



SARATOGA COUNTY WATER AUTHORITY

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SARATOGA COUNTY WATER AUTHORITY BOARD OF DIRECTORS ADOPTED MEETING MINUTES WEDNESDAY, OCTOBER 27, 2021 @ 3:30 P.M.

PRESENT: Chairman John Lawler, Vice Chair Tim Szczepaniak, Treasurer Phil Barrett (joined by phone), Deputy Treasurer Todd Kusnierz (joined at 4:10p.m.), Supervisor Darren O'Connor (joined at 4:10 p.m.), Robert Wilcox, Art Johnson (joined by phone), Executive Director Ed Hernandez, and General Counsel Leah Everhart. Also, in attendance were Rick McCarthy of Capital Advisors by phone, Berny Terpening and Tina Burnes of the The Heritage Group by phone and Brock Juusola, P.E. of Delaware Engineering. **ABSENT:** None

Chairman Lawler inquired if there were any changes, additions or deletions to the September 30, 2021 meeting minutes. **On a motion by Mr. Szczepaniak and a second by Mr. Wilcox the minutes of the September 30, 2021 meeting were adopted. Unanimous. (2021-0104)**

On a motion by Mr. Wilcox and a second by Mr. Johnson the minutes of the September 30, 2021 meeting minutes were adopted. Unanimous. (2021-0105)

At this time, Mr. Hernandez introduced Berny Terpening of the Heritage Group who was present by phone to discuss health insurance options for the 2021-2022 plan year. Ms. Terpening thanked the Board for inviting her agency back to aid in choosing a health plan for employees. She discussed the current plans HRA usage and a possible cost savings by removing that feature. She reviewed the current plan cost and the new rates with an overall increase of approximately 4%. He polled the Board individually if they would like to continue with the Silver 4 Liberty EPO with HRA. All members agreed to proceed with the recommendation to continue with the current plan. Chairman Lawler thanked Ms. Terpening for her time and attention and stated the Board would vote later in the meeting.

The next presentation was from Rick McCarthy of Capital Advisers by telephone. Mr. McCarthy was providing an update on the possible refunding of certain 2014 and 2016 Bonds. He directed the Board to the spreadsheet he had prepared earlier comparing interest rates since the start of this process and the potential savings involved. He indicated there has been some erosion in the cost savings. He indicated they were looking at a potential bond issuance of between 10 mil and 15 mil. He also inquired if the Board would be interested in using Surety Bonds for the Debt Service Reserve Fund. He further explained the benefit of using a Surety Bond versus funding the DSRF with proceeds due to the low rate of return

on interest. Mr. Hernandez inquired how much the DSRF was and what would the cost be for the Surety Bond. Mr. McCarthy responded that the Bond would cost roughly \$30,000 as a one time, up front cost. Mr. Hernandez then discussed the pros and cons of adding the \$2 mil in savings to the refunding. Mr. Hernandez inquired what expenses would be if the Board opted to stop the process of the refunding. Chairman Lawler then asked the Board for their thoughts on the savings and costs. Mr. Wilcox agreed with Mr. Hernandez concerns and suggested the Board come up with an interest rate where the process would stop. Mr. McCarthy indicated costs would be minimal until the Authority signed a Bond Purchase Agreement. He also suggested that the Board base it's decision on Net Present Value rather than interest rates due to the fluctuations in rates. Chairman Lawler inquired if the Board walks away from the deal what costs are involved. Mr. McCarthy reiterated that no payments would be due to parties involved except for the lawyers. At this time, Chairman Lawler stated that he wanted to give the Board some time to review and would be revisited under Old Business. Mr. Hernandez also discussed determining if the Bonds will be classified as Green Bonds.

The next speaker was Brock Juusola, P.E. of Delaware Engineering on the status of the Expansion Project, and some allowance items requested. He indicated that it was nearing the end of the Project and the auxiliary components were completed. The focus now was on pumps and membranes up and running. He indicated there are some backordered items that are still missing. The Sludge Lagoon project was running very well. He indicated there will be a winter shutdown and it would start back up in late April. This was anticipated since the start of the project. He then turned to the Allowance Items presented. He discussed that the biggest issue that came up was the high lift pumps. He indicated that the cans when opened were well out of tolerance from the original construction. Costs will run \$37,000 to mill it to the correct tolerance. He indicated that the second shaft wasn't opened yet, but he was asking the Board to consider approving that allowance item as well. Mr. Hernandez stated that if the crane was already there why would the cost be the same. Mr. Juusola indicated that he was only asking the Board for the worst-case scenario allowance. Several questions ensued regarding the planning and prevention of duplicating that cost. The Board asked that the number be reduced by the \$14,133.50 for the second pump and if necessary, Mr. Hernandez would reach out to the Board if it would involve more cost.

