



CLIFTON PARK WATER AUTHORITY

BOARD MEETING MINUTES

MAY 9, 2018

Those present at the Clifton Park Water Authority board meeting were: Mr. Helmut Gerstenberger, Chairman; Mr. John Ryan, Vice Chairman; Mr. George Peterson, Treasurer; Mr. William Butler, board member; Mr. Donald Austin Jr., Administrator; Mr. Walter Schlesier Jr., Superintendent; Mr. Chad Kortz from C.T. Male Associates; and Mr. Neil Weiner, Attorney. Absent: Mr. Peter Taubkin, Secretary.

Mr. Gerstenberger called the meeting to order at 7:07pm.

PRIVILEGE OF THE FLOOR

No members of the public present.

OLD BUSINESS

WATER MAIN REPLACEMENT ON PLANK ROAD

A bid opening was held on Monday. Three bids were received. The bids were considerably higher than CT Male's \$100,000.00 estimate. The bids were \$171,000.00, \$177,000.00, and \$197,000.00. The two lowest bidders were directional drilling contractors, who normally are sub-contractors, and the third was a general contractor, who does their own drilling. Mr. Kortz spoke with the three contractors to find out why their bids were as high as they were. They stated they are busy and don't necessarily need the work right now. They felt the drill itself was pretty straight forward. The connections are a little tricky. The connection in the middle is deep and in a wet area which added cost for dewatering. One contractor, planned on a three week period to complete the job and they figured they would need flag people out every day, which was a big cost driver. The contractor stated that if the road was closed it would reduce some of the expense.

It was decided that this project would be put on hold for now. Mr. Austin had a discussion with the Town of Clifton Park Highway Superintendent Dahn Bull about the possibility of doing a joint project to save money by sharing some of the costs because Mr. Bull indicated that they would like to replace the storm pipe and culvert in the same area to an appropriate size for that application. He stated they would need the water main out of the way in order to do that work. Mr. Austin will follow up with Mr. Bull regarding this project.

VILLAGE OF ROUND LAKE WATER PURCHASE AGREEMENT EXTENSION

Mr. Austin met with Mayor Gary Putman and Village Attorney Thomas Peterson last Friday. He explained how the proposed water rate increase of 21% was calculated. They understand why the new rate is necessary. They recently levied an increase on their users to compensate for the costs of the DOH mandated water purification efforts, which he stated constitutes a significant burden on the residents. They sent a letter asking the CPWA Board to consider phasing in the new rate between the signing of the new agreement and September 18, 2020, the expiration date of the current contract. Mr. Austin estimated the annual overall cost increase to the Village to be about \$9,500.00, based on what they normally purchase. Based on their number of customers (300), Mr. Austin estimated an annual increase of \$35 for the average customer. The Board agreed to phase in 50% of the increase at the signing of the agreement and the other 50% increase at the one year anniversary of the signing. They also would like the term for rate adjustments to change from three (3) years to two (2) years in Section 3 part b of the First Amendment to Bulk Water Purchase Agreement. Mr. Austin will send a letter to the Mayor of the Village of Round Lake.

PROJECT TO INCREASE CAPACITY FROM SCWA

Mr. Kortz reported that the draft report has been completed. Once he receives comments from their grant writer and Mr. Austin they will begin preliminary design on the project. The grant piece should be completed within the next four to six weeks. The design phase will be done over the summer and should be ready to bid over the winter for next year's construction season. He stated this work should dovetail with the grant timing.

AMENDMENT TO VISCHER FERRY NATURE PRESERVE LEASE AGREEMENT

A **motion** was made by Mr. Ryan authorizing an amendment to the Lease Agreement with the NYS Canal Corporation; seconded by Mr. Gerstenberger.

