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## **AGENDA**

### **Meeting of the Niagara Falls Water Board**

**June 22, 2020 5:00 PM**

**\*\*\*Meeting to be held via conference call pursuant to Executive Order 202.1 and 202.38 – visit NFWB.org for call-in details.\*\*\***

#### **1. Attendance and Preliminary Matters**

- a. Brown \_\_\_ Forster \_\_\_ Larkin \_\_\_ Leffler \_\_\_ Kimble \_\_\_
- b. Letters and Communications
- c. Public Comment (Public comments may be submitted in writing to be read by the Secretary and must be received by 12:00 p.m. on May 22, 2020. Comments may be summarized when read. Email comments to [scostello@NFWB.org](mailto:scostello@NFWB.org) or mail c/o Sean W. Costello, 5815 Buffalo Ave., Niagara Falls, NY 14304)
- d. Approval of Minutes from May 18, 2020 Meeting
- e. Approval of Minutes from May 28, 2020 Special Meeting

#### **2. Executive Director**

#### **3. Superintendent**

#### **4. Engineering**

#### **5. Personnel Items/Director of Administrative Services**

- a. Personnel Actions for June 22, 2020

#### **6. Information Technology (IT) Dept.**

**7. Financial Reports – Director of Financial Services**

**a. Final 2019 Audit Reports**

- i. Audit Summary**
- ii. Report to Board**
- iii. Management Letter**
- iv. Financial Statements, Supplementary Information, and Auditors' Report**
- v. Investment Report**

**8. Reports**

- a. Questions Regarding O&M Reports**
- b. Safety**

**9. General Counsel and Secretary**

**10. From the Chairperson**

**11. Resolutions**

**2020-06-001 – APPROVING AND ACCEPTING INDEPENDENT  
AUDIT AND INVESTMENT REPORTS**

- a. Supporting Documents: See Finance Reports at a(ii) through a(v).**

*Note: Renumbered; same as Tabled Resolution 2020-05-022.*

**2020-06-002 – GOVERNANCE COMMITTEE MEMBERSHIP AND MEETINGS**

*Note: Renumbered; same as Tabled Resolution 2020-05-005.*

**2020-06-003 – AUTHORIZING PURCHASE OF DUMP TRUCK, DECLARING  
AS SURPLUS AND AUTHORIZING DISPOSAL THROUGH TRADE IN OF  
TWO DUMP TRUCKS, AND AUTHORIZING FINANCING FOR NET  
PURCHASE PRICE**

- a. Hunter Dump Truck Quote Package**
- b. Financing Rate Sheet**

**2020-06-004 – AUTHORIZING AGREEMENT WITH ARCADIS FOR  
PREPARATION OF ENGINEERING REPORT AND TECHNICAL  
ASSISTANCE FOR WQIP GRANT PROGRAM SUBMISSION**

- a. Arcadis WQIP Engineering Report Proposal, June 4, 2020**

**2020-06-005 – INSTALLATION OF ELECTRICAL SERVICE FOR  
TEMPORARY CONSTRUCTION TRAILERS**

- a. **Ferguson Quote, May 11, 2020, No. PD21077**

**2020-06-006 – UPDATED POLICY FOR AGENDAS, RESOLUTIONS, AND  
ASSOCIATED SUPPORTING MATERIALS**

**2020-06-007 – NYS WATER QUALITY IMPROVEMENT PROJECT GRANT  
APPLICATION FOR LASALLE SEWER REHABILITATION PROJECT**

**2020-06-008 – ENGINEERING PLANNING GRANT APPLICATION AND SEQR  
REVIEW FOR LASALLE SEWER REHABILITATION PROJECT**

**2020-06-009 – AUTHORIZING PROJECT 10, PHASE 2, SCADA DESIGN,  
DEVELOPMENT, AND PROGRAMMING WORK AT WASTEWATER  
TREATMENT PLANT**

- a. **Kaman Proposal, June 15, 2020, No. 200740-1**

**12. Unfinished Business**

**13. New Business & Additional Items for Discussion**

**14. Executive Session (if needed)**

**15. Adjournment of Meeting**



**Minutes of the Annual Meeting and Business Meeting  
of the Niagara Falls Water Board**

**May 18, 2020 5:00 PM**

**Note: This meeting was held via conference call pursuant to  
Executive Order 202.1.**

**1. Attendance and Preliminary Matters**

*Acting Chairperson Kimble called the meeting to order at 5:00 p.m.*

a. Brown *P* Forster *P* Larkin *P* Leffler *P* Kimble *P*

**b. Letters and Communications**

- i. Niagara Golf Partners, LLC – Request for Deduct Meter
- ii. Appointment of Michael Monaco to Water Authority

*Mr. Costello noted that Niagara Golf Partners is seeking a deduct meter for the water used to irrigate the golf course.*

- c. Public Comment (Note: Public notice was given that comments could be submitted in writing to be read by the Secretary, and must be received by 12:00 p.m. on May 18, 2020.)

*Mr. Costello noted that no public comments were received.*

**d. Approval of Minutes from February 24, 2020**

*Motion by Mr. Brown and seconded by Mr. Forster to approve the February 24, 2020 meeting minutes.*

*Brown *Y* Forster *Y* Larkin *Y* Leffler *abstain* Kimble *Y**

*Motion carried, 4-0, with one abstention.*

*Mr. Brown asked that consideration of the audit and of the resolution to approve the audit be postponed to the next meeting permit additional time to review the audit, an important Board function. In the interest of time given the length of the agenda he asked that the capital project status presentation be postponed. Last, he requested to move the executive session up to the beginning of the agenda.*

*Motion by Mr. Forster and seconded by Ms. Larkin to table consideration of the annual audit and the resolution to approve the audit to the June meeting.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion carried 5-0.*

*Motion by Mr. Forster and seconded by Mr. Brown to table the capital project status summaries.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion carried, 5-0.*

*Motion by Mr. Forster and seconded by Mr. Brown to table the construction schedule update.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion carried, 5-0.*

*Motion by Mr. Forster and seconded by Mr. Brown to move executive session to the beginning of this meeting.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_N\_\_ Leffler \_\_N\_\_ Kimble \_\_N\_\_*

*Motion was not carried, 2-3.*

## **2. Executive Director**

- a. WWTP Capital Project Status Summaries (CPL)**
- b. WWTP Construction Schedule Tracker (CPL)**

*Mr. Fama noted the wastewater projects are going well, and had nothing further that needed to be reported.*

### **3. Superintendent**

#### **a. Planned Letter to Owners of Private Hydrants**

##### **i. Map Showing Locations of Private Hydrants**

*Mr. Wright explained that this letter will be used to identify private hydrants, and will help verify that those hydrants are being maintained. The information is shared with the Fire Department. Ms. Leffler suggested that including a response date is important, and that the letter be a joint letter with the Fire Department to encourage compliance. Mr. Forster asked that the private hydrants be color-coded to reflect their flow rates.*

### **4. Engineering**

#### **a. Draft Capital Improvement Plan (CIP) (Updated as of May 8, 2020)**

*Mr. Williamson provided a draft CIP (updated 5/8/2020) to the Board. He explained some updates to the CIP, and identified the projects to be included in the WIIA grant application.*

*Mr. Brown asks if all the current projects are within budget. Mr. Williamson states that the projects in progress appear within budget, but some of the WWTP projects have not gone out to bid yet. Mr. Williamson refers to CPL for specific budgetary inquiries.*

*Mr. Forster continues to see a lot of water projects go on the back burner in the CIP, as well as roof-repair projects. He noted that there have been Vanguard and CPL reports regarding needed roof repairs. He asked Mr. Williamson to report back to the Board on the needs for roof-repair funding and to make adjustments to the CIP as appropriate.*

### **5. Personnel Items/Director of Administrative Services**

#### **a. Personnel Actions for May 18, 2020**

*Mr. Perry reviewed the proposed personnel actions, noting that two MW3's are needed because two current employees are leaving in the next 12-18 months. Hiring at least one soon is essential to permit proper training to replace an employee leaving in September. An operating engineer is needed to replace an employee departing later in May. It has been challenging to find a project engineer for the salary available, and he is seeking authority to increase the salary he can offer. He seeks Board direction regarding hiring for the inventory control and Deputy Director of Administrative*

*Services positions and discussed other positions that he believes the Water Board could use.*

*Mr. Forster would like to discuss matters pertaining to the hiring of individuals in Executive Session. Mr. Costello noted that this would not be a problem as long as the Board is discussing the hiring of specific individuals for the positions.*

*[Note: The Board voted to table the Personnel Actions later in the meeting.]*

## **6. Information Technology (IT) Dept.**

*Mr. Fama explains that the IT department has highlighted their completed and ongoing projects under their section of the O&M report. These projects include work on wiring upgrades and setting up vehicle GPS. IT did a great job setting up remote access for employees to work from home during the pandemic.*

## **7. Financial Reports – Director of Financial Services**

- a. **Final 2019 Audit Reports**
  - i. **Auditors' Presentation**
  - ii. **Report to Board**
  - iii. **Management Letter**
  - iv. **Financial Statements, Supplementary Information, and Auditors' Report**
  - v. **Investment Report**
- b. **Payroll-Based Overtime Report**
- c. **Bank Balances**
- d. **Accounts Payable – April 8, 2020 Payment Listing**
- e. **Revenues – Historical and Projections**
  - i. **Charts**
  - ii. **Large Accounts Historical vs YTD**
- a. **Budget Report**
  - i. **YTD Revenues**
  - ii. **YTD Expenses**

*Ms. Walker agrees with postponing the audit to provide more time for review and noted that the Acting Chairperson and Treasurer did receive a draft report a few days prior to the final report being issued. She noted the auditors also would like to participate in the meeting when the audit is discussed.*

*It is difficult to predict the impact of the pandemic, but the Water Board's bond consultant does not see any reason to worry because the Board's debt service and debt service reserve funds are well funded.*



*Ms. Walker noted that few rate payers have claimed an inability to pay their water bill because of pandemic-related impacts or unemployment. She noted the supplemental unemployment benefits people are receiving and that there was no 2020 rate increase. Payment issues that are coming up are addressed on a case-by-case basis, payment plans are available, and the adjustment policy remains available to customers with high bills.*

*Mr. Brown noted that revenues in 2019 appear to be down about 3% lower than 2018. He questions the plan if this trend continues.*

*Ms. Walker states that the debt service reserve fund is overfunded. There is no mechanism in place to reallocate those funds, but the bond consultant has advised that those excess funds can be reallocated at the Board's pleasure.*

*Mr. Brown is requesting a side-by-side comparison of 2018, 2019, and 2020 projected revenues and expenses.*

*Ms. Walker believes unanticipated expenses including usage of the IDIQ is over budget. Mr. Brown asked when the Board would receive a report outlining the actual expenditures to budget, and to compare current to prior year expenses. He would like expenses that are running over budget highlighted. The prior-year reports in the packets are not very helpful.*

*Ms. Walker noted that New World's reporting capabilities, its canned reports, are limited. Mr. Brown states that he is aware of the shortcomings regarding New World software. However, the financial department could be utilizing Microsoft Excel to generate reports as opposed to looking into an additional investment for new software.*

*Mr. Brown inquires how the monthly revenues are recorded, as collected or as billed?*

*Ms. Walker states they are recorded both ways in New World. Mr. Brown noted that the revenues appear to be recorded as collected because the reports show a spike in October that Ms. Walker explained relates to the transfer to taxes.*

*Mr. Forster states the NFWB is 76% over the overtime budget for February 2020. He asked if the employees are working the same schedules.*

*Mr. Fama states that some departments are back working full-time, while some departments are remaining at half-staff levels. Mr. Fama states he will re-visit the staffing plan on a weekly basis in compliance with the Governor's stay-at-home order.*

*Ms. Leffler inquires who is responsible for drafting, submitting, and implementing the plan for employees before they return to work at full staffing levels.*

*Mr. Perry states that he will be the one to prepare the plan for the NFWB during the pandemic but he needs more time to review the requirements. He received 24 pages of instructions earlier in the day.*

## **8. Reports**

- a. Questions Regarding O&M Reports**
- b. Safety**

*Ms. Senia noted that plans are in place to prepare for and respond to the pandemic. These include:*

- Stockpiling supplies, and keeping records to show employees received them;*
- Limited access to break rooms – chairs removed;*
- Conducting daily walk throughs;*
- Ensuring that employees are wearing masks when needed;*
- Self-assessment checklists are provided at the time clock systems for the employees.*

*Ms. Larkin would like to see every employee fever screened. Ms. Senia states that options for this have been considered. The Water Board has some thermometers and pulse oximeters, and additional non-contact thermometers will be available in mid-June. However, employees are expected to scan themselves before reporting to work. Certain departments are monitoring their employees and taking temperatures daily within that department, but a full-scale screening program poses challenges, including the cost of trained personnel for the screening and privacy issues. Ms. Larkin wants the Water Board to have a log to demonstrate its screening efforts if someone does get sick.*

*Mr. Perry will work further on these issues, and may integrate them into the re-opening plan.*

*Mr. Perry states that he is aware that NFWB's plan for integrating staff members back into the workplace may need to be submitted to the DOH; Mr. Perry states he will look further into the requirements and report back to the board.*

## **9. General Counsel and Secretary**

## **10. From the Chairperson**

*Ms. Kimble thanks the NFWB staff for maintaining an essential service during these trying times. Ms. Kimble states the staff has been working very hard and has been very responsive to the challenges of the crisis.*

## 11. Resolutions

### 2020-05-001 – TENURE OF OFFICE FOR BOARD OFFICERS

#### a. Copy of Current Bylaws

*No motion was made to adopt this resolution.*

### 2020-05-002 – AMENDING CODE OF CONDUCT TO CLARIFY EMPLOYEE OBLIGATIONS WITH RESPECT TO BOARD OF DIRECTORS

*Motion by Mr. Forster and seconded by Mr. Brown to table.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_N\_\_ Leffler \_\_N\_\_ Kimble \_\_N\_\_*

*Motion was not carried, 2-3.*

*Mr. Brown questioned the timing of the amendment and feels that changes to the by-laws should be made in the context of an annual review of the by-laws and code of ethics by the governance committee. He asked why the resolution was before the board at this time. Mr. Kimble states that this has been a long-standing subject of discussion.*

*Motion by Ms. Leffler and seconded by Ms. Larkin to approve.*

*Brown \_\_N\_\_ Forster \_\_N\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion carried, 3-2.*

### 2020-05-003 – ELECTION OF OFFICERS

*Motion by Ms. Leffler and seconded by Ms. Kimble to table.*

*Brown \_\_N\_\_ Forster \_\_N\_\_ Larkin \_\_N\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion was not carried, 3-2.*

*Motion by Mr. Forster and seconded by Ms. Larkin to nominate Mr. Brown as Chairperson.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_N\_\_*

*Motion was carried, 4-1.*

*Ms. Leffler nominated Ms. Kimble for Vice Chairperson, no second.*

*Motion by Mr. Brown and seconded by Ms. Leffler to nominate Ms. Larkin as Vice Chairperson.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_N\_\_*

*Motion was carried, 4-1.*

*Motion by Ms. Larkin and seconded by Ms. Kimble to nominate Ms. Leffler as Treasurer.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion was carried, 5-0.*

*Motion by Ms. Kimble and seconded by Ms. Larkin to nominate Mr. Costello as Secretary.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion was carried, 5-0.*

*Note: Mr. Brown ran the remainder of the board meeting as NFWB's newly-elected Chairperson.*

*Mr. Brown thanked the Board for his election, and Ms. Kimble for her service as Acting Chairperson.*

#### **2020-05-004 – FINANCE AND AUDIT COMMITTEE MEMBERSHIP AND MEETINGS**

*Motion by Ms. Kimble and seconded by Mr. Forster to nominate Ms. Leffler.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion was carried, 5-0.*

**2020-05-005 – GOVERNANCE COMMITTEE MEMBERSHIP AND MEETINGS**

*Motion by Ms. Larkin to nominate Mr. Forster as committee chairperson. Mr. Forster declined.*

*Motion by Ms. Leffler to nominate Ms. Kimble. Ms. Kimble declined.*

*Motion by Ms. Leffler and seconded by Mr. Larkin to nominate Mr. Brown. Mr. Brown declined.*

*Motion by Mr. Brown and seconded by Ms. Leffler to nominate Ms. Larkin. Ms. Larkin declined.*

*Motion by Ms. Kimble and seconded by Ms. Leffler to table.*

*Brown \_\_N\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion was carried, 4-1.*

**2020-05-006 – AUTHORIZING SETTLEMENT OF CLAIM BY BENJAMIN SHIRBACK**

**a. Shirback Notice of Claim**

*Mr. Brown asked Mr. Costello whether the claim settlement would set a precedent. Mr. Costello advised that it did not and that he carefully screens claims prior to recommending a settlement.*

*Motion by Ms. Larkin and seconded by Ms. Kimble to approve.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion was carried, 5-0.*

**2020-05-007 – AUTHORIZING SETTLEMENT OF CLAIM BY RONALD GRIGGS**

**a. Griggs Notice of Claim**

*Motion by Ms. Leffler and seconded by Ms. Larkin to approve.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion was carried, 5-0.*

**2020-05-008 – AUTHORIZING RATE CONSULTANT AND CONSULTING ENGINEER AGREEMENT**

**a. March 11, 2020 AECOM/Drescher & Malecki Proposal**

*Motion by Ms. Larkin and seconded by Mr. Brown to table.*

*Brown \_\_Y\_\_ Forster \_\_N\_\_ Larkin \_\_Y\_\_ Leffler \_\_N\_\_ Kimble \_\_N\_\_*

*Motion was not carried, 2-3.*

*Mr. Brown explained that he wanted to table to resolution because he believes some of this work can be completed in-house.*

*Motion by Ms. Leffler and seconded by Ms. Kimble to approve.*

*Brown \_\_N\_\_ Forster \_\_Y\_\_ Larkin \_\_N\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion was carried, 3-2*

**2020-05-009 – 2020 CLARK PATTERSON LEE PROFESSIONAL SERVICES EXTENSION**

**a. April 1, 2020 CPL Proposal**

*Motion by Ms. Leffler to table, no second.*

*Motion by Mr. Forster and seconded by Mr. Brown to approve.*

*Ms. Leffler thinks this needs to be revisited because the Water Board is looking at its options for hiring an engineer and at grant writers, and may lose a lot of revenue as a result of the pandemic.*

*Mr. Brown asks if Mr. Fama is pleased with the work that has been completed by CPL.*

*Mr. Fama states that CPL is doing a good job but hiring our own in-house engineer will be more cost effective.*

*Mr. Forster noted that the \$840,000 that is outlined in the resolution is a not-to-exceed dollar amount and that CPL has been the eyes and ears for the board members.*

*The Board discussed amending the resolution to reduce the total amount authorized, and discussed different amounts from \$100,000 to \$500,000.*

*Ms. Walker noted that there is not enough in the operating budget to cover the total CPL proposal. The operations and maintenance budget has a total of \$170,000 budgeted for consultant services, and there are other expenses charged to those budget*

*lines. Some CPL costs go to capital projects. Rick Henry from CPL explained that 70% of their services are capital, and 30% operations and maintenance. Ms. Walker states that any consulting fees that are tied to a capital project are not charged to O&M, they are charged under capital expenses.*

*After an amendment to authorize \$200,000 in fees was proposed, Mr. Forster questioned how long \$200,000 will last. Mr. Henry states CPL billings average about \$60,000 per month. At that rate, \$200,000 will provide the NFWB approximately three months of services.*

*Motion by Ms. Larkin and seconded by Ms. Kimble to amend the resolution so the total fees authorized for payment by the resolution are not to exceed \$200,000, and that the hours to be worked by CPL must be pre-approved by the Executive Director.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion to amend was carried, 5-0.*

*Motion by Ms. Kimble and seconded by Ms. Larkin to approve.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion was carried, 5-0.*

**2020-05-010 – APPROVING AECOM PROPOSAL FOR CHLORINE DIOXIDE EVALUATION**

- a. April 29, 2020 AECOM Proposal**
- b. Draft ClO2 Study Work Plan**

*Motion by Ms. Leffler and seconded by Ms. Larkin to approve.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion was carried, 5-0.*

**2020-05-011 – ANNUAL CLOUD BACKUP AND STORAGE SERVICES**

**a. Barracuda Renewal Invoice**

*Mr. Brown asked if these services were the subject of an RFP and if they would be part of a disaster recovery plan. Mr. Costello explained that they are proprietary to the Water Board's server system and can be considered both sole-source and professional services. These services will make sure if a server fails, it is replaced the next day.*

*Motion by Ms. Larkin and seconded by Ms. Leffler to approve.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion was carried, 5-0.*

**2020-05-012 – AWARD BID FOR 15 INCH COMBINED SEWER REPAIR PROJECT NEAR 1340 MICHIGAN AVENUE**

**a. Bid Tabulation for 15-Inch Combined Sewer Repair**

*Motion by Ms. Leffler and seconded by Ms. Larkin to approve.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion was carried, 5-0.*

**2020-05-013 – AWARD BID FOR 24 INCH VALVE REPLACEMENT AT HYDE PARK BOULEVARD AND WESTON AVENUE**

**a. Bid Tabulation for 24-Inch Valve Replacement**

*Motion by Ms. Kimble and seconded by Ms. Larkin to approve.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion was carried, 5-0.*

**2020-05-014 – APPROVING ZERO COST CHANGE ORDER FOR EMERGENCY REPAIR CONTRACT**

**a. February 20, 2020 Memorandum from City Engineering**

*Motion by Ms. Kimble and seconded by Ms. Larkin to approve.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion was carried, 5-0.*



**2020-05-015 – AWARD OF BID FOR WATER AND SEWER CONSTRUCTION AND REPAIR MATERIALS**

**a. Bid Tabulation and Supporting Documents**

*Ms. Leffler asked the total amount to be approved; Mr. Costello explained that parts are ordered as needed and the total expenditure is limited by the amount budgeted for these materials.*

