



## **CLIFTON PARK WATER AUTHORITY**

### **BOARD MEETING MINUTES**

**OCTOBER 10, 2017**

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. Peter Taubkin, Secretary; and Mr. William Butler, board member. Also present: Mr. Donald Austin Jr., Administrator; and Mr. Neil Weiner, Attorney.

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

#### **PRIVILEGE OF THE FLOOR**

No members of the public present.

#### **OLD BUSINESS**

##### **TANK MIXERS – KNOLLTOP, BLUE SPRUCE AND MILLER RD. WATER TANKS**

The tank mixers have all been installed and are in operation.

A **motion** was made by Mr. Taubkin approving the payment request in the amount of \$19,285.00 to Stilsing Electric, Inc.; seconded by Mr. Peterson. The **motion** carried 5-0.

#### **POTENTIAL WATER MAIN REPLACEMENT ON PLANK ROAD**

Mr. Austin reported that CT Male has had some soil borings done in the area to determine ground conditions. Design should be ready by next month's board meeting.

#### **ADOPT 2018 CPWA BUDGET**

Mr. Austin added \$40,000.00 to the purchased water budget line item from last month's proposed budget so it would be more in line with actual purchases.

A **motion** was made by Mr. Ryan to adopt the 2018 Operating and Capital Budgets; seconded by Mr. Gerstenberger.

### **RESOLUTION #25, 2017 – ADOPTING 2018 OPERATING AND CAPITAL BUDGETS**

#### **NOW, THEREFORE BE IT**

**RESOLVED**, that the Clifton Park Water Authority Board of Directors hereby adopts the 2018 Operating Budget and Capital Budget as attached.

Roll Call Vote:

Mr. Gerstenberger - Aye

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

### **NEW BUSINESS**

#### **RATE COVENANT RESOLUTION**

A **motion** was made by Mr. Peterson to approve the resolution on the adequacy of the rates to sufficiently comply with the rate covenant; seconded by Mr. Butler.

#### **RESOLUTION #26, 2017 – RESOLUTION ON THE ADEQUACY OF THE RATES TO SUFFICIENTLY COMPLY WITH THE RATE COVENANT**

**WHEREAS**, the Clifton Park Water Authority has completed a review, taking into consideration the completion of any uncompleted water projects and issuance of future series bonds if necessary to finance the completion of such water projects, of its financial condition for the purpose of estimating whether the net revenues for fiscal year 2017 will be sufficient to comply with the rate covenant contained in subsection (b) of the section 7.12 of the water system revenue bond resolution adopted November 16, 1993. Now, therefore be it

**RESOLVED**, that the Clifton Park Water Authority has estimated that its net revenues for fiscal years 2016 and 2017 will be sufficient to comply with the rate covenant contained in the subsection (b) of section 7.12 of the water system revenue bond resolution adopted November 16, 1993, and it is further

**RESOLVED**, that the Clifton Park Water Authority Board of Directors hereby authorizes a copy of this resolution, certified by its chairman, an authorized officer, setting forth a reasonably detailed statement of the actual and estimated revenues, operating expenses, aggregate debt service, and any other estimates or assumptions upon which such determination was based to be filed with the bond trustee.

Roll Call Vote:

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

#### **CPWA CYBERSECURITY POLICY**

Mr. Ryan recommended that passwords be changed periodically throughout the year. Mr. Austin has spoken with our IT consultants about making changes to the passwords on the SCADA system so that everyone has an individual password to get into the system. They also discussed having automatic screen savers that would require a user to log back into the system after a certain amount of time of inactivity. The board also recommended that the plant operator be issued a CPWA issued computer device which would be used offsite to access the SCADA system online. That device should not be used for any other online purpose other than to log into the SCADA system. The device should also require a code once the user is logged in to

verify the device's MAC address to prevent any access remotely through the use of just a password.

The board recommended Mr. Austin look into securing the sensitive proprietary information that is stored on the billing software.

The board also recommended the cybersecurity policy be reviewed and updated as necessary.

A **motion** was made by Mr. Butler to adopt CPWA Cybersecurity Policy; seconded by Mr. Taubkin.

### **RESOLUTION #27, 2017 – ADOPTING CPWA CYBERSECURITY POLICY**

**WHEREAS**, the Clifton Park Water Authority wishes to adopt a policy that provides guidelines for the safeguarding of information stored and utilized on its main office network and Supervisory Control and Data Acquisition (SCADA) network, now therefore be it

**RESOLVED**, that the Clifton Park Water Authority Board of Directors hereby adopts a cybersecurity policy, as attached.