RESOLUTION #12, 2018 – AUTHORIZING AN AMENDMENT TO THE LEASE AGREEMENT WITH THE NYS CANAL CORPORATION

WHEREAS, the Clifton Park Water Authority and the NYS Canal Corporation entered into a lease agreement in February of 1998 allowing the CPWA to operate production wells in the Vischer Ferry Nature Preserve, and

WHEREAS, the original lease term was for 20 years with the CPWA having the option to extend the lease for two additional 10-year terms and

WHEREAS, the CPWA wishes to exercise its option to extend the lease for an additional 10 years, and

WHEREAS, the Canal Corporation is asking the CPWA to amend the current lease to update the lease term, the rates and insurance requirements, and

WHEREAS, the CPWA is agreeable to the proposed amendment, now therefore be it

RESOLVED, that the Clifton Park Water Authority Board of Directors hereby agrees to amend the lease agreement with the NYS Canal Corporation as attached, and the Authority Administrator and/or Chairman is hereby authorized to execute the agreement and any other documents or instruments necessary to implement this agreement.

Roll Call Vote:

Mr. Gerstenberger - Aye
Mr. Ryan - Aye
Mr. Peterson - Aye
Mr. Taubkin - Absent
Mr. Butler - Aye

NEW BUSINESS

APPROVE INVESTMENT POLICY

A **motion** was made by Mr. Butler to adopt the Investment Policy; seconded by Mr. Ryan.

RESOLUTION #13, 2018 – ADOPTING CPWA INVESTMENT POLICY

RESOLVED, that the Clifton Park Water Authority Board of Directors hereby approves the policy with regard to the investment of Authority funds as attached.

Roll Call Vote:

Mr. Gerstenberger - Aye
Mr. Ryan - Aye
Mr. Peterson - Aye
Mr. Taubkin - Absent
Mr. Butler - Aye

APPROVE PROCUREMENT POLICY

Mr. Austin noted a change in the procurement policy. The Blanket Purchase Orders section was modified to include purchases of identical items or services that are made from an individual vendor frequently over the course of a year. A **motion** was made by Mr. Ryan to adopt the Procurement Policy; seconded by Mr. Gerstenberger.

RESOLUTION #14, 2018 – ADOPTING CPWA PROCUREMENT POLICY

RESOLVED, that the Clifton Park Water Authority Board of Directors hereby approves the procurement policy as attached.

Roll Call Vote:

Mr. Gerstenberger - Aye

Mr. Ryan - Aye
Mr. Peterson - Aye
Mr. Taubkin - Absent
Mr. Butler - Aye

OTHER BUSINESS

- Mr. Austin reported the Shenendehowa well has been disconnected.
- Mr. Peterson asked if the removal of the Barney Road tank project was still being pursued. Mr. Austin explained that NYSDOH will not allow it to be removed until more capacity is added to the system. Once the connection to SCWA is complete he will go back to NYSDOH and ask if it can be removed.
- Mr. Peterson asked if the Knolltop Tower will be re-inspected in June. Mr. Austin would prefer to wait until the SCWA project is situated and figure out whether we will receive any grant money to see where we are at financially before we commit to a \$600,000.00 tank renovation project.
- Mr. Gerstenberger asked about the progress of the anode project. Mr. Austin stated there are not many left in stock but noted that only half of the anodes were originally purchased for the project.
- Mr. Ryan questioned the large purchase amount for filters from Filtersource.com, Inc. Mr. Austin explained that the expense is actually less than C.T. Male Associates had estimated. Mr. Austin stated that the filtration process has been fine tuned and we are seeing an extended filter life, therefore saving money. He also stated the NYSDOH requires these filters to have proper certifications in order to be compliant. Mr. Ryan asked that the original estimate of operating cost be revisited. He also asked Mr. Austin to contact the company and ask about the possibility of doing a bulk purchase with just in time shipping for a volume discount.

APPROVE MINUTES OF APRIL 10, 2018 MEETING

A **motion** was made by Mr. Peterson to approve the minutes of April 10, 2018; seconded by Mr. Ryan. The **motion** carried 4-0, 1 absent.

The CPWA's next board meeting is Wednesday, June 13, 2018 at 7pm.

A **motion** was made by Mr. Butler to adjourn the meeting at 8:20pm; seconded by Mr. Peterson. The **motion** carried 4-0, 1 absent.

