

Final: November 21, 2017

**MEETING OF THE BOARD OF DIRECTORS OF
THE WATER AUTHORITY OF GREAT NECK NORTH
HELD ON OCTOBER 16, 2017
AT 50 WATERMILL LANE, GREAT NECK, NEW YORK.**

PRESENT:

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

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

ALSO PRESENT:

Ralph J. Kreitzman, Vice-Chairperson
Robert Graziano, Deputy Chairperson
Gregory Graziano, Superintendent
Michael Rispoli, Assistant Superintendent
Sue Huang, Civil Engineer
Judith Flynn, Treasurer
Lisa Schlichting, Secretary
Stephen G. Limmer, Counsel
Gary Stuart, Engineer

Water Authority of Great Neck North
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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:

Pedram Bral, Director

Village of Great Neck

The Board meeting was called to order at 6:00 p.m. Six members (Chairperson/Director Kalnick, Directors Celender, Frank, Lopatkin, Smiley, and Weinberg) were present, constituting a quorum.

On the motion of Director Weinberg, seconded by Director Lopatkin, by Resolution #17-10-01, the Minutes of the Board's September 18, 2017, meeting were reviewed by the Directors and were approved, with the addition on page 4, on page 4, 2nd paragraph from the bottom, "to discuss the terms of the lease with the County of Nassau, and the qualifications of the proposers and bidders for the Authority's internal audit and contract for Sodium Hypochlorite." The vote was 6 for, 0 against, 0 abstentions.

On the motion of Director Weinberg, seconded by Director Lopatkin, by Resolution #17-10-02, the Board reviewed and approved the Abstract of Claims. The vote was 6 for, 0 against, 0 abstentions. A copy of the Abstract is on file with the Secretary.

On the motion of Director Weinberg, seconded by Director Lopatkin, by Resolution #17-10-03, the Board reviewed and approved the Treasurer's Monthly Report. The vote was 6 for, 0 against, 0 abstentions. A copy of the Report is on file with the Secretary.

On the motion of Director Lopatkin, seconded by Director Weinberg, by Resolution #17-10-04, the Board reviewed and accepted the Revenue and Expenses Quarterly Report for the period ended March 31, 2017. The vote was 6 for, 0 against, 0 abstentions. A copy of the Report is on file with the Secretary.

On the motion of Director Lopatkin, seconded by Director Weinberg, by Resolution #17-10-05, the Board reviewed and approved the 2018 Final Budget. The vote was 6 for, 0 against, 0 abstentions.

Camp Dresser McKee & Smith ("CDM Smith") reviewed the financial condition of the Authority and the 2018 Final Budget that they received from the Authority. CDM Smith found that the budget sets forth a total aggregate debt service of \$2,347,441.00 and estimates net operating revenues, before interest and depreciation, of \$3,195,485.00. Accordingly, CDM Smith certified that the Net Revenues of the Authority for the 2017 Fiscal Year and for the 2017 Fiscal Year are sufficient to comply with the Net Revenue Requirement covenant as set forth in section 7.11 of the Water System Revenue Bond Resolution, dated March 21, 2016, of the Authority. By letter dated October 4, 2017, CDM Smith approved the 2018 Final Budget.

On the motion of Director Weinberg, seconded by Director Lopatkin, by Resolution #17-10-06, the Board reviewed and accepted the Capital Improvement Projects Report for the period ended September 30, 2017. The vote was 6 for, 0 against, 0 abstentions.

On the motion of Director Smiley, seconded by Director Lopatkin, by Resolution #17-10-07, the Board reviewed and accepted the Treasurers Certification required by the Bond Resolution that the Net Revenues of the Authority for the 2017 Fiscal Year and the 2018 Fiscal Year are sufficient to comply with the Net Revenue Requirement covenant as set forth in section 7.11 of the Water System Revenue Bond Resolution, dated March 21, 2016, and directed the Treasurer to file a certified copy of the resolution, with the information required by the Bond Resolution, with the Trustee on or before November 1, 2017. The vote was 6 for, 0 against, 0 abstentions.

