



SARATOGA COUNTY WATER AUTHORITY

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SARATOGA COUNTY WATER AUTHORITY BOARD OF DIRECTORS OFFICIAL MEETING MINUTES WEDNESDAY, AUGUST 24, 2022 @ 3:30 P.M.

PRESENT: Chairman Tim Szczepaniak, Treasurer Philip Barrett, Deputy Treasurer Theodore Kusnierz, Supervisor Mark Hammond, Art Johnson, Supervisor Jack Lawler. Also, Executive Director Ed Hernandez, General Counsel Leah Everhart, Esq. and Brock Juusola, P.E. of Delaware Engineering. **Absent:** Vice Chairman Robert Wilcox.

Chairman Szczepaniak opened the meeting and welcomed all in attendance. Chairman Szczepaniak requested that Mr. Hernandez introduce Brock Juusola, P.E. of Delaware Engineering to discuss the response received from Schultz Construction regarding liquidated damages relating to delays in completion of the project. Mr. Hernandez discussed additional costs incurred relating to those delays as well. Supervisor Lawler inquired if Schultz construction had any expectations of litigation relating to this matter. Mr. Juusola responded that they were aware. After further discussion related to the response from Schultz, Chairman Szczepaniak requested that Counsel review the matter and be prepared to advise the Board at next month's meeting. Supervisor Lawler requested that it be addressed as soon as possible. Mr. Juusola stated that the letter received from Schultz basically gives Notice of Intent. At this time, Chairman Szczepaniak thanked Mr. Juusola for his time and attention to this matter.

Chairman Szczepaniak inquired if there were any changes, additions or deletions to the July 27, 2022, meeting minutes. **On a motion by Supervisor Hammond and a second by Mr. Johnson the minutes of the July 27, 2022, meeting was adopted. Both Supervisor Kuznierz and Chairman Szczepaniak abstained. (2022-0039)**

Reports:

Operations:

Mr. Hernandez reported water flows for July were 10.2 mgd which Mr. Hernandez noted was a new flow record. The rolling annual average was 7.42 mgd.

Financials:

Mr. Hernandez reviewed the Administrative Summary as of July 31, 2022. Budgeted water revenues through July 31, 2022, were \$4.31 mil. Actual revenues through July 31, 2022, were \$4.54 mil. Budgeted expenses through July 31, 2022, were \$1.43 mil and actual expenses were \$1.47. The next Debt Service payment is due

September 1st, 2022, for \$1.35 mil. Cash available for operations after that payment was estimated at \$1.35mil. Supervisor Kusnierz inquired if the low water level near the dam area was impacting the plant in any way. Mr. Hernandez stated it did not. Supervisor Lawler stated the intake pipe is far down from the surface.

Capital Projects:

Mr. Hernandez reported that the Expansion project was completed with a couple of warranty matters. There are two other capital projects coming up. The first is the second tank at Cordero Drive. He was awaiting funding from NYS EFC for that project. He indicated there was a second round of grant money available so he would be discussing the resubmittal of applications further on in the meeting. He anticipated that project was a couple of years out. The other project was the booster pump station in the vicinity of Malta. Right now, location of property is the most imminent thing. Further discussion ensued regarding acquiring the property that was originally discussed. Mr. Hammond inquired what would it take to get the property owners back to the table to discuss. Ms. Everhart discussed those steps. Mr. Hernandez stated he would reach out to the engineering firm that was originally involved in the design and property acquisition. Ms. Everhart stated she would provide Mr. Hernandez with a step-by-step guide to move forward in the event of eminent domain. Supervisor Barrett expressed that he would prefer reaching out to the property owner again. He also volunteered to be part of that negotiation.

Legal:

Ms. Everhart reported that there were no updates. She indicated that the firm is continuing to monitor the SEC action against Capital Market Advisors.

Motions & Resolutions:

Motion was made by Supervisor Lawler and seconded by Supervisor Hammond to authorize the payment of the monthly vouchers at a cost of \$210,744.88 in operating costs and \$216,250.44 in Capital Project Costs. Ms. Alden indicated there were two late additions to the voucher list that were requested by Mr. Hernandez. The first being a final pay application from DN Tanks in the amount of \$62,065.00 in retainage. The second was a final pay application from Jersen Construction in the amount of \$153,381.40 in retainage. Supervisor Barrett stated he did not approve the Delaware Engineering voucher as he did not see it on the list. Ms. Alden indicated it was also a late addition. Mr. Hernandez concurred that all three construction vouchers were approved by him. **Motion carried unanimously. (2022-0040)**

Chairman Szczepaniak then discussed the Finance Committee meeting prior to this meeting that reviewed and approved the 2023 Draft Operating Budget. Chairman Szczepaniak stated there were a couple of corrections to the Draft that were done during committee. He directed the Board to those corrections. He discussed the increase to the budget due to two line items that increased quite a bit. Those items were chemical costs and utility costs. These increases caused a 21% increase in operating costs for 2023. The recommendation from the Committee was to increase water rates to customers in 2023. The increase would be 1.5% for municipal customers and 3% for commercial/industrial customers. Supervisor Barrett inquired if the costs were reduced would the rate increase be necessary. Mr. Hernandez stated there was no way to lower utility costs unless they come down from National Grid. **Motion was made by Supervisor Hammond and seconded by Mr.**

Johnson to adopt the 2023 Operating Budget with the corrections made by the Finance Committee. Motion carried unanimously. (2022-0041)

The next matter was a motion to authorize the Chairman to execute the two grant applications Mr. Hernandez' firm had prepared for resubmittal to the State. **Motion was made by Mr. Johnson and seconded by Supervisor Hammond to authorize the Chairman to sign the grant applications to WIIA and NYS EFC Revolving Fund.** Supervisor Lawler inquired if the grants were approved would it affect the proposed budget for 2023. Mr. Hernandez stated it would not affect the 2023 budget but would affect the 2024 budget. **Motion carried unanimously. (2022-0042)**

Old Business:

Mr. Hernandez reported that he had no update on the location of the new booster pump station had already been discussed earlier in the meeting.

Ms. Everhart reported that there was no new update on the Northwood Water Company contract other than it was under attorney review by counsel for Northwood. Mr. Hammond inquired about the PFOA/PFAS limits possibly being lowered by the State. Mr. Hernandez stated he wasn't aware of that. Supervisor Hammond stated he would reach out to the owner as he is in Town Hall often. He will report back to the Board if he hears anything.

Supervisor Kusnierz inquired about the lower cost for salaries on the proposed budget. Mr. Hernandez stated the Chief Operator would be retiring at year end so there would be some savings there. He also reviewed what the Personnel Committee had approved earlier in the year. Supervisor Barrett inquired what the proposed salary increase would be for staff. Mr. Hernandez stated a 3% increase.

New Business:

Chairman Szczepaniak stated the next Board meeting was scheduled for September 28th, 2022, at 3:30 p.m. in Ballston Spa. Mr. Wilcox previously indicated he would not attend that meeting. There will also be an Audit Committee meeting at 3:15 p.m. to review annual housekeeping matters and to approve an audit firm for 2022FYE. Members of that committee are Johnson, Hammond, and Wilcox.

At 4:15 p.m., with no further business, a motion was made by Supervisor Barrett and seconded by Mr. Johnson to adjourn. Motion carried unanimously.

Respectfully Submitted,

Carol A. Alden, Confidential Secretary