

Attending: H. Stewart, T. Anderson, P. Brooks, D. Kriewall, F. Miller, G. Moore and S. Beardsley

Excused Absent: none

Others Attending: D. Leary (SolarCity), E. Wies (CPL), M. Kosakowski, R. Lewis, C. VanHorne

**SolarCity Proposal** – D. Leary presented a proposal to utilize 4 plus acres at the Lakeville Treatment Plant for a solar array. Board members asked many questions, getting clarification as to the business deal and the operational details of the proposal. C. VanHorne updated the Board that J. Campbell had reviewed the Purchase Power Agreement and the Performance Guarantee Agreement, and all issues had been resolved with contract language. J. Campbell provided the following written message to the Board:

*Cathy,*

*Thank you for taking the time to meet with me last week regarding the SolarCity Power Purchase Agreement ("PPA"). As part of that discussion, we identified several items that warranted further clarification and/or review. We have now received such clarification and I believe those questions to be resolved. That leaves us with the only outstanding concern being long-term risk.*

*Essentially, the PPA is a twenty (20) year obligation for the LCWSA to purchase it's energy from SolarCity at a guaranteed (but escalating) rate.*

*This creates a virtually risk-free repayment and return on investment guarantee for the financiers of the project as well as providing for a guaranteed and predictable profit for SolarCity. While I appreciate the inherent value in predictability, the LCWSA does not share the same type of benefit assurance that SolarCity and its financiers gain. For the LCWSA, such a locked-in rate also has potential shortcomings which have to be weighed against the value of predictable electrical energy costs for the next twenty (20) years. If some rapid technological innovation or advancement occurs that significantly reduces the cost of power, the Authority could find itself contractually obligated to pay more for energy than the current market rate. I am particularly sensitive to this issue because renewable energy and alternative energy resources have improved in efficiency and availability on an almost exponential basis over the last twenty (20) years. While I am not suggesting that changes in technology will certainly outpace the benefit of entering into such an agreement, it is possible that advancements in technology or other market forces could dramatically affect the anticipated benefit to the LCWSA.*

*Please let me know if you or the Board need additional feedback. I would be happy to discuss these matters further with yourself and/or the Board Members.*

D. Leary described the time frame and schedule for the project, which for the best outcome should be started in 2015. The project funding is based on authorization in 2015, as funding changes may occur in 2016. D. Leary departed

The Board continued the deliberations regarding the proposal. G. Moore asked E. Wies if there would be any other use for the property. E. Wies stated that there was not a current plan for that property and the facilities that have been planned as a result of additional Treatment capacity do not use this property. S. Beardsley questioned the Assignment provisions of the agreement. C. VanHorne stated that she would follow up with J. Campbell and SolarCity. The Board consensus was to wait for the answers to the assignment question before making a final decision.

**Operations report** - M. Kosakowski reviewed the Operations report (on file with the Secretary). The following actions were taken:

1. E. Wies reviewed the map (on file with the Secretary) of the alternative route along Gateway Road that will be included in the Inflow and Infiltration Study. The Board consensus was that the alternative should be added to the report.
2. The Board discussed the Sweeteners permit. Concerns were raised that the discharge effluent would upset the Lakeville Plant and the "strong arm" technique that Sweeteners used in the process.

**Capital Report** – M. Kosakowski reviewed the Capital report (on file with the Secretary). The following actions were taken;

1. E. Wies reviewed the DOCCS WSP project and alternatives depicted on a map (on file with the Secretary).
2. **RESOLUTION 2015 – 39 SEQRA NOTICE LEAD AGENCY DESIGNATION FOR THE GROVELAND CORRECTIONAL WATER MAIN EXTENSION AND IMPROVEMENTS**

WHEREAS, the LCWSA Board has proposed a water main extension to service the Groveland Correctional Facility, which will include improvements to existing infrastructure in the Town of Livonia, new main in the Towns of Conesus and Groveland, additional main extensions and residential connections in the vicinity of the new main, and property acquisitions and easements.

WHEREAS, the proposed extension is in conjunction with the April 2012 (Revised) Final Engineering Report prepared by the consulting firm of Clark Patterson Lee of Rochester, New York; and

WHEREAS, in accordance with the provisions of 6 NYCRR Part 617 (SEQRA), the LCWSA Board adopted a resolution on August 26, 2015 declaring its intent to act as Lead Agency for the Proposed Action and circulated said intent to all Involved Agencies; and

WHEREAS, no Involved Agencies challenged the intent of the LCWSA Board to act as Lead Agency, Now therefore be it

RESOLVED, that the LCWSA Board hereby designates itself as Lead Agency for the proposed action pursuant to 6 NYCRR Part 617.

*Motion: T. Anderson moved and S. Beardsley seconded to approve resolution 2015-39 SEQRA Notice Lead Agency Designation for the Groveland Correctional Water Main Extension and Improvements. Carried unanimously.*

### **3. RESOLUTION 2015 – 40 APPROVING CHANGE ORDER - FINAL**

WHEREAS, the allowance item was not utilized, now therefore be it resolved that Final Change order for the Clarifier Painting project in the amount of a deduction of \$2000 be approved and be it further,

RESOLVED that the Executive Director is authorized to sign the change order.

*Motion: S. Beardsley moved and P. Brooks seconded to approve resolution 2015-40 Approving Change Order – Final. Carried unanimously.*

4. M. Kosakowski remarked that Energy Savings Plans had been provided for three additional sites for the lighting changes. M. Kosakowski stated there might be additional sites as plans are developed.