*Motion by Ms. Kimble and seconded by Ms. Larkin to approve.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion was carried, 5-0.*

**2020-05-016 – DIRECTING ISSUANCE OF REQUEST FOR PROPOSALS FOR GRANT WRITING AND ADMINISTRATION SERVICES**

*Motion by Ms. Leffler and seconded by Ms. Larkin to approve.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion was carried, 5-0.*

**2020-05-017 – AUTHORIZING NYS WATER INFRASTRUCTURE IMPROVEMENT ACT GRANT APPLICATION, OBLIGATING LOCAL MATCHING FUNDS, DECLARING INTENT TO SERVE AS SEQR LEAD AGENCY, AND SEQR TYPE II DETERMINATION**

**a. List of Projects to be Submitted for WIIA Grant**

*Motion by Ms. Kimble and seconded by Ms. Leffler to approve.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion was carried, 5-0.*

**2020-05-018 – AWARDING BID FOR CONTRACT 15688-2G – GENERAL CONTRACTING SERVICES FOR GORGE PUMP STATION IMPROVEMENT AND OUTFALL 003 RELOCATION PROJECT**

- a. Summary of GPS and Outfall Redirection Bids and Projects**
- b. Bid Tabulation for 15688-2G**

*Motion by Ms. Larkin and seconded by Ms. Leffler to approve.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion was carried, 5-0.*

**2020-05-019 – AWARDING BID FOR CONTRACT 15688-2E – ELECTRICAL ELECTRICAL WORK FOR GORGE PUMP STATION IMPROVEMENT AND OUTFALL 003 RELOCATION PROJECT**

- a. Bid Tabulation for 15688-2E**

*Motion by Ms. Leffler and seconded by Ms. Kimble to approve.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion was carried, 5-0.*

**2020-05-020 – AWARDING BID FOR CONTRACT 15688-2H – HEATING & VENTILATION HEATING AND VENTILATION WORK FOR GORGE PUMP STATION IMPROVEMENT AND OUTFALL 003 RELOCATION PROJECT**

- a. Bid Tabulation for 15688-2H**

*Motion by Ms. Leffler and seconded by Ms. Larkin to approve.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion was carried, 5-0.*

**2020-05-021 – APPROVING ZERO COST CHANGE ORDER FOR 2700 BLOCK INDEPENDENCE AVENUE COMBINED SEWER REPAIR**

- a. May 8, 2020 Change Order Memorandum**

*Motion by Ms. Kimble and seconded by Ms. Larkin to approve.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion was carried, 5-0.*

**2020-05-022 – APPROVING AND ACCEPTING INDEPENDENT  
AUDIT AND INVESTMENT REPORTS**

**b. Supporting Documents: See Finance Reports at a(i) through a(iv).**

*[Note: This resolution was tabled earlier in the meeting.]*

**12. Unfinished Business**

*None.*

**13. New Business & Additional Items for Discussion**

*Mr. Brown states that he is very much looking forward to his newly appointed position as the NFWB's Chairperson.*

*Mr. Brown discussed his March 6, 2020 request to Mr. Fama for information that he still has not received, and he does not believe that this is acceptable. Mr. Fama stated that some questions have come up when preparing the requested information. Mr. Brown stated this was the first he had heard of any questions regarding the information he requested. The information he requested was not invoices, but reports that would be easy to generate or copy. Mr. Brown does not know if someone was blocking or filtering his request, but as Chairperson he will not filter information and Board members should email Mr. Fama for information. Mr. Fama does not need to review the request with Mr. Brown prior to providing the requested information.*

*Mr. Brown requested that moving forward the agenda be issued by noon on the Wednesday prior to the meeting. This would provide another business day to review and ask questions.*

**14. Executive Session (if needed)**

*Motion by Ms. Larkin and seconded by Ms. Leffler to enter Executive Session at 7:30 p.m. to discuss the hiring of particular persons and a disciplinary matter regarding a particular person.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion carried, 5-0.*

*Whereupon, a five-minute break was taken prior to beginning the executive session.*

## 15. Adjournment of Meeting

*Motion by Ms. Leffler and seconded by Ms. Larkin to enter back into the open meeting at 8:47 p.m.*

*The Board members unanimously approved the motion via voice vote.*

*Motion by Ms. Leffler and seconded by Ms. Larkin to table the May 2020 personnel actions/report.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion carried, 5-0.*

*Motion by Ms. Leffler and seconded by Ms. Larkin to adjourn at 8:50 p.m.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion carried, 5-0.*



**Minutes of a Special Meeting  
of the Niagara Falls Water Board**

**May 28, 2020 at 5:00 PM**

**Note: This meeting was held via conference call pursuant to  
Executive Order 202.1.**

**1. Attendance**

*Chairperson Brown called the meeting to order at 5:00 p.m.*

**a. Brown P Forster P Kimble P Larkin P Leffler P**

**2. Resolution**

**2020-05-023 – AUTHORIZING PROJECT 6 ELECTRICAL AND  
COMMUNICATIONS CABLE AND EQUIPMENT WORK**

**a. Ferguson Electric Proposal dated May 20, 2020**

*Chairperson Brown asked for clarification as to why a special meeting was needed for this resolution. Dr. John Goeddertz from AECOM explained that Project 6 may be the most important project at the wastewater plant, and NFWB is using IDIQ labor to move it quickly. There are proposals for different components of the work, and coordination between the contractors meant this proposal was not ready by the May meeting.*

*Motion by Mr. Forster and seconded by Ms. Larkin to approve.*

*Brown Y Forster Y Larkin Y Leffler Y Kimble Y*

*Motion was carried, 5-0.*

*Mr. Fama then gave a brief update on a 10-inch water main break at 56th Street and Niagara Falls Boulevard that was discovered on May 27, 2020. The break is isolated, and City Engineering is going to let a bid for the repair.*

**3. Consideration of matters related to discipline, suspension, dismissal, or removal of a particular person (Executive Session to be Conducted Pursuant to Public Officers Law, Article 7, § 105(f)).**

*[Note: There was no discussion of any personnel matter and no Board Member moved to enter into an executive session; no executive session held.]*

**4. Adjournment of Meeting**

*Motion by Mr. Forster and seconded by Ms. Leffler to adjourn at 5:09 p.m.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion carried, 5-0.*

**Niagara Falls Water Board  
Personnel Actions and Report  
Monday, June 22, 2020**

**Personnel Action Notifications and Requests of the Board**

**I. PERSONNEL ACTIONS RECOMMEND TO HIRE**

Line Item Number	Position	Department/Location	Pay Rate or Grade	ADDITIONAL INFORMATION
No new actions requested.				

**II. RECOMMENDED PROMOTION / MOVE / APPOINTMENT**

Line Item Number	Position	Type of labor move	Change in pay rate or grade	ADDITIONAL INFORMATION
No new actions requested.				

**III. BOARD NOTIFICATION OF OTHER MOVEMENT (CBA BID, MCSB APPOINTMENT, LEGAL STATUS CHANGE)**

Name	Position & type of labor move	Department/Location	Pay Rate or Grade	ADDITIONAL INFORMATION / AUTHORITY
No movements to report for June 2020.				

**IV. OTHER ACTIVITY OTHER PERSONNEL ACTIVITY FOR BOARD NOTIFICATION**

None.				
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**V. PERSONNEL ON LONG TERM LOA**

Name	Last Day Worked	Dept.	Return Status	Comments
Jesse Kuwik	Jan. 13 2020	WWTP/Maint.	Aug. 27 2020	Military Deployment

**PREVIOUSLY TABLED PERSONNEL ACTION REQUESTS**

**TABLED PERSONNEL ACTIONS - RECOMMEND TO HIRE OR PROMOTION/MOVE/APPOINTMENT**

Tabled Item	Position	Department/Location	Pay Rate or Grade	ADDITIONAL INFORMATION
A	MW2 (2)	WWTP/Inside Maintenance	\$32,379.98	Est Annual impact \$ 86,000 (Reason - succession planning - 2 people will be retiring within the next 12 months) We have lost people from this group and have not replaced
B	Operating Engineer	Collection & Distributions	\$60,236.80	Total financial impact estimate \$72,000.
C	Project Engineer	unknown		Will have to review and get direction to move forward for salary & define position, last candidate has moved on, needs to be reposted
D	Director of Administrative Services	unknown		Direction from the Executive Board

**Additional Tabled Request for Board Approval by Director of Admin. Services:**

Option (A) Go forward with the resolution to hire storeroom position & Deputy Director positions deleting the hiring of the Union positions of Storeroom/Warehouse position and HR Specialist

Option (B) Authorization to move forward with the Safety Associate and Inclusion/ Diversity Officer, reinstating the Storeroom/ Warehouse and HR Specialist position

Option (C) Go forward with the Safety Associate and Inclusion/Diversity Officer only

**Niagara Falls Water Board  
Audit Summary  
December 31, 2019**

- Unmodified (i.e. unqualified or “clean”) opinions were issued of the Board financial statements.
- Board complied with investment requirements of Section 201.3 of Title Two of the Official Compilation of Codes, Rules and Regulations of the State of New York
- No material weaknesses or significant deficiencies were noted in the Board’s internal controls over financial reporting or in the Board’s 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.
- New recommendation was made for the Board to evaluation Cyber Security controls. This has been an increasing risk in to governmental agencies and public authorities. This recommendation is not the result of anything specifically noted at the Board but instead due to issues noted at other EFPR clients.
- Previous recommendations:
  - Disaster Recovery Plan – There is no formal plan in place. This comment is repeated from the prior year.
  - Plant Fund General Ledger – This fund is reconciled at year-end opposed to monthly. This comment is repeated from the prior year.
- Management was a pleasure to work with. We were provided everything we asked for in a timely manner.
- Expenses exceeded revenues by \$207,188. Revenues increased \$916,328 million due primarily gain on investments. Expenses increased \$442,561 million due primarily to strong budgetary controls and monitoring.
- The Board’s total bond indebtedness decreased by \$2,209,368 during the current fiscal year as a result of principal payments made of \$4,269,607 and premium amortization of \$129,754, offset by issuance of debt of \$2,189,993.
- The following summarizes the changes in net position:

	2019	2018	Change
Operating revenue	\$ 31,188,271	\$ 31,069,163	\$ 119,108
Operating expenses	\$ (29,957,629)	\$ (29,210,629)	\$ (747,000)
Non-operating revenue & expenses	\$ (1,437,830)	\$ (2,539,489)	\$ 1,101,659
Change in net position	\$ (207,188)	\$ (680,955)	\$ 473,767





## REPORT TO THE BOARD

May 13, 2020

The Board of Directors  
Niagara Falls Water Board

Dear Board Members:

We have audited the financial statements of the Niagara Falls Water Board (the Board) as of and for the year ended December 31, 2019, and have issued our report thereon dated May 13, 2020. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Board are described in note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2019. We noted no transactions entered into by the Board during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

### Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Collection of accounts receivable
- Useful lives used to depreciate capital assets
- Estimated unbilled receivables

- Compensated absences
- Postemployment benefits
- Pension plans

For the year ended December 31, 2019, we evaluated the key factors and assumptions used by management in determining accounting estimates and were reasonable in relation to the financial statements taken as a whole.

#### Sensitive Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Bond indebtedness (note 5)
- Postemployment benefits (note 7)
- Pension plans (note 8)
- Risk management and contingent liabilities (note 11)
- Subsequent events (note 1(g))

#### Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

#### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely adjustments identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

#### Disagreements with Management

For purposes of this report, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

#### Management Representations

We have requested certain representations from management that are included in the management representation letter.

#### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Board’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Board’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquires of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the other supplementary information, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

\* \* \* \* \*

This information is intended solely for the use of the Board of Directors and management of the Niagara Falls Water Board and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to serve as your auditors. Please contact us at your convenience if you would like to meet with us to discuss our findings in further detail or to review any other questions that you might have.

Very truly yours,

*EFPR Group, CPAs, PLLC*

EFPR GROUP, CPAs, PLLC

May 13, 2020

CONFIDENTIAL

The Board of Directors  
Niagara Falls Water Board

Dear Board Members:

We have completed our audit of the financial statements of the Niagara Falls Water Board (the Board) for the year ended December 31, 2019. Considering the test character of our audit, you will appreciate that reliance must be placed on adequate methods of internal control as your principal safeguard against irregularities which a test examination may not disclose.

This report is intended solely for the information and use of the Board of Directors, management and others within the Board.

We now present for your consideration our comments and recommendations based upon observations made during our audit.

Cyber Security

To address recent Cyber Attacks that have occurred across the Country, such as ransomware and security breaches, we recommend that a GAP analysis and risk assessment of the Board's information/cyber security program be performed. A GAP analysis and risk assessment would entail performing the following:

- A full Information/Cyber Security Risk Assessment includes a review of vulnerabilities that could affect:
  - Confidentiality
  - Integrity
  - Availability
- The resulting Risk Ratings should be reviewed and agreed upon by the Board of Directors
- Controls should be documented and implemented to mitigate the risks.

- The standard that is going to be followed should be selected and implemented. The American Institute of Certified Public Accountants recommends that the standards of the International Organization for Standardization (ISO) 27001 - *“Information Security Management for SOC 2 Audits”* be incorporated into the analysis.
- A fully documented Information/Cyber Security Program should be completed.
- Awareness Training should be conducted annually for all Board personnel.
- Best practice is that a Business Continuity Plan and Disaster Recovery Plan be documented, implemented and annually tested.
- Information/Cyber Security Insurance Riders should map to the Risk Assessment.

Additionally, a review of insurance coverage with the Board’s carrier should be conducted to make sure that the Board is properly covered for cyber security related events. Rather than steal information, it is becoming more common for attackers to install ransomware which locks out users until such a time as the effected entity pays the attacker a “ransom” for access to their own files.

#### Previous Recommendations

We reviewed the disposition of recommendations included in our letter dated April 15, 2019. The following is a summary of the action taken by the Board with regard to our recommendations.

Disaster Recovery Plan - During our audit, we noted that there was no disaster recovery plan to provide a comprehensive method for the restoration of operations or an alternate processing location if needed.

The lack of a comprehensive plan and a more frequent backup of the Board’s data could likely result in lost information and inefficiencies in restoring Board operations in the event of a disaster. We recommended that the Board review its backup process to minimize the potential loss of information and develop a comprehensive plan for restoration of Board information systems in the event of a disaster. This comment is considered repeated.

Plant Fund General Ledger - The Board does not maintain adequate accounting records for the plant fund. No general ledger or supporting cash receipts or cash disbursement journals were maintained. In order to properly account for transactions and prepare accurate financial statements, we recommended that the Board maintain a general ledger and cash receipts and cash disbursement journals for the plant fund similar to how the other funds are maintained. Management will continue to develop these procedures. This comment is considered repeated.

The Board of Directors  
Niagara Falls Water Board  
Page 3

\* \* \* \* \*

We take this opportunity to thank the staff of the Niagara Falls Water Board for the courtesy and cooperation extended to us during the audit. If you have any questions regarding the foregoing comments or wish any assistance in their implementation, please contact us at your convenience.

Very truly yours,

*EFPR Group, CPAs, PLLC*

EFPR GROUP, CPAs, PLLC

**NIAGARA FALLS WATER BOARD**

Basic Financial Statements,  
Supplementary Information and  
Independent Auditors' Report  
December 31, 2019 and 2018



# NIAGARA FALLS WATER BOARD

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\* \* \* \* \*

## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Niagara Falls Water Board:

### Report on the Financial Statements

We have audited the accompanying financial statements of the Niagara Falls Water Board (the Board) as of and for the years ended December 31, 2019 and 2018, and the related notes to financial statements, which collectively comprise the Board'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 audits. We conducted our audits 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 audits 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 Board'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 Board'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.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Niagara Falls Water Board, as of December 31, 2019 and 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

As described in note 1(d) to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No 75 - "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," during the year ended December 31, 2018. Our opinion is not modified with respect to this matter.

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, and additional information as listed in the table of contents on pages 41 through 43 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 audits 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 Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Niagara Falls Water Board's basic financial statements. The accompanying other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 13, 2020, on our consideration of the Niagara Falls Water Board'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 solely 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 the effectiveness of the Board's 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 Board's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York  
May 13, 2020

NIAGARA FALLS WATER BOARD  
Management's Discussion and Analysis  
December 31, 2019 and 2018

As management of the Niagara Falls Water Board (the Board), we offer readers of the Board's financial statements this narrative and analysis of the financial activities of the Board for the years ended December 31, 2019 and 2018.

Following this Management's Discussion and Analysis (MD&A) are the financial statements of the Board together with the notes thereto. Please read the MD&A in conjunction with the Board's financial statements and the accompanying notes in order to obtain a full understanding of the Board's financial position and results of operations.

The Board was created by an Act of the State of New York, as more fully described in note 1 to the financial statements, and commenced operations on September 25, 2003. In accordance with an agreement with the City of Niagara Falls, New York (the City) the Board received all assets, liabilities and operating activities (including all personnel) of the City's former Water and Sewer Funds. In return, the Board issued debt, which was used to defease outstanding City bonded debt relating to its Water and Sewer Funds.

**Financial Highlights**

- The liabilities and deferred inflows of resources of the Board exceeded its assets and deferred outflows of resources by \$(4,328,324) and \$(4,121,136) (net position) at December 31, 2019 and 2018, respectively. At December 31, 2019 and 2018, \$(59,541,445) and \$(62,040,700) (unrestricted net position), respectively, may be used to meet the Board's ongoing obligations.
- The Board's operating income for the years ended December 31, 2019 and 2018 was \$1,230,642 and \$1,858,534, respectively.
- The Board's total bond indebtedness decreased by \$2,209,368 during the current fiscal year as a result of principal payments made of \$4,269,607 and premium amortization of \$129,754, offset by issuance of debt of \$2,189,993.
- The Board reflected a liability for postemployment benefits of \$88,864,058 and \$87,609,060 at December 31, 2019 and 2018, respectively.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Board's basic financial statements which include the financial activities of the Board, the Niagara Falls Public Water Authority (the Authority) (a blended component unit), and the notes to financial statements. The reasons for blending the financial activities are explained in note 1 to the financial statements. An overview of the responsibilities of the Board and the Authority is presented as follows.

<u>Board</u>	<u>Authority</u>
* Owns the System	* Issues debt
* Operates and maintains the System	* Provides proceeds of debt for construction and improvements
* Responsible for System improvements	* Provides oversight regarding adequacy of revenues and System conditions
* Sets rates and collects revenues	
* Pays debt service on bonds	

**NIAGARA FALLS WATER BOARD**  
**Management's Discussion and Analysis, Continued**

The financial statements are designed to provide readers with a broad overview of the Board's finances in a manner similar to a private-sector business, and are organized as follows:

- The statements of net position presents information on all of the Board's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.
- The statements of revenue, expenses and changes in net position presents information on how the Board's net position changed during each reporting period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in these statements for some items that will result in cash flows for future fiscal periods (e.g., uncollected water and sewer rents, earned but unused vacation and postemployment benefits).
- The statements of cash flows presents information depicting the Board's cash flow activities for each reporting period and the effect that these activities had on the Board's cash and equivalent balances.
- The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 16 through 40 of this report.

**Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the Board's financial position. Liabilities and deferred inflows exceeded assets and deferred outflows by \$(4,328,324) at December 31, 2019, as compared to \$(4,121,136) at December 31, 2018, as presented as follows:

<b><u>Niagara Falls Water Board's Net Position</u></b>				
	December 31,		Increase/(Decrease)	
	<u>2019</u>	<u>2018</u>	<u>Dollars</u>	<u>Percent</u>
Current assets	\$ 35,227,654	31,479,515	3,748,139	11.9%
Noncurrent assets	<u>147,358,855</u>	<u>152,335,662</u>	<u>(4,976,807)</u>	(3.3%)
Total assets	<u>182,586,509</u>	<u>183,815,177</u>	<u>(1,228,668)</u>	(0.7%)
Deferred outflows	<u>1,135,983</u>	<u>1,821,720</u>	<u>(685,737)</u>	(37.6%)
Current liabilities	11,861,344	11,710,927	150,417	1.3%
Noncurrent liabilities	<u>174,851,266</u>	<u>175,566,392</u>	<u>(715,126)</u>	(0.4%)
Total liabilities	<u>186,712,610</u>	<u>187,277,319</u>	<u>(564,709)</u>	(0.3%)
Deferred inflows	<u>1,338,206</u>	<u>2,480,714</u>	<u>(1,142,508)</u>	(46.1%)
Net investment in capital assets	29,053,483	26,040,626	3,012,857	11.6%
Restricted	26,159,638	31,878,938	(5,719,300)	(17.9%)
Unrestricted	<u>(59,541,445)</u>	<u>(62,040,700)</u>	<u>2,499,255</u>	4.0%
Total net position	\$ <u>(4,328,324)</u>	<u>(4,121,136)</u>	<u>(207,188)</u>	5.0%

NIAGARA FALLS WATER BOARD  
Management's Discussion and Analysis, Continued

The Board's net investment in capital assets, is a surplus net position of \$29,053,483 and \$26,040,626 at December 31, 2019 and 2018, respectively. This results from the timing of the amortization of the Board's capital debt, as outstanding principal for most of the Board's serial bonds is not paid until late into the life of the debt, while depreciation occurs annually.

The Board's unrestricted net position (deficit) was \$(59,541,445) and \$(62,040,700) at December 31, 2019 and 2018, respectively. The restricted debt service portion of the Board's net position, \$5,754,527 and \$4,795,231 at December 31, 2019 and 2018, respectively, represents funds that are set aside to be used towards debt service. The restricted capital projects portion of the Board's net position, \$6,786,581 and \$12,672,427 at December 31, 2019 and 2018, respectively, represents funds that are set aside primarily for the reconstruction of the Falls Street Tunnel. The restricted debt reserve fund portion of the Board's net position, \$8,389,738 and \$9,182,488 at December 31, 2019 and 2018, respectively, represents funds for future debt service payments. The restricted operating and maintenance reserve fund portion of the Board's net position, \$5,228,792 at December 31, 2019 and 2018, represents funds to pay the cost of extraordinary repairs to and maintenance of the system.

