

The Onondaga County Water Authority met in regular session on February 11, 2009. Members of the Authority present were R. Tomeny, F. Picardi, and H. Rosenthal.

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

- I. R. Tomeny called the meeting to order at 12:34 p m.
- II. Minutes of the meeting of January 21, 2009 were approved, as amended, by all Members by Motion of H. Rosenthal duly seconded by F. Picardi.

III. EXECUTIVE DIRECTOR'S REPORT

- M. Hooker continues to work on the analysis regarding the possible acquisition of the Town of Dewitt water system.
- Reported that the State Comptroller's auditor remains onsite reviewing OCWA's procurement practices.
- Attended a meeting on February 9, at which Congressman Dan Maffei reviewed appropriations for fiscal year 2010. Had an opportunity to discuss water systems with Dan Liedka from East Syracuse, and several other local Town Supervisors.
- Reported that the Onondaga County Health Department recently sent us a letter relative to the USEPA's Long Term 2 Enhanced Surface Water Treatment Rule (LT2), which indicates that the water provided to the Town of Camillus through the West Hill water system is considered an unfiltered system, and needs treatment or an alternative source of supply. We are currently reviewing our options for complying with the outlined regulations.
- Distributed and reviewed the OCWA credit card policy and procedure for authorized users of OCWA credit cards. Recommended that the policy be included in the OCWA Supervisory manual. M. Hooker requested a motion to accept the Credit Card policies.

On Motion by H. Rosenthal, duly seconded by F. Picardi, with all Members approving, the Board agreed to approve the Credit Card policy and procedure as outlined.

- Reported on recent water sales with total sales being lower than last year. The municipal sales are down due primarily to the E. Syracuse takeover and conversion from wholesale to retail. Industrial sales are down and attributable to the drop in use by Anheuser Busch and Solvay Paperboard. Offsetting the drop, somewhat, is an increase in both Residential and Commercial use.
- Reported on the preparation of OCWA information related to the upcoming bond sale that will fund the construction of the covered tanks that will replace two of MWB's three open reservoirs. Distributed a letter from the NYS Environmental Facilities Corporation outlining a commitment to funding for the storage tanks and the proposed Bond Purchase Agreement.
- Commented on the status of the pending Federal Economic stimulus bill and the potential impact on the outcome of our application for low interest loans for capital projects.
- Updated the Board on the status of the Anheuser Busch payment proposal. OCWA has sent a written response to the payment proposal and has not received a reply to date.
- Advised the Board of Frederick S. Strait Jr.'s passing. Rick was a twenty-two year employee of OCWA that recently took a disability retirement.
- Mentioned the AMWA's Water Policy conference scheduled for April 19 – 22 in Washington D.C.
- OCWA is noted as a top recycler in Onondaga County in the recent issue of CNY magazine.
- American City and County magazine's January issue included an article entitled "At the Breaking Point" regarding US water infrastructure. M. Hooker was interviewed for the article.

IV. CHIEF ENGINEERS REPORT:

- A. Geiss reviewed the Engineering and Operations report.
- Report indicates that the Otisco Lake level is at -18.75" as of 2/10/2009 versus the -22" – forty year average. The level should be fine to accept runoff from the expected snowmelt this week.
- We are operating the Southern Branch water system as of February 2, 2009 and currently making repairs to pumps, motors, valves and instrumentation.
- Met with the Town of Manlius regarding the Eastern Tank project. The Town officials have requested that OCWA conduct an informational meeting for the Town of Manlius residents giving an overview of the project schedule. The Town concurs that no building permit is required and they have reviewed and approved our storm water permit application.
- Presented a proposed Stipulation between OCWA and Onondaga County Department of Health by which OCWA agreed to assume the County's responsibility for compliance with the LT2 surface water treatment regulations relative to the Western & Eastern reservoir project. Requested a motion to authorize the Stipulation as outlined and presented.

On Motion by F. Picardi duly seconded by H. Rosenthal, with all Members approving, the Board authorized the Stipulation as outlined and presented.

- Provided an update on Madison County's request for water to their proposed Industrial Park, next to their landfill, in the Town of Lincoln. OCWA met with Barton & Loguidice Engineers and outlined provisions we need to consider. Madison County indicates that they are only interested in providing water to the Industrial Park at this time and not the residents along the route. They will entertain residential connections once the project is completed.
- Reported on proposed Town of Onondaga water system upgrades in the Nedrow area. The Town of Onondaga will receive a Community Development grant for pipe replacement. OCWA will support connecting services over to the new mains at a cost of approximately \$25,000.
- G. Miller reported on Capital Projects.
- Provided an update on the Water Treatment Plant project indicating that the exterior work has slowed due to weather while work continues on the interior. Reported that new chemical feed systems are on schedule to be in place by spring. The filter improvements have fallen behind schedule primarily due to the weather; however plans are being made to get back on schedule when the weather breaks.
- Reported on change orders for the Water treatment Plant project, including control system improvements, HVAC efficiency improvements, chemical feed piping replacements, and several small modifications.
- Reported that OCWA has recommended a couple of changes to enhance the original design of the Water Treatment Plant requiring an amendment of our contract with Stearns & Wheler to include a modification in the amount of \$39,700. Requested a Motion to amend the Stearns & Wheler agreement.

