (\$0.04346). The Board discussed that given the volatility in the energy market, it would be prudent to renew with Constellation and extend the contract for the maximum of 27 months.

Motion: P. Brooks moved and E. Gott seconded to approve renewing the electricity supply contract with Constellation Energy for 27 months at a fixed price of \$0.04346/kWh, and to authorize the Executive Director to sign the required documents, subject to review by the LCWSA attorney. Carried unanimously.

NYSAWWA Tiftt Symposium (September 19-20, 2018 – West Harrison, NY) – MBaines Travel Request
M. Baines requested approval from the Board to attend the New York State American Water Works Association (NYSAWWA) Tiftt Symposium/Fall Water conference, to be held in West Harrison, NY.

Motion: P. Brooks moved and E. Gott seconded to approve M. Baines' attendance at the Tiftt Symposium/Fall Water conference in West Harrison, NY from September 19-20, 2018. Carried unanimously.

Bills: R. Lewis reviewed the monthly bills.

Motion: S. Beardsley moved and E. Gott seconded to approve paying the bills for Total Project Expenditures in an amount not to exceed \$124,188.56. Carried unanimously.

Motion: P. Brooks moved and S. Beardsley seconded to approve paying the bills for Operating Expenditures and Projects in an amount not to exceed \$217,322.94. Carried unanimously.

Operations and Capital Reports

M. Kosakowski reviewed the Operations and Capital reports with the Board (on file with the Secretary). The following item was further discussed by the Board:

YAWS Operations & Maintenance Agreement – 1-Year or 3-Year Extension (Amendment No. 2)

M. Kosakowski and M. Baines noted that they had met with YAWS representatives (John McGrath and Dan Duddleston) on July 30, 2018 to review operations of both plants over the last year and to discuss potential renewal of operations contract. Draft Amendment No. 2 has been prepared for the Board's review based on two different options: 1-year or 3-year contract extension. For the 3-year contract extension, the annual compensation would remain fixed at \$168,000/year. J. Campbell noted that all other terms, conditions, and provisions of the Agreement and Amendment No. 1, not in conflict with this amendment, shall remain in full force and effect.

Motion: E. Gott moved and S. Beardsley seconded to approve Amendment No. 2 to the Agreement for Professional Management, Operations, and Maintenance Services for the LCWSA Treatment Facilities between LCWSA and YAWS Environmental Process Control, Inc., for a term of three (3) years at an annual compensation of \$168,000 per year, and to authorize the Executive Director to sign the amendment, subject to review by the LCWSA attorney. Carried unanimously.

Nick Mazza entered at 8:50 am.

Other Business

LCWSA Employee Transition – Update

T. Anderson granted privilege of the floor to N. Mazza (Bonadio Group), who is providing consulting services to LCWSA to assist in the employee transition. N. Mazza provided an update to the Board on several items, including: status of the draft CSEA agreement, potential participation in the County's Workers Compensation Plan, development of an RFP for third party administration of the 401(a) and 457(b) deferred compensation plans recently adopted by LCWSA, termination of the existing lease agreement, etc.

The following items were further discussed by the Board:

Livingston County Workers Compensation Plan – Proposed Formula for LCWSA

The County's current formula for calculating premiums is based predominantly on assessed values. As LCWSA has no taxable real property, the third party administrator (INS Consultants, Inc.) for the County's Workers Compensation Plan has developed a proposed formula/plan specific to LCWSA that would allocate our payroll based on number of accounts/properties served within each town, which would then be multiplied by a Workers Compensation payroll rate specific to each town. Our total annual premium would then be adjusted based on LCWSA's experience modification factor. If we were participating in the County's plan for 2018, INS Consultants estimated that our premium would be approximately \$27,000. Although this is significantly higher than the current premium of ~ \$6,000-\$7,000 that we are currently reimbursing the County for the Public Works employees, this is less than the PERMA estimate of \$40,000 for 2019. In order for LCWSA to participate in the County Workers Compensation Plan, it will be necessary for the County to hold a public hearing to amend its local law, therefore no action taken by the Board at this time.

Existing Lease Agrmt – Health Benefits for existing Retirees

The Board reviewed the existing lease agreement, and agreed that the agreement is silent on how costs for retiree health benefits are to be allocated once Public Works employees retire as County Employees and are no longer covered under the lease agreement. There are a total of six (6) Public Works employees who have retired since the effective date of the lease agreement (January 1, 2002). LCWSA has been reimbursing the County 100% for these costs. A proposed cost splitting option was presented recently to the County Administrator for consideration, that allocates costs between LCWSA and the County based on the years of service of each employee prior to and after the effective date of the lease agreement (i.e. January 1, 2002). The County Administrator is currently reviewing this option and another meeting has been scheduled for September 17, 2018 to further discuss resolution of this issue.

Nick Mazza departed at 9:30 am.

Comprehensive Evaluation/Assessment of LCWSA Sewage Pump Stations – Engineering Proposal & Presentation (Clark Patterson Lee)

M. Baines reminded the Board that one of the projects that was identified in the 2018 Capital Program, is a comprehensive evaluation/assessment of the 45 sewage pump stations that are operated and maintained by LCWSA. The objective of the evaluation would be to better quantify short-term and long-term capital needs of these critical facilities. E. Wies conducted a powerpoint presentation (on file with the Secretary), which provided an overview of the various pump stations, and subsequently presented a draft engineering proposal (on file with the Secretary) to the Board for review and approval. The proposed scope and fee were discussed by the Board.

Motion: E. Gott moved and P. Brooks seconded to approve CPL Engineering proposal for Sanitary Sewer Pump Station Evaluation for a fee of \$24,500. Carried unanimously.

Annual Board of Directors Evaluation – ABO Policy Guidance No. 10-05 (Evaluation Form)

M. Baines provided a reminder to the Board, that the Authorities Budget Office (ABO) requires that the board of every state and local public authority conduct an annual evaluation of its performance. The results of the evaluation are confidential, but need to be submitted to the ABO within 90 days of the close of the authority’s fiscal year.

Communications – None.

Adjourn: *Motion: S. Beardsley moved and E. Gott seconded to adjourn the board meeting at 10:00 am. Carried unanimously.*

DRAFT