

Final: October 22, 2013

**MEETING OF THE BOARD OF DIRECTORS OF THE WATER AUTHORITY OF
GREAT NECK NORTH HELD ON SEPTEMBER 16, 2013 AT 50 WATERMILL
LANE, GREAT NECK, NEW YORK**

PRESENT:

Michael C. Kalnick, Chairperson
Ellen Birnbaum, Director
Edward Causin, Director
Jean Celender, Director
Ralph J. Kreitzman, Director
Dr. Dan Levy, Director
Susan Lopatkin, Director
Steven Weinberg, Director

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

ALSO PRESENT:

Howard Miskin, Vice Chairperson
Gregory Graziano, Superintendent
Kathleen Friend, Treasurer
Stephen Moriarty, Assistant Superintendent
Robert McCormack, Supervisor, Water
Plant Operations
Lisa Schlichting, Secretary
Stephen Limmer, Counsel

Chris Francis

Water Authority of Great Neck North
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Water Authority of Great Neck North
Ackerman, Levine, Cullen, Brickman
& Limmer, LLP
D&B Engineers and Architects, P.C.,
Consulting Engineer

NOT PRESENT:

Robert Graziano, Deputy Chairperson

Water Authority of Great Neck North

The Board meeting was called to order at 6:04 p.m. Seven members, (Chairperson/Director Kalnick, Directors Birnbaum, Causin, Celender, Kreitzman, Levy, and Lopatkin) were present, constituting a quorum.

On the motion of Director Kreitzman, seconded by Director Levy, by Resolution #13-09-01, the Board approved the Minutes of the Board's July 15, 2013 and August 26, 2013 meetings. The vote was 7 for, 0 against, 0 abstentions.

On the motion of Director Kreitzman, seconded by Director Birnbaum, by Resolution #13-09-02, the Board acknowledged that the Abstract of Claims was reviewed by the Directors and the Abstract was approved. 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 Kreitzman, seconded by Director Celender, by Resolution #13-09-03, the Board acknowledged that the Treasurer's Monthly Report was reviewed by the Directors and the Report was accepted. The vote was 7 for, 0 against, 0 abstentions. A copy of the Report is on file with the Secretary.

Director Weinberg entered the meeting at 6:06 p.m.

The Superintendent presented the 2014 Budget. The Operating Budget reflects a 2% decrease, largely attributable to retirees that either have not been replaced, or have been replaced by employees receiving lower wages. The Superintendent advised that the current rates will remain in effect through 2014, which will be the seventh year in a row that the rates have remained stable. The budget meets and exceeds the 110% net revenue requirement. On the motion of Director Levy, seconded by Director Kreitzman, by Resolution #13-09-04, the Board acknowledged that the 2014 Budget was reviewed by the Directors and was adopted as the Final Budget. The Treasurer was directed to file a copy of the Budget with the Trustee. The vote was 8 for, 0 against, 0 abstentions. A copy of the budget is on file with the Secretary.

Dvirka and Bartilucci ("D&B") reviewed the 2014 Budget that they received from the Authority as required under Section 7.08 of the Authority's Water System Revenue Resolution. The budget sets forth an aggregate debt service of \$2,978,750.00 and projects net operating revenues, before interest and depreciation, of \$3,598,150.00. The net operating revenues are greater than 110 percent of the aggregate debt service and therefore meet the Authority's minimum requirement. Based on that, by letter dated September 6, 2013, D&B certified that the Budget for 2014 provided for net operating revenues (before interest and depreciation) greater than 110 percent of the aggregate debt service and, therefore, met the Authority's minimum requirement under the Authority's Bond Resolution and recommended adoption of the Budget. On the motion of Director Kreitzman, seconded by Director Weinberg, by Resolution #13-09-05, the Board directed the Treasurer to file a copy of the letter with the Trustee. The vote was 8 for, 0 against, 0 abstentions. A copy of the letter is on file with the Secretary.

Bill Merklin presented the Engineer's Report:

The Nassau County Department of Health ("NCDH"), D&B Engineers and Architects, P.C. ("D&B"), and Philip Ross Industries, Inc. are continuing to investigate the cause of the bacteria that is being detected in the sample results at the new Packed Tower Aeration Treatment System at Community Drive. Philip Ross Industries, Inc. is working on the punch list.

D&B held the pre-construction meeting with Hinck Electrical Contractor, Inc., for Electrical Improvements at Well 10A at Ravine Road. Work will commence after October 1, 2013.