**RESOLUTION 2015 - 41 APPROVING ADDITIONAL WORK AND INCREASING CAPITAL PROJECT 311110**

WHEREAS, National Grid has provided Energy Savings Plans for three additional sites for LED lighting upgrades, and

WHEREAS, the proposals show a costs savings of approximately \$1600 per year, now therefore be it

RESOLVED, that the Director of Operations is authorized to execute an agreement with National Grid to make the LED lighting improvements, and be it further

RESOLVED, that the Principal Account Clerk is authorized to increase a capital project 311110 in an amount not to exceed \$5400.00

*Motion: G. Moore moved and D. Kriewall seconded to approve resolution 2015-41 Approving Additional Work and Increasing Capital Project 311110. Carried unanimously.*

**Other Business**

**RESOLUTION 2015 - 42 SETTING ANNUAL AND REGULAR MEETING JANUARY 2016**

RESOLVED, that the Regular and Annual Meeting be established at 8am January 13, 2016, at the Geneseo Town Hall, 4630 Millennium Drive, Geneseo, and be it further

RESOLVED, that staff is directed to advertise the meeting as required.

*Motion: G. Moore moved and F. Miller seconded to approve resolution 2015 –42 Setting Annual and Regular Meeting January 2016. Carried unanimously.*

**Board Member Independence and Conflict of Interest** – C. VanHorne reviewed the information in the memorandum and attachments (on file with the Secretary). The Board made the following motion:

*Motion: T. Anderson moved and G. Moore seconded to discuss this issue with Bonadio during the annual audit. Carried unanimously.*

**Insurance:** C. VanHorne reported that the RedFlag (Identity theft policy) was sent to NYMIR and Beazley and both insurance companies refrained from commenting on the policy.

**Flood Insurance update** – C. VanHorne provided a memorandum outlining the current status of the properties placed in the flood zone (on file with the Secretary). Two properties were not eligible for

flood insurance due to the pump station enclosure not being considered a building. Tompkins Insurance has worked with NYMIR and are able to insure against flood under an equipment policy.

**Financial report** - R. Lewis reviewed the November Financial Report and attachments with the Board.

**Motion:** *T. Anderson moved and D. Kriewall seconded to approve the November Financial Report. Carried unanimously.*

**Annual Internal controls Self Assessment** – R. Lewis reviewed the annual LCWSA self assessment of internal controls.

**RESOLUTION 2015 - 43 APPROVING THE ANNUAL INTERNAL CONTROLS SELF ASSESSMENT**

RESOLVED, that the Board has reviewed and approves the annual Internal Controls Self Assessment.

**Motion:** *T. Anderson moved and D. Kriewall seconded to approve resolution 2015-43 Approving the Annual Internal Controls Self Assessment. Carried unanimously.*

**Bills:**

**Motion:** *G. Moore moved and F. Miller seconded to approve payment of Operating Expenses in an amount not to exceed \$133,929.47, Projects in an amount not to exceed \$41,261.61, with an additional payment to Selective Insurance in an amount not to exceed \$1,534. Carried unanimously.*

**Motion:** *P. Brooks moved and D. Kriewall seconded to approve payment for Commodities in an amount not to exceed \$31,511.32, Utilities in an amount not to exceed \$20,120.14, and other expenses in an amount not to exceed \$300.10. Carried unanimously.*

**Minutes:** regular minutes dated November 18, 2015

**Motion:** *T. Anderson moved and D. Kriewall seconded to approve regular meeting minutes dated November 18, 2015. Carried unanimously.*

**Communications** – Flood Insurance News

**Adjourn:** *T. Anderson moved and P. Brooks seconded to adjourn the board meeting. Carried unanimously.*

# OPERATIONS REPORT

<b>Water and Sewer Work Program 2015</b>	
Customer work orders	71 workorders completed - up 3 from last month
UFPO	82 stakeouts completed - up 3 from last month
PM Maintenance	Completed
Sampling and Testing	TTHM and HAA results came back. All results were within the limit. We are back in compliance on the West Lake Rd district.
Generator Battery replacement	Staff replaced the battery at 6E - 5158 East Lake Rd
Generator antifreeze	Staff is working on changing the antifreeze in generators that were due in 2015.
Generator maintenance	Staff had an issue with 13w generator after changing the antifreeze - Penn Power was called - they diagnosed the problem as the control board. Staff had the portable generator onsite for a backup. The generator since has exercised and been ran manually, and everything seems to be working the way it should.
Air relief Valve maintenance	Staff completed the semi annual air relief maintenance
Restoration	Valley Asphalt repaired 4 blacktop areas that needed restoration.
<b>Water Work Program</b>	
Water inspections	Staff completed 2 water inspections.
Hydrant repair or replacement	Staff replaced two hydrants in the Caledonia#3 water district.
Curb box repair	Staff has been working on repairing curb boxes in the Lakeville area.
Leak Detection	NY Rural Water conducted leak detection in South Avon and in Caledonia districts 1 & 3. No leaks were found.
<b>Sewer Work Program</b>	
Sewer inspections	Completed 2 sewer inspections.
Sludge hauling and disposal	All the sludge that was dried has been hauled away by Dickson Environmental.
Pump rehabilitation	Staff replaced the rotating unit on pump #1 at the Livonia Center pump station, along with both flapper valves.
Station Maintenance	Staff has been cutting brush and clearing debris away from the fences at the water tank sites. Also KBH Evironmental will be starting the cleaning and painting of station 14w - this will detail pressure washing, painting, and replacing the missing tiles on the floor.
<b>Lakeville Plant</b>	
Yard	Staff and the operator from Yaws replaced 14 concrete planks in the sludge drying beds.
Admin building	YAWS is in the process of installing the new plant water pump.
Permit	see attached: Sweeteners Plus
Grant #2 - I and I study	E. Wies has created a map that displays the alternative route along Gateway Road.
<b>Groveland Plant</b>	
Sludge removal	Between 3-6 bags of sludge a week are being brought back to the Lakeville plant.
<b>Personnel</b>	
Training	2 staff members went to a training seminar provided by the Livingston Co Health Department.