Reports:

Operations: Mr. Hernandez reported water consumption for September 2021 was 7.813 mgd and a rolling annual average was 7.1 mgd.

Financials: Mr. Hernandez read the Administrative Summary as of September 30, 2021. Budgeted water revenues through September 30, 2021 were \$4.75 mil and actual revenues were \$5.66 mil. Budgeted expenses through September 30, 2021 were \$1.61 mil and actual expenses were \$1.59 million. The next debt service payment is due December 1st, 2021 for \$99k. Cash available for operations after debt service was estimated at \$2.9 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. He also reported that he had prepared the necessary application documents to apply for a WIIA grant for the second tank at Cordero Drive and would be looking for approval from the Board under motions and resolutions. He also discussed his continued efforts to locate a potential site location for the booster station in the Malta/Ballston area.

Motions & Resolutions:

Motion was made by Supervisor O'Connor and seconded by Mr. Wilcox to authorize the payment of the monthly vouchers at a cost of \$610,516.38, which included \$181,883.72 in operating expenses and \$428,632.66 in Plant Expansion Project costs. Treasurer Barrett had reviewed all vouchers and was in favor of paying all presented. **Motion carried unanimously. (2021-0106)**

The next item was a motion to award the contract for Granular Activated Carbon to Calgon Corporation for a one-year term with the option to continue for two additional years. On a motion by Mr. Szczepaniak and a second by Mr. Wilcox the motion carried. Mr. Hernandez discussed that there are very few suppliers of this material. He indicated that the bid cost came in very high like a lot of the chemicals at this time. He indicated that he was recommending awarding it to Calgon for the one year and possibly rebidding it when the market calmed down. Mr. Wilcox inquired if there are any affects from supply chain issues. Mr. Hernandez responded that he is uncertain about future supply issues but that so far there have been none. He indicated the staff are very good at responding to these issues and coming up with alternative strategies. **Unanimous. (2021-0107)**

The next matter for consideration was a renewal of the MOU with Jefferson Solutions for preparation of the GASB 75 valuation report which is a requirement to reflect post-employment benefit costs on our annual financial statements. Mr. Hernandez indicated that Jefferson Solutions agreed to a two-year report at a cost of \$3,600, which is the same as previous years. **Motion was made by Supervisor Kusnierz and seconded by Mr. Johnson to renew the MOU with Jefferson Solutions at a cost of \$3,600. Unanimous. (2021-0108)**

Next agenda item was a **motion to Authorize the Chairman to execute and submit to EFC the WIIA grant application and the NYS Intermunicipal Water Agreement. Motion was made by Mr. Szczepaniak and seconded by Mr. Wilcox to approve the execution and submittal. Unanimous. (2021-0109)**

At this time, Chairman Lawler reviewed the earlier discussion with Rick McCarthy of Capital Advisors regarding the potential Bond Refunding. He wanted to review with Supervisors Kusnierz and O'Connor who arrived later in the meeting regarding the topics of going forward considering the reduction in savings, whether or not to use a Surety Bond to fund the Debt Service Reserve Fund, a targeted rate at which the Board would halt proceeding with the process and a determination by the Board to declare these Green Bonds.

Prior to proceeding with the Bond discussion, Mr. Szczepaniak gave a brief review of the Governance Committee actions and made a recommendation to readopt the following policies as recommended by the Governance Committee:

- SCWA Code of Ethics.
- SCWA Whistleblower Policy
- SCWA Discretionary Funds Policy and Procedures.
- SCWA Equal Opportunity and Affirmative Action Policies.
- SCWA Disposition of Real and Personal Property Guidelines.

On a motion by Mr. Szczepaniak and a second by Mr. Johnson all policies outlined were readopted. Unanimous. (2021-0110)

New Business:

Chairman Lawler stated the next Board meeting was proposed for November 17th, 2021 at 3:30 p.m.

Mr. Hernandez then discussed a letter received from Chazen Companies on behalf of the Town of Stillwater requesting a commitment by the Authority to supply up to 600,000 mgd to be built out over the next several years. Chairman Lawler inquired what Mr. Hernandez thoughts were. He indicated that he was confident the Authority had the capacity but could not guarantee it without a revised contract which will be coming due in 2025. Chairman Lawler directed Mr. Hernandez to prepare a response letter and to provide a copy to counsel and the Board before sending to Chazen.