On Motion by F. Picardi duly seconded by H. Rosenthal, with all Members approving, the Board authorized an amendment to the Stearns & Wheler agreement to include the additional cost of \$39,700.00.

- Discussed the options for purchase or lease of carbon used at the Water Treatment Plant.

V. LEGAL REPORT

- T. Pickard reviewed the Legal report.
- Reported that CSX has extended the right-of-way agreement to June 30, 2009.

VI. HUMAN RESOURCES/INSURANCE

- L. Khanzadian reviewed the HR/Insurance report.
- Provided an update on the Village of Solvay claim against OCWA regarding water damage that occurred on October 18, 2007. The law offices of Joseph P. Callery, as assigned by our insurance company CNA, are currently handling the Solvay claim.
- Reported that we have a decision from the Administrative Law judge regarding the recent arbitration of the Canastota call-out grievance that was ruled in favor of OCWA indicating that we had not violated the call-out provision of the contract.
- Provided an update on a recent performance discipline case which resulted in a union grievance regarding OCWA's request for termination. Unpaid suspension issued, grievance withdrawn.
- Reviewed a call-out grievance filed on January 23, 2009 regarding a Northern Concourse crew that was inadvertently skipped over as a result of an incorrect call-out list being used. Board discussed possible remedies for consideration when meeting with the Union.

VII. UNFINISHED BUSINESS

VIII. NEW BUSINESS:

- M. Hooker, in C. Marvin's absence, reviewed the change in bond interest expense associated with the storage tank project that was originally budgeted at 5.5% for 2009 and now projected to 5% or lower.
- Due to changing from a private placement bond to a NYSEFC bond it is recommended that the 2009 Budget be amended. M. Hooker distributed comparative summaries for October 28, 2008 and February 10, 2008, that recognizes decreased interest income and increased bond interest expense for 2009. The revision also recognizes the movement of other post employment benefits out of the Employee Benefits line to the Other Expenses line as recommended during our annual audit for 2008. Requested a motion to approve the budget revisions.

On Motion by F. Picardi, duly seconded by H. Rosenthal, with all Members approving the Board agreed to the OCWA Budget revisions as outlined and presented.

- Reviewed the commitment letter from NYS Environmental Facilities Corporation dated February 9, 2009. OCWA is waiting for an outcome to the government stimulus package before proceeding with the Tank project awards. After Board discussion it was decided to schedule a "special" Board meeting for Friday February 20, 2009 at 12noon to proceed with the awards.

On Motion by R. Tomeny, duly seconded by H. Rosenthal, with all Members approving the Board agreed to convene at 2:10pm as the Audit Committee with F. Picardi acting as the Chair of the Audit Committee.

- M. Hooker, in Curt Marvin's absence, presented the Investment Guidelines for annual review.

On Motion by R. Tomeny, duly seconded by H. Rosenthal, with all Members approving the Audit Committee accepted the Investment Guidelines as outlined.

- M. Hooke, in C. Marvin's absence, reviewed the Interest Income Summary report dated December 31, 2008.

On Motion by R. Tomeny, duly seconded by H. Rosenthal, with all Members approving, the Board agreed to accept the Interest Income Summary as outlined.

On Motion by R. Tomeny, duly seconded by H. Rosenthal, with all Members approving, the Board agreed to adjourn the Audit Committee meeting at 2:25pm and reconvene the regular Board meeting.

On Motion by F. Picardi, duly seconded by H. Rosenthal, with all Members approving, the Board agreed to accept, at the recommendation of the Audit Committee, the Investment report as outlined.

On Motion by R. Tomeny, duly seconded by H. Rosenthal, with all Members approving, the Board agreed to adopt, at the recommendation of the Audit Committee, the Investment Guidelines dated February 11, 2009.

On Motion by H. Rosenthal duly seconded by F. Picardi with all Members approving, the Board agreed to adjourn the meeting at 2:50 pm.

As there was no further business to come before the Authority, the meeting adjourned at 2:50pm. The next Authority meeting is scheduled for Wednesday March 20, 2009 at 12:30pm.

Respectfully Submitted,

Laurie Khazadian,
Recording Secretary