

**Members Attending:** T. Anderson, S. Beardsley, J. Deming, E. Gott, M. McKeown, T. Saunders

**Excused:** P. Brooks

**Absent:**

**Others attending:** M. Baines (Executive Director), M. Kosakowski (Director of Operations), R. Lewis (Principal Account Clerk), T. Hockey (Account Clerk/Typist), E. Wies (Clark Patterson Lee), J. Campbell (Kruk & Campbell, P.C.)

**Call to Order** – With a quorum present, Chairman T. Anderson called the meeting to order at 9:00 am.

**Approval of Agenda**

M. Baines noted that one additional item had been added under “Communications” regarding the Regional Economic Development Council (REDC) grant awards which were announced on Thursday, December 19, 2019.

*Motion: S. Beardsley moved and T. Saunders seconded to approve the agenda as modified. Carried unanimously.*

**Approval of Minutes** – November 20, 2019 Regular Board Meeting

*Motion: E. Gott moved and J. Deming seconded to approve regular board meeting minutes dated November 20, 2019. Carried unanimously.*

**Open Public Hearing (9:05 am)** – *Motion: J. Deming moved and T. Saunders seconded to open the public hearing on the proposed “Water Meter Replacement Non-Compliance Fee”. Carried unanimously.*

T. Anderson asked if anyone wished to speak at the public hearing. Hearing no one, the Board kept the public hearing open and proceeded with remaining items on the agenda.

E. Gott exited meeting at 9:15 am.

**Privilege of the Floor** – None.

**Financial report:** R. Lewis reviewed the November 2019 Financial report with the Board (on file with Secretary). With the DOCCS Water Supply Project now 100% complete, R. Lewis noted that the fifth and final payment request had been submitted to DOCCS in the amount of \$1,053,440.33. The approved budget for the project was \$8,374,000, and project expenditures totaled \$8,371,540.33. As part of the Intermunicipal Services Agreement that was recently signed between the Town of Lima and LCWSA for shared water billing and collection services, LCWSA staff has been importing Town of Lima customer account information into LCWSA’s billing program, with first bills to be sent out by LCWSA to Town of Lima customers in early February 2020.

*Motion: S. Beardsley moved and M. McKeown seconded to approve the Financial Report. Carried unanimously.*

Other item(s) discussed under the financial portion of the meeting:

- **LCWSA Acct 14189 (6668 East Swamp Rd, Conesus NY 14435) - Request for Refund for Overpayment due to Re-Levy (\$257.05)**

R. Lewis notified the Board that LCWSA staff had received a letter on November 27, 2019 from the customer at the above referenced service address requesting a refund of \$257.05. Payment on the account was received after the re-levy date, and this amount now represents the credit on the account. The Board discussed the request and noted that LCWSA staff processed the payment in accordance with the policy (C2019-001 - Acceptance of Customer Payments after the Re-Levy Deadline) that was adopted at the October 9, 2019 Special Meeting, and therefore the Board would be denying the request for a refund.

*Motion: T. Saunders moved and M. McKeown seconded to deny the request for a refund and direct LCWSA staff to communicate the Board's decision to the customer at 6668 East Swamp Road, Conesus NY 14435. Carried unanimously.*

- **Budget Transfer Request - \$62,500 from 5048, 6310, to 6420, 6430, 6885, 6899**

R. Lewis reviewed the proposed Budget Transfer Request with the Board, which would transfer a total of \$62,500 (5048 – Retiree Health Care (\$25,000) and 6310 – Outside O&M (\$37,500)) to 6420 – Vehicle Repair (\$7,500), 6430 – Gasoline (\$4,000), 6885 – Fines, Errors & Losses (\$25,000), and 6899 – Prior Year Expense (\$26,000).