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. The EFC granted an extension until September 2021.
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. Incorporating Authority comments into the 100% design.
Well 5 – Due to salt water modeling results only SCADA work will be completed under EFC SMLP financing.

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 conducted the site visit and is beginning the design.

Well 8 – Demolition of existing building and construction of new well house (existing building is below grade and therefore potentially subject to flooding). Pending DEC's response to the Superintendent's letter dated 7/12/17, it will be determined whether the new well will be drilled or the existing well rehabilitated.

2. Weybridge Road Tank Catwalk Structural Review – Review of design plans submitted by Verizon for new antenna to be installed on tank. Funding was received from all of the carriers.
3. SCADA Upgrade – Installation of new control panels, communications equipment, and associated work at all sites so that all SCADA equipment is consistent and up-to-date. Work at some sites is being funded through SMLP program. Eagle Control Corporation is beginning submittals.
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 both the Lloyd and Magothy Aquifers. The modeling is complete. The Superintendent sent a letter to the DEC and we are waiting for their reply.
5. 2017 Water Main Improvements – Replacement of approximately 13,000 feet of water main including valves, hydrants, and services in Great Neck Estates & Saddle Rock Estates. CDM Smith is working on the final design.
6. Greenway Terrace Water Main – Installation of approximately 800 feet of water main for new development. Notice of award of contract was issued to Bancker Construction. The contract documents are being reviewed by Counsel Limmer. Deputy Chairperson Graziano suggested that CDM Smith send a letter to the developer advising that Bancker Construction and Engineering costs may go up if the developer's contractor continues to run behind schedule.
7. Well 7 Electrical and Instrumentation Upgrades – Various upgrades to improve reliability including new electrical service, motor control center, transformer, wiring, and chemical safety panel. CDM Smith submitted the draft design drawings and specifications to the Authority for review.

Gregory Graziano presented the Superintendent's Report:

CDM Smith submitted its revised proposal, by letter dated September 28, 2017, for Engineering and Inspection Services for the Weybridge Road Elevated Tank Catwalk Structural Improvements Project. The structural analysis of the catwalk was paid for by the carriers, and the cost for the construction and engineering that is being bid out by the Authority will be reimbursed to the Authority by the carriers. CDM Smith's original proposal for oversight was \$88,500.00. The time required for the construction oversight was extended beyond what was expected, therefore, CDM Smith submitted a revised proposal for \$90,035.00. On the motion of Director Weinberg, seconded by Director Lopatkin, by Resolution #17-10-08, the Board approved CDM Smith's revised proposal for Engineering Services for Engineering and Inspection Services for the Weybridge Road Elevated Tank Catwalk Structural Improvements Project, for a fee of \$90,035. 00. The vote was 6 for, 0 against, 0 abstentions. A copy of the proposal is on file with the Secretary.

CDM Smith submitted its revised proposal, by letter dated September 28, 2017, for Engineering Services and Construction Oversight of the replacement of the existing cellular equipment on the Weybridge Road Elevated Tank. The four cellular companies provided a structural analysis of the catwalk and the companies will pay for the improvements that were identified in the analysis. Each of the cellular companies will replace their existing system with new. The Cellular Carriers will reimburse the Authority for the cost of the work and Engineering Services. CDM Smith's original proposal was \$43,870.00. Because the time required for the construction oversight was extended beyond what was expected, CDM Smith submitted a revised proposal for \$45,715.00. On the motion of Director Weinberg, seconded by Director Lopatkin, by Resolution #17-10-09, the Board approved CDM Smith's revised proposal to provide construction oversight for the replacement of the existing cellular equipment for the Weybridge Road Elevated Tank, for a fee of \$45,715.00. The vote was 6 for, 0 against, 0 abstentions. A copy of the proposal is on file with the Secretary.

Superintendent Graziano advised the Board that Pursuant to Authorities Budget Office Policy Guidance No. 17-02, issued on June 5, 2017, the Authority is required to designate an individual who will act as an authorized contact during each procurement activity. To satisfy this requirement, the Superintendent recommended that Item 7

on page 3 of the Procurement Policy be revised from "The Procurement Officer is Superintendent Gregory C. Graziano" to: "The Procurement Officer and the Contact Person is Superintendent Gregory C. Graziano". On the motion of Director Celender, seconded by Director Weinberg, by Resolution #17-10-10, the Board approved changing the Procurement Policy to: "The Procurement Officer and the Contact Person is Superintendent Gregory C. Graziano". The vote was 6 for, 0 against, 0 abstentions. A copy of the Policy is on file with the Secretary.

Superintendent Graziano advised the Board that the Authority's current office cleaning company, Anderson Nanotech Solution Inc., requested an increase of 49%, from its current price of \$1,528.00 to \$2,276.00 per month. The Authority solicited proposals for cleaning services for the office facilities at 50 Watermill Lane. Three proposals were received:

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| 1. JAN-PRO Cleaning Systems | \$1,699.00 per month |
| 2. AV Cleaning Services, Inc. | \$1,600.00 per month |
| 3. Anderson Nanotech Solution Inc. | \$2,276.00 per month |

The Superintendent recommended that JAN-PRO be awarded the contract for 2018. It offers full disinfecting in the restrooms and conducts regular Inspection Reports to insure that the offices are being properly maintained. On the motion of Director Lopatkin, seconded by Director Weinberg, by Resolution #17-10-11, the Board approved awarding the contract for cleaning services to JAN-PRO Cleaning Systems, on the condition that the contract be amended to eliminate the finance charges and to specify exactly what is included in the rates. The vote was 6 for, 0 against, 0 abstentions. Copies of the proposals are on file with the Secretary.

Director Levy entered the meeting at 6:25 p.m. The Board meeting was adjourned for an Audit Committee Meeting. The Board meeting resumed at 6:30 p.m.

The Authority solicited Request for Proposals ("RFP") for the Authority's Internal and External Audits. The RFP was sent to: Cullen & Danowski, LLP, Abrecht, Viggiano, Zureck & Company, P.C., EPFR Group, CPAs, PLLC (Formerly Toski & Co.), SaxBST LLP, SATTY, LEVINE & CIACCO, CPAs, P.C., Pappas & Co, Rynkar Vail & Barrett, LLP, and CostaRothbort CPAS LLC. The Internal Audit was awarded to Rynkar Vail & Barrett, LLP, at the September Board Meeting. The award for the Authority's External Auditor was tabled until the October Board meeting, when all three Audit Committee members were present. Proposals for the External Audit were received from the below two firms:

<u>EXTERNAL AUDIT: 2017-2018-2019</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
1. Satty, Levine & Ciacco, CPAs, P.C.	\$22,500.00	\$22,500.00	\$23,500.00
2. Cullen & Danowski, LLP	\$30,000.00	\$31,000.00	\$32,000.00

On the motion of Director Lopatkin, seconded by Director Celender, by Resolution #17-10-12, upon the recommendation of the Audit Committee, the Board approved the retention of Satty, Levine & Ciacco, CPAs, P.C as the Authority's External Auditor for 2017, with the option to the Authority to renew the engagement for 2018 and 2019. The vote was 7 for, 0 against, 0 abstentions. Copies of the Proposals are on file with the Secretary.

On the motion of Director Levy, seconded by Director Lopatkin, by Resolution #17-10-13, the Board unanimously approved the retention of Stephen Limmer and the firm of McLaughlin & Stern, LLP, as General Counsel for the Authority's fiscal 2018 year, pursuant to Stephen Limmer's proposed retainer letter dated October 3, 2017. There will be a rounded increase of 1% for general retainer work. All other rates will remain the same, except that a new category for 10-year associates was added at \$250.00 per hour. The vote was 7 for, 0 against, 0 abstentions. A copy of the letter is on file with the Secretary.

On the motion of Director Weinberg, seconded by Director Lopatkin, by Resolution #17-10-14, the Board went into Executive Session at 6:40 p.m. to discuss a personnel issue. The Board emerged at 7:00 p.m. Chairperson Kalnick announced that no action had been taken and no minutes would be produced. The meeting was adjourned at 7:01 p.m.

Approved by Secretary: 

Date: November 21, 2017