Respectfully submitted,
Sheri Collins
Recording Secretary

cc: CPWA Board of Directors
Neil Weiner, Esq.

NEW YORK STATE CANAL CORPORATION AMENDED LEASE
AGREEMENT

AGREEMENT BETWEEN THE NEW YORK STATE CANAL CORPORATION AND THE CLIFTON PARK WATER AUTHORITY RELATING TO THE LEASING OF NEW YORK STATE CANAL CORPORATION REAL PROPERTY

This FIRST AMENDED AGREEMENT (hereinafter referred to as the "First Amended Lease Agreement") is made and entered into this _____ day of _____, 2018, by and between the NEW YORK STATE CANAL CORPORATION (hereinafter referred to as the "Canal Corporation"), a subsidiary of the Power Authority of the State of New York, organized and operating as a public benefit corporation pursuant to Section 1005-b of the Public Authorities Law, as amended, with its principal office at 30 South Pearl Street, Albany, New York 12207, and the CLIFTON PARK WATER AUTHORITY (hereinafter referred to as "Lessee"), a public benefit corporation authorized by Title 6-B of Article 5 of the Public Authorities Law, with offices located at 661 Clifton Park Center Road, Clifton Park, New York, 12065.

WITNESSETH:

WHEREAS, the Canal Corporation was created in 1992 as a subsidiary corporation of the New York State Thruway Authority, and then continued and reconstituted as a subsidiary corporation of the New York Power Authority on January 1, 2017 pursuant to Section 1005-b of the N.Y. Public Authorities Law; and

WHEREAS, the Board constituting the Canal Corporation, pursuant to Resolution No. 117, adopted at Meeting No. CC-47 held on April 24, 1997, authorized the Executive Director of the Canal Corporation to execute a lease agreement with the Lessee for the lease of Canal Corporation real property located within the area known as the Vischer's Ferry Nature and Historic Preserve in the Town of Clifton Park, Saratoga County, New York and consisting of approximately 684 acres of land (hereinafter "Premises") on the terms contained in the agenda item; and

WHEREAS, the Canal Corporation and the Lessee executed a lease agreement (hereinafter referred to as the "Lease") dated February 18, 1998 for the Premises with an initial term of 20 years; and

WHEREAS, the Lease provides the Lessee the right to extend the Lease for two additional successive ten-year terms, upon the same terms and conditions as contained in the Lease (except for adjustment of rental) by written notice of the Lessee to the Canal Corporation; and

WHEREAS, Lessee has been making rental payments annually, rather than quarterly, and the parties would like to amend the agreement so that payments are required annually;

WHEREAS, the Canal Corporation and Lessee desire to amend and renew the Lease for a ten-year term beginning February 18, 2018 and ending February 18, 2028.

NOW, THEREFORE, the Canal Corporation and Lessee, acting through their duly authorized representatives, hereby agree as follows:

1. Replace in the lease all references to the New York State Thruway Authority (NYSTA) with the Power Authority of the State of New York.
2. The parties agree to extend the Lease for a ten-year term beginning February 18, 2018 and ending February 18, 2028.
3. All references to the New York State Thruway Authority or NYSTA, shall be understood to be referring to the Power Authority of the State of New York, a corporate municipal instrumentality of the state of New York under which the Canal Corporation operates.
4. Lessee will provide the Canal Corporation with an acceptable Certificate of Insurance, as required by Paragraph 12 of the Lease, naming the Canal Corporation, the Power Authority of the State of New York and the State of New York as insureds.
5. The following rates shall replace those listed in Exhibit B of the Lease:

Gallons Pumped Annually	Price Per 1,000 Gallons Pumped
<u>up to 730,000,000</u>	\$0.079
<u>the next 146,000,000</u>	\$0.079
<u>the next 146,000,000</u>	\$0.073
<u>the next 146,000,000</u>	\$0.067
<u>all gallons thereafter</u>	\$0.061

6. The parties agree to amend certain provisions of the Lease as follows:

SECOND: The term of the lease shall be for a period of ten (10) years from February 18, 2018; provided however that this lease may be extended for one additional successive term of ten (10) years, upon the same terms and conditions as herein contained (except for adjustment of rental as hereinafter provided) by written notice of the CPWA given to the Canal Corporation, such notice to be given at least six (6) months prior to the end of the then expiring term. Either party hereto may withdraw from this Agreement provided two (2) years written notice is given to the other.

