

Final: October 19, 2016

**MEETING OF THE BOARD OF DIRECTORS OF
THE WATER AUTHORITY OF GREAT NECK NORTH
HELD ON SEPTEMBER 19, 2016,
AT 50 WATERMILL LANE, GREAT NECK, NEW YORK.**

PRESENT:

Michael C. Kalnick, Chairperson
Edward Causin, Director
Carol Frank, Director
Dan Levy, Director
Susan Lopatkin, Director
Steven Weinberg, Director

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

ALSO PRESENT:

Ralph J. Kreitzman, Vice-Chairperson
Robert Graziano, Deputy Chairperson
Gregory Graziano, Superintendent
Stephen Moriarty, Assistant Superintendent
Suet-Yee Huang, Civil Engineer
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
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Ackerman, Levine, Cullen, Brickman & Limmer, LLP
CDM Smith, Consulting Engineers

NOT PRESENT:

Pedram Bral, Director
Jean Celender, Director

Village of Great Neck
Village of Great Neck Plaza

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

On the motion of Director Weinberg, seconded by Director Lopatkin, by Resolution #16-09-01, the Minutes of the Board's August 15, 2016, meeting were reviewed by the Directors and were approved, with the following revision to page 3:

On the motion of Director Lopatkin, seconded by Director Celender, by Resolution #16-08-06, the Board adjourned for advice of counsel at 6:40 p.m. to discuss the underground injection well at Watermill Lane. The Board returned from its advice of counsel and resumed the meeting at 6:49 p.m. The meeting was adjourned at 6:50 p.m.

The vote was 6 for, 0 against, 0 abstentions.

On the motion of Director Levy, seconded by Director Weinberg, by Resolution #16-09-02, 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 Levy, seconded by Director Weinberg, by Resolution #16-09-03, 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 Weinberg, seconded by Director Causin, by Resolution #16-09-04, the Board reviewed and approved the 2017 Draft Budget, with the following changes:

1. An additional column will be added to page 1 of the 2016 Capital Improvement Plan Reforecast titled "MULTI-YEAR PROJECT CARRY FORWARD BUDGET". The column will contain the budgeted amounts for projects that carry into the next fiscal year. The column will be left empty for projects that are only for one fiscal year.
2. The title "<OVER> UNDER" column will be changed to "BUDGET VARIANCE OVER (-) UNDER (+)". This column will be left empty for multi-year projects that are being carried into the next fiscal year.

The vote was 6 for, 0 against, 0 abstentions.

Camp Dresser McKee & Smith ("CDM Smith") reviewed the financial condition of the Authority and the 2017 Draft Budget that they received from the Authority. CDM Smith found that the budget sets forth a total aggregate debt service of \$2,416,563.00 and estimates net operating revenues, before interest and depreciation, of \$3,448,800.00. Accordingly, CDM Smith certified that the Net Revenues of the Authority for the 2016 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 September 15, 2016, CDM Smith approved the 2017 Draft Budget. CDM Smith will review the Final Budget.

Gary Stuart presented the Engineer's Report:

1. **Dock Lane Water Main Replacement** – The replacement of approximately 3,800 feet of water main including valves, hydrants, and services on Dock Lane in Kings Point has been completed. The contractor is Bancker Construction. As-builts, valve sheets, and GIS update are 75% complete.
2. **Storm Mitigation Loan Program ("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 the existing well, but replacing the existing pump with a new one. New chemical feed system. Working on the 60% design submission, which is due by end of September 2016.

Well 5 – Demolition of existing building and construction of new well house. Need to install new pump that is above flood elevation (it is currently in below-grade vault). New screen will be installed in existing well. Working

on cost analysis of replacing entire building vs. new building for pump only. Design completion is scheduled for end of December 2016.

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. Currently determining whether to reuse existing well or drill new one.

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. Waiting for DEC to issue permit to install new well, which is scheduled to start in October 2016. Design completion is scheduled for March 2017.