Roll Call Vote:

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

### **HEALTH COVERAGE FOR MEDICARE-ELIGIBLE EMPLOYEES/RETIREES**

The Authority currently has one person who is a retiree and Medicare-eligible. The Authority will have another employee that turns 65 years old in February. The Authority reimburses the current retiree his portion for his wife's premium which is about \$3,500.00 per year. Mr. Austin has spoken with Dave Shantz of Jaeger and Flynn Associates regarding Medicare plans. Mr. Shantz explained that the Authority can get a group plan but it would have to have two separate individual policies, one for in state and one for out of state. Mr. Austin asked Mr. Shantz to come to next month's board meeting to answer any questions that the board may have and to discuss what options are available to the Authority. Mr. Gerstenberger will also contact Mr. Wallens, the CPWA's labor attorney, to get clarification of the CSEA contract language regarding this issue and how other employers handle Medicare plans.

### **OTHER BUSINESS**

- Mr. Peterson calculated a projection of water demands for the three high months through 2021 based on water pumpage reports Mr. Austin provided him. His forecasting calculations reveal a 4.8mgd and a high day at 7.6mgd for that time period. The current capacity is 7.7mgd.

Mr. Peterson questioned the pumping capability at the Boyack Road Water Treatment Plant. Mr. Austin stated that there are two 50 horsepower pumps and two 150 horsepower pumps. Only one 150 horsepower pump runs at a time.

Mr. Peterson also questioned the capacity of the Authority's storage facilities. Mr. Austin stated it is 5.5mgd. He explained that the system is built for average day for the entire year. There are storage requirements to handle the domestic requirements of the system. If there were an emergency water situation, the Authority would restrict water usage to domestic use only. Mr. Peterson would like the Authority to move forward with increasing the connections to the Saratoga County Water Authority.

- Mr. Gerstenberger made a **motion** to move into executive session at 8:21pm to discuss ongoing contract negotiations with the Saratoga County Water Authority; seconded by Mr. Ryan. The **motion** carried 5-0.

Mr. Ryan made a **motion** at 9:27pm to move out of executive session; seconded by Mr. Gerstenberger. The **motion** carried 5-0.

#### **APPROVE MINUTES OF SEPTEMBER 13, 2017 MEETING**

A **motion** was made by Mr. Gerstenberger to approve the minutes of September 13, 2017; seconded by Mr. Ryan. The **motion** carried 5-0.

The Authority's next board meeting is scheduled for Tuesday, November 14, 2017 at 7pm.

A **motion** was made by Mr. Gerstenberger to adjourn the meeting at 9:28pm; seconded by Mr. Butler. The **motion** carried 5-0.

Respectfully submitted,  
*Sheri Collins*  
Recording Secretary

cc: CPWA Board of Directors  
Neil Weiner Esq.