The Board's unrestricted net position is the remainder of total net position after taking net investment in capital assets, restricted for capital projects, restricted for operations and maintenance and restricted for debt related reserves into account. Unrestricted net position (deficit) decreased in 2019 by \$2,499,255 because of an increase in net investment in capital assets of \$3,012,857, a decrease of \$5,719,300 in restricted net position and a loss of \$207,188.

A comparison of current assets to current liabilities of the Board at December 31, 2019 and 2018 follows:

	<u>2019</u>	<u>2018</u>
Current assets	\$ 35,227,654	31,479,515
Current liabilities	<u>11,861,344</u>	<u>11,710,927</u>
Ratio of current assets to current liabilities	2.97	2.69

The Board's total net position (deficit) decreased by \$207,188 during the year ended December 31, 2019, as compared to a decrease of \$680,955 for the year ended December 31, 2018. Key elements of the current year's decrease in net position (deficit) are as follows:

<b><u>Niagara Falls Water Board's Changes in Net Position</u></b>			
	<u>2019</u>	<u>2018</u>	Increase/ (decrease)
Total operating revenue	\$ 31,188,271	31,069,163	119,108
Total operating expenses	<u>(29,957,629)</u>	<u>(29,210,629)</u>	<u>(747,000)</u>
Operating income	1,230,642	1,858,534	(627,892)
Total non-operating revenue (expenses)	<u>(1,437,830)</u>	<u>(2,539,489)</u>	<u>1,101,659</u>
Change in net position, before restatement	\$ <u>(207,188)</u>	<u>(680,955)</u>	<u>473,767</u>

NIAGARA FALLS WATER BOARD  
Management's Discussion and Analysis, Continued

The Board's major sources of operating revenue are charges for water and sewer services which comprise approximately 95% of total operating revenue. These revenues combined decreased \$1,280,341 million from 2018. These revenues are dependent upon rates charged for these services, with such rates being determined by the Board. Please see the section entitled "Economic Factors and Next Year's Rates" within this MD&A for a listing of the rates charged during 2019 and approved rates for 2020.

The Board's largest operating expense area relates to its employees. Together, personnel costs (salaries) and employee benefits approximate 44% of total operating expenses. In 2019, these costs totaled approximately \$13.1 million as compared to \$12.9 million in 2018, representing an approximate \$0.2 million increase in this area. This increase is due to cost of living adjustments.

Within the non-operating revenue (expenses) category, interest expense is by far the largest expense item and represents the cost of carrying serial bonds, which totaled \$89,300,386 and \$91,380,000, at December 31, 2019 and 2018, respectively.

The following is a summary of the Board's cash flow activities for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Cash flows provided by (used in):		
Operating activities	\$ 8,719,345	10,078,817
Capital and related financing activities	(12,803,078)	(13,841,292)
Investing activities	<u>6,882,645</u>	<u>1,731,313</u>
Change in cash and equivalents	2,798,912	(2,031,162)
Cash and equivalents at beginning of year	<u>21,391,578</u>	<u>23,422,740</u>
Cash and equivalents at end of year	\$ <u>24,190,490</u>	<u>21,391,578</u>

The Board's available cash and equivalents increased by \$2,798,912 during the year ended December 31, 2019, as compared to a decrease of \$2,031,162 during the year ended December 31, 2018. Cash provided by operating activities reflected a positive balance was \$8,719,345 and \$10,078,817, respectively, for the years ended December 31, 2019 and 2018.

**Capital Assets and Debt Administration**

**Capital Assets** - The Board's investment in capital assets (net of accumulated depreciation) as of December 31, 2019, amounted to \$121,199,217, as compared to \$120,456,724 at December 31, 2018. This includes land, plant and transmission (infrastructure type assets), machinery and equipment, and construction in progress. The Board's greatest investment in capital assets comes in the form of infrastructure. Significant factors affecting capital assets during the reporting period include:

- The Board recorded total additions to capital assets of \$7,634,465.
- Additions to construction in progress totaled \$5,444,472. Completed capital projects transferred to depreciable asset categories totaled \$4,633,505.
- The Board recorded total depreciation of \$6,891,972 and \$6,452,502 for the years ended December 31, 2019 and 2018, respectively.



NIAGARA FALLS WATER BOARD  
Management's Discussion and Analysis, Continued

A summary of capital assets, net of depreciation where applicable, is as follows:

	<u>2019</u>	<u>2018</u>
Nondepreciable assets:		
Land	\$ 463,713	463,713
Construction in progress	3,995,120	3,184,153
Depreciable assets:		
Plant and transmission assets (water system)	44,863,935	46,875,435
Plant and transmission assets (wastewater system)	65,906,055	64,822,543
Machinery and equipment	<u>5,970,394</u>	<u>5,110,880</u>
Total	\$ <u>121,199,127</u>	<u>120,456,724</u>

Construction in progress represents ongoing capital construction which will be transferred to the appropriate asset category (and begin to be depreciated) upon completion.

More detailed information about the Board's capital assets is presented in the notes to financial statements.

**Serial Bonds** - At December 31, 2019, the Board had outstanding serial bonds totaling \$89,300,386 as compared to \$91,380,000 at December 31, 2018. During the year ended December 31, 2019, the Board made principal payments of \$4,269,607 on these bonds and issued a new bond in the amount of \$2,189,993.

The Board used bond debt to finance the original purchase of the assets (net of liabilities and including the water, sewer and storm water systems) from the City. In the future, the Board may utilize bond debt issuances as a primary source of funds for construction, renovations and system improvements.

**Postemployment Benefits** - Upon retirement, the Board's employees are entitled to continuous health insurance coverage. At December 31, 2019 and 2018, the liability recorded for these benefits amounted to \$88,864,058 and \$87,609,060, respectively.

**Compensated Absences** - Upon separation, Board employees are entitled to payment of unused sick and vacation time. The total liability relating to these payments at December 31, 2019 is \$736,197, compared to December 31, 2018 is \$709,411. The timing of the payments relating to compensated absences is dependent upon many factors, including the retirement or separation from service, and is therefore difficult to predict; however, the Board estimates that \$36,810 of such liability is current at December 31, 2019.

**Economic Factors and Next Year's Rates**

As noted earlier, the Board's largest sources of operating revenues are water and sewer rents from customers. These revenues result from rates charged based on water usage by the individual customer. Rates can be adjusted accordingly in order to help meet the expenses of the Board. When considering rate changes, the Board utilizes the services of a rate consultant to help forecast the magnitude and effects of potential changes. As required by law, the general public's opinions are also taken into consideration, through public hearings, when contemplating a change in rates charged for services. Water rates charged for 2019 and approved rates to be charged for 2020 are as follows:

NIAGARA FALLS WATER BOARD  
Management's Discussion and Analysis, Continued

	<u>2019</u>		<u>2020</u>	
	Amount to be charged (per 100 cubic feet)		Amount to be charged (per 100 cubic feet)	
<u>Amount Consumed</u>	Inside <u>city</u>	Outside <u>city</u>	Inside <u>city</u>	Outside <u>city</u>
First 20,000 cubic feet per quarter	3.42	9.13	3.42	9.13
Next 60,000 cubic feet per quarter	2.96	7.97	2.96	7.97
Next 120,000 cubic feet per quarter	2.51	6.64	2.51	6.64
Over 200,000 cubic feet per quarter	2.08	5.59	2.08	5.59
Minimum charge for water consumption per quarter	44.40	118.68	44.40	118.68

In addition to the above schedule of rates for water consumed, a demand charge is assessed for each user's meter, as set forth below:

<u>Size and Type</u>	<u>2019 Rate</u> (per quarter)	<u>2020 Rate</u> (per quarter)
Under 1" Disc	\$ 3.70	3.70
1" Disc	25.00	25.00
2" Disc	40.00	40.00
2" Compound	40.00	40.00
3" Compound	50.00	50.00
4" Compound	100.00	100.00
6" Compound	220.00	220.00
8" Compound	250.00	250.00
10" Compound	275.00	275.00
12" Compound	400.00	400.00

In addition to charging for water consumption and services, the Board also charges users with respect to sewer and wastewater services provided. All users have been divided into two "user classes" - Commercial/Small Industrial/Residential Users (CSIRU) and Significant Industrial Users (SIU).

Sewer rates for the CSIRU class are determined by the total metered water consumption in each quarter. Rates charged for 2019 and rates to be charged during 2020 are as follows:

<u>Amount Consumed</u>	<u>2019</u>	<u>2020</u>
Minimum charge per quarter (up to 1,300 cubic feet)	\$ 58.79	58.79
Additional usage in excess of 1,300 cubic feet (\$/cubic feet)	4.52	4.52

NIAGARA FALLS WATER BOARD  
Management's Discussion and Analysis, Continued

Sewer rates for the SIU class are determined each quarter based on the actual measured quantities and composition of wastewater flow. Such rates are determined by the Board and are based upon five representative 24-hour composite samples taken quarterly. Rates for the SIU class for the year ended December 31, 2019 and approved for 2020 were \$3,176 per million gallons for wastewater flow; \$1.02 per pound for all suspended solids discharged; and \$1.76 per pound for all soluble organic carbon compounds discharged. In addition, SIU's are charged fees, as needed, for certain other "substances of concern" which are discharged in their wastewater.

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 virus on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the Board and its future results and financial position is not presently determinable.

**Contacting the Board's Financial Management**

This financial report is designed to provide taxpayers, customers, and creditors with a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Kendra Walker, Michael O'Laughlin Municipal Water Plan, 5815 Buffalo Avenue, Niagara Falls, New York 14304.

NIAGARA FALLS WATER BOARD  
Statements of Net Position  
December 31, 2019 and 2018

<u>Assets</u>	<u>2019</u>	<u>2018</u>
Current assets:		
Cash and equivalents	\$ 24,190,490	21,391,578
Accounts receivable, net of allowance for uncollectible accounts	8,800,667	8,740,792
Due from other governments, net of allowance for uncollectible accounts	1,184,940	1,250,223
Grants receivable	766,937	-
Prepaid expenses	<u>284,620</u>	<u>96,922</u>
Total current assets	<u>35,227,654</u>	<u>31,479,515</u>
Noncurrent assets:		
Restricted cash and investments - capital projects	6,786,581	12,672,427
Restricted cash and investments - debt service fund	5,754,527	4,795,231
Restricted cash and investments - debt service reserve fund	8,389,738	9,182,488
Restricted cash and investments - operating and maintenance reserve	5,228,792	5,228,792
Capital assets:		
Land	463,713	463,713
Construction in progress	3,995,120	3,184,153
Waste and waste water system	184,759,145	179,692,253
Machinery and equipment	11,708,394	10,079,046
Less accumulated depreciation	<u>(79,727,155)</u>	<u>(72,962,441)</u>
Total capital assets, net of accumulated depreciation	<u>121,199,217</u>	<u>120,456,724</u>
Total noncurrent assets	<u>147,358,855</u>	<u>152,335,662</u>
Total assets	<u>182,586,509</u>	<u>183,815,177</u>
<u>Deferred Outflows of Resources</u>		
Pension	<u>1,135,983</u>	<u>1,821,720</u>

(Continued)

See accompanying notes to financial statements.

NIAGARA FALLS WATER BOARD  
Statements of Net Position, Continued

<u>Liabilities</u>	<u>2019</u>	<u>2018</u>
Current liabilities:		
Accounts payable	\$ 2,582,753	2,855,551
Accrued liabilities	2,147,891	2,178,090
Overpayments	5,900	4,850
Current portion of noncurrent liabilities:		
Compensated absences	36,810	35,471
Total OPEB liability	2,771,796	2,581,965
Bonds payable	<u>4,316,194</u>	<u>4,055,000</u>
Total current liabilities	<u>11,861,344</u>	<u>11,710,927</u>
Noncurrent liabilities:		
Compensated absences	699,387	673,940
Total OPEB liability	86,092,262	85,027,095
Bonds payable	86,919,687	89,390,249
Net pension liability - proportionate share - ERS System	<u>1,139,930</u>	<u>475,108</u>
Total noncurrent liabilities	<u>174,851,266</u>	<u>175,566,392</u>
Risk management and contingent liabilities (note 11)		
Total liabilities	<u>186,712,610</u>	<u>187,277,319</u>
<u>Deferred Inflows of Resources</u>		
Pension	428,353	1,509,865
Gain on refunding	<u>909,853</u>	<u>970,849</u>
Total deferred inflows of resources	<u>1,338,206</u>	<u>2,480,714</u>
<u>Net Position</u>		
Net investment in capital assets	29,053,483	26,040,626
Restricted for capital projects	6,786,581	12,672,427
Restricted for debt service fund	5,754,527	4,795,231
Restricted for debt service reserve fund	8,389,738	9,182,488
Restricted for operating and maintenance	5,228,792	5,228,792
Unrestricted (deficit)	<u>(59,541,445)</u>	<u>(62,040,700)</u>
Total net position (deficit)	<u>\$ (4,328,324)</u>	<u>(4,121,136)</u>

See accompanying notes to financial statements.

NIAGARA FALLS WATER BOARD  
Statements of Revenue, Expenses and Changes in Net Position  
Years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenue:		
Water rents and charges	\$ 10,106,620	10,772,298
Sewer rents and charges	19,404,849	20,019,512
Licenses and permits	243,507	222,950
Grants	1,261,101	-
Other services	<u>172,194</u>	<u>54,403</u>
Total operating revenue	<u>31,188,271</u>	<u>31,069,163</u>
Operating expenses:		
Personnel costs	6,140,679	6,065,718
Contractual expenses	9,990,533	9,902,911
Employee benefits	6,934,445	6,789,498
Depreciation expense	<u>6,891,972</u>	<u>6,452,502</u>
Total operating expenses	<u>29,957,629</u>	<u>29,210,629</u>
Operating income	<u>1,230,642</u>	<u>1,858,534</u>
Non-operating revenue (expenses):		
Use of money and property	1,163,345	647,827
Gain on sale of property	290,485	8,783
Interest expense	<u>(2,891,660)</u>	<u>(3,196,099)</u>
Total non-operating revenue (expenses)	<u>(1,437,830)</u>	<u>(2,539,489)</u>
Change in net position	<u>(207,188)</u>	<u>(680,955)</u>
Net position (deficit) at beginning of year, before restatement	(4,121,136)	55,546,505
Cumulative effect of change in accounting principle (note 14)	<u>-</u>	<u>(58,986,686)</u>
Net position (deficit) at beginning of year, as restated	<u>(4,121,136)</u>	<u>(3,440,181)</u>
Net position (deficit) at end of year	<u>\$ (4,328,324)</u>	<u>(4,121,136)</u>

See accompanying notes to financial statements.

NIAGARA FALLS WATER BOARD  
Statements of Cash Flows  
Years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Receipts from customers and users	\$ 30,427,792	31,090,117
Payments to suppliers	(10,191,194)	(9,418,908)
Payments to employees	<u>(11,517,253)</u>	<u>(11,592,392)</u>
Net cash provided by operating activities	<u>8,719,345</u>	<u>10,078,817</u>
Cash flows from capital and related financing activities:		
Gain on sale of property	290,485	8,783
Acquisition of capital assets	(7,894,300)	(6,515,845)
Principal paid on capital debt	(4,269,607)	(3,915,000)
Issuance of capital debt	2,189,993	-
Interest paid on capital debt	<u>(3,119,649)</u>	<u>(3,419,230)</u>
Net cash used in capital and related financing activities	<u>(12,803,078)</u>	<u>(13,841,292)</u>
Cash flows from investing activities:		
Interest earned	1,163,345	647,827
Change in restricted cash and investments - capital projects	5,885,846	945,017
Change in restricted cash and investments - debt service fund	(959,296)	(995,577)
Change in restricted cash and investments - debt service reserve fund	792,750	(360,094)
Change in restricted cash and investments - operating and maintenance	<u>-</u>	<u>1,494,140</u>
Net cash provided by investing activities	<u>6,882,645</u>	<u>1,731,313</u>
Change in cash and equivalents	2,798,912	(2,031,162)
Cash and equivalents at beginning of year	<u>21,391,578</u>	<u>23,422,740</u>
Cash and equivalents at end of year	<u><u>\$ 24,190,490</u></u>	<u><u>21,391,578</u></u>

(Continued)

See accompanying notes to financial statements.

NIAGARA FALLS WATER BOARD  
Statements of Cash Flows, Continued

	<u>2019</u>	<u>2018</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,230,642	1,858,534
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	6,891,972	6,452,502
Changes in:		
Accounts receivable	(59,875)	(70,857)
Due from other governments	65,283	89,961
Grants receivable	(766,937)	-
Prepaid expenses	(187,698)	275,729
Accounts payable	(12,963)	208,274
Accrued liabilities	7,040	(52,145)
Overpayments	1,050	1,850
Compensated absences	26,786	7,731
Total OPEB liability	1,254,998	1,228,380
Net pension liability - proportionate share - ERS System	664,822	(816,643)
Deferred outflows of resources - pension	685,737	(406,610)
Deferred inflows of resources - pension	<u>(1,081,512)</u>	<u>1,302,111</u>
Total adjustments	<u>7,488,703</u>	<u>8,220,283</u>
Net cash provided by operating activities	<u>\$ 8,719,345</u>	<u>10,078,817</u>
Supplemental schedule of cash flow information:		
Adjustment for capital assets financed by accounts payable	<u>\$ 1,580,759</u>	<u>1,840,594</u>
Disposal of fully depreciated capital assets	<u>\$ 127,258</u>	<u>-</u>

See accompanying notes to financial statements.



# NIAGARA FALLS WATER BOARD

## Notes to Financial Statements

December 31, 2019 and 2018

### (1) Summary of Significant Accounting Policies

The financial statements of the Niagara Falls Water Board (the Board) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. Included in the Board's reporting entity is a blended component unit, the Niagara Falls Public Water Authority (the Authority).

#### (a) Reporting Entity

The Board was created by Chapter 325 of the Laws of 2002 of the State of New York (the State), codified as Sections 1231-a of Title 10-C of Article 5 of the Public Authorities Law of the State, as amended (the Board Act). The Authority was created by Chapter 275 of the Laws of 2002 of the State, constituting the Niagara Falls Public Water Authority Act, codified as Sections 1230-a through 1230-aa of Title 10-B of Article 5 of the Public Authorities Law of the State, as amended (the Authority Act).

The Board is a corporate municipal instrument of the State consisting of five members primarily responsible for the jurisdiction, control, possession, supervision and use of water, wastewater and storm water systems within the City of Niagara Falls, New York (the City).

The Authority is a public benefit corporation consisting of three members and is primarily responsible for obtaining financing for water, wastewater and storm water systems within the City.

Board members for both the Board and Authority are appointed pursuant to the enabling legislation.

Pursuant to the Board Act and the Authority Act, the Board, the Authority and the City executed an acquisition agreement effective September 25, 2003 whereby the Authority issued bonds enabling the Board to purchase all of the assets, net of liabilities, of the City's public water, wastewater and storm water systems. The Board began operations of these systems on that date.

Currently there are approximately 19,536 residential, 329 commercial and 24 large industrial type customers. Total population served by the water system is estimated at 51,000. The average daily demand is 23.1 million gallons per day. The Board's wastewater system generally covers the same service area and customer base as the water system. The wastewater treatment plant processes approximately 29.3 million gallons of wastewater per day.

Blended Presentation of Component Unit - Although they are legally separate entities, blended component units are, in substance, part of the government's operations. The following is a brief description of the blended component unit included in the primary government.

NIAGARA FALLS WATER BOARD  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(a) Reporting Entity, Continued

Niagara Falls Public Water Authority - Among the powers given to the Authority is the ability to borrow money and issue negotiable or non-negotiable notes, bonds or other obligations for the acquisition, renovation and improvement to the regional water system.

The Authority may also apply for licenses, permits and approval of plans associated with the acquisition, renovation and improvement of the regional water system. In the process of borrowing funds to improve facilities, professional consultants may be retained to offer technical services and advice for the purpose and benefit of acquiring or improving the systems.

The Authority has entered into an agreement with the Board to make payments for the debt service required by these bonds. The Board is also required to make payments for Authority expenses. The obligation to make debt service is a general obligation to which its full faith and credit are pledged.

The Authority is considered a component unit since the Board is obligated to pay debt service and fund other accounts of the Authority. Thus, the Authority is “fiscally dependent” upon the Board to establish rates and collect fees necessary to pay these debts. Further, the Authority is “blended” with the Board in the financial statements because the Authority exists solely to provide services that predominantly benefit the Board.

(b) Measurement Focus and Basis of Accounting

The financial statements of the Board have been prepared in accordance with GAAP as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles.

The activities of the Board are accounted for similar to those often found in the private sector using the flow of economic resources measurement focus and the accrual basis of accounting. All assets, liabilities, deferred outflows of resources, deferred inflows of resources, net position, revenues, and expenses are accounted for through a single enterprise fund with revenues recorded when earned and expenses recorded at the time liabilities are incurred.

Revenues from providing water and sanitary sewer services are reported as operating revenues. Transactions which are capital, financing or investing related are reported as non-operating revenues. All expenses related to operating systems are reported as operating expenses. Interest expense and financing costs are reported as non-operating expenses.

(c) Budgets

The annual budget is the financial plan for the effective operation of the Board and the Authority. The Board uses the budget as a management tool for internal control purposes and to assist in setting of appropriate user charges.

NIAGARA FALLS WATER BOARD  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(d) Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

- Cash and Equivalents - The Board's cash and equivalents represent cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.
- Restricted Cash and Investments - Capital Projects - In 2007, the Board received \$19,000,000 from the New York State Power Authority (the Power Authority) which is restricted for capital improvement projects including, but not limited to, the Falls Street Tunnel. At December 31, 2019 and 2018, the total amount restricted for capital projects amounted to \$6,786,581 and \$12,672,427, respectively.
- Restricted Cash and Investments - Debt Service Fund - As a result of the purchase of the water and sewer systems from the City, certain bond covenants, as disclosed in note 5, were established requiring resources (consisting of cash and investments) to be maintained for specific purposes necessary to operate the water and sewer systems. At December 31, 2019 and 2018, the total amount restricted for debt service fund amounted to \$5,754,527 and \$4,795,231, respectively.

