



MONROE COUNTY WATER AUTHORITY

2018 ANNUAL REPORT TO NYS AUTHORITIES BUDGET OFFICE

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MONROE COUNTY WATER AUTHORITY DESCRIPTION

The Monroe County Water Authority is the third largest water supplier in New York State and one of the 60 largest water suppliers in the United States.

The Authority was formed in 1950 and commenced full-scale operations in 1959 when it acquired the Monroe County assets of the New York Water Service Corporation, a private water company that served a limited portion of Monroe County. Today the Authority operates and manages a regional water supply and distribution system that includes the single largest water treatment plant in New York State and provides water to over 600,000 individuals, servicing approximately 183,000 direct retail accounts and approximately 20,000 accounts in wholesale supply areas. The Authority's customers are located in all of the towns and villages in Monroe County and certain municipalities in Ontario, Genesee, Livingston, Orleans and Wayne Counties.

The facilities that comprise the Water System are either owned by the Authority, or leased on a long-term basis from Monroe County or other municipalities or water districts. Leased facilities are operated and maintained at the expense of the Authority. The Authority has the right under its lease agreements to make improvements to such facilities and to interconnect other facilities operated by the Authority, as well as to take a supply of water without main rentals or surcharges.

NEW YORK STATE PUBLIC AUTHORITIES LAW

TITLE 5

MONROE COUNTY WATER AUTHORITY

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§ 1093. Short title. This title may be cited as the "Monroe County Water Authority Act."

§ 1094. Definitions. As used or referred to in this title, unless a different meaning clearly appears from the context,

1. The term "authority" shall mean the corporation created by section one thousand ninety-five of this title;
2. The term "county" shall mean the county of Monroe;
3. The term "treasurer" shall mean the treasurer of the authority;
4. The term "comptroller" shall mean the comptroller of the state of New York;
5. The term "civil service commission" shall mean the civil service commission of the county of Monroe;
6. The term "properties" shall mean the water supply and distribution system or systems of the authority, including the plants, works, instrumentalities or parts thereof and appurtenances thereto, lands, easements, rights in land and water rights, rights-of-way, contract rights, franchises, approaches, connections, dams, reservoirs, water mains and pipe lines, pumping stations and equipment, and also including, without limitation, facilities and appurtenances thereto, some part of the capacity or use of which is used or to be used by or for the benefit of a municipality or municipalities or other corporation or corporations pursuant to contracts authorized by subdivision sixteen of section ten hundred ninety-six of this title, or any other property incidental to and included in such system or part thereof, and any improvements, extensions, and betterments, situated within the territorial limits of the county, or in Genesee county, or in the town or village of Victor and the towns of East Bloomfield and West Bloomfield in Ontario county, or in the village of Holley and the town of Clarendon in Orleans county;
7. The term "bonds" shall mean the bonds, notes and obligations, issued by the authority, pursuant to this act;
8. The term "revenues" shall mean all rents, charges and other income derived from the operation of the properties of the authority;
9. The term "municipality" shall mean any county, city, town, village, town water district, fire district, fire protection district, fire alarm district, school district, and any other political subdivision of the state.
10. The term "Genesee county project" shall mean the construction, installation, equipping and/or financing of such properties, as such term is defined in subdivision six of this section, as are necessary for the authority to provide service to Genesee county or any municipality therein on the terms set forth in this title.

§ 1095. Monroe county water authority. 1. A corporation known as "Monroe County Water Authority" is hereby created and continued for the purposes and charged with the duties and having the powers provided in this title. The authority shall be a body corporate and politic constituting a public benefit corporation and shall be a "public district" for the purposes of section eighty-nine-l of the public service law. It shall consist of seven members, no more than five of whom shall belong to one political party and all of whom shall be

residents of the county, who shall be appointed by the president of the county legislature of Monroe county subject to confirmation by a majority of the county legislature of Monroe county. The five persons serving as members of the authority on and immediately prior to the effective date of this act, or any person appointed to fill a vacancy for the unexpired term of such a member, shall continue as members of the authority for their present terms of office, or the term of his predecessor in the case of the filling of a vacancy, or until their successor is appointed and qualified and, thereafter, subsequent appointments to such membership positions shall be for terms of five years. After the effective date of this act the two additional members of the authority, in addition to the five memberships existing on and immediately prior to the effective date of this act, shall be appointed by the president of the county legislature of Monroe county subject to confirmation by a majority of the county legislature of Monroe county, one such appointment to be for a term of office expiring on April first, nineteen hundred eighty-one and one such appointment to be for a term of office expiring April first, nineteen hundred eighty-two; upon the expiration of the initial terms of office of such two additional members, subsequent appointments to fill such memberships shall be for terms of five years. In addition, such additional two appointments shall be made in such manner so as to provide that the membership of the authority be composed of seven members, of whom not more than five shall belong to the same political party.

Subsequent appointments shall be made in the same manner and for terms of five years. All members shall continue to hold office until their successors are appointed and qualify. The chairman shall be elected annually by the members of the authority. Vacancies, occurring otherwise than by expiration of term of office, shall be filled by appointments by the county legislature for the unexpired terms. Members of the authority may be removed from office for the same reasons and in the same manner as may be provided by law for the removal of officers of the county. The members of the authority shall receive such compensation for their services as shall be fixed by the county legislature and shall be reimbursed for all their actual and necessary expenses incurred in connection with the carrying out of the purposes of this title. The powers of the authority shall be vested in and be exercised by the members at a meeting duly called and held and four members shall constitute a quorum. No action shall be taken except pursuant to the favorable vote of at least four members. The authority may delegate to one or more of its members, officers, agents or employees such powers and duties as it may deem proper. The president of the Monroe county legislature shall further appoint two persons from such legislature for the term of their offices, one from the majority party and one from the minority party, to serve as legislative liaisons to the authority on behalf of such legislature.

2. The authority and its corporate existence shall continue until all its liabilities have been met, other than its liabilities to the county pursuant to any agreements entered into pursuant to subdivision sixteen-b of section one thousand ninety-six, and its bonds have been paid in full or such liabilities or bonds have otherwise been discharged and thereupon all rights and properties of the authority, including its water properties as defined in subdivision sixteen-b of section one thousand ninety-six, shall pass to and be vested in the county; provided, however, that if at the time all such rights and properties of the authority shall pass to and be vested in the county, the authority and such county are parties to any agreement and any supplemental agreements thereto entered into pursuant to subdivision sixteen-b of section one thousand ninety-six, then the authority and its corporate existence and the powers herein provided for shall continue so long as is necessary to enable the authority to exercise the rights and duties and fulfill the obligations imposed upon the authority by the provisions of any such agreement and any supplemental agreements thereto.

3. The officers of the authority shall consist of a chairman, a vice-chairman and a treasurer, who shall be members of the authority, and a secretary, who need not be a member of the authority. The vice-chairman, treasurer and secretary shall be appointed by the authority and shall serve at the pleasure of the authority. The authority may appoint and at pleasure remove an attorney and an engineer, which positions, in addition to the position of secretary, shall be in the exempt class of the civil service and such additional officers and employees as it may require for the performance of its duties, fix and determine their qualifications, duties, and compensation, subject to the provisions of the civil service law of the state of New York and such rules as the civil service commission of the county of Monroe may adopt and make applicable to such authority. The authority may also from time to time contract for expert professional services. The treasurer shall execute a bond, conditioned upon the faithful performance of the duties of his office, the amount and sufficiency of which shall be approved by the authority and the premium therefor shall be paid by the authority.

4. It is hereby determined and declared that the authority and the carrying out of its powers, purposes and duties are in all respects for the benefit of the people of the county of Monroe and the state of New York, for the improvement of their health, welfare and prosperity and that the said purposes are public purposes and that the authority is and will be performing an essential governmental function in the exercise of the powers conferred upon it by this title.

5. Upon creation of the authority, from time to time the board of supervisors, may, by resolution, appropriate sums of money to defray the expenses of the authority. The moneys so appropriated shall be repaid by the authority to the county out of the proceeds of the first bond issue of the authority. The provisions of this subdivision shall not be applicable to payments made by the county for the financing of

any water facilities in accordance with the provisions of subdivision sixteen-b of section one thousand ninety-six of this title.

6. Neither the public service commission nor any other board or commission of like character, shall have jurisdiction over the authority in the management and control of its properties or operations or any power over the regulation of rates fixed or charges collected by the authority.

§ 1096. Powers of the authority. The authority shall have power:

1. To sue and be sued;
2. To have a seal and alter the same at pleasure;
3. To acquire, in the name of the authority, lease, hold and dispose of personal property or any interest therein for its corporate purposes, including the power to purchase prospective or tentative awards in connection with the exercise of the power of condemnation hereinafter granted;
4. To purchase or lease, in the name of the authority, any water supply system, water distribution system, including plants, works, instrumentalities or parts thereof and appurtenances thereto, lands, easements, rights in land and water rights, rights-of-way, contract rights, franchises, approaches, connections, dams, reservoirs, water mains and pipe lines, pumping stations and equipment, or any other property incidental to and included in such system or part thereof, and any improvements, extensions, and betterments, situated within the county, or in Genesee county, or in the town or village of Victor, the village of Bloomfield, and the towns of East Bloomfield, Canadice, Richmond and West Bloomfield in Ontario county, or in the village of Holley and the towns of Clarendon and Kendall in Orleans county for the purpose of supplying water for domestic, commercial, and public purposes at retail to individual consumers within the county of Monroe or in the manner provided by subdivision seven of this section; and as a means of so acquiring for such purposes, and subject to the approval of the public service commission, the authority may purchase all of the stock of any existing privately owned water corporation or company, and thereafter, within a reasonable time, such water corporation or company shall be dissolved;
5. To condemn in the name of the authority in the counties of Monroe and Genesee, or in any other county or municipality specifically enumerated in the first sentence of subdivision six of this section, or in the name of the county in the case of any water facilities to be owned and financed by the county pursuant to subdivision sixteen-b of this section, except where located in any other county or municipality, any water supply system, water distribution system, including plants, works, instrumentalities, or parts thereof and appurtenances thereto, lands, easements, rights in land and water rights, rights-of-way, contract rights, franchises, approaches, connections, dams, reservoirs, water mains and pipe lines, pumping stations and equipment, or any other property incidental to and included in such system or part thereof, and any improvements, extensions, and betterments for the purpose of supplying water for domestic, commercial, and public purposes at retail to individual consumers within the counties of Monroe and Genesee or in any other county or municipality specifically enumerated in the first sentence of subdivision six of this section, or at wholesale in the manner provided by subdivision seven of this section. The authority shall exercise the power of condemnation hereby granted in the manner provided by the eminent domain procedure law or any such proceeding to condemn may be instituted by the authority before a justice of the supreme court or an official referee thereof. In the exercise of such power of condemnation, the property being condemned shall be deemed, when so determined by the authority, to be for a public use superior to the public use in the hands of any other person, association, or corporation; provided, however, that the authority shall have no power to condemn property the legal title to which is vested in a municipality or in a private corporation owning such property primarily for its own use, unless such municipality or private corporation shall consent thereto;
6. To construct and develop any water supply system, water distribution system, including plants, works, instrumentalities, or parts thereof, and appurtenances thereto, dams, reservoirs, water mains, pipe lines, pumping stations and equipment, or any other property incidental to or included in such system or part thereof within the county of Monroe, or in Genesee county, or in the town or village of Victor, the village of Bloomfield and the towns of East Bloomfield, Canadice, Richmond and West Bloomfield in Ontario county, or in the village of Holley and the towns of Clarendon and Kendall in Orleans county. To acquire, by condemnation, in the name of the authority in the counties of Monroe and Genesee, or in any other county or municipality specifically enumerated in the first sentence of this subdivision, or in the name of the county of Monroe in the case of any water facilities to be owned and financed by such county pursuant to subdivision sixteen-b of this section, lands, easements, rights in land and water rights, and rights-of-way within the counties of Monroe and Genesee, or in any other county or municipality specifically enumerated in the first sentence of this subdivision, in the manner provided by this title; or to purchase or lease lands, easements, rights in land and water rights, and rights-of-way in connection therewith within the county of Monroe or within Genesee county, or in any other county or municipality specifically enumerated in the first sentence of this subdivision; and to own and operate, maintain, repair, improve, reconstruct, enlarge, and extend, subject to the provisions of this title, any of its properties acquired or constructed under this title, all of which, together with the acquisition of such properties, are hereby declared to be public purposes;

6-a. The authority shall not exercise any of the powers granted in subdivisions four and six of this section with respect to the acquisition, purchase, leasing, construction, or development of property outside of the county without first having obtained the prior approval of such purchase, leasing, acquisition, construction, or development of such property outside of the county by resolution of the legislative body of the municipality wherein the affected property outside of the county is located. Notwithstanding any inconsistent provision of any general, special, or local law, ordinance, resolution, or charter, any public corporation or improvement district thereof may, by a majority vote of its governing body, give, grant, sell, convey, lend, license the use of, or lease to the authority any property or facilities, including any water supply system, water distribution system, including plants, works, instrumentalities or parts thereof and appurtenances thereto, lands, easements, rights in land and water rights, rights-of-way, contract rights, franchises, approaches, connections, dams, reservoirs, water mains and pipe lines, pumping stations and equipment, or any other property incidental to and included in such system or part thereof, and any improvements, extensions, and betterments for the purpose of supplying water for domestic, commercial, industrial and public purposes, which property or facilities are useful in connection with the exercise by the authority of its powers under this title. Any such gift, grant, sale, conveyance, loan, license, or lease shall be upon such terms and conditions, and for such term or terms of years, subject to the rights of the holders of any bonds, as the authority and such public corporation or improvement district thereof may agree. Any such gift, grant, sale, conveyance, loan, license, or lease shall not be subject to referendum, permissive or mandatory. In the event that any public corporation or improvement district thereof gives, grants, sells, conveys, lends, licenses the use of, or leases any water supply system, water distribution system, or other improvements, extension or betterments for the purpose of supplying water, to the authority, such public corporation or improvement district thereof may contract with the authority to lease, borrow, license, operate, maintain, manage, and provide services for such facilities upon such terms and conditions, and for such term or terms of years, subject to the rights of holders of bonds, as the authority and such public corporation or improvement district thereof may agree. The authority, in furtherance of any purchase, conveyance, or lease of any property or facility from any public corporation or improvement district thereof, may assume the primary responsibility for the payment of the principal and interest on any bonds or notes issued by such public corporation or improvement district thereof for such property or facility. For purposes of section 136.00 of the local finance law, any agreement by the authority to assume the primary responsibility for the payment of the principal and interest on any bonds or notes issued by any such public corporation or improvement district thereof shall, so long as such agreement shall continue to be honored by the authority, cause such bonds or notes to be deemed to have been refunded, and any such public corporation or improvement district thereof may deduct from its gross indebtedness any outstanding indebtedness contracted for such property or facility to be acquired by the authority. The net proceeds of any purchase, conveyance, or lease of any property or facility from a public corporation or improvement district thereof may be used by such public corporation or improvement district thereof for any general or specific public use;

7. To sell water, however acquired, by volume and at retail to individual consumers within the county of Monroe for domestic, commercial, industrial, and public purposes, or by volume or in bulk and at wholesale to any or all municipalities or privately owned public water supply and distribution systems in such county. The fact that any municipality has procured or is about to procure an independent source of water supply shall not prevent such municipality from purchasing water from the authority. To sell any water not needed in such county by volume and at retail to individual consumers within the county of Genesee, or in the town or village of Victor, the village of Bloomfield and the towns of East Bloomfield, Canadice, Richmond and West Bloomfield in Ontario county, or in the village of Holley and the towns of Clarendon and Kendall in Orleans county, for domestic, commercial, industrial, and public purposes, or by volume or in bulk and at wholesale to any municipality or privately owned public water supply and distribution system outside of the county; provided that any costs incurred by the authority related to the Genesee county project shall be recovered by the authority solely from Genesee county or from rates and charges collected from customers within Genesee county; and further provided that the authority shall not sell water in any area outside of the county unless the governing board of the municipality wherein such area is located shall enter into an agreement with the authority for service or sale of water by it in such area or shall by resolution request the authority to sell water within such area. Any agreement between a municipality outside of the county and the authority for the sale of water to or within such municipality shall be subject to the approval of the legislative body of the contiguous county wherein such municipality is located. Not only may the authority sell any surplus water it may have developed, but it may develop and provide a sufficient amount of water so as to supply water outside of the county to individual consumers, any municipality, or privately owned public water supply and distribution system;

8. To purchase water in bulk or by volume from any person, private corporation or municipality when necessary or convenient for the operation of any water supply and distribution system developed by it, or when necessary or convenient for resale under the authority and provisions of subdivision seven of this section;

9. To acquire, hold, use, lease, sell, transfer and dispose of any property, real, personal or mixed, or interest therein, for its corporate purposes;

10. To make by-laws for the management and regulation of its affairs, and subject to agreements with bondholders, rules for the sale of water and the collection of rents and charges therefor. A copy of such rules and by-laws, and all amendments thereto, duly certified by the secretary of the authority shall be filed in the office of the clerk of the county and thereafter published once in two newspapers having a general circulation in the county. Violation of such rules shall be a misdemeanor, punishable by fine, not exceeding fifty dollars, or by imprisonment for not longer than thirty days, or both. Exclusive jurisdiction is hereby conferred upon the local criminal courts of the county, which have trial jurisdiction, to hear and determine, subject to the provisions of the criminal procedure law, any violation of this title;

11. To use the officers, employees, facilities and equipment of the county with the consent of the county, paying a proper portion of the compensation or cost;

12. To make contracts and to execute all necessary or convenient instruments, including evidences of indebtedness, negotiable or non-negotiable;

13. To enter on any lands, waterways and premises for the purpose of making surveys, soundings and examinations;

14. To borrow money and to issue negotiable bonds or notes and to fund or refund the same, and to provide for the rights of the holders of its obligations;

15. To fix rates and collect charges for the use of the facilities of, or services rendered by, or any commodities furnished by the authority such as to provide revenues sufficient at all times to pay, as the same shall become due, the principal and interest on the bonds or notes of the authority together with the maintenance of proper reserves therefor, in addition to paying as the same shall become due the expense of operating and maintaining the properties of the authority together with proper reserves for depreciation, maintenance, and contingencies and all other obligations and indebtedness of the authority;

16. To enter into cooperative agreements with other water authorities, municipalities, or utility companies, for the inter-connection of facilities, the exchange or inter-change of services and commodities, and to enter into contracts for the construction of water supply and distribution systems by the authority for any municipality which possesses express reciprocal powers and having power to construct and develop a water supply and distribution system, or contracts for the construction of a water supply and distributions systems for the authority by a municipality which possesses express reciprocal powers and having power to construct and develop a water supply and distribution system, upon such terms and conditions as shall be determined to be reasonable including, but not limited to, the reimbursement of all costs of such construction, or for any other lawful purposes necessary or desirable to effect the purposes of this title, provided, however, that any such agreement with a municipality located in a county, other than Monroe county, shall be subject to the approval of the legislative body of such county. The authority shall also have the power to enter into contracts or agreements with other corporations, public or private, (i) for or with respect to the financing, construction, development, expansion or improvement of properties, facilities, and appurtenances owned by the authority, with a part of the capacity or use of such properties, facilities and appurtenances utilized or to be utilized by or for the benefit of any such corporation and (ii) for or with respect to the use, operation, management, repair and maintenance of such properties, facilities, and appurtenances of the authority, upon such terms and conditions as shall be determined to be reasonable, which may include, without limitation, collection by the authority of rents, rates or other charges to pay for the cost of construction, including debt service on obligations of the authority issued to finance construction, operation, management, maintenance, repair and use of such facilities; and municipalities having power to construct and develop water supply and distribution systems shall have the power to enter into contracts or agreements contemplated herein with the authority, including any such contract to which another corporation is a party;

16-a. To enter into a contract or contracts with the board of supervisors of Monroe county for the acquisition, construction and development of a water supply and distribution system, or any part or parts thereof, on behalf of a county water district, and to contract for the operation and management of such county water district, all as provided in article five-a of the county law and article five-b of the general municipal law. Such water authority shall be deemed the agent of Monroe county under any such contract. If such contract shall authorize the water authority to purchase supplies or equipment or to construct public works, such authority shall be subject to all provisions of law to which Monroe county would be subject in relation to advertising and awarding any such contracts for supplies, equipment or public works.

16-b. (1) It is the purpose of this subdivision to provide a means whereby: (i) the authority shall plan, construct, operate and manage both the water properties owned by the authority and additional water facilities to be hereafter constructed by the authority but financed and owned by the county so that such water properties and such water facilities may be operated as an integrated water system; and (ii) the county shall finance the construction of and own additional water facilities and lease the same to or otherwise make the same available for use by the authority in order to assist the authority in providing such necessary improvements required for the operation of the water properties of the authority (the title to which water properties will, as provided by law, become vested in the county).

(2) For the purposes of this subdivision sixteen-b the term "water facilities" shall mean the acquisition, construction or reconstruction of or addition to a water supply or distribution system, whether or not including buildings, land or rights in land, original furnishings, equipment, machinery or apparatus, or the

replacement of such equipment, machinery or apparatus, which water facilities are to be financed and owned by the county. For the purpose of this subdivision sixteen-b the term "water properties" means the source of water supply and the water supply and distribution system of the authority, including the plants, works, instrumentalities or parts thereof and appurtenances thereto, lands, easements, rights in land and water rights, rights of way, contract rights, franchises, approaches, connections, dams, reservoirs, water mains and pipe lines, pumping stations and equipment, and any other property, real, personal or mixed, incidental to and included in such source of supply and such system or parts thereof, and any improvements, extensions and betterments, now or hereafter constructed, acquired or made by the authority, other than the water facilities constructed by the authority but financed and owned by the county in accordance with the provisions of this subdivision.

(3) The county may, by resolution of the legislative body of such county, enter into an agreement or agreements with the authority providing: (i) that water facilities shall be constructed by the authority, which water facilities shall be financed and owned by the county and leased or otherwise made available for the use of the authority; and (ii) for the transfer to the authority for use in the execution of its corporate purposes of such water facilities hereafter financed and owned by the county in accordance with the provisions of this subdivision; provided, however, that title to such facilities shall remain in the county.

Such agreement shall constitute a contract for the passing to and vesting in the county of all rights and properties, including water properties, of the authority when all liabilities of the authority, other than its liabilities to the county pursuant to any agreements entered into pursuant to this subdivision, and the bonds of the authority have been paid in full or such liabilities or bonds have otherwise been discharged.

Such agreement or agreements may be amended, modified, changed or extended by supplemental agreements authorized and executed in the same manner as the original agreement provided that the provisions of any such supplemental agreement shall not be inconsistent with the provisions of this subdivision sixteen-b.

(4) Such agreement shall provide that until the rights and properties, including the water properties, of the authority shall pass to and be vested in the county as provided by law, the authority shall act as the agent of the county: (i) to provide water facilities deemed necessary by the authority (a) to provide a supply of water sufficient to serve all customers of the water properties of the authority and of the water facilities of the county operated and managed by the authority, or (b) water facilities for the distribution of water deemed necessary by the authority to serve the territory of the authority within the county; and (ii) to operate, manage, replace, maintain and repair such water facilities in conjunction with the water properties of the authority so that both the water properties of the authority and the water facilities owned and financed by the county shall be planned, operated and managed as an integrated water system.

(5) Such agreement shall provide for the transfer to and use by the authority of such water facilities by lease, license or other arrangement until such time as all rights and properties, including water properties, of the authority shall pass to and be vested in the county as provided by law and shall authorize the authority to take jurisdiction, control, possession and supervision of such water facilities and operate, manage, replace, maintain and repair the same together with the water properties of the authority as an integrated water system.

(6) Such agreement shall provide that the county shall pay an amount not to exceed twenty-seven million dollars to provide certain water facilities to be owned by the county and leased to or otherwise made available for use by the authority in accordance with the provisions of such agreement, which water facilities shall be described in terms sufficient for identification in the first agreement so executed by and between the county and the authority. The county may issue obligations pursuant to the local finance law in an amount not to exceed twenty-seven million dollars to pay the cost of such water facilities. The provisions of section four hundred of the county charter prohibiting the financing of permanent improvements by the issuance of obligations pursuant to the local finance law unless such permanent improvements are included in a budget of permanent improvements adopted and approved as provided by such section four hundred shall not be applicable to the financing of such water facilities by the issuance of such obligations of the county authority by this paragraph.

(7) Such agreement shall provide that the authority shall pay to the county for each fiscal year of the county an annual rental for the use of the water facilities financed and owned by the county which shall be an operating expense of the authority, and shall be equal to the sum of the following: (i) the principal of any bonds of the county becoming due in such fiscal year issued in accordance with any agreement entered into pursuant to this subdivision; and (ii) the interest on any obligations of the county, including bonds and notes, issued in accordance with any such agreement and becoming due in such fiscal year. Such agreement shall provide such further details as the parties deem necessary with respect to the time and manner of the payment of such annual rentals in order to assure that such annual rentals shall be available to the county at the times and in the amounts required for the payment of such principal of bonds of the county and such interest on obligations of the county. Notwithstanding that the payment of such annual rentals shall be an operating expense of the authority, such agreement may provide that payment thereof shall be subordinate to all or any of certain payments hereinafter described required to be made by a certain trust indenture between the authority and a trustee dated as of February first, nineteen hundred fifty-nine. Such payments

are the payments required to be made by said trust indenture to the debt service fund and the debt service reserve fund both created by such indenture.

(8) Such agreement shall provide that to facilitate the further acquisition, construction, reconstruction, extension or betterment of water facilities by the authority to be owned and financed by the county, other than and in addition to the water facilities to be financed by the county pursuant to the provisions of paragraph (6) of this subdivision, the authority, on or before September first in each year or on or before such earlier date in each year as such agreement may provide, may submit to the county manager a capital budget for the calendar year beginning on the succeeding January first of such proposed water facilities and the estimated cost thereof. Such capital budget shall be accompanied by a report of the consulting engineers retained by the authority pursuant to a certain trust indenture of the authority dated as of February one, nineteen hundred fifty-nine. Such report of the consulting engineers shall explain the need for or desirability of such proposed water facilities and shall state that the consulting engineers have approved the estimated cost thereof. Such capital budget of the authority and report of such consulting engineers shall describe such proposed water facilities in terms sufficient for identification. When received by the county manager, such capital budget of the authority and the report of the consulting engineers shall be used in the preparation of the budget of permanent public improvements of the county required to be prepared by section four hundred of the Monroe county charter in the same manner as if the providing of such additional water facilities originally were proposed by the county. The county shall pay the cost of any water facilities contained in a budget of permanent improvements after such budget has been adopted. At any time after the adoption of such budget of permanent improvements the county may finance any water facilities contained therein pursuant to the provisions of and in the manner provided by the local finance law. Notwithstanding any other provisions of this subdivision, in the event that any item for the providing of water facilities contained in the capital budget and report of the consulting engineers as submitted to the county manager shall not be made a part of the budget of permanent improvements of the county, the authority may, nevertheless, proceed to construct such proposed water facility as an addition to the water properties of the authority and finance the same by the issuance of obligations of the authority, subject, however, to: (i) the provisions of any resolutions or trust indentures heretofore or hereafter adopted or executed by the authority, as the case may be, with respect to the construction of water properties and the financing thereof by the authority; and (ii) the limitations, if any, on the issuance of bonds or obligations by the authority contained in any agreement executed pursuant to this subdivision sixteen-b.

(9) Such agreement may contain further provisions concerning the following, provided, however, that no provisions in any agreement or any supplemental agreement thereto shall require the authority to in any way impair the rights and remedies of the holders of obligations of the authority pursuant to any resolution or trust indenture of the authority heretofore adopted or executed authorizing or securing obligations of the authority: (i) further provisions relating to the annual rentals due by the authority to the county as provided in this subdivision; (ii) provisions that the rates, fees, rentals and other charges for the sale or distribution of water or for other services rendered by the water properties of the authority shall be in an amount sufficient to fully comply with any covenants with holders of obligations of the authority and in addition sufficient to pay the annual rentals payable by the authority to the county as provided in this subdivision and in any agreements or supplemental agreements executed in accordance with the provisions of this subdivision; (iii) provisions limiting the issuance of bonds or obligations by the authority; (iv) provisions limiting the power of the authority to sell or otherwise dispose of its water properties without the consent of the county; (v) providing that when the rights and properties of the authority shall pass to and be vested in the county as provided by law the authority shall act as the agent of the county to plan, construct, operate and manage the water properties and water facilities then vested in and owned by the county for such term and extensions of such term as may be provided by any such agreements; and (vi) such other provisions not inconsistent with the provisions of this subdivision sixteen-b as the parties shall deem necessary or desirable to implement the purpose and provisions of this subdivision sixteen-b.

(10) The proceeds of sale of obligations of the county issued pursuant to any agreement entered into pursuant to this subdivision shall be subject to the provisions of section one hundred sixty-five of the local finance law and shall be paid and disbursed by the director of finance of the county on requisition by the authority or such person or persons as the authority may authorize to make such requisitions without further audit; provided, however, that the director of finance of the county may require that such requisitions shall be accompanied by properly itemized and verified or certified bills for materials, supplies or services.

(11) All contracts for the purchase of supplies or equipment or the construction of water facilities entered into with respect to the providing of water facilities to be financed and owned by the county and constructed by the authority shall be subject to all provisions of law which the county of Monroe would be subject to in relation to advertising and awarding any such contracts for supplies, equipment or the construction of water facilities.

(12) The provisions of this subdivision sixteen-b shall be independent and cumulative power for the authority and the county to enter into the agreements authorized hereby and shall not be construed with or be limited by any of the provisions of article five-a of the county law and of this article of the public authorities law.

17. To accept grants, loans or contributions from the United States, the state of New York, or any agency or instrumentality of either of them, or the county, or an individual, by bequest or otherwise, and to expend the proceeds for any purposes of the authority;

18. To do all things necessary or convenient to carry out the powers expressly given in this title.

19. To contract for the purposes of subdivision twenty-four of section ten of article two of the highway law.

In exercising the powers granted by this title, the authority shall not sell water in any area which is served by a water system owned or operated by a municipality unless the governing board of such municipality shall adopt a resolution requesting the authority to sell water in such area.

§ 1096-a. Additional duties of the authority. 1. The authority shall submit to the president of the Monroe county legislature a copy of the authority's preliminary budget, annual budget or amended budget, certified by the treasurer of the authority, not later than thirty days prior to the date on which the annual budget is adopted or approved by the authority. The authority shall give notice in writing to the president of the Monroe county legislature not later than thirty days prior to anticipated final approval of any construction projects to be undertaken by the authority involving water mains in excess of twelve inches in size, construction of mains in geographical areas theretofore undeveloped or not supplied with a public water supply, storage facilities, pumping stations or water treatment facilities utilizing funds of either the authority or funds of the county of Monroe under subdivision sixteen-b of section one thousand ninety-six of this title provided, however, that the foregoing shall not in any event be deemed to include: modernization, renewal and replacement, repair, maintenance of or improvement in properties or facilities; preliminary undertakings such as studies, tests, evaluations, reports, preparation of engineering plans and specifications, obtaining property rights and obtaining of necessary governmental approvals; construction activities deemed necessary by the authority in an emergency to protect life, property, health or the public safety; changes during construction which do not materially change the essential service area affected by a project; and construction activities within the terms of the last sentence of this subdivision. In the event the Monroe county legislature, by its resolution adopted at any time within sixty days after receipt by the president of the county legislature of the notice from the authority herein provided for, requests any change in such project, the authority shall conduct a public informational meeting upon ten days' notice to be published twice consecutively in a newspaper of general circulation in the county of Monroe prior to the authority granting final approval or prior to the commencement of construction of such project. The authority shall give written notice to the president of the Monroe county legislature not less than thirty days prior to the date of any final action of the authority with respect to any change in the rates of the authority. The authority shall conduct a public informational meeting upon ten days' notice to be published twice consecutively in a newspaper of general circulation in the county of Monroe relative to any change in such rates prior to the effective date of such change. The foregoing provisions of this subdivision shall not be construed to or require the authority to in any way violate or impair the rights and remedies of or covenants with the holders of obligations of the authority pursuant to any resolution or trust indenture of or binding upon the authority adopted or executed authorizing or securing obligations of the authority or abrogate the rights and powers of the authority to fulfill its duties and obligations to comply with all the terms, covenants or requirements required or provided by any existing contractual agreement or provided or required by statute or the order or direction or approval of a federal, state or local governmental entity having appropriate jurisdiction or authority.

2. The authority shall be empowered to develop and adopt an administrative code, subject to amendment from time to time, concerning such cooperative interrelationships between the authority and the county of Monroe, including the duties of the authority under subdivision one of this section. Any such code, or any amendment thereto, shall be submitted to the president of the county legislature not less than ninety days prior to its adoption by the authority for approval by such legislature.

§ 1097. Moneys of the authority. All moneys of the authority from whatever source derived shall be paid to the treasurer of the authority and shall be deposited forthwith in a bank or banks in the state of New York designated by the authority. The moneys in such accounts shall be paid out on check of the treasurer on requisition by the authority or of such other person or persons as the authority may authorize to make such requisitions. All deposits of such moneys shall, if required by the comptroller or the authority, be secured by obligations of the United States or of the state of New York or of the county of a market value equal at all times to the amount of deposit and all banks and trust companies are authorized to give such security for such deposits. The comptroller and his legally authorized representatives, and the director of finance of the county of Monroe, if he so elect, are hereby authorized and empowered from time to time to examine the accounts and books of the authority, including its receipts, disbursements, contracts, leases, sinking funds, investments and any other matters relating to its financial standing. The authority shall have power, notwithstanding the provisions of this section, to contract with the holders of any of its bonds as to the custody, collection, security, investment and payment of any moneys of the authority, or any moneys held in trust or otherwise for the payment of bonds or in any way to secure bonds, and to carry out any such contract notwithstanding that such contract may be inconsistent with the provisions of this section. Moneys

held in trust or otherwise for the payment of bonds or in any way to secure bonds and deposits of such moneys may be secured in the same manner as moneys of the authority, and all banks and trust companies are authorized to give such security for such deposits.

§ 1098. Bonds of the authority. 1. The authority shall have the power and is hereby authorized from time to time to issue its negotiable bonds in conformity with applicable provisions of the uniform commercial code for any of its corporate purposes, including incidental expenses in connection therewith, and to secure the payment of the same by a lien or pledge covering all or part of its contracts, earnings or revenues except that no resolution or other action of the authority providing for the issuance of bonds may be adopted or otherwise made effective without the prior approval of the Monroe county legislature. The powers conferred by this section on such Monroe county legislature shall be exercised with due regard for the rights of the holders of bonds of the authority at any time outstanding, and nothing in, or done pursuant to, this section shall in any way limit, restrict or alter the obligation or powers of the authority or any member, director, officer or representative of the authority to carry out and perform in every detail each and every covenant, agreement or contract at any time made or entered into by or on behalf of the authority with respect to its bonds or for the benefit, protection, or security of the holders thereof. The authority shall have power from time to time whenever it deems refunding expedient, to refund any bonds by the issuance of new bonds whether the bonds to be refunded have or have not matured, and may issue bonds partly to refund bonds then outstanding and partly for any of its corporate purposes. Except as may be otherwise expressly provided by the authority, every issue of bonds by the authority shall be general obligations payable out of any moneys, earnings or revenues of the authority, subject only to any agreements with the holders of particular bonds pledging any particular moneys, earnings or revenues.

2. The bonds shall be authorized by resolution of the authority and shall bear such date or dates, mature at such time or times not exceeding forty years from their respective dates, bear interest at such rates per annum not exceeding six per centum per annum payable at such times within the limitations as to interest cost hereinafter provided, be in such denominations, be in such form either coupon or registered, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States of America, at such place or places and be subject to such terms of redemption, at par or at a price not exceeding one hundred five per centum of their face value, as such resolution or resolutions may provide.

All bonds of the authority may be sold at public or private sale. Such bonds shall be sold for a price not less than ninety-six per centum of the par value thereof, plus accrued interest, provided always that the interest cost to maturity of the monies realized from the sale of such bonds shall not exceed six per centum per annum.

3. Any resolution or resolutions authorizing any bonds or any issue of bonds may contain provisions, which shall be a part of the contract with the holders of the bonds thereby authorized, as to

(a) pledging all or any part of the moneys, earnings, income and revenues derived from all or any part of the properties of the authority to secure the payment of the bonds or of any issue of the bonds subject to such agreements with bondholders as may then exist;

(b) the rates, rentals, fees and other charges to be fixed and collected and the amounts to be raised in each year thereby, and the use and disposition of the earnings and other revenues;

(c) the setting aside of reserves and the creation of sinking funds and the regulation and disposition thereof;

(d) limitations on the right of the authority to restrict and regulate the use of the properties in connection with which such bonds are issued;

(e) limitations on the purposes to which and the manner in which the proceeds of sale of any issue of bonds may be applied;

(f) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured; the refunding of outstanding or other bonds;

(g) the procedure, if any by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given;

(h) the creation of special funds into which any earnings or revenues of the authority may be deposited;

(i) the terms and provisions of any trust deed or indenture securing the bonds or under which bonds may be issued;

(j) defining the acts or omissions to act which shall constitute a default in the obligations and duties of the authority to the bondholders and providing the rights and remedies of the bondholders in the event of such default, including as a matter of right the appointment of a receiver, provided, however, that such rights and remedies shall not be inconsistent with the general laws of this state;

(k) limitations on the power of the authority to sell or otherwise dispose of its properties;

(l) any other matters, of like or different character which in any way affect the security or protection of the bonds;

(m) limitations on the amount of moneys derived from the properties to be expended for operating, administrative or other expenses of the authority.

4. It is the intention of the legislature that any pledge of earnings, revenues or other moneys made by the authority shall be valid and binding from the time when the pledge is made; that the earnings, revenues or other moneys so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and that the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded.

5. Neither the members of the authority nor any person executing the bonds shall be liable personally on the bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

6. The authority shall have power out of any funds available therefor to purchase (as distinguished from the power of redemption hereinabove provided) any bonds issued by it at a price of not more than the principal amount thereof and accrued interest, and all such bonds shall be cancelled.

7. In the discretion of the authority, the bonds may be secured by a trust indenture by and between the authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company in the state of New York. Such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority in relation to the construction, maintenance, operation, repair and insurance of the properties, and the custody, safeguarding and application of all moneys, and may provide that the properties shall be constructed and paid for under the supervision and approval of consulting engineers. The authority may provide by such trust indenture for the payment of the proceeds of the bonds and the revenues of the properties to the trustee under such trust indenture or other depository, and for the method of disbursement thereof, with such safeguards and restrictions as it may determine. All expenses incurred in carrying out such trust indenture may be treated as a part of the cost of maintenance, operation and repairs of the properties. If the bonds shall be secured by a trust indenture the bondholders shall have no authority to appoint a separate trustee to represent them.

Notwithstanding any other provisions of this title, any resolution or resolutions authorizing bonds or notes of the authority shall contain a covenant by the authority that it will at all times maintain rates, fees, rentals or other charges sufficient to pay, and that any contracts entered into by the authority for the sale or distribution of water shall contain rates, fees, rentals or other charges sufficient to pay, the cost of operation and maintenance of the properties, the principal of and interest on any obligation issued pursuant to such resolution or resolutions as the same severally become due and payable, and to maintain any reserves or other funds required by the terms of such resolution or resolutions.

§ 1099. Notes of the authority. The authority shall have power and is hereby authorized to issue negotiable bond anticipation notes in conformity with applicable provisions of the uniform commercial code and may renew the same from time to time but the maximum maturity of any such note, including renewals thereof, shall not exceed five years from the date of issue of such original note. Such notes shall be paid from any moneys of the authority available therefor and not otherwise pledged or from the proceeds of sale of the bonds of the authority in anticipation of which they were issued. The notes shall be issued in the same manner as the bonds and such notes and the resolution or resolutions authorizing the same may contain any provisions, conditions or limitations which the bonds or a bond resolution of the authority may contain. Such notes may be sold at public or private sale at not less than par and shall bear interest at a rate not exceeding five per centum per annum. Such notes shall be as fully negotiable as the bonds of the authority.

§ 1100. Duty of authority to maintain and operate. It shall be the duty of the authority, subject to any limitation on the amount of revenues to be expended for such purpose, to maintain and operate and where necessary to reconstruct its properties.

§ 1101. Transfer of officers and employees. Any public officer or employee under civil service, selected by the authority may, with the consent of the commission, board or department by which he or she has been employed, be transferred to the authority and shall be eligible for such transfer and appointment without examination to comparable offices, positions and employment under the authority. The salary or compensation of any such officer or employee shall after such transfer be paid by the authority. But notwithstanding the provisions of this act, any such officers or employees so transferred to the authority, pursuant to the provisions of this section, who are members of or beneficiaries under any existing pension or retirement system, shall continue to have all rights, privileges, obligations and status with respect to such fund, system or systems as are now prescribed by law, but during the period of their employment by the authority, all contributions to any pension or retirement fund or system to be paid by the employer on account of such officers or employee, shall be paid by the authority; and all such officers and employees who have been appointed to positions under the rules and classifications of the civil service commission of the county of Monroe shall have the same status with respect thereto after transfer to the authority as they had under their original appointments. It is hereby declared that in the interest of efficiency and insofar as may be practicable, all employees engaged in the operation of any property or properties, except in an executive capacity, at the time such property or properties shall have been acquired by the authority, pursuant to the

provisions of this act, shall become the employees of the authority. The appointment and promotion of all employees of the authority shall be made in accordance with the provisions of the civil service law (constituting chapter seven of the consolidated laws) and such rules as the civil service commission of the county of Monroe may adopt and make applicable to such authority.

§ 1102. Agreements of the state. The state of New York does pledge to and agree with the holders of the bonds or notes that the state will not limit or alter the rights hereby vested in the authority to acquire, construct, maintain, operate, reconstruct and improve the properties, to establish and collect the revenues, rates, rentals, fees and other charges referred to in this title and to fulfill the terms of any agreements made with the holders of the bonds or notes, or in any way impair the rights and remedies of the bondholders or noteholders, until the bonds or notes, together with interest thereon, interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders or noteholders, are fully met and discharged.

§ 1103. State, county and municipalities not liable on bonds or notes. The bonds or notes of the authority shall not be a debt of the state of New York or of the county or of any municipality in the county, and neither the state nor the county nor any municipality in the county shall be liable thereon, nor shall they be payable out of any funds other than those of the authority.

§ 1104. Bonds and notes legal investments for fiduciaries. The bonds or notes are hereby made securities in which all public officers and bodies of this state and all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, and all other persons whatsoever, except as hereinafter provided, who are now or may hereafter be authorized to invest in bonds or other obligations of the state, may properly and legally invest funds including capital in their control or belonging to them; provided that, notwithstanding the provisions of any other general or special law to the contrary, such bonds or notes shall not be eligible for the investment of funds including capital, of trusts, estates or guardianships under the control of individual administrators, guardians, executors, trustees and other individual fiduciaries. The bonds or notes are also hereby made securities which may be deposited with and may be received by all public officers and bodies of this state and all municipalities and municipal subdivisions for any purpose for which the deposit of bonds or other obligations of this state is now or may hereafter be authorized.

§ 1105. Exemption from taxes. 1. It is hereby determined that the creation of the authority and the carrying out of its corporate purposes is in all respects for the benefit of the people of the county of Monroe and its environments, and is a public purpose, and the authority shall be regarded as performing a governmental function in the exercise of the powers conferred upon it by this title and shall not be required to pay any taxes, special ad valorem levies or special assessments upon any property owned by it or under its jurisdiction, control or supervision or upon its activities, or any filing, recording or transfer taxes in relation to instruments filed, recorded or transferred by it or on its behalf.

2. Any bonds or notes issued pursuant to this title, together with the income therefrom shall be exempt from taxation, except for transfer and estate taxes. The revenues, monies and other properties and the activities of the authority shall be exempt from taxes and governmental fees or charges, whether imposed by the state or any municipality, including real estate taxes, franchise taxes or other excise taxes.