*Motion: M. McKeown moved and J. Deming seconded to approve the Budget Transfer Request of \$62,500 as presented. Carried unanimously.*

- **GASB 75 (Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions), Reporting Requirements & Actuarial Valuation Services**

With the employee transfer that occurred on January 1, 2019, LCWSA now has four (4) employees who will be eligible for “Postemployment Benefits Other Than Pensions” (i.e. retiree health insurance benefits). Therefore, the accounting and reporting requirements under GASB 75 now apply to LCWSA, including the determination of the total “Other Post-Employment Benefits” (OPEB) liability using an actuarial valuation. LCWSA staff has obtained quotes from two (2) local actuarial consulting firms to provide actuarial valuation services: Burke Group (Pittsford, NY) and Armory Associates (Syracuse, NY). The Board reviewed both quotes (Burke Group - \$5,000, Armory Associates - \$3,900) to prepare the GASB 75 Full Valuation and Report (FY 2019) and GASB 75 Interim Valuation Report (FY 2020), and the consensus was to proceed with Armory Associates.

R. Lewis also updated the Board that there have been ongoing discussions with LCWSA’s auditor (The Bonadio Group) regarding the six (6) County Public Works employees that retired as County employees who are currently receiving OPEB. LCWSA through separate agreement with the County has agreed to reimburse the County on an annual basis for the actual retiree health insurance costs. Bonadio Group has provided the following information via email:

*Assumptions:*

- 1) *The 6 retirees are included in the County's census provided to their actuary*
- 2) *The amounts paid by the Authority are the annual actual retiree costs*

*Potential options:*

- 1) *Work with the County to ensure those 6 retirees are excluded from their census and then include them on the Authority census.*
- 2) *Leave the 6 retirees in the County census, also report them in the Authority census. The result is those liabilities will essentially be reported twice. The thought being the inclusion of those 6 retirees would not be material to the County's books.*
- 3) *The Authority does not book a liability, but annually records the actual payments to expense.*

The Board reviewed the above options, and noted that LCWSA was already recording actual payments to expense, and therefore the consensus was to continue with Option 3.

*Motion: S. Beardsley moved and M. McKeown seconded to authorize Armory Associates to prepare the GASB 75 Full Valuation and Report (FY 2019) and GASB 75 Interim Valuation Report (FY 2020) for a not-to-exceed fee of \$3,900. Carried unanimously.*

*Motion: S. Beardsley moved and J. Deming seconded to continue annually recording actual payments to Livingston County as an expense for retiree health insurance costs for the six (6) County Public Works retirees. Carried unanimously.*

**Bills:** R. Lewis reviewed the monthly bills.

*Motion: S. Beardsley moved and T. Saunders seconded to approve paying Total Operating & Projects expenditures of \$310,304.44 as follows: DOCCS Project Expenditures in an amount not to exceed \$420.00; Operating Expenditures in an amount not to exceed \$125,731.88; Lakeville WWTP Upgrades Project Expenditures in an amount not to exceed \$150,357.64; Other Project Expenditures in an amount not to exceed \$33,794.92; and the re-issuance of separate checks as requested by Livingston County in the amount of \$25,088.79 for expenses previously approved at the November 20, 2019 Board Meeting. Carried unanimously.*

*Motion: J. Deming moved and M. McKeown seconded to approve paying the bills for Utilities & Miscellaneous expenditures in an amount not to exceed \$130,043.96. Carried unanimously.*

### **Operations and Capital Report**

M. Kosakowski reviewed the Operations and Capital Reports with the Board (on file with Secretary). The following item(s) were further discussed by the Board:

- **Water Loss/Non-Revenue Water – LCWSA Service Areas**

M. Baines, M. Kosakowski, and R. Lewis reviewed both retail and wholesale information over the last 3 years (2017, 2018, and 2019 to date) for the following service areas that are operated and maintained by LCWSA (on file with Secretary):