Cash has been deposited into various trust funds with a fiscal agent to satisfy certain covenants. Further, the amounts have been invested into various short-term investments in compliance with the Board's investment policy. Certain funds were used for their intended purposes and are no longer available for investment.

- Restricted Cash and Investments - Debt Service Reserve Fund - This fund was established to fulfill the debt service reserve requirements on the outstanding bonds as and when they become due. At December 31, 2019 and 2018, the total amount restricted for debt service reserve fund amounted to \$8,389,738 and \$9,182,488, respectively.
- Restricted Cash and Investments - Operating and Maintenance - This fund is restricted to pay the cost of extraordinary repairs to and maintenance of the system. At December 31, 2019 and 2018, the total amount restricted for operating and maintenance amounted to \$5,228,792.

- Fair Value Measurements and Disclosures

A framework has been established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Board has the ability to access.

NIAGARA FALLS WATER BOARD  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(d) Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position, Continued

- Level 2 - Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the assets or liabilities; and
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at December 31, 2019.

The following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds and equities - Valued at the closing price reported on the active market in which the individual securities are traded.

Corporate and government bonds - Valued at the closing price reported on the active markets in which the individual securities are traded.

The Board assess the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with its accounting policy regarding the recognition of transfers between levels of the fair value hierarchy.

- Accounts Receivable - All receivables are reported at their gross values and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The Board has adopted a policy of recognizing water and sewer revenues in the period in which the services are provided. Billings to customers generally consist of revenues earned from the prior three months for quarterly billed customers, and revenues earned from the prior month for monthly billed customers.

The collection of current water and sewer charges is performed by the Board. The City, acting as collecting agent for the Board, collects delinquent water and sewer charges.

- Prepaid Expenses - Prepaid expenses reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

NIAGARA FALLS WATER BOARD  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(d) Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position, Continued

- Capital Assets - Capital assets acquired by the Board as part of the September 25, 2003 acquisition agreement with the City were reported at fair value on the acquisition date. Capital assets acquired by the Board subsequent to the initial acquisition are stated at cost including interest capitalized during construction, where applicable. Costs include material, direct labor and other items such as supervision, payroll taxes, employee benefits, transportation, and certain preliminary legal, engineering and survey costs. The costs of repairs and maintenance are expensed as incurred. Contributed fixed assets are recorded at fair market value at the date received.

Construction projects are conducted on a continuing basis in order to maintain or enhance the systems. Preliminary legal, engineering and survey costs include studies conducted prior to the actual construction period that directly result in specific construction projects. While capital projects are in process, all associated costs are recorded as construction in progress. Once completed, all costs, including legal, engineering, survey and construction costs, are reclassified to their respective asset categories and depreciated according to their useful lives.

Depreciation has been recorded using the straight-line method of depreciation. The estimated useful lives of the Board's major classes of depreciable assets are based on the utility of the respective assets. The estimated useful lives of depreciable fixed assets are as follows:

<u>Assets</u>	<u>Years</u>
Land	N/A
Plant and transmission assets	25 - 50
Machinery and equipment	5 - 20

- Compensated Absences - Board employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, all union employees are entitled to payment for accumulated vacation and compensatory time limited to amounts defined under their respective collectively bargained agreements. All non-union employees are entitled to similar benefits as defined by their respective contracts with the Board.

Payments of vacation and sick leave and compensatory time are dependent upon many factors; therefore, the timing of future payments is not readily determinable. However, management believes that sufficient resources will be available for the payments of vacation leave and compensatory time when such payments become due.

- During the year ended December 31, 2018, the Board adopted provisions of GASB Statement No. 75 - "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). See note 7 and note 14 of the financial statements for the impact of the implementation on the financial statements.

NIAGARA FALLS WATER BOARD  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(d) Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position, Continued

In addition to providing pension benefits, the Board provides postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all of the Board's employees may become eligible for these benefits if they reach normal retirement age while working for the Board. Health care benefits are provided through the Board's self-insurance plan. The Board pays 100% of the cost for retiree's health care insurance, excluding co-pays which are the sole responsibility of the retirees. Survivor beneficiaries reimburse the Board monthly for 100% of the calculated premiums. The Board recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

- Bond and Note Discounts/Premiums - Discounts and premiums are presented as components of bonds or notes payable. The discounts/premiums are amortized over the life of the bonds and notes on a straight-line interest method.
- Long-term Obligations - Long-term debt obligations are reported as liabilities in the accompanying statements of net position.
- Pension Plan - The Board provides retirement benefits for substantially all of its regular, full-time employees through contributions to the New York State Employees' and Local Employees' Retirement System (ERS). The ERS provides various plans and options, some of which require employee contributions, as described in note 8.
- Deferred Outflows of Resources and Deferred Inflows of Resources - 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/expenditure) until then. The Board has two items that qualify for reporting in this category. The first item is related to pensions and represents the effect of the net change in the Board's proportion of the collective net pension liability and difference during the measurement period between the Board's contributions and its proportionate share of total contributions to the pension system not included in pension expense. The second item is the Board contributions to the pension systems subsequent to the measurement date.

Deferred inflows of resources represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two items that qualify for reporting in this category. The first is related to pensions and represents the effect of the net change in the Board's proportion of the collective net pension liability and difference during the measurement periods between the Board's contributions and its proportion share of total contributions to the pension systems not included in the pension expense. The second item is the deferred gain the Board incurred on its debt refunding transaction.

NIAGARA FALLS WATER BOARD  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Use of Estimates

The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(f) Income Taxes

The Board is a public benefit corporation of the State of New York. As such, income earned in the exercise of its essential government functions is exempt from State and Federal income taxes.

(g) Subsequent Events

The Board has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

The Board of Directors has authorized the Authority to issue bonds in the amounts of \$3,500,000 and \$2,495,000 at its January 27, 2020 meeting. As of the day of this report these bonds were not issued.

GASB issued Statement No. 95 - "Postponement of the Effective Dates of Certain Authoritative Guidance". This Statement, issued in May 2020, has the primary objective of providing temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. Earlier application of the provisions addressed in this Statement is encouraged and is permitted to the extent specified in each pronouncement as originally issued. Disclosures in note 13 have been updated accordingly.

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 virus on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the Board and its future results and financial position is not presently determinable.

(h) Reclassifications

Reclassifications have been made to certain 2018 balances in order to conform them to the 2019 presentation.

(2) Cash and Equivalents and Investments

The Board's investment policies are governed by State statute. Board monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. The Board is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, and obligations of the State or its localities.

NIAGARA FALLS WATER BOARD  
Notes to Financial Statements, Continued

(2) Cash and Equivalents and Investments, Continued

Collateral is required for demand deposits and certificates of deposit in an amount equal to or greater than the amount of all deposits not covered by FDIC insurance coverage. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State.

The Board's cash and equivalents at December 31, 2019 and 2018 include the following captions on the statements of net position:

	<u>2019</u>	<u>2018</u>
Cash and equivalents	\$ 24,190,490	21,391,578
Restricted cash and investments:		
Capital projects	6,786,581	12,672,427
Debt service fund	5,754,527	4,795,231
Debt service reserve fund	8,389,738	9,182,488
Operating and maintenance	<u>5,228,792</u>	<u>5,228,792</u>
Total	\$ <u>50,350,128</u>	<u>53,270,516</u>

Cash and equivalents are comprised of the following:

	<u>2019</u>	<u>2018</u>
Petty cash (uncollateralized)	\$ 100	100
Deposits	22,357,347	25,248,079
Investments	<u>27,992,681</u>	<u>28,022,337</u>
Total	\$ <u>50,350,128</u>	<u>53,270,516</u>

**Custodial Credit Risk - Deposits** - In the case of deposits, this is the risk that, in the event of a bank failure, the Board's deposits may not be returned to it. As noted above, by State statute, all deposits in excess of FDIC insurance coverage must be collateralized. As of December 31, 2019 and 2018, all uninsured bank deposits were fully collateralized with securities held by the pledging financial institution's trust department or agent in the Board's name.

**Custodial Credit Risk - Investments** - For investments, this is the risk that, in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments that are in the possession of an outside party. At December 31, 2019 and 2018, all of the Board's restricted cash in the form of investments was registered in the Board's name and was invested in U.S. Government backed securities.

The Board's investments at December 31, 2019, consist of the following:

<u>Investments</u>	<u>Maturity</u>	<u>Fair Value</u>
U.S. Treasuries	1/31/20 - 11/01/41	\$ 11,682,968
Federal Home Mortgage Corp.	1/14/20 - 11/17/20	12,297,445
Certificates of deposit	1/24/20 - 12/02/20	<u>4,012,268</u>
Total investments		\$ <u>27,992,681</u>

These investments are classified as Level 1.



NIAGARA FALLS WATER BOARD  
Notes to Financial Statements, Continued

(2) Cash and Equivalents and Investments, Continued

Maturity Schedule

Less than one year	\$ 27,090,301
More than one year	<u>902,380</u>
	<u>\$ 27,992,681</u>

The Board's investments at December 31, 2018, consist of the following:

<u>Investments</u>	<u>Maturity</u>	<u>Fair Value</u>
U.S. Treasuries Notes	1/31/19 - 11/1/41	\$ 11,603,121
Federal Home Mortgage Corp.	1/14/19 - 5/28/20	12,931,227
Certificates of Deposit	4/30/18 - 12/2/20	<u>3,487,989</u>
Total investments		<u>\$ 28,022,337</u>

These investments are classified as Level 1.

Maturity Schedule

Less than one year	\$ 18,908,759
More than one year	<u>9,113,578</u>
	<u>\$ 28,022,337</u>

Concentration Credit Risk - For investments, this is the risk of loss attributable to the quantity of the government's investment in a single issuer. Investments in single issuers that equal or exceed 5% of total investments have a reportable concentration of credit risk. At December 31, 2019, the Board held 44%, 42% and 14% of its investment balance in Federal Home Mortgage Corp., U.S. Treasury Notes, and Certificates of Deposit, respectively.

(3) Receivables

Major revenues accrued by the Board at December 31, 2019 and 2018 include the following:

(a) Accounts Receivable

Accounts receivable primarily represents amounts due from customers for current and delinquent water and wastewater services provided, including penalties, unpaid bill charges, collection fees and shut-off charges.

Customers are billed either on a monthly or quarterly basis depending on the type of user (industrial or residential), and the level of water and sewer usage. Customers may make payments without penalty on current charges up until 20 days after receiving their bill. Any unpaid balances remaining after these 20 days are subject to a penalty of 6%, and those customers receive an unpaid bill notice. If balances still remain unpaid after 30 additional days, final unpaid notices are mailed. The customers are then given 10 days to remit payment, after which the property is tagged, and shut-off procedures begin.

NIAGARA FALLS WATER BOARD  
Notes to Financial Statements, Continued

(3) Receivables, Continued

(a) Accounts Receivable, Continued

During the first week of December of every year, unpaid balances are transferred to the City tax roll for collections through the subsequent year's tax levy or in-rem property sales. Any amounts relating to unpaid water and wastewater balances collected by the City through these means are delivered to the Board.

As of December 31, 2019, \$1,265,283 was included in allowance for uncollectible accounts to account for receivable balances that may not be collected. As of December 31, 2018, \$1,307,973 was included in allowance for uncollectible accounts to account for receivable balances that may not be collected.

(b) Due from Other Governments

Due from other governments represents amounts due from the City for the tax transfer. Amounts accrued at December 31, 2019 and 2018 consist of \$1,184,940 and \$1,250,223, respectively.

The tax transfer represents uncollected water and sewer charges that have been turned over to the City for collection in conjunction with the City's property tax levy. The City remits these charges to the Board each January and July for collections it receives for the previous six-month period. This amount includes collected but not yet remitted charges at year-end. Charges from all previous years' water and sewer operations transferred to the City that are not collected totaled \$5,985,527 and \$6,286,360 at December 31, 2019 and 2018, respectively. Management has recorded an allowance for uncollectible accounts with respect to these balances of \$4,800,587 and \$5,036,137 at December 31, 2019 and 2018, respectively.

(4) Capital Assets

The Board's capital asset activity for the years ended December 31, 2019 and 2018 is summarized as follows:

	Balance 1/1/2019	Increases	Decreases	Balance 12/31/2019
Capital assets, not being depreciated:				
Land	\$ 463,713	-	-	463,713
Construction in progress	<u>3,184,153</u>	<u>5,444,472</u>	<u>(4,633,505)</u>	<u>3,995,120</u>
Total capital assets not being depreciated	<u>3,647,866</u>	<u>5,444,472</u>	<u>(4,633,505)</u>	<u>4,458,833</u>
Capital assets, being depreciated:				
Plant and transmission costs:				
Water system	89,712,842	979,489	-	90,692,331
Wastewater system	89,979,411	4,087,403	-	94,066,814
Machinery and equipment	<u>10,079,046</u>	<u>1,756,606</u>	<u>(127,258)</u>	<u>11,708,394</u>
Total capital assets being depreciated	<u>189,771,299</u>	<u>6,823,498</u>	<u>(127,258)</u>	<u>196,467,539</u>

NIAGARA FALLS WATER BOARD  
Notes to Financial Statements, Continued

(4) Capital Assets, Continued

	Balance <u>1/1/2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>12/31/2019</u>
Less accumulated depreciation:				
Plant and transmission costs:				
Water system	\$ (42,837,407)	(2,990,989)	-	(45,828,396)
Wastewater system	(25,156,868)	(3,003,891)	-	(28,160,759)
Machinery and equipment	<u>(4,968,166)</u>	<u>(897,092)</u>	<u>127,258</u>	<u>(5,738,000)</u>
Total accumulated depreciation	<u>(72,962,441)</u>	<u>(6,891,972)</u>	<u>127,258</u>	<u>(79,727,155)</u>
Total being depreciated, net	<u>116,808,858</u>	<u>(68,474)</u>	<u>-</u>	<u>116,740,384</u>
Capital assets, net	\$ <u>120,456,724</u>	<u>5,375,998</u>	<u>(4,633,505)</u>	<u>121,199,217</u>
	Balance <u>1/1/2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>12/31/2018</u>
Capital assets, not being depreciated:				
Land	\$ 463,713	-	-	463,713
Construction in progress	<u>6,991,440</u>	<u>7,483,243</u>	<u>(11,290,530)</u>	<u>3,184,153</u>
Total capital assets not being depreciated	<u>7,455,153</u>	<u>7,483,243</u>	<u>(11,290,530)</u>	<u>3,647,866</u>
Capital assets, being depreciated:				
Plant and transmission costs:				
Water system	87,610,212	2,102,630	-	89,712,842
Wastewater system	82,549,377	7,430,034	-	89,979,411
Machinery and equipment	<u>8,321,180</u>	<u>1,757,866</u>	<u>-</u>	<u>10,079,046</u>
Total capital assets being depreciated	<u>178,480,769</u>	<u>11,290,530</u>	<u>-</u>	<u>189,771,299</u>
Less accumulated depreciation:				
Plant and transmission costs:				
Water system	(39,897,793)	(2,939,614)	-	(42,837,407)
Wastewater system	(22,375,407)	(2,781,461)	-	(25,156,868)
Machinery and equipment	<u>(4,236,739)</u>	<u>(731,427)</u>	<u>-</u>	<u>(4,968,166)</u>
Total accumulated depreciation	<u>(66,509,939)</u>	<u>(6,452,502)</u>	<u>-</u>	<u>(72,962,441)</u>
Total being depreciated, net	<u>111,970,830</u>	<u>4,838,028</u>	<u>-</u>	<u>116,808,858</u>
Capital assets, net	\$ <u>119,425,983</u>	<u>12,321,271</u>	<u>(11,290,530)</u>	<u>120,456,724</u>

NIAGARA FALLS WATER BOARD  
Notes to Financial Statements, Continued

(5) Indebtedness

The Authority issues debt to provide for the acquisition of the water and sewer systems and for the initial funding of operating and maintenance and debt reserves.

The proceeds of Series 2012B amounted to \$6,607,122 - Clean Water issue were used to payoff the EFC Note used to fund North Gorge Interceptor Capacity Restoration Project.

In 2013, the Board issued \$74,240,000 in general obligation bonds with an average interest rate of 4.72% and received an additional premium of \$142,002. The bonds were used for an advanced refunding of \$63,535,000 of 2003 Bonds with an average interest rate of 3.79%. The net proceeds of approximately \$64 million were deposited in a trust with an agent to provide for future debt service payments on the bonds. As a result, the bonds are considered defeased and the liability for those bonds has been removed from the Board's financial statements. The economic gain on the transaction (the difference between the present values of the debt service payments on the old and new debt) is approximately \$1.7 million.

During 2014 net proceeds of the Series B bonds were used to entirely refund the Series 2004 Serial Bonds of \$4,095,000, specifically reducing the interest to be paid by approximately \$610,000.

During 2015, net proceeds of the Series D bonds were used to entirely refund the Series 2005A&B Serial Bonds of \$4,380,000 specifically reducing the interest to be paid by approximately \$550,000. As a result, the bonds are considered defeased and the liability for these bonds has been removed from the Board's financial statements. The economic gain on the transaction (the difference between the present values of the debt service payments on the old and new debt) is approximately \$450,000.

During 2016, net proceeds of the Series A bonds were used to entirely refund the Series 2005 bonds of \$23,115,000 specifically reducing the interest to be paid by approximately \$4,100,000. As a result, the bonds are considered defeased and the liability for these bonds has been removed from the Board financial statements. The economic gain on the transaction (the difference between the present values of the debt service payments on the old and new debt) is approximately \$4.1 million. The accounting gain on this refunding was originally \$1,097,923 which will be amortized through 2034. The unamortized gain on refunding amounted to \$909,853 and \$970,849 at December 31, 2019 and 2018, respectively

During 2019, the Board received proceeds of \$2,189,993 from the New York State Power Authority for the Energy Efficiency Program at an interest rate of 2.79%.

Indebtedness activity for the year ended December 31, 2019 is presented on the following page:

NIAGARA FALLS WATER BOARD  
Notes to Financial Statements, Continued

(5) Indebtedness, Continued

Indebtedness Activity:

	<u>Year of Issue</u>	<u>Year of Maturity</u>	<u>Interest Rate %</u>	<u>Original Amount</u>	<u>Principal Outstanding 1/1/2019</u>	<u>Issued</u>	<u>Paid</u>	<u>Principal Outstanding 12/31/2019</u>
Niagara Falls Public Water Authority Bonds:								
Series 2013A Bonds	2013	2034	3.0 - 5.0	\$ 36,060,000	34,890,000	-	315,000	34,575,000
Series 2013B Bonds	2013	2024	4.309	8,415,000	4,635,000	-	720,000	3,915,000
Series 2016A Bonds	2016	2034	3.13 - 5.0	20,130,000	20,130,000	-	-	20,130,000
New York State Environmental Facilities Corporation Water Revolving Funds Revenue Bonds:								
Series 2012B - Clean Water	2012	2041	0.26 - 4.27	6,607,122	5,375,000	-	175,000	5,200,000
Series 2013B - Clean Water	2013	2033	3.88 - 5.05	14,030,000	11,290,000	-	595,000	10,695,000
Series 2013B - Drinking Water	2013	2023	4.75 - 4.91	5,580,000	5,580,000	-	-	5,580,000
Series 2013B - Drinking Water	2013	2019	5.14 - 5.59	6,770,000	1,000,000	-	1,000,000	-
Series 2013B - Drinking Water	2013	2019	5.14 - 5.59	3,385,000	500,000	-	500,000	-
Series 2014B - Drinking Water	2014	2021	5.40	4,095,000	3,885,000	-	175,000	3,710,000
Series 2015D - Drinking Water	2015	2034	3.81 - 4.57	4,380,000	4,095,000	-	575,000	3,520,000
New York State Power Authority:								
Series 2019 Mortgage Loan	2019	2028	2.79	2,189,993	-	2,189,993	214,607	1,975,386
Totals				<u>\$ 111,642,115</u>	<u>91,380,000</u>	<u>2,189,993</u>	<u>4,269,607</u>	<u>89,300,386</u>
Reconciliation to statements of net position:								
Principal outstanding					\$ 91,380,000			89,300,386
Unamortized premium on bonds					2,065,249			1,935,495
					<u>\$ 93,445,249</u>			<u>91,235,881</u>
Current portion of bonds payable					4,055,000			4,316,194
Noncurrent portion of bonds payable					89,390,249			86,919,687
					<u>\$ 93,445,249</u>			<u>91,235,881</u>

NIAGARA FALLS WATER BOARD  
Notes to Financial Statements, Continued

(5) Indebtedness, Continued

The annual maturities of long-term debt as of December 31, 2019 are as follows:

<u>Year</u>	<u>Premium on bonds</u>	<u>Principal</u>	<u>Total</u>
2020	\$ 129,754	4,316,194	4,445,948
2021	129,754	4,483,018	4,612,772
2022	129,754	4,638,755	4,768,509
2023	129,754	4,789,654	4,919,408
2024	129,754	5,200,720	5,330,474
2025-2029	648,770	29,302,045	29,950,815
2030-2034	637,955	34,355,000	34,992,955
2035-2039	-	1,225,000	1,225,000
2040-2041	-	990,000	990,000
	<u>\$ 1,935,495</u>	<u>89,300,386</u>	<u>91,235,881</u>

Annual interest payments due on long-term debt as of December 31, 2019 are as follows:

2020	\$ 3,277,140
2021	2,789,012
2022	2,981,376
2023	2,563,826
2024	2,765,462
2025-2029	10,293,933
2030-2034	4,184,452
2035-2039	256,118
2040-2041	<u>60,862</u>
Total	\$ <u>29,172,181</u>

Financing Agreement Covenants

The financing agreement between the Authority and the Board relating to all current and future bonding contain various covenants pertaining to the use and maintenance of the trust funds established from the proceeds of each bonding. At December 31, 2019, management believes the Board was in compliance with the following loan covenants:

The Board is required to establish and collect rates, fees and charges sufficient in each fiscal year at least equal to the sum of:

- (1) 115% of the estimated aggregate debt service and projected debt service payable in such fiscal year;
- (2) 100% of Board operating expenses and Authority expenses payable in such fiscal year;  
and
- (3) 100% of the amount necessary to pay the required deposits for such fiscal year.