## Sweetener's Plus

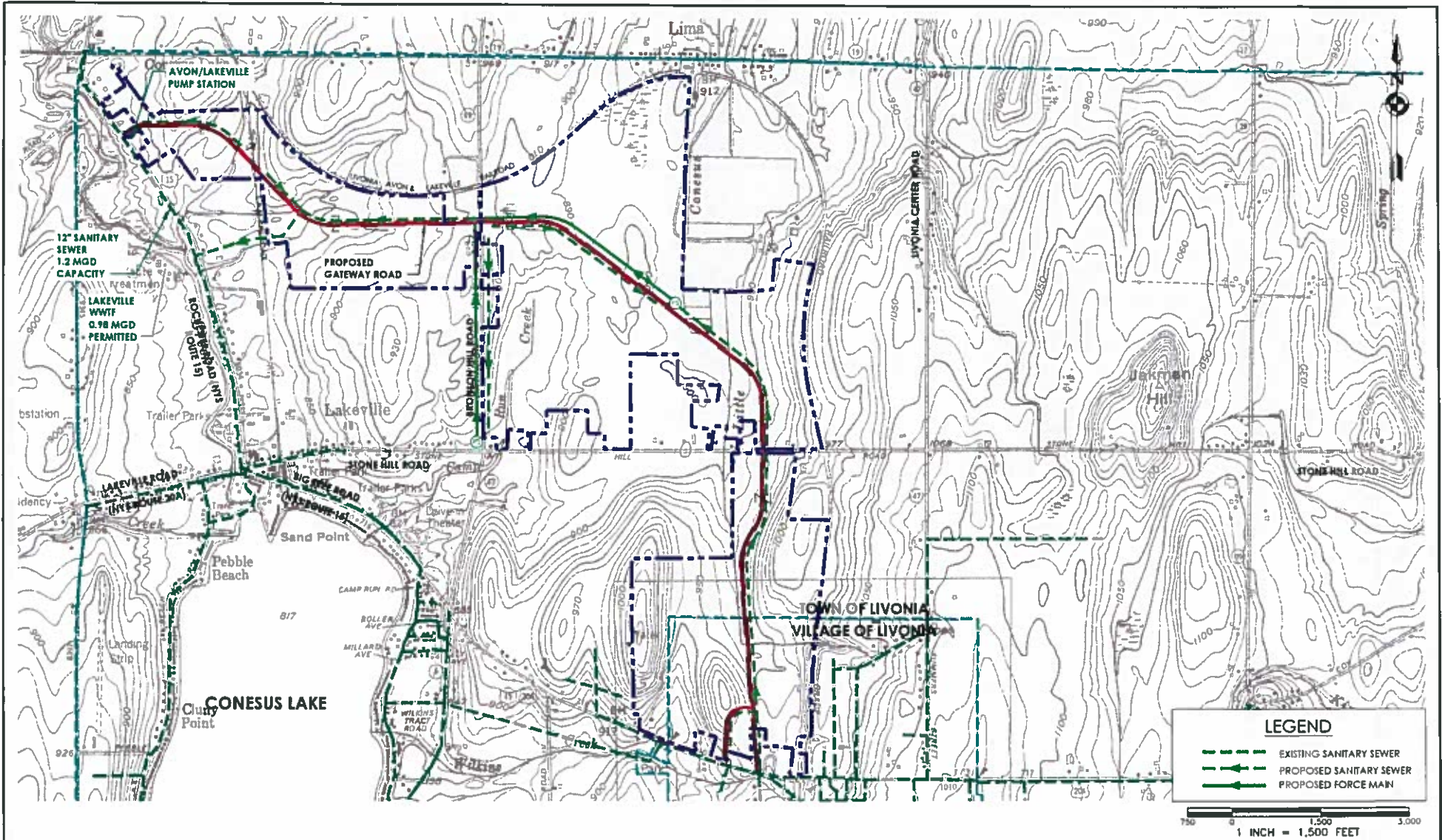
Back in March 2015, Sweeteners contacted us that they would be installing a Membrane Bioreactor (MBR) pretreatment process. This unit is being installed to eliminate the cost of land applying the sweet water from their process, along with being able to use it for the make up water for their boilers - also to be used with their truck wash. The unit was installed and put online at the beginning of September. Eric Wies and Mark Kosakowski went to Sweeteners and toured the new pretreatment facility. They were looking to start to discharge approximately 6000 gallons of effluent to us. Eric and Mark asked for the laboratory analysis and saw that the nitrogen and phosphorus results were extremely high. So at that time, we told them they couldn't discharge until they got their results down to a normal sewage range.

From September to the later part of November, the results were very sporadic. Sweeteners purchased some equipment to do in house testing to get a better handle on the dosing to get the results in range.

On December 1, 2015, we received an email from Senator Young's office stating that they had a call from Sweeteners saying that we wouldn't take the effluent water. Sweeteners also contacted the NYS DEC along with Ian Coyle and Congressman Collin's office. We got no call or communication. We didn't want to take the waste stream until the analysis was at a treatable level as we are in the middle of the permit review and do not want failure on Sweetener's pretreatment system (it could cause sewer permit issues for us).