At this time, Chairman Lawler revisited the Bond Refunding numbers from Mr. McCarthy and the use of a Surety Bond. He reflected on the NPV of \$435k and with the use of a surety bond of \$690k. He reiterated that Mr. McCarthy indicated there would be no costs to the Authority if the bond purchase did not proceed. Mr. Barrett indicated that most legal firms would be charging. Chairman Lawler asked general counsel to check with Bond Counsel on costs involved from their end. He also discussed funding the Debt Service Reserve with reallocation of the other reserve accounts funds. The next matter was the cut off point to proceed with the refunding. The target on savings should be 3% according to the Board. Chairman Lawler discussed designating the bonds as Green Bonds. He indicated a motion would be made to direct the Underwriters to apply Green Bond status to the bonds. Ms. Everhart inquired if it was necessary for County involvement at this time or should it be delayed. Mr. Hernandez indicated the sooner the better. Chairman Lawler asked Supervisor Kusnierz as Chairman of the County Board what direction to take with the county. He indicated to send the information to the Law and Finance Committee and for general counsel to work with the County Attorney as well. Chairman Lawler then directed Ms. Everhart to make the required contacts with the County and coordinate the financing requirements.

Chairman Lawler asked for a motion to designate the Bond Refunding as Green Bonds. Motion was made by Mr. Wilcox and seconded by Supervisor O'Connor. Unanimous. (2021-0111)

The next matter was the Refunding Bond Resolution Authorizing the Issuance of Refunding Bond Series 2021 as described below

A regular meeting of the Saratoga County Water Authority (the “Authority”) was convened in public session in the offices of Saratoga County Board of Supervisors, Ballston Spa, New York on October 27, 2021, at 3:30 o’clock p.m., local time.

The meeting was called to order by the Chairman and, upon roll being called, the following members of the Authority were:

PRESENT:

John E. Lawler, Chairman	Arthur Johnson
Timothy Szczepaniak, Vice Chair	Robert D. Wilcox
Philip Barrett, Treasurer	Darren O’Connor
Theodore Kusnierz, Dep. Treasurer	

ABSENT:

None

AUTHORITY STAFF PRESENT INCLUDED THE FOLLOWING:

Ed Hernandez	Acting Executive Director
Carol Alden	Board Secretary

The following resolution was offered by Robert Wilcox, seconded by Theodore Kusnierz, to wit:

Resolution No. 2021-0112

REFUNDING BOND RESOLUTION OF THE SARATOGA COUNTY WATER AUTHORITY (THE “AUTHORITY”) AUTHORIZING THE ISSUANCE OF WATER SYSTEM REFUNDING REVENUE BONDS, SERIES 2021 (TAXABLE) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$46,000,000.00 TO FINANCE THE REFUNDING OF CERTAIN BONDS OF THE AUTHORITY AND THE COSTS RELATED THERETO, AUTHORIZING THE EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO, AND MAKING CERTAIN DETERMINATIONS ALL RELATIVE THERETO.

WHEREAS, the Authority is authorized and empowered by the provisions of the Saratoga County Water Authority Act, Title 8-F of Article 5 of the Public Authorities Law of the State of New York, as amended (the “Act”) to construct, improve, maintain, develop, expand or rehabilitate water facilities within Saratoga County, New York; and

WHEREAS, the Authority has heretofore issued it's (A) \$4,215,000 original aggregate principal amount Water System Revenue Bonds, Series 2014A (Tax-Exempt) and \$125,000 original aggregate principal amount Water System Revenue Bonds, Series 2014B (Taxable), and (B) \$41,360,000 original aggregate principal amount Water System Refunding Revenue Bonds, Series 2016 (collectively, the "Prior Bonds"); and

WHEREAS, for the purpose of refunding all or a portion of the Prior Bonds (the "Refunding Project"), the Authority now desires to authorize the issuance of its Water System Refunding Revenue Bonds, Series 2021 (Taxable) in an aggregate principal amount not to exceed \$46,000,000.00 (the "Refunding Bonds"); and

WHEREAS, the Refunding Bonds will be issued pursuant a general resolution dated as of September 1, 2008 (the "General Resolution") and a fourth supplemental resolution dated as of October 27, 2021 (the "Fourth Supplemental Resolution"), each by and between the Authority and Wells Fargo Bank, N.A., as trustee (the "Trustee"), for the purpose of undertaking the Refunding Project; and