NIAGARA FALLS WATER BOARD  
Notes to Financial Statements, Continued

(5) Indebtedness, Continued

The Board shall review the adequacy of fees, rates and charges at least semi-annually.

The Board shall enforce the payment of any and all amounts owed for the use of the systems.

The Board shall (unless required by law) not furnish or supply, or cause to be furnished or supplied, any product, use or service of the systems, free of charge.

The debt service fund balance, beginning with the first day of each calendar month, shall receive all revenues until the balance in the debt service fund equals the minimum monthly balance. The minimum monthly balance is defined as an amount equal to the sum of the aggregate amounts of debt service that have accrued with respect to all series of bonds, calculating the debt service that has accrued as an amount equal to the sum of:

- (1) The interest on the bonds that has accrued and is unpaid and that will have accrued by the end of the then calendar month; and
- (2) The portion of the next due principal installment for the bonds that would have accrued (as deemed to accrue in the manner interest accrues) by the end of the then calendar month.

Remedies for Default

In the event that the Board shall default in the payment of principal of or interest on any issue of bonds after the same shall become due, whether at maturity or upon call for redemption, and such default shall continue for a period of thirty days, or in the event that the Board shall fail or refuse to comply with the provisions of this title or shall default in any agreement made with the holders of any issue of bonds, the holders of twenty-five percent in aggregate principal amount of the bonds of such issue then outstanding, by instrument or instruments filed in the offices of the clerk of the City, secretary of the Board and the Authority and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of such bonds for the purpose herein provided.

(6) Compensated Absences

As explained in note 1, the Board reports the value of compensated absences as a liability. The annual budgets of the operating funds provide funding for these benefits as they become payable. The payment of compensated absences is dependent on many factors; therefore, the timing of future payments is not readily determinable. The current portion payable is estimated at 5% of the total compensated absences liability. The current portion of the liability amounted to \$36,810 and \$35,471 at December 31, 2019 and 2018, respectively. The long-term portion of the liability amounted to \$699,387 and \$673,940 at December 31, 2019 and 2018, respectively.

NIAGARA FALLS WATER BOARD  
Notes to Financial Statements, Continued

(7) Other Postemployment Benefits (OPEB)

(a) Plan Description and Benefits

Plan Description - The Board provides continuation of medical, prescription drug, dental, vision and chiropractic coverage for employees who retire and are at least age 50 and have an age, plus years of service, of at least 70. All retirees and future retirees hired prior to June 1, 2006 have no contribution requirements for both individual and family coverage. All future retirees hired after June 1, 2006 are required to pay 20% of the individual and family premiums. The Board currently pays for postemployment health care benefits on a pay-as-you-go basis. These financial statements assume that pay-as-you-go funding will continue.

The Board provides certain health care benefits for retired employees. Substantially all of the employees may become eligible for these benefits if they reach the normal retirement age and have the required minimum age plus years of service working for the Board. At December 31, 2019 and 2018, the current portion of the postemployment benefits liability was \$2,771,796 and \$2,581,965, respectively. The noncurrent portion of the postemployment benefits liability amounted to \$86,092,262 and \$85,027,095 at December 31, 2019 and 2018, respectively.

(b) Employees covered by benefit terms

At December 31, 2019 and 2018, the following employees were covered by the benefit terms:

Current retirees	97
Active employees	<u>88</u>
	<u>185</u>

(c) Total OPEB Liability

The Board's total OPEB liability of \$88,864,058 and \$87,609,060 was measured as of December 31, 2019 and 2018, respectively, and was determined by an actuarial valuation as of January 1, 2018.

(d) Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.0%
Discount rate	3.8%
Inflation	2.6%
Healthcare cost trend rates	7.0% for 2018, decreasing to an ultimate rate of 5.0% for 2024

Mortality rates were based on the Society of Actuaries Mortality Improvement Scale MP-2018.



NIAGARA FALLS WATER BOARD  
Notes to Financial Statements, Continued

(7) Postemployment Benefits, Continued

(e) Changes in the Total OPEB Liability

	<u>2019</u>	<u>2018</u>
Original OPEB liability as of beginning of year	\$ 87,609,060	27,393,994
Cumulative effect of change in accounting principle (required by GASB 75)	<u>-</u>	<u>58,986,686</u>
Total OPEB liability as of beginning of year	87,609,060	86,380,680
Changes for the year:		
Service cost	556,876	540,656
Interest	3,280,087	3,234,085
Benefit payments	<u>(2,581,965)</u>	<u>(2,546,361)</u>
Total changes	<u>1,254,998</u>	<u>1,228,380</u>
Total OPEB liability as of end of year	\$ <u>88,864,058</u>	<u>87,609,060</u>

(f) Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the Board, as well as what the Board's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.8%) or 1-percentage-point higher (4.8%) than the current discount rate:

	1% Decrease (2.8%)	Current Discount Rate (3.8%)	1% Increase (4.8%)
Total OPEB liability - 2018	\$ <u>105,269,459</u>	<u>87,609,060</u>	<u>74,388,584</u>

The valuation for December 31, 2019 was performed through update procedures and therefore sensitivity disclosures were not made available.

(g) Sensitivity of the total OPEB liability to changes in the healthcare costs trend rates

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

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability - 2018	\$ <u>72,723,841</u>	<u>87,609,060</u>	<u>107,037,190</u>

The valuation for December 31, 2019 was performed through update procedures and therefore sensitivity disclosures were not made available.

(h) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019 and 2018, the Board recognized OPEB expense of \$3,836,963 and \$3,774,741, respectively. At December 31, 2019 and 2018, the Board reported no deferred outflows of resources and no deferred inflows of resources related to OPEB.

NIAGARA FALLS WATER BOARD  
Notes to Financial Statements, Continued

(8) Pension Plans

(a) Plan Descriptions and Benefits Provided

Employees' Retirement System (ERS)

The Board participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Authority (the Authority), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Board and is the administrative head of the System. System benefits are established under the provision of the New York State Retirement and Social Security Law (RSSL). Once a public 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 Board 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](http://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.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems fiscal year ending March 31.

(b) Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019 and 2018, the Board reported the following liability for its proportionate share of the net pension liability for ERS. The net pension liability was measured as of March 31, 2019 and 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Board's proportionate share of the net pension liability was based on a projection of the Board's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS in reports provided to the Board. At December 31, 2019, the Board's proportion was 0.0160886%, which was an increase of 0.0013677 from its proportion measured as of March 31, 2018. At December 31, 2018, the Board's proportion was 0.0147209%, which was an increase of 0.0009733 from its proportion measured as of March 31, 2017.

Measurement date	3/31/2019	3/31/2018
Board's proportionate share of the net pension liability	\$1,139,930	475,108
Board's proportion of the Plan's net pension liability	0.0160886%	0.0147209%

NIAGARA FALLS WATER BOARD  
Notes to Financial Statements, Continued

(8) Pension Plans, Continued

(b) Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued

For the year ended December 31, 2019 and 2018, the Board recognized pension expense of \$556,630 and \$662,236 for ERS, respectively. At December 31, 2019 and 2018 the Board's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>2019</u>		<u>2018</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 224,476	76,521	169,456	140,032
Changes of assumptions	286,532	-	315,036	-
Net difference between projected and actual earnings on pension plan investments	-	292,569	690,057	1,362,104
Changes in proportion and differences between the Board's contributions and proportionate share of contributions	197,658	59,263	229,698	7,729
Board's contributions subsequent to the measurement date	<u>427,317</u>	<u>-</u>	<u>417,473</u>	<u>-</u>
Total	\$ <u>1,135,983</u>	<u>428,353</u>	<u>1,821,720</u>	<u>1,509,865</u>

Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending</u>	
2020	\$ 293,675
2021	(173,475)
2022	6,267
2023	153,846

(c) Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuation used the following actuarial assumptions:

NIAGARA FALLS WATER BOARD  
Notes to Financial Statements, Continued

(8) Pension Plans, Continued

(c) Actuarial Assumptions, Continued

Measurement date	March 31, 2019
Actuarial valuation date	April 1, 2018
Investment rate of return (net of investment expense, including inflation)	7.0%
Salary increases	4.2%
Inflation rate	2.5%
Cost-of-living adjustments	1.3%

Annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2014.

The actuarial assumptions used in the April 1, 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense 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 allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
Asset class:		
Domestic equity	36.00%	4.55%
International equity	14.00%	6.35%
Private equity	10.00%	7.50%
Real estate	10.00%	5.55%
Absolute return strategies (1)	2.00%	3.75%
Opportunistic portfolio	3.00%	5.68%
Real assets	3.00%	5.29%
Bonds and mortgages	17.00%	1.31%
Cash	1.00%	(0.25%)
Inflation - indexed bonds	<u>4.00%</u>	1.25%
	<u>100.00%</u>	

\*The real rate of return is net of the long-term inflation assumption of 2.5%.

(1) Excludes equity oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity.

NIAGARA FALLS WATER BOARD  
Notes to Financial Statements, Continued

(8) Pension Plans, Continued

(e) Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate

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

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Board's proportionate share of the net pension asset (liability)	\$ (4,983,954)	(1,139,930)	2,089,324

(f) Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of all participating employers as of the respective measurement dates, were as follows:

	(Dollars in Millions)	
Measurement date	3/31/2019	3/31/2018
Employers' total pension liability	\$(189,803)	(183,400)
Plan fiduciary net position	<u>182,718</u>	<u>180,173</u>
Employers' net pension liability	\$ <u>(7,085)</u>	<u>(3,227)</u>
Ratio of plan fiduciary net position to the employers' total pension liability	96.27%	98.24%

(g) Contributions to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Retirement contributions as of December 31, 2019 and 2018 represent the projected employer contribution for the period of April 1, 2019 through March 31, 2020 and April 1, 2018 through March 31, 2019, respectively based on paid ERS wages multiplied by the employer's contribution rate, by tier. This amount has been recorded as deferred outflows of resources in the accompanying financial statements.

(9) Net Position

The Board's financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted for debt service, restricted for capital projects, restricted for operations and maintenance and unrestricted.

Net Investment in Capital Assets - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

NIAGARA FALLS WATER BOARD  
Notes to Financial Statements, Continued

(9) Net Position, Continued

The Board's investment in capital assets, net of related debt is in a surplus position of \$29,053,483 and \$26,040,626 at December 31, 2019 and 2018, respectively. The surplus results from the amortization of the Board's capital debt, as outstanding principal for the majority of Board's serial bonds is not paid until late into the life of the debt while depreciation occurs ratably over the life of the assets.

Restricted Net Position - This category represents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Restricted for Capital Projects:

Amounts restricted for capital projects is \$6,786,581 and \$12,672,427 at December 31, 2019 and 2018, respectively. In 2007, the Board received \$19,000,000 from the Power Authority under a "Relicensing Settlement Agreement." The Agreement provided for the creation of a "Niagara Falls Water Board Capital Improvement Fund." These funds are restricted for future use related to capital improvements of the Board including but not limited to any specific project including the Falls Street Tunnel project.

Restricted for Debt Service Fund:

Board restrictions at December 31, 2019 and 2018 of \$5,754,527 and \$4,795,231, respectively, are for debt service.

Restricted for Debt Service Reserve Fund:

Amounts restricted for the debt service reserve fund were \$8,389,738 and \$9,182,488 at December 31, 2019 and 2018, respectively. These funds are controlled by bond trustee. The required minimum balance is the lesser of the maximum future annual debt service requirement or 125% of the average future annual debt service requirements for all outstanding bonds. The required minimum balance was \$6,829,344 and \$6,707,955 at December 31, 2019 and 2018, respectively. This resulted in excess reserves of \$1,560,394 and \$2,474,533 at December 31, 2019 and 2018, respectively.

Restricted for Operations and Maintenance:

Amounts restricted for operations and maintenance were \$5,228,792 at December 2019 and 2018. These reserves may be used to pay the cost of extraordinary repairs to and replacements of the system. Surplus amounts on deposit at the end of the fiscal year may be used for any purpose determined by the Board to be beneficial for the system unless the Authority notifies the Board that it does not concur with such application of surplus and expenditures. The required minimum balance is 1/6<sup>th</sup> of prior year operating expenses which equates to \$4,868,438 and \$4,869,231 at December 2019 and 2018, respectively. At December 31, 2019 and 2018, there was excess reserves of \$360,354 and \$359,561, respectively.

NIAGARA FALLS WATER BOARD  
Notes to Financial Statements, Continued

(9) Net Position, Continued

Unrestricted Net Position - This category represents net position of the Board not restricted for any project or other purpose. Additions of \$3,012,857 to net investment in capital assets and decreases of \$5,719,300 to restricted net position combined with the total loss for the year of \$207,188 decreased the unrestricted net position deficit by \$2,499,255.

(10) Labor Relations

The majority of the Board's employees are represented by various unions under four collective bargaining units agreements, with the balance governed by Board policies. Contracts for all of the bargaining units covered a six year term which expired on December 31, 2010. The Board has started negotiated new contracts with the bargaining units as of June 2017.

(11) Risk Management and Contingent Liabilities

Risk management and contingent liabilities at December 31, 2019 and 2018 are detailed as follows:

(a) Insurance

The Board is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; injuries to employees; and natural disasters, for which the Board carries commercial insurance. There were no settlements that significantly exceeded insurance coverage for the years ended December 31, 2019 and 2018.

(b) Litigation

The Board is involved in litigation arising in the ordinary course of its operations. The Board believes that its ultimate liability, if any, in connection with these matters will not have a material effect on its financial condition or results of operations.

(12) Significant Events

As a result of alleged discharges from the waste water treatment plant during the Summer of 2017, the New York State Department of Environmental Conservation (NYSDEC) and the Board entered into a Consent Order on December 19, 2017 (R9-20170906-129). This Consent Order required the Board to pay a civil penalty in the amount of \$50,000 and to implement a schedule of enumerated actions over the following fifteen (15) months. The Board is now in the process of implementing these actions under the supervision of the NYSDEC.

NIAGARA FALLS WATER BOARD  
Notes to Financial Statements, Continued

(13) Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 87 - “Leases.” This Statement, issued in June 2017, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2020, which is the fiscal year beginning January 1, 2021 for the Board. Management is in process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the Board.

GASB Statement No. 89 - “Accounting for Interest Cost Incurred before the End of a Construction Period.” This Statement, issued in June 2018, establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62 - “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements” which are superseded by this Statement. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020, which is the fiscal year beginning January 1, 2021 for the Board. Management is in the process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the Board.

GASB Statement No. 91 - “Conduit Debt Obligations.” This Statement, issued in May of 2019, requires a single method be used for the reporting of conduit debt obligations. The focus of the Statement is to improve financial reporting by eliminating diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021, which is the fiscal year beginning January 1, 2022 for the Board. Management is in the process of evaluating the potential impact of this Statement on the financial statements of the Board.

GASB Statement No. 92 - “Omnibus 2020.” This Statement, issued in January 2020, clarifies implementation of GASB Statements No. 73, 74, 84 and 87, generally effective for fiscal years beginning after June 15, 2021, which is the fiscal year beginning January 1, 2022 of the Board. Management is in the process of evaluating the potential impact of this Statement on the financial statements of the Board.

GASB Statement No. 93 - “Replacement of Interbank Offered Rates.” This Statement, issued in March 2020, addresses the accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR) - most notably, the London Interbank Offered Rate (LIBOR), which is expected to cease to exist in its current form at the end of 2021. The requirements of this Statement are effective for reporting periods after December 31, 2022, which is the fiscal year beginning January 1, 2023 of the Board. Management is in the process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the Board.



NIAGARA FALLS WATER BOARD  
Notes to Financial Statements, Continued

(13) Accounting Standards Issued But Not Yet Implemented, Continued

GASB Statement No. 94 - "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." This Statement, issued in March 2020, addresses issues related to public-private and public-public partnerships (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022, which is the fiscal year beginning January 1, 2023 for the Board. Management is in the process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the Board.

(14) Cumulative Effect of Change in Accounting Principle

For the year ended December 31, 2018, the Board implemented GASB Statement No. 75 - "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." The implementation of this Statement resulted in the reporting of the entire actuarial accrued liability for other postemployment benefits. The Board's net position at December 31, 2017 has been restated as follows:

Net position at beginning of year (2018), as previously stated	\$ 55,546,505
GASB Statement No. 75 implementation:	
Beginning total OPEB liability	(86,380,680)
Less: Net other postemployment benefits obligations under GASB Statement No. 45	<u>27,393,994</u>
Net position (deficit) at beginning of year (2018), as restated	\$ <u><u>(3,440,181)</u></u>

NIAGARA FALLS WATER BOARD  
Required Supplementary Information  
Schedule of Changes in the Board's  
Total OPEB Liability and Related Ratios  
December 31, 2019 and 2018

Total OPEB liability	<u>2019</u>	<u>2018</u>
Service cost	\$ 556,876	540,656
Interest	3,280,087	3,234,085
Benefit payments	<u>(2,581,965)</u>	<u>(2,546,361)</u>
Net change in total OPEB liability	1,254,998	1,228,380
Total OPEB liability - beginning	<u>87,609,060</u>	<u>86,380,680</u>
Total OPEB liability- ending	<u>\$ 88,864,058</u>	<u>87,609,060</u>
Covered payroll	\$ 3,900,691	3,900,691
Total OPEB liability as a percentage of covered payroll	2,278.16%	2,245.99%

Notes to schedule:

Changes of assumptions - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each actuarial valuation:

<u>2019</u>	<u>2018</u>
3.80%	3.80%

This schedule is presented to illustrate the requirement to show information for 10 years. However, information is presented for those years that are available.

NIAGARA FALLS WATER BOARD  
Required Supplementary Information  
Schedule of Board's Proportionate Share of the Net Pension Liability  
December 31, 2019 and 2018

	NYSERS Pension Plan				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Board's proportion of the net pension liability	0.0160886%	0.0147209%	0.0137476%	0.0134405%	0.0141606%
Board's proportionate share of the net pension liability	\$1,139,930	475,108	1,291,751	2,157,242	478,381
Board's covered payroll	\$4,917,159	4,374,241	4,719,361	4,397,005	4,082,614
Board's proportionate share of the net pension liability as a percentage of its covered payroll	23.18%	10.86%	27.37%	49.06%	11.72%
Plan fiduciary net position as a percentage of the total pension liability	96.27%	98.29%	94.70%	90.70%	97.95%

\* This schedule is presented to illustrate the requirements to show information for 10 years. However, information is presented for those years that are available.

NIAGARA FALLS WATER BOARD  
Required Supplementary Information  
Schedule of Employer Pension Contributions  
December 31, 2019 and 2018

	NYSERS Pension Plan						
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 566,475	583,405	659,383	646,238	725,071	864,054	900,289
Contributions in relation to the contractually required contribution	<u>566,475</u>	<u>583,405</u>	<u>659,383</u>	<u>646,238</u>	<u>725,071</u>	<u>864,054</u>	<u>900,289</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Board's covered payroll	\$ 4,917,159	4,374,241	4,719,361	4,397,005	4,082,614	4,483,962	4,442,277
Contributions as a percentage of covered payroll	11.52%	13.34%	13.97%	14.70%	17.76%	19.27%	20.27%

\* This schedule is presented to illustrate the requirements to show information for 10 years. However, information is presented for those years that are available.

NIAGARA FALLS WATER BOARD  
 Other Supplementary Information  
 Niagara Falls Water Authority (a Blended Component Unit)  
 Statements of Net Position  
 December 31, 2019 and 2018

<u>Assets</u>	<u>2019</u>	<u>2018</u>
Current assets - cash and equivalents	\$ 133,829	133,829
Noncurrent assets - due from Water Board	<u>92,406,568</u>	<u>94,676,932</u>
Total assets	<u>92,540,397</u>	<u>94,810,761</u>
<u>Liabilities</u>		
Current liabilities - bonds payable	4,316,194	4,055,000
Noncurrent liabilities - bonds payable	86,919,687	89,390,249
Risk management and contingent liabilities (note 11)	<u>                    </u>	<u>                    </u>
Total liabilities	<u>91,235,881</u>	<u>93,445,249</u>
<u>Deferred Inflows of Resources</u>		
Gain on refunding	<u>909,853</u>	<u>970,849</u>
<u>Net Position</u>		
Unrestricted	<u>\$ 394,663</u>	<u>394,663</u>

Schedule 2

NIAGARA FALLS WATER BOARD  
Other Supplementary Information  
Niagara Falls Water Authority (a Blended Component Unit)  
Statements of Revenue, Expenses and Changes in Net Position  
Years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating transfers in	\$ 2,891,660	3,246,099
Interest expense	<u>(2,891,660)</u>	<u>(3,196,099)</u>
Change in net position	-	50,000
Net position at beginning of year	<u>394,663</u>	<u>344,663</u>
Net position at end of year	<u><u>\$ 394,663</u></u>	<u><u>394,663</u></u>

**INDEPENDENT AUDITORS' 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**

The Board of Directors  
Niagara Falls Water Board:

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 Niagara Falls Water Board (the Board), as of and for the year ended December 31, 2019, and the related notes to financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated May 13, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Board'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 Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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 Board'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.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board'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 is 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 Board'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 Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York  
May 13, 2020



NIAGARA FALLS WATER BOARD  
Status of Prior Year Audit Findings  
Year ended December 31, 2019

(2018-001) PARIS Filing

Condition - The Board did not file the independent audit report within 90 days after the end of the fiscal year ended December 31, 2018 via the Public Authorities information System (PARIS).

