



SARATOGA COUNTY WATER AUTHORITY

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SARATOGA COUNTY WATER AUTHORITY BOARD OF DIRECTORS ADOPTED MEETING MINUTES THURSDAY, SEPTEMBER 30, 2021 @ 3:30 P.M.

PRESENT: Vice Chair Tim Szczepaniak, Treasurer Phil Barrett, Deputy Treasurer Todd Kusnierz, Supervisor Darren O'Connor, Robert Wilcox, Art Johnson, Executive Director Ed Hernandez, and General Counsel Leah Everhart. **ABSENT:** Chairman John Lawler

Mr. Szczepaniak inquired if there were any changes, additions or deletions to the September 2, 2021 meeting minutes. **On a motion by Mr. Wilcox and a second by Supervisor Kusnierz the minutes of the September 2, 2021 meeting were adopted. Unanimous. (2021-0099)**

Mr. Hernandez discussed the minutes of the Finance Committee from September 2, 2021. He noted that the Draft Operating Budget was discussed in depth as well as keeping rates to our customers the same as this year. With no other discussion, **motion was made by Mr. Johnson and seconded by Supervisor O'Connor to adopt the September 2, 2021 Finance Committee meeting minutes. Unanimous. (2021-0100)**

At this time, Mr. Hernandez introduced Rick McCarthy of Capital Market Advisors to review the results of the RFP for Bond Underwriters for a potential refunding of certain tax-exempt bonds from the 2014 and 2106 issuances. He reviewed the various criteria and the rating process used. He received four responses with references, ratings and recommendations on Green Bonds. Mr. McCarthy stated he had discussed the RFPs with Chairman Lawler and Director Hernandez. Pricing is done as a percentage of the overall value of the transaction. After careful review, his recommendation was to award the work to Raymond James of New York. Mr. Hernandez added that a formal recommendation was included in the board members' packet. Mr. Szczepaniak inquired how long the whole process would take. Mr. McCarthy indicated it would take 8 to 12 weeks. Mr. Johnson inquired if the deal becomes not cost effective what would the costs involve. Mr. Hernandez inquired what the savings would be at this time. Mr. McCarthy indicated approximately \$1.25 million. He also indicated it all depended on what interest rates were doing. Mr. McCarthy indicated that his advice would be to get started and be able to move if interest rates stay below the current coupons on the bonds. Mr. Szczepaniak indicated he would like to move to that part of the agenda at this time.

Motion was offered by Mr. Wilcox and seconded by Mr. Johnson to authorize Raymond James to proceed with the Bond Refunding Underwriting as presented in their proposal dated September 8, 2021. Motion carried unanimously. (2021-0101)

Reports:

Operations: Mr. Hernandez reported water consumption for August 2021 was 8.22 mgd and a rolling annual average was 7.12 mgd.

Financials: Mr. Hernandez read the Administrative Summary as of August 31, 2021. Budgeted water revenues through August 31, 2021 were \$4.22 mil and actual revenues were \$5.02 mil. Budgeted expenses through August 31, 2021 were \$1.43 mil and actual expenses were \$1.38 million. The next debt service payment is due December 1st, 2021 for \$99k. Cash available for operations after debt service was estimated at \$2.26 million.

Capital Projects: Mr. Hernandez reported that the WTP project is still moving along well behind schedule. The Sludge Lagoon Project is well ahead of schedule. The contractor is moving right along. Supervisor O'Connor inquired about the potential increase in supply to Global Foundries and its possible effect on other water customers rates. Mr. Hernandez indicated he did not anticipate any effect to water customers as Global paid its own rates to cover those costs. Mr. Hernandez then discussed the second tank project at Luther Forest. He indicated an application was being prepared for the next round of WIIA grants available from NYS which just recently opened. The second item to move forward on was the pump station along the distribution system. He reviewed the various potential locations. He inquired if the Board would allow him to reach out to some property owners for interest. Supervisor O'Connor stated he had presented the request to his Town Board and it was being discussed with the Parks Department as well.

Legal: Ms. Everhart discussed the monthly report. She reported that the Chairman, Mr. Hernandez and she had had an initial contact meeting with Global Foundries in very general terms. She indicated that the Draft Contract was included in the packet with a couple of clarification changes that were ambiguous language. She clarified that this was a preliminary draft and not the recommended contract in a final form from Counsel. She indicated they still needed feedback from the Board and to go through the negotiations process with Global. Mr. Szczepaniak inquired when the current contract expired. Mr. Hernandez indicated it was at the end of 2021. Mr. Hernandez indicated there was time to discuss further at the next meeting.

Motions & Resolutions:

Motion was made by Supervisor O'Connor and seconded by Mr. Johnson to authorize the payment of the monthly vouchers at a cost of \$941,347.38, which included \$124,866.40 in operating expenses, \$363,039.47 in Plant Expansion Project costs, \$990.00 in Distribution Study costs and \$452,451.51

in Sludge Lagoon Costs. Treasurer Barrett had reviewed all vouchers and was in favor of paying all presented. **Motion carried unanimously. (2021-0102)**

The next item was a motion to Readopt the SCWA Internal Control Policy as recommended by the Audit Committee. On a motion by Mr. Wilcox and a second by Supervisor Kusnierz the motion carried. Unanimous. (2021-0103)

At this time, Mr. Hernandez discussed a supply issue with Citric Acid. He explained that there was currently a global supply shortage and that the vendor the Authority has a contract with for supply notified him that the cost to the Authority would be tripling. He indicated that the staff were exploring other chemicals to use and was pleased to report that another much more cost-effective acid was being considered. They were awaiting DOH approval to make the change. Mr. Szczepaniak inquired about a 30-day notice from the vendor. Mr. Hernandez indicated he wanted to work with our vendor through this supply crisis and had authorized staff to purchase at the higher cost at this time. He indicated he would keep the Board apprised as supply became more available. He indicated he had searched other vendors for supply, but one had only enough supply for their current customers and the other wanted \$28 per gallon. Mr. Szczepaniak inquired about the worst-case scenario of no Citric Acid supply. Mr. Hernandez stated it would be a unique challenge that would require many partners to meet that challenge.

New Business:

Mr. Szczepaniak stated the next Board meeting was proposed for October 27th, 2021 at 3:30 p.m. The Governance Committee will meet in advance of that meeting at 3:15 p.m. for annual housekeeping matters. Members of that committee are **Johnson, Lawler and Szczepaniak.**

At 4:10 p.m., with no further business, a motion was made by Mr. O'Connor and seconded by Mr. Johnson to adjourn. Motion carried unanimously.

Respectfully Submitted,

Carol A. Alden, Confidential Secretary