WHEREAS, the (A) Refunding Bonds will be purchased by Raymond James & Associates, Inc., as underwriter (the "Underwriter"), pursuant to a bond purchase agreement (the "Bond Purchase Agreement") by and between the Underwriter and the Authority and (B) Underwriter will utilize a preliminary and final official statement (collectively, the "Official Statement") in connection with the sale of the Refunding Bonds; and

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE MEMBERS OF THE SARATOGA COUNTY WATER AUTHORITY (by the necessary and favorable vote thereof), AS FOLLOWS:

Section 1. The Authority hereby finds and determines that it is desirable and in the public interest for the Authority to issue and sell the Refunding Bonds in an aggregate principal amount not to exceed \$46,000,000.00 upon the terms and conditions set forth in the financial plan for the Refunding Project (the "Refunding Financial Plan"), prepared for the Authority by the Underwriter, annexed hereto as Exhibit A, for the purpose of financing a portion of the costs of the Refunding Project, together with necessary incidental expenses in connection therewith.

Section 2. The Refunding Financial Plan is hereby accepted and approved.

Section 3. In consequence of the foregoing, the Authority hereby determines to: (A) authorize the use of, and authorize the Chairman, Vice Chairman, Executive Director or Treasurer of the Authority the authority to determine the form and substance of, and deem final, any Official Statement to be used by the Underwriter in connection with the initial offering and/or any subsequent offering of any of the Refunding Bonds, (B) authorize the Chairman, Vice Chairman, Executive Director or Treasurer of the Authority the authority to (1) execute and deliver on behalf of the Authority any Bond Purchase Agreement related to any of the Refunding Bonds, (2) determine, on behalf of the Authority, from time to time the details relating to the Refunding Bonds, and (3) execute a certificate of determination (the "Certificate of Determination") authorizing issuance of the Refunding Bonds and setting forth said details so determined; (C) issue the Refunding Bonds from time to time on the terms and conditions set forth in the General Resolution, the Fourth Supplemental Resolution, the Certificate of Determination and the Bond Purchase Agreement, and (D) sell any or all of the Refunding Bonds to the initial and/or subsequent purchasers thereof pursuant to the terms set forth in the General Resolution, the Fourth Supplemental Resolution, the Certificate of Determination and the Bond Purchase Agreement.

Section 4. The Authority hereby delegates to the Chairman, Vice Chairperson, Executive Director or Treasurer of the Authority the power to approve, on behalf of the Authority, the form and substance of the Fourth Supplemental Resolution, the Official Statement and the Bond Purchase Agreement and any documents necessary and incidental thereto including, but not limited to, any documents authorized by the Certificate of Determination (hereinafter collectively called the "Authority Documents").

Section 5. The Refunding Bonds shall be sold at private or negotiated sale, provided, however, that any private sale shall be subject to the approval of the New York State Comptroller, pursuant to the Act.

Section 6. The Authority is hereby authorized to issue, execute, sell and deliver to the Trustee for authentication its Refunding Bonds in an aggregate principal amount not to exceed \$46,000,000.00 in the form approved by the Chairman, Vice Chairperson, Executive Director or Treasurer of the Authority as authorized in Section 3 of this resolution, and upon authentication thereof the Trustee is hereby authorized to deliver said Refunding Bonds to the purchasers thereof against receipt of the purchase price thereof, all pursuant to the Act and in accordance with the provisions of the Fourth Supplemental Resolution, the General Resolution, the Bond Purchase Agreement and the Certificate of Determination, provided that:

(A) The Refunding Bonds authorized to be issued, executed, sold and delivered pursuant to this Section 6 shall (1) be issued, executed and delivered at such time as the Chairman, Vice Chairperson, Executive Director or Treasurer of the Authority shall determine, and (2) bear interest at the rate or rates, be issued in such form, be subject to redemption prior to maturity and have such other terms and provisions and be issued in such manner and on such conditions as are set forth in the Refunding Bonds, the Fourth Supplemental Resolution, the Bond Purchase Agreement and the Certificate of Determination, or as are hereinafter approved by the Chairman, Vice Chairperson, Executive Director or Treasurer of the Authority in accordance with Section 5 hereof, which terms are specifically incorporated herein by reference with the same force and effect as if fully set forth in this bond resolution.

(B) The Refunding Bonds shall be issued solely for the purpose of providing funds to finance (1) the costs of the Refunding Project as described in the Authority Documents, and (2) a portion of the administrative, legal, financial, and other expenses of the Authority in connection with the Refunding Project and incidental to the issuance of the Refunding Bonds.