Cause - The auditors could not complete their work within the required timeframe because the Board was unable to obtain all information necessary for capital assets and other postemployment benefit liability timely enough to allow filing by the statutory filing deadline.

Status - The PARIS filing deadline was not met for the year ended December 31, 2018 due to the timeliness of capital assets accounting and other postemployment benefit liability were not completed to allow the independent auditors to complete their work. The PARIS filing deadline was extended for the year ended December 31, 2019 by Executive Order No. 202.11 by New York State Governor Andrew Cuomo due to circumstances related to COVID-19. This finding is considered resolved.

NIAGARA FALLS WATER BOARD  
ANNUAL INVESTMENT REPORT  
December 31, 2019

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH  
SECTION 201.3 OF TITLE TWO OF THE OFFICIAL COMPILATION OF  
CODES, RULES AND REGULATIONS OF THE STATE OF NEW YORK**

The Board of Directors  
Niagara Falls Water Board

We have examined Niagara Falls Water Board's (the Board) compliance with the requirements of Section 201.3 of Title Two of the Official Compilation of Codes, Rules and Regulations of the State of New York (Section 201.3) during the year ended December 31, 2019. Management is responsible for the Board's compliance with those requirements. Our responsibility is to express an opinion on the Board's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and standards applicable to attestation engagements contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Board complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Board complied with the specified requirements referenced above. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Board's compliance with Section 201.3.

In our opinion, the Board complied, in all material respects, with the requirements of Section 201.3 for the year ended December 31, 2019.

In accordance with Government Auditing Standards, we have issued our report dated May 13, 2020, in which we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws and regulations that have a material effect on the Board's compliance with Section 201.3 and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the subject matter. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our

examination to express an opinion on whether the Board complied with the aforementioned requirements and not for the purpose of expressing an opinion on the effectiveness of internal control over compliance with those requirements or other matters; accordingly, we express no such opinions. The results of our tests disclosed no matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Board's management, the Governing Board, the New York State Office of the State Comptroller, and the New York State Authority Budget Office and is not intended and should not be used by anyone other than those specified parties.

EFPR Group, CPAs, PLLC

Williamsville, New York  
May 13, 2020

## NIAGARA FALLS WATER BOARD

### Annual Investment Report

December 31, 2019

The following represents the annual investment report as required by Section 2925 of Public Authorities Law:

#### Permitted Investments

Pursuant to GML Section 11, the Board is authorized to invest moneys not required for immediate expenditures for terms not to exceed its projected cash flow needs in the following type of investments:

- Obligations of the United States of America;
- Obligations guaranteed by agencies of the United States of America where payment of principal and interest are guaranteed by the United States of America;
- Obligations of the State of New York;
- Special time deposit accounts;
- Certificates of deposits;
- Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments;
- Obligations issued pursuant to Local Finance Law Section 24.00 or 25.00 (with approval of State Comptroller) by any municipality, school district or district corporation other than City of Niagara Falls; and
- Eligible Investments, as defined in the Indenture between Board, Manufacturers and Traders Trust Company and Bank on Buffalo, as Trustees as amended from time to time.

#### Amendments Made to Investment Guidelines

None

#### Safeguards

Investments are held subject to an indenture between the Board, Manufacturers and Traders Trust Company and Bank on Buffalo, as Trustees.

Eligible securities used for collateralizing deposits shall be held by a third party bank, trust company or trust department of the bank subject to security and custodial agreements at the discretion of the Board.

The security and custodial agreements shall provide that securities held by the bank or trust company or agent of and the custodian for, the Board, will be kept separate and apart from the general assets of the custodial bank trust company.

NIAGARA FALLS WATER BOARD  
Annual Investment Report, Continued

The security and custodial agreement shall provide that eligible securities are being pledged to secure the Board deposits and investments together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default.

Authorized Financial Institutions and Dealers

The Board shall maintain a list of financial institutions and dealers, approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the local government conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition at the request of the Board. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with New York Federal Reserve Bank, as primary dealers. The Executive Director or Chairman is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians. Such listing shall be evaluated at least annually.

Provisions for Reporting on Investments

The Board retains an independent accountant to provide an examination report of all investment practices on an annual basis.

Income and Fees Related to Investment Services

The Board earned interest income and paid fees related to investment services of \$1,163,341 and \$72,890, respectively, for the year ended December 31, 2019.

Investments

The Board's investments at December 31, 2019, consist of the following:

<u>Investments</u>	<u>Maturity</u>	<u>Fair Value</u>
U.S. Treasuries	1/31/20 - 11/01/41	\$ 11,682,968
Federal Home Mortgage Corp.	1/14/20 - 11/17/20	12,297,445
Certificates of deposit	1/24/20 - 12/02/20	<u>4,012,268</u>
Total investments		\$ <u>27,992,681</u>

These investments are classified as Level 1.

Maturity Schedule

Less than one year	\$ 27,090,301
More than one year	<u>902,380</u>
	\$ <u>27,992,681</u>

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN EXAMINATION OF THE ANNUAL INVESTMENT REPORT PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Directors  
Niagara Falls Water Board

We have examined, in accordance with the attestation standards established by the American Institute of Certified Public Accountants and standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States, the annual investment report of the Niagara Falls Water Board (the Board), as of and for the year ended December 31, 2019, and have issued our report thereon dated May 13, 2020.

**Internal Control Over Financial Reporting**

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Board's annual investment report is 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 annual investment report amounts. However, providing an opinion on compliance with those provisions was not an objective of our examination, 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 Board's internal control or on compliance. This report is an integral part of an examination performed in accordance with Government Auditing Standards in considering the Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York  
May 13, 2020



NIAGARA FALLS WATER BOARD RESOLUTION # 2020-06-001

**APPROVING AND ACCEPTING INDEPENDENT  
AUDIT AND INVESTMENT REPORTS**

**WHEREAS**, the Niagara Falls Water Board engaged EFPR Group LLP (“EFPR”), Certified Public Accountants, to perform an independent audit of its financial statements for the years ending December 31, 2019 and December 31, 2018; and

**WHEREAS**, the Water Board also engaged EFPR to prepare its annual investment report as required by Section 2925 of the Public Authorities Law; and

**WHEREAS**, the Water Board is in receipt of the independent auditors’ audit and investment reports dated May 13, 2020, and Water Board management has advised that it has reviewed and responded to the auditors’ findings;

**NOW THEREFORE BE IT**

**RESOLVED**, that the Niagara Falls Water Board approves and accepts the May 13, 2020 independent auditors’ report prepared by EFPR Group LLP, Certified Public Accountants, for the years ending December 31, 2019 and December 31, 2018 and the 2019 investment report dated May 13, 2020.

*Water Board Personnel Responsible for Implementation of this Resolution:*  
Director of Financial Services

*Water Board Budget Line or Capital Plan Item with Funds for this Resolution:*  
Not applicable.

On June 22, 2020, the question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Board Member Forster	[   ]	[   ]	[   ]	[   ]
Board Member Kimble	[   ]	[   ]	[   ]	[   ]
Board Member Larkin	[   ]	[   ]	[   ]	[   ]
Board Member Leffler	[   ]	[   ]	[   ]	[   ]
Chairperson Brown	[   ]	[   ]	[   ]	[   ]

Signed By:

Vote Witnessed By:

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Patrick D. Brown, Chairperson

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Sean W. Costello, Secretary to Board

**GOVERNANCE COMMITTEE MEMBERSHIP AND MEETINGS**

**WHEREAS**, the Niagara Falls Water Board has a Governance Committee; and

**WHEREAS**, the Chairperson opened the floor for nominations, and \_\_\_\_\_  
was nominated as Chairperson of the Governance Committee; and

**WHEREAS**, the Chairperson of the Water Board recommends that the Governance Committee be a committee of the whole, comprised of each member of the Niagara Falls Water Board, with the Executive Director and General Counsel and Secretary serving as ex-officio members of the Committee;

**NOW THEREFORE BE IT**

**RESOLVED**, that

- (1) \_\_\_\_\_ hereby is appointed Chairperson of the Governance Committee;
- (2) Until the Water Board's next annual meeting, the Governance Committee shall be a committee of the whole, whose membership will be each member of the Niagara Falls Water Board, with the Executive Director and General Counsel and Secretary serving as ex-officio members of the Committee;
- (3) Meetings of the Governance Committee will be called by that Committee's Chairperson, with said meetings:
  - a. Held in compliance with the Open Meetings Law, including proper public notice;
  - b. Conducted pursuant to agendas, and recorded with minutes, both of which shall be posted to the Water Board's website; and
  - c. When possible, conducted before or after work sessions or other meetings of the Water Board, to avoid a multiplicity of meetings for Board members.

\* CONTINUED ON NEXT PAGE \*

- (4) The Chairperson of the Governance Committee also shall be tasked with scheduling regular meetings with Water Board staff for the coordination of information and execution of Governance Committee objectives, to be referred to as Governance Team Meetings. The Chairperson will be responsible to report to the Governance Committee meeting appropriate information from Governance Team Meetings.

On June 22, 2020, the question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Board Member Forster	[    ]	[    ]	[    ]	[    ]
Board Member Kimble	[    ]	[    ]	[    ]	[    ]
Board Member Larkin	[    ]	[    ]	[    ]	[    ]
Board Member Leffler	[    ]	[    ]	[    ]	[    ]
Chairperson Brown	[    ]	[    ]	[    ]	[    ]

Signed By:

Vote Witnessed By:

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Patrick D. Brown, Chairperson

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Sean W. Costello, Secretary to Board

*NIAGARA FALLS WATER BOARD RESOLUTION # 2020-06-003*

**AUTHORIZING PURCHASE OF DUMP TRUCK, DECLARING AS SURPLUS  
AND AUTHORIZING DISPOSAL THROUGH TRADE IN OF TWO DUMP TRUCKS,  
AND AUTHORIZING FINANCING FOR NET PURCHASE PRICE**

**WHEREAS**, dump trucks are an essential piece of equipment for Niagara Falls Water Board (“Water Board”) outside maintenance crews; and

**WHEREAS**, two of the Water Board’s existing dump trucks, both 2005 Peterbilt tandem-axle dump trucks with Vehicle Identification Numbers (“VIN”) 2NPLLD0X05M862548 and 2NPLLD0X25M862549, have reached the end of their safe and useful service life and the Water Board desires to declare these surplus and dispose of them in a way that will gain maximum financial benefit for the Water Board given their condition; and

**WHEREAS**, Water Board staff have determined that one new dump truck, which is anticipated to be of greater service because it will have less downtime for repairs, may be an adequate replacement for the two dump trucks to be declared surplus; and

**WHEREAS**, Water Board staff determined that the best manner of disposing of the surplus dump trucks would be to trade them to the dealer from which the Water Board purchases the new dump truck; and

**WHEREAS**, Water Board staff solicited quotes for dump trucks that would meet the needs of the outside maintenance crews from dealers that have been awarded competitively-bid vehicle supply contracts from which the Water Board may purchase pursuant to General Municipal Law § 103(16); and

**WHEREAS**, the quotes received were as follows:

<b>Dump Truck</b>	<b>Seller</b>	<b>Cost</b>	<b>Total Trade In</b>	<b>Net Cost to Water Board</b>
2020 567 Tandem Peterbilt Dump Truck (plus service contract)	Hunter Keystone Peterbilt, L.P.	\$167,987	\$40,000	\$127,987
2021 Freightliner 114SD	Fleet Maintenance, Inc.	\$150,725	\$10,000	\$140,725
2021 Western Star 4700SF	Fleet Maintenance, Inc.	\$163,173	\$10,000	\$153,173

and;

**WHEREAS**, the Water Board’s Superintendent recommends that the Water Board purchase the 2020 567 Tandem Peterbilt Dump Truck (plus service contract) from Hunter Keystone Peterbilt, L.P., doing business as Hunter Buffalo Peterbilt, as the dump truck meeting Water Board specifications that is the lowest net cost after the trade-in value of the two dump trucks to be declared surplus and disposed of; and

**WHEREAS**, the 2020 567 Tandem Peterbilt Dump Truck has the additional advantage to the Water Board of being currently in stock at the dealer, allowing this needed equipment to be placed into service quickly; and

**WHEREAS**, Water Board staff have explored options to finance the purchase price of the 2020 567 Tandem Peterbilt Dump Truck in order to spread the capital cost over multiple years; and

**WHEREAS**, the Director of Financial Services recommends financing the dump truck purchase through Kansas State Bank over a four-year term at an interest rate of 2.77%;

**NOW, THEREFORE BE IT:**

**RESOLVED**, that the Niagara Falls Water Board hereby declares as surplus and directs the disposal through a trade-in value credit on the purchase price of a new dump truck two 2005 Peterbilt tandem-axle dump trucks, VINs 2NPLLD0X05M862548 and 2NPLLD0X25M862549;

**AND IT IS FURTHER RESOLVED**, that the Niagara Falls Water Board approves the purchase of a 2020 567 Tandem Peterbilt Dump Truck from Hunter Keystone Peterbilt, L.P., plus a service contract, from the SourceWell bid contract No. 018-716-PMC for a purchase price of \$167,987, less \$40,000 as a trade-in credit for the dump trucks disposed of pursuant to this Resolution, for a net cost to the Water Board of \$127,987;

\* CONTINUED ON NEXT PAGE \*

**AND IT IS FURTHER RESOLVED**, that the Director of Financial Services be and hereby is authorized to execute any documents necessary to finance the \$127,987 net purchase price through Kansas State Bank for a term not to exceed four years and at an interest rate not to exceed 2.77%.

*Water Board Personnel Responsible for Implementation of this Resolution:*

Superintendent  
Director of Financial Services

*Water Board Budget Line or Capital Plan Item with Funds for this Resolution:*

CIP Line C-3, Fleet Replacement

On June 22, 2020, the question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Board Member Forster	[   ]	[   ]	[   ]	[   ]
Board Member Kimble	[   ]	[   ]	[   ]	[   ]
Board Member Larkin	[   ]	[   ]	[   ]	[   ]
Board Member Leffler	[   ]	[   ]	[   ]	[   ]
Chairperson Brown	[   ]	[   ]	[   ]	[   ]

Signed By:

Vote Witnessed By:

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Patrick D. Brown, Chairperson

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Sean W. Costello, Secretary to Board

**HUNTER**  
TRUCK**Hunter Keystone Peterbilt, L.P. dba Hunter Buffalo Peterbilt**2370 Walden Avenue  
Buffalo, NY 14225  
www.huntertruck.comPhone: (716) 684-0010  
Toll Free: (800) 400-9537  
Fax: (716) 684-0181Date 03/11/2020  
Salesman M.SCHLUETER

Retail Order for new and used vehicle(s) and attachments

Facility #: 7105546

Purchaser NIAGARA FALLS WATER BOARD

Address 5815 BUFFALO AVE

City, State, Zip NIAGARA FALLS NY 14304

Phone 716-283-9770

Cell Ph

Country U.S.A

County NIAGARA

Co-Purchaser

Address

City, State, Zip

Phone

Cell Ph

Country

County

Stock #	Year	N/U	Make	Model	Serial or Identification #	Body Type	Price
669930	2020	NEW	PETERBILT	567	1NPCL40X3LD669930	DUMP	\$165,887.00
Service Contract Description				Price	Service Contract Description		
5YR/100K ENG/AFT PP1 COVERAGE				\$2,100.00			

## Additional Accessories / Terms of Deal

2020 567 TANDEM PETERBILT DUMP

UNIT CURRENTLY IN STOCK INVENTORY SUBJECT TO CHANGE

1. Unit Price	\$165,887.00
2. Service Contract Price	\$2,100.00
3. Exempt	\$0.00
4. Sales Tax %	Sales Tax Amt \$0.00
5. Tire Tax Rate \$1.00	Tire Tax Amt \$0.00
6. Price Plus Tax (Total 1,2,3,4 & 5)	\$167,987.00

## 7. A. Documentary Fee

B. Title Fee	units*amt	
C. Lien Fee	units*amt	
D. Registration Fee	units*amt	
E. Temp Reg Plate	units*amt	
F. Duplicate Fee	units*amt	
G. Transfer Fee	units*amt	
H. Increase Fee	units*amt	
I. Replace Fee	units*amt	
J. TA Fee	units*amt	
K. Online Reg Fee	units*amt	
L. County Fee	units*amt	

Total Other Charges \$0.00

8 Price + Fees (Total of 6 &amp; 7) \$167,987.00

9. A. Trade-In (Net Allowance)	\$40,000.00
B. Deposit	
C. Cash Due at Delivery	
Total Down Payment	\$40,000.00

10. Unpaid Balance (Difference of 8 &amp; 9) \$127,987.00

☐ **Factory Warranty:** The manufacturer's warranty constitutes all of the warranties with respect to the sale of this vehicle(s). The seller hereby expressly disclaims all warranties, either expressed or implied including any implied warranty of merchantability or fitness for a particular purpose, and the seller neither assumes or authorizes any other person to assume for it any liability in connection with the sales of this item/items.

☐ **Service Contract:** Vehicle(s) is covered by a limited service contract detailed on a separate document. You may obtain a full copy of any applicable service contract from us.

Purchaser's Initials:

If the purchaser cancels this purchase agreement or refuses to take delivery (transaction fully funded, trade-in(s) received) of the above vehicle(s) within 10 days of being notified the vehicle(s) is ready, except as permitted by law, the purchaser shall, at our option, forfeit as initial liquidated damages the amount of and forfeits all rights to purchase the vehicle(s) under this agreement. This forfeited amount could be in addition to other liquidated damages permitted to be charged under this purchase agreement.

Purchaser's Initials: :

\* Est. Delivery Date: :

\* Dealer's optional fee for processing application for registration and/or certificate of title, and for securing special or distinctive plates (if applicable). **THIS IS NOT A DMV FEE.** The optional dealer registration or title application processing fee (\$75.00 maximum) and special plate processing fee (\$5.00 maximum) are not New York State or Department of Motor Vehicles fees. Unless a lien is being recorded or the dealer issued number plates, you may submit your own application for registration and/or certificate of title or for a special or distinctive plate to any motor vehicle issuing office.

Purchaser agrees that this contract, including the ADDITIONAL PROVISIONS PRINTED ON SECOND PAGE, which he has read and to which he agrees, contains the entire agreement relating to the sale of said property. If cash payment with order is made by check, cashing or depositing the same shall not be considered as an acceptance of this order.

**NOTICE TO PURCHASER:** Do not sign this contract in blank. You are entitled to 1 true copy of the contract you sign without charge.

**NOTE:** This order is subject to the written acceptance of dealer management to which it is addressed. Purchaser's deposit will be returned if not accepted.

Hunter Keystone Peterbilt, L.P. dba Hunter Buffalo Peterbilt  
ACCEPTED

BY

DATE

Purchaser acknowledges receipt of an exact, signed copy of this contract.

NIAGARA FALLS WATER BOARD

PURCHASER

TITLE

CO-PURCHASER

TITLE

#### ADDITIONAL PROVISIONS

The title to all property ordered and furnished hereunder shall remain in the seller until the full purchase price and all notes given therefore have been paid in full in cash, and nothing herein shall release the purchaser from paying therefore, and after delivery to the purchaser said property shall be held and used at his risk and expense with respect to loss or damages and taxes and charges of every kind.

Seller specifically reserves the right to withdraw, at any time prior to delivery, any extension of credit proposed herein, in the event there is a change in the credit worthiness of the purchaser which, in the good faith judgment of the seller, would impair the prospect of payment or performance of any other obligation required of the purchaser.

The purchaser agrees to reimburse the seller for any and all sales, use or excise taxes, whether imposed by federal, state, or local laws, which the seller may be required to pay or to reimburse to others by reason of the manufacture, purchase or sale of any property delivered under this contract.

If seller retains or is to retain a security interest to secure payment of the Total of Payments, at all times until the indebtedness contained herein shall have been paid in full, physical damage insurance shall be maintained in effect on the property secured hereunder in the amount and to the extent as may be specified by seller. In the event purchaser provides such insurance, purchaser specifically covenants to name the holder hereof as loss payee as its interests may appear. If any such insurance by whomever placed is cancelled, purchaser shall immediately provide new insurance to replace such insurance, purchaser shall cause to be delivered to holder, evidence satisfactory to holder that insurance satisfactory to holder is in effect and purchaser's failure in this respect shall entitle holder, at its election, either to procure such insurance and charge same to purchaser, or to treat such failures as a breach of condition of this contract. Any amount so paid by the holder shall become a part of the indebtedness secured hereunder.

\* The seller is not to be responsible for loss, damage or delays in transportation after shipment, nor for failure to supply any property ordered hereunder or to ship the same on time where prevented by strikes, fires or accidents or by the demand exceeding the available supply or by any other causes beyond its reasonable control; and acceptance of said property shall be deemed a waiver of all claims for delays arising from any cause. In case the purchaser refuses to receive and make settlement for said property as herein provided, the seller may retain as liquidated damages all moneys or property paid on account of said property, and in such case any trade-in property taken by the seller in part payment shall be accounted for at the price at which resold, less expense of reconditioning, handling and selling.

Seller may change the cash delivered price of the vehicle before it is delivered to purchaser. Seller may only do this if the increase is due to passage of a law or regulation of the United States or the Commonwealth which requires the addition of new equipment to a certain vehicle, changes transportation costs or existing tax rates, or in the case of foreign-made vehicles, is due to a revaluation of the United States dollar vis-à-vis the currency of the country of manufacture. If such cash delivered price is increased by seller, purchaser may cancel this Order.

