

Final: January 17, 2017

**MEETING OF THE BOARD OF DIRECTORS OF
THE WATER AUTHORITY OF GREAT NECK NORTH
HELD ON DECEMBER 12, 2016,
AT 50 WATERMILL LANE, GREAT NECK, NEW YORK.**

PRESENT:

Michael C. Kalnick, Chairperson
Pedram Bral, Director
Jean Celender, Director
Carol Frank, Director
Dan Levy, Director
Susan Lopatkin, Director
Steven Weinberg, Director

Village of Kings Point
Village of Great Neck
Village of Great Neck Plaza
Town of North Hempstead
Village of Saddle Rock
Village of Kensington
Village of Thomaston

ALSO PRESENT:

Robert Graziano, Deputy Chairperson
Gregory Graziano, Superintendent
Stephen Moriarty, Assistant Superintendent
Judith Flynn, Treasurer
Robert McCormack, Supervisor, Water
Plant Operations
Lisa Schlichting, Secretary
Stephen Limmer, Counsel
Gary Stuart, Principal Engineer

Water Authority of Great Neck North
Water Authority of Great Neck North
Water Authority of Great Neck North
Water Authority of Great Neck North
Water Authority of Great Neck North

Water Authority of Great Neck North
McLaughlin and Stern, LLP
CDM Smith, Consulting Engineers

NOT PRESENT:

Ralph J. Kreitzman, Vice-Chairperson
Edward Causin, Director
Suet-Yee Huang, Civil Engineer

Water Authority of Great Neck North
Village of Great Neck Estates
Water Authority of Great Neck North

The Board meeting was called to order at 6:10 p.m. Seven members (Chairperson/Director Kalnick, Directors Bral, Celender, Frank, Levy, Lopatkin, and Weinberg) were present, constituting a quorum.

On the motion of Director Levy, seconded by Director Weinberg, by Resolution #16-12-01, the Minutes of the Board's November 21, 2016, meeting were reviewed by the Directors and were approved. The vote was 7 for, 0 against, 0 abstentions.

On the motion of Director Levy, seconded by Director Celender, by Resolution #16-12-02, the Board reviewed and approved the Abstract of Claims. The vote was 7 for, 0 against, 0 abstentions. A copy of the Abstract is on file with the Secretary.

On the motion of Director Levy, seconded by Director Celender, by Resolution #16-12-03, the Board reviewed and approved the Treasurer's Monthly Report. The vote was 7 for, 0 against, 0 abstentions. A copy of the Report is on file with the Secretary.

Gary Stuart presented the Engineer's Report:

1. SMLP Project – Improvements at several well sites to address flooding issues including the raising of well houses above flood elevations.
Well 2A – Demolition of existing building and construction of new well house that will be approximately 8 feet higher than existing. Reusing existing well, but replacing the existing pump with new. New chemical feed system. The 60% design was submitted to Authority for review.
Well 5 – Demolition of existing building and construction of new well house. New pump will be installed that is above flood elevation (it is currently in below-grade vault). New screen will be installed in existing well. CDM Smith submitted the cost analysis for replacing the entire building vs. new building for pump only to the Authority. Waiting for Salt Water Intrusion Modeling results before proceeding with design.
Well 6 – Demolition of portion of existing building and construction of new well pump portion of building such that new pump and associated equipment is above flood elevation. CDM Smith is finalizing the evaluation and waiting for Salt Water Intrusion Modeling results before proceeding with design.
Well 8 – Demolition of existing building and construction of new well house (existing building is below grade and therefore potentially subject to flooding). New well will be drilled. CDM Smith is currently in discussions with the Department of Environmental Conservation regarding well installation permit and its proposed conditions and is waiting for Salt Water Intrusion Modeling results before proceeding further with design.
2. Weybridge Road Tank Catwalk Structural Review – Review of design plans submitted by Verizon for new antenna to be installed on tank. Waiting for Verizon to submit final design based on CDM Smith's comments from February 2016.
3. SCADA Upgrade – Installation of new control panels, communications equipment, and associated work at all Authority facilities/sites so that all SCADA equipment is consistent and up-to-date. Work at some sites is being funded through SMLP program. The 90% design review meeting was held on December 6, 2016. The final design and bid schedule will be dependent on Salt Water Intrusion Modeling results.
4. Salt Water Intrusion Modeling for Wells 5, 6, 7, and 8 – Development of a dual-density groundwater flow model to evaluate the potential for salt-water intrusion in the Lloyd Aquifer. CDM Smith submitted initial model runs on December 2, 2016. The summary report is scheduled to be completed by the end of 2016.
5. 2017 Water Main Improvements – Replacement of approximately 13,000 feet of water main including valves, hydrants, and services in Great Neck Estates and Saddle Rock Estates. Surveyor has been authorized to start; should be complete by the end of the year.