(C) Neither the members nor officers of the Authority, nor any person executing the Refunding Bonds or any of the Financing Documents (as hereinafter defined) on behalf of the Authority, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance, or delivery thereof. The Refunding Bonds and the interest thereon are not and shall never be a debt of the State of New York, Saratoga County, New York or any political subdivision thereof (other than the Authority), and neither the State of New York, Saratoga County, New York nor any political subdivision thereof (other than the Authority) shall be liable thereon.

(D) The Refunding Bonds, together with interest payable thereon, shall be special obligations of the Authority payable solely out of the revenues and other receipts, funds and moneys pledged therefor pursuant to the Fourth Supplemental Resolution and the General Resolution and secured by the liens created thereby.

Section 7. (A) The Chairman, Vice Chairperson, Executive Director or Treasurer of the Authority is hereby authorized, on behalf of the Authority, to execute and deliver the Authority Documents and the other documents related thereto (collectively with the Authority Documents, the "Financing Documents"), and, where appropriate, the Secretary (or Assistant Secretary) of the Authority is hereby authorized to affix the seal of the Authority thereto and to attest the same, all in substantially the forms thereof presented to this meeting, with such changes, variations, omissions and insertions as the Chairman, Vice Chairperson, Executive Director or Treasurer of the Authority shall approve, the execution thereof by the Chairman, Vice Chairperson, Executive Director or Treasurer of the Authority to constitute conclusive evidence of such approval.

(B) The Chairman, Vice Chairperson, Executive Director or Treasurer of the Authority is hereby further authorized, on behalf of the Authority, to designate any additional Authorized

Representatives of the Authority (as defined in and pursuant to the Fourth Supplemental Resolution or the General Resolution).

(C) The Chairman (or Vice Chairman) of the Authority is hereby further authorized to execute any documentation requested by the Underwriter to indicate the Authority’s approval of the Official Statement, and to authorize the distribution of such Official Statement to provide for the sale and marketing of the Refunding Bonds.

(D) The Chairman (or Vice Chairman) of the Authority is hereby further authorized to enter into an escrow contract (“Escrow Contract”) with a bank or trust company or a securities entity located and authorized to do business in this state, for the purpose of having such entity act as the escrow holder (the “Escrow Holder”) a portion of the proceeds of the Refunding Bonds, inclusive of any premium from the sale of the Refunding Bonds, together with all income derived from the investment of such proceeds, if and to the extent such an Escrow Contract is recommended or required by bond counsel to the Authority. All monies held by the Escrow Holder shall be invested only in direct obligations of the United States of America or in obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, which obligations shall mature or be subject to redemption at the option of the holder thereof not later than the respective dates when such monies will be required to make payments in accordance with the Refunding Financial Plan.

Section 8. The officers, employees and agents of the Authority are hereby authorized and directed for and in the name and on behalf of the Authority to do all acts and things required or provided for by the provisions of the Financing Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of this resolution and to cause compliance by the Authority with all of the terms, covenants and provisions of the Financing Documents binding upon the Authority.

Section 9. Pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”), and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the “Regulations”, and collectively with the SEQR Act, “SEQRA”), the Authority hereby determines that the Refunding Project constitutes a “Type II Action” and therefore no environmental impact statement or any other determination or procedure under the Regulations is necessary with respect thereto (as said quoted term is defined in the Regulations).

Section 10. This resolution shall take effect immediately and the Refunding Bonds are hereby ordered to be issued in accordance with this resolution.

The question of the adoption of the foregoing resolution was duly put to a vote on roll call, which resulted as follows:

Ayes	7
Nayes	0
Abstain	0

The foregoing resolution was thereupon declared duly adopted.

The final motion was made by Mr. Szczepaniak and seconded by Supervisor O'Connor to authorize the Agreement with MVP for health insurance benefits under the Silver 4 Liberty EPO with HRA for the upcoming 2021-2022 term. Unanimous. (2021-0113)

At this time, Supervisor O'Connor asked all Board members to view the completed video production about the Authority. He was very pleased with the result and asked the Chairman to discuss how to distribute at the next meeting. Chairman Lawler concurred.

At 5:06 p.m., with no further business, a motion was made by Mr. Szczepaniak and seconded by Supervisor Kusnierz to adjourn. Motion carried unanimously and the meeting was adjourned.

Respectfully Submitted,

Carol A. Alden, Confidential Secretary