# **CLIFTON PARK WATER AUTHORITY**



**PROPOSED BUDGET**

**FISCAL YEAR 2018**

## GENERAL AND ADMINISTRATIVE EXPENSES

<u>CODE</u>	<u>DESCRIPTION</u>	<u>2018</u> <u>PROPOSED</u>	<u>2017</u> <u>ADOPTED</u>	<u>2016</u> <u>ACTUAL</u>	<u>CHANGE (%)</u>
7000	WAGES	\$ 343,362	\$ 334,610	\$ 338,148	2.62
7010	FICA + MEDICARE	\$ 24,010	\$ 23,341	\$ 22,002	2.87
7020	RETIREMENT	\$ 49,590	\$ 48,818	\$ 42,452	1.58
7125	HEALTH INSURANCE	\$ 95,246	\$ 90,803	\$ 92,901	4.89
	SUBTOTAL	<u>\$ 512,209</u>	<u>\$ 497,572</u>	<u>\$ 495,503</u>	2.94
7100	INSURANCE, GENERAL	\$ 42,750	\$ 35,000	\$ 33,952	22.14
7105	WORKERS COMPENSATION	\$ 26,296	\$ 25,240	\$ 15,655	4.18
7310	CONSULTANT FEES	\$ 5,000	\$ 5,000	\$ 4,262	0.00
7320	DUES	\$ 600	\$ 600	\$ 418	0.00
7330	EDUCATION	\$ 1,000	\$ 1,000	\$ 660	0.00
7400	OFFICE SUPPLIES	\$ 20,000	\$ 20,000	\$ 17,508	0.00
7410	POSTAGE	\$ 30,000	\$ 33,000	\$ 23,588	(9.09)
7420	AUDIT & ACCOUNTING	\$ 35,000	\$ 32,000	\$ 36,721	9.38
7425	LEGAL FEES	\$ 5,000	\$ 5,000	\$ 3,702	0.00
7430	ENGINEERING FEES	\$ 15,000	\$ 16,000	\$ 13,196	(6.25)
7600	SERVICE CONTRACTS	\$ 26,000	\$ 25,000	\$ 22,691	4.00
7700	TELEPHONE EXPENSES	\$ 14,000	\$ 13,000	\$ 11,638	7.69
7705	TECHNICAL SUPPLIES	\$ 2,000	\$ 2,000	\$ 1,674	0.00
7710	UTILITIES OFFICE	\$ 7,000	\$ 8,300	\$ 6,652	(15.66)
7810	MILEAGE	\$ 200	\$ 800	\$ -	(75.00)
7815	TRAVEL	\$ 500	\$ 500	\$ -	0.00
7820	BAD DEBT EXPENSE	\$ 4,000	\$ 4,000	\$ 1,732	0.00
7822	COLLECTION AGENCY FEE	\$ 300	\$ 300	\$ 9	0.00
7824	BANK SERVICE CHARGE	\$ 6,360			
7990	MISCELLANEOUS	\$ 3,000	\$ 4,000	\$ 1,974	(25.00)
	SUBTOTAL	<u>\$ 244,006</u>	<u>\$ 230,740</u>	<u>\$ 196,032</u>	5.75
<u>TOTAL GENERAL &amp; ADMINISTRATIVE</u>		<u>\$ 756,215</u>	<u>\$ 728,312</u>	<u>\$ 691,535</u>	3.83

## OPERATION AND MAINTENANCE EXPENSES

<u>CODE</u>	<u>DESCRIPTION</u>	<u>2018</u> <u>PROPOSED</u>	<u>2017</u> <u>ADOPTED</u>	<u>2016</u> <u>ACTUAL</u>	<u>CHANGE (%)</u>
5000	WAGES	\$ 715,484	\$ 689,069	\$ 678,211	3.83
5001	OVERTIME	\$ 55,500	\$ 55,500	\$ 47,443	0.00
5002	SEASONAL EMPLOYEES	\$ 13,000	\$ 13,000	\$ 10,503	0.00
5010	FICA + MEDICARE	\$ 59,975	\$ 57,954	\$ 53,724	3.49
5020	RETIREMENT	\$ 121,815	\$ 119,131	\$ 115,084	2.25
5125	HEALTH INSURANCE	\$ 203,920	\$ 194,100	\$ 185,679	5.06
	SUBTOTAL	<u>\$ 1,169,694</u>	<u>\$ 1,128,754</u>	<u>\$ 1,090,644</u>	3.63
5310	CONSULTANT FEES	\$ 1,000	\$ 1,000	\$ -	0.00
5320	LAB FEES	\$ 42,000	\$ 40,000	\$ 41,922	5.00
5330	EDUCATION	\$ 1,500	\$ 1,500	\$ 1,060	0.00
5400	ELECTRICITY	\$ 275,000	\$ 275,000	\$ 261,797	0.00
5405	GAS & OIL	\$ 22,000	\$ 20,000	\$ 20,937	10.00
5500	TREATMENT CHEMICALS	\$ 200,000	\$ 190,000	\$ 180,871	5.26
5610	SUPPLIES	\$ 5,000	\$ 4,500	\$ 4,451	11.11
5700	REPAIRS & MAINTENANCE	\$ 175,000	\$ 200,000	\$ 176,766	(12.50)
5710	SMALL TOOLS	\$ 4,500	\$ 4,000	\$ 4,010	12.50
5715	CONTRACTED REPAIRS	\$ 26,000	\$ 26,000	\$ 9,490	0.00
5730	UNIFORMS	\$ 6,000	\$ 4,500	\$ 6,626	33.33
5805	VEHICLE MAINTENANCE	\$ 15,000	\$ 15,000	\$ 11,983	0.00
5810	MILEAGE	\$ 1,100	\$ 1,000	\$ 993	10.00
5901	PRESERVE RENTAL	\$ 55,000	\$ 55,000	\$ 54,003	0.00
5902	NPDES PERMIT	\$ 2,000	\$ 2,000	\$ 2,000	0.00
5903	PURCHASED WATER	\$ 800,000	\$ 715,000	\$ 884,277	11.89
5910	EQUIPMENT RENTAL	\$ 1,250	\$ 1,250	\$ 1,244	0.00
5950	PROPERTY TAXES - MALTA	\$ 80,000	\$ 72,000	\$ 76,963	11.11
6000	MISCELLANEOUS	\$ 9,000	\$ 9,000	\$ 9,099	0.00
	SUBTOTAL	<u>\$ 1,721,350</u>	<u>\$ 1,636,750</u>	<u>\$ 1,748,492</u>	5.17
<b>TOTAL O &amp; M</b>		<u><b>\$ 2,891,044</b></u>	<u><b>\$ 2,765,504</b></u>	<u><b>\$ 2,839,136</b></u>	4.54