3. Notwithstanding any other provisions of this chapter, the authority may make payments in lieu of taxes to municipalities and school districts on any property of the authority located within the jurisdiction of such municipality or school district. The amounts of such payments in lieu of taxes shall be as determined by the authority, provided, however, that the sum paid by the authority for any year shall in no case exceed the sum last levied by the municipality or school district as an annual tax upon the property prior to its acquisition by the authority.

§ 1106. Tax contract by the state. The state of New York covenants with the purchasers and with all subsequent holders and transferees of bonds or notes issued by the authority pursuant to this title, in consideration of the acceptance of and payment for the bonds or notes that the bonds and notes of the authority issued pursuant to this title and the income therefrom, and all moneys, funds and revenues pledged to pay or secure the payment of such bonds or notes, shall at all times be free from taxation except for transfer and estate taxes.

§ 1107. Officers and employees not to be interested in transactions. It shall be a misdemeanor for any of the members of the authority, or any officer, agent, servant or employee thereof, employed or appointed by them to be in any way or manner interested directly or indirectly in the furnishing of work, materials, supplies or labor, or in any contract therefor which the authority is empowered by this title to make.

§ 1108. Contracts. 1. All contracts, or orders, for work, material or supplies performed or furnished in connection with construction shall be awarded by the authority pursuant to resolution. Such contracts, or orders, for work, material or supplies needed for any particular purpose involving an expenditure of more than five thousand dollars shall be awarded only after inviting sealed bids or proposals therefor. The notice inviting sealed proposals shall be published at least once in a newspaper or trade paper selected by the authority for such purpose, such publication to be at least ten days before the date for the receipt of bids. If the authority shall not deem it for the interest of the authority to reject all bids, it shall award the contract to the lowest bidder, unless the authority shall determine that it is for the public interest that a bid other than the lowest bid should be accepted. In any contract for work, material or supplies, there shall be inserted in the discretion of the authority a provision that additional work may be done or material or supplies furnished for the purpose of completing such contract at an expense not exceeding fifteen percentum of the amount of such contract if such additional work, materials or supplies shall be ordered by the authority. The bidder whose bid is accepted shall give security for the faithful performance of the contract, and such other security as the authority may require, and may be required to maintain for such period as shall be stipulated any construction done under the contract, all in the manner prescribed and required by the authority; and the sufficiency of such security shall, in addition to the justification and acknowledgment, be approved by the authority. All bids or proposals shall be publicly opened by the authority or its duly authorized agent. If the bidder whose bid has been accepted after advertising shall neglect or refuse to accept the contract within five days after written notice that the same has been awarded to him on his bid or proposal, or, if he accepts but does not execute the contract and give proper security the authority shall have the right to declare his deposit forfeited, and thereupon it shall be readvertised and relet as above provided. In case any work shall be abandoned by any contractor, the authority may, if the best interests of the authority be thereby served, adopt on behalf of the authority any or all sub-contracts made by such contractor for such work and all such sub-contractors shall be bound by such adoption if made; and the authority shall in the manner provided herein readvertise and relet the work specified in the original contract exclusive of so much thereof as shall be provided for in the sub-contract or sub-contracts so adopted. No bid shall be accepted from or any contracts awarded to, any person or corporation who is in arrears to the authority, or the county of Monroe upon any debt or contract, or is a defaulter as surety or otherwise upon any obligation of the authority, or the county. Every contract involving an expenditure of more than five thousand dollars when made and entered into as herein provided for shall be executed in duplicate, one copy of which shall be held by the authority and one copy of which shall be delivered to the contractor. Upon the adoption of a resolution by a vote of two-thirds of all the members of the authority stating that, for reasons of efficiency or economy, there is need for standardization, purchase contracts for a particular type or kind of equipment, material or supplies of more than five thousand dollars may be awarded by the authority to the lowest responsible bidder furnishing the required security after advertisement for sealed bids therefor in the manner provided in this section. Such resolution shall contain a full explanation of the reasons for its adoption.

2. For the purposes of article fifteen-A of the executive law only, the authority shall be deemed a state agency as that term is used in such article, and all contracts for procurement, design, construction, services and materials shall be deemed state contracts within the meaning of that term as set forth in such article.

§ 1109. Actions. 1. In any case founded upon tort a notice of claim shall be required as a condition precedent to the commencement of an action or special proceeding against the authority or any officer, appointee or employee thereof, and the provisions of section fifty-e of the general municipal law shall govern the giving of such notice. Except in an action for wrongful death, an action against the authority for damages for injuries to real or personal property, or for the destruction thereof, or for personal injuries, alleged to have been sustained, shall not be commenced more than one year and ninety days after the cause of action therefor shall have accrued.

2. An action against the authority for wrongful death shall be commenced in accordance with the notice of claim and time limitation provisions of title eleven of article nine of this chapter.

§ 1110. Audit of authority; annual report. In conformity with the provisions of section five of article ten of the constitution, the accounts of the authority shall be subject to the supervision of the state comptroller and such state comptroller and his legally authorized representatives are hereby authorized and empowered from time to time to examine the accounts and the books of the authority, including its receipts, disbursements, contracts, leases, sinking funds, investments and any other matters relating to its financial standing. The authority shall annually submit to the governor and to the legislature a detailed report pursuant to the provisions of section twenty-eight hundred of this chapter.

§ 1111. Limitation of liability. Neither the members of the authority, nor any person or persons acting in its behalf, while acting within the scope of their authority, shall be subject to any personal liability resulting from the erection, construction, reconstruction, maintenance or operation of the properties or any of the improvements or from carrying out any of the powers expressly given in this title.

§ 1112. Title not affected if in part unconstitutional or ineffective. If any section, clause or provision of this title shall be held unconstitutional, or be ineffective in whole or in part, to the extent that it is not unconstitutional, or ineffective, it shall be valid and effective and no other section, clause or provision shall, on account thereof, be deemed invalid or ineffective.

§ 1113. Effect of inconsistent provisions. In so far as the provisions of this title are inconsistent with the provisions of any other act, general or special, or of any local law of any city, the provisions of this title shall be controlling. Nothing contained in this title shall be held to alter or abridge the powers and duties of the state department of health or of the water power and control commission over water supply matters.

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**AMENDED AND RESTATED
BY-LAWS OF THE MONROE COUNTY WATER AUTHORITY**

(Section 1096, paragraph 10 of the Public Authorities Law provides that the Monroe County Water Authority shall have the power to make by-laws for the management and regulation of its affairs, and, subject to agreements with its bondholders, to make rules for the sale of water and the collection of rents and charges therefor. A copy of such By-Laws and rules, and all amendments thereto, duly certified by the Secretary of the Authority, shall be filed in the office of the Clerk of the County and thereafter published once in two newspapers having a general circulation in the County.)

**ARTICLE I
The Authority**

1. **Name of Authority.** The name of the Authority is the Monroe County Water Authority (the "Authority").
2. **Purposes.** The Authority is a public benefit corporation, created by and having the powers and functions set forth in the Monroe County Water Authority Act of the Public Authorities Law, as amended (the "Act").
3. **Fiscal Year.** The fiscal year of the Authority shall coincide with the calendar year. The Authority's fiscal year may be changed by resolution adopted at a regular or special meeting of the Authority.

**ARTICLE II
Meetings**

1. **Annual Meeting.** The annual meeting of the members of the Authority (the "Members") for the election of officers and the transaction of such other business as may properly come before it shall be held at the principal offices of the Authority, 475 Norris Drive, Rochester, New York, or at such other place, and at such time and on such date during the month of April in each year as directed by the Chairperson of the Authority.
2. **Regular Meetings.** Regular meetings of the Members shall be held at least once in each and every calendar month at a date, time and place directed by the Chairperson of the Authority.

3. Special Meetings. All special meetings may be held at any time or place within the County of Monroe on twenty-four (24) hours' notice to each Member, or upon shorter notice by written waiver of notice of such meeting signed by each Member. Such notice may be oral, by facsimile, electronically mailed, personally delivered or written.

Special meetings may be called by the Chairperson, or in his or her absence, by the Vice-Chairperson. Special meetings also may be called by any two Members.

4. Regular and Special Meetings. Any regular and special meetings shall be open for the consideration of any matter properly brought to the attention of the Authority.

5. Waiver. Notice of a meeting need not be given to any Member who submits a signed waiver whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him or her.

6. Quorum. Four Members shall constitute a quorum at any meeting duly called and held. No action shall be taken except pursuant to the favorable vote of at least four Members. A majority of the Members present, whether or not a quorum is present, may adjourn any meeting to another time and place.

ARTICLE III

Members of the Authority

1. Term of Office. The term of office for Members shall be as fixed by Section 1095 of the Public Authorities Law (enacted into law as Chapter 804 of the Laws of 1950 as amended by Chapter 116 of the Laws of 1951, and as further amended by Chapter 938 of the Laws of 1977, and as may be further amended from time to time), and they shall have the duties and powers as set forth therein.

2. Members of the Authority:

(i) Power and General Duties. The Members shall oversee the management of the affairs of the Authority by its Executive Director and other employed officers. The Members shall establish, monitor and update from time to time such policies as they deem necessary or desirable and appropriate to promote honest and ethical conduct by the Authority's officers, employees, and to maintain and enhance the public's confidence in the Authority. To that end, the Members shall periodically review and update the Authority's code of ethics and policies regarding conflicts of interest; policies regarding the procurement or disposition of real and personal property, or interest therein, by the Authority; and policies regarding the purchase of goods and services, including service contracts. All of such policies shall be consistent with the Act, other applicable law or these By-Laws.

(ii) Fiduciary Duty. The Members shall perform each of their duties in good faith and with that degree of diligence, care and skill that an ordinarily prudent person in like position would use under similar circumstances, and

apply independent judgment in the best interest of the Authority, its mission and the public.

- (iii) Acknowledgement. Each Member shall execute an acknowledgement, in the form prescribed by the New York State Authorities Budget Office.
- (iv) Oath of Office. Within thirty (30) days after beginning their appointments, each Member shall take an oath of office as required by Section 10 of the New York Public Officers Law.

3. Governance Committee. The Authority shall appoint and constitute a standing governance committee comprised of at least three (3) independent Members who possess the necessary skills to understand the duties and functions of the Governance Committee. At least annually, the Chairperson of the Authority shall appoint the members and select the chair of the Governance Committee. The Chairperson of the Authority shall be a member ex officio of the Governance Committee and shall have the right, but not the duty, to vote on all propositions before such committee. The responsibilities of the Governance Committee shall include:

- (i) developing and recommending to the Members a set of corporate governance principles applicable to the Authority, reviewing corporate governance trends and obligations, especially as they pertain to public authorities and reporting on same periodically, reviewing the Authority's corporate governance guidelines periodically, and recommending to the Members such changes to the Authority's corporate governance guidelines as the Governance Committee from time to time deems necessary or desirable and appropriate;
- (ii) reviewing annually with the Members the appropriate skills, characteristics and experiences required of Members in the context of the then current composition of the Authority and, as applicable, advising the County Legislature on the skills and experience required of potential Members; and
- (iii) examining ethical and conflict of interest issues, performing Member self-evaluations, and recommending to the Members, as necessary, revisions to these By-Laws.

4. Audit Committee. The Authority shall appoint and constitute a standing audit committee comprised of at least three (3) independent Members who possess the necessary skills to understand the duties and functions of the Audit Committee and shall be familiar with corporate financial and accounting practices. At least annually, the Chairperson of the Authority shall appoint the members and select the chair of the Audit Committee. The Chairperson of the Authority shall be a member ex officio of the Audit Committee and shall have the right, but not the duty, to vote on all propositions before such committee. The responsibilities of the Audit Committee shall include:

- (i) reviewing and approving the Authority's financial statements;
- (ii) overseeing the Authority's internal controls and compliance systems;
- (iii) appointing, compensating and overseeing outside auditors retained by the Authority. Unless otherwise approved by the Members, such outside auditors shall not provide non-audit services to the Authority;
- (iv) resolving disagreements with respect to, and overseeing compliance with, accounting policies and principles;
- (v) reviewing management reports on internal controls and attestation of such reports by the Authority's outside auditors; and
- (vi) investigating compliance with the Authority's policies and/or referring instances of non-compliance to the appropriate offices for investigation.

5. Finance Committee. The Authority shall appoint and constitute a standing finance committee comprised of at least three (3) independent Members who possess the necessary skills to understand the duties and functions of the Finance Committee. At least annually, the Chairperson of the Authority shall appoint the Members and select the chair of the Finance Committee. The Chairperson of the Authority shall be a member ex officio of the Finance Committee and shall have the right, but not the duty, to vote on all propositions before such committee. The responsibilities of the Finance Committee shall include, without limitation:

- (i) reviewing proposals for the issuance of debt by the Authority;
- (ii) preparing and submitting to the Authorities Budget Office ("ABO") a statement of intent to guide the Authority's issuance and overall amount of bonds, notes, or other debt obligations that the Authority may issue by a deadline fixed by the ABO; and
- (iii) issuing recommendations regarding the issuance of debt by the Authority.

6. Compensation Committee. The Authority shall appoint and constitute a standing compensation committee comprised of at least three (3) independent Members who possess the necessary skills to understand the duties and functions of the Compensation Committee. At least annually, the Chairperson of the Authority shall appoint the Members and select the chair of the Compensation Committee. The Chairperson shall be a member ex officio of the Compensation Committee and shall have the right, but not the duty, to vote on all propositions before such committee. The responsibilities of the Compensation Finance Committee shall include, without limitation:

- (i) appointing, compensating and overseeing an independent compensation consultant retained by the Authority;
- (ii) working with the independent compensation consultant to create, implement, and regularly update a written compensation philosophy; and

- (iii) from time to time, reviewing and implementing procedures regarding the performance and compensation of Executive Staff of the Authority (as defined in Article IV, Section 6 of these By-Laws), including preparing a written annual performance review of the Executive Director, reviewing the annual performance reviews of other Executive Staff prepared by the Executive Director, and recommending annual salary increases based, in part, on the Authority's written compensation philosophy and the written annual performance reviews described in this item (iii).

7. Other Standing Committees. The Chairperson may, from time to time, appoint other standing committees for general or specific purposes, each consisting of at least two Members. The Chairperson shall be a member of each such committee by virtue of his office. Such standing committees will be charged with duties and responsibilities described by the Chairperson and shall report to the Authority at its regular meetings.

8. Members Compensation. Pursuant to Section 1095 of the New York Public Authorities Law, the Members shall receive such compensation as is fixed from time to time by the Monroe County legislature for the performance of their regular duties, as defined by resolution of the Members, which shall include the attendance of regular meetings of the Authority provided for in Article I of the By-Laws.

ARTICLE IV Officers of the Authority

1. The officers of the Authority shall be a Chairperson, Vice Chairperson and Treasurer, who shall be Members, and a Secretary who need not be a Member of the Authority. The Chairperson shall be elected annually by the Members at their annual meeting in accordance with Section 1095 of the Public Officers Law. The Vice Chairperson and Treasurer of the Authority shall be elected annually by the Members at their annual meeting or, in the case of a vacancy, at any regular meeting of the Members. The Secretary and any other officer shall be appointed by, and shall serve at the pleasure of, the Authority, subject to the rights of such persons under the Civil Service Law.

2. Chairperson. The Chairperson shall preside at all meetings of the Members. He or she shall sign in the name of the Authority all notes, bonds or other evidences of indebtedness when so authorized by resolution of the Authority, and shall perform such other duties as may be assigned to him or her from time to time by the Authority.

3. Vice Chairperson. The Vice-Chairperson shall, in the absence or incapacity of the Chairperson, perform the duties of that officer.

4. Treasurer. The Treasurer shall have the care and custody of all funds and securities of the Authority from whatever source derived and shall deposit the same forthwith in the name of the Authority in such bank or banks in the State of New York as the Authority shall designate. The moneys in such accounts shall be paid out on check of the Treasurer, the Executive Director or the Director of Finance and Business Services, on requisition by the Authority, or on requisition of such other person or persons as the Authority may authorize to make such requisitions. Funds not immediately required by the Authority shall be invested in accordance with the Authority's investment policy and applicable law.

5. Secretary. The Secretary shall keep the minutes of the meetings of the Authority; shall attend to the serving of notices of all meetings, regular or special; shall affix the seal to all papers or documents as may require it; shall attend to such correspondence as may be assigned to him or her; and shall perform all the duties as the Authority may designate. The Authority may designate an Acting Secretary who, in the absence or incapacity of the Secretary, shall perform the duties of that officer.

6. Other Officers and Employees. From time to time, the Authority shall appoint and assign the duties and qualifications of one or more of an Executive Director, a Director of Finance and Business Services, an Executive Engineer, a Personnel Manager, a Director of Production/Water Supply, a Director of Operations, a Director of Facilities and Fleet Maintenance, a Civil Engineer - Water Distribution, a Director of Information Technology, and an Assistant to the Executive Director (collectively, and together with the Secretary, the "Executive Staff"), subject to the applicable terms of the Civil Service Law of the State of New York. The Authority may appoint, and at its pleasure remove, such other officers and employees as it may require for the performance of its duties, fix and determine their qualification, duties and compensation, subject to the provisions of the Civil Service Law of the State of New York.

7. Contracts; Authority to Execute. The Members may, by resolution, authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such authority may be general or confined to specific instances; but, unless so authorized by the Members by resolution, or expressly authorized by these By-Laws, no officer, agent or employee shall have any power or authority to (i) bind the Authority by any contract or engagement other than in the ordinary course of the Authority's business or (ii) pledge the Authority's credit or to render it liable financially in any amount for any purpose, except for the payment of a debt or obligation not in excess of:

- (i) for all contracts, or orders, for work, materials or supplies performed or furnished in connection with construction, the sum of \$5,000.00; and
- (ii) for all other purposes, the sum of \$15,000.00.

The foregoing limitations shall not apply to the payment of the Authority's obligations under, in connection with or pursuant to any contract or engagement that has been properly authorized in accordance with these By-Laws.

8. Defense and Indemnification of Members, Officers and Employees. The Authority shall defend, indemnify and save harmless its employees (as "employee" is defined in Section 18 (1)(b) of the Public Officers Law of the State of New York) to the full extent authorized or permitted by Section 18 of the Public Officers Law (being Chapter 277 of the Laws of 1981) or by any other applicable law. Said Section 18 of the Public Officers law is incorporated by reference herein as if fully set forth in this Section 8. The Authority makes the agreements required by Section 2(b) of said Section 18 of the Public Officers Law and is authorized to provide insurance as permitted by Section 8 of said Section 18 of the Public Officers Law.

ARTICLE V
Amendments

1. These By-Laws may be repealed or amended by the Monroe County Water Authority at any duly called regular or special meeting of the Authority, provided, however, that any motion to repeal or amend these By-Laws shall not be adopted until the same has laid on the table until the next succeeding regular meeting.

ARTICLE VI

Seal

1. The seal of the Water Authority shall be circular in form and shall bear the name of the Monroe County Water Authority, State of New York and 1951. Thus:

I, KATHLEEN EISENMANN, duly appointed and qualified Secretary of the Monroe County Water Authority do hereby CERTIFY that the foregoing is a true, correct and complete copy of the By-Laws of said Monroe County Water Authority, as amended April 12, 2018.

WITNESSETH, my hand and seal this 12th day of April 2018.


Kathleen A. Eisenmann,
Secretary to the Authority

MCWA MISSION STATEMENT

The Monroe County Water Authority is a not-for-profit public benefit corporation that reliably provides quality, affordable water that fosters economic vitality and enhanced quality of life for Monroe County and area communities who request service.



PERFORMANCE MEASUREMENTS FOR 2018

The Monroe County Water Authority will evaluate and monitor the following goals and global performance measurements to assess our effectiveness in meeting our mission.

The **reliability** component of our mission will be evaluated by the following:

- Continuity of production capacity is paramount. Unplanned outages from treatment plants and pumping stations are tracked by the number of events and duration of events. As each of these facilities is unique and will have a varying level of severity of impact, each outage event of greater than four hours is assessed and, if necessary, an action plan to minimize impacts is to be developed.
- Distribution System reliability is measured by an assessment of the number of main breaks per mile of water main as benchmarked against the most recent American Water Works Association Benchmarking report. Our goal is to achieve a benchmark that is better than the national average ratio.
- Maintaining the long-term reliability of our infrastructure requires a planned reinvestment in its renewal. Our goal is to implement a budget that reinvests a minimum of 2% of annual revenues in the renewal and replacement of our infrastructure.

The **quality** aspect of our mission will be evaluated by:

- Our goal is to produce and deliver water that meets or exceeds the requirements of state and federal water quality regulations. This can be measured by compliance with each regulated parameter and is reported to the Board, and our customers, with an annual Water Quality Report.
- Our Customer Service Information System includes tracking mechanisms for categorizing and measuring the number of customer calls that are specific to quality. Trends and specific events are analyzed and, if necessary, action plans are to be implemented.

The **affordable** component of our mission will be judged in relation to:

- Our goal is to achieve a better than average cost of service for a typical residential customer as benchmarked against our peer group of New York State water purveyors.
- The ratings on our bonds affect the cost of capital to our customers and it also provides an outside perspective and analysis of the overall financial health of the Water Authority. Our goal is to maintain a double A rating or better from the rating agencies.

The measure of our water supply **fostering economic vitality** will be judged by:

- The availability of a plentiful, high quality water supply can be a critical differentiator for attracting new businesses, and the associated economic benefits of new jobs to our service area. Our goal is to produce and deliver water in a manner that meets both our residential and our commercial/industrial customers' needs, to retain current users and enable those looking to locate in our service area. New service inquiries are handled by our Engineering Department which will annually report a summary of such requests and their status to the Board.

The response to **request of service** to area communities component of our mission statement will be measured by:

- Requests for service can be accurately measured by reporting and tabulating contacts from local communities. Internal procedures direct all such contacts of this nature be directed to the Executive Director's office, who will annually report all such requests and the status thereof to the Board.



REPORT ON 2018 PERFORMANCE MEASUREMENTS

The Monroe County Water Authority will evaluate and monitor the following goals and global performance measurements to assess our effectiveness in meeting our mission.

The **reliability** component of our mission will be evaluated by the following:

- Continuity of production capacity is paramount. Unplanned outages from treatment plants and pumping stations are tracked by the number of events and duration of events. As each of these facilities is unique and will have a varying level of severity of impact, each outage event of greater than four hours is assessed and, if necessary, an action plan to minimize impacts is to be developed.

✓ **Results for 2018:** *There were no unplanned outages of supply capacity lasting more than four hours. Outages of specific treatment components, tanks, pumps and water mains were either planned in advance or did not lead to a significant reduction in capacity. MCWA's treatment, distribution and storage systems have been designed with redundancy and flexibility so that individual components may be temporarily taken out of service while maintaining MCWA's full ability to meet customer demands.*

- Distribution System reliability is measured by an assessment of the number of main breaks per mile of water main as benchmarked against the most recent American Water Works Association Benchmarking report. Our goal is to achieve a benchmark that is better than the national average ratio.

✓ **Results for 2018:** *The AWWA benchmark to meet the goal for system integrity is to be less than 33.5 breaks / 100 miles of pipeline / year. Our distribution system now includes 3,300 miles of water main and in 2018 the actual number of breaks and leaks repaired was 645 yielding an actual system integrity rating of 19.5, well below national median.*

- Maintaining the long-term reliability of our infrastructure requires a planned reinvestment in its renewal. Our goal is to implement a budget that reinvests a minimum of 2% of annual revenues in the renewal and replacement of our infrastructure.

✓ **Results for 2018:** *The Water Authority's 2018 budget for infrastructure related reinvestment was as follows:*

▪ Production & Transmission:	\$ 2,615,000
▪ Engineering:	\$10,590,000
▪ Facilities Fleet Operations:	\$ 1,982,000
▪ Finance & Business Services	\$ 2,845,000
▪ Total	\$18,132,000

All projects in the budget were either initiated or completed in 2018.

This reinvestment in infrastructure replacement was greater than the goal amount.

The **quality** aspect of our mission will be evaluated by:

- Our goal is to produce and deliver water that meets or exceeds the requirements of state and federal water quality regulations. This can be measured by compliance with each regulated parameter and is reported to the Board, and our customers, with an annual Water Quality Report.

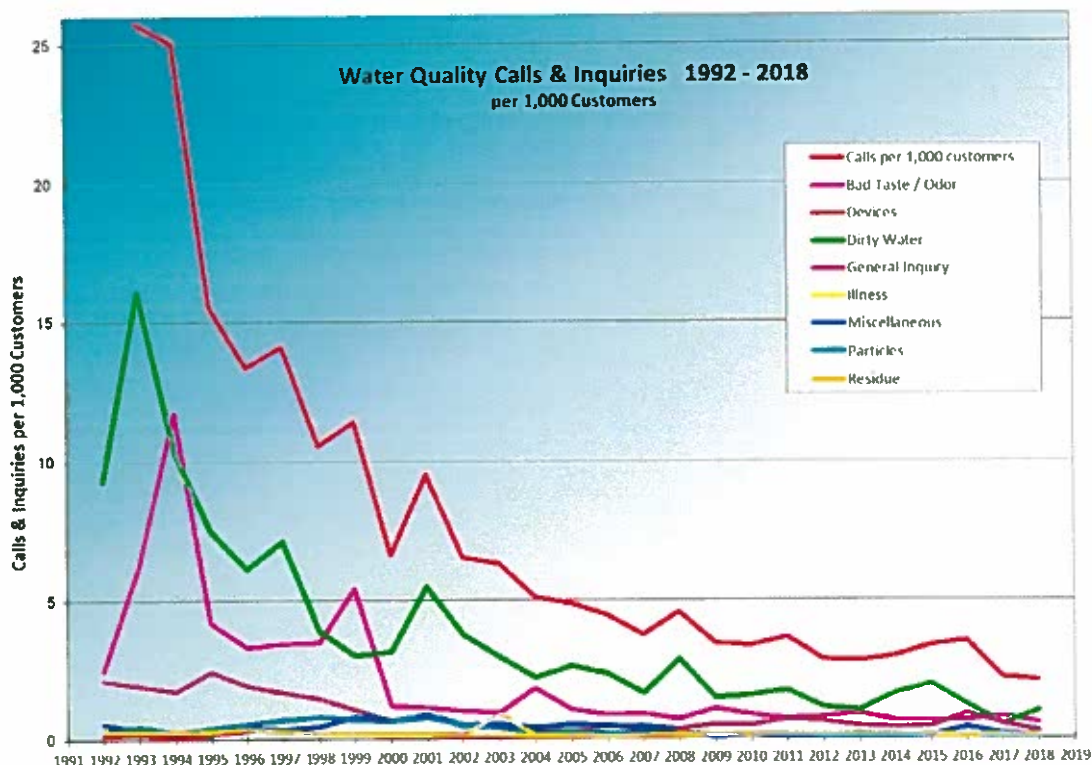
✓ **Results for 2018:**

All of Monroe County Water Authority's produced and delivered water supplies were in full compliance with New York State Health Department and EPA regulatory requirements. Our Annual Water Quality Report reflecting this achievement will be made available to our customers on the MCWA.com website or delivered to customers in accordance with the revised EPA regulations regarding the Consumer Confidence Report (CCR) requirements.

- Our Customer Service Information System includes tracking mechanisms for categorizing and measuring the number of customer calls that are specific to quality. Trends and specific events are analyzed and, if necessary, action plans are to be implemented.

✓ **Results for 2018:**

MCWA received about 381 quality related customer calls in 2018 (2.1 calls per thousand customers). The Shoremont Lab handled 62 of these calls. The overall trend in customer calls remains downward.



The **affordable** component of our mission will be judged in relation to:

- Our goal is to achieve a better than average cost of service for a typical residential customer as benchmarked against our peer group of New York State water purveyors.

✓ **Results for 2018:** *The analyses of the rates charged for a typical residential customer for our peer group is shown below. MCWA rates in the lower quartile, significantly better than the 2018 goal.*

Comparison of Water Charges (All amounts in \$)				
	Annual Fixed Charge	Annual Consumption- Based Charge	Annual Minimum Charge	Annual Total Charge
Suffolk County Water Authority	97	137	97	234
Albany Water Board	0	255	108	255
City of Syracuse	0	278	154	278
Monroe County Water Authority	80	228	80	309
Erie County Water Authority	79	230	197	309
City of Watertown	0	323	147	323
Western Nassau Water Authority	0	332	187	332
Niagara Falls Water Board	15	320	192	335
Onondaga County Water Authority	132	208	132	340
City of Rochester	100	253	100	353
NYC Water Board	0	365	179	365
City of Binghamton	64	310	201	374
Yonkers	238	165	238	403
Poughkeepsie	3	402	123	405
Buffalo Water Board	200	214	200	413
Elmira Water Board	0	417	161	417
Mohawk Valley Water Authority	128	337	268	465
Average	67	281	163	348
Notes				
Charges are based on rates in effect in January 2019				
Charges assume a single family residential customer using 5/8" meter and 70,000 gallons of water per year				
Minimum charges include fixed charges				

- The ratings on our bonds affect the cost of capital to our customers and it also provides an outside perspective and analysis of the overall financial health of the Water Authority. Our goal is to maintain a double A rating or better from the rating agencies.

✓ **Results for 2018:** *Our Moody's and Standard & Poor's ratings are listed below. These were reviewed and assigned by both agencies in December 2017 with the issuance of the Water System Revenue Refunding Bonds Series 2017.*

- *Standard and Poor's: AA+*
- *Moody's: Aa2*

The measure of our water supply **fostering economic vitality** will be judged by:

- Our goal is to produce and deliver water in a manner that meets both our residential and our commercial/industrial customer's needs; to both retain current users and enabling those looking to locate in our service area.

✓ ***Results for 2018:** A report on new service inquiries was presented to the Board at its January 2019 meeting.*

Highlights include:

- *64 new Industrial/Commercial customer accounts*
- *40 new residential subdivisions with 640 new customers*
- *5 new water districts with 154 new customers*
- *111 new customers from well conversions or new home construction*

The response to **request of service** to area communities' component of our mission statement will be measured by:

- Requests for service can be accurately measured by reporting and tabulating contacts from local communities. Internal procedures direct all such contacts of this nature be directed to the Executive Director's office, who will annually report all such requests and the status thereof to the Board.

✓ ***Results for 2018:** A report of contacts made by water purveyors that are presently un-served, or looking to upgrade service from wholesale to retail, was presented to the Board at its January 2019 meeting.*

- *We renewed the retail leases with the Towns of Brighton and Byron.*
- *We responded to inquiries and had discussions regarding service options with the Towns of Murray and Clarendon and the City of Batavia regarding new, or significantly expanded, service.*



PERFORMANCE MEASUREMENTS FOR 2018

The Monroe County Water Authority will evaluate and monitor the following goals and global performance measurements to assess our effectiveness in meeting our mission.

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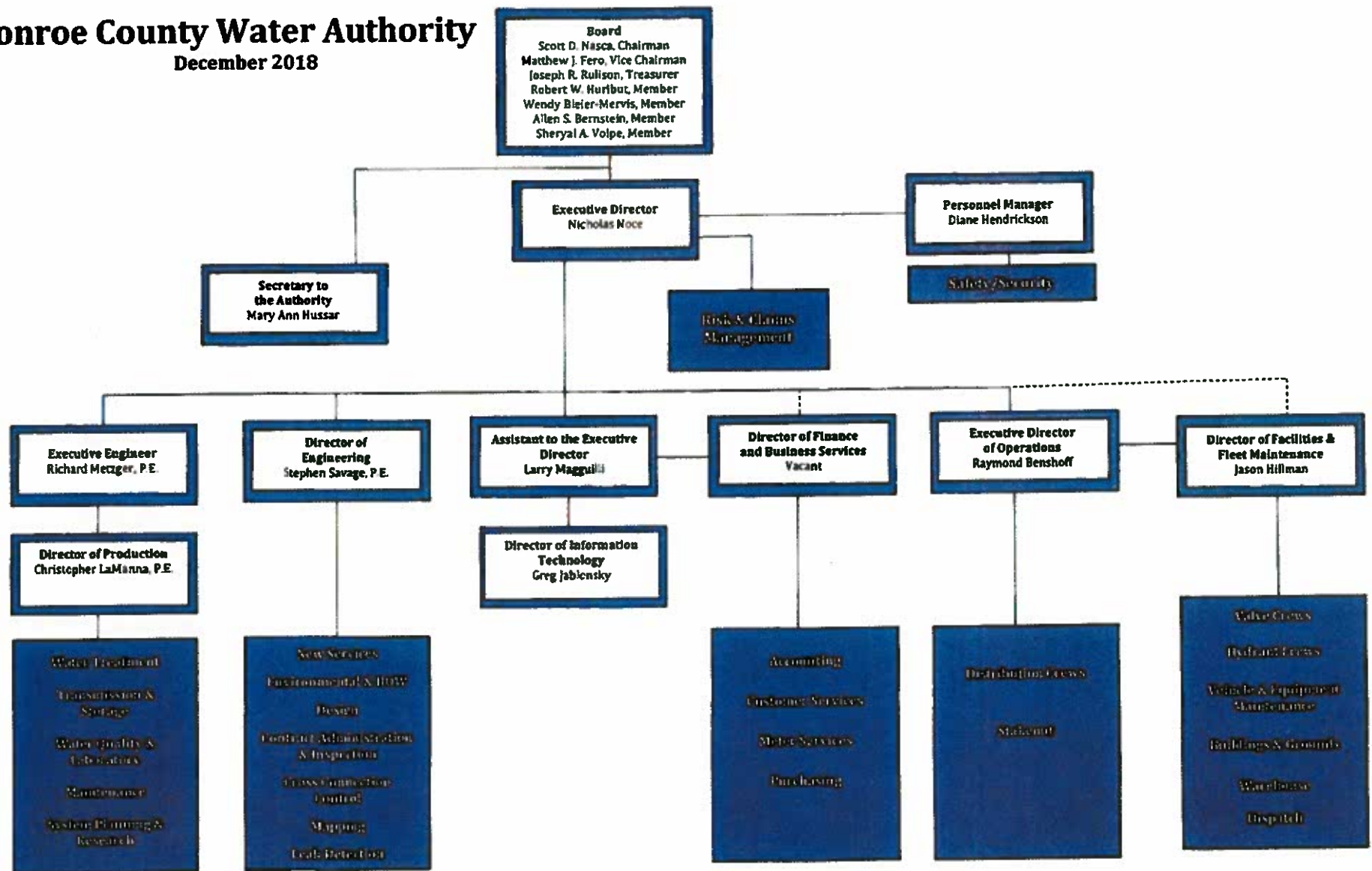
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Monroe County Water Authority

December 2018



MONROE COUNTY WATER AUTHORITY

Officers and Members of the Authority

By statute, MCWA Board Members are appointed by the President of the Monroe County Legislature, subject to confirmation by a majority of the Legislature.

Scott D. Nasca is the President of Generation Capital Management, LLC in Rochester, New York. He is the former Principal and Director of Equity Investments at Karpus Investment Management in Pittsford, New York.

Mr. Nasca currently serves as a member of the Association for Investment Management and Research as well as the Rochester Society of Security Analysts.

Mr. Nasca holds an MBA with a concentration in Finance from the Rochester Institute of Technology.

He was appointed to the Water Authority's Board of Directors in January 2014 and has served as Vice Chairperson. In 2018, Mr. Nasca became Chairperson, and as Chairperson is a member ex officio of all standing Committees.

Matthew J. Fero is a partner in the law firm of Fero & Ingersoll, LLP. He is engaged in the general practice of law with a specific concentration in family law.

Mr. Fero received his Bachelor's Degree from St. Lawrence University in 1998 and his law degree from Suffolk University School of Law in 2003. He is a member of the Monroe County Bar Association and the New York State Bar Association. Mr. Fero was admitted to the New York State Bar Fourth Judicial Department in 2004 and subsequently to the Federal Bar in the Western District of New York and United States Bankruptcy Court.

Mr. Fero was the recipient of the James R. Boyle Award for child advocacy in 2013 and the William E. McKnight Volunteer Service Award in 2016.

He was appointed to the Water Authority's Board of Directors in January 2018 and currently serves as Vice Chairperson; he is also a member of the Governance and Compensation committees.

Joseph R. Rulison is Co-Founder and CEO at Three+One advisors. He is the former Managing Director for the Upstate New York market for J.P. Morgan Private Bank.

A Board Member and Treasurer for the Monroe County Water Authority, Mr. Rulison also serves as Chair of the Audit committee. In addition, he serves on the Board of Directors at Visit Rochester and the Memorial Art Gallery, as well as being a Trustee and past Chair for St. John Fisher College, and Trustee to the University of Redlands, Redlands, California. He formerly served as the Chairman of the County of Monroe Industrial Development Agency (COMIDA) and Chairman of the Board of Trustees for Geva Theater.

Mr. Rulison holds an Honorary Doctor of Law degree from St. John Fisher College.

Wendy Bleier-Mervis has been Executive Director of Camp Good Days and Special Times since 2006. Before that, Ms. Bleier-Mervis served as Interim Executive Director and Camp Director. She is a former physical education teacher and varsity softball coach.

Ms. Bleier-Mervis serves as Chair of the Monroe County Youth Board, and is a member of numerous professional organizations including the Association of Fundraising Professionals and the Council of Agency Executives. She was named Honorary Chair of the WHAM Women Sports Award and Luncheon in 2008 and was inducted into the Section V Athletics Hall of Fame in 2009.

She holds a BS in Physical Education from SUNY Brockport, an MS in Educational Administration from SUNY Brockport, and a BS in Political Science from Colgate University.

She was named to the Water Authority's Board of Directors in 2011 and currently serves as Chair for both the Governance Committee and the Compensation Committee.

Robert W. Hurlbut has been president of ROHM Services Corporation, which operates 13 nursing homes in upstate New York and Florida, since 1993. Prior to that time, he served as Vice President of ROHM Services Corporation and was administrator at Hurlbut Nursing Home in Brighton.

Mr. Hurlbut is a graduate of Rochester Institute of Technology, with a degree in Food, Hotel and Travel Management. He serves on numerous community and civic boards. He was named a Distinguished Alumnus of Rochester Institute of Technology in 1998 and was given the University's Sarah Margaret Gillam Award – Hotel School in 2009. He was named one of Rochester's 40 Under 40 by the Rochester Business Journal in 1995.

He was appointed to the Water Authority's Board of Directors in 2011 and serves as Chair for the Finance committee as well as being a member of the Compensation committee.

Allen S. Bernstein was Executive Vice President of DePrez Travel, a group of Rochester companies in the travel industry. He was formerly an investigator for the Monroe County Sheriff's Office in the White Collar Crime Unit and has previously served as a Commissioner of the Rochester Genesee Regional Transit Authority and as a board member of Rochester Crimestoppers.

Mr. Bernstein was trained at the FBI Academy in Virginia and attended numerous seminars dealing with all facets of law enforcement. He is a graduate of Monroe Community College.

He was appointed to the Water Authority's Board of Directors in January 2014 and is a member of the Finance committee and Audit committee.

Sheryal A. Volpe is an independent NYS Licensed Real Estate Broker who specializes in commercial sales, leasing and property management.

Mrs. Volpe previously served on the Ontario County Board of Supervisors and was Planning Committee Chair; Canadice Town Supervisor, Budget Officer, Assessor Chairwoman; Former Vice President of Genesee Finger Lakes Regional Planning Council.

Mrs. Volpe is also Vice President of Patriot Business and Realty Services Corporation.

She was appointed to the Water Authority's Board of Directors in November 2015 and is a member of the Audit, Finance, and Governance committees.

Name	Appointment/Reappointment Date	Term Expiration Date
Scott D. Nasca	06/13/2017	04/01/2019
Matthew J. Fero	02/01/2018	04/01/2022
Joseph R. Rulison	06/13/2017	04/01/2019
Wendy Bleier-Mervis	06/13/2017	04/01/2021
Robert W. Hurlbut	05/09/2017	04/01/2022
Allen S. Bernstein	06/13/2017	04/01/2023
Sheryal A. Volpe	06/13/2017	04/01/2021

MANAGEMENT OF THE AUTHORITY

Nicholas A. Noce, appointed Executive Director for the Authority on December 1, 2011 following a 15-month period serving as Interim Executive Director. He has been employed with the Authority since May of 2005 and previously held the position of Director of Finance & Business Services. He received a Bachelor of Science degree from Niagara University and is a member of the NYS Government Finance Officers Association and American Water Works Association. During his tenure as Director of Finance & Business Services his fiscal guidance contributed to the Authority's strong bond ratings. Prior to joining the Authority, Mr. Noce held various financial positions in another public benefit corporation.

Richard J. Metzger, P.E., Executive Engineer for the Authority since 1989. He received a Bachelor of Science degree in Civil Engineering from Rochester Institute of Technology. Before joining the Authority, Mr. Metzger was a project engineer with O'Brien & Gere Engineers, Inc. of Syracuse, New York, consulting engineers to the Authority.

Raymond W. Benshoff, Executive Director of Operations, has been employed with the Authority since 1996. He received a Bachelor of Science degree in Business Administration from Trine University and is a member of the Monroe County Highway Superintendents Association. Prior to joining the Authority, Mr. Benshoff spent 25 years in management positions in the construction equipment field.

Kathleen A. Prestidge, Appointed Director of Finance & Business Services for the Authority in October of 2013. She received a Bachelor of Science degree in Accounting from Clarkson University. Before joining the Authority in 1989, Ms. Prestidge held positions in banking and finance in the private sector. Ms. Prestidge retired March 30, 2018.

Stephen M. Savage, P.E., Director of Engineering for the Authority since February 2008 and has been employed with the Authority since January 2006. He received a Bachelor of Science degree in Civil Engineering from Rochester Institute of Technology. Before joining the Authority, Mr. Savage was a project manager with MRB Group, P.C. (a municipal consulting engineering firm) in Penfield, New York.

Christopher J. LaManna, P.E., Director of Production and Transmission for the Authority since July 2018. He received a Bachelor of Science Degree in Civil Engineering from Syracuse University and a Master of Science Degree in Civil Engineering from San Jose State University. Prior to joining the Authority, Mr. LaManna was a consulting engineer for 27 years in the field of municipal water engineering.