THIRD: The rental payment for leasing the Premises shall require CPWA to pay the Canal Corporation a minimum rental for access and control of the Premises (hereinafter the "Minimum Rental"). The Minimum Rental shall be calculated at the rate of \$0.079 per thousand gallons of water pumped by CPWA for the first 730,000,000 gallons of raw water pumped from the Premises for treatment and conduct to the interconnection with CPWA's water system but in no event shall such Minimum Rental be less than \$57,670.00 (except as provided for in Paragraph 19). The rental payment for quantities of water drawn over and above the minimum shall be calculated in accordance with the chart contained in Exhibit B of the Lease as amended. Lease payments shall be made annually. The Minimum Rental plus the value of the cumulative volume of water pumped during the year that exceeded the Minimum Rental shall be paid 30 days following the end of the year. If the CPWA shall fail to pay any rent for a period of ten days after such payment shall have become due, then CPWA agrees to pay interest on such overdue rent at an interest rate of one and one half per cent (1.5%) per month from the date when such payment shall have become due to the date of payment thereof. The rent shall be increased, annually during the term of the lease or any renewal period, based upon the same percentage increases fixed from time to time by resolutions of the CPWA for finished water furnished through meters to residential customers of the CPWA. If the CPWA decreases said rate to residential customers, the rent payment due hereunder shall not be effected. If the CPWA shall fail to make two successive rental payments, then the Canal Corporation shall have the right to terminate this lease and to take control of the Premises. In the event that the Canal Corporation exercises its right to terminate this Lease, the CPWA shall be responsible for the costs of capping the wells.

NINTH: On the first line insert "the State of New York" after "Canal Corporation" so that the first sentence begins: "CPWA will further indemnify and hold the Canal Corporation, the State of New York and the Power Authority of the State of New York..."

TWELFTH: Prior to commencement of this First Amended Lease Agreement, the Lessee shall furnish the Canal Corporation with a certificate(s) of insurance on an Acord from executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth below. All insurance required by the agreement shall be obtained at the sole cost and expense of the Lessee, shall be maintained with insurance carriers licensed to do business in New York State, and shall be acceptable to the Canal Corporation. The Lessee shall be solely responsible for the payment of all deductibles and self-insured retentions to which such policies are subject. The Lessee shall require any sublessee to carry insurance with the same limits and provisions provided herein. All certificates shall provide for 30 days' written notice to the Canal Corporation prior to the cancellation of any insurance referred to therein. This notice shall be sent by certified mail to: New York Power Authority, Director of Corporate Insurance, 123 Main Street, White Plains, New York 10601. Failure of the Canal Corporation to demand such certificate or other evidence of full compliance with these insurance requirements or failure of the Canal Corporation to identify a deficiency from evidence that is provided shall not be construed as a waiver of the Lessee's obligation to maintain such insurance. Failure to maintain the required insurance may result in termination of the Lease agreement at the Canal Corporation's option. If the Lessee fails to maintain the insurance as set forth herein, the Canal Corporation shall have the right, but not the obligation, to purchase said insurance at the Lessee's expense. The Lessee shall provide certified copies of all insurance policies required herein within 10 days of the Canal Corporation's written request for the copies. By requiring insurance herein, the Canal Corporation does not represent that coverage and limits will necessarily be adequate to protect the Lessee, and such coverage and limits shall not be deemed as a limitation on the Lessee's liability under the indemnities granted to the Canal Corporation, the Power Authority of the State of New York and the State of New York under this Lease agreement.

All coverages, except Workers' Compensation should be evidenced on an Acord form accompanied by the following two (2) endorsements: Additional Insured with the identifying policy number, specifically naming NYSCC, the New York Power Authority and, the State of New York as additional insureds to the policies and Waiver of Subrogation endorsement.