## BUDGET SUMMARY

	<u>2018</u> <u>PROPOSED</u>	<u>2017</u> <u>ADOPTED</u>	<u>2016</u> <u>ACTUAL</u>	<u>CHANGE (%)</u>
<b><u>EXPENSES</u></b>				
WAGES AND BENEFITS	\$ 1,681,903	\$ 1,626,326	\$ 1,586,147	3.42
ADMINISTRATION EXPENSES	\$ 244,006	\$ 230,740	\$ 196,032	5.75
O & M EXPENSES	\$ 1,721,350	\$ 1,636,750	\$ 1,748,492	5.17
 TOTAL OPERATIONAL COSTS	 \$ 3,647,259	 \$ 3,493,816	 \$ 3,530,671	 4.39
 DEBT SERVICE COSTS	 \$ 2,000,563	 \$ 1,997,314	 \$ 2,026,694	 0.16
 TOTAL EXPENDITURES	 <u>\$ 5,647,822</u>	 <u>\$ 5,491,130</u>	 <u>\$ 5,557,365</u>	 2.85
<b><u>REVENUES</u></b>				
METERED WATER SALES	\$ 4,300,000	\$ 4,250,000	\$ 4,730,545	1.18
BASIC SERVICE CHARGE	\$ 1,025,000	\$ 1,011,000	\$ 1,018,702	1.38
HYDRANT CHARGES	\$ 470,236	\$ 455,448	\$ 440,416	3.25
INTEREST ON CAPITAL	\$ 35,000	\$ 35,000	\$ 24,258	0.00
HOOK UP FEE	\$ 60,000	\$ 50,000	\$ 84,450	20.00
LEASE INCOME	\$ 124,550	\$ 121,525	\$ 119,047	2.49
MISCELLANEOUS*	\$ 30,000	\$ 30,000	\$ 51,549	0.00
BULK SALES	\$ 32,000	\$ 32,000	\$ 36,553	0.00
PRIVATE FIRE	\$ 31,000	\$ 30,000	\$ 29,673	3.33
 TOTAL REVENUE	 <u>\$ 6,107,786</u>	 <u>\$ 6,014,973</u>	 <u>\$ 6,535,193</u>	 1.54
 RESERVED, CAPITAL	 \$ 459,964	 \$ 523,843	 \$ 977,828	
 DEBT SERVICE RATIO	 1.23	 1.26	 1.48	

Miscellaneous Revenues include charges and fees such as: Inspection Fees, Interest Charges, Plan Review Fees, Hydrant Permit Fees and others.



**Clifton Park Water Authority  
2018 Capital Budget**

<u>Item</u>	<u>Estimated Cost</u>
Brass Goods	\$ 25,000
Water Meters (Includes Routine Meter Replacements and Scheduled Replacements)	\$ 140,000
GIS Field Service Application Upgrade	\$ 12,000
Fire Hydrants	\$ 7,000
(1) Pickup Truck	\$ 30,000
Well Redevelopment	\$ 15,000
Overhead Door for Boyack WTP (Replacement)	\$ 12,000
Commercial Steam Cleaner	\$ 3,500
 <b>Total</b>	 <b><u>\$ 244,500</u></b>
  <b>CPWA Fund Balance (as of 9/12/17)</b>	  <b>\$ 2,449,857</b>

## **Clifton Park Water Authority**

### **Cybersecurity Policy Drinking Water System**

#### **GOVERNING BODY**

The CPWA Administrator is designated as the person with responsibility for establishing and overseeing compliance with the security policy. The Administrator has the authority to define the cybersecurity rules applicable to the use of the system and the system configuration specific to cybersecurity risk mitigation.