Gregory Graziano presented the Superintendent's Report:

On the motion of Director Levy, seconded by Director Weinberg, by Resolution #16-12-04, the Board reviewed and approved the schedule for the regular monthly meeting in 2017, as follows: January 16, February 13, March 20, April 17, May 15, June 19, July 17, August 21, September 18, October 16, November 20, and December 11. The vote was 7 for, 0 against, 0 abstentions. A copy of the schedule will be posted on the Authority's website and will be posted at the Authority's office on Watermill Lane.

On the motion of Director Lopatkin, seconded by Director Weinberg, by Resolution #16-12-05, the Board accepted CDM Smith's proposal, by letter dated December 6, 2016, to provide Annual Engineering Services for 2017 as the Authority's Engineer. The monthly fee for services is \$725.00. There will also be a \$3,000.00 fee for Albert Risk Management Consultants to certify the amounts of insurance. Gary Stuart, P.E., will attend the monthly Board of Director meetings. Keith Kelly, P.E., will serve as the Officer-in-Charge, handling all contractual issues. The vote was 7 for, 0 against, 0 abstentions. A copy of the proposal is on file with the Secretary.

Superintendent Graziano advised the Board that the Authority has expanded the scope of work for the Salt Water Intrusion Modeling for Wells 5, 6, 7, and 8 that CDM Smith is working on. CDM Smith is working to include the additional work under their original proposal, but the Superintendent wanted to give the Board a heads up that if the scope continues to expand it may be necessary for CDM Smith to submit an additional quote.

The Robert Kessler Agency submitted its proposal for the Authority's 2017 Municipal Insurance. Howell Moskowitz, from the Robert Kessler Agency, obtained two quotes. One was from the incumbent carrier, State National Insurance Company, Inc., which is administered through Brit Global Specialty USA ("BRIT"). The second was from Houston Casualty Insurance Company ("HCC"). The minor differences between the two proposals are with the Policy Aggregate Limits for both the Public Official and Employment Practices Liability and the Pollution Cleanup Sublimit. Brit offers \$25,000.00 and HCC offers \$10,000.00 for the cleanup sublimit. Both policies include Failure to Supply. Both policies contain broadened definitions for Water Companies. The coverage from BRIT was \$1,000,000 Per Occurrence and \$3,000,000 Aggregate (annually). The coverage from HCC was \$1,000,000 Per Occurrence and \$1,000,000 Aggregate). The difference for the Policy Aggregate Limits is for the Public Official and Employment Practices Liability. Howell Moskowitz, via speaker phone, explained that the Umbrella Coverage, includes \$10,000,000 in the Primary Umbrella plus \$25,000,000 in the Excess Umbrella for a total Umbrella of \$35,000,000, and that the Umbrella Coverage would activate if the Aggregate was met, so the additional \$2,000,000 for the Aggregate that was being offered by BRIT was not worth the additional \$8,162.88 for the premium. The Superintendent advised that Mr. Moskowitz received revised pricing from BRIT that was lower than what they had submitted in time to be included in the Board Packet, as indicated in the two charts below. The Package Coverage includes Auto, General Liability, Public Official, EPLI, Property, Inland Marine and the \$10,000,000 Primary Umbrella:

PACKAGE COVERAGE 12/7/16	BRIT	HCC
Package	\$93,405.00	\$82,351.00
NYSTaxes & Fees	\$382.83	\$448.12
Terrorism	\$1,454.00	\$931.00
Excess Umbrella \$25,000,000*	\$37,000.00	\$37,000.00
Total Annual Premium	\$132,241.80	\$120,730.12

REVISED COVERAGE 12/13/16	BRIT	HCC
Package	\$90,094.00	\$82,351.00
NYSTaxes & Fees	\$382.83	\$448.12
Terrorism	\$1,417.00	\$931.00
Excess Umbrella \$25,000,000*	\$37,000.00	\$37,000.00
Total Annual Premium	\$128,893.00	\$120,730.12

*The Excess Umbrella is written with Navigators Insurance Company.

Additionally, HCC offered a three year guarantee for the rate, so that while the premiums can change due to changes in exposure (i.e. losses, payrolls, and vehicle), the rate itself will not change. The rate guarantees do not bind the Authority to the carrier for three years; annual renewals will be at the option of the Authority. On the motion of Director Levy, seconded by Director Lopatkin, by Resolution #16-12-06, the Board approved going with HCC for the Authority's 2017 Insurance, pending Mr. Moskowitz' furnishing the proposal for the \$25,000,000 Excess Umbrella Policy, which was not included in the proposals. The vote was 7 for, 0 against, 0 abstentions. Copies of the Proposals are on file with the Secretary.

Director Lopatkin advised the Board that the Audit Committee met to approve the Annual Audit Committee Report on December 12, 2016, and that the Committee was satisfied that the audits of the Authority are being made in accordance with the requirements of the Government Accounting Standards Board, and that the Committee will continue to review the financial condition of the Authority and will review the independent external audit for 2016 when it is completed. A copy of the Report is on file with the Secretary.

On the motion of Director Celender, seconded by Director Frank, by Resolution #16-12-07 the Board approved the reappointment of Director Weinberg to the Audit Committee for a term of 3 years, from January 1, 2017, to December 31, 2019. The vote was 7 for, 0 against, 0 abstentions.

On the motion of Director Celender, seconded by Director Bral, by Resolution #16-12-08 the Board approved the reappointment of Director Lopatkin to the Audit Committee as a member and as the Chairperson, for a term of 3 years, from January 1, 2017, to December 31, 2019. The vote was 7 for, 0 against, 0 abstentions.

On the motion of Director Celender, seconded by Director Bral, by Resolution #16-12-09, the Board approved the reappointment of Director Weinberg to the Governance Committee for a term of 3 years, from January 1, 2017, to December 31, 2019. The vote was 7 for, 0 against, 0 abstentions.

On the motion of Director Levy, seconded by Director Weinberg, by Resolution #16-12-10, the Board went into Executive Session at 6:50 p.m. to discuss employee relations. The Board emerged from Executive Session at 7:50 p.m.

On the motion of Director Lopatkin, seconded by Director Levy, by Resolution #16-12-11, the Board made the following reappointments and/or increases in compensation, effective January 1, 2016:

- The Board reappointed Ralph Kreitzman, as Vice Chairperson, for a term of four years, from January 1, 2017 to December 31, 2020, for no compensation.
- The Board authorized the continued compensation of the Deputy Chairperson.
- The Board reappointed Judith Flynn, as Treasurer, for a term of one year, from January 1, 2017 to December 31, 2017.
- The Board reappointed Lisa Schlichting, as Secretary, for a term of one year, from January 1, 2017 to December 31, 2017.
- The Board authorized a 6.63% increase in compensation to Gregory Graziano, as Superintendent, to \$202,683.20, from the \$190,080.00 received in 2016.
- The Board authorized a 10.75% increase to Lisa Schlichting, as Secretary, to \$76,372.56, from the \$68,959.00 received in 2016.
- All management/top executive positions, except the Superintendent and the Secretary, will receive a 3.5% increase in the rate of compensation from what they received in 2016.

The vote was 7 for, 0 against, 0 abstentions.

The meeting was adjourned at 8:00 p.m.

Approved by Secretary: Lisa Schlichting Date: 1/17/17