A meeting was set up for December 4<sup>th</sup> with Sweeteners, LCWSA, and CPL. New testing results were shown at that time. Results were much better and seem to be consistent. At that meeting, it was determined thru the new analysis that we could take the waste stream and a new permit would be issued by Wednesday, December 5, 2015. Also, values were set for a surcharge amount if the analysis was higher than the set amount in the permit. The permit has been issued as of Wednesday, December 5, 2015.

Referenced Drawings: None  
 Drawing Date: 1/10/13  
 Date last updated: 12/8/13 3:58 PM  
 Date last printed: 12/8/2013 3:58 PM  
 Prepared by: DAN FRENCH



NO.	DATE	BY	CHKD	DESCRIPTION


**CLARK PATTERSON LEE**  
**DESIGN PROFESSIONALS**  
 205 ST. PAUL STREET, SUITE 500  
 ROCHESTER, NEW YORK 14604  
 TEL (800) 274-9000  
 FAX (585) 232-5834  
 www.clarkpattersonlee.com

**LIVINGSTON COUNTY**  
**WATER AND SEWER AUTHORITY**  
 LIVINGSTON COUNTY, NEW YORK

DATE: 12/8/13
DRAWN: DGI
DESIGNED: ARK
CHECKED: ECW
SCALE: 1"=1500'

**2015 COLLECTION SYSTEM STUDY**  
**ALTERNATIVE 8**

PROJECT NUMBER 13360.00
DRAWING NUMBER <b>FIG 10</b>





RESOLUTION 2015 -

SEQRA NOTICE LEAD AGENCY DESIGNATION  
FOR THE GROVELAND CORRECTIONAL WATER MAIN EXTENSION AND  
IMPROVEMENTS

**Whereas**, the LCWSA Board has proposed a water main extension to service the Groveland Correctional Facility, which will include improvements to existing infrastructure in the Town of Livonia, new main in the Towns of Conesus and Groveland, additional main extensions and residential connections in the vicinity of the new main, and property acquisitions and easements.

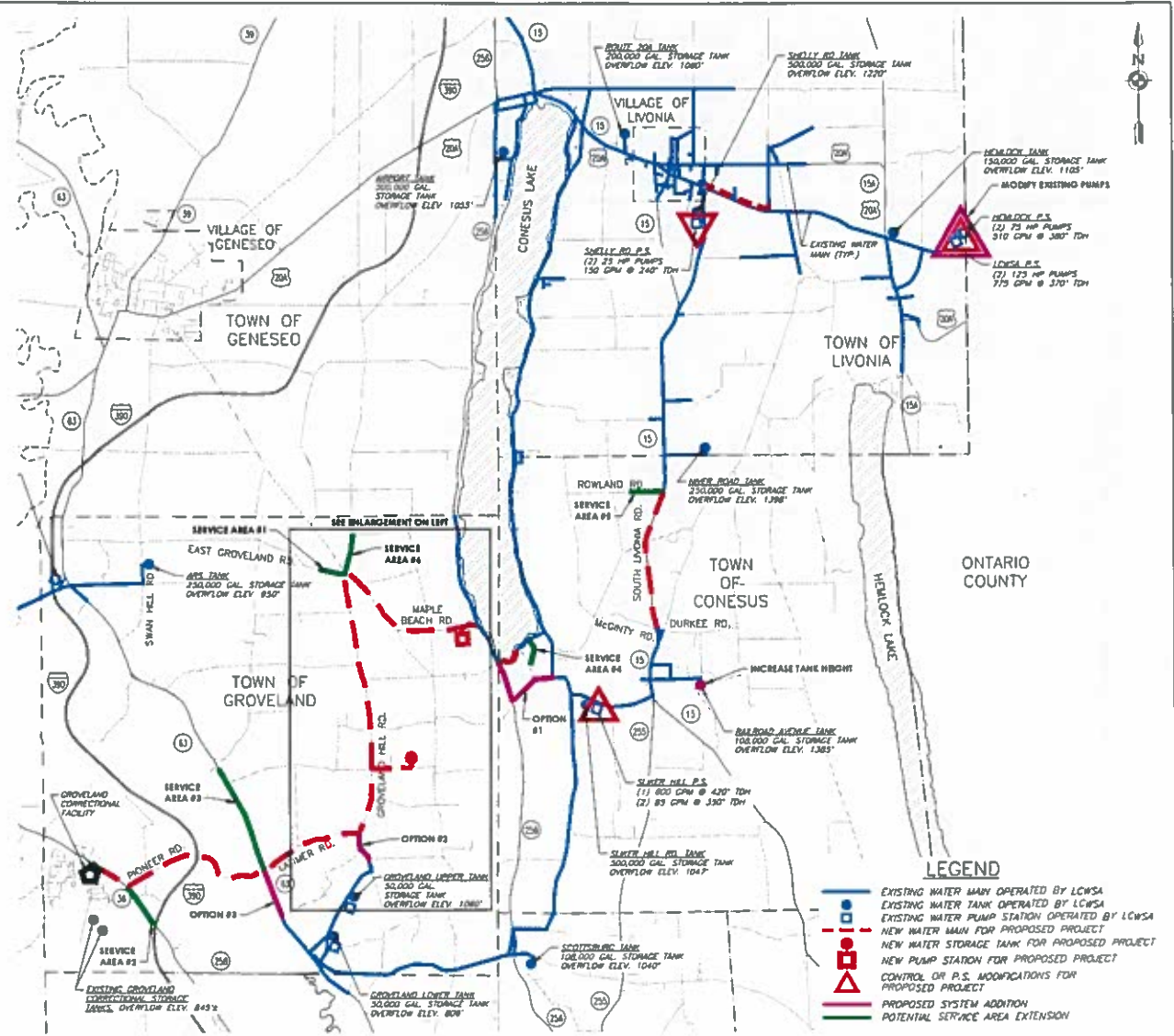
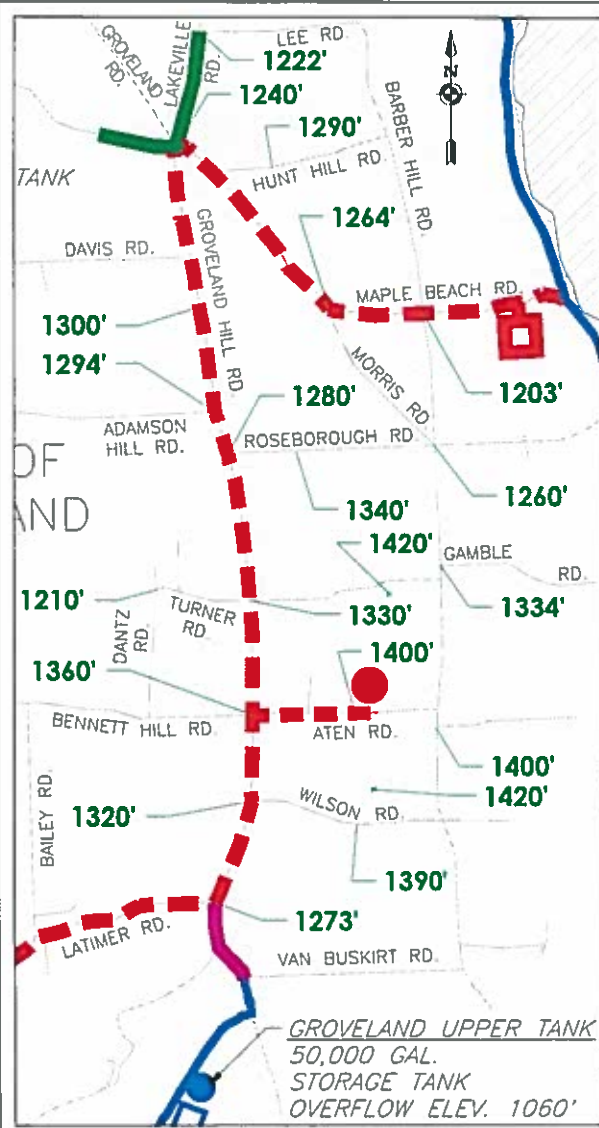
**Whereas**, the proposed extension is in conjunction with the April 2012 (Revised) Final Engineering Report prepared by the consulting firm of Clark Patterson Lee of Rochester, New York; and