#### **CONFIGURATION MANAGEMENT**

##### **Limit functionality to reduce vulnerability**

The configuration of the CPWA main office network and SCADA system and components is based on the principle of “least functionality”. The Administrator will ensure that the CPWA staff conducts a criticality assessment of system components (servers, workstations, network components, application software) on a periodic basis. Critical components will, in general, have their functionality limited to the monitoring and control functions they are required to perform. Hardware and software elements will be carefully evaluated for need and only allowed to remain when the need is clearly established. These components will also be configured to provide for maximum security without impeding the functionality of the control network.

All ports will be disabled that are not needed for use by the system to prevent the unauthorized attachment and loading of programs through portable devices such as flash drives.

##### **Control the software installation process**

Installation, modification and upgrades of software programs will be restricted to, or supervised by, authorized users typically possessing “Administrator” privileges. All applications to be installed must be pre-approved and the installation process must be conducted by an authorized person whose identity is verified.

#### **ACCESS CONTROL**

##### **Identification and Authentication**

Each user will be uniquely and positively identified before gaining access. Sharing of passwords will be prohibited to the extent practicable. Password administration will require the use of strong passwords. The Administrator shall be the keeper of passwords. Passwords shall be changed frequently. Passwords must not be reused. A challenge/response system to verify user authenticity will be used as practicable.

**Principle of Least Privilege**

Users will be limited to only those functions they need to execute on the system to meet their assigned tasks. The user sign-on establishes the extent of access allowed.

System design will ensure that ports, protocols and operating system services are also limited in their functionality based on “least privilege”. If the system cannot achieve this goal by design, then other appropriate compensating controls will be provided. The local user will not have administrative privileges for the operating system of the workstation that accesses the Office Network or SCADA control system.

**Other**

Disconnect the user after a certain idle period and require re-login. This prevents a workstation from remaining available while unattended. Disable Internet Access from the SCADA workstation(s).

**PHYSICAL AND ENVIRONMENTAL SECURITY****Physical Access**

Areas that are openly accessible and areas that are restricted will be defined. The area containing the SCADA system will be a restricted area. Access to this area(s) will be limited to authorized personnel. Visitors to the SCADA area will be escorted and monitored. Access to the area(s) will be through an access device such as a key, a combination lock or key card system.

Utility Power - Backup electric power will be provided to all Office Network and SCADA components – Servers, Workstations, Programmable Logic Controllers (PLC), Remote Terminal Units (RTU), Network Switches – with appropriate Uninterruptible Power Supplies (UPS). UPS units will receive the proper scheduled maintenance.

**MOBILE DEVICES**

Mobile devices (laptops, tablets, smartphones, removable media (a.k.a. flash drives, thumb drives) and other such devices) represent a significant pathway for introducing unauthorized programs into the Main Office network and SCADA system. Connections shall be restricted to only those devices owned by the organization. These restrictions shall be enforced.

A monitoring system will be established to report unauthorized connections. The automatic execution of code on removable media will be restricted without direction from an authorized user.

## **ADDITIONAL SYSTEM AND COMMUNICATIONS PROTECTIONS**

### **Firewalls**

Firewalls will be used on the Main Office and SCADA networks to manage access from outside the networks. Firewalls will be properly configured to provide for maximum security without impeding the functionality of the control network.

### **Prevent unauthorized actions**

A SCADA system user may have the ability to change set-points within automatic control loops and start and stop equipment remotely. These actions involve communication steps within the SCADA network. The system integrator/IT professional will be required to establish methods to manage this communication without compromising the safety of the network.

### **Track remote access**

If the system will need to support access from remote (outside the control room) locations (e.g.; telecommuting staff, off-hours response), the Administrator will ensure that acceptable methods of connecting to the SCADA system have been carefully considered before implementation. View-only access is the preferred method; additional protections must be in place if additional functionality is desirable. All remote access will be subject to monitoring and audit.

## **RESILIENCY**

Resiliency is the ability to quickly recover operational control of a water system after a disabling event. Operations staff must possess the ability to take over manual control of the various components of a water system until normal operating modes are restored. Back-up devices and protocols should be in place to quickly restore SCADA system components and software. The SCADA integrator will be actively engaged in the process of developing these response protocols.