3. **Weybridge Road Tank Catwalk Structural Review** – Review of design plans submitted by Verizon for new antenna to be installed on tank. The Superintendent emailed Verizon's Counsel requesting a response to the report that CDM Smith sent in February.
4. **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. Submitted 60% design and held meeting to discuss Authority's comments.
5. **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. Held internal model development calls to set up boundary conditions and discuss approach. Received pumping data from WAGNN for 2011 to present. CDM Smith currently has pumping data through 2010. Model development has been initiated.

Gary Stuart reviewed the Five Year Capital Plan with Superintendent Graziano and advised the Superintendent that it is acceptable. On the motion of Director Weinberg, seconded by Director Lopatkin, by Resolution #16-09-05, the Board acknowledged that the Five Year Capital Plan was reviewed by the Directors and the Five Year Capital Plan was approved. The vote was 6 for, 0 against, 0 abstentions. A copy of the Five Year Capital Plan is on file with the Secretary.

Stephen Moriarty presented the Assistant Superintendent's Report:

The Assistant Superintendent reported that the new Caustic Tank at Well 11A was installed and the forming of the foundation walls was completed. The concrete will be poured next week. The Well 11 pump and motor will be used in Well 11A. Well 11 will remain in operation until the pump and motor are needed for Well 11A.

Gregory Graziano presented the Superintendent's Report:

On the motion of Director Levy, seconded by Director Causin, by Resolution #16-09-06, the Board adopted a resolution approving the Designation between the Authority and the Village of Kings Point presented to and modified at the meeting, and authorized the Vice Chairperson to act as the designee of the Authority to sign the Designation as modified by the Board. The vote was 6 for, 0 against, 0 abstentions. A copy of the Designation, as modified, is on file with the Secretary.

On the motion of Director Levy, seconded by Director Causin, by Resolution #16-09-12, the Board adopted the following resolution.

WAIVER

WHEREAS, the Authority has been created for the purpose, among others, of operating a water system that sells, furnishes, and distributes water for domestic, commercial, and public uses within the Authority District, which includes, but is not limited to, the Village of Kings Point (the "Village"); and

WHEREAS, the Village was granted the right, privilege, easement, and right-of-way, forever, for purposes of fire protection and for ingress and egress for such limited purpose only in and over the private roadway running from Kings Point Road to Manhasset Bay as shown on a certain map, that private roadway now known as Dock Lane (the north spur after the fork in the road proceeding from Kings Point Road toward Manhasset Bay) (the "Indenture"); and

WHEREAS, the Village and the Authority agree that it is in their respective best interests, and in the interest of the residents and property owners of the Village and the Authority, and, more particularly, the residents and owners of the properties along Dock Lane, for the Village to appoint the Authority as its designee under the Indenture, with the authority to take all of the actions to which the Village is entitled pursuant to the Indenture and, upon such designation, as designee of the Village, the Authority to assume all of the responsibilities for the Authority's actions as designee of the Village pursuant to the Indenture; and

WHEREAS, Stephen G. Limmer, of the firm Ackerman, Levine, Cullen, Brickman & Limmer, LLP, acts as general counsel to both the Authority and the Village, and, in that capacity, at the direction and on behalf of both the Authority and the Village, he has drafted a proposed "Designation of Rights and Assumption of Liabilities" to implement the said appointment;

NOW THEREFORE, the Authority waives any conflict in Stephen G. Limmer's representation of both the Authority and the Village in the drafting and overseeing the execution and recording of that Designation.

The vote was 6 for, 0 against, 0 abstentions.