**Whereas**, in accordance with the provisions of 6 NYCRR Part 617 (SEQRA), the LCWSA Board adopted a resolution on August 26, 2015 declaring its intent to act as Lead Agency for the Proposed Action and circulated said intent to all Involved Agencies; and

**Whereas**, no Involved Agencies challenged the intent of the LCWSA Board to act as Lead Agency.

**Now Therefore Be It Resolved** that the LCWSA Board hereby designates itself as Lead Agency for the proposed action pursuant to 6 NYCRR Part 617.

Drawing Name: J:\PROJECTS\LEESA\Drawn: CLW.mxd Design: KAC/PL/ML/LS/MS/Proposed: 2015.dwg Date last modified: 12/10/2015 1:53 PM Date last printed: 12/10/2015 1:54 PM Plotted By: Marvyn Hopenstiel



REVISIONS			
NO.	DATE	BY	DESCRIPTION


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**LIVINGSTON COUNTY WATER AND SEWER AUTHORITY**  
 TOWN OF GROVELAND    LIVINGSTON COUNTY    NEW YORK

DATE: 10/22/15  
 DRAWN: KEH  
 DESIGNED: ECW  
 CHECKED: ECW  
 SCALE: 1" = 8,000'

**DOCCS WATER SUPPLY PROJECT**  
**PROPOSED PROJECT FOR WATER SUPPLY TO CORRECTIONAL FACILITIES**

PROJECT NUMBER  
**1002900**  
 DRAWING NUMBER  
**FIG. 1**



Livingston County Water & Sewer Authority  
1997 D'Angelo Drive  
PO Box 396  
Lakeville, NY 14480  
Phone: (585) 346-3523  
e-mail: [cvanhorne@co.livingston.ny.us](mailto:cvanhorne@co.livingston.ny.us)  
Fax: (585) 346-0954  
TTY NY: (800) 662-1220

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Catherine VanHorne  
Executive Director

To: LCWSA Board

From: Catherine VanHorne

Re: Independent Members  
Conflicts of Interest

Date: December 10, 2015

Per the Board direction, I have inquired into the question of independent members and conflicts of interest. I have forwarded those e-mails to you. The outcome of that information is as follows:

1. I have attached the Authority Budget Office (ABO) – Policy Guidance that gives the official citations and provisions of the law. The bottom line is that a Town Supervisor is not considered independent. The majority of the Board must be independent.
2. Where there is an appearance of a conflict of interest or an actual conflict of interest, the Attorney General has opined that Board members with conflicts of interest must recuse themselves from any deliberations or voting concerning the matter creating the conflict. Though the ABO states that they cannot give legal council, they commented that a Town Supervisor who is a Board member, could not act on Authority actions related to their Town without creating an at minimum an appearance of conflict of interest. The ABO states that the procedure the LCWSA Board takes when a conflict of interest arises should be described in the Code of Ethics of the authority. Our Code of Ethics does not have a procedure in it, but just states what some conflicts are. I have attached our Code of Ethics that is section 1199-qqqq of the Law.
3. The ABO encourages us to establish a conflict of interest policy; I have attached their Recommended Practice Document for your review.