Any and all deductibles or self-insured retentions, in or relating to the below described insurance policies shall be assumed by and be for the account of, and at the sole risk of Lessee.

Commercial General Liability Insurance, which includes Contractual Liability and Products/Completed Operations Liability coverages covering all operations required to complete the Work where applicable coverage for damage caused by any explosion, underground or collapse with a minimum limit of at least \$5,000,000 per occurrence for bodily injury and property damage. Excess/Umbrella Liability Insurance may be combined with Primary Commercial General Liability Insurance to achieve the \$5,000,000 per occurrence coverage only if such policies are written on a follow form basis or are at least as broad in coverage as all underlying policies and "drop down" for defense and indemnity in the event of the exhaustion of the underlying insurance.

The Canal Corporation, the New York Power Authority and the State of New York must be named and scheduled as additional insureds to Lessee's policy and, if applicable, each subcontractor's policy, including cross-liability coverage evidenced on the certificate(s) furnished to the NYSCC. The policy must contain an endorsement stating that the insurer will have no right of recovery or subrogation against the Canal Corporation, the Power Authority of the State of New York and the State of New York. The Lessee must submit evidence satisfactory to the NYSCC of its compliance with this requirement. It is the intent of the parties that the insurance placed in accordance with the provisions of this paragraph will be primary and non-contributory insurance and will protect the Lessee, the Canal Corporation, the Power Authority of the State of New York and the State of New York for all losses arising from all operations, activities, work, services, items or performance relating to the Lease.

Workers' Compensation Insurance for statutory obligations imposed by Workers' Compensation/Occupational Disease Laws, including Employer's Liability Insurance with a minimum limit of \$1,000,000. When applicable, coverage shall include The United States Longshoreman's and Harbor Workers' Compensation Act (44 U.S.Stat 1424) and the Jones Act (41 U.S. Stat 988). Under Sections 57 & 220 Subd. 8 of the New York State Workers' Compensation Law, it is required that Contractors doing business with a Municipal or State entity evidence proof of workers' compensation coverage on approved forms, as listed below:

- A. If coverage is with a private insurance carrier, the entity must provide evidence of coverage on a completed C105.2 form. The C105.2 form is supplied and completed by the insurance carrier or its authorized agent.
- B. If coverage is with the State Insurance Fund, the entity must provide a completed U-26.3 form provided by the Fund.
- C. If the business entity has been approved by the Workers' Compensation Board's Office of Self Insurance as a qualified self insurer, a completed SI-12 form is required. The SI-12 form is provided by the Board's Office of Self Insurance.
- D. Or Form CE-200, Certificate of Attestation of Exemption, if the business is not required to carry NYS specific workers' compensation insurance.

A Business Automobile Policy protecting the Contractor and each subcontractor for automobile bodily injury and property damage liability, including coverage for liability arising out of owned, hired or non-owned vehicles. Such insurance will cover all vehicles bearing, or required to bear by the motor vehicle laws of the state of registry, licenses or registration plates in limits of at least \$1,000,000 each accident.

Environmental Pollution Liability: The Lessee shall maintain environmental contamination insurance against loss occasioned the use, operation or maintenance of the Fuel Facilities and/or damage resulting from a release of product from the Fuel Facilities in the amount of not less than \$3,000,000 naming the Canal Corporation, and the State of New York as additional insureds.

The Lessee shall increase such limits as may be required by the Canal Corporation.

The Lessee agrees and covenants to release the Canal Corporation, the Power Authority of the State of New York and the State of New York, from all liabilities, claims and actions related to damage or loss of any nature caused by or related to flooding from the Canal System, and the Lessee enters into this Lease acknowledging that canal flooding is an occurrence which from time to time, may occur.

EIGHTEENTH: It is expressly understood and agreed to by the parties that in the event that during the term of this lease or any renewal thereof, CPWA sells water to another water district, water board, water authority or like entity outside of the current service area served by CPWA, then the Canal Corporation shall receive \$0.183/1,000 gallons from the gross revenues received by CPWA from the sale of such water (subject to increases pursuant to paragraph 3).