- South Avon Water District (PWS NY2530017 – 28 units/customers)
- Caledonia District 1 (PWS 2530004 – 38 units/customers)
- Caledonia District 3 (PWS NY2500701 – 63 units/customers)
- American Rock Salt/Groveland (PWS NY2530018 – 162 units/customers)
- LCWSA Consolidated Water District (PWS NY2501019) & Village of Livonia (PWS NY2501022)

(Town of Livonia, including Village of Livonia: 2785 units/customers; Areas outside Town of Livonia: 1015 units/customers)

While water loss/non-revenue water is an on-going issue/challenge in almost all of LCWSA's service areas, the data confirms that the focus in 2020 for water loss reduction should be in the Town of Livonia portion of the Consolidated Water District and Village of Livonia, where water loss in 2019 expressed as a percentage is approximately 45%, which is well above AWWA recommendations.

### **Other Business**

#### **Establish Standard Work Day (Resolution 2019-15) – Update to 8 hours/day (all positions), Effective January 5, 2020**

M. Baines noted that with the recent execution of the Memorandum of Agreement (MOA) with CSEA which standardizes the work week as 40 hours for all full-time positions in the unit, it is necessary to update the

Standard Work Day Resolution that is required by the New York State & Local Retirement System (NYSLRS) for reporting purposes. The Board reviewed the draft resolution (on file with Secretary), which now lists all positions with a Standard Work Day of 8 hours, effective January 5, 2020, which matches the effective date of the MOA.

***Motion: S. Beardsley moved and J. Deming seconded to approve Resolution 2019-15 – Establishing Standard Work Day for Employees (effective January 5, 2020). Carried unanimously.***

#### **Review & Re-Adoption of Various Policies**

M. Baines reminded the Board that the New York State Authorities Budget Office (ABO) requires that public authorities annually review, and update as necessary, various policies including their investment policy, procurement policy, whistleblower policy, etc. LCWSA staff have reviewed the following policies:

- Investment Policy (F10-0000)
- Purchasing, Disposition Policy, and Capital Projects (F20-000)
- Whistleblower Policy (P01-001)
- Non-Discrimination and Anti-Harassment Policy

Minor revisions are recommended to policy F20-00, including the addition of Exhibit J (Sexual Harassment Prevention Certification Form) and updates to Exhibit D to match LCWSA's current MWBE Contracting Goal of 30%.

***Motion: J. Deming moved and M. McKeown seconded to approve the Investment Policy (F10-0000) as presented. Carried unanimously.***

***Motion: J. Deming moved and M. McKeown seconded to approve the Purchasing, Disposition Policy, and Capital Projects (F20-000) with revisions as noted above. Carried unanimously.***

***Motion: J. Deming moved and M. McKeown seconded to approve the Whistleblower Policy (P01-001) as presented. Carried unanimously.***

***Motion: J. Deming moved and M. McKeown seconded to approve the Non-Discrimination and Anti-Harassment Policy as presented. Carried unanimously.***

#### **2020 Look Ahead (January Organizational Mtg Date, Regular Board Mtg Schedule, Capital Improvement Program & Project Planning Workshop)**

The Board discussed setting the meeting date for the annual organizational meeting. The Board consensus was to schedule the meeting for January 29, 2020 at 8am, with a Regular Board meeting to immediately follow. The Board also discussed setting the dates, times, and location for the Regular Board meetings in 2020. The consensus was to continue to hold Regular Board meetings the fourth Wednesday of each month at 8am at the Watershed Education Center (Vitale Park, 5828 Big Tree Road, Lakeville NY 14480), except for the November meeting which will be held on Wednesday, November 18, 2020 at 8am, and the December meeting which will be held on Friday, December 18, 2020 at 9 am.