If there is anything further the Board wishes me to do on this matter, please contact me.

\* § 1199-qqqq. Code of ethics. 1. Definition. As used in this section the term "authority employee" shall mean any member, officer or employee of the authority.

2. Rule with respect to conflicts of interest. No authority employee should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his or her duties in the public interest.

3. Standards. (a) No authority employee should accept other employment which will impair his or her independence of judgment in the exercise of his or her official duties.

(b) No authority employee should accept employment or engage in any business or professional activity which will require the employee to disclose confidential information which he or she has gained by reason of his or her official position or authority.

(c) No authority employee should disclose confidential information acquired by the employee in the course of his or her official duties nor use such information to further his or her personal interests.

(d) No authority employee should use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself or herself or others.

(e) No authority employee should engage in any transaction as representative or agent of the authority with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his or her official duties.

(f) An authority employee should not by his or her conduct give reasonable basis for the impression that any person can improperly influence such employee or unduly enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank, position or influence of any party or person.

(g) An authority employee should abstain from making personal investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by the employee or which will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest.

(h) An authority employee should endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.

(i) No authority employee employed on a full-time basis nor any firm or association of which such an employee is a member nor corporation a substantial portion of the stock of which is owned or controlled directly or indirectly by such employee, should sell goods or services to any person, firm, corporation or association which is licensed or whose rates are fixed by the authority in which such employee services or is employed.

(j) If any authority employee shall have a financial interest, direct or indirect, having a value of ten thousand dollars or more in any activity which is subject to the jurisdiction of a regulatory agency, he or she should file with the secretary of state a written statement that he or she has such a financial interest in such activity which statement shall be open to public inspection.

4. Violations. In addition to any penalty contained in any other provision of law any such authority employee who shall knowingly and

intentionally violate any of the provisions of this section may be fined, suspended or removed from office or employment.

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## Authority Budget Office Policy Guidance



**No. 07-01**

**Date Issued: March 1, 2007**  
**Supercedes: New**

**Subject: Independence of Board Members**

**Statutory Citation: Section 2825(2) of Public Authorities Law**

**Provision: Section 2825(2) of the Public Authorities Law requires that "except for members who serve as members by virtue of holding a civil office of the state, the majority of the remaining members of the governing body of every state or local authority shall be independent members."**

This provision applies to the composition of the board following appointments made on or after January 15, 2006.

**Authority Budget Office Policy Guidance: The importance of establishing and preserving the independence of board members is to: (a) avoid conflicts of interest or the appearance of conflicts of interest in the actions and decisions of directors; (b) encourage directors to act in accordance with the mission and interests of the authority; and (c) distinguish between the oversight function of board members and the management responsibilities of executive staff. A board member is considered to be independent if all of the following criteria are met:**

- The board member is not currently an employee of the public authority in an executive position, nor was an employee of the public authority in an executive position in the past two years.
- The board member is not or has not been in the previous two years, employed by an entity that received a payment valued at more than fifteen thousand dollars for goods and services provided to the public authority, as well as any other form of financial assistance valued at more than fifteen thousand dollars from the public authority.
- The board member is not a relative of an executive officer or employee in an executive position of the public authority or an affiliate.
- The board member is not a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of the public authority or affiliate.

In addition, an appointed director may be an employee of a county or local government and have some professional involvement with the public authority and still be independent. However, if a board member (1) is a member of a legislative body, or (2) is the chief executive officer, or (3) holds a policymaking position with a municipal government, that board member would not be independent if the public authority pays the municipal government \$15,000 or more annually for goods and services that are provided to the public authority by the municipal government. As a best practice it is not recommended that a majority of appointed board members have a political or employment relationship to the government for whose purpose the public authority was created.

Ex officio directors, by statute, are considered independent and may sit on the authority's audit or governance committee, although, to the extent practicable, boards are encouraged to select appointed directors who meet the independence criteria to these committees.

Board members may consult with the individuals who appointed them without losing their independence provided the board member's decisions are made in the interests of the public and consistent with the mission of the authority.

The ABO also recognizes that it is not uncommon for board members to have personal or professional relationships with vendors who may do business with the public authority. In such cases, board members must disclose any relationship prior to the authority considering doing business with the vendor and the board member should be recused from any board discussion or decision on such a transaction. Board members also should not discuss any qualities of the vendor with staff of the authority. In all cases, board members are to: avoid situations that could compromise their independence; act with transparency; and exercise their fiduciary duties of loyalty and care. This will require that directors weigh the public's interests and that of their appointing authorities when taking on these duties and be sensitive to potential conflicts of interest or the appearance of a conflict.

If the majority of directors appointed to a public authority do not meet this definition of independence, the official or officials having the authority to appoint or remove board members should take appropriate actions to address this issue.