All conditions of the Lease not amended above remain in full force and effect.

IN WITNESS WHEREOF, the parties, by their duly authorized representatives, have executed this Agreement as of the day and year first above written.

SIGNATURE PAGE FOLLOWS

**NEW YORK STATE CANAL
CORPORATION**

**CLIFTON PARK WATER
AUTHORITY**

By: _____
Name: Ruth N. Colón
Title: VP – Enterprise Shared
Services

By: _____
Name: Donald J. Austin Jr.
Title: Authority Administrator

STATE OF NEW YORK)

) ss:

COUNTY OF)

On this ____ day of _____, 2018, before me personally came DONALD J. AUSTIN JR., to me known and known to me to be the AUTHORITY ADMINISTRATOR of the CLIFTON PARK WATER AUTHORITY, who being by me duly sworn, did depose and say that he is the AUTHORITY ADMINISTRATOR of CLIFTON PARK WATER AUTHORITY, located at 661 Clifton Park Center Road, Clifton Park, NY 12065, the public corporation described in and which executed the foregoing instrument: that CLIFTON PARK WATER AUTHORITY's governing body has authorized DONALD J. AUSTIN JR. to execute the foregoing instrument; and that he signed his name thereto by such authority.

Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF ALBANY)

On this ____ day of _____, 2018, before me personally came RUTH N. COLÓN,
to me known and known to me to be the VICE PRESIDENT OF ENTERPRISE
SHARED SERVICES of the NEW YORK STATE CANAL CORPORATION, who being
by me duly sworn, did depose and say that she is the VICE PRESIDENT OF
ENTERPRISE SHARED SERVICES of the NEW YORK STATE CANAL
CORPORATION, located at 30 South Pearl Street, Albany, New York 12207, the
public corporation described in and which executed the foregoing instrument; that
the Board constituting the NEW YORK STATE CANAL CORPORATION, has
authorized her to execute the foregoing instrument; and that she signed her name
thereto by such authority.

Notary Public

CLIFTON PARK WATER AUTHORITY AND SUBSIDIARIES

INVESTMENT POLICY

The objectives of the investment policy of the Clifton Park Water Authority (Authority) and Subsidiaries are to minimize risk, to ensure that investments mature when the cash is required to finance operations, construction schedules and debt service payments, and to ensure a competitive rate of return. In accordance with this policy, the Authority Administrator is hereby authorized to invest all funds, exclusive of those held by the bond trustee(s) in accounts directly related to the Authority's bond obligations, in:

1. Direct obligations of the United States of America,
2. Securities fully and unconditionally guaranteed by the United States of America,
3. Direct obligations of any state of the United States of America or any subdivision or agency thereof,
4. Federal funds, certificates of deposit, time deposits, or bankers' acceptances of any domestic bank authorized to do business in New York State,
5. Investment in money market funds,
6. Time deposit accounts in a bank or trust company authorized to do business in New York State.

All investments made pursuant to this investment policy shall comply with the following conditions:

1. Collateral

- a. Certificates of deposit and time deposit accounts shall be fully secured by insurance of the Federal Deposit Insurance Corporation, obligations of New York State, obligations of the United States, obligations of federal agencies with principal and interest which are guaranteed by the United States or obligations of New York State local governments. Collateral shall be delivered to the custodial bank with which the Authority has entered into a custodial agreement. The market value of the collateral shall at all times equal or exceed the principal amount of the certificate of deposit or balance of the time deposit accounts.
- b. Collateral shall not be required with respect to the direct purchase obligations of New York State, obligations of the United States, and the obligations of federal agencies with principal and interest of which are guaranteed by the United States government.

2. Delivery of securities

Payment shall be made by or on behalf of the Authority for obligations of New York State, obligations the principal and interest of which are guaranteed by the United States. United States obligations, certificates of deposits, and other purchase securities upon the delivery thereof to the custodial bank, or in the case of a book-entry transactions, when the purchased securities are credited to the custodial bank's federal reserve system account. All transactions shall be confirmed in writing.