MCWA Board Committees & Members for 2018

Audit Committee

Committee Created January 13, 2005

Joseph R. Rulison (Committee Chair)

Wendy Bleier-Mervis

Sheryal A. Volpe

Scott D. Nasca (Ex-Officio) April – Dec. 2018

Governance Committee

Committee Created August 11, 2005

Wendy Bleier-Mervis (Committee Chair)

Allen S. Bernstein

Sheryal A. Volpe

Scott D. Nasca (Ex-Officio) April – Dec. 2018

Finance Committee

Committee Created March 2010

Robert W. Hurlbut (Committee Chair)

Sheryal A. Volpe

Allen S. Bernstein

Scott D. Nasca (Ex-Officio) April – Dec. 2018

Compensation Committee

Committee Created April 2018

Wendy Bleier-Mervis (Committee Chair)

Robert W. Hurlbut

Matthew J. Fero

Scott D. Nasca (Ex-Officio) April – Dec. 2018

Monroe County Water Authority – Board Meetings 2018 – Board Attendance

- **January 11, 2018 Regular Board Meeting**
Five (5) Members were in attendance: Chairman Nasca, Mr. Rulison, Mrs. Volpe, Mr. Bernstein and Ms. Bleier-Mervis. Member(s) absent, One (1): Mr. Hurlbut.
- **February 8, 2018 Regular Board Meeting**
Five (5) Members were in attendance: Chairman Nasca, Mr. Rulison, Mrs. Volpe, Mr. Hurlbut and Mr. Fero. Members absent, Two (2): Mr. Bernstein and Ms. Bleier-Mervis.
- **March 8, 2018 Regular Board Meeting**
Five (5) Members were in attendance: Chairman Nasca, Mrs. Volpe, Mr. Fero, Ms. Bleier-Mervis and Mr. Bernstein. Members absent, Two (2): Mr. Hurlbut and Mr. Rulison.
- **April 12, 2018 Regular Board Meeting, followed by Annual Meeting on this date**
Seven (7) Members were in attendance: Chairman Nasca, Mr. Rulison, Mrs. Volpe, Mr. Fero, Mr. Hurlbut, Mr. Bernstein and Ms. Bleier-Mervis. All present.
- **May 10, 2018 Regular Board Meeting**
Six (6) Members were in attendance: Chairman Nasca, Mr. Rulison, Mrs. Volpe, Mr. Fero, and Ms. Bleier-Mervis. Member/s absent: One (1) Mr. Bernstein.
- **June 7, 2018 Regular Board Meeting**
Six (6) Members were in attendance: Chairman Nasca, Mr. Rulison, Mrs. Volpe, Mr. Fero, Mr. Bernstein and Ms. Bleier-Mervis. Member/s absent: One (1) Mr. Hurlbut.
- **July 12, 2018 Regular Board Meeting**
Five (5) Members were in attendance: Chairman Nasca, , Mrs. Volpe, Mr. Fero, Mr. Bernstein and Ms. Bleier-Mervis. Member(s) absent, Two (2): Mr. Rulison and Mr. Hurlbut.
- **August 9, 2018 Regular Board Meeting**
Seven (7) Members were in attendance: Chairman Nasca, Mr. Rulison, Mrs. Volpe, Mr. Fero, Mr. Hurlbut, Mr. Bernstein and Ms. Bleier-Mervis. All present.
- **September 13, 2018 Regular Board Meeting**
Seven (7) Members were in attendance: Chairman Nasca, Mr. Rulison, Mrs. Volpe, Mr. Fero, Mr. Hurlbut, Mr. Bernstein and Ms. Bleier-Mervis. All present.
- **October 11, 2018 Regular Board Meeting**
Six (6) Members were in attendance: Chairman Nasca, Mrs. Volpe, Mr. Fero, Mr. Hurlbut, Mr. Bernstein and Ms. Bleier-Mervis. Member/s absent: One (1) Mr. Rulison.
- **November 8, 2018 Regular Board Meeting**
Five (5) Members were in attendance: Chairman Nasca, Mrs. Volpe, Mr. Fero, Mr. Bernstein and Ms. Bleier-Mervis, Member/s absent (2) Mr. Rulison and Mr. Hurlbut.
- **December 13, 2018 Regular Board Meeting**
Six (6) Members were in attendance: Chairman Nasca, Mrs. Volpe, Mr. Fero, Mr. Hurlbut, Ms. Bleier-Mervis and Mr. Rulison. Member/s absent: One (1) Mr. Bernstein.

Summary Results of Confidential Evaluation of Board Performance – year-ending 2018

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
	#	#	#	#
Board members have a shared understanding of the mission and purpose of the Authority.	7			
The policies, practices and decisions of the Board are always consistent with this mission.	7			
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	7			
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.	7			
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.	7			
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence or self-interest.	7			
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	7			
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.	7			
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	7			
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.	7			
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	7			
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	7			
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	7			
The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.	7			
The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.	7			
Board members demonstrate leadership and vision and work respectfully with each other.	7			

Name of Authority: **MONROE COUNTY WATER AUTHORITY ("MCWA")**

Date Completed: **March 7, 2019**

The 7 Members serving on the MCWA Board as of year-end 2018 all completed the evaluation.

2018 Monroe County Water Authority Annual Compensation

<u>Employee Name</u>	<u>Title</u>	<u>Annual Base Salary</u>	<u>Other Benefits*</u>	<u>Total</u>
Noce, Nicholas	Executive Director	\$211,952	\$15,112.20	\$227,064.20
Metzger, Richard	Executive Engineer	198,390	15,730.71	214,120.71
Benshoff, Raymond	Director of Operations	190,757	6,334.22	197,091.22
Savage, Stephen	Civil Engineer/Director of Engineering	144,893	12,265.52	157,158.52
Magguilli, Larry	Assistant to Executive Director	142,501(1)	181.20	139,393.52
Prestidge, Kathleen	Director of Finance/Business Services	142,043(2)	100,313.09	138,488.69
LaManna, Christopher	Director of Production/Water Supply	140,005(3)	25.30	65,719.86
King, Christian	Senior Production Engineer	137,030	2,168.92	139,198.92
Jablonsky, Gregory	Director of Information Technology	130,437	4,225.86	134,662.86
Hillman, Jason	Director of Facilities/Fleet Maintenance	130,000	3,739.11	133,739.11
Ziki, Ann	Water Supply Design Engineer	123,115	2,301.74	125,416.74
Ferguson, Tod	Construction Engineer	112,840	2,603.76	115,443.76
Uschold, Thomas	Associate Management Analyst	112,632	549.23	113,181.23
Hendrickson, Diane	Personnel Manager	111,363	10,163.56	121,526.56
Eisenmann, Kathleen	Secretary to the Authority	110,469(4)	85,728.30	165,524.14
Wysocki, Gregory	Construction Engineer	110,656	1,696.01	112,352.01
White, Felicia	Manager of Customer Services	109,304	1,572.32	110,876.32
Trotta, Stephen	Distribution Manager	109,512	10,517.28	120,029.28
Villarrubia, Wilfredo	Construction Engineer	107,952	1,862.60	109,814.60

2018 Monroe County Water Authority Annual Compensation

page 2

<u>Employee Name</u>	<u>Title</u>	<u>Annual Base Salary</u>	<u>Other Benefits*</u>	<u>Total</u>
Clark, Thomas	Production Engineer	106,371(s)	73,331.08	91,272.76
Connors, Rhonda	Senior Programmer Analyst	105,248	513.00	105,761.00
Ferris, Brian	Senior Network Technician	102,336	1,133.80	103,469.80
Rawlins, Lisa	Assistant Director of Finance	100,194	1,562.74	101,756.74

*Includes medical reimbursement, vehicle allowance, excess and dependent life insurance, longevity, buy back of benefit time earned, cellular phone reimbursement, and healthcare buyout.

- (1) Magguilli, Larry was hired 01/02/18 (second payroll period)
- (2) Prestidge, Kathleen retired 03/30/18
- (3) LaManna, Christopher was hired 07/05/18
- (4) Eisenmann, Kathleen retired 09/12/18
- (5) Clark, Thomas retired 02/22/18

MONROE COUNTY WATER AUTHORITY

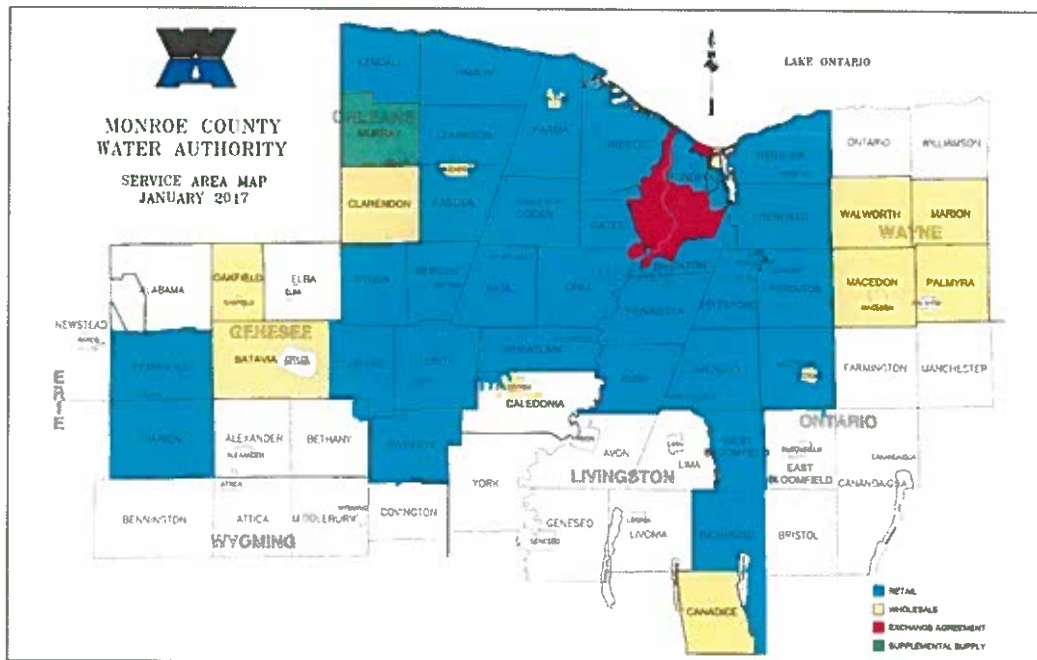
EMPLOYEE COUNT FOR YEAR ENDING DECEMBER 31, 2018

	Full Time	Part Time	Co-Op, Temp & Seasonal	Totals
Administration	8	7	0	15
Production/Trans.	45	0	0	45
Engineering	32	0	0	32
Operations	76	1	0	77
Business Services	48	1	0	49
TOTAL	209	9	0	218

OPERATIONS OF THE MONROE COUNTY WATER AUTHORITY

BACKGROUND

The Monroe County Water Authority (the "Authority") services Monroe County and portions of each of the five surrounding counties. Our service area includes over 50 towns, villages, cities, and other water authorities. The Authority presently serves approximately 200,000 separate retail, wholesale, and other customer accounts. It also provides the City of Rochester with up to 26 million gallons per day (mgd) for distribution within its retail service area.



The Authority currently sets rates at levels sufficient to pay debt service on outstanding Authority obligations, to pay operating and maintenance expenses, and to make payments to the County under the existing lease and financing agreement between the Authority and the County.

WATER SUPPLY

The Authority's primary source of water is Lake Ontario. The water is treated at the Shoremont Water Treatment Plant (WTP) in the Town of Greece, and the 50 mgd Webster WTP in the Town of Webster. The Authority's other major source of water consists of water purchases from the City of Rochester pursuant to an existing exchange agreement. This water comes from Hemlock and Canadice Lakes in Livingston County south of Monroe County.

The Authority can also purchase water from the Town of Ontario, Wayne County; the City of Batavia, Genesee County; and the Erie County Water Authority. These sources are minor

in relation to the overall water system and are for our convenience or pursuant to terms of agreements when the Authority became the provider of water.

The Authority provides water on a retail or wholesale basis. In retail areas the Authority supplies the water, maintains the distribution system, and bills the customer directly. In wholesale areas, a municipality or water district buys some or all of its water from the Authority, but maintains its own distribution and customer billing systems.

FACILITIES

The Shoremont and Webster Water Treatment Plants employ the direct filtration process using Lake Ontario as their source of supply. The main components of each plant are the raw water intake, pumping and transmission, chemical addition, rapid mixing, contact basins, filtration, residuals disposal, clearwell storage, and high lift pumping. The Authority also operates a small well supply to a plant in the Village of Corfu. With the exception of the Corfu plant, the entire water supply receives the same chemical process, coagulation, filtration, carbon absorption, and disinfection. The Corfu Water Plant uses carbon absorption, softening, and disinfection. Water is pumped from the treatment plants to storage facilities and customers in the water system service area through approximately 3,300 miles of transmission and distribution mains, ranging in diameter from 2" to 60". The water system operates 51 pumping stations to provide the pressure to distribute water to storage facilities and customers. The system includes two reservoirs and 49 other storage facilities with an aggregate capacity of 140 million gallons. All service connections are metered, with the meters owned by the Authority.

As with most other water systems, our water usage also varies year to year depending on weather variations. Hot, dry summers tend to increase water usage, while colder and wetter summers tend to dampen or reduce water usage.

FINANCIAL HIGHLIGHTS

Water Authority Rates & Charges – The Authority sets its rates annually in concurrence with the adoption of its annual operating budget. The Authority is required by its Trust Indenture dated October 1, 1991 and Supplemental Indentures issued with and specific to each subsequent revenue bond issue (Trust Indentures) to set rates and fees sufficient to cover all its operating and capital expenses. The Authority raised rates in 2017 to achieve the projected revenues to cover total budgeted expenses.

Summary of Operating Revenues

	<u>2018</u>
Water Sales:	
Residential/Quarterly	\$55,736,718
Large Commercial/Monthly	6,519,743
Water Districts/Wholesale	3,673,169
Total Water Sales	\$65,929,630
Other Water and Operating Revenue	4,092,184
Total Operating Revenue	\$70,021,814

OPERATING EXPENSES

The Authority's expenses (excluding depreciation and amortization) are budgeted and tracked functionally by operating department. The Authority is functionally divided into: Administration; Production/Transmission; Engineering; Facilities, Fleet & Operations; and Finance & Business Services.

The following is a breakdown of the Authority's functional expenses by operating department (excluding depreciation and amortization):

Functional Expenses

	2018
Administration	\$4,671,249
Production/Transmission	14,479,456
Engineering	3,785,679
Facilities, Fleet & Operations	13,728,015
Finance & Business Services	6,823,733
Total Functional Expenses	<u>\$43,488,132</u>

LONG-TERM DEBT ADMINISTRATION

The Authority has six water revenue bond series outstanding totaling \$130,750,000 as of December 31, 2018.

CREDIT RATINGS

The Authority is the recipient of very favorable credit ratings from both Moody's and Standard & Poor's. The Authority has an Aa2 rating assigned to its revenue bonds by Moody's Investors Service and an AA+ rating by Standard & Poor's. The Authority's bond ratings were last reviewed by Moody's Investors Service and Standard & Poor's in December of 2017. The Authority issues revenue bonds subject to its master Trust Indenture dated October 1, 1991 and Supplemental Indentures issued with and specific to each subsequent revenue bond issue.

**Monroe County Water Authority
2018 Water System Accomplishments / Projects**

Below is a summary of improvements made to the Monroe County Water Authority (MCWA) water system in 2018. This list is inclusive of both completed and ongoing projects.

Water Mains

- ✓ Completed the design, bid, and commenced with construction for the 2018 Cleaning and Cement Mortar Lining Project. This project consists of cleaning and cement mortar lining or structural lining of approximately 19,235 lineal feet of 6-inch, 8-inch, 10-inch, and 12-inch cast iron water mains. The work also includes the replacement or installation of hydrants, valves, and appurtenances on West Jefferson Road in the Town of Henrietta, Inspiration Point, Dewitt Road, Volk Road, Bay Road, Lake Road, Vosburg Rd, Thomar Drove, Forest Lawn Road, and Phillips Road in the Town of Webster.
- ✓ Completed the design, permitting and construction of the Water Main Replacement on Phillips Road in the Town of Webster. This project was incorporated into Monroe County Department of Transportation's highway reconstruction project for Phillips Road. The water main replacement work consisted of the replacement of approximately 9,500 lineal feet of 8-inch water main and appurtenances.
- ✓ Completed the design and permitting of the Lake Road and White Road water main replacement project. This project consists of the replacement of approximately 3,000 lineal feet of 8-inch cast iron water main with 12-inch ductile iron water main and appurtenances on Lake Road and White Road in the Town of Sweden.
- ✓ Completed the design, bid, and construction for the 2017 Water Main Replacement Project - Phase 1. This project consisted of the replacement of approximately 2,100 lineal feet of 6-inch and 8-inch water main and appurtenances on West Avenue and McKinley Street in the Village of East Rochester, Klem Road in the Town of Webster, and Loud Road in the Town of Perinton. This project also included the replacement of approximately 36 water services.
- ✓ Completed the design, bid, and construction of the 2017 Water Main Replacement Project Phase 2. This project consisted of the replacement of approximately 1,500 lineal feet of 6-inch water main and appurtenances on Stottle Road in the Town of Chili and the installation of approximately 1,500 lineal feet of 8-inch water main and appurtenances on Browns Road in the Town of Wheatland.
- ✓ Completed the design, permitting and construction of the Gravel Road and Creek Street water main replacement project in the Town of Penfield. This project consisted of the replacement of approximately 100 lineal feet of 8-inch ductile iron water main and appurtenances.
- ✓ Completed the design, bid and construction of the Empire Boulevard Main Replacement project in the Town of Irondequoit. This project consisted of the replacement of approximately 2,270 lineal feet of 6-inch and 8-inch water main and appurtenances. This project also included the replacement of approximately 27 water services.

- ✓ Commenced with the design, permitting, and easement acquisition for the East River Road Main Replacement project. This project consists of the replacement of approximately 10,000 lineal feet of 12-inch water main and appurtenances on East River Road in the Town of Henrietta.
- ✓ Commenced with the design, permitting and easement acquisition for the Manitou Beach Road and Salmon Creek Drive water main replacement project in the Town of Greece. This project consists of the replacement of approximately 10,500 lineal feet of 8-inch water main with 12-inch water main and appurtenances.
- ✓ Completed the construction of the Long Pond Road water main replacement project. This project consisted of the replacement of approximately 6,000 lineal feet of 8-inch water main on Long Pond Road in the Town of Greece. This project also included the replacement of approximately 66 water services.
- ✓ Completed the construction administration and inspection of the Calkins Road water main replacement project in the Town of Henrietta. This project consisted of the replacement of approximately 4,900 lineal feet of 12-inch zinc coated ductile iron water main and appurtenances. The project also included the replacement of approximately 27 water services.
- ✓ Completed the construction of the 2017 Water Service Replacement Program. This project included the replacement of 83 galvanized water services in 11 towns and villages throughout Monroe County.
- ✓ Completed the construction of the 2017 Cleaning and Cement Mortar Lining project. This project included the cleaning and cement mortar lining of approximately 21,870 lineal feet of 4-inch, 6-inch, and 8-inch water mains on Beechwood Drive, West Avenue, Magnolia Avenue, East Chestnut Street, East Elm Street, East Avenue, Cedar Place, Wilson Avenue, East Spruce Street, East Hickory Street, Mains Street, Madison Street, East Ivy Street, Northwood Avenue and water main within the Bird/Morgan School property. This project also included the replacement of approximately 760 lineal feet of 6-inch water main on Madison Street and East Filbert Street, and the replacement of approximately 48 hydrants and 68 valves.
- ✓ Completed the construction of the 2017 Cathodic Protection project. This project included the installation of approximately 116 magnesium anodes, test stations, and repairs to existing cathodic protection systems on steel transmission mains and vaults in 6 towns throughout the Water Authority's service area.
- ✓ Developed the specifications, contract and bid the 2018 Vacuum Excavating Contract. This contract was used to determine water service material for approximately 400 water services at various locations through the Water Authority's service area.
- ✓ Completed the design and advertised the bids for Stone Road and Wood Road Main Replacement contract. This project consists of the replacement of approximately 1,500 lineal feet of 6-inch water main and appurtenances on Stone Road and approximately 2,200 lineal feet of 6-inch water main on Wood Road in the Town of Greece. The project also includes the replacement of approximately 45 water services.

- ✓ GPS surveyed the location of approximately 3,969 hydrant locations in the Towns of Perinton, Greece, Webster, and Brighton.
- ✓ Performed acoustical leak detection survey of approximately 560 miles of water main.

Water Storage Facilities

- ✓ Completed the design, bid and construction for the rehabilitation of the northerly South Avenue Tank in the Village of Webster. This project consists of making some structural repair and modifications to the tank and completing the blasting, priming and painting of the interior and exterior of the 1 million gallon elevated steel water storage tank on South Avenue in the Village of Webster.
- ✓ Completed the contract, bid, and construction for the removal and disposal of the southerly South Avenue Tank in the Village of Webster. This project consists of the removal of the 138 feet tall 0.5 million gallon multi-leg water storage tank on South Avenue in the Village of Webster.
- ✓ Completed the design, bid and construction for the rehabilitation of the 2 million gallon steel water storage tank located in the Town of Bergen. This project also included making repairs and miscellaneous modifications to the 0.25 million gallon steel water storage standpipe located on County Road 37 in the Town of West Bloomfield.
- ✓ Completed the construction of the 0.3 million gallon elevated steel West Brighton water storage tank rehabilitation project. This project included making minor modifications to the tank and the recoating of the interior and exterior of the tank.
- ✓ Cleaned and inspected the following water storage facilities:
 - State Road Tank
 - West Webster Tank
 - Pembroke Tank
 - Hilton Tank
 - South Ave Tank
 - West Main St. Leroy
 - Moseley Road Tank
 - Harris Hill
 - Douglas Road Tank
 - Lee Road West Tank
 - Darien Tank

Water Districts

At the request of Towns in the MCWA service area, we assist with their implementation of water district projects. In 2018 we:

- Provided Design Review, completed and activated the water main associated with the following water district projects:

• Bethany WD 2	21,700 LF	42 Services
• Clarkson: Clarkson Parma TL	7,500 LF	36 Services
• Kendall WD 7: Norway Rd WD	7,200 LF	24 Services
• Stafford WD 11	15,000 LF	32 Services

- Mendon: Smith & W. Bloomfield 8,000 LF 20 Services
- Totals 54,900 LF 154 Services

- Provided preliminary assistance with the following proposed Water Districts:
 - Byron WD 9 50,000 LF Conception Plan
 - Byron WD 10 51,000 LF Conception Plan
 - Hamlin Redman Road 7,700 LF Conception Plan

- Provided design review comments for the following in progress Water Districts Projects:
 - Byron WD 7 38,200 LF 65 Services Construction Phase
 - Byron WD 8 50,600 LF 107 Services Bidding Phase
 - Kendall WD 9 2,400 LF 6 Services Installed Testing Phase
 - Webster Klem WD 4 5,000 LF 48 Services Design Review Phase
 - Canadice WD 1 Wholesale Construction Phase
 - STAMP Offsite Phase 4 8,200 LF 45 Services Design Phase
 - Kendall WD 8 13,500 LF 61 Services Design Phase
 - Pembroke WD 4 104,000 LF 300 Services Design Phase

- Provided preliminary comments for proposed Water Districts Projects:
 - 12 Preliminary Engineering Reports, compared to 9 in 2017/2018 and 3 in 2015/2016.

Developer Main Extensions (DME's) and New Services

- **Administered the Developer Main Extension (DME) program:**
 - ✓ Generated 56 Main Extension Agreements and received 44 that were executed. Placed 42 projects in service compared to 56 in 2016/2017, and 54 in 2015/2016.

 - ✓ Processed 44 initial and 40 revised DME application submissions this year compared to 55 initial and 28 revised in 2016/2017, and 67 initial and 56 revised submissions in 2015/2016. Of the 44 DME initial application reviews 17 were installed under a Water Service Installation Agreement.

 - ✓ Coordinated the creation of 1,104 new 1-inch service accounts. 640 were generated by Developer main extensions, 73 by water districts, 34 by secondary source change-overs, and 77 by new construction.

Backflow Prevention Program

- ✓ Received annual backflow prevention device tests reports for 9,233 devices compared to 9,326 in 2017, 9,187 in 2016, 8,955 in 2015, and 8,466 in 2014.

- ✓ Performed 343 site inspections, and reviewed 66 new lawn irrigation applications.

- ✓ Located 86 undocumented lawn irrigation systems and 127 undocumented water driven sump pumps requiring backflow protection.

Pump Stations

- ✓ Designed, bid, and completed replacement of Kreag Road Pump No 2, and installed new variable frequency drive (VFD).
- ✓ Installed new VFD for Scribner Road Pump No. 1.
- ✓ Designed and installed new sodium hypochlorite storage and feed system at Factory Hollow Pump Station for maintenance of distribution system chlorine residual.
- ✓ Initiated study of the chlorination and dechlorination chemical storage and feed systems at Thornell Road Pump Station (Denise Reservoir).
- ✓ Initiated design of Generator Optimization – Phase 1 including installation of new generator at the Lee Road Pump Station (relocation of the Webster Water Treatment Plant house generator).

Treatment Plants

Shoremont Plant

- ✓ Completed the design, bid and construction of the 2018 Roof Rehabilitation project. This project included the recoating of approximately 5,000 sf of roof over the office area of the Central Processing Facility and the recoating of approximately 6,100 sf of the roof at the Low Lift Pump Station Number 1 with a polyuria coating.
- ✓ Completed construction of Phase 3 of the substation and electrical facilities upgrades.
- ✓ Designed and bid West 1 Plant improvements including rehabilitation of the contact basins and installation of an additional second floor egress.
- ✓ Replaced the SCADA servers and associated equipment and installed a new air conditioning unit for the SCADA/IT Room.
- ✓ Installed new isolation valves on the discharge piping of Backwash Pump Nos. 1 and 2.
- ✓ Designed and bid replacement of the chlorine scrubber equipment.
- ✓ Designed and initiated rehabilitation of the emergency gaseous chlorine disinfection system.
- ✓ Completed evaluation and preliminary design of electrical improvements at Low Lift Pump Station Nos. 1 and 2.
- ✓ Designed and bid improvements to the fire alarm system and equipment.
- ✓ Initiated study of the zebra mussel control system.
- ✓ Replaced the individual and combined filter effluent turbidimeters for the East Plant.

- ✓ Initiated design of miscellaneous structural repairs.
- ✓ Initiated design of Generator Optimization – Phase 1 including new UPS system and new house generator (relocated from Lake Water Pump Station).
- ✓ Began preparing drawings and aided the Design group in developing the contract documents for the SWTP Concrete Repairs project.
- ✓ Bid and award the Backwash Channel Dredging contract for 2018 work; including administrative support to Production Department

Webster Plant

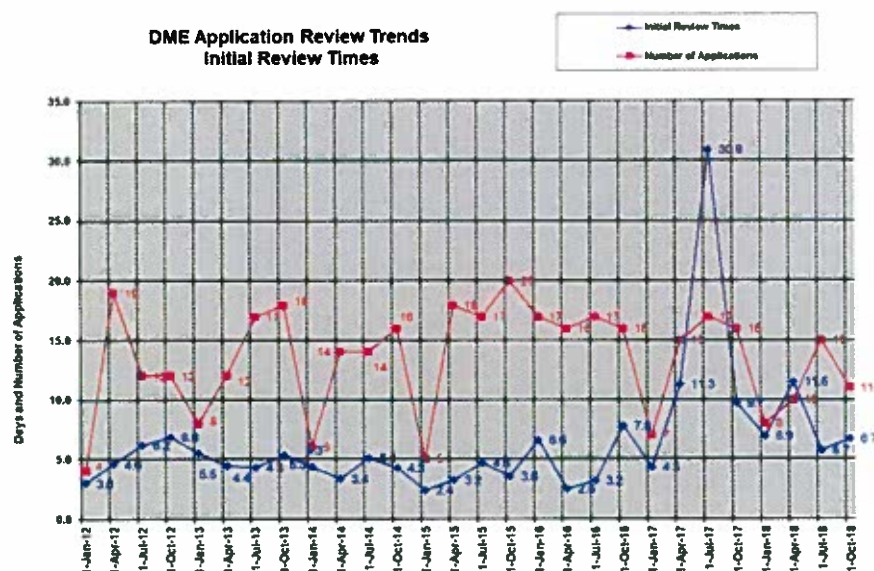
- ✓ Initiated design of Generator Optimization – Phase 1 including relocation of the Webster Water Treatment Plant house generator to Lee Road Pump Station; automation of switchgear at the Webster Water Treatment Plant; and relocation of the Lake Water Pump Station house generator to the Shoremont Water Treatment Plant.

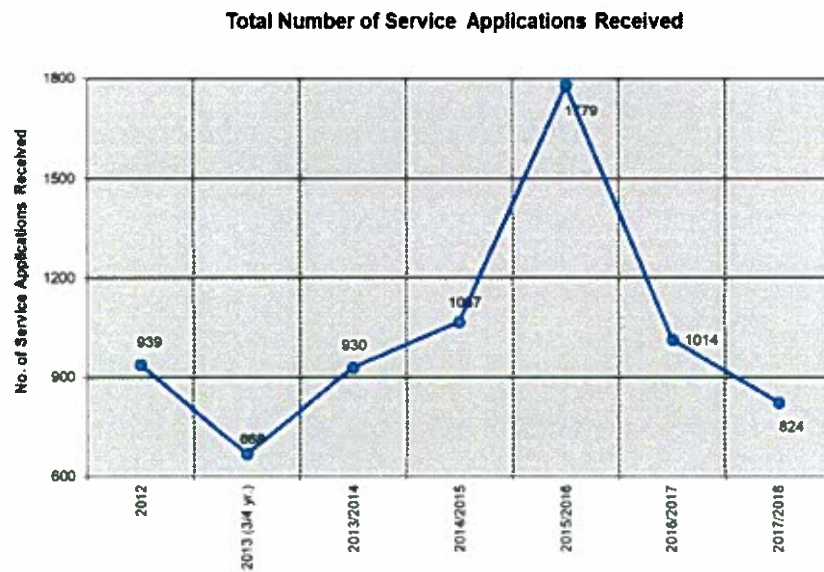
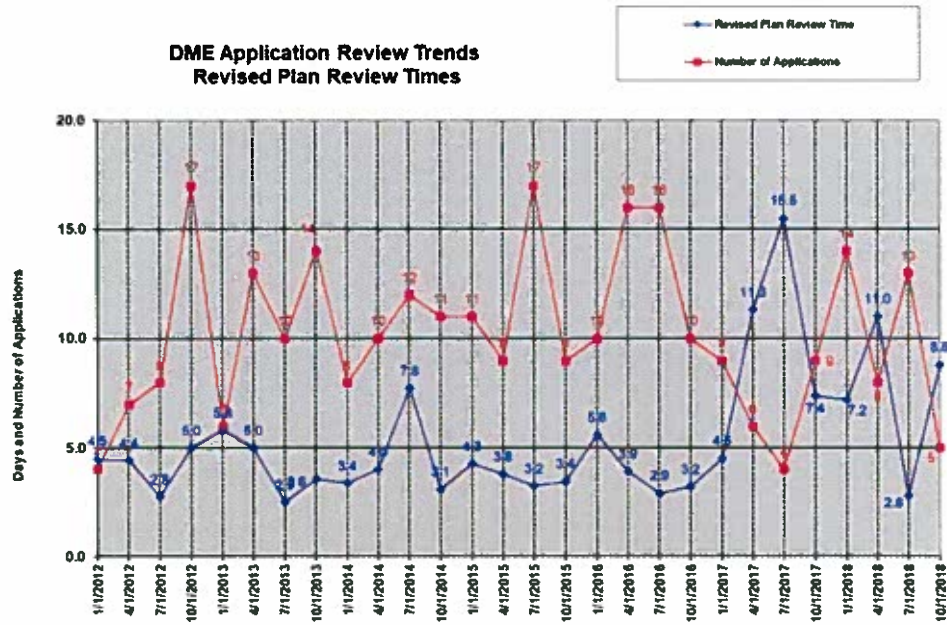
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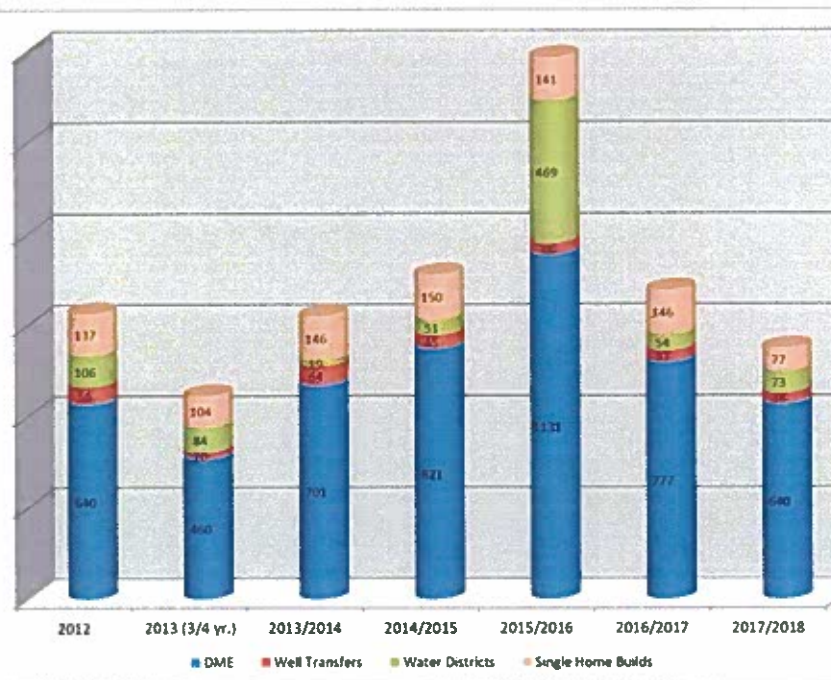
- ✓ Designed, specified, and installed new heating blanket on the brine tank.

Brockport

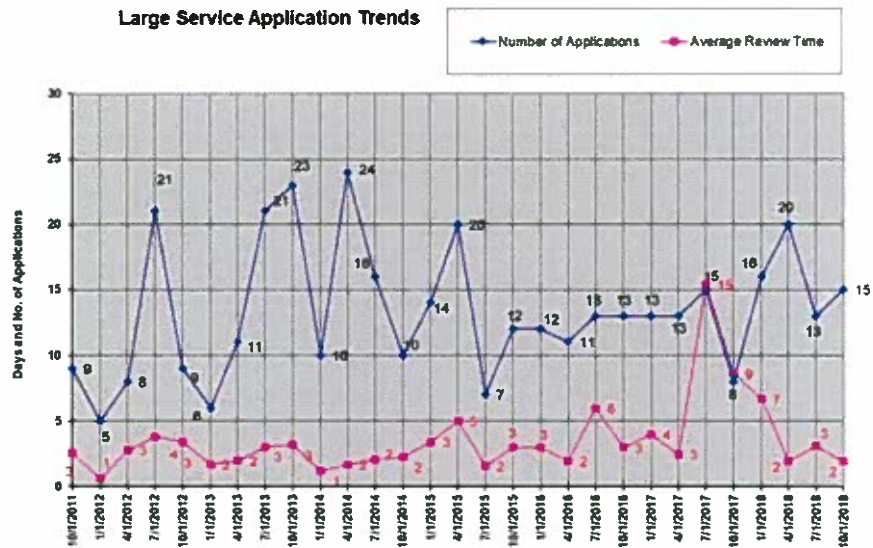
- ✓ Designed, permitted, and remediated asbestos containing materials by outside contractor.



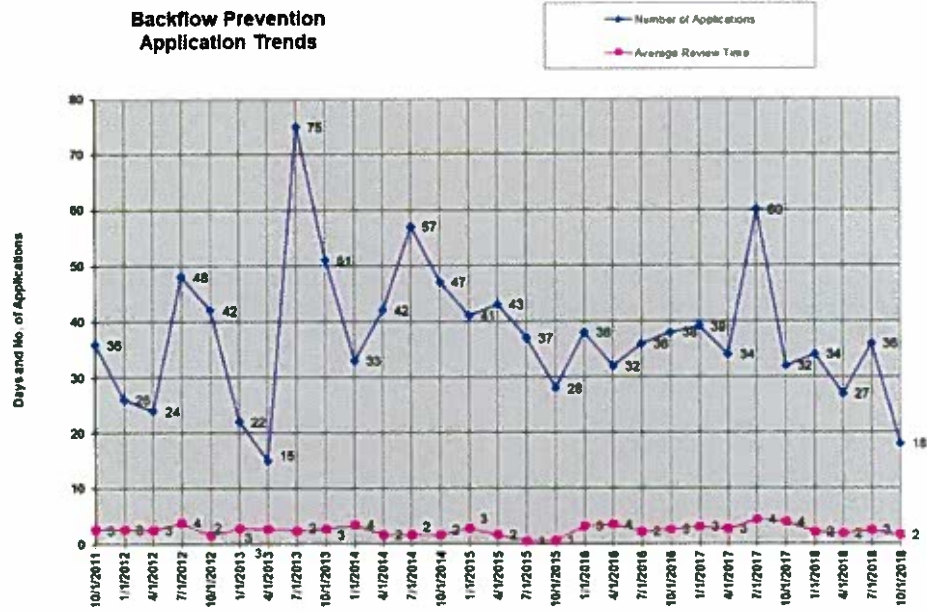




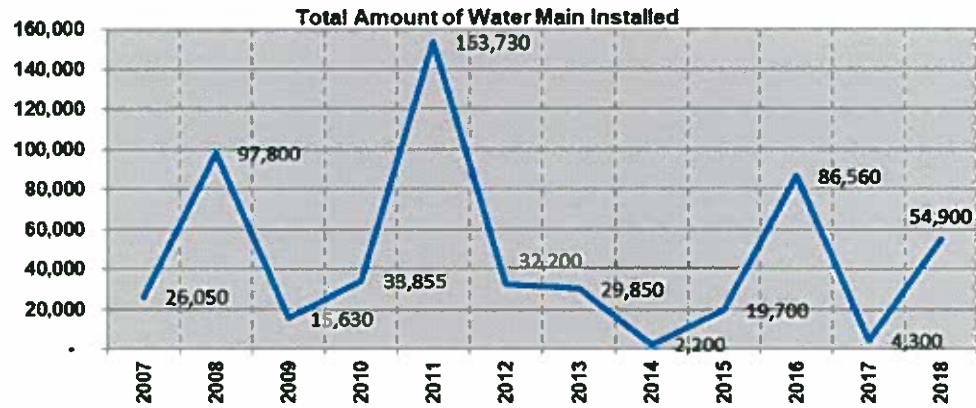
Large Service Application Trends



Backflow Prevention Application Trends



Water District Extensions



**MONROE COUNTY WATER AUTHORITY
CODE OF ETHICS POLICY
(REVISED NOVEMBER 2018)**

**ARTICLE 1
PURPOSE**

As a public benefit corporation, the Monroe County Water Authority (the “Authority”) must conduct its operations in a manner that best serves the interests of its customers and the general public. The Authority expects all Members, officers and employees to observe high ethical standards of conduct in the performance of their duties, comply and cause the Authority to comply with all laws and regulations governing business transactions, and use and cause the Authority to use Authority funds and assets only for legal and appropriate public purposes.

This Code of Ethics governs the day-to-day actions of all Members, officers and employees of the Authority. To the extent that a matter falls within the scope of both this policy and the Authority’s Conflicts of Interest Policy or Whistleblower Policy, the provisions of the Conflicts of Interest Policy or the Whistleblower Policy, respectively, shall govern.

**ARTICLE 2
POLICIES**

1. Discharge of Duties

In the course of performing his or her duties, Members, officers and employees shall:

- (a) endeavor to perform the duties of their positions to the best of their ability in furtherance of the Authority’s public purposes;
- (b) uphold high standards of dedicated public service;
- (c) support and encourage fellow employees in the proper execution of their duties; and
- (d) when a question of conduct or regulation occurs, seek the advice of a supervisor, the Authority’s attorneys or the Authority’s independent Ethics Board (formed pursuant to Article 4 hereof).

2. Prohibited Conduct

In the course of performing his or her duties, Members, officers and employees shall not:

- (a) receive any compensation for or have an interest, financial or otherwise, direct or indirect, or incur any obligation that is in substantial conflict with the proper discharge of their duties to the Authority;
- (b) engage in other employment that might impair the independence of their judgment in the execution of their duties with the Authority;

(c) disclose confidential information acquired in the course of official duties nor use such confidential information to further their own personal financial interests;

(d) directly or indirectly solicit or accept any gifts, entertainment, discounts, services, loans or anything of value totaling \$75 or more in any calendar year from any supplier, significant commercial customer, or other persons with whom the Authority does business (gifts of \$75 or more in value must be returned to the donor with the explanation that Authority policy will not permit acceptance of the gift; the Authority will reimburse the employee for the expense of returning gifts); and

(e) engage in conduct prohibited under the Authority's Whistleblower Policy.

3. Specifically Prohibited Actions

Unless otherwise permitted by the Ethics Board, no Member, officer or employee shall engage in the following actions to the extent they create a conflict of interest with the Authority's interest:

(a) receipt by a family member of a Member, officer or employee (family being defined as related by blood or marriage) of gifts or other items described in Section 2(d) of this Article 2;

(b) speculating or dealing in equipment, supplies, or materials normally purchased by the Authority;

(c) borrowing money from the Authority, suppliers, significant commercial customers, individuals or firms with whom the Authority does business (loans or mortgages from banks or individuals doing business with the Authority are exempted if the terms are at current rates and the customary collateral for such transactions is provided);

(d) acquiring an interest in real estate in which it is known that the Authority also has a current or anticipated interest;

(e) misusing information to which the individual has access by reason of his or her position – such as by disclosing confidential information (of a technical, financial or business nature) to others outside or inside the business (whether or not a consideration is received), or using such information for his or her own or family's (as previously defined) benefit;

(f) soliciting funds or other items of value from Authority vendors, suppliers or consultants for oneself or to benefit any other organization, club or person, whether such other persons or entities are charitable, religious or profit-making;

(g) serving as an officer, director or manager with another company or business organization directly or indirectly related to the Authority without specific authorization from the Authority; and

(h) representing current or potential customers to submit applications, plans or other compliance information to the Authority for approval.

The foregoing list does not encompass every situation that may lead to a conflict.

4. Duty to Disclose

Each Member, officer and employee shall have the duty to report to the Ethics Board (as defined below) in writing any violation or possible violation of the terms of this Policy, including without limitation instances of conduct prohibited by this Article 2. The following describes some, but not all, situations that must be disclosed:

(a) engaging in activities as an individual or as the holder of more than a one percent financial interest, directly or indirectly (as an owner, stockholder, securities holder in a publicly owned corporation, partner, joint venturer, creditor, guarantor, director, trustee or beneficiary of a trust), in or with a firm that (i) provides services or supplies materials or equipment to the Authority or (ii) to which the Authority makes sales or provides services;

(b) serving as an employee, owner or consultant of another organization providing goods and/or services to the Authority or one or more of the Authority's significant commercial customers, or functioning individually and providing said services to the Authority or one or more of the Authority's significant commercial customers;

(c) membership on or employment with any entity where such employment, service or membership is incompatible with the proper discharge of official duties, or would impair independent judgment or action in the performance of official duties; and

(d) selling goods, services or other items of value to Authority vendors, suppliers or consultants for oneself or to benefit any other organization, club or person, whether such other persons or entities are charitable, religious or profit-making.

5. Nepotism Policy

(a) Any person living in the same household as a current Member, officer or employee and any person who is a direct descendant of a current Member, officer or employee's grandparents (e.g. siblings, parents, children, nieces, nephews, cousins, etc.) or the spouse of such descendant (individually and collectively, a "Relative") may be considered for a permanent position only if all of the following conditions are met:

- The Relative is an appointment from a Civil Service List.
- There will be no supervisory relationship between the Relative and the current Member, officer or employee.
- The Relative and the current Member, officer or employee will not work in the same department.
- The Executive Director, with the advice of the Department Heads, has approved the hiring of the Relative.

(b) If current Members, officers or employees marry, it may be necessary for the Authority to reassign one or both individuals, particularly in the case of close working, or direct supervisory relationships.

(c) A Relative may be considered for summer or temporary employment only if all of the following conditions are met:

- There will be no supervisory relationship between the Relative and the current Member, officer or employee.
- The Relative and the current Member, officer or employee will not work in the same department.

(d) In no event shall a current Member, officer, or employee participate in any decision to hire, promote, discipline, or discharge a Relative.

ARTICLE 3 DISCLOSURE STATEMENTS

On an annual basis, the Authority shall obtain a completed financial disclosure statement (in the form set forth as Exhibit A attached hereto, a "Disclosure Statement") from each Member, the Executive Director, the Executive Staff, and any employees with authority to approve purchases of amounts greater than \$1,000.

ARTICLE 4 PROCEDURES

1. Ethics Board

The Authority shall establish an Ethics Board comprised of three persons not employed by the Authority. The Members of the Authority shall appoint the members of the Ethics Board on an annual basis. The Ethics Board shall interpret and make recommendations to the Authority regarding any question under or purported violation of this Policy and any statutory enacted ethics standards affecting Members, officers and employees.