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## Authorities Budget Office Recommended Practice



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*This Recommended Governance Practice is intended for use by policymakers, and directors, officers and officials of state and local authorities. These bulletins are intended to promote best practices and encourage their consideration and incorporation into the management policies and oversight of public authorities.*

### **Issue: Conflict of Interest Policy for Public Authorities**

**Provisions:** A conflict of interest is a situation in which the financial, familial, or personal interests of a board member or employee come into actual or perceived conflict with their responsibilities with the authority. Various sections of New York State law require state and local public authority board members and employees to examine conflicts of interest issues that may arise at their respective authority. For example, Section 2824(7) of Public Authorities Law stipulates that the Governance Committee of a state and local public authority is to examine ethical and conflict of interest issues. Article 18 of General Municipal Law requires officers and employees of industrial development agencies, urban renewal agencies and community development agencies to disclose conflicts of interest and specifies conflicts of interest that are prohibited. Section 74 of Public Officers Law restricts officers and employees of state public authorities from having a direct or indirect interest or engage in business or activities that may conflict with their proper discharge of duties. Section 55 of Executive Law requires board members and directors of state authorities to report to the state inspector general any information concerning undisclosed conflicts of interest by another board member or employee of the authority relating to his or her work for the authority. And section 715(a) of Not-for-Profit Corporation Law requires not for profit entities, some of which also are considered public authorities, to adopt a conflict of interest policy.

**Objectives:** The enactment of the Public Authorities Accountability Act (PAAA) and the Public Authorities Reform Act (PARA) included provisions in Public Authorities Law (PAL) for state and local public authorities, as defined by Section 2 of PAL, to be more transparent and accountable to the public. Board members and employees of state and local public authorities owe a duty of loyalty and care to the authority and have a fiduciary responsibility to always serve the interests of the public authority above their own personal interests when conducting public business. As such, board members and employees have the responsibility to disclose any conflict of interest, including any situation that may be perceived as a conflict of interest, to the authority board and the public. Board members and employees of public authorities are often unaware that their activities or personal interests are in conflict with the best of interests of the authority. A goal of the

authority should be to raise awareness and encourage disclosure and discussion of any circumstances that may constitute a conflict of interest.

The purpose of a conflict of interest policy is to protect a public authority's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a board member or employee of the authority or might result in a possible excess benefit transaction. Therefore, it is important for public authorities to develop a written conflict of interest policy to formally establish the procedures for dealing with conflict of interest situations and assure that the public authority's interest prevails over personal interests of authority's board members and employees.

**Recommended Practice:** Conflicts of interest of board members and employees of public authorities are not uncommon due to the multitude of relationships that occur between authorities, other governmental entities, and the private sector. Public authorities are at risk of being improperly influenced by board members and employees that have personal interests that can be in conflict with the best interest of the authority. To reduce this risk, the ABO recommends that state and local authorities adopt a written conflict of interest policy to ensure that its board members and employees act in the authority's best interest. The conflict of interest policy should clearly define what is expected of board members and employees when a conflict of interest or the appearance of a conflict of interest arises as well as the penalties for failing to comply with the policy. At a minimum, a conflict of interest policy should always require those with a conflict (or who think they may have a conflict) to disclose the real or perceived conflict. The policy should also prohibit employees with a conflict from being involved with the approval of any transactions related to the conflict and prohibit interested board members from being a part of discussions and voting on any matter in which there is a conflict.

State and local authorities are advised to adopt a conflict of interest policy that includes:

- An explanation of the circumstances (examples) that constitute a conflict of interest or the appearance of a conflict of interest.
- Procedures for disclosing conflicts or the appearance of conflicts to the board.
- A requirement that the person with the conflict of interest or appearance cannot participate in board or committee deliberation or vote on the matter giving rise to such conflict or appearance
- A prohibition against any attempt by the person with the conflict or appearance to influence improperly the deliberation or vote on the matter giving rise to such conflict.
- A requirement that the existence and resolution of the conflict or appearance of a conflict be documented in the public record, including in the minutes of any meeting at which the conflict was discussed or voted upon.



- Description of the penalties for failing to comply with the conflict of interest policy

Board members or employees that are unsure whether a particular relationship, association or situation constitutes a conflict of interest or the appearance of a conflict of interest should refer to the authority's Governance Committee, which is the body responsible for examining conflicts of interest issues at the authority. Conflicts of interest identification can be difficult and the Governance Committee should at all times err on the side of caution and treat instances where there is the appearance of conflict of interest as a perceived conflict of interest to avoid compromising the public trust in the authority. Governance Committees are encouraged to seek guidance from counsel or NYS agencies, such as the Authorities Budget Office, State Inspector General or the Joint Commission on Public Ethics (JCOPE) when dealing with cases where they are unsure of what to do.

The ABO has developed a model conflict of interest policy for state and local authorities to use as a reference when drafting and/or revising their own policies. Note that there is no "one size-fits-all" policy and public authorities' officials need to decide the level of detail desired and tailor their conflicts of interest policy to meet the needs and circumstances of the authority. For example, an authority may want to set different conflicts of interest standards for board members and employees. Standards for employees can be more rigorous in prohibiting outside employment that may be in conflict with employment at the authority, while standards for board members would allow for outside employment and address conflicts as circumstances arise.

The board should have procedures in place to ensure that all employees and board members understand and comply with the standards set in the conflict of interest policy. The conflict of interest policy of an authority should be reviewed annually by the board members to ensure that it meets the organization's needs and addresses any revisions in the law.

### **MODEL CONFLICT OF INTEREST POLICY**

*All Board Members and employees should be provided with this Conflict of Interest Policy upon commencement of employment or appointment and required to acknowledge that they have read, understand and are in compliance with the terms of the policy. Board members and employees should review on an ongoing basis circumstances that constitute a conflict of interest or the appearance of a conflict of interest, abide by this policy and seek guidance when necessary and appropriate.*

*This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to public authorities.*

**Conflicts of Interest:** A conflict of interest is a situation in which the financial, familial, or personal interests of a director or employee come into actual or perceived conflict with their duties and responsibilities with the Authority. Perceived conflicts of interest are situations where there is the appearance that a board member and/or employee can personally benefit from actions or decisions made in their official capacity, or where a board member or employee may be influenced to act in a manner that does not represent the best interests of the authority. The perception of a conflict may occur if circumstances would suggest to a reasonable person that a board member may have a conflict. The appearance of a conflict and an actual conflict should be treated in the same manner for the purposes of this Policy.