3. Written contracts

Written contracts are required for certificates of deposit, and custodial undertakings. With respect to the purchase of obligations of the United States, New York State, or other governmental entities, etc., in which monies may be invested, the interest of the Authority will be adequately protected by conditioning payment on the physical delivery of purchased securities to the Authority or custodian, or in the case of book-entry transactions, on the crediting of purchases security to the custodian's federal reserve system account. All purchases will be confirmed in writing to the Authority.

It is therefore the policy of the authority to require written contracts as follows:

- a. Written contracts shall be required for the purchase of all certificates of deposit.
- b. A written contract shall be required with the custodial bank.

4. Designation of custodial bank

KeyBank and BNY Mellon, chartered by the State of New York, are designated to act as custodial banks of the Authority's investments. However, securities may not be purchased through a repurchase agreement with the custodial bank.

5. Investment of Bond Obligations and Bond Reserve Funds

Investment of bond obligations and bond reserve funds are subject to the limitations and guidelines set forth in the Water System Revenue Bond Resolution, Article 1, Section 1.01 under "Authorized Investments", Section 6.03 "Investment of Certain Funds" and Section 6.04 "Valuation or Sale of Investments", adopted November 16, 1993.

6. Financial strength of institutions

All trading partners must be credit worthy. Their financial statements must be reviewed at least annually by the Authority Administrator, or the Authority Administrator may use credit rating agencies or credible online rating services to determine satisfactory financial strength of trading partners. Concentration of investments in financial institutions should be avoided.

Investments in time deposits and certificates of deposit are to be made with banks or trust companies. Their annual reports must be reviewed by the Authority Administrator to determine satisfactory financial strength.

When purchasing eligible securities, the seller shall be required to deliver the securities to the custodial bank.

7. Operations audit and reporting

The Authority Administrator or Business Manager shall authorize the purchase or sale of all securities and execute contracts for certificates of deposit on behalf of the Authority. Oral directions concerning the purchase or sale of securities shall be confirmed in writing. The Authority shall pay for purchased securities upon the delivery or book entry thereof.

The Authority will encourage the purchase and sale of securities and certificates of deposit through a competitive or negotiated price involving telephone solicitation of at least three bids for each transaction.

At the time independent auditors conduct the annual audit of the accounts and financial affairs of the Authority, the independent auditors shall audit the investments of the Authority for compliance with provisions of these investment guidelines.

Within 120 days of the end of the fiscal year, the Authority Administrator or Business Manager shall prepare and submit to the Board of the Authority, or designated committee thereof, an annual investment report, recommendations for change in these investment guidelines, the results of the annual independent audit, the investment income record, a list of total fees, commissions, or other charges (if any) paid to the custodial bank, and such other matters as the Authority Administrator or Business Manager deems appropriate. The Board of the Authority shall review and approve the annual investment report if practicable at its May meeting.

At least annually, and if practicable, at the May meeting of the Board of the Authority, the members shall review and amend, if necessary, these investment guidelines.

The provisions of these investment guidelines and any amendments hereto shall take effect prospectively and shall not invalidate the prior selection of any custodial bank or prior investment.

CPWA Procurement Policy

Determination of the Need for Competitive Bidding:

General Municipal Law requires purchase contracts exceeding \$20,000 and public works contracts exceeding \$35,000, be awarded to the lowest responsible bidder after public advertising requesting sealed bids.

In determining the necessity for competitive bidding, the aggregate cost of an item or commodity estimated to be purchased in a fiscal year would be considered.

The term “public works contract” would apply to those items or projects involving labor, or both materials and labor. Included in this category would be construction, paving, printing, repair contracts, etc.

The advertisement for bids shall contain a statement of the time and place where all bids will be publicly opened and read. The Authority retains the right to reject any and all bids at any time.

The bid announcement will be placed in the Authority’s designated official newspaper for at least one day as a minimum.