Annually, the Ethics Board shall review the completed Disclosure Statements to identify businesses with direct or indirect ties to Members; officers and/or employees of the Authority. The Ethics Board shall determine whether any of these relationships warrant placing the business on a list of businesses that the Authority will not hire (the "Prohibited Contractors List"). In making its determination, the Ethics Board shall assess the nature of the relationship between a Member, officer or employee and an outside business. The Prohibited Contractors List shall include only those businesses where the relationship could lead to ethics problems (e.g., if a relative owns a business that could supply goods or services to the Authority). In contrast, the Prohibited Contractors List shall not include businesses where the potential for ethics problems is minimal (e.g., where a relative is a clerical, ministerial or low-level management employee at an existing or potential vendor, lacks the power to influence the relationship between the business and the Authority and did not obtain his or her position as a means to influence a Member, officer or employee of the Authority).

2. Powers of Ethics Board

At its discretion, the Ethics Board may recommend to the Authority appropriate disciplinary action, which may include, but is not limited to, a reprimand, suspension or termination of employment. Any such recommendation will only be final after any hearing required by Section 75 of the Civil Service Law or any applicable Collective Bargaining Agreement.

ARTICLE 5
ONE-YEAR MORATORIUM

No person who has served as a Member or officer of the Authority shall within a period of one year after the termination of such service or employment render services before the Authority or receive compensation for any such services rendered on behalf of any person, firm, corporation or association in relation to any case or transaction with respect to which such person was directly concerned, or participated in, during the period of his or her service with the Authority.

Notwithstanding the foregoing, the one-year moratorium shall not apply to (i) normal business issues arising as a result of the person's status as a water customer of the Authority and (ii) professional services provided by such person pursuant to a written agreement with the Authority, to the extent such agreement is otherwise consistent with this Code of Ethics.

ARTICLE 6
DISTRIBUTION OF THIS POLICY

This Code of Ethics shall be distributed to each Member, officer and employee of the Authority annually. It shall also be distributed to each new Member, officer and employee as soon as practicable following commencement of such position.

**=MONROE COUNTY WATER AUTHORITY
ANNUAL STATEMENT OF FINANCIAL DISCLOSURE FOR 2018**

FULL NAME: _____
TITLE: _____
HOME ADDRESS: _____
CITY: _____ STATE: _____ ZIP CODE: _____
EMAIL: _____ PHONE NO.: _____

I. DEFINITIONS

As used in this form, the term "family member" means your spouse, child, step-child, brother, sister, parent, step-parent or any person you claimed as a dependent on your most recent income tax return.

II. PUBLIC OFFICE

1. Do you currently hold any elected position with any State, City, County, Town or Village?
Yes: _____ No: _____

If Yes, title of office: _____

2. Do any of your family members currently hold any elected position with any State, City, County, Town or Village?
Yes: _____ No: _____

If Yes, name of family member and title of office:

Name: _____ Title of Office: _____

III. NOT-FOR-PROFIT ORGANIZATIONS

1. Do you currently hold any appointed or elected position with a not-for-profit organization?
Yes: _____ No: _____

If Yes, title of office and name of organization:

2. Do any of your family members currently hold any appointed or elected position with a not-for-profit organization?

Yes: _____ No: _____

If Yes, name of family member, title of office and name of organization:

IV. EMPLOYERS AND BUSINESSES

For you and all family members (regardless of location), please list all employers and businesses, other than the Water Authority, (i) that paid more than \$1,000 for services performed, goods sold or service as a member, director officer or employee during the prior year or (ii) in which you or a family member own at least 5% or \$5,000 (not including ownership of publicly traded stock such as in a mutual fund).

NAME (FOR A FAMILY MEMBER, LIST RELATIONSHIP TO YOU)	BUSINESS	TITLE	NATURE/TYPE OF BUSINESS

V. REAL ESTATE

For you and all family members, please list the address of each parcel of owned real property within the Water Authority's service area other than a primary residence. For commercial real estate, please note the nature of the investment.

NAME OF FAMILY MEMBER AND RELATIONSHIP TO YOU	ADDRESS OF REAL PROPERTY (ADDRESS, CITY, STATE, ZIP CODE)	NATURE OF INVESTMENT

VI. GIFTS

The Water Authority's Code of Ethics Policy prohibits the receipt from suppliers, significant commercial customers and other persons with whom the Water Authority does business (other than persons acting solely as residential customers of the Water Authority) of certain gifts, entertainment, discounts, services, loans or anything of value that collectively exceed \$74.99 in a calendar year from any one source. By signing this form, you represent that you have not received, directly or indirectly, any gifts of greater than \$74.99 received during the prior year from the sources listed above.

VII. UPDATES

If any of your answers change after completing this form but prior to the next annual update, you must send the revised information to the Authority's Director of Personnel in a sealed envelope marked "confidential."

VIII. LIABILITY FOR IMPROPER DISCLOSURE

Any statements made in this disclosure form must be accurate and must not omit relevant information. In the event of a material misstatement or a material omission, you could face civil or criminal penalties under applicable laws and discipline under the Water Authority's Code of Ethics.

(signature)

NAME OF EMPLOYEE: _____

DATE: _____, 20____

GRANTS AND SUBSIDY PROGRAMS

Monroe County Water Authority does not offer, or administer, any grant or subsidy programs. MCWA did not receive any new grants in 2018.



Budget Report for Monroe County Water Authority

Fiscal Year Ending: 12/31/2019

Run Date: 10/30/2018
Status: CERTIFIED
Certified Date: 10/30/2018

Budget & Financial Plan

Budgeted Revenues, Expenditures, And Changes in Current Net Assets

		Last Year (Actual) 2017	Current Year (Estimated) 2018	Next Year (Adopted) 2019	Proposed 2020	Proposed 2021	Proposed 2022
Revenue & Financial Sources							
Operating Revenues							
	Charges For Services	\$64,732,799.00	\$71,106,636.00	\$72,478,641.00	\$74,538,808.00	\$77,840,690.00	\$81,293,577.00
	Rentals & Financing Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Operating Revenues	\$638,264.00	\$1,608,548.00	\$1,560,000.00	\$1,565,000.00	\$1,565,000.00	\$1,565,000.00
Non-Operating Revenues							
	Investment Earnings	\$192,797.00	\$887,803.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00
	State Subsidies / Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Federal Subsidies / Grants	\$1,893,330.00	\$1,870,809.00	\$1,837,022.00	\$1,800,732.00	\$1,761,696.00	\$1,719,815.00
	Municipal Subsidies / Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Public Authority Subsidies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Non-Operating Revenues	(\$12,095.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Proceeds From The Issuance Of Debt	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Revenues & Financing Sources		\$67,443,095.00	\$75,473,796.00	\$76,225,663.00	\$78,252,540.00	\$81,517,388.00	\$84,928,392.00
Expenditures							
Operating Expenditures							
	Salaries And Wages	\$13,995,916.00	\$14,440,363.00	\$16,388,170.00	\$16,715,933.00	\$17,050,252.00	\$17,391,257.00
	Other Employee Benefits	\$8,127,046.00	\$7,995,247.00	\$8,453,370.00	\$8,791,505.00	\$9,143,165.00	\$9,508,892.00
	Professional Services Contracts	\$2,518,363.00	\$2,290,374.00	\$2,853,705.00	\$2,910,779.00	\$2,968,985.00	\$3,028,375.00
	Supplies And Materials	\$4,893,372.00	\$5,028,063.00	\$5,712,690.00	\$5,884,071.00	\$6,060,593.00	\$6,242,411.00
	Other Operating Expenditures	\$31,904,630.00	\$32,131,341.00	\$14,112,375.00	\$14,394,623.00	\$14,682,515.00	\$14,976,165.00
Non-Operating Expenditures							
	Payment Of Principal On Bonds And Financing Arrangements	\$8,363,783.00	\$4,687,240.00	\$5,190,696.00	\$3,925,000.00	\$4,250,000.00	\$4,150,000.00
	Interest And Other Financing Charges	\$7,261,419.00	\$7,164,941.00	\$7,049,197.00	\$6,847,459.00	\$6,698,859.00	\$6,547,988.00
	Subsidies To Other Public Authorities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Capital Asset Outlay	\$15,606,174.00	\$14,668,223.00	\$16,467,000.00	\$21,479,750.00	\$20,996,750.00	\$18,383,750.00
	Grants And Donations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Non-Operating Expenditures	\$368,608.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenditures		\$93,037,309.00	\$88,405,792.00	\$76,227,203.00	\$80,949,120.00	\$81,851,129.00	\$80,228,838.00
Capital Contributions		\$3,113,425.00	\$4,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Excess (Deficiency) Of Revenues And Capital Contributions Over Expenditures		(\$22,478,789.00)	(\$8,931,996.00)	(\$1,540.00)	(\$2,696,580.00)	(\$333,743.00)	\$4,699,554.00

TOTALS - 2019 CAPITAL PROJECT BUDGET

	Budget 2018	2019	2020	2021	2022	2023	2024
Renewal & Replacement							
Security	100,000	50,000	50,000	50,000	50,000	50,000	50,000
Production/Transmission	2,615,000	1,625,000	3,495,000	2,425,000	1,625,000	1,895,000	1,895,000
Engineering	10,590,000	9,100,000	10,325,000	10,980,000	10,540,000	9,500,000	9,360,000
Facilities, Fleet & Operations	1,982,000	1,835,000	2,047,750	2,021,750	2,123,750	2,225,750	2,327,750
Finance & Business Services	2,845,000	2,937,000	3,312,000	3,300,000	3,400,000	3,300,000	3,375,000
	18,132,000	15,547,000	19,229,750	18,776,750	17,738,750	16,970,750	17,007,750
Less Funding from New Construction Fund	(1,000,000)	-	-	-	-	-	-
Less Funding from General Fund	(3,500,000)	(125,000)	-	-	-	-	-
Less Funding from R&R Fund Balance	-	-	-	-	-	-	-
	13,632,000	15,422,000	19,229,750	18,776,750	17,738,750	16,970,750	17,007,750
Capital Improvement							
Security	200,000	150,000	142,000	100,000	100,000	100,000	100,000
Production/Transmission	1,790,000	100,000	600,000	1,700,000	125,000	100,000	125,000
Engineering	400,000	550,000	1,450,000	400,000	400,000	1,500,000	3,150,000
Facilities, Fleet & Operations	115,000	-	58,000	-	-	-	-
Finance & Business Services	158,000	245,000	-	20,000	20,000	10,000	-
	2,663,000	1,045,000	2,250,000	2,220,000	645,000	1,710,000	3,375,000
Less Funding from General Fund	(500,000)	-	-	-	-	-	-
Less Funding from CI Fund Balance	(283,000)	-	-	-	-	-	-
	1,880,000	1,045,000	2,250,000	2,220,000	645,000	1,710,000	3,375,000
Total Cash Capital	15,512,000	16,467,000	21,479,750	20,996,750	18,383,750	18,680,750	20,382,750
Subordinated Indebtedness(County Lease)	341,449	340,617	-	-	-	-	-
Water Revenue Debt Service (net of subsidies)	9,721,736	10,062,254	8,971,727	8,972,163	8,978,173	8,969,201	8,971,232
Total Debt Service	10,063,185	10,402,871	8,971,727	8,972,163	8,978,173	8,969,201	8,971,232
Total Capital Expenditures	25,575,185	26,869,871	30,451,477	29,968,913	27,361,923	27,649,951	29,353,982

Nonroe County Water Authority
2019 B U D G E T

Date : 08/22/18

MCWA

TOTALS

Acct	Account Title	2019 Budget Submission	2018 Budget	%	Change	2018 To Date As of 07/31	2017 Actual
01	WAGES - Regular Labor	17029100	15511460	10	1517640	8413908	14306176
02	WAGES - OT Labor	811290	747940	8	63350	591569	770019
03	WAGES - Temporary Help	0	0	0	0	88534	99717
	*** GROSS LABOR ***	17840390	16259400	10	1580990	9094011	15175912
05	LABOR TRANSFER OUT TO OTHER CC	-848000	-1081500	-22	233500	-588326	-1055597
06	LABOR TRANSFER OUT TO CONSTR	-1452220	-1667100	-13	214880	-797248	-1180023
07	LABOR TRANSFER IN FRM OTHER CC	848000	1081500	-22	-233500	588324	1055598
	*** NET LABOR ***	16388170	14592300	12	1795870	8296761	13995890
10	FRINGE BENEFITS	9455400	9593030	-1	-137630	5016447	8581836
11	FRINGE TRANSFER OUT TO OTHR CC	-449440	-638090	-30	188650	-347108	-601975
12	FRINGE TRANSFER OUT TO CONSTR	-1002030	-1267000	-21	264970	-605876	-861649
13	FRINGE TRANSFER IN FRM OTHR CC	449440	638100	-30	-188660	347107	601975
	*** NET FRINGE BENEFITS ***	8453370	8326040	8	127330	4410570	7720187
	*** TOTAL LABOR ***	24841540	22918340	8	1923200	12707331	21716077
19	RETIREE BENEFITS	4960230	4800000	3	160230	1142930	4635504
20	COBRA DENTAL	5000	5000	0	0	1119	1193
21	LEGAL SERVICES	395000	530000	-25	-135000	118568	349407
22	CONSULTANTS	649500	850940	-24	-201440	184117	490091
23	MEDICAL SERVICES	27275	27275	0	0	6189	25076
24	AUDIT, ACCOUNTING SERVICES	66500	73000	-9	-6500	71000	73500
25	SAFETY SERVICES	100425	111840	-10	-11415	24709	57768
26	SOFTWARE, LICENSES, FEES	151920	146860	3	5060	51148	159133
27	BANK SERVICES	164400	172440	-5	-8040	79275	133516
28	OTHER OUTSIDE SERVICES	1540880	1497040	3	43840	771720	1434787
29	TRUSTEE SERVICES	10150	10150	0	0	5445	11965
30	FILTER MEDIA	3000	3000	0	0	0	0
31	SUPPLIES, FORMS, & COPYING	334210	354870	-6	-20660	132776	279691
32	SMALL EQUIPMENT & TOOL PURCHASE	354280	344220	3	10060	81751	257773
33	POSTAGE & FREIGHT	522555	538530	-3	-15975	280596	513164
34	CHEMICALS	668600	666640	0	1960	331955	544228
35	UNIFORMS	39340	39860	-1	-520	12775	26057
36	SAFETY EQUIPMENT	115940	113940	2	2000	35662	35446
37	PURCHASED WATER	2080000	1548000	34	532000	1057153	1891152
39	LANDSCAPING/ROW CLEARING	30000	30000	0	0	18685	9768
40	CLAIMS MATERIALS/SERVICES	2800	2800	0	0	0	0
41	REPAIR MATERIALS - MAINS	1267200	1262200	0	5000	589702	1053855

**Monroe County Water Authority
2019 B U D G E T**

Date : 08/22/18

MCWA

TOTALS

Acct	Account Title	2019 Budget Submission	2018 Budget	%	Change	2018 To Date As of 07/31	2017 Actual
42	MAINTENANCE CONTRACTS	2050970	2023200	1	27770	974930	2478495
43	OUTSIDE REPAIRS/MAINT SERVICES	290240	310300	-6	-20060	237847	269656
44	REPAIRS/MAINTENANCE MATERIALS	53080	43100	23	9980	17208	60723
45	REPAIRS/MAINTENANCE MATERIALS	134240	134240	0	0	66377	171557
46	REPAIRS/MAINT MATRL-CURB BOXES	61200	61200	0	0	25983	47884
48	REPAIRS/MAINT - VALVES & BOXES	92800	88800	5	4000	46174	72028
49	EXTRAORDINARY MAINTENANCE	100000	220000	-55	-120000	0	5800
51	TELEPHONE VOICE LINES	104940	95760	10	9180	53453	81847
52	DATA LINES	171200	169560	1	1640	98338	143519
53	LIGHT, HEAT, WATER & DISPOSAL	377000	396120	-5	-19120	181778	270702
54	INSURANCE	356550	373900	-5	-17350	183224	371893
55	POWER FOR PRODUCTION & DISTRIB.	4012400	4146000	-3	-133600	1900204	2740917
60	PENSION EXPENSE	0	0	0	0	0	831305
61	TRAINING & SEMINARS	123390	121590	1	1800	32358	68671
63	DUES & SUBSCRIPTIONS	89550	93615	7	5935	65806	66013
70	VEHICLE REPAIR/REPLCMNT PARTS	190000	172000	10	18000	98851	193814
71	VEHICLE REPAIR MATERIALS	48000	48000	0	0	24739	41819
72	VEHICLE MAINTENANCE SUPPLIES	48000	48000	0	0	-10134	26013
73	GASOLINE & DIESEL	400000	336000	19	64000	217658	357825
79	VEHICLE CREDIT	-180000	-180000	0	0	-115695	-166525
85	INVENTORY / ADJUSTMENTS	0	0	0	0	5377	29005
88	DISTRICT LEASE EXPENSES	47400	47800	-1	-400	7678	48658
92	CLAIMS EXPENSE	36000	30000	20	6000	15955	38695
93	UNCOLLECTABLE ACCOUNTS	30000	25200	19	4800	7995	-11719
94	EFC BOND ADMIN FEE	16750	17220	-3	-470	17214	17737
97	RIGHT OF WAY CHARGES	30445	29985	2	460	21759	30606
98	SPECIAL FEES & ASSESSMENTS	236670	233545	1	3125	205920	231335
99	MISCELLANEOUS	25740	29590	-13	-3850	8166	15523
***	OTHER O&M EXPENSES ***	22435770	22233330	1	202440	9386438	20516870
***	NET O&M EXPENSES ***	47277310	45151670	5	2125640	22093769	42232947

Monroe County Water Authority
Statement of Revenues
PC as of DEC 31 2018

	Actual	Budget	Variance Favor. (Unfav.)
Operating Revenues:			
Water Sales - Residential	\$ 55,736,717	\$ 57,177,595	(\$ 1,440,878)
Water Sales - Industrial/Commercial	6,519,741	6,384,340	135,401
Water Sales - Water Districts	3,673,169	3,447,865	225,304
Other Water Revenue	3,464,200	3,308,140	156,060
Other Operating Revenue	627,983	610,000	17,983
	<u>\$ 70,021,810</u>	<u>\$ 70,927,940</u>	<u>(\$ 906,130)</u>
Operating Expenses:			
Administration	6,475,287	8,256,165	1,780,878
Production	13,709,354	14,256,975	547,621
Engineering Design & Construction	3,410,851	3,837,270	426,419
Facilities, Fleet & Operations	12,837,799	11,981,145	(856,654)
Business Services	6,261,491	6,820,115	558,624
	<u>\$ 42,694,782</u>	<u>\$ 45,151,670</u>	<u>\$ 2,456,888</u>
Other Expenses	793,334	793,334	0
NET REVENUES FOR DEBT SERVICE	<u>\$ 26,533,694</u>	<u>\$ 24,982,936</u>	<u>\$ 1,550,758</u>
Deduct:			
Interest Expense on Water Revenue Bonds	7,090,742	7,012,255	(78,487)
Interest Expense on County Lease - Net	21,398	21,397	(1)
Bond Exp & Def Amt of Refund	(23,592)	21,424	45,016
Depreciation and Amortization	<u>18,724,570</u>	<u>18,786,780</u>	<u>62,210</u>
	<u>\$ 25,813,118</u>	<u>\$ 25,841,856</u>	<u>\$ 28,738</u>
REVENUES (LOSS) FROM OPERATIONS	<u>\$ 720,576</u>	<u>(\$ 858,920)</u>	<u>\$ 1,579,496</u>
Add (Deduct):			
Interest on Investments-Local	695,491	30,000	665,491
Interest on Investments-Trustee	309,071	115,000	194,071
Gain (Loss) on Disposal of Assets	(409,108)	0	(409,108)
Other Non-Operating Income	5,235,145	2,356,809	2,878,336
Extraordinary Expense	0	0	0
Unrealized Gain (Loss) on Investment	(7,541)	0	(7,541)
Realized Gain (Loss) on Investment	<u>8,396</u>	<u>0</u>	<u>8,396</u>
	<u>\$ 5,831,454</u>	<u>\$ 2,501,809</u>	<u>\$ 3,329,645</u>
REVENUES (LOSS) IN FACILITIES YTD	<u>\$ 6,552,030</u>	<u>\$ 1,642,889</u>	<u>\$ 4,909,141</u>

WATER REVENUE BONDS DEBT SERVICE REQUIREMENT TO MATURITY

As of December 31, 2018

2007 Series			2010 Series		2010 B Series		2012 Series		2013 Series		2017 Series		Total
Year	Interest	Maturity	Interest	Maturity	Interest	Maturity	Interest	Maturity	Interest	Maturity	Interest	Maturity	
2019	472,073	595,000	71,750	1,230,000	5,619,524	2,365,000	241,787	190,000	472,842	480,000	161,300	-	11,899,276
2020	465,034	600,000	10,250	205,000	5,508,512	2,440,000	234,187	195,000	468,176	485,000	161,300	-	10,772,459
2021	459,233	610,000			5,389,100	2,515,000	226,388	205,000	462,838	490,000	161,300	215,000	10,733,859
2022	457,076	615,000			5,260,988	2,600,000	216,138	215,000	456,786	500,000	157,000	220,000	10,697,988
2023	449,817	625,000			5,107,738	2,700,000	205,388	225,000	449,978	505,000	146,000	225,000	10,638,921
2024	443,663	635,000			4,948,600	2,805,000	194,138	235,000	442,778	515,000	134,750	235,000	10,588,929
2025	404,568	670,000			4,783,274	2,910,000	182,388	250,000	434,766	520,000	123,000	250,000	10,527,996
2026	370,614	700,000			4,611,758	3,020,000	169,888	260,000	426,612	530,000	110,500	265,000	10,464,372
2027	336,896	725,000			4,422,736	3,145,000	156,888	275,000	418,116	540,000	97,250	275,000	10,391,886
2028	353,049	765,000			4,225,892	3,270,000	143,138	290,000	409,196	550,000	83,500	290,000	10,379,775
2029	262,310	800,000			4,021,222	3,405,000	133,712	300,000	399,972	560,000	71,900	295,000	10,249,116
2030	232,017	835,000			3,808,102	3,545,000	123,962	305,000	390,392	565,000	60,100	310,000	10,174,573
2031	185,336	880,000			3,586,222	3,690,000	114,050	315,000	380,826	580,000	47,700	325,000	10,104,134
2032	148,656	925,000			3,352,312	3,840,000	103,812	325,000	370,878	590,000	34,700	335,000	10,025,358
2033	104,466	960,000			3,108,898	4,000,000	93,250	340,000	360,820	615,000	21,300	350,000	9,953,734
2034	58,483	1,015,000			2,855,334	4,165,000	76,250	355,000	332,450	650,000	10,800	360,000	9,878,317
2035	15,561	1,060,000			2,591,316	4,335,000	58,500	370,000	302,466	680,000			9,412,843
*2036	(25,655)	1,115,000			2,316,520	4,515,000	40,000	390,000	271,098	715,000			9,336,963
2037					2,024,896	4,705,000	20,500	410,000	238,116	750,000			8,148,512
2038					1,721,000	4,900,000			203,518	785,000			7,609,518
2039					1,404,512	5,105,000			167,306	825,000			7,501,818
2040					1,074,776	5,320,000			128,588	865,000			7,388,364
2041					731,160	5,545,000			87,994	915,000			7,279,154
2042					373,010	5,775,000			45,054	960,000			7,153,064
	\$ 5,193,197	\$ 14,130,000	\$ 82,000	\$ 1,435,000	\$ 82,847,402	\$ 90,615,000	\$ 2,734,264	\$ 5,450,000	\$ 8,121,566	\$ 15,170,000	\$ 1,582,400	\$ 3,950,000	\$ 231,310,929

Principal Due as of 12/31/18

\$ 130,750,000

Interest Due as of 12/31/18

\$ 100,560,929

* Excess benefit of refunding remaining after the final full repayment

MONROE COUNTY WATER AUTHORITY OBLIGATIONS UNDER CAPITAL LEASE

As of December 31, 2018

MC 1996 Series A Refunding			Total
Interest	Maturity		
2019	9,921	330,696	340,617
\$ 9,921	\$ 330,696		\$ 340,617

Principal Due as of 12/31/18

\$ 330,696

Interest Due as of 12/31/18

\$ 9,921

Total Water Revenue Bonds & Capital Lease
Due as of 12/31/18

\$ 231,651,546

ALL BOND FINANCED

NYS Environmental Facilities Corporation Series 2015D
 Monroe County Water Authority 16511 (2007D)
 Loan ID 4775

Date	Principal	Coupon	Interest	Less: Subsidy (1)	Less Refunding Benefit (2)	Net Debt Service
09/01/2015	565,000.00	4.082%	379,198.18	90,896.00	60,609.57	792,692.61
03/01/2016			367,666.53	81,937.50	25,481.83	260,247.20
09/01/2016	570,000.00	4.132%	367,666.53	81,937.50	61,070.12	794,658.91
03/01/2017			355,890.33	72,724.08	22,269.16	260,897.09
09/01/2017	575,000.00	4.182%	355,890.33	72,724.08	66,807.62	791,358.63
03/01/2018			343,867.08	63,255.75	21,515.70	259,095.63
09/01/2018	585,000.00	4.277%	343,867.08	63,255.75	64,570.85	801,040.48
03/01/2019			331,356.85	53,496.08	21,168.15	256,692.62
09/01/2019	595,000.00	4.382%	331,356.85	53,496.08	62,480.85	810,379.92
03/01/2020			318,320.40	43,445.08	20,855.31	254,020.01
09/01/2020	600,000.00	4.392%	318,320.40	43,445.08	63,861.80	811,013.52
03/01/2021			305,150.40	33,102.75	19,217.04	252,830.61
09/01/2021	610,000.00	4.501%	305,150.40	33,102.75	65,645.16	816,402.49
03/01/2022			291,422.35	22,432.67	17,554.61	251,435.07
09/01/2022	615,000.00	4.545%	291,422.35	22,432.67	63,348.93	820,640.75
03/01/2023			277,443.40	11,398.42	17,117.33	248,927.65
09/01/2023	625,000.00	4.587%	277,443.40	11,398.42	65,155.86	825,889.12
03/01/2024			263,109.03		15,494.05	247,614.98
09/01/2024	635,000.00	4.623%	263,109.03		67,060.66	831,048.37
03/01/2025			248,431.00		14,974.45	233,456.55
09/01/2025	670,000.00	4.684%	248,431.00		77,319.09	841,111.91
03/01/2026			232,739.60		17,774.15	214,965.45
09/01/2026	700,000.00	4.684%	232,739.60		77,090.84	855,648.76
03/01/2027			216,345.60		14,907.56	201,438.04
09/01/2027	725,000.00	4.684%	216,345.60		80,886.71	860,458.89
03/01/2028			199,366.10		13,210.58	186,155.52
09/01/2028	765,000.00	4.754%	199,366.10		32,472.67	931,893.43
03/01/2029			181,182.05		67,472.67	113,709.38
09/01/2029	800,000.00	4.754%	181,182.05		32,581.67	948,600.38
03/01/2030			162,166.05		67,581.67	94,584.38
09/01/2030	835,000.00	4.754%	162,166.05		24,733.72	972,432.33
03/01/2031			142,318.10		74,733.72	67,584.38
09/01/2031	880,000.00	4.754%	142,318.10		24,566.12	997,751.98
03/01/2032			121,400.50		69,566.12	51,834.38
09/01/2032	925,000.00	4.754%	121,400.50		24,578.87	1,021,821.63
03/01/2033			99,413.25		74,578.87	24,834.38
09/01/2033	960,000.00	4.751%	99,413.25		19,782.07	1,039,631.18
03/01/2034			76,416.45		76,416.45	
09/01/2034	1,015,000.00	4.791%	76,416.45		17,933.37	1,073,483.08
03/01/2035			52,102.13		52,102.13	
09/01/2035	1,060,000.00	4.791%	52,102.13		36,541.07	1,075,561.06
03/01/2036			26,709.83		26,709.83	
09/01/2036	1,115,000.00	4.791%	26,709.83		26,709.83	1,115,000.00
09/02/2036					25,655.79	-25,655.79
	16,425,000.00		9,604,832.24	854,480.66	1,892,164.62	23,283,185.96

Notes

(1) Application of Subsidy Credit is pursuant to Sections 3.1 (C) and 3.1 (D) of the Project Finance Agreement. Failure of Recipient to fulfill the terms of the Project Finance Agreement may result in reduction or elimination of the Subsidy Credit.

Subsidy Credit for Refunding Recipients is calculated based on Corpus or Reserve Allocation percentage of Existing Agreement.

(2) In the event that the Benefit of the Refunding exceeds the interest payable on any specific payment date, the difference will be credited on a later payment date or dates. Should there be excess Benefits of the Refunding remaining after the final maturity and full repayment, such excess will be remitted to the Recipient by the Corporation.



Monroe County Water Authority**Water System Revenue Refunding Bonds, Series 2017**

December 21, 2017

\$3,950,000

Debt Service Schedule (Semi-Annual)

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I
02/01/2018	-	-	17,922.22	17,922.22
08/01/2018	-	-	80,650.00	80,650.00
02/01/2019	-	-	80,650.00	80,650.00
08/01/2019	-	-	80,650.00	80,650.00
02/01/2020	-	-	80,650.00	80,650.00
08/01/2020	-	-	80,650.00	80,650.00
02/01/2021	-	-	80,650.00	80,650.00
08/01/2021	215,000.00	2.000%	80,650.00	295,650.00
02/01/2022	-	-	78,500.00	78,500.00
08/01/2022	220,000.00	5.000%	78,500.00	298,500.00
02/01/2023	-	-	73,000.00	73,000.00
08/01/2023	225,000.00	5.000%	73,000.00	298,000.00
02/01/2024	-	-	67,375.00	67,375.00
08/01/2024	235,000.00	5.000%	67,375.00	302,375.00
02/01/2025	-	-	61,500.00	61,500.00
08/01/2025	250,000.00	5.000%	61,500.00	311,500.00
02/01/2026	-	-	55,250.00	55,250.00
08/01/2026	265,000.00	5.000%	55,250.00	320,250.00
02/01/2027	-	-	48,625.00	48,625.00
08/01/2027	275,000.00	5.000%	48,625.00	323,625.00
02/01/2028	-	-	41,750.00	41,750.00
08/01/2028	290,000.00	4.000%	41,750.00	331,750.00
02/01/2029	-	-	35,950.00	35,950.00
08/01/2029	295,000.00	4.000%	35,950.00	330,950.00
02/01/2030	-	-	30,050.00	30,050.00
08/01/2030	310,000.00	4.000%	30,050.00	340,050.00
02/01/2031	-	-	23,850.00	23,850.00
08/01/2031	325,000.00	4.000%	23,850.00	348,850.00
02/01/2032	-	-	17,350.00	17,350.00
08/01/2032	335,000.00	4.000%	17,350.00	352,350.00
02/01/2033	-	-	10,650.00	10,650.00
08/01/2033	350,000.00	3.000%	10,650.00	360,650.00
02/01/2034	-	-	5,400.00	5,400.00
08/01/2034	360,000.00	3.000%	5,400.00	365,400.00
Total	\$3,950,000.00	-	\$1,680,972.22	\$5,630,972.22

Monroe County Water Authority

Water System Revenue Bonds, Series 2010

Unrefunded

Unrefunded Debt Service Schedule (Semi-Annual)

Date	Principal	Coupon	Interest	Total P+I
02/01/2018	-	-	56,625.00	56,625.00
08/01/2018	830,000.00	5.000%	56,625.00	886,625.00
02/01/2019	-	-	35,875.00	35,875.00
08/01/2019	1,230,000.00	5.000%	35,875.00	1,265,875.00
02/01/2020	-	-	5,125.00	5,125.00
08/01/2020	205,000.00	5.000%	5,125.00	210,125.00
Total	\$2,265,000.00	-	\$195,250.00	\$2,460,250.00

Yield Statistics

Bond Year Dollars	\$52,214.81
Average Life	4.348 Years
Average Coupon	4.4172691%
Net Interest Cost (NIC)	2.8870737%
True Interest Cost (TIC)	2.7114764%
Bond Yield for Arbitrage Purposes	2.4875965%
All Inclusive Cost (AIC)	3.0792323%

IRS Form 8038

Net Interest Cost	2.3985445%
Weighted Average Maturity	4.495 Years

Monroe County Water Authority
Water Revenue Bonds, Series 2010A and 2010B
East Side Water Supply Project

Debt Service Schedule - Series 2010B (Taxable Build America Bonds)

Yr Date	Principal	Coupon	Interest	Debt Service	Debt Service (Annual)	Capitalized Interest	Federal BAS Subsidy	Net Debt Service	Net Debt Service (Annual)
12/21/10	-	-	-	-	-	-	-	-	-
02/01/11	-	-	635,876.24	635,876.24	-	-	(222,556.66)	413,319.56	-
08/01/11	-	-	2,861,443.10	2,861,443.10	3,497,319.34	(385,074.96)	(1,001,505.08)	1,474,863.06	1,886,182.62
02/01/12	-	-	2,861,443.10	2,861,443.10	-	-	(1,024,182.29)	835,755.73	-
08/01/12	-	-	2,861,443.10	2,861,443.10	5,722,886.20	(1,024,182.29)	(1,001,505.08)	835,755.73	1,671,511.46
02/01/13	-	-	2,861,443.10	2,861,443.10	-	-	(75,065.30)	1,784,652.72	-
08/01/13	-	-	2,861,443.10	2,861,443.10	5,722,886.20	-	(1,001,505.08)	1,859,938.02	3,644,790.74
02/01/14	-	-	2,861,443.10	2,861,443.10	-	-	(1,001,505.08)	1,859,938.02	-
08/01/14	-	-	2,861,443.10	2,861,443.10	5,722,886.20	-	(1,001,505.08)	1,859,938.02	3,719,876.04
02/01/15	-	-	2,861,443.10	2,861,443.10	-	-	(1,001,505.08)	1,859,938.02	-
08/01/15	-	-	2,861,443.10	2,861,443.10	5,722,886.20	-	(1,001,505.08)	1,859,938.02	3,719,876.04
02/01/16	-	-	2,861,443.10	2,861,443.10	-	-	(1,001,505.08)	1,859,938.02	-
08/01/16	-	-	2,861,443.10	2,861,443.10	5,722,886.20	-	(1,001,505.08)	1,859,938.02	3,719,876.04
02/01/17	-	-	2,861,443.10	2,861,443.10	-	-	(1,001,505.08)	1,859,938.02	-
08/01/17	-	-	2,861,443.10	2,861,443.10	5,722,886.20	-	(1,001,505.08)	1,859,938.02	3,719,876.04
02/01/18	-	-	2,861,443.10	2,861,443.10	-	-	(1,001,505.08)	1,859,938.02	-
08/01/18	2,300,000.00	4.494%	2,861,443.10	5,161,443.10	8,022,886.20	-	(1,001,505.08)	1,859,938.02	6,019,876.04
02/01/19	-	-	2,809,762.10	2,809,762.10	-	-	(983,416.73)	1,826,345.37	-
08/01/19	2,365,000.00	4.694%	2,809,762.10	5,174,762.10	7,984,524.20	-	(983,416.73)	4,191,345.37	6,017,690.74
02/01/20	-	-	2,754,255.55	2,754,255.55	-	-	(963,989.44)	1,790,266.11	-
08/01/20	2,440,000.00	4.894%	2,754,255.55	5,194,255.55	7,948,511.10	-	(963,989.44)	4,230,266.11	6,020,532.22
02/01/21	-	-	2,694,548.75	2,694,548.75	-	-	(943,082.06)	1,751,456.69	-
08/01/21	2,515,000.00	5.094%	2,694,548.75	5,209,548.75	7,904,097.50	-	(943,082.06)	4,266,456.69	6,017,913.38
02/01/22	-	-	2,630,491.70	2,630,491.70	-	-	(920,672.09)	1,709,819.61	-
08/01/22	2,600,000.00	5.894%	2,630,491.70	5,230,491.70	7,860,963.40	-	(920,672.09)	4,309,819.61	6,019,639.22
02/01/23	-	-	2,553,869.70	2,553,869.70	-	-	(893,854.39)	1,660,015.31	-
08/01/23	2,700,000.00	5.894%	2,553,869.70	5,253,869.70	7,807,739.40	-	(893,854.39)	4,360,015.31	6,020,030.62
02/01/24	-	-	2,474,300.70	2,474,300.70	-	-	(868,005.24)	1,608,295.46	-
08/01/24	2,805,000.00	5.894%	2,474,300.70	5,279,300.70	7,753,601.40	-	(868,005.24)	4,413,295.46	6,021,590.92
02/01/25	-	-	2,391,637.35	2,391,637.35	-	-	(837,073.07)	1,554,564.28	-
08/01/25	2,910,000.00	5.894%	2,391,637.35	5,301,637.35	7,693,274.70	-	(837,073.07)	4,464,564.28	6,019,128.56
02/01/26	-	-	2,305,879.65	2,305,879.65	-	-	(807,057.88)	1,498,821.77	-
08/01/26	3,020,000.00	6.259%	2,305,879.65	5,325,879.65	7,631,759.30	-	(807,057.88)	4,518,821.77	6,017,643.54
02/01/27	-	-	2,211,368.75	2,211,368.75	-	-	(773,979.06)	1,437,389.69	-
08/01/27	3,145,000.00	6.259%	2,211,368.75	5,356,368.75	7,567,737.50	-	(773,979.06)	4,582,389.69	6,019,779.38
02/01/28	-	-	2,112,945.97	2,112,945.97	-	-	(739,531.09)	1,373,414.88	-
08/01/28	3,270,000.00	6.259%	2,112,945.97	5,382,945.97	7,495,891.94	-	(739,531.09)	4,643,414.88	6,016,829.76
02/01/29	-	-	2,010,611.32	2,010,611.32	-	-	(703,713.96)	1,306,897.36	-
08/01/29	3,405,000.00	6.259%	2,010,611.32	5,415,611.32	7,426,222.64	-	(703,713.96)	4,711,897.36	6,018,794.72
02/01/30	-	-	1,904,051.84	1,904,051.84	-	-	(668,418.14)	1,237,633.70	-
08/01/30	3,545,000.00	6.259%	1,904,051.84	5,449,051.84	7,353,103.68	-	(668,418.14)	4,782,633.70	6,020,267.40
02/01/31	-	-	1,793,111.06	1,793,111.06	-	-	(627,588.87)	1,165,522.19	-
08/01/31	3,690,000.00	6.339%	1,793,111.06	5,483,111.06	7,276,222.12	-	(627,588.87)	4,855,522.19	6,021,044.38
02/01/32	-	-	1,676,156.51	1,676,156.51	-	-	(588,654.78)	1,089,501.73	-
08/01/32	3,840,000.00	6.339%	1,676,156.51	5,516,156.51	7,192,313.02	-	(588,654.78)	4,929,501.73	6,019,003.46
02/01/33	-	-	1,554,447.71	1,554,447.71	-	-	(544,056.70)	1,010,391.01	-
08/01/33	4,000,000.00	6.339%	1,554,447.71	5,554,447.71	7,108,895.42	-	(544,056.70)	5,010,391.01	6,020,782.02
02/01/34	-	-	1,427,667.71	1,427,667.71	-	-	(499,683.70)	927,984.01	-
08/01/34	4,165,000.00	6.339%	1,427,667.71	5,592,667.71	7,020,335.42	-	(499,683.70)	5,092,984.01	6,020,968.02
02/01/35	-	-	1,295,658.03	1,295,658.03	-	-	(453,480.31)	842,177.72	-
08/01/35	4,335,000.00	6.339%	1,295,658.03	5,630,658.03	6,926,316.06	-	(453,480.31)	5,177,177.72	6,019,355.44
02/01/36	-	-	1,158,260.20	1,158,260.20	-	-	(405,391.07)	752,869.13	-
08/01/36	4,515,000.00	6.459%	1,158,260.20	5,673,260.20	6,831,520.40	-	(405,391.07)	5,267,869.13	6,020,738.26
02/01/37	-	-	1,012,448.27	1,012,448.27	-	-	(354,356.89)	658,091.38	-
08/01/37	4,705,000.00	6.459%	1,012,448.27	5,717,448.27	6,729,896.54	-	(354,356.89)	5,363,091.38	6,021,182.76
02/01/38	-	-	860,500.29	860,500.29	-	-	(301,175.10)	559,325.19	-
08/01/38	4,900,000.00	6.459%	860,500.29	5,760,500.29	6,621,000.58	-	(301,175.10)	5,459,325.19	6,018,650.38
02/01/39	-	-	702,254.79	702,254.79	-	-	(245,789.18)	456,465.61	-
08/01/39	5,105,000.00	6.459%	702,254.79	5,807,254.79	6,509,509.58	-	(245,789.18)	5,561,465.61	6,017,931.22
02/01/40	-	-	537,388.81	537,388.81	-	-	(188,086.08)	349,302.73	-
08/01/40	5,320,000.00	6.459%	537,388.81	5,857,388.81	6,394,777.62	-	(188,086.08)	5,669,302.73	6,018,605.46
02/01/41	-	-	365,579.41	365,579.41	-	-	(127,952.79)	237,626.62	-
08/01/41	5,545,000.00	6.459%	365,579.41	5,910,579.41	6,276,158.02	-	(127,952.79)	5,782,626.62	6,020,253.24
02/01/42	-	-	186,503.63	186,503.63	-	-	(65,276.27)	121,227.36	-
08/01/42	5,775,000.00	6.459%	186,503.63	5,961,503.63	6,148,007.26	-	(65,276.27)	5,896,227.36	6,017,454.72
Total	92,915,000.00		126,404,922.34	219,319,922.34	219,319,922.34	(2,508,524.84)	(44,241,722.64)	172,569,674.84	172,569,674.84

BOND DEBT SERVICE

Monroe County Water Authority (New York)
Water System Revenue Bonds, Series 2012

Dated Date 12/21/2012
Delivery Date 12/21/2012

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value
12/21/2012						6,290,000	6,290,000
08/01/2013			167,345.14	167,345.14	167,345.14	6,290,000	6,290,000
02/01/2014			136,918.75	136,918.75		6,290,000	6,290,000
08/01/2014	155,000	3.000%	136,918.75	291,918.75	428,837.50	6,135,000	6,135,000
02/01/2015			134,593.75	134,593.75		6,135,000	6,135,000
08/01/2015	160,000	4.000%	134,593.75	294,593.75	429,187.50	5,975,000	5,975,000
02/01/2016			131,393.75	131,393.75		5,975,000	5,975,000
08/01/2016	170,000	4.000%	131,393.75	301,393.75	432,787.50	5,805,000	5,805,000
02/01/2017			127,993.75	127,993.75		5,805,000	5,805,000
08/01/2017	175,000	4.000%	127,993.75	302,993.75	430,987.50	5,630,000	5,630,000
02/01/2018			124,493.75	124,493.75		5,630,000	5,630,000
08/01/2018	180,000	4.000%	124,493.75	304,493.75	428,987.50	5,450,000	5,450,000
02/01/2019			120,893.75	120,893.75		5,450,000	5,450,000
08/01/2019	190,000	4.000%	120,893.75	310,893.75	431,787.50	5,260,000	5,260,000
02/01/2020			117,093.75	117,093.75		5,260,000	5,260,000
08/01/2020	195,000	4.000%	117,093.75	312,093.75	429,187.50	5,065,000	5,065,000
02/01/2021			113,193.75	113,193.75		5,065,000	5,065,000
08/01/2021	205,000	5.000%	113,193.75	318,193.75	431,387.50	4,860,000	4,860,000
02/01/2022			108,068.75	108,068.75		4,860,000	4,860,000
08/01/2022	215,000	5.000%	108,068.75	323,068.75	431,137.50	4,645,000	4,645,000
02/01/2023			102,693.75	102,693.75		4,645,000	4,645,000
08/01/2023	225,000	5.000%	102,693.75	327,693.75	430,387.50	4,420,000	4,420,000
02/01/2024			97,068.75	97,068.75		4,420,000	4,420,000
08/01/2024	235,000	5.000%	97,068.75	332,068.75	429,137.50	4,185,000	4,185,000
02/01/2025			91,193.75	91,193.75		4,185,000	4,185,000
08/01/2025	250,000	5.000%	91,193.75	341,193.75	432,387.50	3,935,000	3,935,000
02/01/2026			84,943.75	84,943.75		3,935,000	3,935,000
08/01/2026	260,000	5.000%	84,943.75	344,943.75	429,887.50	3,675,000	3,675,000
02/01/2027			78,443.75	78,443.75		3,675,000	3,675,000
08/01/2027	275,000	5.000%	78,443.75	353,443.75	431,887.50	3,400,000	3,400,000
02/01/2028			71,568.75	71,568.75		3,400,000	3,400,000
08/01/2028	290,000	3.250%	71,568.75	361,568.75	433,137.50	3,110,000	3,110,000
02/01/2029			66,856.25	66,856.25		3,110,000	3,110,000
08/01/2029	300,000	3.250%	66,856.25	366,856.25	433,712.50	2,810,000	2,810,000
02/01/2030			61,981.25	61,981.25		2,810,000	2,810,000
08/01/2030	305,000	3.250%	61,981.25	366,981.25	428,962.50	2,505,000	2,505,000
02/01/2031			57,025.00	57,025.00		2,505,000	2,505,000
08/01/2031	315,000	3.250%	57,025.00	372,025.00	429,050.00	2,190,000	2,190,000
02/01/2032			51,906.25	51,906.25		2,190,000	2,190,000
08/01/2032	325,000	3.250%	51,906.25	376,906.25	428,812.50	1,865,000	1,865,000
02/01/2033			46,625.00	46,625.00		1,865,000	1,865,000
08/01/2033	340,000	5.000%	46,625.00	386,625.00	433,250.00	1,525,000	1,525,000
02/01/2034			38,125.00	38,125.00		1,525,000	1,525,000
08/01/2034	355,000	5.000%	38,125.00	393,125.00	431,250.00	1,170,000	1,170,000
02/01/2035			29,250.00	29,250.00		1,170,000	1,170,000
08/01/2035	370,000	5.000%	29,250.00	399,250.00	428,500.00	800,000	800,000
02/01/2036			20,000.00	20,000.00		800,000	800,000
08/01/2036	390,000	5.000%	20,000.00	410,000.00	430,000.00	410,000	410,000
02/01/2037			10,250.00	10,250.00		410,000	410,000
08/01/2037	410,000	5.000%	10,250.00	420,250.00	430,500.00		
	6,290,000		4,212,495.14	10,502,495.14	10,502,495.14		

NOTICE OF TERMS - NET DEBT SERVICE SCHEDULE (1)

**NYS EFC Series 2013B
Monroe County Water Authority - Aggregate
Loan ID 4116**

Schedule A

Date	Principal	Coupon	Interest	Gross Debt Service	Less: Subsidy Credit (1)	Plus: Annual Administrative Fee (2)	Semi-Annual Net Debt Service	Annual Net Debt Service, Fiscal Year
11/01/2013	600,000.00	0.2000%	184,238.20	784,238.20	45,377.02		738,861.18	738,861.18
05/01/2014			321,369.66	321,369.66	79,032.97		242,336.69	242,336.69
11/01/2014	465,000.00	0.3000%	321,369.66	786,369.66	79,032.97	18,420.00	725,756.69	968,093.38
05/01/2015			320,672.16	320,672.16	78,667.97		242,004.19	
11/01/2015	465,341.00	0.6700%	320,672.16	786,013.16	78,667.97	18,766.00	726,111.19	968,115.38
05/01/2016			319,113.28	319,113.28	77,845.86		241,267.42	
11/01/2016	470,000.00	1.0800%	319,113.28	789,113.28	77,845.86	18,253.00	729,520.42	970,787.84
05/01/2017			316,375.28	316,375.28	76,504.86		240,070.42	
11/01/2017	475,000.00	1.4400%	316,375.28	791,575.28	76,504.86	17,737.00	732,807.42	972,877.84
05/01/2018			313,155.28	313,155.28	74,704.86		238,450.42	
11/01/2018	480,000.00	1.7900%	313,155.28	793,155.28	74,704.86	17,214.00	735,664.42	974,114.84
05/01/2019			308,859.28	308,859.28	72,437.52		236,421.76	
11/01/2019	480,000.00	2.0900%	308,859.28	788,859.28	72,437.52	16,686.00	733,107.76	969,529.52
05/01/2020			303,843.28	303,843.28	69,755.35		234,087.93	
11/01/2020	485,000.00	2.3900%	303,843.28	788,843.28	69,755.35	16,158.00	735,245.93	969,333.86
05/01/2021			298,047.53	298,047.53	66,628.43		231,419.10	
11/01/2021	490,000.00	2.6900%	298,047.53	788,047.53	66,628.43	15,625.00	737,044.10	968,463.20
05/01/2022			291,457.03	291,457.03	63,064.18		228,392.85	
11/01/2022	500,000.00	2.9600%	291,457.03	791,457.03	63,064.18	15,085.00	743,477.85	971,870.70
05/01/2023			284,057.03	284,057.03	59,068.18		224,988.85	
11/01/2023	505,000.00	3.1530%	284,057.03	789,057.03	59,068.18	14,535.00	744,523.85	969,512.70
05/01/2024			276,095.70	276,095.70	54,706.52		221,389.18	
11/01/2024	515,000.00	3.4340%	276,095.70	791,095.70	54,706.52	13,979.00	750,368.18	971,757.36
05/01/2025			267,253.15	267,253.15	49,870.30		217,382.85	
11/01/2025	520,000.00	3.5200%	267,253.15	787,253.15	49,870.30	13,413.00	750,795.85	968,178.70
05/01/2026			258,101.15	258,101.15	44,795.62		213,305.53	
11/01/2026	530,000.00	3.6400%	258,101.15	788,101.15	44,795.62	12,841.00	756,146.53	969,452.06
05/01/2027			248,455.15	248,455.15	39,396.28		209,058.87	
11/01/2027	540,000.00	3.7700%	248,455.15	788,455.15	39,396.28	12,258.00	761,316.87	970,375.74
05/01/2028			238,276.16	238,276.16	33,678.44		204,597.72	
11/01/2028	550,000.00	3.8700%	238,276.16	788,276.16	33,678.44	11,664.00	766,261.72	970,859.44
05/01/2029			227,633.65	227,633.65	27,647.48		199,985.97	
11/01/2029	560,000.00	4.0200%	227,633.65	787,633.65	27,647.48	11,059.00	771,044.97	971,030.94
05/01/2030			216,377.65	216,377.65	21,182.17		195,195.48	
11/01/2030	565,000.00	4.0700%	216,377.65	781,377.65	21,182.17	10,443.00	770,638.48	965,833.96
05/01/2031			204,879.90	204,879.90	14,466.67		190,413.23	
11/01/2031	580,000.00	4.1450%	204,879.90	784,879.90	14,466.67	9,821.00	780,234.23	970,647.46
05/01/2032			192,859.40	192,859.40	7,420.17		185,439.23	
11/01/2032	590,000.00	4.2200%	192,859.40	782,859.40	7,420.17	9,183.00	784,622.23	970,061.46
05/01/2033			180,410.41	180,410.41			180,410.41	
11/01/2033	615,000.00	4.6130%	180,410.41	795,410.41		8,535.00	803,945.41	984,355.82
05/01/2034			166,225.43	166,225.43			166,225.43	
11/01/2034	650,000.00	4.6130%	166,225.43	816,225.43		7,859.00	824,084.43	990,309.86
05/01/2035			151,233.18	151,233.18			151,233.18	
11/01/2035	680,000.00	4.6130%	151,233.18	831,233.18		7,144.00	838,377.18	989,610.36
05/01/2036			135,548.98	135,548.98			135,548.98	
11/01/2036	715,000.00	4.6130%	135,548.98	850,548.98		6,396.00	856,944.98	992,493.96
05/01/2037			119,057.51	119,057.51			119,057.51	
11/01/2037	750,000.00	4.6130%	119,057.51	869,057.51		5,609.00	874,666.51	993,724.02
05/01/2038			101,758.76	101,758.76			101,758.76	
11/01/2038	785,000.00	4.6130%	101,758.76	886,758.76		4,784.00	891,542.76	993,301.52
05/01/2039			83,652.73	83,652.73			83,652.73	
11/01/2039	825,000.00	4.6930%	83,652.73	908,652.73		3,921.00	912,573.73	996,226.46
05/01/2040			64,294.10	64,294.10			64,294.10	
11/01/2040	865,000.00	4.6930%	64,294.10	929,294.10		3,014.00	932,308.10	996,602.20
05/01/2041			43,996.88	43,996.88			43,996.88	
11/01/2041	915,000.00	4.6930%	43,996.88	958,996.88		2,062.00	961,058.88	1,005,055.76
05/01/2042			22,526.41	22,526.41			22,526.41	
11/01/2042	960,000.00	4.6930%	22,526.41	982,526.41		1,055.00	983,581.41	1,008,107.82
<hr/>								
	18,125,341.00		12,735,810.42	30,861,151.42	2,067,125.08	323,519.00	29,117,545.34	29,117,545.34

AMOUNT PAYABLE PURSUANT TO PARAGRAPH 4 OF NOTICE OF TERMS: 340,114.00

Notes:

- (1) Application of Subsidy Credit is pursuant to Sections 3.1 (C) and 3.1 (D) of the Project Finance Agreement. Failure of Recipient to fulfill the terms of the Project Finance Agreement may result in reduction or elimination of the Subsidy Credit.
- (2) The Annual Administrative Fee is due annually on July 15 commencing July 15, 2014.
- The Administrative Fee rate is pursuant to the Project Finance Agreement.
- Aggregate amounts may differ from totals due to rounding.

Capital Lease

County of Monroe 1996 A

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Fiscal Year Debt Service</u>
03/01/97	167,166.00	61,561.62	
09/01/97		119,362.03	348,089.65
03/01/98	98,284.00	119,362.03	
09/01/98		117,150.62	334,796.65
03/01/99	103,257.00	117,150.62	
09/01/99		114,698.24	335,105.86
03/01/00	107,761.00	114,698.24	
09/01/00		112,004.23	334,463.47
03/01/01	113,746.00	112,004.23	
09/01/01		109,160.60	334,910.83
03/01/02	119,715.00	109,160.60	
09/01/02		106,018.06	334,893.66
03/01/03	127,211.00	106,018.06	
09/01/03		102,519.77	335,748.83
03/01/04	133,698.00	102,519.77	
09/01/04		98,843.05	335,060.82
03/01/05	140,664.00	98,843.05	
09/01/05		94,974.79	334,481.84
03/01/06	149,154.00	94,974.79	
09/01/06		90,873.09	335,001.88
03/01/07	161,612.00	90,873.09	
09/01/07		86,428.74	338,913.83
03/01/08	170,590.00	86,428.74	
09/01/08		81,311.03	338,329.77
03/01/09	181,056.00	81,311.03	
09/01/09		75,879.35	338,246.38
03/01/10	192,032.00	75,879.35	
09/01/10		70,958.55	338,869.90
03/01/11	203,018.00	70,958.55	
09/01/11		64,868.01	338,844.56
03/01/12	216,478.00	64,868.01	
09/01/12		58,373.67	339,719.68
03/01/13	229,943.00	58,373.67	
09/01/13		51,475.38	339,792.05
03/01/14	243,917.00	51,475.38	
09/01/14		44,157.87	339,550.25
03/01/15	259,873.00	44,157.87	
09/01/15		36,361.68	340,392.55
03/01/16	275,337.00	36,361.68	
09/01/16		28,101.57	339,800.25
03/01/17	293,783.00	28,101.57	
09/01/17		19,288.08	341,172.65
03/01/18	312,240.00	19,288.08	
09/01/18		9,920.88	341,448.96
03/01/19	<u>330,696.00</u>	<u>9,920.88</u>	
	4,331,231.00	3,447,020.20	<u>340,616.88</u>
			7,778,251.20



MONROE COUNTY WATER AUTHORITY

P.O. Box 10999 • 475 Norris Drive • Rochester, New York 14610-0999

Phone: (585) 442-2000 Fax: (585) 442-0220

March 4, 2019

**MANAGEMENT'S ASSESSMENT OF THE EFFECTIVENESS OF
INTERNAL CONTROL STRUCTURE AND PROCEDURES**

The Authority's internal control over operations and financial reporting includes policies and procedures that (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; (b) provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorization of the Members of the Authority; and (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of Authority assets that could have a material effect on the Authority's operations, financial statements, and reports.

Because of its inherent limitations, internal control over operations and financial reporting may not prevent or detect misstatements. Projections of any evaluation of the effectiveness of internal controls to future periods are subject to the risk that controls may become inadequate due to changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

For the period January 1 through December 31, 2018, Management conducted an assessment of the effectiveness of the Authority's internal control over operations and financial reporting and has determined that the controls are adequate. The assessment was made through testing, inquiry, and observation.

Respectfully submitted,

Larry M. Magguilli

Assistant to the Executive Director

/ka

MONROE COUNTY WATER AUTHORITY
(A Discretely Presented Component Unit
of the County of Monroe, New York)

Financial Statements as of
December 31, 2018
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

MONROE COUNTY WATER AUTHORITY
(A Discretely Presented Component Unit of the County of Monroe, New York)

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INDEPENDENT AUDITOR'S REPORT

March 7, 2019

To the Board of Directors of
Monroe County Water Authority:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Monroe County Water Authority (the Authority), a public benefit corporation of the State of New York and a discretely presented component unit of the County of Monroe, New York, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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(Continued)

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, as of December 31, 2018, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 3 to the financial statements, in 2018 the Authority adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

Summarized Comparative Totals

We have previously audited the Authority's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 1, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 - 9, schedule of changes in total other postemployment benefit liability and related ratios, schedule of proportionate share of net pension liability (asset), and schedule of contributions - pension plans be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2019, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Bonadio & Co., LLP

MONROE COUNTY WATER AUTHORITY
(A Discretely Presented Component Unit of the County of Monroe, New York)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2018

The Monroe County Water Authority (the Authority) is a not-for-profit public benefit corporation that reliably provides quality, affordable water that fosters economic vitality and enhanced quality of life for Monroe County and area communities who request service.

The financial statements of the Authority include the Statement of Net Position, the Statement of Revenue, Expenses and Change in Net Position, and the Statement of Cash Flows, and related notes to the financial statements. The Statement of Net Position provides information about the nature and the amounts of investments and resources (assets), deferred outflows of resources, and the obligations to the Authority's creditors (liabilities), and deferred inflows of resources, with the difference between these reported as net position.

The Statement of Revenue, Expenses and Change in Net Position shows how the Authority's net position changed during the year. It accounts for all the year's revenues and expenses, measures the financial results of the Authority's operations for the year and can be used to determine how the Authority has funded its costs.

The Statement of Cash Flows provides information about the Authority's cash receipts, cash payments, and net changes in cash resulting from operations, capital and related financing, and investing activities.

The notes to the financial statements contain information that is essential to the understanding of the financial statements, such as the Authority's accounting methods and policies.

Management provides the following discussion and analysis (MD&A) of the Authority's financial position and activities. This overview is provided for the year ended December 31, 2018. The information contained in this analysis should be used by the reader in conjunction with the information contained in our audited financial statements and the notes to those financial statements, all of which follow this narrative on the subsequent pages.

FINANCIAL HIGHLIGHTS

The Authority's financial statements are prepared on the accrual basis of accounting promulgated by the Governmental Accounting Standards Board (GASB). The Authority is a single-purpose entity and revenues are recognized when earned, not received. Expenses are recognized when incurred, not when they are paid.

The 2018 financial statements are presented with comparative totals from 2017.

- The assets and deferred outflows of resources of the Authority exceeded its liabilities at the close of its most recent fiscal year by \$307,535,585 (net position). Of this amount \$75,474,398 (unrestricted net position) may be used to meet the Authority's ongoing obligations.
- Operating revenues increased approximately \$4,650,751 or 7% during the current year from approximately \$65.4 million for the 2017 fiscal year to approximately \$70.0 million for the 2018 fiscal year. Most of this increase in revenues occurred in the residential customer class and is largely due to a hot, dry summer compared to an unusually wet summer in 2017.

FINANCIAL HIGHLIGHTS (Continued)

- Several major construction projects were completed during the year increasing the Authority's assets as follows:

<u>Project Name</u>	<u>2018</u>
SWTP Switch Gear Replacement	\$ 3,940,000
South Ave Tank Rehabilitation	\$ 1,765,819
Phillips Road Water Main Replacement	\$ 1,014,762
West Brighton Tank Rehabilitation	\$ 976,450
Empire Boulevard Water Main Replacement	\$ 699,788
Buffalo Road Tank Rehabilitation	\$ 659,889

Summary of Operations and Change in Net Position

	<u>2018</u>	<u>2017</u>
Operating revenues	\$ 70,021,814	\$ 65,371,063
Operating expenses	<u>(62,189,108)</u>	<u>(61,212,254)</u>
Operating income	7,832,706	4,158,809
Non-operating expenses, net	<u>(4,655,810)</u>	<u>(5,797,895)</u>
Income (loss) before capital contributions	3,176,896	(1,639,086)
Capital contributions	<u>3,375,133</u>	<u>3,130,269</u>
Change in net position	<u>\$ 6,552,029</u>	<u>\$ 1,491,183</u>

Capital contributions are revenues from grants, developers, and customers for water system capital improvements donated to the Authority.

FINANCIAL HIGHLIGHTS (Continued)

Financial Position Summary

Net position is an indication of the Authority's financial strength. The Authority's net position as of December 31, 2018 is \$307,535,585. A summary of the Authority's financial position is shown below.

	<u>2018</u>	<u>2017</u>
ASSETS:		
Current assets	\$ 79,122,426	\$ 74,648,208
Capital assets	416,968,719	416,970,553
Funds held by trustee	12,244,597	14,311,978
Restricted assets	<u>2,853,367</u>	<u>2,805,798</u>
Total assets	<u>511,189,109</u>	<u>508,736,537</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>11,155,351</u>	<u>5,954,979</u>
LIABILITIES:		
Current liabilities, including current portion of long-term debt	17,002,374	17,785,288
Other liabilities (long-term)	<u>184,180,543</u>	<u>160,899,317</u>
Total liabilities	<u>201,182,917</u>	<u>178,684,605</u>
DEFERRED INFLOWS OF RESOURCES	<u>13,625,958</u>	<u>960,921</u>
NET POSITION:		
Net investment in capital assets	229,207,820	279,287,963
Restricted	2,853,367	2,805,798
Unrestricted	<u>75,474,398</u>	<u>52,952,229</u>
Total net position	<u>\$ 307,535,585</u>	<u>\$ 335,045,990</u>

In the table above, the 2017 amounts have not been restated to reflect changes related to the implementation of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (see note 10).

Total assets remained fairly consistent from December 31, 2017 to December 31, 2018, increasing approximately \$2,450,000 or 0.5%.

Deferred outflows of resources at December 31, 2018 were approximately \$5,200,000 higher than at December 31, 2017, due primarily to an increase in the other postemployment benefits related deferred outflows of resources.

Total liabilities increased by approximately \$22,498,000, due primarily to the actuarial valuation of the other postemployment benefits plan.

Deferred inflows of resources at December 31, 2018 were approximately \$12,665,000 higher than December 31, 2017, due primarily to an increase in the other postemployment benefits related to the timing of actuarial changes.

FINANCIAL HIGHLIGHTS (Continued)

Financial Position Summary (Continued)

As a water utility, the Authority has a significant investment in infrastructure. The Authority's infrastructure includes approximately 3,300 miles of pipelines ranging from 2" in diameter to 5' in diameter, 51 booster pumping stations, 49 storage tanks, 2 reservoirs, 3 water treatment plants, land and other facilities required in the treatment and distribution of potable water to its customers. The Authority's net position also includes funds available to pay for ongoing and future construction or replacements, and/or additions, to this infrastructure.

Deferred outflows and inflows of resources decreased due to a change in the actuarial valuation of the New York State Employees' Retirement System in the current year. Long-term liabilities were recorded in both years as a result of a net pension liability related to the Authority's proportionate share of the New York State Employees' Retirement System (see note 9).

MCWA Rates and Charges

The Authority sets its rates annually in concurrence with the adoption of its annual operating budget. The Authority is required by its Master Trust Indenture dated October 1, 1991 and Supplemental Indentures issued with and specific to each subsequent revenue bond issue (Trust Indentures) to set rates and fees sufficient to cover all of its operating and capital expenses.

Many factors were considered by the Authority's Board Members when the rates were being set for 2019. Based in part on the recommendation of the Authority's independent rate consultant, the commodity and base rates increased by a modest amount and are shown in the following table.

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Residential/quarterly:			
Daily base charge per connection (up to ¾")	\$ 0.22	\$ 0.21	\$ 0.21
Commodity charge per 1,000 gallons	\$ 3.26	\$ 3.12	\$ 2.96
Large commercial/monthly:			
Daily base charge per connection	\$ 0.65 - 8.12	\$ 0.62 - 7.77	\$ 0.62 - 7.77
Commodity charge per 1,000 gallons -			
First 125,000 gallons	\$ 3.26	\$ 3.12	\$ 2.96
Each additional 1,000 gallons	\$ 2.31	\$ 2.21	\$ 2.02
Water district rate:			
Daily base charge per connection	\$ 0.65 - 8.12	\$ 0.62 - 7.77	\$ 0.62 - 7.77
Commodity charge per 1,000 gallons	\$ 2.31	\$ 2.21	\$ 2.02

Summary of Operating Revenues

	<u>2018</u>	<u>2018 Budget</u>	<u>2017</u>
Water sales:			
Residential/quarterly	\$ 55,736,718	\$ 57,177,595	\$ 52,189,309
Large commercial/monthly	6,519,743	6,384,340	5,865,414
Water districts/wholesale	<u>3,673,169</u>	<u>3,447,865</u>	<u>3,245,136</u>
Total water sales	65,929,630	67,009,800	61,299,859
Other water and operating revenue	<u>4,092,184</u>	<u>3,948,140</u>	<u>4,071,204</u>
Total operating revenue	<u>\$ 70,021,814</u>	<u>\$ 70,957,940</u>	<u>\$ 65,371,063</u>

FINANCIAL HIGHLIGHTS (Continued)

Revenues

Water sales for 2018 were projected based on average historical usage with the typical residential customer using approximately 72 thousand gallons of water annually. This year's water sales, which include the residential, large commercial and water district classes, were \$4,629,771 more than those of 2017 and \$1,080,170 less than budget. The spring and summer of 2017 was unusually wet, whereas 2018 had an extremely dry spring and summer.

Other water revenue includes private fire services in the amount of \$1,312,624, and late charges in the amount of \$908,952. Also included are payments made to the Authority by Genesee County for debt service on facilities constructed and owned by the Authority for the benefit of the respective counties. In 2018, the service fee for Genesee County was \$1,060,136. Other operating revenues included cell tower lease income of \$211,318 in 2018.

Total operating revenue for 2018 was \$70,021,814; \$4,650,751 more than 2017, and \$936,126 less than budget estimates.

Operating Expenses

The Authority's expenses (excluding depreciation and amortization) are budgeted and tracked functionally by operating department. The Authority is divided into the following five departments: Administration; Production/Transmission; Engineering; Facilities, Fleet & Operations; and Finance & Business Services.

The following is a breakdown of the Authority's functional expenses by operating department (excluding depreciation and amortization):

	<u>2018</u>	<u>2018 Budget</u>	<u>2017</u>
Functional expenses:			
Administration	\$ 4,671,249	\$ 8,277,231	\$ 7,437,746
Production/transmission	14,479,456	14,375,471	12,672,842
Engineering	3,785,679	3,921,534	3,447,870
Facilities, fleet & operations	13,728,015	12,181,272	12,830,707
Finance and business services	<u>6,823,733</u>	<u>6,946,511</u>	<u>6,493,751</u>
Total functional expenses	<u>\$ 43,488,132</u>	<u>\$ 45,702,019</u>	<u>\$ 42,882,916</u>

Functional expenses (excluding depreciation and amortization) were \$2,213,887, or 4.8% under budget for 2018.

The following is a breakdown of the Authority's total operating expenses:

	<u>2018</u>	<u>2017</u>
Operating expenses:		
Salaries and fringe benefits	\$ 22,539,003	\$ 22,122,961
Operations and maintenance	13,148,795	11,450,467
General and administrative	7,557,334	9,066,488
City contract - capital	243,000	243,000
Depreciation and amortization	18,724,569	18,327,956
Amortization of deferred amounts on refunding, net	<u>(23,593)</u>	<u>1,382</u>
Total operating expenses	<u>\$ 62,189,108</u>	<u>\$ 61,212,254</u>

FINANCIAL HIGHLIGHTS (Continued)

Operating Expenses (Continued)

Total operating expenses increased \$976,854 from 2017. Salaries and Benefits increased \$416,042 or 1.9%. Operations and Maintenance expense increased \$1,698,328 or 14.8% compared to 2017. General and administrative expenses decreased \$1,509,154 or 16.7% from 2017. City contract – capital is the Authority's share of capital projects outlined in the 2011 Exchange Agreement for Water Supply with the City of Rochester and did not change for 2018.

Non-Operating Revenue (Expenses)

The Authority's non-operating revenue (expenses) is composed of the following:

	<u>2018</u>	<u>2017</u>
Non-operating revenue (expenses):		
Federal interest subsidy	\$ 1,860,011	\$ 1,876,486
Interest earnings	1,004,563	192,797
Bond issuance costs	-	(227,057)
Interest expense	(7,112,131)	(7,261,419)
Loss on disposal of capital assets	(409,108)	(366,606)
Realized and unrealized gains on investments, net	<u>855</u>	<u>(12,096)</u>
Total non-operating revenue (expenses), net	<u>\$ (4,655,810)</u>	<u>\$ (5,797,895)</u>

DEBT ADMINISTRATION

Water Revenue Bonds

As of December 31, 2018, the Authority has six water revenue bond series outstanding totaling \$130,750,000. The 2007 Series bonds continue to be payable by Genesee County to the Authority under the terms of the Construction Services Agreement between Genesee County and the Authority dated May 24, 2000.

Monroe County Water Authority <u>Bond Series</u>	Outstanding as of December <u>2018</u>	Outstanding as of December <u>2017</u>	Principal Due <u>2019</u>
2007 Series Refunding	\$ 14,130,000	\$ 14,715,000	\$ 595,000
2010 Series	1,435,000	2,265,000	1,230,000
2010B Series	90,615,000	92,915,000	2,365,000
2012 Series	5,450,000	5,630,000	190,000
2013 Series	15,170,000	15,650,000	480,000
2017 Series	<u>3,950,000</u>	<u>3,950,000</u>	<u>-</u>
Total	<u>\$ 130,750,000</u>	<u>\$ 135,125,000</u>	<u>\$ 4,860,000</u>

DEBT ADMINISTRATION (Continued)

Obligations under Capital Lease

The Authority entered into an agreement with Monroe County, dated November 18, 1969, in which Monroe County agreed to finance, and the Authority agreed to construct and pay for, certain improvements within Monroe County. Improvements constructed under this agreement are owned by Monroe County but leased to the Authority. The Authority operates these leased facilities with all the responsibilities of ownership. The remaining \$340,617 of principal and interest outstanding will be paid by the Authority in February 2019.

<u>County of Monroe Bond Series</u>	Outstanding as of December <u>2018</u>	Outstanding as of December <u>2017</u>	Principal Due <u>2019</u>
1996 Series A Refunding	\$ <u>330,696</u>	\$ <u>642,936</u>	\$ <u>330,696</u>
Total	\$ <u>330,696</u>	\$ <u>642,936</u>	\$ <u>330,696</u>

Credit Ratings

The Authority is the recipient of very favorable credit ratings from both Moody's Investors Service and Standard & Poor's. The Authority has an Aa2 rating assigned to its revenue bonds by Moody's Investors Service and an AA+ rating by Standard & Poor's. The Authority's bond ratings were last reviewed by Moody's Investor Service and by Standard & Poor's in December of 2017 in conjunction with the 2017 bond issuance. The Authority issues revenue bonds subject to its Master Trust Indenture dated October 1, 1991 and Supplemental Indentures issued with, and specific to, each subsequent revenue bond issue.

ECONOMIC FACTORS AND NEXT YEAR'S GOALS

The Authority continues to develop the necessary infrastructure and operational practices to meet its short and long-term plans while ensuring quality customer service is provided and competitive rates are being maintained.

In 2019, the Authority intends to spend approximately \$16.5 million for capital improvements, including the following major projects.

- SWTP Infrastructure
- Water Main Rehabilitation and Replacements
- Tank Painting and Rehabilitation
- Meter Replacements
- Service Replacements
- Vehicle Replacements

The Authority believes it possesses the financial and leadership capabilities to accomplish its goals during the upcoming year.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed in writing to the Director of Finance & Business Services, Monroe County Water Authority, 475 Norris Drive, Rochester, New York, 14610 or call (585) 442-2000.

MONROE COUNTY WATER AUTHORITY
(A Discretely Presented Component Unit of the County of Monroe, New York)

STATEMENT OF NET POSITION
DECEMBER 31, 2018
(With Comparative Totals for 2017)

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 63,282,867	\$ 58,680,575
Accounts receivable	5,622,788	5,576,952
Accrued unbilled revenue	7,570,000	7,550,000
Materials and supplies	1,560,185	1,770,441
Prepayments and other current assets	<u>1,006,586</u>	<u>1,070,240</u>
Total current assets	<u>79,122,426</u>	<u>74,648,208</u>
OTHER ASSETS		
Capital assets -		
Nondepreciable	14,465,738	15,394,794
Depreciable net	<u>402,502,961</u>	<u>401,575,759</u>
Funds held by trustee -		
Capital improvement fund	5,775,916	3,642,330
New construction fund	<u>6,468,681</u>	<u>10,469,548</u>
Total other assets	<u>429,213,316</u>	<u>431,282,531</u>
RESTRICTED ASSETS		
Debt service fund held by trustee	5,827	1,096
Debt service reserve held by trustee	<u>2,846,540</u>	<u>2,904,702</u>
Total restricted assets	<u>2,853,367</u>	<u>2,805,798</u>
Total assets	<u>\$11,189,109</u>	<u>508,738,537</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related - ERS	6,944,378	5,350,714
Other postemployment benefits	3,700,369	-
Deferred amounts on refunding water revenue and capital lease bonds	<u>510,604</u>	<u>604,265</u>
Total deferred outflows of resources	<u>11,155,351</u>	<u>5,954,979</u>
LIABILITIES		
CURRENT LIABILITIES		
Current portion of water revenue bonds	4,860,000	4,375,000
Current portion of obligations under capital leases	330,896	312,240
Accounts payable and other liabilities	4,133,585	5,634,927
Accrued payroll and benefits	4,880,209	4,612,428
Accrued interest on water revenue and capital lease bonds	<u>2,797,884</u>	<u>2,850,693</u>
Total current liabilities	<u>17,002,374</u>	<u>17,785,288</u>
OTHER LIABILITIES		
Water revenue bonds, net of bond premium of \$1,508,874 and \$1,626,127 for 2018 and 2017, respectively	127,398,874	132,376,127
Obligations under capital leases	-	330,696
Net pension liability - ERS	1,884,391	5,420,629
Total other postemployment benefit obligations	54,897,278	-
Other postemployment benefit obligations	<u>-</u>	<u>22,771,865</u>
Total other liabilities	<u>184,180,543</u>	<u>160,899,317</u>
Total liabilities	<u>201,182,917</u>	<u>178,684,605</u>
DEFERRED INFLOWS OF RESOURCES		
Other postemployment benefits	7,520,838	-
Pension related - ERS	<u>6,105,120</u>	<u>960,921</u>
Total deferred inflows of resources	<u>13,625,958</u>	<u>960,921</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	229,207,820	279,287,963
RESTRICTED	2,853,367	2,805,798
UNRESTRICTED	<u>75,474,398</u>	<u>52,952,229</u>
Total net position	<u>\$ 307,535,585</u>	<u>\$ 335,045,990</u>

The accompanying notes are an integral part of these statements

MONROE COUNTY WATER AUTHORITY
(A Discretely Presented Component Unit of the County of Monroe, New York)

STATEMENT OF REVENUE, EXPENSES AND CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018
(With Comparative Totals for 2017)

	<u>2018</u>	<u>2017</u>
OPERATING REVENUE:		
Water sales - residential	\$ 55,736,718	\$ 52,189,309
Water sales - industrial/commercial	6,519,743	5,865,414
Water sales - water district	3,673,169	3,245,136
Other water revenue	3,464,199	3,432,940
Other operating revenue	<u>627,985</u>	<u>638,264</u>
Total operating revenue	<u>70,021,814</u>	<u>65,371,063</u>
OPERATING EXPENSES:		
Salaries and fringe benefits	22,539,003	22,122,961
Operations and maintenance	13,148,795	11,450,467
General and administrative	7,557,334	9,066,488
City contract - capital	243,000	243,000
Depreciation and amortization	18,724,569	18,327,956
Amortization of deferred amounts on refunding	<u>(23,593)</u>	<u>1,382</u>
Total operating expenses	<u>62,189,108</u>	<u>61,212,254</u>
Total operating income	<u>7,832,706</u>	<u>4,158,809</u>
NON-OPERATING REVENUE (EXPENSES):		
Federal interest subsidy	1,860,011	1,876,486
Interest earnings	1,004,563	192,797
Bond issuance costs	-	(227,057)
Interest expense	(7,112,131)	(7,261,419)
Loss on disposal of capital assets	(409,108)	(366,606)
Unrealized and realized gain (loss) on investments, net	<u>855</u>	<u>(12,096)</u>
Total non-operating expenses, net	<u>(4,655,810)</u>	<u>(5,797,895)</u>
GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS	<u>3,176,896</u>	<u>(1,639,086)</u>
CAPITAL CONTRIBUTIONS:		
Grant income	-	16,844
Developers and customers	<u>3,375,133</u>	<u>3,113,425</u>
Total capital contributions	<u>3,375,133</u>	<u>3,130,269</u>
CHANGE IN NET POSITION	6,552,029	1,491,183
NET POSITION - beginning of year, as previously reported	335,045,990	333,554,807
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE (NOTE 3)	<u>(34,062,434)</u>	<u>-</u>
NET POSITION - beginning of year, as restated	<u>300,983,556</u>	<u>333,554,807</u>
NET POSITION - end of year	<u>\$ 307,535,585</u>	<u>\$ 335,045,990</u>

The accompanying notes are an integral part of these statements.

MONROE COUNTY WATER AUTHORITY
(A Discretely Presented Component Unit of the County of Monroe, New York)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018
(With Comparative Totals for 2017)

	<u>2018</u>	<u>2017</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 69,936,316	\$ 64,818,361
Payments to suppliers	(15,572,051)	(19,393,079)
Payments to employees	<u>(27,058,325)</u>	<u>(18,690,427)</u>
Net cash flow from operating activities	<u>27,305,940</u>	<u>26,734,855</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Withdrawals from funds held by trustee	2,019,812	3,693,069
Purchases of capital assets	(15,972,035)	(15,865,918)
Proceeds from disposal of capital assets	215,326	259,744
Federal interest subsidy	1,860,011	1,876,486
Proceeds from water revenue bond issuance	-	3,392,871
Proceeds from bond premium	-	481,575
Repayments and redemptions of water revenue bonds	(4,375,000)	(7,830,000)
Repayments of obligations under capital leases	(312,240)	(533,783)
Interest paid	<u>(7,164,940)</u>	<u>(7,384,846)</u>
Net cash flow from capital and related financing activities	<u>(23,729,066)</u>	<u>(21,910,802)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Interest received	1,004,563	192,797
Gains (losses) on investments	<u>855</u>	<u>(12,096)</u>
Net cash flow from investing activities	<u>1,005,418</u>	<u>180,701</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,582,292	5,004,754
CASH AND CASH EQUIVALENTS - beginning of year	<u>58,680,575</u>	<u>53,675,821</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 63,262,867</u>	<u>\$ 58,680,575</u>

(Continued)

MONROE COUNTY WATER AUTHORITY
(A Discretely Presented Component Unit of the County of Monroe, New York)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018
(With Comparative Totals for 2017)

	<u>2018</u>	<u>2017</u>
RECONCILIATION OF OPERATING INCOME TO		
NET CASH FLOW FROM OPERATING ACTIVITIES:		
Operating income	\$ 7,832,706	\$ 4,158,809
Adjustments to reconcile operating income		
to net cash flow from operating activities:		
Depreciation and amortization	18,700,976	18,329,338
Bad debt expense (recovery)	30,865	(11,719)
Pension items - ERS	14,297	831,305
Other postemployment benefit items	5,619,054	-
Changes in:		
Accounts receivable	(76,701)	(77,463)
Accrued unbilled revenue	(20,000)	(430,000)
Materials and supplies	110,256	(297,464)
Prepayments and other current assets	63,654	38,641
Accounts payable and other liabilities	(1,501,342)	1,592,179
Accrued payroll and benefits	256,578	(190,451)
Other postemployment benefit obligations	(3,735,606)	2,836,919
Customer deposits	11,203	(45,239)
Net cash flow from operating activities	<u>\$ 27,305,940</u>	<u>\$ 26,734,855</u>
NON-CASH CAPITAL FINANCING ACTIVITY:		
Capital assets received directly from developers and customers	<u>\$ 3,375,133</u>	<u>\$ 3,113,425</u>
Deferred amount on refunding water revenue bonds	<u>\$ -</u>	<u>\$ 330,072</u>

The accompanying notes are an integral part of these statements

MONROE COUNTY WATER AUTHORITY
(A Discretely Presented Component Unit of the County of Monroe, New York)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018
(With Comparative Totals for 2017)

1. ORGANIZATION

Monroe County Water Authority (the Authority), a discretely presented component unit of the County of Monroe, New York (the County), is a public benefit corporation organized under the Public Authorities Law of the State of New York. The Authority was created to finance, construct, operate and maintain a water supply and distribution system for the benefit of the residents of the County and the State of New York.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Authority's financial statements are prepared in conformity with accounting principles generally accepted in the United States as set forth by the Governmental Accounting Standards Board (GASB) for proprietary funds.

Basis of Presentation

GASB requires the classification of net position into three categories defined as follows:

- Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent capital-related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- Restricted net position - This component of net position consists of amounts which have external constraints placed on its use imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position - This component consists of net position that does not meet the definition of "net investment in capital assets," or "restricted".

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as they are needed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of presenting the statement of cash flows, the Authority considers all highly liquid short-term investments with a maturity of three months or less from year-end to be cash or cash equivalents.

Accounts Receivable

Accounts receivable consists of fees for services for water charges due from individuals, businesses, and other governments. Accounts receivable are carried on the balance sheet at net realizable value. The Authority has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Accrued Unbilled Revenues

Accrued unbilled revenues represent revenue earned in the current year but not billed to customers until future dates, usually within three months, and is an estimate made by management using historical trends.

Materials and Supplies - Inventory

Materials and supplies are stated at cost and are determined using a weighted-average method.

Capital Assets

Capital assets are stated at cost. Depreciation and amortization are provided using the straight-line method over the following estimated useful lives or lease term if shorter:

Production and distribution system	5 - 40 years
Water facility capital lease	5 - 25 years
Water rights	40 years
Pipelines and district facilities	40 years
Meters and distribution services	25 - 40 years
Automotive and construction equipment	5 years
Land improvements	10 - 20 years
Furniture, fixtures and other equipment	5 - 15 years

Improvements, renewals and significant repairs over \$5,000 that extend the life of the asset are capitalized; other repairs and maintenance costs are expensed as incurred. When assets are retired or otherwise disposed of, the related asset and accumulated depreciation is written off and any unrelated gains or losses are recorded.

Funds Held by Trustee

Funds held by Bank of New York (the Trustee) consist of fixed income United States Government securities. The Authority reports these items at fair value based on quoted market prices. These funds are required to be held in accordance with the trust indentures for the water revenue bonds as described in Note 8.

Accrued Payroll and Benefits

It is the Authority's policy to record employee benefits, including accumulated vacation and sick leave, as a current liability in accounts payable and other liabilities on the statement of net position. The Authority's employees are granted vacation and sick leave in varying amounts based on the underlying employee contracts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Postemployment Benefits

The Authority provides certain health care benefits to its retired employees in accordance with the provisions of employment contracts.

Unamortized Bond Premium

Bond premium related to the issuance of debt obligations is amortized over the term of the respective bond issues and capital leases.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows/inflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. The Authority reports deferred amounts on refunding of capital leases and water revenue bonds, as well as amounts relating to the New York State Employees' Retirement System and other postemployment benefits in this category.

Revenue Recognition

Revenues from water sales are recognized at the time of service delivery based on actual or estimated water meter readings.

Operating and Non-Operating Revenues and Expenses

Operating revenue consists of water revenue and other related revenue. The Authority defines non-operating revenue as interest earnings on investment assets and realized/unrealized gains or losses on sales of investments. Non-operating expenses are defined as interest expense and other costs related to issuance of long-term debt and gains/losses on disposals of capital assets. The Authority also receives Federal interest subsidies which are considered non-operating revenue.

Capital Contributions from Developers and Customers

Capital contributions from developers and customers represent amounts for betterments or additions to capital assets that have been contributed to the Authority.

Income Tax Status

As a public benefit corporation, the Authority is exempt from federal and state income taxes, as well as state and local property and sales taxes.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not in the same detail used for the current year presentation. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Authority's financial statements for the year ended December 31, 2017, from which the summarized information was obtained.

3. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

The Authority adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Statement No. 75 established standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to certain postemployment benefits. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Accordingly, Beginning Net Position and Other Postemployment Benefits on the Statement of Net Position were adjusted as noted in the following table:

	Statement of Net Position			
	Other Postemployment Benefits	Deferred Outflows	Deferred Inflows	Net Position
Balance at December 31, 2017, as previously reported	\$ 22,771,865	\$ -	\$ -	\$ 335,045,990
Restatement of beginning balance - Adoption of GASB Statement No. 75				
Contributions subsequent to measurement date	-	1,798,585	-	1,798,585
Increase to liability	35,861,019	-	-	(35,861,019)
	35,861,019	1,798,585	-	(34,062,434)
Balance at December 31, 2017, as restated	\$ 58,632,884	\$ 1,798,585	\$ -	\$ 300,983,556

4. WATER AGREEMENT

The Authority and the City of Rochester, New York (the City) entered into an agreement in 2011 that provides for the exchange of water between the two entities at a fixed rate that is established annually based on the weighted average cost of each entity's typical residential customer. Authority consumption of the City's water is offset against the City's consumption of the Authority's water with the net consumption charged at the annual exchange rate. For the years ended December 31, 2018 and 2017, the Authority had net purchases from the City of \$1,523,864 and \$1,609,607, respectively.

5. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

The guidelines established by the Authority permit the investment of funds held by the Authority, and funds held in trust for the Authority, to be invested in accordance with New York State Public Authorities Law. Investments must be in the form of obligations of the State of New York, or in general obligations of its political subdivisions; obligations of the United States or its agencies whose principal and interest payments are fully guaranteed by the federal government; and in collateralized time deposits or certificates of deposit issued by a commercial bank or trust company, which is a member of the Federal Deposit Insurance Corporation (FDIC). The Authority's investment policy limits its deposit and investment activity to time deposits, demand deposits, certificates of deposit, United States Government obligations and repurchase agreements.

5. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

The Authority's investment policy requires its deposits and investments, not controlled by the Trustee, to be 100% collateralized through federal deposit insurance or other obligations. Obligations that may be pledged as collateral are obligations of, or guaranteed by, the United States or the State of New York. Collateral must be delivered to the Authority or an authorized custodial bank. In addition, the Authority's investment policy includes the following provisions for credit risk and custodial credit risk (as defined below):

- **Custodial credit risk**
For cash deposits or investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.
 - The Authority limits its investments (other than United States securities held by the Trustee) at any financial institution to 1% of such institution's total assets.
 - Any financial institution in which the Authority invests funds must have in excess of \$50,000,000 in capital stock and retained earnings and the Authority limits its investments (other than United States securities held by the Trustee) at these institutions to 5% of the total capital stock and retained earnings.
- **Credit risk**
For cash deposits or investments, credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.
 - The Authority limits its investments in money market funds to those with the highest short-term or long-term rating by at least one nationally recognized rating agency. In 2018 and 2017, the Authority did not hold any investments in money market funds. The money market funds detailed in this section are used as savings accounts by the Authority and these accounts are classified as cash and cash equivalents and not investments.

As of December 31, 2018 and 2017, the Authority's deposits and investments in various banks are detailed on the following page.

5. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

Total deposits of cash and cash equivalents, marketable securities and related collateral, included in cash and cash equivalents and marketable securities, not controlled by the Trustee (including certificates of deposit and money market funds) are as follows for the years ended December 31:

	<u>2018</u>	
	<u>Carrying Amount</u>	<u>Bank Balance</u>
Demand deposits	\$ 2,354,866	\$ 2,354,866
Time deposits	<u>14,960,638</u>	<u>15,270,775</u>
Total cash and investments	<u>\$ 17,315,504</u>	<u>\$ 17,625,641</u>
Insured cash - FDIC		\$ 1,066,467
Uninsured - collateralized with securities held by pledging financial institution		<u>19,779,932</u>
Total insured and collateralized cash and cash equivalents		<u>\$ 20,846,399</u>

	<u>2017</u>	
	<u>Carrying Amount</u>	<u>Bank Balance</u>
Demand deposits	\$ 1,253,736	\$ 1,253,736
Time deposits	<u>57,426,839</u>	<u>58,054,268</u>
Total cash and investments	<u>\$ 58,680,575</u>	<u>\$ 59,308,004</u>
Insured cash - FDIC		\$ 1,000,000
Uninsured - collateralized with securities held by pledging financial institution		<u>60,315,335</u>
Total insured and collateralized cash and cash equivalents		<u>\$ 61,315,335</u>

5. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

Total cash and cash equivalents and marketable securities by type as of December 31, including certificates of deposit controlled by the Trustee and reported in 'Capital improvement fund', 'New construction fund', and 'Restricted Assets' in the accompanying financial statements, are as follows:

	<u>2018</u>	<u>2017</u>
United States Treasury obligations	\$ 2,267,775	\$ 4,661,256
United States Treasury bills	58,354,074	12,438,017
Money market funds	14,950,813	57,422,365
Cash	<u>2,810,827</u>	<u>1,276,713</u>
	<u>\$ 78,383,489</u>	<u>\$ 75,798,351</u>

United States Treasury obligations and United States Treasury bills are considered level 1 investments. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Authority has the following recurring fair value measurements as of December 31, 2018 and 2017:

- U.S. Treasury securities of \$60.6 million and \$17.1 million, respectively are valued using quoted market prices (Level 1 inputs).

The following deposits and investments, excluding amounts controlled by the Trustee, held with one financial institution represent five percent or more of the Authority's total deposits and investments at either December 31, 2018 and 2017, or both:

	<u>2018</u>	<u>2017</u>
M&T Bank	\$ 16,726,031	\$ 50,517,789
Key Bank	\$ 316,467	\$ 8,140,136

6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

	Balance January 1, 2018	Additions	Transfers	Disposals	Balance December 31, 2018
Land and easements	\$ 10,375,094	\$ -	\$ 11,400	\$ -	\$ 10,386,494
Construction-in-progress	5,019,700	16,397,355	(17,337,811)	-	4,079,244
Total non-depreciable assets	\$ 15,394,794	\$ 16,397,355	\$ (17,326,411)	\$ -	\$ 14,465,738
Land improvements	\$ 7,708,985	\$ -	\$ -	\$ -	\$ 7,708,985
Production and distribution system	241,050,601	-	8,411,982	(536,493)	248,926,090
Pipelines and district facilities	301,204,764	1,938,408	2,785,692	-	305,928,864
Meters and services	93,133,931	994,911	4,520,514	(1,161,442)	97,487,914
Automotive and construction	7,756,358	16,494	1,072,598	(689,316)	8,156,134
Water facility capital lease	78,056,980	-	-	-	78,056,980
Furniture, fixtures and other	2,959,906	-	535,625	(14,542)	3,480,989
Total at cost	731,871,525	2,949,813	17,326,411	(2,401,793)	749,745,956
Less: Accumulated depreciation and amortization for					
Land improvements	(2,187,405)	(273,324)	-	-	(2,460,729)
Production and distribution system	(84,678,811)	(8,055,885)	-	536,119	(92,198,577)
Pipelines and district facilities	(122,452,633)	(6,832,928)	-	-	(129,285,561)
Meters and services	(36,812,881)	(2,573,594)	-	729,176	(38,657,299)
Automotive and construction	(4,345,888)	(527,600)	-	497,523	(4,375,965)
Water facility capital lease	(77,824,797)	(162,776)	-	-	(77,987,573)
Furniture, fixtures and other	(1,993,351)	(298,462)	-	14,542	(2,277,271)
Total accumulated depreciation and amortization	(330,295,766)	(18,724,569)	-	1,777,360	(347,242,975)
Total depreciable assets - net	\$ 401,575,759	\$ (15,774,756)	\$ 17,326,411	\$ (624,433)	\$ 402,502,981

6. CAPITAL ASSETS (Continued)

Capital asset activity for the year ended December 31, 2017 was as follows:

	Balance January 1, 2017	Additions	Transfers	Disposals	Balance December 31, 2017
Land and easements	\$ 10,342,973	\$ -	\$ 32,121	\$ -	\$ 10,375,094
Construction-in-progress	2,736,343	16,216,328	(13,932,971)	-	5,019,700
Total non-depreciable assets	\$ 13,079,316	\$ 16,216,328	\$ (13,900,850)	\$ -	\$ 15,394,794
Land improvements	\$ 7,705,277	\$ -	\$ 6,445	\$ (2,737)	\$ 7,708,985
Production and distribution system	238,635,983	9,755	3,174,024	(769,161)	241,050,601
Pipelines and district facilities	294,723,132	1,801,636	4,679,996	-	301,204,764
Meters and services	88,349,647	968,468	4,871,691	(1,055,875)	93,133,931
Automotive and construction equipment	7,636,185	-	981,433	(861,260)	7,756,358
Water facility capital lease	78,056,980	-	-	-	78,056,980
Furniture, fixtures and other equipment	2,901,389	-	187,261	(128,744)	2,959,906
Total at cost	718,008,593	2,779,859	13,900,850	(2,817,777)	731,871,525
Less: Accumulated depreciation and amortization for					
Land improvements	(1,904,566)	(285,576)	-	2,737	(2,187,405)
Production and distribution system	(77,540,578)	(7,851,679)	-	713,446	(84,678,811)
Pipelines and district facilities	(115,739,045)	(6,713,588)	-	-	(122,452,633)
Meters and services	(35,095,551)	(2,434,161)	-	716,831	(36,812,881)
Automotive and construction equipment	(4,475,757)	(508,864)	-	838,733	(4,345,888)
Water facility capital lease	(77,557,822)	(266,875)	-	-	(77,824,797)
Furniture, fixtures and other equipment	(1,845,918)	(267,113)	-	119,680	(1,993,351)
Total accumulated depreciation and amortization	(314,159,237)	(18,327,956)	-	2,191,427	(330,295,766)
Total depreciable assets - net	\$ 403,849,356	\$ (15,548,097)	\$ 13,900,850	\$ (626,350)	\$ 401,575,759

7. CAPITAL LEASES

The Authority and the County entered into an agreement in 1969 which provides for the Authority, as agent of the County, to plan, construct, operate, manage, repair and maintain certain water facilities owned by the County and primarily financed through County bond issues. These water facilities are leased to the Authority, which, along with capital assets owned by the Authority, become an integrated water system.

These leases are defined as capital leases and the related facilities are recorded as an asset that is generally amortized over the term of the lease or the related bond issue, whichever is shorter. The lease obligation is shown as a liability with the related interest expense reported as non-operating expenses.

Water facilities under capital leases that are included within capital assets as of December 31 are as follows:

	<u>2018</u>	<u>2017</u>
Completed water facilities	\$ 78,056,980	\$ 78,056,980
Less: Accumulated amortization	<u>(77,987,573)</u>	<u>(77,824,797)</u>
	<u>\$ 69,407</u>	<u>\$ 232,183</u>

Amortization expense related to water facilities under capital leases was \$162,776 and \$266,975 for the years ended December 31, 2018 and 2017, respectively.

At December 31, 2018 and 2017, the amount of the County bonds outstanding is included in obligations under capital leases. The expended portion of the bond proceeds is included in water facilities under capital leases.

Long-term capital lease activity for the year ended December 31, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
County bonds issued in 1996 Series A as part of the refunding that matures at \$331,000 in 2019 bearing interest of 3.75%	\$ 642,936	\$ -	\$ (312,240)	\$ (330,696)	\$ -
Long-term capital lease liabilities	<u>\$ 642,936</u>	<u>\$ -</u>	<u>\$ (312,240)</u>	<u>\$ (330,696)</u>	<u>\$ -</u>

7. CAPITAL LEASES (Continued)

Long-term capital lease activity for the year ended December 31, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
County bonds issued in 1996 Series A as part of the refunding that mature annually ranging from \$312,000 to \$331,000 from 2018 to 2019 bearing interest of 3.75%	\$ 936,719	\$ -	\$ (293,783)	\$ (312,240)	\$ 330,696
County bonds issued in 2008 Series C as part of the Series 1996C refunding that matures at \$240,000 in 2017 bearing interest of 3.75%	<u>240,000</u>	<u>-</u>	<u>(240,000)</u>	<u>-</u>	<u>-</u>
Long-term capital lease liabilities	<u>\$ 1,176,719</u>	<u>\$ -</u>	<u>\$ (533,783)</u>	<u>\$ (312,240)</u>	<u>\$ 330,696</u>

For the years ended December 31, 2018 and 2017, interest expense was \$21,402 and \$40,045, respectively on capital leases. Cash paid for interest was \$29,208 and \$52,190, during the years ended December 31, 2018 and 2017.

The following is a schedule of the future minimum lease payments under the capital leases as of December 31, 2018:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	<u>\$ 330,696</u>	<u>\$ 9,921</u>	<u>\$ 340,617</u>
	<u>\$ 330,696</u>	<u>\$ 9,921</u>	<u>\$ 340,617</u>

8. WATER REVENUE BONDS

The Authority has entered into Trust Indentures under which all outstanding bonds have been issued. The Trust Indentures pledge all revenues and other income collected by the Authority for payment of principal and interest on the bonds. The Trust Indentures also generally require establishment of a trust fund called "the water system revenue fund," for which the Authority acts as a trustee, into which all revenue is to be deposited, as well as a debt service reserve fund under which the Authority is required to maintain deposit amounts sufficient to cover the annual debt service or provide a surety bond (as defined in the Trust Indentures) of its bonds. The Authority covenants in its indenture that it will establish water rates sufficient to cover the sum of: (1) 1.2 times debt service, (2) expenses of operating, maintaining, renewing and replacing the water system and maintaining the debt service reserve fund, and (3) any additional amounts required to pay all other charges payable from the Authority's revenue. As of December 31, 2018 and 2017, the Authority is in compliance with its financial covenants.

Series 2007 Bonds

The Authority issued 2001 series bonds in the amount of \$20,000,000 which are entirely payable by Genesee County to the Authority under the terms of the Construction Services Agreement between Genesee County and the Authority dated May 24, 2000. The first principal payment on the 2001 Series was made in 2006. During 2007, the bonds were advance refunded by the Authority on behalf of Genesee County with the issuance of the Series 2007 Bonds.

In 2015, the New York State Environmental Facilities Corporation (EFC) refinanced its 2007 series bonds, which included bonds issued for the Authority. The Authority's portion of the bond, \$16,425,000, was part of the EFC issue of \$367,455,000 State Clean Water & Drinking Water Revolving Fund Revenue Bonds Series 2015D, dated August 13, 2015. The Authority's 2007 series bonds, which were part of the original EFC 2007 financing, remained intact with the Authority receiving its share of the interest savings through credits from EFC at the time of debt service payments. This refinancing and its associated costs will save Genesee County over \$2,700,000 over the term of the bond. The entire \$16,425,000 continues to be payable by Genesee County to the Authority under the Construction Services Agreement between Genesee County and the Authority dated May 24, 2000. In addition, the bond refunding resulted in present value savings to the Authority of \$1,470,817.

Series 2010 Bonds

In 2010, the Authority issued the 2010 Series bonds which refunded the 1993 Series A bonds and the 1997 bonds. This refinancing and its associated costs were paid by the Authority and will save the Authority approximately \$773,000 over the term of the bond. In addition, the bond refunding resulted in an economic gain on refunding of \$680,000. The excess of the net carrying amount of the refunded bonds over the reacquisition price in the amount of \$527,039 has been deferred and was allocated between bond premium and deferred gain on refunding and is being amortized over the term of the new bonds using the straight-line method through 2035.

Series 2017 Bonds

In 2017, the Authority issued the 2017 Series bonds which was used to advance refund a portion of the Authority's Water System Revenue Bonds, Series 2010. Such proceeds were deposited with the Trustee to be held in a special trust account for the redemption of the refunded bonds on their respective redemption dates. \$4,300,000 of bonds outstanding was considered defeased at December 31, 2017. This refinancing and its associated costs were paid by the Authority and will save the Authority approximately \$345,000 over the term of the bond. In addition, the bond refunding resulted in an economic gain on refunding of \$481,576. The excess of the net carrying amount of the refunded bonds over the reacquisition price in the amount of \$330,072 has been deferred and is being amortized over the term of the new bonds using the straight-line method through 2034.

8. WATER REVENUE BONDS (Continued)

At December 31, 2018 and 2017, approximately \$511,000 and \$604,000, respectively of the deferred amount on refunding was included in deferred outflows of resources on the statement of net position. For the year ended December 31, 2018 and 2017, interest expense was \$7,090,729 and \$7,221,374, respectively on the water revenue bonds. Cash paid for interest was \$7,135,732 and \$7,332,656, during the years ended December 31, 2018 and 2017.

Long-term water revenue bond activity for the year ended December 31, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
Bonds issued in 2007 as part of refunding that mature in annual amounts ranging from \$595,000 to \$1,115,000 from 2019 to 2036 bearing interest ranging from 4.182% to 4.97%	\$ 14,715,000	\$ -	\$ (585,000)	\$ (595,000)	\$ 13,535,000
Bonds issued in 2010 as part of refunding that mature in annual amounts ranging from \$250,000 to \$1,230,000 from 2019 to 2020 bearing interest ranging from 3.5% to 5.0%	2,265,000	-	(830,000)	(1,230,000)	205,000
Bonds issued in 2010 Series B as part of refunding that mature in annual amounts ranging from \$2,365,000 to \$5,775,000 from 2019 to 2042 bearing interest ranging from 4.49% to 6.34%	92,915,000	-	(2,300,000)	(2,365,000)	88,250,000
Bonds issued in 2012 that mature in annual amounts ranging from \$190,000 to \$410,000 from 2019 to 2037 bearing interest ranging from 3.0% to 5.0%	5,630,000	-	(180,000)	(190,000)	5,260,000
Bonds issued in 2013 that mature in annual amounts ranging from \$480,000 to \$960,000 from 2019 to 2042 bearing interest ranging from 1.44% to 4.69%	15,650,000	-	(480,000)	(480,000)	14,690,000
Bonds issued in 2017 as part of refunding that mature in annual amounts ranging from \$215,000 to \$360,000 from 2021 to 2034 bearing interest ranging from 2.0% to 5.0%	3,950,000	-	-	-	3,950,000
Add Bond premium	<u>1,626,127</u>	<u>-</u>	<u>(117,253)</u>	<u>-</u>	<u>1,508,874</u>
Long-term water revenue bond liabilities	<u>\$ 136,751,127</u>	<u>\$ -</u>	<u>\$ (4,492,253)</u>	<u>\$ (4,860,000)</u>	<u>\$ 127,398,874</u>

8. WATER REVENUE BONDS (Continued)

Long-term water revenue bond activity for the year ended December 31, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
Bonds issued in 2007 as part of refunding that mature in annual amounts ranging from \$585,000 to \$1,115,000 from 2018 to 2036 bearing interest ranging from 4.182% to 4.97%	\$ 15,290,000	\$ -	\$ (575,000)	\$ (585,000)	\$ 14,130,000
Bonds issued in 2010 as part of refunding that mature in annual amounts ranging from \$830,000 to \$1,230,000 from 2018 to 2035 bearing interest ranging from 3.5% to 5.0%	7,620,000	-	(5,355,000)	(830,000)	1,435,000
Bonds issued in 2010 Series A that matured in an annual amount of \$1,250,000 in 2017 bearing interest of 2.6%	1,250,000	-	(1,250,000)	-	-
Bonds issued in 2010 Series B as part of refunding that mature in annual amounts ranging from \$2,300,000 to \$5,775,000 from 2018 to 2042 bearing interest ranging from 4.49% to 6.34%	92,915,000	-	-	(2,300,000)	90,615,000
Bonds issued in 2012 that mature in annual amounts ranging from \$180,000 to \$410,000 from 2018 to 2037 bearing interest ranging from 3.0% to 5.0%	5,805,000	-	(175,000)	(180,000)	5,450,000
Bonds issued in 2013 that mature in annual amounts ranging from \$480,000 to \$960,000 from 2018 to 2042 bearing interest ranging from 1.44% to 4.69%	16,125,000	-	(475,000)	(480,000)	15,170,000
Bonds issued in 2017 as part of refunding that mature in annual amounts ranging from \$215,000 to \$360,000 from 2021 to 2034 bearing interest ranging from 2.0% to 5.0%	-	3,950,000	-	-	3,950,000
Add Bond premium	<u>1,219,547</u>	<u>481,575</u>	<u>(74,995)</u>	<u>-</u>	<u>1,626,127</u>
Long-term water revenue bond liabilities	<u>\$140,224,547</u>	<u>\$4,431,575</u>	<u>\$ (7,904,995)</u>	<u>\$ (4,375,000)</u>	<u>\$ 132,376,127</u>

8. WATER REVENUE BONDS (Continued)

The following is a schedule of the future minimum payments under the water revenue bonds as of December 31, 2018:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 4,860,000	\$ 7,039,276	\$ 11,899,276
2020	3,925,000	6,847,459	10,772,459
2021	4,035,000	6,698,859	10,733,859
2022	4,150,000	6,547,988	10,697,988
2023	4,280,000	6,358,921	10,638,921
2024 - 2028	23,925,000	28,427,958	52,352,958
2029 - 2033	28,990,000	21,516,915	50,506,915
2034 - 2038	31,275,000	13,111,153	44,386,153
2039 - 2042	<u>25,310,000</u>	<u>4,012,400</u>	<u>29,322,400</u>
	<u>\$ 130,750,000</u>	<u>\$ 100,560,929</u>	<u>\$ 231,310,929</u>

9. PENSION PLAN

New York State and Local Employees' Retirement System Plan Description

The Authority participates in the New York State Employees' Retirement System (NYSERS) also referred to as New York State and Local Retirement System (the System). This is a cost-sharing, multiple employer public employee retirement system, providing retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), established to hold all net position and record changes in plan net position allocated to the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYS RSSL). Once an employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Authority also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

9. PENSION PLAN (Continued)

New York State and Local Employees' Retirement System Plan Description (Continued)
The System is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, employees in NYSERS contribute 3% of their salary throughout their active membership. For employees who joined after April 1, 2012, employees contribute 3% of their salary until April 1, 2013 and then contribute 3% to 6% of their salary throughout their active membership. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of contributions required, and were as follows:

NYSERS

2018	\$	2,238,932
2017	\$	2,251,223
2016	\$	2,216,347

\$559,733 of the cash paid for NYSERS during 2018, represents amounts owed for the period of January 1 - March 31, 2019 and is shown as prepayments and other current assets on the accompanying statement of net position.

\$554,087 of the cash paid for NYSERS during 2017, represents amounts owed for the period of January 1 - March 31, 2018 and is shown as prepayments and other current assets on the accompanying statement of net position.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At December 31, 2018 and 2017, the Authority reported a net pension liability of \$1,884,391 and \$5,420,629, respectively for its proportionate share of the NYS ERS net pension liability. The net pension liability was measured as of March 31, 2018 and 2017, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuations as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2018, the Authority's proportion was .0583864%, which was an increase from .0576894% which was its proportionate share measured at December 31, 2017.

At December 31, 2017, the Authority's proportion .0576894%, which was a decrease from .0603922% which was its proportionate share measured at December 31, 2016.

9. PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

For the year ended December 31, 2018, the Authority recognized pension expense of \$2,253,229. At December 31, 2018, the Authority reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 672,101	\$ 555,399
Changes in assumptions	1,249,507	-
Net difference between projected and actual earnings on pension plan investments	2,736,928	5,402,421
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	46,910	147,300
Contributions subsequent to the measurement date	2,238,932	-
Total	<u>\$ 6,944,378</u>	<u>\$ 6,105,120</u>

For the year ended December 31, 2017, the Authority recognized pension expense of \$3,082,528. At December 31, 2017, the Authority reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 135,836	\$ 823,153
Changes in assumptions	1,851,886	-
Net difference between projected and actual earnings on pension plan investments	1,082,719	-
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	29,050	137,768
Contributions subsequent to the measurement date	2,251,223	-
Total	<u>\$ 5,350,714</u>	<u>\$ 960,921</u>

9. PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>2018</u>
Plan's Year Ended March 31:	
2019	\$ 378,488
2020	267,669
2021	(1,408,450)
2022	<u>(637,381)</u>
	<u><u>\$ (1,399,674)</u></u>

The Authority recognized \$2,238,932 as a deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2018 which will be recognized as a reduction of the net pension liability in the year ended December 31, 2019.

The Authority recognized \$2,251,223 as a deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2017 which will be recognized as a reduction of the net pension liability in the year ended December 31, 2018.

Actuarial Assumptions

The total pension liability at March 31, 2018 was determined by using an actuarial valuation as of April 1, 2017, with update procedures used to roll forward the total pension liability to March 31, 2018. The total pension liability for the March 31, 2017 measurement date was determined by using an actuarial valuation as of April 1, 2016, with update procedures to roll forward the total pension liability to March 31, 2017.

The actuarial valuation used the following actuarial assumptions for both years:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary scale	3.8% indexed by service
Projected COLAs	1.3% compounded annually
Decrements	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015
Mortality improvement	Society of Actuaries Scale MP-2014
Investment Rate of Return	7.0% compounded annually, net of investment expenses

9. PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

In 2018 and 2017, the long-term expected rate of return on pension plan investments was determined using a building-clock method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocations and best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2018 and 2017 are summarized below:

2018			2017		
Asset Type	Target Allocations in %	Long-Term expected real rate of return in %	Asset Type	Target Allocations in %	Long-Term expected real rate of return in %
Domestic Equity	36	4.55	Domestic Equity	36	4.55
International Equity	14	6.35	International Equity	14	6.35
Private Equity	10	7.50	Private Equity	10	7.75
Real Estate	10	5.55	Real Estate	10	5.80
Absolute Return Strategies	2	3.75	Absolute Return Strategies	2	4.00
Opportunistic Portfolio	3	5.68	Opportunistic Portfolio	3	5.89
Real Assets	3	5.29	Real Assets	3	5.54
Bonds and Mortgages	17	1.31	Bonds and Mortgages	17	1.31
Cash	1	-0.25	Cash	1	-0.25
Inflation-Indexed Bonds	4	1.25	Inflation-Indexed Bonds	4	1.50
	<u>100%</u>			<u>100%</u>	

Discount Rate

The discount rate used to calculate the total pension liability in 2018 and 2017 was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

9. PENSION PLAN (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Authority's proportionate share of the net pension liability for 2018 and 2017 calculated using the discount rate of 7.0%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.0%) or 1% higher (8.0%) than the current rate:

	1% Decrease 6.00%	2018 Current Discount 7.00%	1% Increase 8.00%
Proportionate Share of Net Pension liability (asset)	\$ 14,257,807	\$ 1,884,391	\$ (8,583,025)
	1% Decrease 6.00%	2017 Current Discount 7.00%	1% Increase 8.00%
Proportionate Share of Net Pension liability (asset)	\$ 17,312,416	\$ 5,420,629	\$ (4,633,854)

Pension Plan Fiduciary Net Position (000's)

The components of the current-year net pension liability of the employers as of March 31, 2018 and 2017 were as follows:

ERS

	2018	2017
Total pension liability	\$ 183,400,590	\$ 177,400,586
Net position	(180,173,145)	(168,004,363)
Net pension liability (asset)	\$ 3,227,445	\$ 9,396,223
ERS net position as a percentage of total pension liability	98.24%	94.70%

10. POSTEMPLOYMENT HEALTH CARE BENEFITS

Plan Description

The Authority provides certain health care benefits for retired employees. The Authority administers the Retirement Benefits Plan (the Retirement Plan) as a single-employer defined benefit Other Post-employment Benefit Plan (OPEB). In general, the Authority provides health care benefits for those retired personnel who are eligible for a pension through the NYSERS. The Retirement Plan can be amended by action of the Authority subject to applicable collective bargaining and employment agreements.

The obligations of the Retirement Plan are established by action of the Authority pursuant to applicable collective bargaining and employment agreements. The required premium contribution rates of retirees range from 0% to 10%, depending on when the employee was hired. The Authority will pay its portion of the premium for the retiree and spouse for the lifetime of the retiree. The costs of administering the Retirement Plan are paid by the Authority. The Authority currently contributes enough money to the Retirement Plan to satisfy current obligations on a pay-as-you-go basis to cover annual premiums.

10. POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)

Employees Covered by Benefit Terms

At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	146
Inactive employees entitled to but not yet receiving benefit payment	-
Active employees	200
Total participants	<u>346</u>

Total OPEB Liability

The Authority's total OPEB liability of \$54,897,278 was measured as of January 1, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Methods and Other Inputs

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	1.3 percent per year												
Payroll Growth	Based on NYSERS actuarial valuation as of June 30, 2015 Sample annual increases are as shown below:												
	<table> <tr> <th>YQS</th><th>ERS</th></tr> <tr> <td>0</td><td>10.30%</td></tr> <tr> <td>10</td><td>4.86%</td></tr> <tr> <td>20</td><td>4.06%</td></tr> <tr> <td>30</td><td>3.68%</td></tr> <tr> <td>40+</td><td>3.36%</td></tr> </table>	YQS	ERS	0	10.30%	10	4.86%	20	4.06%	30	3.68%	40+	3.36%
YQS	ERS												
0	10.30%												
10	4.86%												
20	4.06%												
30	3.68%												
40+	3.36%												
Discount Rate	3.44 percent as of January 1, 2018												
Cost Method	Entry Age Normal Level % of Salary method												
Healthcare Cost Trend Rates	8 percent for 2018, decreasing 0.25 percent per year to an ultimate rate of 5.0 percent for 2031 and later years Retirees												
Share of Benefit-Related Costs	45 percent of projected health insurance premiums for retirees												
Employer Funding Policy	Pay-as-you-go cash basis												
Census Data	Census information was provided by the Authority in August 2018												
Experience Study	Experience Study Best actuarial practices call for a periodic assumption review and Nyhart recommends the Authority to complete an actuarial assumption review (also referred to as an experience study) in the future												
Health Care Coverage Election Rate	Health Care Coverage Election Rate 100% of active employees with current coverage are assumed to elect coverage at retirement 100% of active employees who are currently on buyout are assumed to elect buyout benefit at retirement. 0% of active employees without current coverage and not on buyout are assumed to elect coverage at retirement 100% of inactive employees (those with coverage and on buyout) are assumed to continue coverage in the future 0% of inactive employees who do not currently have coverage are assumed to elect coverage in the future												
Spousal Coverage	Spousal coverage for current retirees is based on actual data 80% of employees are assumed to be married at retirement Husbands are assumed to be three years older than wives												
Mortality	RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017 (RPH-2017 table is created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out projected to 2017 using MP-2017 improvement.)												
Disability	None												

10. POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)

Changes in the Total OPEB Liability

Balance at January 1, 2018, as restated

\$ 58,632,884

Changes for the Year-

Service cost	2,047,877
Interest	2,277,994
Changes of benefit terms	421,956
Changes in assumptions or other inputs	2,089,463
Differences between expected and actual experience	(8,774,311)
Benefit payments	(1,798,585)
Net changes	<u>(3,735,606)</u>

Balance at December 31, 2018

\$ 54,897,278

Changes of assumptions and other inputs reflect a change in the discount rate from 3.81% on December 31, 2017 to 3.44% on December 31, 2018.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.44%) or 1 percentage point higher (4.44%) than the current discount rate:

	1% Decrease <u>2.44%</u>	Current Discount <u>3.44%</u>	1% Increase <u>4.44%</u>
Total OPEB Liability	<u>\$63,013,477</u>	<u>\$54,897,278</u>	<u>\$48,235,717</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.0%) or 1 percentage point higher (9.0%) than the current healthcare cost trend rate:

	Healthcare		
	1% Decrease <u>7.0%</u>	Current Discount <u>8.0%</u>	1% Increase <u>9.0%</u>
Total OPEB Liability	<u>\$47,327,562</u>	<u>\$54,897,278</u>	<u>\$64,473,785</u>

10. POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Authority recognized OPEB expense of \$2,225,351. At December 31, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 7,520,838
Changes of assumptions	1,790,968	-
Benefit payments subsequent to measurement date	<u>1,909,401</u>	<u>-</u>
Total	<u>\$ 3,700,369</u>	<u>\$ 7,520,838</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June</u>	<u>Amount</u>
2019	\$ (954,978)
2020	(954,978)
2021	(954,978)
2022	(954,978)
2023	(954,978)
Thereafter	<u>(954,980)</u>
	<u>\$ (5,729,870)</u>

The Authority recognized \$1,909,401 as a deferred outflow of resources resulting from the benefit payments made subsequent to the measurement date of January 1, 2018 which will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2019.

11. COMMITMENTS AND CONTINGENCIES

Commitments

The Authority has entered into agreements with various water districts, towns and villages whereby the Authority obtains the use of the water facilities and agrees to provide water services to the residents of such districts. A number of these agreements require payments to be made by the Authority equal to the interest and principal due each year on the districts' outstanding debt related to the leased facilities. These agreements are classified as operating leases in the accompanying financial statements and recorded as a component of operating expenses. Any improvements to these facilities are capitalized by the Authority.

11. COMMITMENTS AND CONTINGENCIES (Continued)

Commitments (Continued)

Amounts due under these commitments are summarized as follows for the years ending December 31:

2019	\$ 41,569
2020	40,444
2021	38,569
2022	36,900
2023	<u>38,320</u>
	<u>\$195,802</u>

Total rental expense charged to operations amounted to \$47,776 and \$48,659 during the years ended December 31, 2018 and 2017, respectively.

The Authority has an "Amended and Restated Water Development and Supply Agreement" with Genesee County to finance, construct, own, operate and supply water service in and for that County of Genesee. Genesee County is continuing to develop and increase the amount of water supplied by the Authority to and within Genesee County in multiple phases.

The first Phase of the project involved the construction of approximately thirty-five miles of water mains financed with the proceeds of the 2001 Series Water Revenue Bonds and capital grants from state and federal agencies (see further disclosure in Note 7). Expenditures of \$24,061,115 were incurred for this project since Phase I was completed in 2004.

The next Phases of the project are currently in planning and design. Phase II will include the construction of new transmission mains, new pump stations, and improvement to existing pump station in Monroe County with a goal of providing an additional 2.4 million gallons of water per day to Genesee County.

The Authority has entered into an agreement in 2010 whereby Monroe County is to provide certain public security and safety services to the Authority through December 31, 2026.

Amounts due under this agreement are summarized as follows for the years ended December 31:

2019	\$ 829,847
2020	829,847
2021	829,847
2022	829,847
2023	829,847
2024 - 2026	<u>2,489,541</u>
	<u>\$ 6,638,776</u>

The Authority expensed \$829,847 under this agreement during both years ended December 31, 2018 and 2017.

11. COMMITMENTS AND CONTINGENCIES (Continued)

Commitments (Continued)

The Authority has entered into a water exchange agreement with the City of Rochester, New York (the City). A stipulation of the agreement required the City to replace its Rush Reservoir with covered storage of water. The Authority is required to pay for 54% of the costs of the project, not to exceed a total project cost of \$9,000,000. The Authority's maximum commitment is \$4,860,000 over 20 years.

Amounts due under this agreement are summarized as follows for the years ended December 31:

2019	\$ 243,000
2020	243,000
2021	243,000
2022	243,000
2023	243,000
2024 - 2028	1,215,000
2029 - 2033	<u>1,215,000</u>
	<u>\$ 3,645,000</u>

The Authority expensed \$243,000 under this agreement during each of the years ended December 31, 2018 and 2017.

Contingencies

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; life and health of employees; and natural disasters. The Authority has various insurance policies with third-party carriers related to property protection, casualty and statutory and non-statutory employee protection.

The Authority is subject to litigation in the ordinary conduct of its affairs. Management does not believe, however, that such litigation, individually or in the aggregate, is likely to have a material adverse effect on the financial condition of the Authority.

12. SELF-INSURANCE

The Authority is self-insured for workers' compensation claims. The Authority transfers its risk of loss through the purchase of commercial insurance for workers' compensation benefits up to a maximum aggregate amount of \$5,000,000, subject to a deductible of \$500,000 per occurrence. Claim expenses and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. At December 31, 2018 and 2017, there were no liabilities recorded for workers' compensation claims.

13. RELATED PARTY TRANSACTIONS

The Authority has a contract with the County to supply the Authority with power and natural gas. The contract states that the Authority will purchase power and gas from the County at market value, plus a .6% service fee each year through August 31, 2020. For the years ended December 31, 2018 and 2017, the Authority paid approximately \$3,900,000 and \$3,200,000, respectively, to the County under the terms of this agreement.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

MONROE COUNTY WATER AUTHORITY
(A Discretely Presented Component Unit of the County of Monroe, New York)

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2018

		Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
		2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total OPEB Liability											
Service cost	\$	2,047,877									
Interest		2,277,994									
Changes of benefit terms		421,958									
Differences between expected and actual experience		(8,774,311)									
Changes in assumptions		2,089,463									
Benefit payments		(1,798,585)									
Total change in total OPEB liability		(3,735,606)									
Total OPEB liability - beginning		58,632,884									
Total OPEB liability - ending	\$	54,897,278									
 Covered-employee payroll	 \$	 16,478,853									
 Total OPEB liability as a percentage of covered-employee payroll		 333.1%									

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Notes to schedule:

Changes of assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

Discount rate	3.44%	3.81%
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Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75 paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members

MONROE COUNTY WATER AUTHORITY
(A Discretely Presented Component Unit of the County of Monroe, New York)

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) - (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2018

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Proportion of the net pension liability (asset)	0.058%	0.058%	0.060%	0.001%						
Proportionate share of the net pension liability (asset)	\$ 1,884,391	\$ 5,420,829	\$ 9,693,114	\$ 2,021,835						
Covered-employee payroll	\$ 14,993,931	\$ 14,584,555	\$ 14,651,331	\$ 14,724,692						
Proportionate share of the net pension liability (asset)										
as a percentage of its covered-employee payroll	12.57%	37.17%	66.16%	13.73%						
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.24%	94.70%	90.70%	97.90%						

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

MONROE COUNTY WATER AUTHORITY

(A Discretely Presented Component Unit of the County of Monroe, New York)

**SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2018**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 2,251,223	\$ 2,216,347	\$ 2,628,166	\$ 2,975,247						
Contributions in relation to the contractually required contribution	<u>2,251,223</u>	<u>2,216,347</u>	<u>2,628,166</u>	<u>2,975,247</u>						
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>						
Covered-employee payroll	\$ 14,993,931	\$ 14,584,555	\$ 14,651,331	\$ 14,724,692						
Contributions as a percentage of covered-employee payroll	15.01%	15.20%	17.94%	20.21%						

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

March 7, 2019

To the Board of Directors of
Monroe County Water Authority:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Monroe County Water Authority (the Authority), a public benefit corporation of the State of New York and a discretely presented component unit of the County of Monroe, New York, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 7, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

171 Sulys Trail
Pittsford, New York 14534
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

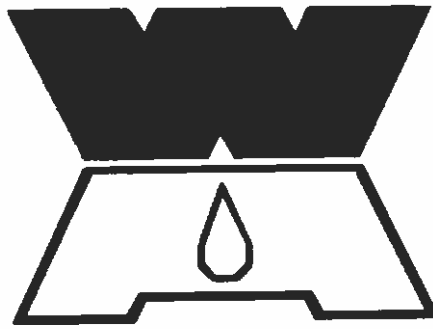
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bonadio & Co., LLP

REAL PROPERTY DISPOSALS FOR 2018

The Monroe County Water Authority, as of the date of this report submission, does not intend to dispose of any real property having an estimated fair market value in excess of \$15,000. Additionally, the Authority did not dispose of any real property having a fair market value in excess of \$15,000 during calendar year 2018.



Monroe County Water Authority

Yearly Property Report

For January 1, 2018 through December 31, 2018

YEARLY PROPERTY REPORT

In accordance with Monroe County Water Authority Disposal Guidelines, revised December 2018, following is a yearly property report for MCWA property sold from January 2018 through December 2018.

DESCRIPTION OF ITEM SOLD	PRICE PAID FOR ITEM SOLD	PURCHASER
2006 Ford F450 Service Truck	\$6,750.00	Sal's Collision Rochester, NY 14611
2013 Ford E350 Cargo Van	\$8,100.00	Curmsons Auto Sales Woodside, NY 11377
2013 Ford E350 Cargo Van	\$8,100.00	Curmsons Auto Sales Woodside, NY 11377
2008 Chevy Silverado Ext. Cab Pickup	\$5,750.00	Norman Pragle Caledonia, NY 14423
2010 Ford F350 Ext. Cab Pickup	\$8,300.00	Curmsons Auto Sales Woodside, NY 11377
2012 Ford F250 Ext. Cab Pickup	\$7,600.00	Lloyd Kimmich Dryden, NY 13053
2013 Ford E350 Cargo Van	\$7,100.00	Curmsons Auto Sales Woodside, NY 11377

**Monroe County Water Authority
2018 Property Listing**

Pump Stations Owned	Address
Allens Creek BPS	102 Allens Creek Road, Brighton
Buffalo Road BPS	4480 Buffalo Road, Chili
Crosstown BPS / Mt. Read BPS	2835 Mt. Read Boulevard, Greece
Darien BPS	1385 Sumner Road, Darien
Denise BPS	117 West Bloomfield Road, Pittsford
East Henrietta BPS	4580 East Henrietta Road, Henrietta
East Main BPS	1215 East Main Street, Rochester
Echo Street BPS	216 Echo Street, Irondequoit
Edgemere LLPS No. 1	631 Edgemere Drive, Greece
Edgemere LLPS No. 2	639 Edgemere Drive, Greece
Harek Road BPS	One Harek Road, Gates
Harris Road BPS	1503 Allen Road, Penfield
Industrial Street BPS	124 Industrial Street, Rochester
Kreag Road BPS	125 Kreag Road, Perinton
Lake Road BPS	5000 Lake Road, Sweden
Lee Road BPS	835 Lee Road, Greece
Mendon BPS	320 Quaker Meeting House Road, Mendon
Morgan Road BPS	4200 Union Street, Chili
Moseley Road BPS	980 Moseley Road, Perinton
North Road BPS	7777 North Road, Le Roy
Ontario Street BPS	1968 Ontario Street, West Bloomfield
Pembroke BPS	243 Main Road, Pembroke
Ramona (Ridge) BPS	2 Ramona Park, Rochester
Riga BPS	Behind 295 Riga-Mumford Road, Riga
Scottsville BPS	49 Chili-Wheatland TL Road, Wheatland
Scribner BPS	1507 Scribner Road, Penfield
South St Road BPS	9767 South Street Road, Pavilion
Twin Hills BPS	5711 Ridge Road, Parma
Webster LWPS	1720 Lake Road, Webster
Wisconsin St. BPS	366 Wisconsin Road, Rochester
Woodcliff BPS	1340 Moseley Road, Perinton

Pump Stations Leased	Address
Barchan Dune BPS	90 Barchan Dune Rise, Victor
Beahan BPS	686 Beahan Road, Chili
East Lake Road BPS	4865 E Lake Rd
Factory Hollow BPS	1385 Factory Hollow Road, West Bloomfield
Fishers Road BPS	119 Fisher Road, Victor
Grand View Dr BPS No. 2	8406 Grand View Dr
LaSalle Parkway BPS	130 LaSalle Parkway, Perinton
Pavilion BPS	10375 South Street Road, Pavilion
Shetler Road BPS	Shetler Road, Honeoye
Victor Egypt BPS	100 County Road 9, Victor
Victor Holcomb BPS	1313 State Route 444, Victor
Walker Road BPS	7683 Walker Road, Pavilion
York Road BPS	7071 York Road, Pavilion

Water Storage Facilities Owned	Address
Betteridge Road Tank	407 Betteridge Road, Riga
Brockport Tank	5000 Lake Road South, Sweden
Buffalo Road Tank	7980 Clinton Street Road, Bergen
Denise Reservoir	117 West Bloomfield Road, Pittsford
Douglas Road Tank	Douglas Road, Mendon
Garbutt Tank	9594 Union Street, Wheatland
Harek Road Tank	One Harek Road, Gates
Lee Road Tank #1	795 Lee Road, Greece
Lee Road Tank #2	795 Lee Road, Greece
Loud Road Tank	149 Loud Road, Perinton
Mendon Reservoir	475 Parrish Road, Mendon
Middle Road Tank	1391 Middle Road, Henrietta
Moseley Road Tank	0 Moseley Road (N of Colonial Circle), Perinton
Ogden Tank	26 Ogden Center Road, Ogden
Pembroke Tank	1332 Main Road, Pembroke
Riga Tank	281 Riga Mumford Road, Riga
Shoremont (Backwash)	4799 Dewey Avenue, Greece
Temperance Hill Tanks (2)	5445 East Main Street Road, Stafford
Thayer Road Tank	795 Thayer Road, Perinton
Union Street Tank	4304 Union Street, Chili
Victor Tank (f.k.a. -East View Tank)	201 Benson Road, Victor
Widger Road Tank	153 Widger Road, Ogden
Willard Road Tank	27 Willard Road, Pittsford

Water Storage Facilities Leased	Address
Alleyn's Rise Tank	Alleyn's Rise, Perinton
Baker Hill Tank	131 Baker Road, Victor
Boughton Hill Tank	1535 Route 444, Victor
Canfield Road Tank	Canfield Road, Pittsford
Chestnut Ridge Tank	259 Chestnut Ridge Road, Chili
Churchville Tank	11 Tower Lane, Churchville
Cobblestone Tank	90 Barchan Dune Rise
Corfu Tank	64 West Main Street, Corfu
Darien Tank	10939 Alleghany Road, Darien
East Lake Road Tank	East Lake Road, Richmond
Elmgrove Tank	825 Elmgrove Road, Gates
Gloria Drive Tank	2708 Penfield Road, Penfield
Harris Hill Tank	2128-B Penfield Road, Penfield
High Street Tank	701 High Street, Victor
Hilton Tank	7 Cedar Terrace, Hilton
Keith Terrace Tank	44 Keith Terrace, Chili
West Lake Road Tank	Old West Lake Road, Honeoye
Mumford Tank	0 Scottsville-Mumford Road, Wheatland
North Avenue Tank	12 North Avenue, Le Roy
Pavilion Tank	7000 Big Tree Road, Pavilion
Pinewood Tank	4504 County Road 33, Honeoye
Honeoye Tank	County Road 37, Honeoye
South Avenue Tank	1073 Webster Road, Webster
Spencerport Tank	3025 Brockport Road, Spencerport
State Road Tank	1675 State Road, Webster
Walker Road Tank	7683 Walker Road, Pavilion

West Bloomfield Tank	2701 County Road 37
West Brighton Tank	0 High Ridge Street, Brighton
West Main Street Tank	49 West Main Street, Le Roy
West Webster Tank	831 De Witt Road, Webster
White Road Tank	White Road, Honeoye

Water Treatment Plants Owned	Address
Brockport WTP	8100 Newco Drive, Hamlin
Shoremont WTP	4799 Dewey Avenue, Greece
Webster WTP	593 Basket Road, Webster

Water Treatment Plants Leased	
Corfu WTP	104 Alleghany Road, Corfu
Central Processing Facility	4799 Dewey Avenue, Greece

Operation Centers Owned	Address
179 Norris Drive Meter Shop	Rochester
205 Norris Drive Storage	Rochester
East Side Operations Center	475 Norris Drive, Rochester
East Side Ops Center - Maintenance Bldg	475 Norris Drive, Rochester
West Side Operations Center	1325 Paul Road, Chili

Other Lands or Facilities Owned	Address or Description of Property
Abandoned Pipeline Property	48 Connection to former City Plant, Dewey Ave, Greece
Beach Ave WTP Intake land	Beach Ave, Greece
ESOC Lower Parking Lot	9 Hillside Ave, Rochester
Fedex Way Future tank site	175 Fedex Way
Former Water Property - Allen St.	Billboard site - Allen St, Rochester
Fourth Section Road Former BPS	6718 Fourth Section Rd
Future Tank Site	919 Chili Scottsville Rd
Gallup Road Mobile Pump Connection site	900 Gallup Rd, Sweden
Lake Road Wetland	1720 Lake Road, Webster, NY
Lee Road Future Tank Site	835 Lee Rd, Greece
Morgan Rd Mobile Pump Connection site	204 Morgan Rd, Riga
Penfield Reservoir (Future)	2842 Penfield Road, Penfield
Pipeline Property - Churchill Dr.	Churchill Dr, Greece
Pipeline Property - Clearview Dr	Clearview Dr., Greece
Pipeline Property - El-Mar Dr.	El-Mar Dr, Greece
Pipeline Property - Kartes Dr.	Kartes Dr, Greece
Pipeline Property - Latta Road	Along RGE land - Latta Road, Greece
Pipeline Property - Shorecliff Dr.	Along RGE land - Shorecliff Dr, Greece
Pipeline Property - Trabold Rd	454 Trabold Road I-490 - RR - NiMoPower, Gates
Pipeline property - Trabold Rd	I-490 - RR - NiMoPower, Gates
Proposed pipe line	SBL 119.16-1-37 (2 parcels)
St. Paul PRV Building	4066 St. Paul Boulevard, Irondequoit
SWTP Power corridor	Dewey Ave, Greece
SWTP transformer site	Dewey Ave, Greece

Other Lands or Facilities Leased	Address or Description of Property
Briggs St PRV Building	Briggs St, Richmond
Broadway Rd BPS	1557 Broadway, Albion
Five Mile Line Rd (former BPS and tank)	1413 Five Mile Line Rd, Penfield
Route 20A PRV	8916 State Route 20A, Richmond

Procurement Transactions Data Load Worksheet													
Version 1.0													
Procurement Transactions - ADO													
To complete with Section 2079 and 2024 of the Public Access Law, please provide the following information on each procurement contract that was entered into or in progress during the reporting period.													
Columns where asterisk (*) are required and must have values for each record to be loaded. Do not enter blank lines, as a blank line in line with no information will be regarded as the end of the file. Do not enter asterisks in the "Award Date" column.													
This worksheet is saved as type: excel in order to be loaded into PARIS. Select "Save As" from the "File" menu above and select "CSV (comma delimited)" in the file type.													
Notes: Most cells have a data type, however, validation is not enforced. Please ensure you actually type data in the cell. It is recommended that you select the validation in row that you have entered data into.													
Vendor	Procurement Description	Type of Procurement	Award Process	Award Date	End Date	Amount	Fiscal Amount	Fair Market Value	Contract Value	Street Address	Address 2	City	State
ADD INC	ENR INC DRIVE REPAIR - WPS PUMP 1	Contract	Authority Contract - Non-Competitive Bid	7/25/2018	N	18000.00	18000.00	18000.00	18000.00	PO BOX 68888		CHICAGO	IL
ADD INC	DRIVE PARTS FOR M. 1 PUMP WWP	Contract	Authority Contract - Non-Competitive Bid	7/25/2018	N	6731.34	6731.34	6731.34	6731.34	PO BOX 68888		CHICAGO	IL
ADD INC	REPAIR PARTS FOR M. 1 PUMP WWP	Contract	Authority Contract - Non-Competitive Bid	8/7/2018	N	409.18	409.18	409.18	409.18	PO BOX 68888		CHICAGO	IL
ADD INC	ENR INC DRIVE REPAIR	Contract	Authority Contract - Non-Competitive Bid	8/15/2018	N	7000.00	7000.00	7000.00	7000.00	PO BOX 68888		CHICAGO	IL
ACCIDENT OF BELIE WHITE HYPO PUMP/FAIR	INSTALL PUMPS	Contract	Non-Competitive Procurement - Purchase Order			2011.41	2011.41			2544 INDUSTRIAL LANE		MORE STOWN	PA
ADHESION SL. DRILL - EQUIPMENT		Contract	Non-Competitive Procurement - Purchase Order			500.00	500.00			1950 BR. ON HEARNETTA TOWN HW ROAD		ROCKY HILL	CT
ADHESION SL. HEAVY EQUIPMENT RENTAL		Contract	Non-Competitive Procurement - Purchase Order			5990	5990			1950 BR. ON HEARNETTA TOWN HW ROAD		ROCKY HILL	CT
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			189.00	189.00			PO BOX 41867		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			211.27	211.27			PO BOX 41867		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			73308.6	73308.6			PO BOX 41867		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			24270.00	24270.00			291 HOWARD STREET		NEW YORK	NY
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			24270.00	24270.00			SUITE 307A		NEW YORK	NY
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			24270.00	24270.00			612 CHERRY STREET WEST		FARMINGTON	CT
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			603.47	603.47			PO BOX 536108		PITTSBURGH	PA
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			9643	9643			PO BOX 97797		DALLAS	TX
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			5425.28	5425.28			N. DEER ROAD		NECKTOWN	VA
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1147.00	1147.00			825 DEER ROAD		CHEN TOWNSHIP	NY
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			9567.67	9567.67			9567.67		CHEN TOWNSHIP	NY
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1000.00	1000.00			421 BRAD STREET		UTICA	NY
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			30991.12	30991.12			6700 COLLECTION CENTER DRIVE		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			270740.16	270740.16			6700 COLLECTION CENTER DRIVE		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			78.77	78.77			4260A COLLECTION CENTER DRIVE		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1000.00	1000.00			1111 STREET NORTHWEST		WASHINGTON	DC
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			3091.5	3091.5			1751 NORTH UNION AVENUE		ROCHESTER	NY
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			5400	5400			6665 WEST QUINCY AVENUE		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			7078.5	7078.5			PO BOX 6241		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			271998.5	271998.5			1111 STREET NORTHWEST		WASHINGTON	DC
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			8792.99	8792.99			785 BEAMAN ROAD		ROCHESTER	NY
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			24841.56	24841.56			785 BEAMAN ROAD		ROCHESTER	NY
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			533.10	533.10			785 BEAMAN ROAD		ROCHESTER	NY
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			406.25	406.25			785 BEAMAN ROAD		ROCHESTER	NY
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			42949.00	42949.00			785 BEAMAN ROAD		ROCHESTER	NY
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			138.46	138.46			785 BEAMAN ROAD		ROCHESTER	NY
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			3781	3781			785 BEAMAN ROAD		ROCHESTER	NY
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			5171.8	5171.8			785 BEAMAN ROAD		ROCHESTER	NY
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			50972.96	50972.96			785 BEAMAN ROAD		ROCHESTER	NY
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			7467.2	7467.2			785 BEAMAN ROAD		ROCHESTER	NY
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1624.96	1624.96			785 BEAMAN ROAD		ROCHESTER	NY
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			157.48	157.48			785 BEAMAN ROAD		ROCHESTER	NY
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			10157	10157			785 BEAMAN ROAD		ROCHESTER	NY
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			66686.6	66686.6			785 BEAMAN ROAD		ROCHESTER	NY
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			82000	82000			171 S.W. 13TH		PITTSBURGH	PA
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			8082.47	8082.47			41 EAST AVENUE		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			14806.61	14806.61			7914 WALDEN AVENUE		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1896.84	1896.84			95 ALABAMA DRIVE		ROCHESTER	NY
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1596.37	1596.37			95 ALABAMA DRIVE		ROCHESTER	NY
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1596.37	1596.37			PO BOX 21751		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1596.37	1596.37			PO BOX 21751		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1596.37	1596.37			PO BOX 21751		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1596.37	1596.37			PO BOX 21751		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1596.37	1596.37			PO BOX 21751		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1596.37	1596.37			PO BOX 21751		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1596.37	1596.37			PO BOX 21751		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1596.37	1596.37			PO BOX 21751		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1596.37	1596.37			PO BOX 21751		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1596.37	1596.37			PO BOX 21751		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1596.37	1596.37			PO BOX 21751		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1596.37	1596.37			PO BOX 21751		CHICAGO	IL
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AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1596.37	1596.37			PO BOX 21751		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1596.37	1596.37			PO BOX 21751		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1596.37	1596.37			PO BOX 21751		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1596.37	1596.37			PO BOX 21751		CHICAGO	IL
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AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1596.37	1596.37			PO BOX 21751		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1596.37	1596.37			PO BOX 21751		CHICAGO	IL
AN HANDB. CONCRETE LEAK REPAIR		Contract	Non-Competitive Procurement - Purchase Order			1596.37	1596.37			PO BOX 21751		CHICAGO	IL
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REPAIR CO. CONTACT PRINTER SUPPLIES AND MAINTENANCE	Commodities/Supplies	Non Contract Procurement/Purchase Order			1576.91		PO BOX 67798	PHILADELPHIA	PA	19182	USA
HYLIAM DE' PUMPS DESIGN AND PURCHASE RESERVOIRS	Commodities/Supplies	Air/Sea/Space Contract Non-Competition Bid	5/19/2018. M	3480.2	3480.2	3480.2	79611 NETWORK PLACE	CHICAGO	IL	60671	USA
HYLIAM DE' REPAIR PARTS FOR GOODWIN PUMP	Commodities/Supplies	Air/Sea/Space Contract Non-Competition Bid	5/19/2018. M	2466.04	2466.04	2466.04	28611 NETWORK PLACE	CHICAGO	IL	60671	USA
HYLIAM DE' REPAIR PARTS FOR GOODWIN PUMP	Commodities/Supplies	Air/Sea/Space Contract Non-Competition Bid		2466.04	2466.04	2466.04	PO BOX 66463	ROCKFORD	IL	61104	USA



MONROE COUNTY WATER AUTHORITY

P.O. Box 10999 • 475 Norris Drive • Rochester, New York 14610-0999

Phone: (585) 442-2000 Fax: (585) 442-0220

CERTIFICATION

I certify that the purchase of Neptune water meters; Foxboro pressure transmitters; IDEXX Colilert products; Allen-Bradley programmable controllers; Hach turbidimeters, chlorine meters, and colorimeters; Blue-Chek style pump packing; Frontier Communications of Rochester, Inc.'s Virtual Private Network for SCADA communications; Aervoe marking paint; and Hydro Instruments vacuum regulators without competitive bidding were reviewed and complied with the Monroe County Water Authority's Procurement Guidelines regarding standardization of certain products.

Nicholas Noce
Executive Director

Date

Memo

To: Kathleen Prestidge, Director of Finance and Business Services
cc: Larry Magguilli, Assistant to the Executive Director
From: Gregg Ippolito , Supervisor of Meter Services *MI*

Date: January 8, 2018

RE: Standardization of Small Meters

Kathy,

On June 6th, 2012, Wayne Zyra presented a recommendation that MCWA should continue with its use of the Automatic Meter Reading (AMR) system. Based on the study by the Amawalk Consulting Group it was recommended that MCWA standardize its procurement of 5/8 inch to 2 inch meters with Neptune Technology Group. At the time of the recommendation, MCWA had installed approximately 32,000 Neptune AMR meters in its system.

On April 8, 2015 Ron Habecker made a recommendation that we continue with the standardization of the use of AMR meters with Neptune Technology group. At the time of Mr. Habecker's recommendation MCWA had installed over 60,000 Neptune AMR Meters.

The Neptune Technology Group continues to provide reliable, accurate AMR meters as well as dependable AMR equipment. Their commitment to their product and to providing excellent customer service is commendable. MCWA has now over 100,000 Neptune AMR meters installed and has invested over \$14 million in implementing this AMR meter program.

It is my recommendation that MCWA continues with the standardization of the use of Neptune AMR Meters.

Gregg Ippolito

Supervisor of Meter Services

Board Members - Regular Meeting – February 8, 2018

10. There is an item for authorization of a unit price contract for the purchase of Valve Boxes and Lids from low responsive, responsible bidder, Blair Supply Corp., with a total bid price of \$37,462; quantities based on one year's estimated usage. These materials to be purchased on as-needed basis. This is a one year unit price contract with the option to renew for up to four additional one-year terms upon mutual consent. Recommendation memo and bid tabulation sheets are enclosed for review.
11. There is an item on the agenda to approve Standardization of Large Water Meters to the Neptune Technology Group for MCWA's large meter program. Please see enclosed for Board review, a detailed recommendation memorandum for this item from Mr. Gregg Ippolito, the Authority's Meter Services Supervisor.
12. The Authority's standard procurement compliance resolution.

There may be additional items placed on the agenda not finalized for this mailing.

Board Discussion / Notification Items:

- Renewal on Standardization of Small Meters. Staff recommendation (memorandum January 8, 2018) to continue with the current Standardization of Small Meters with Neptune Technology Group brand Automatic Meter Reading (AMR) Meters.
- Notification of proposed recipients of Request for Qualifications and Proposals (RFQ/Ps) from engineering firms to undertake various Production & Transmission projects during 2018.
- In Board folders (along with any routine monthly informational updates):
 - ABO performance evaluation confidential survey forms to each Board Member for compilation by the Governance Committee to be submitted to the ABO.
 - Perfect Attendance List 2017 – MCWA Employees with no sick time used throughout year 2017.

There may be additional items presented for discussion and/or notification.

Enclosures

cc: Department Heads

Resolution #12-123

**RESOLUTIONS REGARDING RESIDENTIAL STANDARDIZING PURCHASES OF
SMALL METERS BY THE MONROE COUNTY WATER AUTHORITY**

WHEREAS, the Monroe County Water Authority (the "Authority") has initiated a program to accelerate the replacement of water meters that have been in service for more than 20 years, since, on average, meters tend to develop measurement inaccuracies as they reach 20 years of service life; and

WHEREAS, accurate measurement of water usage is important for determining overall system water losses and, ultimately, for properly setting water rates; and

WHEREAS, on January 14, 2010, the Authority adopted resolution #10-008 standardizing its source of large meters; and

WHEREAS, the Authority recently conducted a study to determine whether it could benefit from standardizing its source of small water meters; and

WHEREAS, the Authority also considered the results of a 2010 study of the water system conducted by the Authority's consultant, Amawalk Consulting Group, which included a recommendation that the Authority continue its use of automatic meter reading ("AMR") systems; and

WHEREAS, the Meter Services Department evaluated AMR meters from six different manufacturers for compliance with the Authority's criteria for standardizing small water meters, i.e., local conditions, compatibility and uniformity (the "Criteria"); and

WHEREAS, based upon the findings and recommendations of the Meter Services Department, the Authority has determined that Neptune brand AMR technology small water meters will best meet its small meter requirements and satisfy the Criteria.

NOW, THEREFORE, BE IT RESOLVED that:

1. In order to accomplish the objectives described above, the Authority hereby requires that all purchases of small water meters sized 5/8 inches to 2 inches (including any required ancillary equipment) must be made through the Neptune Technology Group. All standardized purchases shall include Neptune's AMR technology as currently configured in the E-CODER R900i model, including future upgrades.
2. The Officers of the Authority are hereby authorized and directed for and on behalf of the Authority and in its name to do all acts and things required or as may be necessary, or in the opinion of the officer so acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Authority with all of the provisions of the foregoing resolutions.

**MONROE COUNTY
WATER AUTHORITY**

Memo

To: Kathleen Prestidge, Director of Finance and Business Services
cc: Larry Magguilli, Assistant to the Executive Director
From: Gregg Ippolito, Supervisor of Meter Services *GI*

Date: January 8, 2018

RE: Standardization of Large Meters

Kathy,

I am recommending that MCWA should standardize to the Neptune Technology Group for MCWA's large meter program. Standardization of our large meters is appropriate for the following reasons:

Compatibility- MCWA currently is standardized to the Neptune Technology Group in regards to our small meters. Many of our inventory parts required for Neptune small meters are the same as those required for Neptune large meters.

Uniformity- MCWA currently uses the same AMR equipment and software for both our small and large meters. The process of generating and collecting reads for small Neptune meters and large Neptune meters is one and the same.

Design- Neptune's meter and AMR equipment designs and improvements continue to be compatible to our existing meters.

Construction- Neptune continues to construct their meter bodies with safe and long lasting materials.

Employee Training- MCWA's Meter Services, IT and Customer Services groups have been effectively trained in the use of Neptune Large AMR Meters.

I have attached a more detailed description as to why MCWA should become standardized to the Neptune Technology Group for large meters.

Gregg Ippolito

Supervisor of Meter Services

Standardization of MCWA's Large Meters with the Neptune Technology Group

MCWA currently has over 560 3"-10" Large meters in service. Approximately 60% of those meters are Neptune Meters, with the remaining balance being Sensus meters.

Synopsis of our existing Sensus Meters

Of the Sensus meters still in service only about 25 of them are of the current Sensus Product line, The Omni Meter. The other remaining Sensus meters are a combination of the SRH and the Sensus W350-W5500 Turbine Series. Sensus has discontinued production of these meters and they also have discontinued the production of the parts required to maintain and repair them. In regards to the Sensus Omni meters we have had in service since 2011, the performance results have been sub-par. Seven of those meters installed in 2011 have since been replaced. Four of them for failure at low flow accuracy and three due to deterioration of the epoxy coated meter body. The issues with low flow accuracy as well as customer complaints we have received for the deterioration of the meter body have warranted our decision to replace those meters.

Standardization on Neptune Large Water Meters:

Compatibility and Uniformity: MCWA is currently standardized to Neptune meters in the small meter group. The small meter group consists of 5/8"-2" meters. The mechanisms of these meters are parallel with those of the Neptune large meter group. The TruFlo Compound, The Hp Turbine and the P3 Fireline use many of the same mechanical components as the Neptune small meters. Registers, measuring chambers, diaphragms, thrust rollers and control block assemblies are some of the many parts that are used in both the Neptune small and large meter group. Standardization to both groups allows for a more controlled and resourceful inventory of all new and repair parts that would be required. It also allows our meter technician's and large meter repairman to have similarly stocked parts in their work vehicles in order to make work routes and service calls more effective and efficient.

MCWA uses the Neptune N Sight software, programming and reading equipment to capture all the reads and data from our existing Neptune AMR small meters. This same software and equipment is what is needed to read all Neptune large meters as well, which eliminates the need for separate or additional software licensing agreements as well as additional reading equipment. A second AMR system would provide many additional licensing and equipment costs.

Design and Construction: Neptune continues to manufacture their meters with lead free bronze and copper alloy meter bodies which make them safe for our consumers and also corrosion resistant, guarantying a long service life. Their stainless steel strainer design on the P3 Fireline meter prevents corrosion and particle build up providing full unrestricted flow in case of a fire. When Neptune implements any design changes to their current meters, registers or AMR

equipment they allow for retrofitting to the existing products that we are using. The ability to retrofit the new designs prevents costly upgrades or conversions in order to maintain accurate registration and reading of our meters.

Employee Training:

Our Meter Service's personnel have been thoroughly trained in the maintenance, testing, repair and reading of Neptune large meters. The skill sets that have been developed allow us to run a highly effective and productive large meter testing program. Meter Services employees have attended Neptune large meter testing school, had in-house repair and replacement training, as well as Neptune AMR installation and collection training. Our IT department has also been comprehensively trained in the installation of Neptune AMR software, the creation and arrangement of reading routes as well as the processing of completed reads and pertinent collected data. Our Customer Service representatives have received in depth training on the processing of the collected data. This allows them to effectively communicate with our customers about their current use and also permits them to provide customers with abundant detail on their usage trends and history.

Summary:

MCWA is currently standardized to Neptune's AMR small meters and uses the same AMR software, AMR reading equipment, and many of the same metering mechanisms as Neptune's Large Meters use. Neptune has stayed true to using safe and long lasting material for their meter body construction which reduces MCWA's overall replacement costs. Having uniformity with our small meter products helps us create a more efficient and cost effective inventory. This standardization will ultimately reduce large meter replacement expenses as well prevent further costly employee training programs, additional software licensing fees and added AMR equipment expenses. While other meter manufacturers may provide similar meter and AMR products, standardizing to Neptune Large Meters is a practical economic decision for MCWA's Large Meter program.

MONROE COUNTY WATER AUTHORITY
REGULAR MEETING – February 8, 2018

- #18-033 Authorize the **unit price contract award for the purchase of Clow/Eddy Hydrant Parts** from low responsive, responsible bidder, Core & Main, LP in the bid amount of \$6,340.67; hydrant parts to be purchased on an as-needed basis. This is a one-year unit price contract with the option to renew for up to four additional one-year terms upon mutual consent.

On a motion made by Mr. Rulison, seconded by Mrs. Volpe and duly put to a vote on roll call, the foregoing resolution #18-033 unanimously carried. AYES: 5 (Nasca, Volpe, Fero, Hurlbut, Rulison); NAYS: 0.

- #18-034 Authorize the **unit price contract award for the purchase of A.P. Smith Hydrant Parts** from low responsive, responsible bidder, Core & Main, LP in the bid amount of \$3,051.56; hydrant parts to be purchased on an as-needed basis. This is a one-year unit price contract with the option to renew for up to four additional one-year terms upon mutual consent.

On a motion made by Mr. Hurlbut, seconded by Mr. Rulison and duly put to a vote on roll call, the foregoing resolution #18-034 unanimously carried. AYES: 5 (Nasca, Volpe, Fero, Hurlbut, Rulison); NAYS: 0.

For Item #18-035, Mr. Benshoff again addressed the Members for authorization of this unit price purchase contract award. He explained the function of Valve Boxes, recapped bid results and terms, and that these materials are purchased on an as-needed basis.

- #18-035 Authorize the **unit price contract award for the purchase of Valve Boxes and Lids** from low responsive, responsible bidder, Blair Supply Corp.; with a total bid price of \$37,472; quantities based on one year's estimated usage; materials to be purchased on an as-needed basis. This is a one-year unit price contract with the option to renew for up to four additional one-year terms upon mutual consent.

On a motion made by Mr. Rulison, seconded by Mr. Hurlbut and duly put to a vote on roll call, the foregoing resolution #18-035 unanimously carried. AYES: 5 (Nasca, Volpe, Fero, Hurlbut, Rulison); NAYS: 0.

In discussion of Item #18-036, Mr. Gregory Ippolito, the Authority's Meter Service Supervisor, briefed the Board to approve the Standardization of Large Meters to the Neptune Technology Group for MCWA's large meter program. He gave a detailed narrative for this standardization in addition to his recommendation memorandum provided for the Board's prior review.

- #18-036 WHEREAS, since 2012, the Monroe County Water Authority (the "Authority") has installed only **Neptune Technology Group brand water meters for meters 3 inches and larger**, and such meters now comprise over 60% of the Authority's large meter population; and

WHEREAS, the Authority has studied whether it should now **standardize the source of large water meters** in order to maintain the efficiency of and compatibility within the Authority's water meter system; and

WHEREAS, upon the recommendation of the Authority's Meter Services Department, the Authority has determined that Neptune Technology Group brand large water meters are the most efficient and economic system currently available.

NOW, THEREFORE, BE IT RESOLVED that:

1. In order to provide for the most efficient and economic source of large water meters and for the reasons stated above, all purchases or procurements by the Authority of **large water meters sized three inches and larger and any ancillary equipment must be Neptune Technology Group brand**.
2. The Officers of the Authority are hereby authorized and directed for and on behalf of the Authority and in its name to do all acts and things required or as may be necessary, or in the opinion of the officer so acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Authority with all of the provisions of the foregoing resolutions.

On a motion made by Mr. Rulison, seconded by Mr. Fero and duly put to a vote on roll call, the foregoing resolution #18-036 unanimously carried. AYES: 5 (Nasca, Volpe, Fero, Hurlbut, Rulison); NAYS: 0.

Resolution: MCWA #18-036

COPY

**ESTABLISHING STANDARDIZATION ON
NEPTUNE TECHNOLOGY GROUP BRAND WATER METERS
FOR METERS 3 INCHES AND LARGER**

#18-036

WHEREAS, since 2012, the Monroe County Water Authority (the "Authority") has installed only Neptune Technology Group brand water meters for meters 3 inches and larger, and such meters now comprise over 60% of the Authority's large meter population; and

WHEREAS, the Authority has studied whether it should now standardize the source of large water meters in order to maintain the efficiency of and compatibility within the Authority's water meter system; and

WHEREAS, upon the recommendation of the Authority's Meter Services Department, the Authority has determined that Neptune Technology Group brand large water meters are the most efficient and economic system currently available.

NOW, THEREFORE, BE IT RESOLVED that:

1. In order to provide for the most efficient and economic source of large water meters and for the reasons stated above, all purchases or procurements by the Authority of large water meters sized three inches and larger and any ancillary equipment must be Neptune Technology Group brand.
2. The Officers of the Authority are hereby authorized and directed for and on behalf of the Authority and in its name to do all acts and things required or as may be necessary, or in the opinion of the officer so acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Authority with all of the provisions of the foregoing resolutions.

CERTIFICATION

The undersigned hereby certifies that the above is an excerpt from the Minutes of a Regular Meeting of the Monroe County Water Authority, which was held on February 8, 2018 and that the Resolution is still in full force and effect.


Scott D. Nasca, Vice Chairman

Date: February 8, 2018
Rochester, New York

MONROE COUNTY WATER AUTHORITY
REGULAR MEETING – February 8, 2018

- #18-037 The Members of the Authority expressly make the following determinations for all awards of Procurement Contracts made during this meeting: (i) the proposed awardee has been found to be responsible; (ii) the proposed awardee complied with the State Finance Law provisions regarding Permissible Contacts (as defined in the Authority's Procurement Disclosure Policy); (iii) the proposed awardee has (or will prior to the final award being effective) complied with the State Finance Law provisions that require disclosure of all information required to be in the Authority's Solicitation Materials (as such term is defined in the Authority's Procurement Disclosure Policy); and (iv) the procurement process did not involve conduct that is prohibited by the Public Officers Law, the Authority's Procurement Disclosure Policy, and the Authority's Code of Ethics and Conflict of Interest Policies.

On a motion made by Mr. Rulison, seconded by Mr. Hurlbut and duly put to a vote on roll call, the foregoing resolution #18-037 unanimously carried. AYES: 5 (Nasca, Volpe, Fero, Hurlbut, Rulison); NAYS: 0.

* * *

Presented for Board Members' informational purposes:

- Renewal on Standardization of Small Meters. Staff recommendation (memorandum January 8, 2018) to continue with the current Standardization of Small Meters with Neptune Technology Group brand Automatic Meter Reading (AMR) Meters.
- Notification of proposed recipients of Request for Qualifications and Proposals (RFQ/Ps) from engineering firms to undertake various projects listed below during 2018:
 - SWTP Zebra Mussel Feed System Evaluation
 - Chlorine Scrubber Replacement Design
 - Denise Reservoir Chlorination / Dechlorination Study
 - Consulting Engineer
 - Coating Consulting Services
- In Board folders (along with any routine monthly informational updates):
 - ABO performance evaluation confidential survey forms for 2017 to each Board Member for compilation by the Governance Committee to be submitted to the ABO.
 - Perfect Attendance List 2017 – MCWA Employees with no sick time used throughout year 2017.

* * *

There being no further business to come before the Authority, Vice Chairman Nasca adjourned the meeting at 10:00 a.m.


Kathleen A. Eisenmann, Secretary to the Authority


Scott D. Nasca, Vice Chairman



MEMORANDUM

TO: Nicholas A. Noce
FROM: Richard Metzger, P.E.
SUBJECT: Standardization – Foxboro Pressure Transmitters
DATE: November 30, 2016

Foxboro Pressure Transmitters have been incorporated into our monitoring and control systems for decades. MCWA has previously standardized on Foxboro Pressure Transmitters and this standardization was last approved by the Board in December 2013.

Staff has determined that Foxboro Pressure Transmitters are the most efficient and economic pressure transmitter currently available for the Monroe County Water Authority (MCWA) for the following reasons:

- ***Design and Construction:*** Pressure Monitoring is one of our most important control parameters. The standardization on a single brand of pressure transmitter allows for a quick and easy replacement of a failed unit due to the fact that the wiring and process piping connections would use an identical transmitter. This is a rugged and proven pressure transmitter that performs well in our rough environments, especially in our underground valve and tank vaults. Reliability has been outstanding with the Foxboro pressure transmitters.
- ***Compatibility:*** Foxboro pressure transmitters have become the standard for pressure transmitters at both the Shoremont and Webster Treatment Plants, at remote pump stations, and storage tanks. Foxboro Pressure Transmitters are used for suction and discharge pressure monitoring at our booster pump stations and tank level monitoring in our distribution system.
- ***Economical:*** Staff recently updated an informal cost comparison on pressure transmitters using Foxboro and others vendors such as Rosemount, Siemens and Endress & Hauser. We found the quotes of Foxboro to be lower than its competitors in most cases. Additionally, the amount of money spent each year to replace existing units that have failed or have become obsolete is minimal, under \$15,000 per year. Installation at a new pump station costs approximately \$1,600 to monitor the suction and discharge pressures. A new storage tank approximately \$800 to monitor the tank level. When used for flow-rate applications the cost is about \$1,600.

- ***Inventory:*** The Shoremont Instrumentation Group maintains at least one spare transmitter for each of our three gauge pressure ranges and two transmitters for our differential pressure ranges. Adding a second brand of pressure transmitters will require additional the Authority to maintain a larger inventory of spare pressure transmitters.
- ***Trained Employees:*** The Instrumentation Maintenance staff is trained in the installation, configuration and calibration of Foxboro pressure transmitters, which includes the specific software used to calibrate and configure these units. Installing a different transmitter will require training in the configuration and calibration procedures required for the new transmitter. Mean time to repair is minimized due to staff understanding this transmitter.

MONROE COUNTY WATER AUTHORITY
REGULAR MEETING – January 12, 2017

For Item #17-018, Mr. Noce addressed the Board for purchase authorization. He explained that due to the recent restructuring of the Inter-Municipal Agreement with Monroe County for Safety & Security Services, which deleted certain services and ongoing future purchases, the Authority will utilize the NYS OGS Contract with Technical Systems Group, Inc. (TSG) to provide security equipment & services for 2017.

#17-018 Authorize the purchase of security equipment, including various items of hardware, software and related servicing and installation from Technical Systems Group, Inc. (TSG), under New York State OGS contract number PT64310, for an estimated cost of \$150,000 through year 2017.

On a motion made by Mr. Bernstein, seconded by Mr. Nasca, and duly put to a vote on roll call, the foregoing resolution #17-018 unanimously carried. AYES: 6 (Magguilli, Volpe, Nasca, Bernstein, Bleier-Mervis, Rulison); NAYS: 0.

#17-019 The Members of the Authority expressly make the following determinations for all awards of Procurement Contracts made during this meeting: (i) the proposed awardee has been found to be responsible; (ii) the proposed awardee complied with the State Finance Law provisions regarding Permissible Contracts (as defined in the Authority's Procurement Disclosure Policy); (iii) the proposed awardee has (or will prior to the final award being effective) complied with the State Finance Law provisions that require disclosure of all information required to be in the Authority's Solicitation Materials (as such term is defined in the Authority's Procurement Disclosure Policy); and (iv) the procurement process did not involve conduct that is prohibited by the Public Officers Law, the Authority's Procurement Disclosure Policy, and the Authority's Code of Ethics and Conflict of Interest Policies.

On a motion made by Mr. Rulison, seconded by Mr. Nasca, and duly put to a vote on roll call, the foregoing resolution #17-019 unanimously carried. AYES: 6 (Magguilli, Volpe, Nasca, Bernstein, Bleier-Mervis, Rulison); NAYS: 0.

EXECUTIVE SESSION

#17-ES 9:58 a.m. Chairman Magguilli requested a motion to enter executive session under attorney-client privilege to discuss collective bargaining negotiations currently underway. Moved by Mr. Rulison, seconded by Ms. Bleier-Mervis, and put to a vote on roll call, the Board unanimously agreed to enter executive session. AYES: 6 (Magguilli, Volpe, Nasca, Bernstein, Bleier-Mervis, Rulison); NAYS: 0.

10:25 a.m. Motion to conclude executive session: Moved by Mr. Rulison, seconded by Mr. Nasca, the Board upon voice vote unanimously agreed to conclude executive session. Chairman Magguilli called this Regular Meeting back in open session. No formal action taken.

* * *

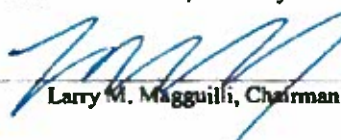
Presented for Board Members' informational purposes:

- Notification of employee status change only part-time to full-time: J. Papineau (Office Clerk IV).
- Notification of proposed recipients of Requests for Qualifications (RFQs) for 2017 Corrosion Control Consultant Services.
- In Board folders for review (along with any routine monthly informational updates):
 - Annual Report to the Board on Service Area Contacts – 2016.
 - MCWA Loss Analysis Report – Period Ending December 31, 2016.
 - Staff recommendation (memorandum Nov. 2016) to continue with the current standardization on Foxboro Pressure Transmitters.
 - Expenditures summary for year 2016 on sole-source vendor, Technical Systems Group (TSG).

* * *

There being no further business to come before the Authority, Chairman Magguilli adjourned the meeting at 10:26 a.m.


Kathleen A. Eisenmann, Secretary to the Authority


Larry M. Magguilli, Chairman

MONROE COUNTY WATER AUTHORITY
REGULAR MEETING – December 12, 2013

In discussion of Item #13-220, Mr. Metzger addressed the Members for authorization to standardize on Foxboro pressure transmitters, referencing his detailed memorandum documenting the analysis by staff in recommendation of this standardization which was provided to the Board for their prior review.

#13-220 WHEREAS, the Monroe County Water Authority (the "Authority") has conducted an internal analysis of whether to standardize its supply of pressure transmitters to those made by the Foxboro Company ("Foxboro"); and

WHEREAS, the Authority based its review on whether standardizing would ensure efficiency, compatibility and reliability in monitoring pressures at its treatment plants and throughout its entire water distribution system; and

WHEREAS, the Authority's Production and Transmission Department has determined that Foxboro makes the most efficient and economic pressure transmitters currently available; and

WHEREAS, the benefits of Foxboro products include (i) the Authority has a significant inventory of spare Foxboro pressure transmitters, (ii) the Authority's Electrical and Instrumentation staff members have extensive training in the installation, configuration and calibration of Foxboro pressure transmitters and (iii) in order to minimize problems with pressure transmitters and the systems they control, the Authority has developed a standard system for layout, wiring and control of pressure transmitters that is based on the Foxboro product line.

NOW, THEREFORE, BE IT RESOLVED that:

1. In order to provide for the most efficient and economic source of pressure transmitters and for the reasons stated above, the Authority hereby requires that all its purchases or procurements of pressure transmitters and ancillary equipment be made using Foxboro products.
2. The Officers of the Authority are hereby authorized and directed for and on behalf of the Authority and in its name to do all acts and things required or as may be necessary, or in the opinion of the officer so acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Authority with all of the provisions of the foregoing resolutions.

Moved By: W. Bleier-Mervis

Seconded By: J. Rulison

Vote: Passed Unanimously



MEMORANDUM

TO: Nicholas A. Noce
FROM: Richard Metzger, P.E. *RM*
SUBJECT: Standardization – IDEXX Colilert Products
DATE: February 27, 2017

The following documents the analysis by staff for confirmation for the standardization on IDEXX products for microbiological testing.

Regulatory agencies require the Authority to perform bacteriological testing to confirm compliance with water quality regulations. Our laboratory staff evaluated the USEPA approved products and the processes required to acquire Environmental Laboratory Accreditation Program (ELAP) approval to use them. This standardization was last approved by the Board in September 2015 (Resolution 15-183).

Staff has determined that IDEXX products for microbiological testing are still the most efficient and economical system currently available for the Water Authority for the following reasons:

- **Economical:** We have to maintain NYS ELAP Certification for the bacteriological procedures that we use. Although the various enzyme substrate products available are all supposed to be equivalent, ELAP requires separate approvals for each manufacturer. The procedure to change annually to the low bid product or maintain multiple certifications for multiple products is in effect unworkable and would increase the chance of losing the lab's certification for Coliform testing, requiring contracting the testing out at considerable expense.
 - Changing certification requires two successive external proficiency tests at least fifteen days apart. In practice, this would take a month to complete and a week or longer to score before we could switch to a low bid product. During this period we would need to maintain certification for the method in use, which would require annual satisfactory proficiency testing results. Under ELAP rules, a failing test result in either the existing approved procedure, or the one we would be trying to switch to would result in losing the certification for both.
 - Coliform positives require significant labor follow-up (resampling, additional reporting) and MCL violations are negative high profile events. Our staff is very familiar with IDEXX enzyme substrate products which very reliable and used by the majority of our industry. This reliability and familiarity goes a

long way in avoiding the significant costs, and public image problems associated with false-positives.

- ***Uniformity and back-up supply:*** MCDOPH and RWW both use IDEXX enzyme substrate products exclusively. Different products all capture slightly different populations as Coliform positive which could complicate data comparisons and confirmations. Also using the same reagent system as MCDOPH and RWW provides a readily available back-up supply.
- ***Employee Training:*** There are significant training issues associated with switching to multiple reagent systems that are all slightly different in color response and procedure. The operating staff's familiarity with IDEXX enzyme substrate products and the simplicity of the methods has allowed us to perform certified on-site testing at the Webster Plant lab without additional staff or daily sample transport to the Shoremont Lab.
- ***Endangerment:*** The proven reliability of this product line as an industry standard and our staff's familiarity with it contributes greatly to the quality of our monitoring program and helps avoid the potential health risk associated with false-negatives and costs of false-positives.
- ***Market share as an indicator of a superior product:*** IDEXX still controls about 80% of the drinking water market.

MONROE COUNTY WATER AUTHORITY
REGULAR MEETING – March 9, 2017

* * *

Presented for Board Members' informational purposes:

- Notification of proposed recipients of Requests for Qualifications/Proposals (RFQ/P) for Rate Consultant Services. The RFQ/P will also be posted on the Authority's website.
- In Board folders for review (along with any routine monthly informational updates):
 - Staff recommendation memorandums to continue with the current standardizations on:
 - IDEXX Colilert Products.
 - Allen-Bradley Programmable Controllers.
 - NYS Comptroller's Office Report: *Drinking Water Systems in New York – The Challenges of Aging Infrastructure* (February 2017).

* * *

There being no further business to come before the Authority, Chairman Magguilli adjourned the meeting at 10:20 a.m.


Kathleen A. Eisenmann, Secretary to the Authority


Larry M. Magguilli, Chairman

**MONROE COUNTY WATER AUTHORITY
REGULAR MEETING – September 10, 2015**

In discussion of Item #15-183, Mr. King addressed the Members for approval of the standardization for the purchase of IDEXX reagents and supplies for bacteriological testing. In addition to Mr. King's reporting on this item, a memorandum detailing the justification to continue the Standardization for IDEXX products was enclosed in Board Members' packets of information on agenda items distributed in advance for their prior review.

#15-183 WHEREAS, the United States Environmental Protection Agency (USEPA), New York State Department of Health (NYSDOH) and Monroe County Department of Public Health (MCDOPH) require the Monroe County Water Authority (the Authority) to perform bacteriological testing to confirm compliance with governing water quality regulations; and

WHEREAS, the Authority will analyze approximately 12,000 combined treatment plant and distribution system samples per year; and

WHEREAS, the Authority has a need for an approved method for performing the required bacteriological analyses; and

WHEREAS, the Authority's staff has used the IDEXX Colilert methodology for about half of its bacteriological analyses for more than a decade; and

WHEREAS, the Authority has conducted tests of the other USEPA approved products and the process required to acquire Environmental Laboratory Accreditation Program (ELAP) approval to use them and concluded that they were not acceptable; and

WHEREAS, the Authority's Purchasing and Procurement Guidelines has Appropriate Circumstances for Standardization of Goods and Services under which several provisions would be satisfied; and

WHEREAS, the Authority desires to make certain that all of its future needs for approved bacteriological analyses products can be acquired.

NOW, THEREFORE, BE IT RESOLVED that:

1. In order to provide for the purchase or procurement of approved products for bacteriological analyses the Authority hereby establishes the Standardization of IDEXX Colilert reagents and supplies.
2. The Authority authorizes the purchase agreement for IDEXX Colilert products at the unit prices proposed for an annual budget amount of \$30,000 and for a term not to exceed three (3) years.
3. The Officers of the Authority are hereby authorized and directed for and on behalf of the Authority and in its name to do all acts and things required or as may be necessary, or in the opinion of the officer so acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Authority with all of the provisions of the foregoing resolutions.

On a motion made by Mr. Rulison, seconded by Ms. Bleier-Mervis, and duly put to a vote on roll call, the foregoing resolution #15-183 unanimously carried. AYES: 5 (Magguilli, Nasca, Hurlbut, Bleier-Mervis, Rulison); NAYS: 0.



MEMORANDUM

TO: Nicholas A. Noce

FROM: Richard Metzger, P.E. *RM*

SUBJECT: Standardization: Allen-Bradley Programmable Controllers

DATE: February 27, 2017

cc: G Hanley, D. Drifill

The following documents the analysis by staff for confirmation for the standardization on Allen-Bradley Programmable Controllers. Allen-Bradley is a brand of Rockwell Automation.

Allen Bradley controllers and ancillary equipment (power supplies, I/O cards, cabling and displays) were uniformly incorporated into our SCADA control system that was designed and built in the late 1990's. Since then, MCWA has standardized on Allen-Bradley programmable controllers and this standardization was last approved by the Board in October 2014 (Resolutions 14-188).

Staff has determined that Allen-Bradley programmable controllers and ancillary equipment are still the most efficient and economical system currently available for the Water Authority for the following reasons:

- **Economical:** We currently have a significant spare parts inventory (circuit boards, power supplies, etc.) for the Allen-Bradley programmable controller system. We also own the software licenses required to program this system. Purchasing a different programmable system would require us to purchase a new inventory of spare parts along with new software licenses.
- **Design and Construction:** The standardization on a single manufacturer allows for quick and easy replacement of failed equipment and compatibility with our existing SCADA design. The Webster Water Treatment Plant and the Lake Water Pump Station were both constructed with the next generation of Allen-Bradley programmable controllers.
- **Uniformity:** Consistent layout, wiring and control logic software for our programmable controller systems simplifies the troubleshooting and understanding of these systems.

- ***Employee Training:*** We have invested a considerable amount of time training staff in the Allen-Bradley system. A second programmable controller system would be more difficult to troubleshoot and repair, negatively impacting reliability. Repair time is minimized due to the maintenance staff's familiarity with one brand of instrument. The selection of competitive products would require additional training and knowledge for the operations, maintenance and laboratory staff.
- ***Resources:*** Allen-Bradley programmable logic controllers have a large presence in the Rochester and North American market and this creates a significant and competitive pool of trained technical and engineering resources available to assist us.

The regional sole source vendor for Allen-Bradley equipment is Horizon Solutions (letter and Rockwell Automation/ Allen-Brady website confirmation attached).

updated

Matthew Robie
300 Red Creek Drive, Suite 100
Rochester, NY 14623
Tel 585-487-2700
mrobie@ra.rockwell.com

**Rockwell
Automation**

October 2, 2015

Douglas Hartman
Monroe County Water Authority
4799 Dewey Ave
Rochester, New York 14612

Doug,

Horizon Solutions located at 175 Josons Drive, Rochester, NY 14623 and at 1300 College Ave, Elmira, NY 14901 is the only authorized Rockwell Automation / Allen-Bradley distributor for the following counties:

- Genesee (partial)
- Livingston
- Monroe
- Ontario
- Schuyler
- Seneca
- Tompkins
- Wayne
- Wyoming (partial)
- Yates
- Chemung
- Steuben
- Tioga (partial)

Best regards,



Matt Robie
Rockwell Automation

**Rockwell
Automation**

LISTEN. THINK. SOLVE.



**Rockwell
Automation**

 Allen-Bradley • Rockwell Software

Our Brands

Building Our Legacy of Integrity

Rockwell Automation is built on a strong foundation of integrity. Our reputation for quality, reliability and innovation is represented by the brands our products, software and services carry. As we increase our offerings, we remain keenly focused on enhancing our unique technology differentiation — and delivering integrated, value-added solutions.

Our strategic brands provide the foundation for our product, software and services offering:



Allen-Bradley

Allen-Bradley

Automation components and integrated control systems.

www.ab.com

Rockwell Software

Rockwell Software

Information, visualization and control software.

www.rockwellsoftware.com

**Rockwell
Automation**

Rockwell Automation

Solutions and services that complement our product offering — and maximize production throughout the automation lifecycle.

www.rockwellautomation.com

Our extended family of brands expands our solutions to address specific industry challenges:



ACP

Leading provider in centralized thin client, remote desktop and server management software.

AU
Our Co
Home
Rock
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Begin Your Search

Address 4799 Dewey Ave
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Welcome to the
Rockwell Automation Distributor Locator

Distributor	City	State	Distance to
Horizon Solutions LLC	Rochester	NY	13 mi.



MONROE COUNTY WATER AUTHORITY
REGULAR MEETING – March 9, 2017

* * *

Presented for Board Members' informational purposes:

- Notification of proposed recipients of Requests for Qualifications/Proposals (RFQ/P) for Rate Consultant Services. The RFQ/P will also be posted on the Authority's website.
- In Board folders for review (along with any routine monthly informational updates):
 - Staff recommendation memorandums to continue with the current standardizations on:
 - IDEXX ColiAlert Products.
 - Allen-Bradley Programmable Controllers.
 - NYS Comptroller's Office Report: *Drinking Water Systems in New York - The Challenges of Aging Infrastructure* (February 2017).

* * *

There being no further business to come before the Authority, Chairman Magguilli adjourned the meeting at 10:20 a.m.


Kathleen A. Eisenmann, Secretary to the Authority


Larry M. Magguilli, Chairman

MONROE COUNTY WATER AUTHORITY
REGULAR MEETING – September 13, 2018

BE IT FURTHER RESOLVED that the **Executive Director** has the authority to sign, with the concurrence of the **Monroe County Water Authority Board of Directors**, any and all documentation that may become necessary as a result of this project as it relates to the **Monroe County Water Authority**, and

BE IT FURTHER RESOLVED that the **Monroe County Water Authority** is hereby directed to transmit five (5) certified copies of the foregoing resolution to the New York State Department of Transportation.

On a motion made by Ms. Bleier-Mervis, seconded by Mr. Fero and duly put to a vote on roll call, the foregoing resolution #18-195 unanimously carried. AYES: 7 (Nasca, Volpe, Fero, Hurlbut, Bernstein, Bleier-Mervis, Rulison); NAYS: 0.

In discussion of Item #18-196 Mr. Savage addressed the Board describing details of the project which involves work being done to the roof of Pumping Station #1, 639 Edgemere Dr. and at the Central Processing Facility, 4799 Dewey Avenue in the Town of Greece. He also provided the Members with a recap of the results of the Bid and reported that there were 2 bids submitted and after review, the recommendation is to award the unit price contract to Weather Tight Installations.

#18-196 Authorize the **award of a unit price contract for the 2018 Roof Rehabilitation Program** to the low responsive, responsible bidder, Weather Tight Installations, in the bid amount of \$146,250.

On a motion made by Mr. Bernstein, seconded by Mr. Rulison and duly put to a vote on roll call, the foregoing resolution #18-196 unanimously carried. AYES: 7 (Nasca, Volpe, Fero, Hurlbut, Bernstein, Bleier-Mervis, Rulison); NAYS: 0.

In discussion of Item #18-197 Mr. LaManna advised the Board that MCWA has standardized on Allen-Bradley programmable controllers and stated that we continue to reconfirm standardization on same as done most recently in February of 2017.

#18-197 Authorize the **purchase of Allen Bradley Programmable Logic** network interface cards, controllers and ancillary equipment from Horizon Solutions for an estimated cost of \$30,000.

On a motion made by Mr. Rulison, seconded by Mr. Hurlbut and duly put to a vote on roll call, the foregoing resolution #18-197 unanimously carried. AYES: 7 (Nasca, Volpe, Fero, Hurlbut, Bernstein, Bleier-Mervis, Rulison); NAYS: 0.

For Items #18-198 and #18-199 Mr. Magguilli informed the Members that the items being requested for purchase (hardware, software and all associated equipment) is needed for the creation and implementation of a standalone server security system, separate from the existing MCWA standard operating system, in order to execute the necessary system enhancements required due to the newly reconfigured MCWA security operating system. Mr. Magguilli also addressed questions from the board relating to employee IT Security Training and existing MCWA IT Security best practices.

#18-198 Authorize the purchase of Network equipment to enhance the MCWA Security Infrastructure utilizing the NYS OGS Technology and Commodity contracts for a total estimated cost of \$175,000.

MONROE COUNTY WATER AUTHORITY
REGULAR MEETING - November 13, 2014

Moved By: W. Bleier-Mervis
Seconded By: A. Bernstein
Vote: Passed Unanimously

For Items #14-185, #14-186 and #14-187 - Mr. Noce reported these items are to amend three prior resolutions in order to reflect corrections to the NYS OGS Contract numbers listed in those prior resolutions.

#14-185 Amend resolution #12-160 (ref. 8/9/12) authorizing the purchase of various software licenses including Microsoft Office 2010 & Windows 7 from Dell Marketing LP under NYS OGS contract to reflect correction of the NYS OGS contract number as P165196.

Moved By: S. Nasca
Seconded By: L. Magguilli
Vote: Passed Unanimously

#14-186 Amend resolution #13-215 (ref. 12/12/13) authorizing the purchase of various Microsoft licenses from Dell under NYS OGS contract to reflect correction of the NYS OGS contract number as PS66134.

Moved By: L. Magguilli
Seconded By: S. Nasca
Vote: Passed Unanimously

#14-187 Amend resolution #14-082 (ref. 4/17/14) authorizing the purchase of various Microsoft licenses from Dell under NYS OGS contract to reflect correction of the NYS OGS contract number as PS66134.

Moved By: W. Bleier-Mervis
Seconded By: A. Bernstein
Vote: Passed Unanimously

In discussion of Item #14-188, Mr. King addressed the Board for renewal of this standardization. He provided information on staff's continued determination that Allen Bradley programmable controllers are still the most efficient and economical system currently available for MCWA and referenced the memorandum from Mr. Metzger on the detailed analysis the Board had received for their prior review.

#14-188 WHEREAS, since the Monroe County Water Authority's (the "Authority") SCADA control system design selected, in the late 1990's, Allen Bradley programmable controllers for the purpose of monitoring and controlling our treatment plant, processes and operations at remote pump stations and storage facilities, and

WHEREAS, the Authority has studied whether it should standardize the source of programmable logic controllers in order to maintain the efficiency of and compatibility within the Authority's SCADA system; and

WHEREAS, the Electrical and Instrumentation staff has developed standard layout, wiring and control logic software of our programmable controller systems to simplify trouble-shooting these devices and the systems they control, and

WHEREAS, the Authority currently has a significant inventory of spare parts, including circuit boards and power supplies, for the existing Allen Bradley programmable controller systems, and

WHEREAS, purchasing a new programmable system would require the Authority to purchase a new inventory of spare parts along with new software licenses and requisite training, and


WHEREAS the Authority owns the software licenses required to program Allen Bradley programmable controllers, and

WHEREAS, the Authority's Purchasing and Procurement Guidelines has Appropriate Circumstances for Standardization of Goods and Services under which several provisions would be satisfied; and



MEMORANDUM

TO: Nicholas Noce

FROM: Richard Metzger, P.E. 

SUBJECT: Standardization Update – Hach turbidimeters, chlorine meters, colorimeters

DATE: April 17, 2017

The following documents the updated standardization analysis by staff for Hach Company turbidimeters, portable chlorine meters, colorimeters, and associated reagents. In October 2014, the Board approved standardizing on Hach for turbidimeters and certain lab supplies (#14-174).

For many years, Hach equipment was available under a State Contract. However they do not currently have a State Contract, so a separately requested Board resolution will allow the Authority to continue to purchase these products.

Regulatory agencies require the Authority to monitor and report turbidity, chlorine residual and various water quality testing parameters to confirm compliance with water quality and operational regulations. The turbidimeters, portable chlorine meters, colorimeters, and associated reagents manufactured by Hach are the most accurate, efficient, reliable and economical systems for this purpose for the following reasons:

- **Economical:** Standardization on one manufacturer of turbidimeters, portable chlorine meters, colorimeters, and associated reagents allows the staff to stock only the spare parts and calibration standards for that manufacturer's instruments. The addition of a second manufacturer would necessitate purchasing and maintaining a second set of spare parts and calibration standards.
- **Design and Construction:** The standardization on a single manufacturer allows for quick and easy replacement of a failed instrument due to the fact that the wiring and process piping connections would not change.
- **Compliance:** Hach Company Instruments are EPA-certified for reporting purposes. Proper turbidity and chlorine residual monitoring is required by the Federal EPA and the New York State Department of Health. Hach Company turbidimeters, portable chlorine meters, colorimeters, and associated reagents are the overwhelming choice of domestic water suppliers.

- ***Uniformity:*** Selection of competitive products, although they would be certified as “equivalent”, may yield slightly different results which can lead to operational, calibration and other data comparison problems.
- ***Employee Training:*** Staff is trained in the operation, maintenance and calibration procedures of Hach Company turbidimeters, portable chlorine meters and colorimeters. Repair time is minimized due to the maintenance staff’s familiarity with one brand of instrument. The selection of competitive products would require additional training and knowledge for the operations, maintenance and laboratory staff.
- ***Inventory:*** The Authority currently has an extensive inventory of Hach Company instruments, including 40 online turbidimeters, 3 bench turbidimeters, and more than 20 portable residual meters, all of which are manufactured by Hach Company.

MONROE COUNTY WATER AUTHORITY
REGULAR MEETING – May 11, 2017

- #17-116 The Members of the Authority expressly make the following determinations for all awards of Procurement Contracts made during this meeting: (i) the proposed awardee has been found to be responsible; (ii) the proposed awardee complied with the State Finance Law provisions regarding Permissible Contacts (as defined in the Authority's Procurement Disclosure Policy); (iii) the proposed awardee has (or will prior to the final award being effective) complied with the State Finance Law provisions that require disclosure of all information required to be in the Authority's Solicitation Materials (as such term is defined in the Authority's Procurement Disclosure Policy); and (iv) the procurement process did not involve conduct that is prohibited by the Public Officers Law, the Authority's Procurement Disclosure Policy, and the Authority's Code of Ethics and Conflict of Interest Policies.

On a motion made by Mr. Bernstein, seconded by Mr. Rulison, and duly put to a vote on roll call, the foregoing resolution #17-116 unanimously carried. AYES: 7 (Magguilli, Volpe, Nasca, Hurlbut, Bernstein, Bleier-Mervis, Rulison); NAYS: 0.

For Item #17-117, Ms. Prestidge addressed the Members in discussion of this report which was enclosed in their packets of information on agenda items distributed in advance of meeting date for their prior review.

- #17-117 Approve the Authority's 1st Quarter Investment Report for the period ending March 31, 2017, as presented.

On a motion made by Mr. Rulison, seconded by Mrs. Volpe, and duly put to a vote on roll call, the foregoing resolution #17-117 unanimously carried. AYES: 7 (Magguilli, Volpe, Nasca, Hurlbut, Bernstein, Bleier-Mervis, Rulison); NAYS: 0.

For Item #17-118, Ms. Prestidge again addressed the Members in discussion of this report which was also enclosed in their packets of information on agenda items distributed in advance of meeting date for their prior review.

- #17-118 Approve the Authority's 1st Quarter Financial Report for the period ending March 31, 2017, as presented.

On a motion made by Mr. Hurlbut, seconded by Mr. Bernstein, and duly put to a vote on roll call, the foregoing resolution #17-118 unanimously carried. AYES: 7 (Magguilli, Volpe, Nasca, Hurlbut, Bernstein, Bleier-Mervis, Rulison); NAYS: 0.

* * *


Presented for Board Members' informational purposes:

- Notification of proposed recipients of Requests for Qualifications and Proposals (RFQ/P) for Laboratory Analytical Services. The RFQ/P will also be posted on the Authority's website.
- In Board folders for review:
 - Staff memorandum on Standardization Update for Hach turbidimeters, chlorine meters, colorimeters, and associated reagents.
 - Notification of hiring Temporary Student Interns at this time.
 - Any other routine monthly informational reports and/or updates.

* * *

There being no further business to come before the Authority, Chairman Magguilli adjourned the meeting at 9:58 a.m.


Kathleen A. Eisenmann, Secretary to the Authority


Larry M. Magguilli, Chairman

MONROE COUNTY WATER AUTHORITY
REGULAR MEETING – October 9, 2014

RESOLVED, that the Executive Director is authorized to enter into a professional services agreement for Professional Auditing Services with Bonadio & Company, LLP with principal offices at 171 Sully's Trail, Suite 201, Pittsford, New York 14534, all in accordance with a Proposal to Provide Auditing Services to the Monroe County Water Authority dated September 19, 2014 submitted by Bonadio & Company, L.L.P. All inclusive fees for conducting recurring services shall be based as submitted in their proposal dated September 19, 2014. This agreement is to provide Auditing Services for the fiscal years ending December 31, 2014, 2015, and 2016.

FURTHER RESOLVED, that this resolution shall take effect immediately.

Moved By: J. Rulison
Seconded By: S. Nasca
Vote: Passed Unanimously

For Item #14-173, Mr. King addressed the Members for award of the purchase of Supervisory Control and Data Acquisition (SCADA) Virtual Private Network (VPN) Telecommunications Services. He explained the contract is for the system by which much of the information is communicated to and from the Authority's facilities in the SCADA system, data communication lines. He also recapped bid results.

#14-173 Authorize the award of a unit price contract for the SCADA Virtual Private Network Telecommunications Services to the lowest responsive, responsible bidder, Frontier Communications of Rochester, Inc., in the bid amount of \$131,120 per year for a five year period.

Mr. Quattrone declared he is a retiree of Frontier with no financial interest.

Moved By: S. Nasca
Seconded By: L. Magguilli
Vote: Passed Unanimously

In discussion of Item #14-174, Mr. Metzger addressed the Members for authorization to standardize on Hach Company turbidimeters, portable chlorine meters, colorimeters and associated reagents, referencing his detailed memorandum documenting the analysis by staff in recommendation of this standardization which was provided to the Board for their prior review.

#14-174 WHEREAS, the United States Environmental Protection Agency (USEPA), New York State Department of Health (NYSDOH) and Monroe County Department of Public Health (MCDPH) require the Monroe County Water Authority (the "Authority") to perform turbidity, chlorine residual and other water quality testing to confirm compliance with governing water quality regulations; and

WHEREAS, the Authority's Production Maintenance Staff has used Hach Company turbidimeters for more than 30 years, and has developed standard installation, maintenance and calibration procedures to simplify the troubleshooting and calibration of these units; and

WHEREAS, the Authority's Production Operations and Laboratory Staff is familiar with and trained in the operation of Hach turbidimeters, portable chlorine meters, colorimeters, and associated reagents and;

WHEREAS, the Authority has studied whether it should now standardize on Hach Company turbidimeters, portable chlorine meters, colorimeters, and associated reagents in order to maintain efficiency, compatibility and reliability in water quality monitoring; and

WHEREAS, the Authority's Purchasing and Procurement Guidelines has Appropriate Circumstances for Standardization of Goods and Services under which several provisions would be satisfied; and

WHEREAS, the Authority desires to make certain that all of its future needs for approved water quality analyses products can be acquired; and

WHEREAS, upon the recommendation of the Authority's Production and Transmission Department, the Authority has determined that Hach Company turbidimeters, portable chlorine meters, colorimeters, and associated reagents are the most accurate, efficient, reliable and economical systems currently available.

NOW, THEREFORE, BE IT RESOLVED that:



Memorandum

To: Nicholas A. Noce
From: Richard J. Metzger, P.E. *ROM*
Subject: Standardization – Blue-chek C8600 Style Pump Packing
Date: August 18, 2017
CC: Steven Keller, Michael Mahns

The following documents the analysis by staff for the standardization of Blue-chek style pump packing. Blue-chek is a brand of Calkins Technical Products. The annual amount of pump packing purchases is approximately \$5,000. Staff has determined that Blue-chek C8600 style pump packing is the most durable and wear resistant pump packing currently available to MCWA for the following reasons:

- ***Design and Construction:*** Pump packing is very important to the operation and sealing the shaft of a pump. This is a rugged and proven pump packing that performs well in extreme conditions. The reliability has been outstanding with the Blue-chek pump packing.
- ***Compatibility:*** The standardization on a single manufacturer allows for the MCWA to purchase one type of pump packing; when replacing the packing there will be no compatibility issues of what packing brand goes in what pump. Blue-chek C8600 is used as the pump packing at both the Shoremont, Webster Water Treatment Plants, and at many remote booster pump stations.
- ***Less Maintenance:*** With the past use of Blue-chek packing there has been less maintenance on pumps. The pumps see less shaft sleeve wear and tear. With the pump sleeves not showing premature wear there is no extended pump down time as there is a long lead times for sleeve or shaft replacement.
- ***Inventory:*** The MCWA maintains at least ten pounds of pump packing of the most common sizes. Having multiple brands would require the MCWA to maintain a larger inventory of pump packing. Also there will need to be an inventory of which pumps have what brand of packing. (See compatibility above)
- ***Uniformity:*** Selection of competitive products, may yield different results which can lead to more maintenance, longer lead times on worn parts particularly shaft sleeves, and less durable products.

The sole source vendor and manufacturer for Blue-chek packing material is Calkins Technical Products (letter attached).



CALKINS TECHNICAL
PRODUCTS, INC.
Since 1980

85 Alliance Drive
Rochester, NY 14623

Phone: 800-800-0679
835-424-7325

Fax: 835-424-5858

Email: sales@calkinstech.com

Web: www.calkinstech.com

**To: Michael Mahns
Monroe County Water Authority
4799 Deway Avenue
Rochester, NY 14612**

Date: 8/18/2017

Re: Blue-cheK Packing

To Whom It May Concern:

This letter is to acknowledge that Calkins Technical Products, Inc. is the exclusive supplier of all **Blue-cheK® Packing** products in New York State and Pennsylvania.

As always, Calkins Technical Products, Inc. appreciates your business and looks forward to supplying you with the finest sealing and pump related equipment available.

Best Regards,

Dominick Lucisano
CALKINS TECHNICAL PRODUCTS, Inc.
DLucisano@calkinstech.com



**MONROE COUNTY WATER AUTHORITY
REGULAR MEETING – September 14, 2017**

In discussion of Item #17-189, Mr. Metzger further briefed the Members on this item in addition to their having received his memorandum in advance of this meeting in detailing justification for the Standardization for Blue-check pump packing. He indicated that Blue-check is a brand of Calkins Technical Products and the annual amount of pump packing purchases is approximately \$5,000.

#17-189 WHEREAS, the Authority has over 100 process pumps that require pump packing in our treatment plants and distribution system; and

WHEREAS, the Authority has studied whether it should now standardize the pump packing material in order to achieve improved efficiency, inventory cost control and parts compatibility within the Authority's pumps; and

WHEREAS, the Authority's staff has used the Blue-check pump packing which has significantly reduced shaft sleeve wear; and

WHEREAS, the Authority's Purchasing and Procurement Guidelines has Appropriate Circumstances for Standardization of Goods and Services under which several provisions would be satisfied; and

NOW, THEREFORE, BE IT RESOLVED that:

- 1. In order to provide for the purchase or procurement of approved products for pump packing material the Authority hereby establishes the Standardization of Blue-check pump packing.**
- 2. The Officers of the Authority are hereby authorized and directed for and on behalf of the Authority and in its name to do all acts and things required or as may be necessary, or in the opinion of the officer so acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Authority with all of the provisions of the foregoing resolutions.**

On a motion made by Mr. Rulison, seconded by Mr. Bernstein, and duly put to a vote on roll call, the foregoing resolution #17-189 unanimously carried. AYES: 6 (Maggiulli, Volpe, Nasca, Bernstein, Bleier-Mervis, Rulison); NAYS: 0.

#17-190 The Members of the Authority expressly make the following determinations for all awards of Procurement Contracts made during this meeting: (i) the proposed awardee has been found to be responsible; (ii) the proposed awardee complied with the State Finance Law provisions regarding Permissible Contacts (as defined in the Authority's Procurement Disclosure Policy); (iii) the proposed awardee has (or will prior to the final award being effective) complied with the State Finance Law provisions that require disclosure of all information required to be in the Authority's Solicitation Materials (as such term is defined in the Authority's Procurement Disclosure Policy); and (iv) the procurement process did not involve conduct that is prohibited by the Public Officers Law, the Authority's Procurement Disclosure Policy, and the Authority's Code of Ethics and Conflict of Interest Policies.

On a motion made by Mr. Rulison, seconded by Mr. Bernstein, and duly put to a vote on roll call, the foregoing resolution #17-190 unanimously carried. AYES: 6 (Maggiulli, Volpe, Nasca, Bernstein, Bleier-Mervis, Rulison); NAYS: 0.

For Item #17-191, Mr. Noce explained that the purpose of this resolution is in updating the Standard Work Day and Reporting in compliance with requirements by the NYS Office of State Comptroller, applicable to Authority Board Members who participate in the NYS Retirement System. It is being updated at this time as the Members were recently reappointed.

#17-191 BE IT RESOLVED, that the Monroe County Water Authority (the "Authority") hereby establishes the following as its standard work day for Members of the Authority, effective October 1, 2017, and will report the following days worked to the New York State and Local Employees' Retirement System based on the record of activities maintained and submitted by these officials to the Secretary of this body:



Memorandum

To: Nicolas A. Noce

From: Richard J. Metzger, P.E. *RJM*

Subject: Standardization – VPN Services for SCADA

Date: October 23, 2018

File: Purchasing

Copies: C. LaManna
D. Drifill

The following documents the analysis by staff for the standardization on Frontier Communications of Rochester, Inc.'s (Frontier) Virtual Private Network (VPN) for SCADA communications. The next planned purchase of this service will be in early 2019.

Staff has conducted a thorough, extensive review and determined that Frontier's VPN services provides the most reliable and cost-effective solution for our SCADA communications needs for the following reasons:

- **Compatibility:** Frontier's VPN network has been the only VPN used for SCADA communications at Shoremont, Webster, and Corfu Water Treatment plants and is used for our entire SCADA network controlling most booster pump stations and tank sites covering a large geographical area. Reliable SCADA VPN communications is essential to the successful operations of the supply system. We currently have 40 sites communicating on the Frontier SCADA VPN network, with the ability to add new sites as it becomes necessary.
- **Design and Construction:** The standardization on a single source of SCADA VPN communications allows MCWA to maintain the systems and respond to problems with a quick response to communications problems and resolve problems and restore communications rapidly. Reliability has been outstanding with the Frontier VPN network with almost 100% uptime.
- **Economical:** MCWA did perform a cost comparison several years ago on SCADA VPN networks using others vendors such as Earthlink, Time Warner and a few others that have exited the business with the results being +/- 10% of each other. During the prior bid for these services, the second bidder, Windstream, was a higher cost and no other providers submitted a bid.
- **Trained Employees:** The SCADA Maintenance staff are trained in the installation, configuration and troubleshooting of the Frontier SCADA VPN network and equipment. Mean time to restore vital communications is minimized due to staff thoroughly understanding the Frontier SCADA VPN network.
- **Uniformity:** We currently have three Treatment Plants and 37 other sites communicating on the Frontier SCADA VPN network, which is essential to the Production and Transmission Department operations.
- **Local Service:** While MCWA has only used a VPN for SCADA communications since 2014, for over 50 year prior, Frontier and its predecessor companies has been the communications provider that has meet our SCADA communications needs. During emergencies, the fact that Frontier still has local service technicians available means we are best able to deal with outages and equipment issues in a timely manner.

MONROE COUNTY WATER AUTHORITY
REGULAR MEETING – November 8, 2018

On a motion made by Mr. Bernstein seconded by Mr. Fero, the foregoing resolution #18-240 was duly put to a vote on roll call and unanimously carried. Ayes: 5; Nays: 0.

#18-241 **BE IT HEREBY RESOLVED: That the Monroe County Water Authority Board Meeting dates for 2019 be as follows:**

January	Thursday 10	9:30 a.m.
February	Thursday 14	9:30 a.m.
March	Thursday 14	9:30 a.m.
April	Thursday 11	9:30 a.m. <i>Annual & Regular Meeting Date</i>
May	Thursday 9	9:30 a.m.
June	Thursday 13	9:30 a.m.
July	Thursday 11	9:30 a.m.
August	Thursday 8	9:30 a.m.
September	Thursday 12	9:30 a.m.
October	Thursday 10	9:30 a.m.
November	Thursday 14	9:30 a.m.
December	Thursday 12	9:30 a.m.

On a motion made by Mr. Bernstein seconded by Mrs. Volpe, the foregoing resolution #18-241 was duly put to a vote on roll call and unanimously carried. Ayes: 5; Nays: 0.

For item #18-242 Mr. Metzger informed the members that Staff had conducted a thorough, extensive review of this matter and determined, based on reasons detailed in Resolution #18-242, that all purchases or procurements by the Authority of SCADA VPN services and ancillary equipment, should only be from Frontier Communications of Rochester, Inc., and therefore a recommendation of Standardization for same is requested.

#18-242 WHEREAS, the Monroe County Water Authority (the “Authority”) has studied whether it should now standardize on Frontier Communications of Rochester, Inc.’s

(“Frontier”) Virtual Private Network (“VPN”), for SCADA communications in order to maintain efficiency, compatibility and the reliability of our SCADA system for the Authority’s treatment plants, pump stations, storage tanks and other remote facilities, and

WHEREAS, reliable SCADA VPN communications is essential to the successful operations of the supply system, and

WHEREAS, the Authority currently has 40 sites communicating on the Frontier SCADA VPN network, with the ability to add new sites as it becomes necessary, and

WHEREAS, the operations and maintenance staff are trained in the installation, and configuration of this equipment, and

WHEREAS, upon the recommendation of the Authority’s Production and Transmission Department, the Authority has determined that Frontier’s VPN services provides the most reliable and cost-effective solution for our SCADA communications needs.

NOW, THEREFORE, BE IT RESOLVED that:

MONROE COUNTY WATER AUTHORITY
REGULAR MEETING – November 8, 2018

1. In order to provide for the most efficient and economic source of Virtual Private Network (VPN) for SCADA communications and for the reasons stated above, all purchases or procurements by the Authority of SCADA VPN services and ancillary equipment must be from Frontier Communications of Rochester, Inc.

2. The Members and staff of the Authority are hereby authorized and directed for and on behalf of the Authority and in its name, to do all acts and things required or as may be necessary, or in the opinion of the officer so acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Authority with all of the provisions of the foregoing resolutions.

On a motion made by Mr. Fero seconded by Mrs. Volpe, the foregoing resolution #18-242 was duly put to a vote on roll call and unanimously carried. Ayes: 5; Nays: 0.

#18-243 The Members of the Authority expressly make the following determinations for all awards of Procurement Contracts made during this meeting: (i) the proposed awardee has been found to be responsible; (ii) the proposed awardee complied with the State Finance Law provisions regarding Permissible Contacts (as defined in the Authority's Procurement Disclosure Policy); (iii) the proposed awardee has (or will prior to the final award being effective) complied with the State Finance Law provisions that require disclosure of all information required to be in the Authority's Solicitation Materials (as such term is defined in the Authority's Procurement Disclosure Policy); and (iv) the procurement process did not involve conduct that is prohibited by the Public Officers Law, the Authority's Procurement Disclosure Policy, and the Authority's Code of Ethics and Conflict of Interest Policies.

On a motion made by Ms. Bleier-Mervis seconded by Mr. Bernstein, the foregoing resolution #18-243 was duly put to a vote on roll call and unanimously carried. Ayes: 5; Nays: 0.

For item #18-244 Mr. Savage explained to the Members that Genesee County (County) is commencing with Phase 2 of their multiple phase water supply project to bring water from MCWA to the County. An initial environmental review under the State Environmental Quality Review Act (SEQR) was completed with the first phase of the project in the early 2000's. Projects for Phase 2 are being finalized, which required an amendment to the SEQR findings originally adopted. MCWA thoroughly reviewed the SEQR documents prepared by the County as Lead Agency for the project and provided the County with several comments, which were all addressed in the final version of the documents. Chairman Nasca asked several questions about MCWA bonding some of the Phase 2 projects.

#18-244 WHEREAS, The Genesee County Legislature did, by Resolution No. 280 of the year 1998, adopted September 9, 1998, was declared to be the Lead Agency for the Genesee County Water Supply Project and made a preliminary determination that said project would be a Type 1 action as defined by the State Environmental Quality Review Act, and

WHEREAS, The Lead Agency did, by Resolution No. 502 of the year 1998 adopted December 16, 1998, accept a Draft Environmental Impact Statement for said project and scheduled a Public Hearing on the same for January 13, 1999, and

WHEREAS, A public hearing was held on the Draft Environmental Impact Statement pursuant to applicable Regulations on January 13, 1999 at which time the Draft

Resolution: MCWA #18-242

COPY

**ESTABLISHING THE STANDARDIZATION ON FRONTIER
VIRTUAL PRIVATE NETWORK ("VPN") FOR
SCADA COMMUNICATIONS**

#18-242 WHEREAS, the Monroe County Water Authority (the "Authority") has studied whether it should now standardize on Frontier Communications of Rochester, Inc.'s ("Frontier") Virtual Private Network ("VPN"), for SCADA communications in order to maintain efficiency, compatibility and the reliability of our SCADA system for the Authority's treatment plants, pump stations, storage tanks and other remote facilities, and

WHEREAS, reliable SCADA VPN communications is essential to the successful operations of the supply system, and

WHEREAS, the Authority currently has 40 sites communicating on the Frontier SCADA VPN network, with the ability to add new sites as it becomes necessary, and

WHEREAS, the operations and maintenance staff are trained in the installation, and configuration of this equipment, and

WHEREAS, upon the recommendation of the Authority's Production and Transmission Department, the Authority has determined that Frontier's VPN services provides the most reliable and cost-effective solution for our SCADA communications needs.

NOW, THEREFORE, BE IT RESOLVED that:

1. In order to provide for the most efficient and economic source of Virtual Private Network (VPN) for SCADA communications and for the reasons stated above, all purchases or procurements by the Authority of SCADA VPN services and ancillary equipment must be from Frontier Communications of Rochester, Inc.
2. The Members and staff of the Authority are hereby authorized and directed for and on behalf of the Authority and in its name to do all acts and things required or as may be necessary, or in the opinion of the officer so acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Authority with all of the provisions of the foregoing resolutions.

CERTIFICATION

The undersigned hereby certifies that the above is an excerpt from the Minutes of a Regular Meeting of the Monroe County Water Authority, which was held on November 8, 2018 and that the Resolution is still in full force and effect.


Scott D. Nasca, Chairman

Date: November 8, 2018
Rochester, New York



To: Nicholas Noce, Executive Director

Date: 05/23/2018

From: Ray Benshoff, Exec. Director of Operations

File:

Subject: Standardization – Aervoe Marking Paint

Copies:

The following documents the analysis by staff for confirmation for the standardization on Aervoe Marking Paint for marking the ground for utility locations.

Three popular brands of marking paint were tested for durability by Authority warehouse personnel, namely Rustoleum, Krylon, and Aervoe.

Local Conditions: The Water Authority is located in an area of the Country that is prone to varying weather conditions (sun, rain, hot, cold, snow, etc.). In addition to withstanding the weather, marking paint must hold up for an extended period of time as in many instances, construction work does not always happen immediately after utilities have been marked.

Staff tested these brands of marking paint in all types of weather and for extended periods of time. Aervoe out-performed the other two brands in keeping curb and valve boxes painted for a prolonged time. Aervoe provides the best quality paint in terms of color visibility and retention, durability, and a lasting mark.

Aervoe paint is sold by four local vendors.

MONROE COUNTY WATER AUTHORITY
REGULAR MEETING – June 7, 2018

On a motion made by Mr. Rulison, seconded by Mr. Fero, and duly put to a vote on roll call, the foregoing resolution #18-133 unanimously carried. AYES: 6 (Nasca, Volpe, Fero, Bernstein, Bleier-Mervis, Rulison); NAYS: 0.

For Item #18-134, Mr. Jablonsky addressed the Board for authorization on the purchase of work stations under NYS OGS Contract for the IT expansion at the ESOC. The Board also received a recommendation memorandum on this item for their prior review, and Mr. Jablonsky responded to a few remaining inquiries from Ms. Bleier-Mervis and Ms. Volpe.

#18-134 Authorize the **purchase and installation of desktop work stations** for the Information Technology (IT) work space expansion at the East Side Operations Center, from Sedgwick Business Interiors **under NYS OGS Contract #PC66271**, for an estimated cost of \$16,000.

On a motion made by Mr. Rulison, seconded by Ms. Bleier-Mervis, and duly put to a vote on roll call, the foregoing resolution #18-134 unanimously carried. AYES: 6 (Nasca, Volpe, Fero, Bernstein, Bleier-Mervis, Rulison); NAYS: 0.

In discussion of Item #18-135, Mr. Benshoff briefed the Members on this item in addition to their having received his memorandum in advance of this meeting in detailing justification for the Standardization for Aervoe marking paint. He also indicated there are currently four (4) area suppliers for this paint.

#18-135 **WHEREAS**, Authority staff perform multiple utility stakeouts on a daily basis; and

WHEREAS, construction work does not always occur immediately after utilities have been marked; and

WHEREAS, the Authority staff has tested popular brands of marking paint for durability; and

WHEREAS, the Authority is located in an area of the Country that is prone to varying weather conditions, and Aervoe paint has proved to be the best quality paint in terms of color, visibility and durability; and

WHEREAS, the Authority's *Purchasing and Procurement Guidelines* has Appropriate Circumstances for Standardization of Goods and Services under which a provision would be satisfied.

NOW, THEREFORE, BE IT RESOLVED that:

In order to provide for the purchase or procurement of an approved product for marking paint, **the Authority hereby establishes the Standardization of Aervoe marking paint.**

The Officers of the Authority are hereby authorized and directed for and on behalf of the Authority and in its name to do all acts and things required, or as may be necessary, or in the opinion of the officer so acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Authority with all of the provisions of the foregoing resolution.

On a motion made by Mr. Rulison, seconded by Mr. Bernstein, and duly put to a vote on roll call, the foregoing resolution #18-135 unanimously carried. AYES: 6 (Nasca, Volpe, Fero, Bernstein, Bleier-Mervis, Rulison); NAYS: 0.

COPY

Resolution: MCWA #18-135

ESTABLISHING THE STANDARDIZATION OF AERVOE MARKING PAINT

#18-135 **WHEREAS**, Authority staff perform multiple utility stakeouts on a daily basis; and

WHEREAS, construction work does not always occur immediately after utilities have been marked; and

WHEREAS, the Authority staff has tested popular brands of marking paint for durability; and

WHEREAS, the Authority is located in an area of the Country that is prone to varying weather conditions, and Aervoe paint has proved to be the best quality paint in terms of color, visibility and durability; and

WHEREAS, the Authority's *Purchasing and Procurement Guidelines* has Appropriate Circumstances for Standardization of Goods and Services under which a provision would be satisfied.

NOW, THEREFORE, BE IT RESOLVED that:

In order to provide for the purchase or procurement of an approved product for marking paint, **the Authority hereby establishes the Standardization of Aervoe marking paint.**

The Officers of the Authority are hereby authorized and directed for and on behalf of the Authority and in its name to do all acts and things required, or as may be necessary, or in the opinion of the officer so acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Authority with all of the provisions of the foregoing resolution.

CERTIFICATION

The undersigned hereby certifies that the above is an excerpt from the Minutes of a Regular Meeting of the Monroe County Water Authority, which was held on June 7, 2018 and that the Resolution is still in full force and effect.



Scott D. Nasca, Chairman

Date: June 7, 2018
Rochester, New York



Monroe County Water Authority

Memorandum

To: Nicholas A. Noce
From: Richard J. Metzger, P.E. *RJM*
Subject: Standardization – Vacuum Regulators

Date: July 3, 2018
File: 18-S04 #3
Copies: D. Driffill
S. Keller
D. Hendershott
R. Cleveland
H. Young

The following documents the analysis by staff for the standardization of Hydro Instruments Vacuum Regulators for our gas chlorination systems. The next planned purchase of this class of equipment will be this summer for nine units for the emergency back-up system for the SWTP chlorination system with a cost of approximately \$8,500.

Staff has conducted a thorough, extensive review and determined that Hydro Instruments provides the most durable and safest vacuum regulators for the following reasons:

- **Design and Construction:** Hydro Instruments manufactures its Vacuum Regulator body parts by machining them from solid blocks of PVC stock, rather than injection molding of molten plastic. Machining eliminates the residual stresses from the molding process that lead to cracking and warping, and also allows for a much heavier wall thickness than that allowed by injection molding. Hydro Vacuum Regulators use a PVC material that is chemically resistant, durable and resistant to cracking. PVC cannot be used for the injection molding manufacturing process.
- **Compatibility:** The standardization on a single manufacturer minimizes manifold compatibility issues. These vacuum regulators are compatible with the SWTP Sulfur dioxide (SO₂) system and the Webster WTP system (with minor piping modifications).
- **Safety:** Limiting the amount of pressure pipe in a chlorine system is one way to reduce potential for leaks. Hydro vacuum regulators incorporate a unique design that eliminates the pressurized leak path into the room. All other regulators studied rely on O-rings to prevent pressurized gas from leaking into the room.
- **Less Maintenance:** Hydro Instruments design has minimal moving parts resulting in less required maintenance. The Hydro units carry a 3-year warranty. The Siemens chlorinators with Wallace & Tiernan vacuum regulators at Webster WTP have had consistent, ongoing maintenance issues since their installation.

The sole source vendor for Hydro Instruments is PERTECH, Inc. (letter attached). PERTECH is out of Buffalo, NY and has been supplying MCWA with chlorine equipment for over 25 years.

MONROE COUNTY WATER AUTHORITY
REGULAR MEETING – July 12, 2018

On a motion made by Mr. Bernstein, seconded by Mr. Fero, and duly put to a vote on roll call, the foregoing resolution #18-155 unanimously carried. AYES: 5 (Nasca, Volpe, Fero, Bernstein, Bleier-Mervis); NAYS: 0.

#18-156 Authorize the **purchase of an estimated five (5) Dell Latitude Rugged 14 laptop computers under NYS OGS Contract Group 73600 – Award 22802 – Information Technology Umbrella Contract #PM20820 – Manufacturer Based, Dell Marketing LP, Lot 2, at an estimated total cost of \$18,000.**

On a motion made by Ms. Bleier-Mervis, seconded by Mr. Fero, and duly put to a vote on roll call, the foregoing resolution #18-156 unanimously carried. AYES: 5 (Nasca, Volpe, Fero, Bernstein, Bleier-Mervis); NAYS: 0.

In discussion of Item #18-157, Mr. Metzger further briefed the Members on this item to Standardize on Hydro Instruments Vacuum Regulators – as detailed in the memorandum provided to the Board Members in advance of this meeting in justification for this Standardization. He reported that staff has conducted a thorough, extensive review and determined that Hydro Instruments provides the most durable and safest vacuum regulators. He brought a demo model for illustration purposes and discussed the next planned purchase of this class of equipment and its approximate cost.

#18-157 **WHEREAS**, the Monroe County Water Authority (the “Authority”) has studied whether it should now **standardize on Hydro Instruments Vacuum Regulators** in order to maintain efficiency, compatibility and the reliability of our emergency chlorination and sulfur dioxide feed systems at the Authority’s treatment plants, and

WHEREAS, the Production and Transmission Department staff has found this equipment to be significantly more robust than other manufacturers’ equipment, and

WHEREAS, the Authority currently has other compatible equipment which will result in lower parts inventory, and

WHEREAS, the operations and maintenance staff are trained in the installation, configuration and calibration of this equipment, and

WHEREAS, upon the recommendation of the Authority’s Production and Transmission Department, the Authority has determined that Hydro Instruments Vacuum Regulators are the most efficient and economic equipment currently available.

NOW, THEREFORE, BE IT RESOLVED that:

1. In order to provide for the most efficient and economic source of vacuum regulators and for the reasons stated above, **all purchases or procurements by the Authority of vacuum regulators and any ancillary equipment must be Hydro Instruments.**
2. The Members and staff of the Authority are hereby authorized and directed for and on behalf of the Authority and in its name to do all acts and things required or as may be necessary, or in the opinion of the officer so acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Authority with all of the provisions of the foregoing resolutions.

On a motion made by Mr. Bernstein, seconded by Mr. Fero, and duly put to a vote on roll call, the foregoing resolution #18-157 unanimously carried. AYES: 5 (Nasca, Volpe, Fero, Bernstein, Bleier-Mervis); NAYS: 0.

Resolution: MCWA #18-157

COPY

**ESTABLISHING THE STANDARDIZATION ON HYDRO INSTRUMENTS
VACUUM REGULATORS**

#18-157

WHEREAS, the Monroe County Water Authority (the "Authority") has studied whether it should now standardize on Hydro Instruments Vacuum Regulators in order to maintain efficiency, compatibility and the reliability of our emergency chlorination and sulfur dioxide feed systems at the Authority's treatment plants, and

WHEREAS, the Production and Transmission Department staff has found this equipment to be significantly more robust than other manufacturers' equipment, and

WHEREAS, the Authority currently has other compatible equipment which will result in lower parts inventory, and

WHEREAS, the operations and maintenance staff are trained in the installation, configuration and calibration of this equipment, and

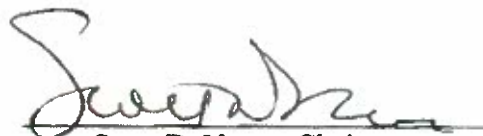
WHEREAS, upon the recommendation of the Authority's Production and Transmission Department, the Authority has determined that Hydro Instruments Vacuum Regulators are the most efficient and economic equipment currently available.

NOW, THEREFORE, BE IT RESOLVED that:

1. In order to provide for the most efficient and economic source of vacuum regulators and for the reasons stated above, all purchases or procurements by the Authority of vacuum regulators and any ancillary equipment must be Hydro Instruments.
2. The Members and staff of the Authority are hereby authorized and directed for and on behalf of the Authority and in its name to do all acts and things required or as may be necessary, or in the opinion of the officer so acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Authority with all of the provisions of the foregoing resolutions.

C E R T I F I C A T I O N

The undersigned hereby certifies that the above is an excerpt from the Minutes of a Regular Meeting of the Monroe County Water Authority, which was held on July 12, 2018 and that the Resolution is still in full force and effect.


Scott D. Nasca, Chairman

Date: July 12, 2018
Rochester, New York