Board members and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust. While it is not possible to describe or anticipate all the circumstances that might involve a conflict of interest, a conflict of interest typically arises whenever a director or employee has or will have:

- A financial or personal interest in any person, firm, corporation or association which has or will have a transaction, agreement or any other arrangement in which the authority participates.
- The ability to use his or her position, confidential information or the assets of the authority, to his or her personal advantage.
- Solicited or accepted a gift of any amount under circumstances in which it could reasonably be inferred that the gift was intended to influence him/her, or could reasonably be expected to influence him/her, in the performance of his/her official duties or was intended as a reward for any action on his/her part.
- Any other circumstance that may or appear to make it difficult for the board member or employee to exercise independent judgment and properly exercise his or her official duties.

**Outside Employment of Authority's Employees:** No employee may engage in outside employment if such employment interferes with his/her ability to properly exercise his or her official duties with the authority.

## **PROCEDURES**

**Duty to Disclose:** All material facts related to the conflicts of interest (including the nature of the interest and information about the conflicting transaction) shall be disclosed in good faith and in writing to the Governance Committee and/or the Ethics Officer. Such written disclosure shall be made part of the official record of the proceedings of the authority.

**Determining Whether a Conflict of Interest Exists:** The Governance Committee and/or Ethics Officer shall advise the individual who appears to have a conflict of interest how to proceed. The Governance Committee and/or Ethics Officer should seek guidance from counsel or New York State agencies, such as the Authorities Budget Office, State Inspector General or the Joint Commission on Public Ethics (JCOPE) when dealing with cases where they are unsure of what to do.

**Recusal and Abstention:** No board member or employee may participate in any decision or take any official action with respect to any matter requiring the exercise of discretion, including discussing the matter and voting, when he or she knows or has reason to know that the action could confer a direct or indirect financial or material benefit on himself or herself, a relative, or any organization in which he or she is deemed to have an interest. Board members and employees must recuse themselves from deliberations, votes, or internal discussion on matters relating to any organization, entity or individual where their impartiality in the deliberation or vote might be reasonably questioned, and are prohibited from attempting to influence other board members or employees in the deliberation and voting on the matter.

**Records of Conflicts of Interest:** The minutes of the authority's meetings during which a perceived or actual conflict of interest is disclosed or discussed shall reflect the name of the interested person, the nature of the conflict, and a description of how the conflict was resolved.

**Reporting of Violations:** Board members and employees should promptly report any violations of this policy to his or her supervisor, or to the public authority's ethics officer, general counsel or human resources representative in accordance with the authority's Whistleblower Policy and Procedures.

**Penalties:** Any director or employee that fails to comply with this policy may be penalized in the manner provided for in law, rules or regulations.



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 TTY NY: (800) 662-1220

Catherine VanHorne  
 Executive Director

To: LCWSA Board  
 From: Catherine VanHorne  
 RE: Flood insurance update  
 Date: December 10, 2015

ADDRESS	COMMON NAME	ZONE	DATE	NFIP	COMPANY	elev. Cert	LOMA Needed?
D'Angelo Dr 1997	Generator Bldg	AE	6/27/2014	No	Selective to be paid 12/16/15	YES	No
D'Angelo Dr 1997	Influent Bldg/shop	AE	6/27/2014	NO		YES	YES
D'Angelo Dr 1997	Tertiary Clarifier	AE	6/27/2014	NO		YES	YES
D'Angelo Dr 1997	Intermediate Pump Station	AE	6/27/2014	NO		YES	YES
D'Angelo Dr 1997	Chlorine Contact Tank	AE	6/27/2014	NO		YES	YES
Main Street 4640	Agway	AE	6/30/2014	NO		YES	Done Removed
Pleasant St 7443	Pleasant St	AE	6/30/2014		Canceled insured as equip. NYMIR	YES	YES
Richmond Mills Rd 6752	Livonia Center	A	6/30/2014	NO	Insured as equip. NYMIR	YES	NO
E Lake Rd 4440	10E	AE	6/30/2014	Insured	Canceled	YES	Done Removed
Old Orchard Pt 5719	9E	AE	6/30/2014	Not any longer	Canceled	YES	Done Removed
E Lake Rd 4820	8E	AE	6/30/2014	NO		YES	DONE REMOVED
McPhersons Pt 5765	7E	AE	6/30/2014	NO		YES	Done Removed
E Lake Rd 5158	6E	AE	6/30/2014	Insured	Canceled	YES	Done Removed
E Lake Rd 5289	5E	X	6/30/2014	Insured	SELECTIVE	YES	NO
E Lake Rd 5926	2E	A3	6/28/2014	NO		YES	DONE REMOVED
Mariners Dr 5756	1E	A3	6/30/2014	NO		YES	DONE REMOVED
Blue Heron Dr 4449	11W	AE	6/30/2014	Insured	HARLEYVILLE	YES	YES
N Point Dr 5346	9W	AE	6/30/2014	Insured	HARLEYVILLE	YES	NO
Mt Morris - Geneseo Rd 3229	Shaker	A3	6/24/2014	Insured	HARLEYVILLE	YES	YES
Mt Morris Geneseo Rd 3098	Ciprano	A7	6/30/2014	Insured	HARLEYVILLE	YES	NO