The trade-in allowance set forth herein is based upon an appraisal by the seller of the trade-in described in this order in its present mechanical condition and with the equipment and attachments thereon as set forth upon seller's appraisal sheet and free of all liens except as stated herein. Where the vehicle has suffered damage or serious mechanical deterioration since the date of the valuation, but prior to its delivery to the seller, or unless parts or accessories, or both, including tires, have been removed or replaced with parts or accessories of inferior quality, the trade-in allowance set forth herein shall be changed to such reappraisal value and the difference between the trade-in allowance set forth herein and the reappraisal value shall be paid in cash by the purchaser at the time the new vehicle or vehicles covered by this order is or are delivered to the purchaser. If the purchaser is dissatisfied with such reappraisal he shall have the option of canceling this order. If the price of property covered by this order is increased as provided above, or the trade-in allowance upon the trade-in described in this order is reduced by the seller as provided above, and the purchaser does not exercise the privilege or option to cancel this order, a new order shall be written to reflect such price increase or reduction in trade-in allowance and shall supersede this order.

If the price of property covered by this order is increased as provided above, or the trade-in allowance upon the trade-in described in this order is reduced by the seller as provided above, and the purchaser does not exercise the privilege or option to cancel this order, a new order shall be written to reflect such price increase or reduction in trade-in allowance and shall supersede this order.

The purchaser agrees to accept the property covered by this order, as fulfillment thereof, with such changes in design and materials, or either of them, that the manufacturer may make because of government priorities, shortages of materials or other causes beyond the manufacturer's reasonable control.

Each NEW motor vehicle and its equipment identified as "Peterbilt" covered by this order is sold subject to the regular warranty of Peterbilt Motors Company.

Seller will pay under this warranty 0.00 % of parts and labor charges.

The duration of this warranty is for 0 Months from date of delivery or 0 miles, whichever occurs first.

If the purchaser has any questions regarding this warranty coverage or procedures, please contact Hunter Keystone Peterbilt at the following number: (800) 400-9537.

The obligation of the seller under this used equipment warranty is limited to repairing or replacing, as the seller may elect, any part or parts of such components as are covered above and that prove, in the seller's judgment, to be defective so as to impair the normal operating condition of the machine within the time period, and subject to the coverage, as above described. In order for this warranty to apply, the service must be performed at the seller's place of business.

This warranty shall not apply (1) to normal maintenance services or adjustments, including but not limited to, fuel system cleaning, engine tune-up, brake inspection or adjustment, nor to the replacement of spark plugs, ignition points, condensers or filters when such replacements are made as part of any normal maintenance service; nor (2) to any machine which shall have been repaired or altered by someone other than the seller so as, in the seller's judgment, to have affected the machine's stability or reliability; nor (3) to any machine which has been subject to misuse, negligence, or accident, or operated at a speed exceeding the factory rated speed; nor (4) in any event to tires, tubes, or batteries.

THIS WARRANTY AND THE SELLER'S OBLIGATION THEREUNDER IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ALL OTHER REPRESENTATIONS TO THE PURCHASER, AND ALL OTHER OBLIGATIONS OF LIABILITIES, INCLUDING LIABILITY FOR INCIDENTAL AND CONSEQUENTIAL DAMAGES, ON THE PART OF THE SELLER. No person is authorized to give any other warranty or to assume any other liability on the seller's behalf.

This warranty gives you specific legal rights, and you may also have other rights under state law.

This warranty is for the sole benefit of the purchaser whose signature appears on this order, and no other.

NOTE: Seller must sign to be valid

PURCHASER



PETERBILT  
VMXR036-1  
UNIT TYPE 2

CHASSIS FINAL BILL  
FOR VIN 1NPCL40X3LD669930

PAGE 001  
AS OF 04/17/19

DEALER CODE - H545  
NAME AND ADDRESS  
HUNTER BUFFALO PBLT.

CUSTOMER NO. - V3LE  
STOCK

DATES  
REQ DELV 04/01/19

2370 WALDEN AVENUE

SUPER CITY MFG

DELIVERY 04/17/19  
PRIC EFF 04/17/19

BUFFALO NY 14225

PREVIOUS CHASSIS NO.

THE FOLLOWING LIST DESCRIBES ALL COMPONENTS USED FOR THIS CHASSIS  
DIMENSIONS AND WEIGHTS FOR THE ENTIRE ORDER ARE STATED IN CUSTOMARY.

APPLICATION  
COMMODITY HAULED 0091260 ASPHALT  
INTENDED SERVICE 0093060 CONSTRUCTION DUMP - ON/OFF HIGHWAY

BODY  
BODY TYPE 0095170 END DUMP

BODY LENGTH 192.00 IN BODY HEIGHT 162.00 IN  
MAX LADEN WEIGHT 7500.00 LBS

TRAILER  
TRAILER TYPE

TRAILER LENGTH .00 FT TRAILER HEIGHT .00 FT  
KINGPIN .00 IN CTR LINE AXLE GRP .00 IN  
CORNER RADIUS .00 IN NO TRAILER AXLES 00

OPERATING AREA RESTRICTIONS  
LENGTH 40.00 FT WIDTH 102.00 IN HEIGHT 13.50 FT  
\*\*\*\* DEALER ASSIGNED:

CHASSIS  
FRONT AXLE LOAD 22800.00 LBS REAR AXLE LOAD 46000.00 LBS GCW 88000.00 LBS  
WHEELBASE 222.00 IN FAX/BOC 90.10 IN CAB/AXLE 131.90 IN  
CAB/BOF 186.90 IN MAXIMUM GRADE 06 PERCENT HIGHWAY 085  
% CLASS B 015  
% CLASS C 008  
% CLASS D 000

PETERBILT  
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UNIT TYPE 2

SPECIAL REQUIREMENTS

SPECIAL RESTRICTIONS 0098170 UNITED STATES REGISTRY

ENGINEERING ASSIGNED RATINGS

GAWR FRONT: 22,800.00 LBS  
GAWR FIRST INTER 23,000.00 LBS SECOND INTER 23,000.00 LBS  
GAWR REAR: 0.00 LBS  
GVWR: 68,800.00 LBS

CODE	DESCRIPTION	PUB CD	PRICE	WEIGHT
0005671	BASE MODEL			
0200700	MODEL 567 CONVENTIONAL	P	176,080	14,859
	NOT APPLICABLE	P	0	0
	SECONDARY MANUFACTURER			
0519300	FRAME AND EQUIPMENT			
	13-3/8" STEEL RAILS TO 464"	P	2,093	1,045
	INVERTED RAILS			
0611250	HD IRON FRONT SPRING BRKTS	P	298	35
	FORWARD & REAR			
0611330	ZINC COATED ANTI CORROSION TREATED FRME	P	387	4
	RAILS - REQUIRES FRAME RAIL CODE			
0611790	ALUMINUM FRAME RAIL XMBRS	P	0	0
	EXCLUDES SUSPENSION			
0644090	EOF SQUARE WITHOUT LMBR	P	65	64
	USE WITH BODY BUILDER INSTALLED XMBR			
0651090	OMIT REAR MUDFLAPS & HANGERS	P	57	24
1011915	FRONT AXLE AND EQUIPMENT			
	PACCAR STEER AXLE 22,800 LB, 4 IN DROP	P	1,831	0
1114040	TAPER LEAF SPRINGS SHOCKS 23,000 LB	P	1,526	593
1233070	POWER STEERING TRW TAS85 DUAL	P	1,377	73
1250250	POWER STEERING RESERVOIR, FRAME MOUNTED	P	210	2
	W/COOLER			
1354850	PHP10 IRON PRESET+ HUBS-AIR DISC	P	52	42
1380070	GREASABLE FRONT SPRING PINS	P	49	0
1380290	AIR DISC FRONT BRAKES	P	0	0
1380380	TENNECO SHOCKS FOR STEER AXLE	P	0	0
1380490	PACCAR WIDE TRACK IPO STD	P	0	15
	FRONT AXLE(S)			
1391170	20 MM FRONT SPRING SPACER BLOCKS	U	0	0
1526120	REAR AXLE AND EQUIPMENT			
	MERITOR RT46-160 46,000 LB	P	2,104	635
1616305	PHP10 IRON PRESET+ HUBS - AIR DISC	P	1,384	0
1632650	LONG STROKE PARKING BRAKES	P	0	0
	DRIVE AXLE(S)			
1660040	PAD DUST SHIELDS FOR AIR DISC BRAKES,	P	82	0
	DRIVE AXLE			
1680460	HEAVY WALL, DRIVE AXLE(S)	P	505	88
1680500	SBM VALVE	P	257	0



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UNIT TYPE 2

CODE	DESCRIPTION	PUB CD	PRICE	WEIGHT
1680950	STABILITY SYSTEM NOT SELECTED OR NOT AVAILABLE	P	94-	0
1682430	ANTI-LOCK BRAKING SYSTEM (ABS) 4S4M	P	287-	31-
1684200	SYNTHETIC AXLE LUBRICANT ALL AXLES	P	0	0
1687040	AIR DISC REAR BRAKES TANDEM DRIVE AXLE	P	1,557	0
1687090	DIFF LOCK TANDEM AXLES WITH SPEED INTERLOCK	P	1,974	60
1704300	RATIO 4.30 REAR AXLE	P	0	0
1821860	PETERBILT AIR TRAC 46,000 LBS, 52" AS	P	1,618	291
1920385	AIR SPRINGS, INTERNAL BUMPERS	P	59	0
1922260	AIR TRAC/AIR LEAF SUSPENSIONS DASH MID DUMP SWITCH WITH INDICATOR LIGHT FOR SUSPENSION	P	46	2
ENGINE AND ENGINE EQUIPMENT				
2059972	X15 500@1800 GOV@1800 1650@1000 EFFICIENCY SERIES (2017 EMISSIONS)	P	6,838	340
2091140	CECU/VECU ELECTRONICS ARCHITECTURE	P	0	0
2091305	ENGINE IDLE SHUTDOWN TIMER ENABLED	P	0	0
2091315	ENABLE EIST AMBIENT TEMP OVERRULE	P	0	0
2091372	EFF EIST NA EXPIRATION MILES	P	0	0
2091640	EFFECTIVE VSL SETTING NA	P	0	0
2120160	CUMMINS TRV FOR DAVCO ONLY FOR FUEL FILTERS, X15	P	48	0
2140200	CARB ENGINE IDLING COMPLIANCE	P	0	0
2140410	ENGINE BRAKE CONTROLS LOC ON RH COLUMN	P	0	0
2140450	REMOTE PTO/THROTTLE, 12-PIN, ENG BAY REMOTE CONTROL PROVISION	P	11	0
N2132	N205 68... STANDARD MAXIMUM SPEED LIMIT			
N2133	N207 0... EXPIRATION DISTANCE (N207)			
N2134	P112 120... HARD MAXIMUM SPEED LIMIT (P1			
N2135	P001 68... MAXIMUM ACCELERATOR PEDAL VE			
N2137	P059 68... MAXIMUM CRUISE SPEED (P059)			
N2140	N203 252... RESERVE SPEED FUNCTION RESET			
N2141	N202 0... MAXIMUM CYCLE DISTANCE (N202)			
N2142	N206 10... MAXIMUM ACTIVE DISTANCE (N20			
N2143	N201 0... RESERVE SPEED LIMIT OFFSET (			
N2144	P015 NO... Engine Protection Shutdown (			
N2145	P026 NO... GEAR DOWN PROTECTION (P026)			
N2146	P046 1400... Max PTO Speed (P046)			
N2147	P062 NO... Cruise Control Auto Resume (			
N2148	P068 NO... AUTO ENGINE BRAKE IN CRUISE			
N2150	N209 0... EXPIRATION DISTANCE (N209)			
N2151	P520 YES... ENABLE IDLE SHUTDOWN PARK BR			
N2152	P030 5... TIMER SETTING (P030)			
N2153	P233 YES... ENABLE IMPENDING SHUTDOWN WA			
N2154	P234 60... TIMER FOR IMPENDING SHUTDOWN			
N2155	P516 0... Engine Load Threshold (P516)			
N2157	P031 NO... IDLE SHUTDOWN MANUAL OVERRUL			
N2159	P230 YES... ENABLE HOT AMBIENT AUTOMATIC			
N2161	P172 40... LOW AMBIENT TEMPERATURE THRE			
N2162	P173 60... INTERMEDIATE AMBIENT TEMPERA			
N2163	P171 80... HIGH AMBIENT TEMPERATURE THR			

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VIN#036-1

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UNIT TYPE 2

CODE	DESCRIPTION	PUB CD	PRICE	WEIGHT
2513060	PACCAR 160 AMP ALTERNATOR, BRUSHED	P	0	0
2521090	IMMERSION TYPE BLOCK HEATER 110-120V	P	0	0
	SEE SALES TOOL DESC FOR PLUG LOCATION			
2521110	OIL PAN HEATER 120V/300W	P	145	2
2522090	PACCAR PREMIUM STARTER-X15 ENGINES ONLY	P	342	0
2535040	3 OPTIMA DT31T BATTERIES 2700 CCA	P	570	7
2539720	LOW VOLTAGE DISCONNECT SYSTEM	P	0	0
2621000	2-SPEED FAN CLUTCH FOR FREQUENT START/STOPS	P	303	0
723220	NATURALLY ASPIRATED 18.7 CFM AIR COMPRESSOR X15 ONLY	P	0	18
2812170	INTEBRAKE	P	0	0
	ISX/ISX15 (FURNISHED ON ENGINE)			
2921130	DAVCO 382 FUEL/WATER SEPARATOR	P	165	0
2921340	12V AND 120V HEAT FOR FUEL FILTER	P	238	0
3010400	ENGINE PROTECTION SHUTDOWN W/DASH LABEL	P	6	0
3114270	HIGH EFFICIENCY COOLING SYSTEM	P	0	0
3291680	(1) AIR CLEANER FIREWALL MTD	P	0	0
3365270	EXHAUST SINGLE RH SIDE OF CAB DPF/SCR RH UNDER CAB (2017)	P	0	0
3381770	CURVED TIP STANDPIPE(S)	P	51	0
3387870	24" HT, 5" DIA STANDPIPE(S) CHROME WITH CLEAR COAT	P	0	0
	TRANSMISSION AND CLUTCH			
4052420	ALLISON 4500 RDS-P TRANSMISSION, GEN 5 RUGGED DUTY SERIES	P	26,831	355
4099980	TRANSMISSION APPROVED	U	0	0
N4099	TRANS ISCAAN 392953			
4211520	SPL250 LITE HT DRIVELINE 1-MIDSHIP BEARING	P	510	119
4216330	SPL170 XL DRIVELINE INTERAXLE FOR TANDEM REAR AXLES	P	143	0
4233910	(1) DASH MTD SINGLE ACTING EOH PTO CTRL ELECTRIC OVER HYDRAULIC	P	73	0
4250170	ALLISON WORLD TRANS PRIMARY SHIFT SCHEDULE 2	U	0	0
4250420	ALLISON 5TH GEN RDS, PKG 223 3000, 3500, 4000, 4500, 4700 TRANS	U	0	0
4252890	ALLISON FUELSense 2.0 NOT DESIRED	P	0	0
4252950	OMIT ALLISON NEUTRAL AT STOP	P	0	0
4256280	TC-561 TORQUE CONVERTER ALLISON TRANSMISSION	U	0	0
4256740	ALLISON 6-SPEED CONFIGURATION 4500 TRANSMISSIONS ONLY	P	0	0
4256920	DASH MOUNTED PUSH BUTTON SHIFTER	P	769	0
	AIR AND TRAILER EQUIPMENT			
4510330	BENDIX AD-IS EP AIR DRYER, HEATER COALESCING FILTER, EXTENDED PURGE	P	151	7



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UNIT TYPE 2

CODE	DESCRIPTION	PUB CD	PRICE	WEIGHT
4520420	PULL CORDS ALL AIR TANKS	P	7	0
4540420	NYLON CHASSIS HOSE	P	0	0
4543330	ALUMINUM POLISHED AIR TANKS	P	348	0
	OUTSIDE FRAME RAILS			
4543340	ALUMINUM PAINTED AIR TANKS	P	206	44
4610920	SELF RETURNING BRAKE HAND VALVE	P	0	0
	DASH MOUNTED CONTROLS			
4611930	BODY CONNECTIONS 5 FT BOC	P	188	7
4612780	AE CONNECTION EOF 7-WAY SOCKET	P	114	0
	4 FT ADDL LINES, COILED & STRAPPED TO			
	TIRES AND WHEELS			
5064030	FF: BR 20PLY 425/65R22.5 M864	P	905	157
	PART: BR001071 FET: 74			
5169560	RR: BR 16PLY 11R24.5 M799	P	1,200	204
	PART: BR233585 FET: 280			
5190008	CODE-REAR TIRE QTY 08			
5220130	FF: ALCOA 824627 22.5X12.25 CLEAN BUFF	P	778	2
	ALM			
5320540	RR: ALCOA 98U637 24.5X8.25 CLEAN BUFF	P	1,724	124
	ALM			
5390008	CODE-REAR RIM QTY 08			
5407640	FF: POLISH WHEELS, OUTER SURFACE,	P	52	0
	SGL OR TDM STEER, W/O CHROME WHEEL NUTS			
5407660	RR: POLISH WHEELS, OUTER SURFACE,	P	209	0
	TANDEM DRIVE, W/O CHROME WHEEL NUTS			
5410140	FF: DURA-BRIGHT FINISH	P	262	0
	OUTER SURFACE OF OUTER WHEEL			
5410150	RR: DURA-BRIGHT FINISH	P	523	0
	TANDEM DRV; OUTER SURFACE OF OUTER WHEEL			
	FUEL TANKS			
5556220	26" ALUM 110 GAL FUEL TANK LH BOC	P	96	11
5604110	LOCATION LH BEHIND CAB 110 GAL			
5650160	FUEL TANK FILL FORWARD	P	0	0
5650490	FUEL COOLER	P	183	15
5652830	POLISH ALL FUEL / HYDRAULIC TANK STRAPS	P	83	0
5652890	DEF TANK MOUNTED LH BOC	P	0	0
5652990	STD DEF TO FUEL RATIO 2:1 OR GREATER	P	0	0
5655019	DEF TANK SMALL	P	0	0
5760010	RH TANK NONE FURNISHED	P	492	06
	BATTERY BOX AND BUMPER			
6010030	ALUMINUM BATTERY BOX LH U/C	P	0	0
	NON-SLIP STEP			
6030150	RUBBER BATTERY PAD IN BOTTOM	P	12	4
	(1) BATTERY BOX			
6040110	(1) ADDL ALUMINUM TOOL BOX RH BOC	P	484	71
6040550	AFTERTREATMENT RH U/C ALUM NON-SLIP	P	0	0
	CAB ENTRY STEP			
6121090	STEEL BUMPER DEEP TAPERED CHROMED	P	402	49
	2 TOW PINS			

UNIT TYPE 2

CODE	DESCRIPTION	PUB CD	PRICE	WEIGHT
6132450	HEAVY DUTY EXTERNAL TOW EYE IPO STD, N/A WITH FEPTO	P	777	42
CAB AND EQUIPMENT				
6515770	VOC 121 BBC ALUMINUM CAB & METTON HOOD	P	3,175	31
6540660	SFFA, SS CROWN & GRILLE, TILT ASSIST	P	410	64
6700000	SMARTSOUND CAB INSULATION PKG	P	0	0
6700000	NO SLEEPER SELECTED	P	0	0
6800510	FENDER LIPS 2.25" WIDE	P	432	7
6911740	PETERBILT LX DRIVER	P	209	11
	PREMIUM LEVEL			
6921740	PETERBILT ST NON-ADJUSTABLE PASS SEAT	P	0	0
6930580	DRIVERS ARMRESTS - LH & RH	P	170	4
6930590	PASSENGER ARMREST - LH ONLY	P	125	2
6930800	BLACK SEAT COLOR IPO STD COLOR	P	0	0
6939110	TOOLBOX UNDER PASSENGER SEAT	P	227	11
	NON-SUSPENSION SEAT			
6939130	TOW HOOK HOLDERS MOUNTED	P	17	7
	UNDER PASS TOOLBOX SEAT			
6939400	AIR RIDE DRIVER	P	0	0
6939420	HIGH BACK DRIVER	P	0	0
6939450	LEATHER DRIVER	P	320	0
6939510	NON-AIR RIDE PASSENGER	P	0	0
6939520	HIGH BACK PASSENGER	P	0	0
6939580	MORDURA PASSENGER	P	66	0
7001520	ADJUSTABLE STEERING COLUMN	P	0	0
	TILT/TELESCOPE			
7001580	VANITY MIRRORS ON INSIDE SUNVISORS	P	12	0
7001620	STEERING WHEEL WITH PETERBILT LOGO	P	0	0
7037150	PREMIER INTERIOR - STERLING GRAY	P	955	0
7040150	RUBBER FLOOR IPO CARPET - PLAT/PREMIER	P	38	7
	INTERIOR FOR CAB			
7210420	DARK WINDOW TINT IPO STD - DAY CAB	P	22	0
7210510	3-PIECE GLASS REAR CAB WINDOW	P	107	11
	ALL PIECES FIXED			
7210540	DAY CAB REAR WINDOW	P	0	0
7230060	ONE-PIECE CURVED WINDSHIELD	P	0	0
7230360	POWER DOOR LOCKS AND POWER WINDOW LIFTS	P	0	0
	STANDARD			
7322010	COMBO FRESH AIR HEATER/AIR CONDITIONER	P	0	0
7322130	CUP HOLDER (FLOOR MOUNTED)	P	67	4
7410040	OUTSIDE SUNVISOR - STAINLESS STEEL	P	790	9
	N/A W/ 2.1M HR SLEEPER			
7514010	PETERBILT AERO REAR VIEW MIRROR	P	361	2
	MOTORIZED & HEATED W/ INTEGRATED CONVEX			
7514020	AERO REAR VIEW MIRROR HOUSING	P	0	0
	BODY COLOR (SAME COLOR AS VEHICLE BODY)			
7514050	LOOK DOWN MIRROR OVER PASSENGER DOOR	P	0	0
	WITH BLACK HOUSING			
7620400	(2) PB AIR HORNS ROUND, 23" LENGTH	P	682	9
	ROOF MTD. ROUND HORN SHIELD			