***Motion: M. McKeown moved and J. Deming seconded to approve scheduling the organizational meeting for January 29, 2020 at 8 am, with a Regular Board Meeting to immediately follow, and directed the Secretary to notify the public with an advertisement in the Authority's official newspapers. Carried unanimously.***

***Motion: M. McKeown moved and J. Deming seconded to approve the 2020 Regular Board Meeting schedule as presented (meetings to be held the fourth Wednesday of each month at 8am, at the Watershed Education Center in Vitale Park, 5828 Big Tree Road, Lakeville NY 14480, except for the November meeting which will be held on Wednesday, November 18, 2020 at 8am, and the December meeting which will be held on Friday, December 18, 2020 at 9 am), and directed the Secretary to notify the public with an advertisement in the Authority's official newspapers. Carried unanimously.***

M. Baines reminded the Board that a 2020 Capital Plan had not yet been developed, pending announcements on the three (3) grant applications that were submitted this year for: Groveland Station WWTP UV Disinfection Project (NYSDEC WQIP), I/I Evaluation Study (DEC/EFC Wastewater Infrastructure Planning Grant Program), and Countywide Water System Improvements (NYSEFC WIIA Program). Grant award announcements were made recently, and LCWSA was awarded grants for two (2) of the three (3) projects: I/I Evaluation Study (\$100,000) and the Countywide Water System Improvements Project (\$3,000,000). LCWSA staff is recommending scheduling a “Capital Improvement Program & Project Planning Workshop” to discuss these new projects and to formalize a list of 2020 Capital Projects and Equipment Purchases. The Board consensus was to include this on the agenda for the January 29, 2020 Organizational Meeting/Regular Board Meeting, in lieu of scheduling a separate workshop.

### **Communications**

The following item(s) and/or updates were provided to Board members for informational purposes. No action taken.

- Livingston County Board of Supervisors Regular Board Meeting Agenda (November 20, 2019):
  - Appointing members to the Livingston County Water and Sewer Authority Board (Timothy Anderson: 1/1/20 – 12/31/22, Ted Saunders: 1/1/20 – 12/31/22)
- “City of Middletown Water System Cybersecurity” Audit Report by Office of NYS Comptroller (November 2019)
- Authorities Budget Office Board Member Training Compliance Follow Up Report & Press Release (December 5, 2019)
- “Governor Cuomo Announces More Than \$416 Million in Grants for Water Infrastructure Improvements Across New York” (December 17, 2019)
  - Includes: Livingston County Water & Sewer Authority \$3,000,000 Grant (\$7,000,000 Project – County Wide Water System Improvements)
- Reminder: Completion of Annual Board of Directors Evaluation Form (LCWSA in receipt of 3 of 7 completed forms)

**Close Public Hearing – Motion: J. Deming moved and S. Beardsley seconded to close the public hearing on the proposed “Water Meter Replacement Non-Compliance Fee”. Carried unanimously.**

The Board postponed adoption of *Resolution 2019-xx – Adopting Water Meter Replacement Non-Compliance Fee* until the January 29, 2020 Organizational Meeting/Regular Board Meeting.

### **Executive Session**

**Motion: J. Deming moved and T. Saunders seconded that the Board adjourn and reconvene in Executive Session at 11:15 am for the purpose of discussing the medical, financial, credit, or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation; and that T. Anderson act as Chairman and M. Baines act as Secretary. Carried unanimously.**

**Motion: J. Deming moved and S. Beardsley seconded to end the Executive Session at 11:35 am. Carried unanimously.**

The Board reconvened in regular session. The following report was presented.

REPORT OF EXECUTIVE SESSION

The Board of Livingston County Water & Sewer Authority having met in Executive Session for the purpose of discussing the medical, financial, credit, or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation; hereby reports as follows:

No action taken.

Dated December 20, 2019

T. Anderson

M. Baines, Secretary

***Motion: S. Beardsley moved and M. McKeown seconded to establish the 2020 salary for Mark Kosakowski, Director of Operations, as \$77,765.00. Carried unanimously.***

***Adjourn: Motion: J. Deming moved and T. Saunders seconded to adjourn the Board meeting at 11:41 am. Carried unanimously.***