Purchases Exempt from Competitive Bidding:

Provisions in State Law allow certain procurements to be exempt from the competitive bidding requirements as follows:

1. Purchases made from state contracts issued by the Office of General Services.
2. Prison Industries and Industries of the Blind purchases.
3. Professional services such as: insurances, medical services, legal services, engineering services, and accounting services.

Standardization of Purchase:

When deemed necessary, for reasons of economy and efficiency, the Authority may approve a standard of purchase of a material or equipment.

Standardization, as the word implies, restricts a purchase to a specific make, model, or type of equipment or supply. For example, to limit the purchase of trucks to a particular make or model based on past performance or to reduce the inventory of spare parts, may

be acceptable, provided that sufficient justification is supplied to the Authority Board of Directors.

In order to apply this standardization, the Board must approve the purchase by a two-thirds majority vote.

Inspection of Commodities after Delivery:

Primary responsibility to ensure full vendor performance with contract requirements and commodity specifications, lies in the inspection at the point of receipt. This is particularly true with regard to delivery specifications, including damage to or shortage of, merchandise. Staff must inspect immediately upon delivery, and damaged goods should be refused for delivery.

If there is a shortage, personnel should insist on a notation to that effect on the freight receipt. Both the Authority and the contractor must be notified immediately. All packing slips must be forwarded to the office.

Purchase Requisitions:

All requirements for goods and services shall be recorded on a requisition form and forwarded to the Administrator for approval and line item assignment.

The following information is necessary on the requisition:

1. Date
2. Person requesting order
3. Place material is to be delivered
4. Delivery requirements (rush, time frame, special delivery vehicle requirements)
5. Description of item/service required, including part/catalog numbers (if applicable)
6. Suggested vendor and cost if available
7. Signature of person making request

Any additional information, such as price quotes or other available vendors or literature for specialized equipment should accompany the requisition form at the time of presentation to the Administrator.

All approved requisitions will generate a purchase order. One copy of the purchase order (pink) will be returned to the requisitioner. This copy will serve to verify that the item has been ordered. Another copy (yellow) will be forwarded to the Business Manager. Once the item has been delivered and inspected, the packing slip should be attached to the requisitioner's copy of the purchase order, and the copy should be signed indicating

that the item has been received in satisfactory condition. This copy shall be forwarded to the Business Manager for payment.

Blanket Purchase Orders:

Blanket purchase orders are set up with vendors from whom the Authority purchases a number of small items, such as nuts, bolts, small hand tools, hose, etc., or for purchases of identical items or services that are made from an individual vendor frequently over the course of the year.

Vendors that may be issued blanket purchase orders are:

- Local hardware stores
- Treatment chemical suppliers
- Suppliers of cartridge filters for the Boyack Treatment Plant
- Contracted IT service provider
- Shipping vendors (UPS, Fedex)

Authorized Authority staff may make purchases at these specified vendors. Vendors will be approved by the Authority Administrator and will be set up with maximum per-purchase dollar amounts, determined by historical purchases, at the time the blanket purchase order is created. All invoices will be matched to receipts or delivery tickets by the Business Manager for verification of approved purchase.

The vendor may bill the Authority monthly for a partial payment against the open purchase order.

Purchase Order Quotations:

The following rules apply to all Authority purchases:

1. Purchases of more than \$1,500, but less than \$3,000, will require at least two verbal quotes recorded.
2. Purchases of \$3,000 or more, but less than \$5,000, will require three verbal quotes recorded.
3. Purchases of \$5,000 or more, but less than \$20,000, will require three written quotes filed.
4. Purchases of \$20,000 or more will require competitive bidding.

Board Approval of Purchases:

All purchases require the prior approval of the Authority Administrator. In the absence of the Administrator, in instances where the purchase cannot be delayed, approvals will be determined by the Business Manager.

Any individual purchases over \$5,000 will require approval by the Authority's Board of Directors, with the exception of the following categories:

- Utility bills
- Equipment/Software service contracts
- Fuel
- Health insurance
- Workers' compensation insurance
- Treatment chemicals
- Purchased water
- Property and school taxes