The New York State Department of Environmental Conservation and the NCDH approved the permit applications and design report for the Rehabilitation of Well 11A at Watermill Lane. D&B is working on the modified design.

The contract for the Water Main Improvements at Cricket Lane and Pond Road was awarded to Bancker Construction Corp. The contracts have been executed and D&B has issued a Notice to Proceed. D&B is working on a separate bid document for the Kings Point Road portion of the project.

Gregory Graziano presented the Superintendent's Report:

To address Director Causin's concerns regarding advertisements promoting Geothermal Wells in the Great Neck Record, Superintendent Graziano revisited the letter that he reviewed with the Board at the June 2010 Board meeting, along with a report from the Connecticut Department of Health: "Recommendations for Regulation of Geothermal Wells", and a letter from D&B. The Superintendent reiterated that his opinion continues to be that the position of the Authority is that no wells, systems, or any other type of drilling into the aquifer should take place now or in the foreseeable future. Director Levy asked why the Authority was opposed to Geothermal Wells. The Superintendent advised that there are no regulations in place for closed loop drinking water systems. Most closed loop drinking water systems use PVC's. If the PVC piping is compromised or fails, or if the grout degrades, contaminants will seep into the water. Director Levy asked why the Authority couldn't put in its own regulations. Director Lopatkin advised that as a technology, geothermal wells have not been fully vetted and that the Authority is not large enough to take on an issue as big as this. There is always the potential for unintended and unexpected consequences. Superintendent Graziano and Counsel Limmer reminded the Board that in 1994 the Villages signed local laws that prevented drilling, digging, or tapping into subsurface water sources. These local laws protect the aquifer. The Authority cannot risk the aquifer being compromised or punctured. Director Causin suggested that the Authority investigate potential vehicles for informing the public of the Authority's position on Geothermal Wells, such as placing ads in the local newspapers, including a notice in the billing statements, or posting a notice on our website.

Superintendent Graziano advised the Board that in investigating a water leak to a single-family dwelling on Arleigh Road in the Village of Kensington, it was determined that the leak is in an old iron pipe connected to an iron main that runs through a reserve strip, which is then connected to a main in Second Road in the Village of Great Neck. There are significant issues in addressing the leak because the main that would have to be turned off is connected to many homes, the iron main within the reserve strip was buried at some point, apparently by a developer of the homes at the south end of Second Avenue, so that the main is now about 16 feet below the grade, on a steep slope, in a wooded area, and the iron main itself is probably fragile, and opening and exposing the inside of the iron main for repairs could cause significant additional disintegration of the main. The most reasonable manner of addressing the situation is to reconnect the homes presently being served by the iron main, in the short term, all of those being served by that portion of the iron main that is significantly buried. Because of the urgency in stopping the leak and obviating the significant difficulties that would suddenly arise if new leaks occur in any of the other iron pipes connected to the iron main or in the iron main itself during the up-coming winter months, Superintendent Graziano recommended that since the leaky pipe has brought to the attention of the Board an unforeseen condition affecting the life, health, and safety of property and inhabitants of the District, which is an

emergency situation, as defined in General Municipal Law § 103(4), requiring immediate action that cannot await public bidding, the Board authorize a contract with Bancker Construction Corp. to perform such work as Superintendent Graziano deems reasonable or necessary to redirect the water supply to the homes at the south end of Second Road and in the Village of Kensington serviced by the iron main. On the motion of Director Celender, seconded by Director Loptakin, by Resolution #13-09-06, the Board went into Executive Session at 6:45 p.m. The Board emerged from Executive Session at 7:27 p.m. On the motion of Director Causin, seconded by Director Weinberg, by Resolution #13-09-07, the Board found that the facts, as set forth above by Superintendent Graziano, constituted an emergency situation as defined in General Municipal Law § 103(4), and, therefore, authorized Superintendent Graziano to contract with Bancker Construction Corp. to perform such work as Superintendent Graziano deems reasonable or necessary at this time to redirect the water supply to the homes at the south end of Second Road and in the Village of Kensington serviced by the iron main. The vote was 8 for, 0 against, 0 abstentions.

On the motion of Director Kreitzman, seconded by Director Levy, by Resolution #13-09-08, the meeting was adjourned at 7:30 p.m.

The next Board of Directors Meeting is scheduled for
Monday, October 21, 2013 at 6:00 p.m.