Superintendent Graziano advised the Board that the Authority opened bids for the Paving and Restoration contract at the Authority's offices on September 8, 2016. Two bids, from DeRosa Paving, Inc., and Gold Coast Pavers, were submitted. The price, per year, from DeRosa Paving, Inc., was \$15,138.75, totaling \$45,416.25 for the three years. The price, per year, from Gold Coast Pavers, Corp., was \$16,886.90 for 2017; \$16,879.40 for 2018; and \$18,436.65 for 2019; totaling \$52,202.95 for the three years. The prices furnished in DeRosa's 2017, 2018, and 2019 proposal are approximately 8.5 percent (8.5 %) lower than the pricing in its 2014, 2015, and 2016 contract (\$16,556.25 per year). The Superintendent noted that the work performed for the Authority from 2014 to 2016 was excellent; and recommended that the 2017, 2018, and 2019 contract be awarded to DeRosa Paving, Inc., the lowest responsible bidder, with the understanding that the award is only for the first year of the contract, with the Authority reserving its right to extend the contract for the second and third years of the contract pursuant to the terms of the contract. On the motion of Director Lopatkin, seconded by Director Levy, by Resolution #16-09-07, the Board approved awarding the 2017 contract for Paving and Restoration to DeRosa Paving, Inc. The vote was 6 for, 0 against, 0 abstentions.

Superintendent Graziano advised the Board that a canvas of insurance companies revealed that the Authority could save approximately \$9,106.56 annually by switching the Authority's Dental Insurance from Sun Life Financial to MetLife with substantially the same coverage. The current annual premium for Sun Life Financial is \$34,972.80. The proposed annual premium from Sun Life Financial is \$42,947.28. The proposed annual premium from MetLife is \$32,938.32 for a one year period. The proposed annual premium from MetLife, for a two year period, is \$33,840.72. The Superintendent recommended switching from Sun Life Financial to MetLife for the Authority's Dental Insurance, for the annual premium of \$33,840.72, for a two year period, effective November 1, 2016. On the motion of Director Levy, seconded by Director Weinberg, by Resolution #16-09-08, the Board approved switching to MetLife for the Authority's Dental Insurance, effective November 1, 2016. The vote was 6 for, 0 against, 0 abstentions.

Director Causin thanked the Deputy Chairperson, Superintendent, and Supervisor of Water Plant Operations for meeting with him and Great Neck Estates Deputy Mayor Warner, Trustee Farkas, and Department of Public Works Superintendent Garvey, on Tuesday, September 13, 2016, to discuss upcoming road work that the Village is planning. Director Causin suggested that the Authority issue a memo to all of the Villages reminding them that if the Authority is notified during the planning stages of road reconstruction or rehabilitation (9 to 12 months in advance), the Authority can identify if water main work is needed on the roads so that the work can be coordinated in time to effect savings to both the Village and the Authority and prevent unnecessary excavation by the Authority into the new road. The Superintendent advised that he will follow up.

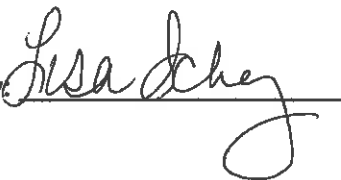
On the motion of Director Lopatkin, seconded by Director Weinberg, by Resolution #16-09-09, the Board adjourned for advice of counsel at 7:20 p.m. to discuss a possible claim against the County. The Board returned from its advice of counsel and resumed the meeting at 7:30 p.m.

On the motion of Director Levy, seconded by Director Weinberg, by Resolution #16-09-10, the Board authorized Counsel to serve Notices of Claim upon the County of Nassau regarding the damages caused to the Authority by the water main break that occurred on Orchard Road, where the Authority discovered that Nassau County had constructed a culvert in a manner that encapsulated one of the Authority's water mains, and as to the additional roads where the Authority has now learned that the County has similarly constructed culverts in a manner that encapsulated other water mains of the Authority, not only damaging and impairing the ability of the Authority to maintain those mains, but also in violation of health code requirements as to the distance to be maintained between such culverts and the Authority water mains. The vote was 6 for, 0 against, 0 abstentions.

On the motion of Director Levy, seconded by Director Weinberg, by Resolution #16-09-11, the Board approved amending the Authority's Health Insurance Plan to revise the Definition of Management Positions (Page 2, paragraph 2(g)) to include the Civil Engineer. The vote was 6 for, 0 against, 0 abstentions.

The meeting was adjourned at 7:35 p.m.

Approved by Secretary:



Date:

