MEETING MINUTES
GOVERNANCE COMMITTEE
Thursday, October 19, 2017, 10:00 AM
Authority Conference Room, Suite 414, 4th Floor
317 Washington Street, Watertown, New York

Members Present
Gary Turck, Chairman
Margaret Murray
John B. Johnson, Jr.
Thomas Hefferon
Alfred Calligaris

Staff Present
James W. Wright, Executive Director
Carl Farone, Comptroller
Jo Anne Yaddow, Executive Assistant

Members Absent
Fredrick Carter

1. Chairman Turck called the meeting to order at 10:00 am. Chairman Turck asked for a roll call. All Committee Members were present except for F. Carter.

2. Health Insurance Premiums –

   a. C. Farone detailed the Authority’s Health Insurance renewal with the Committee Members. After Authority review of the plan information, revised rates, and Management’s recommendations, the Governance Committee unanimously voted to authorize the employee and retiree health insurance premiums for the plan year 2018 as follows:

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Per Pay Period</th>
<th>Annual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>$78.00</td>
<td>$2,028.00</td>
</tr>
<tr>
<td>Employee/Spouse</td>
<td>$173.00</td>
<td>$4,498.00</td>
</tr>
<tr>
<td>Employee/Children</td>
<td>$156.00</td>
<td>$4,056.00</td>
</tr>
<tr>
<td>Family</td>
<td>$221.00</td>
<td>$5,746.00</td>
</tr>
<tr>
<td>Retiree &lt;65</td>
<td>Monthly $169.00</td>
<td>Annual $2,028.00</td>
</tr>
<tr>
<td>Retiree &gt;65</td>
<td>TBD (27%)</td>
<td>TBD (27%)</td>
</tr>
</tbody>
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Premium cost for Retirees over 65 will be computed at a 27% of the Authority Supplemental Plan and 27% of the Standard Part B Premium for Medicare Part B for employees paying the benefit through Social Security Benefits.

3. DCAA Audit – C. Farone stated the DCAA completed their audit of the fiscal years ending 2014, 2015 & 2016. An exit interview is tentatively scheduled with DCAA for Monday, October 23, 2017. The only finding of record are questioned cost of $967,000 with the City of Watertown. The questioned costs result from the rate at which the City of Watertown charges utility cost to the Authority and ultimately Fort Drum. The City of Watertown has a power of purchase agreement with National Grid until 2029. This agreement stipulates the rate at which National Grid will purchase excess power from the City of Watertown. Even
though the Authority has a cost based contract with the City of Watertown, the City of Watertown has been using the rates from the power purchase agreement as the rate to charge the Authority and ultimately Fort Drum. J. Wright stated the Authority has tried to get the City to adjust the rates to be more equitable. The City Comptroller maintains this process been audited by DCAA in previous years. After a meeting with the Mayor, City Manager, City Comptroller, and City Attorney, there was no resolution. J. Johnson asked if the auditors met with the principals. C. Farone stated there is a meeting on Monday between the two parties. J. Wright stated from a practical standpoint, there needs to be negotiation of a new market rate. A. Calligaris asked what other municipalities charge. C. Farone responded that the market rate charged by National Grid would be a fair and equitable cost of City-provided power.

4. Fort Drum Partnership Resolution – Fort Drum Garrison and the North Country Community have identified a priority for a visitors welcome center to be located adjacent to the current Fort Drum Museum restoration project and outside the security perimeter but on federal land. Senator Ritchie announced a $1 million state grant to assist in the project. The Development Authority would serve as lead agency for the receipt of state funding and the overall project management of the actual construction of the facilities. The Authority authorizes an appropriation of $250,000 to serve as matching funds for the project and also authorizes the advancement of construction funding not to exceed $1,250,000.

M. Murray asked if the building will be manned by Fort Drum. J. Wright responded yes and the building will also serve as a community room to host events.

Upon a motion by T. Hefferon, and seconded by M. Murray, the Fort Drum Partnership – New York State Funds Lead Agency - Fort Drum Visitors Welcome Center Resolution, was unanimously recommended to go before the Board.

5. J. Wright noted the Authority is in the process of repurposing Fort Drum furniture (including appliances, refrigerators, and beds (no mattresses) and storing the items at the Watertown Industrial Center. After the items are refurbished, they will be given to social service agencies for clients in need.

6. Landfill Closure Assistance Resolution – The Development Authority had received state funding in September 2003 to contribute to closure of several cells at the Authority landfill. The terms of the Landfill Closure Grant required repayment of the state funding should the closure and capped areas be re-opened for operation. The New York State Department of Environmental Conservation has issued a new landfill construction permit to the Development Authority and has agreed to defer the matter of repayment until, and if, the Authority initiates the overlaying of the closed section as planned. The Resolution acknowledges this obligation and the Development Authority will include the $948,250 repayment to NYSDEC in future Closure Reserve financial Assurance calculations.

Upon a motion by T. Hefferon, and seconded by A. Calligaris, the Landfill Closure Grant Capital Reserve Funding Resolution, was unanimously recommended to go before the Board.
7. St. Lawrence County Recycling – Casella has informed St. Lawrence County that they want out of the recycling business. The Development Authority is working with St. Lawrence County to put out a bid for these services. The Authority is looking at the numbers to put St. Lawrence and Jefferson County together. J. Wright stated that it is inevitable that this plan will evolve. To date, there has been only one meeting with St. Lawrence County on this matter.

8. Carthage Specialty Paper (CSP) Service Termination – J. Wright stated CSP and the Village of West Carthage were in a dispute over CSP paying a disproportionate share of disposal costs. CSP stopped paying their bill. Negotiations were planned but did not happen. With no consistent management at CSP, the Village of West Carthage unilaterally decided to serve a termination notice on CSP. The Village of West Carthage passed a resolution and called Carrie Tuttle to serve the termination notice. J. Wright corresponded with the two mayors stating the Authority contract is with both parties and will accept the resolution from Village of West Carthage but the Village of Carthage also needs to pass a resolution. There is an agreement for a payment plan with CSP and when certified copies are received by the Authority, a notice of termination will be issued.

9. J. Wright spoke about a request for assistance from Marc Losurdo regarding replacement of an equalizer tank at the Heuvelton facility. Water Quality and Engineering are currently reviewing this. Other funding options are being looked into by Mr. Losurdo as well.

10. Personnel Transactions – As reported in the Executive Briefs, Patricia Pastella has accepted a promotion to the Materials Management Division Manager position and Brian Nutting will be promoted to the Water Quality Division Manager position. There was discussion of salaries for the Carthage Water Quality Supervisor and Water Quality Supervisor Trainee and benefits for the part time Malone Water Quality Supervisor, benefits for part time position. The Authority is still under budget with the salary changes. The only added cost is for the Malone position that is added with the new contract. All covered by external revenue.

11. Upon a motion by T. Hefferon, and seconded by M. Murray, the Governance Committee went into Executive Session. Upon a motion by M. Murray, and seconded by J. Johnson, the Governance Committee came out of Executive Session with no action being taken.

12. Chairman Turck adjourned the meeting at 11:45.

Respectfully submitted,

[Signature]

Gary Turck
Chairman, Governance Committee