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UNIT TYPE 2

CODE	DESCRIPTION	PUB CD	PRICE	WEIGHT
7725715	CONCERTCLASS W/O CD, INCLUDES BT PHONE & AUDIO, AM/FM, WB, USB AND MP3	P	398	11
7725740	MIDLEVEL SPEAKER PACKAGE FOR CAB (4) SPEAKERS	P	140	7
7728030	RADIO MUTE WHEN AUTOMATIC OR AUTOMATED TRANSMISSION IN REVERSE	P	0	0
7740140	COBRA 29 CB RADIO MTD CENTER OF HEADER WITHOUT WEATHERBAND	P	309	11
7748150	(1) ANTENNA FOR FACTORY INSTALLED OR F/O CB, MTD LH COWL, LOW MOUNT ONLY	P	107	0
7788055	SmartLINK REMOTE DIAGNOSTICS	P	0	0
7851040	REMOVABLE BUGSCREEN BEHIND GRILLE	P	183	2
7851480	PB ELBC WINDSHIELD WIPERS W/INTERMITTENT FEATURE	P	0	0
7852020	CAB AIR SUSPENSION	P	244	15
7852050	AUTO RESET CIRCUIT PROTECTION DAYCAB AND SLEEPER	P	19	0
7900090	TRIANGLE REFLECTOR KIT SHIP LOOSE	P	18	1
7900290	FIRE EXTINGUISHER, MTD TO PASSENGER NON-AIR SEAT BASE	P	62	9
7901130	BACKUP ALARM (107 DB)	P	126	1
8011400	MAIN TRANSMISSION OIL TEMPERATURE GAUGE LOCATED IN DRIVER INFORMATION DISPLAY	P	27	0
8011410	DRIVE AXLE #1 FRONT OIL TEMP GAUGE 52MM ROUND, BACKLIT	P	154	0
8011420	DRIVE AXLE #2 REAR OIL TEMP GAUGE 52MM ROUND, BACKLIT	P	169	0
8011470	ENGINE OIL TEMPERATURE GAUGE 52MM ROUND, BACKLIT	P	50	0
8012240	GUARD(S) FOR REAR AXLE HEAT GAUGE	P	62	2
8021390	AIR FILTER RESTRICTION PRESSURE LOCATED IN DRIVER INFORMATION DISPLAY	P	0	0
8021530	AIR SUSPENSION PRESSURE 1 GAUGE 52MM ROUND, BACKLIT	P	108	0
8070000	DISABLE BRAKE LIGHT WITH ENGINE BRAKE	P	0	0
8070010	UP TO (4) ADDITIONAL ELECTRIC SWITCHES WITHOUT WIRING	P	105	0
8070200	TRACTOR BRAKE APPLICATION GAUGE 52MM ROUND, BACKLIT	P	124	0
8071340	BRIGHT BEZEL GAUGES IPO BLACK	P	50	0
8071890	MAIN INSTRUMENT PANEL INC DRIVER INFORMATION DISPLAY	P	0	0
8071900	MANIFOLD PRESSURE GAUGE 52MM ROUND, BACKLIT	P	50	2
N8070	8070000 OAR494195			
8110070	HEADLIGHTS PROJECTOR MODULE POD FENDER MOUNTED TURN SIGNALS	P	0	0
8120990	(5) MARKER LIGHTS, ZERO LED ON ROOF VISOR, OR FAIRING	P	0	0
8133110	SWITCH & WIRING F/O AUXILIARY LIGHT UNDER CAB/SLEEPER (15A MAX)	P	31	2

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UNIT TYPE 2

CODE	DESCRIPTION	PUB CD	PRICE	WEIGHT
8133470	SWITCH & WIRING FOR E/O BEACON/STROBE 10' WIRE BOC/BOS AT REAR SILL	P	49	2
8133960	DAYTIME RUNNING LIGHTS REQUIRED ON ALL CANADIAN VEHICLES	P	0	0
8140120	INCANDESCENT SQ STOP/TURN/TALE/BACKUP LH/RH SQUARE EOF OR DROPPED A-BRACE	P	33	9
8140650	PB SIGNATURE DOOR LIGHT TURN SIGNAL	P	0	0
PAINT				
8500710	STANDARD PAINT COLOR SELECTION	P	200-	0
8530770	(1) COLOR AXALTA TWO STAGE PAINT CAB/HOOD	P	0	0
N8502	A L0006EY WHITE			
N8520	FRAME L0001EA BLACK			
N8530	FENDER L0006EY WHITE			
N8540	HOOD TOP L0006EY WHITE			
N8550	CAB ROOF L0006EY WHITE			
N8990	HERITAGE TRUCK EQUIPMENT			
N8992	HARTVILLE, OH 44632			
N8993	ERIC BONTRAGER			
MISCELLANEOUS				
9409030	DAY CAB / PREMIER INTERIOR (DR)	P	0	0
9409800	2017 EPA EMISSIONS ENGINE WARRANTY ONLY	P	0	0
9409869	PRESENTATION CREATED WITH SMARTSPEC	P	0	0
9490056	APPLICATIONS CONTACT DRAKE RIGGS (940) 591-4014	P	0	0
NOTES				
9800001	REQUESTS PRECEDED BY N98XX NARRATIVES ARE DISAPPROVED--CONTACT INSIDE SALES REPRESENTATIVE	U	0	0
N9801	DANA SPICER D46-172 46,000 LB			
N9994	EMAIL: JMALLARE@HUNTERTRUCKSALES.COM			
N9995	CELL PHONE			
N9996	SALESPERSON ID: JAMES MALLARE			
N9997	DEALER CONTACT			
N9998	NAME: JAMES MALLARE PH: (716) 684-001			
N9999	DER 02/25/19 OC013			



PETERBILT  
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CHASSIS FINAL BILL  
FOR VIN INPCL40X3LD669930

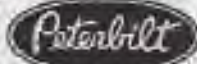
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UNIT TYPE 2

CODE	DESCRIPTION	SUB CD	PRICE	WEIGHT
	** TOTAL ESTIMATED WEIGHT			18,935
	TOTAL LIST PRICE		248,088	
	BELOW CHARGES NOT INCLUDED IN TOTAL LIST PRICE			
	ADJUSTED LIST PRICE		248,088	
PROMOTION PROGRAM CODE	@ 0.00 %		0	
COMPETITIVE ALLOWANCE NO 01442930	@ 0.00 %		0	
OPTIONAL EXT WTY & PRV MNT				
9400090 - PETERBILT CLASS 8 STANDARD COVERAGE			0	
1 YEAR/100,000 MILES (160,000 KM)				
TOTAL OPTIONAL EXT WTY & PRV MNT			0	
TOTAL TIRE FEET INCLUDED -- AS PRODUCED			354	
MARKETING PROGRAMS AND PROMOTIONS			675	
** WEIGHT SHOWN HERE IS AN ENGINEERING ESTIMATE AND DOES NOT INCLUDE UNPUBLISHED OPTIONS. ACTUAL "SHIPPING" WEIGHT MAY VARY.				



# CERTIFICATE OF ORIGIN FOR A VEHICLE



A PACCAR COMPANY  
**PETERBILT MOTORS COMPANY**

DATE

APRIL 17, 2019

INVOICE NO.

N/A

VEHICLE IDENTIFICATION NO.

1NPCL40X3LD669930

YEAR

2020

MAKE

PETERBILT

BODY TYPE

TRUCK

SHIPPING WEIGHT

18,348 LB

H.P. (S.A.E.)

500.0

G.V.W.R.

68,800 LB

NO. CYLS.

6

SERIES OR MODEL

MODEL 567

I, the undersigned authorized representative of the company, firm or corporation named below, hereby certify that the new vehicle described above is the property of the said company, firm or corporation and is transferred on the above date and under the Invoice Number indicated to the following distributor or dealer.

H545  
HUNTER-BUFFALO PARTS  
2370 WALDEN AVENUE

BUFFALO, NY 14245

It is further certified that this was the first transfer of such new vehicle in ordinary trade and commerce.

PETERBILT MOTORS COMPANY

BY

(SIGNATURE OF AUTHORIZED REPRESENTATIVE) (AGENT)

PE 1018479

1700 WOODBROOK STREET  
DENTON, TEXAS 76205

CITY-STATE





# HERITAGE TRUCK EQUIPMENT, INC.

661 POWELL AVE  
HARTVILLE, OH 44632

(330) 699-4491 PHONE  
(330) 564-0756 FAX

Date: April 5, 2019

Work Order # 409244

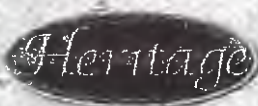
Al Forster  
Hunter Buffalo Peterbilt  
2370 Walden Ave.  
Cheektowaga, NY 14225

716-684-0010  
716-684-0181 - fax  
[alforster@huntertrucksales.com](mailto:alforster@huntertrucksales.com)

## Chassis Information

Make	Peterbilt	VIN	1NPCL40X3LD669930	Cab-to-body	Approx. 7"
Model	567	Trans #	Allison 4500RDS	Hinge setting	TBD
Year	2020	C/A	132"	Overhang	Approx. 18" body + 4" apron
Color	White	C-ROT	Approx. 181"	Reference #	

<b>Body</b>	<b>Model</b>	Heritage Steel Smooth Side	<b>Serial #</b>	HS-3336
	<b>Length</b>	16 ft.		
	<b>Width</b>	99"		
<b>Sides</b>	<b>Height</b>	54"		
	<b>Material</b>	5/32" AR-450		
	<b>Side Posts</b>	Front post-only		
	<b>Rear Post</b>	3/16"		
	<b>Top Rail</b>	Formed 5/32" AR-450		
	<b>Sideboards</b>	2" x 10" board on each side		
<b>Floor</b>	<b>Material</b>	3/16" AR-450		
	<b>Longsills</b>	3/16" formed		
	<b>Crossmembers</b>	None		
	<b>Bottom Rail</b>	Formed		
<b>Bulkhead</b>	<b>Material</b>	5/32" AR 450 - for trunnion style hoist		
	<b>Cab shield</b>	36" full width - 10 gauge material - 6" face w/ deflector for tarp		
<b>Tailgate</b>	<b>Height</b>	60"		
	<b>Material</b>	3/16" AR-450		
	<b>Slope</b>	6"		
	<b># of Panels</b>	Two (2) panels - horizontal bracing only		
	<b>Top Hinge</b>	Overslung		
	<b>Tailgate Chains</b>	Installed		
	<b>Controls</b>	Air tailgate		
	<b>Coal Door</b>	Two doors installed - handles to outside of gate on each side		
	<b>Salt Locks</b>	Installed - one on each side		
	<b>Tailgate Options</b>	None		
<b>Hydraulics</b>	<b>Front Hoist</b>	Hyva FC A6.5-4-146	<b>Serial #</b>	
	<b>PTO</b>	Muncie hot shift PTO for Allison transmission		
	<b>Pump</b>	Direct mount pump w/shifter valve		
	<b>Pump Control</b>	Feathering valve air control		
	<b>Tower</b>	Between seats - for body and tarp controls		
	<b>Pump Kickout Switch</b>	Installed at rear		
	<b>Hydraulic Tank</b>	Steel - mounted on side of frame		
	<b>Misc. Notes</b>	3-line system w/ shutoff valves - PTO engaged & body-up lights in dash		
<b>Lights</b>	<b>Body Lights</b>	LED light package		
	<b>Rear Stop/Turn/Tail</b>	In rear post - use combo lights		
	<b>Front Marker Lights</b>	In front post		
	<b>Strobes</b>	None		



# HERITAGE TRUCK EQUIPMENT, INC.

1600 EAST WATERLOO RD.  
AKRON, OH 44306

(330) 699-4491 PHONE  
(330) 564-0756 FAX

Customer Hunter Buffalo Peterbilt

Truck VIN 1NPCL40X3LD669930

## Spec's & Options

Ladders

Front panel on driver's side w/ one step below bottom rail

Inside Steps

Front only

Tarp Bar

Install hooks on bottom rail for tarp (Munoz spec)

Mud Flaps - front

Heritage flaps - 30" length w/ anti-sail brackets

Mud Flaps - rear

Heritage flaps - hooks on straps - chains on flaps

Shovel Holder

Front of body on driver's side

Rear Apron

4" pipe apron

Vibrator

None - Included as per mark on 4/23/2020

## Paint

Body Finish

Sandblast, prime, and paint body - Viper Red L3781EY

Boards

Match body

## Chassis

Rear Chassis Lights

Round combo lights in plate - ID cluster on hinge

Exhaust Stack

Chrome S-pipe for single exhaust

ICC Bumper

None

Rear Tow Hooks

None

Pintle Hitch Assembly

1" Pintle plate - 45 ton hitch (28" height) - 7 prong HD plug / glad hands

Pintle Hitch Assembly

Tractor package supplied by chassis OEM

Body Prop

Installed

Back-up Alarm

Installed

## Tarp

Manufacturer

Aero

Operation

Electric arm flip tarp system

Material Type

Asphalt

Wind Screen

Front of cab shield

Tarp Options

Expandable w/ rear flap

## Lift Axle

Manufacturer

None Quoted

# of Lift Axles

Axle Type

Serial #

Axle Spacing

Controls

Additional Air Tanks

Wheels/Tires

None Quoted

Rev	Description	Date	By
1	Model changed from a HS-SP 19'6" x 54" x 60" to a HS-SP 16' x 54" x 60"	4/19/2019	NM



MFG. & MODEL		PETERBILT 3407	
FINAL REG. DATE	07-2019		
INC. VER. MFD BY PETERBILT MOTORS			
DIV. OF PACCAR INC.			
INC. REG. DATE	04/2019		
GWR	31208.0KGS	68800LBS	

WEIGHT		KILOGRAMS / POUNDS	
FR. GAWR	10342.1	22800	
2ND. GAWR	10432.8	23000	
3RD. GAWR	10432.8	23000	
4TH. GAWR			
5TH. GAWR			
6TH. GAWR			

DATE		09-2019	
THIS VEHICLE COMPLIES TO ALL APPLICABLE FEDERAL MOTOR VEHICLE SAFETY STANDARDS IN EFFECT IN (SEE DATE BELOW)			
VIN	1NP-CL40X-3-LD669930		
TYPE OF VEHICLE	TRUCK		

CHASSIS NUMBER		889530	
ENGINE MODEL			
TRANSMISSION			
SUV / TRUCK MODEL			
FRONT AXLE		REAR AXLE	
REAR AXLE RATIO			



## HERITAGE TRUCK EQUIPMENT, INC.

661 POWELL AVE.  
HARTVILLE, OHIO 44632

(330) 699-4491 PHONE  
(330) 564-0756 FAX

Date: July 11, 2019

To Whom It May Concern:

Be advised that Heritage Truck Equipment has altered the following vehicle from cab and chassis to a dump truck.

Dump body weight is 7,350 lbs.\*

2020 Peterbilt 567

V.I.N.# 1NPCL40X3LD669930

\* Estimated body weight only

For accurate total truck weight we recommend weighing the completed truck.

A handwritten signature in cursive script that reads "A. Brayton".

Ashley Brayton

Asst. Office Manager

Heritage Truck Equipment, Inc.



**SOURCEWELL PARTICIPATING DEALER AGREEMENT**  
**PETERBILT MOTORS COMPAY CONTRACT #018-716-PMC**

This Participating Dealer Agreement dated \_\_\_\_\_, 2018 is between PETERBILT MOTORS COMPANY, an unincorporated division of PACCAR Inc ("Peterbilt"), located in Denton, Texas and \_\_\_\_\_ ("Dealer"), located in \_\_\_\_\_.

**WHEREAS** Peterbilt has entered into an agreement ("Agreement") with Sourcewell as the National Joint Powers Alliance (NJPA) dated November 15, 2016 pursuant to which Peterbilt will sell to Sourcewell affiliated government and education agencies through participating Peterbilt dealers certain commercial vehicles subject to the terms and conditions set forth in the Agreement;

**WHEREAS** Dealer wishes to participate in the sale and service of such commercial vehicles to Sourcewell affiliated government and education agencies ("Sourcewell Members") and agrees to be subject to the terms and conditions set forth in the Agreement;

In consideration of the mutual promises set forth herein, Peterbilt and Dealer agree to the following terms and conditions:

1. **Recitals.** The parties agree that the foregoing recitals are true and correct, and are hereby incorporated in and made a part of this agreement.
2. **Adoption of Obligations of Lessor.** Dealer hereby adopts and agrees to be bound by all the terms, conditions, and obligations of the Agreement, the terms and conditions of which are incorporated herein by reference, solely with respect to the vehicles sold to Sourcewell Members by Dealer. Dealer agrees to assume all rights and obligations of Peterbilt as specified in the Agreement solely for vehicles sold by Dealer to Sourcewell Members.
3. **Term.** This Participating Dealer Agreement shall remain effective until terminated by either party upon sixty (60) days' prior written notice.
4. **Pricing and Order Processing.** Dealer agrees that pricing of vehicles to Sourcewell Members shall conform to the not-to-exceed pricing matrix established by Peterbilt, which may be amended from time to time in Peterbilt's sole discretion. Should Dealer charge a sales price in excess of the amount set forth in the pricing matrix, Dealer shall promptly refund the excess of the sales price over the amount set forth in the pricing matrix to the affected Sourcewell Member. Peterbilt shall have sole discretion to determine whether there has been an overcharge. All orders shall include the Sourcewell Sales Code. Dealer shall submit copies of final invoices of all vehicles sold by Dealer to Sourcewell members on a monthly basis.
5. **Indemnity.** Dealer agrees that it will protect, defend, indemnify and hold harmless Peterbilt from any and all losses, claims, suits, costs, damages, expenses and liabilities (including reasonable attorney's fees) arising from Dealer's breach of its obligations under the Agreement or Dealer's negligence, gross negligence, or willful misconduct in connection with this Agreement. Notwithstanding the foregoing, Dealer shall have no obligation or liability under this paragraph 4 with respect to any losses, claims, suits, costs, damages, expenses and liabilities (including reasonable attorney's fees) arising from Peterbilt's negligence, gross negligence, or willful misconduct.

**SOURCEWELL PARTICIPATING DEALER AGREEMENT**  
**PETERBILT MOTORS COMPAY CONTRACT #018-716-PMC**

**6. Non-Exclusivity.** Dealer acknowledges and agrees that Peterbilt will afford, at its sole discretion, other participating dealers, including competitors of Dealer, the opportunity to participate in the sale and service of commercial vehicles to Sourcewell Members.

**7. No Agency.** No agency, partnership, contractor or employment relationship is created by this Agreement. Dealer shall make no representation that Dealer is the agent, partner, employee, or contractor of Peterbilt.

**8. Assignment.** Neither party may assign this Participating Dealer Agreement without the prior written consent of the other.

**9. Limitation of Liability.** Neither party shall be liable to the other for special, indirect, punitive or consequential damages resulting from or arising out of this Participating Dealer Agreement including, without limitation, loss of profit or business interruptions, without regard to the fault or alleged fault of any party.

**10. Entire Agreement and Amendment.** This Participating Dealer Agreement, including the underlying agreement which is incorporated herein by reference, constitutes the entire agreement between the parties concerning the subject matter hereof, and any and all prior agreements and understandings, written and oral, are without effect and superseded by this agreement. The agreement may be amended only by a written instrument signed by both parties.

IN WITNESS WHEREOF, the Parties hereto have signed this Participating Dealer Agreement or have caused same to be duly executed by their authorized signatories, on the date(s) noted below.

[DEALER NAME]

[PETERBILT MOTORS COMPANY]

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



## Sourcewell Cooperative Purchasing Contract

**Peterbilt Motors Company – contract #081-716-PMC****Who Can Utilize Sourcewell?**

- All government, all education, all non-profits, tribal nations, housing authorities in all 50 states & most of Canada – ex) Cities, Townships, Counties, States, Universities, etc.

**Sourcewell Membership Requirement**

- Both dealer & customer need to be members of Sourcewell
- Join online at [sourcewell-mn.gov](http://sourcewell-mn.gov) – it's free!
- Sourcewell dealer agreement also available on e-portal

**Dealer Guidelines**

- Spec truck(s) to customer requirements using most current Price Pages
- Submit CAR with end-user name/Sourcewell (City of Mayberry/Sourcewell)
- Sourcewell discount comes off of DEALER LIST PRICE – same list price from Prospector spec
- Customer & Dealer pricing matrix available on e-portal
- Price INCLUDES freight, PAC/PDI, profit, marketing fee
- Price does NOT include flooring/interest, any applicable taxes (i.e. FET), any options/services provided by the dealer outside of PDI (i.e. body, lights, manuals, training, DEF fluid, etc.)
- Dealer invoice to customer must show final chassis price SEPARATE from any other costs noted above including body price & installation if applicable – use the quote/invoice template on E-Portal!!!
- Bodies can be marked up a maximum of 10%
- Pricing must not exceed matrix formula (less than or equal to X% off of dealer list)
- Order trucks with code #9409843
- Dealer must submit Sourcewell Worksheet (quote/invoice template) to [Joe.Curran@paccar.com](mailto:Joe.Curran@paccar.com) for each chassis sold under the program

**Customer guidelines**

- Reference customer Sourcewell member number AND Peterbilt Motors Company Sourcewell contract number (081-716-PMC) on quote & invoice to customer
- Purchase order from customer must be issued to Dealer-name & reference contract #081-716-PMC

**Questions regarding Pricing**

Joe Curran  
National Fleet Sales Manager  
Peterbilt Motors Company  
[Joe.Curran@Paccar.com](mailto:Joe.Curran@Paccar.com)  
(615) 613-1394

**Questions regarding Sourcewell Contract**

Maureen Knight  
Contract Manager  
Sourcewell  
[Maureen.Knight@Sourcewell-mn.gov](mailto:Maureen.Knight@Sourcewell-mn.gov)  
(218) 895-4114

## SOURCEWELL CUSTOMER PRICING CY2020

PETERBILT MOTORS COMPANY CONTRACT #081-716-PMC

Model	220	325	337	348	567	365	367	579	320	389	520
Example MSRP	\$85,392	\$80,831	\$91,107	\$111,346	\$213,166	\$214,182	\$214,726	\$166,599	\$221,587	\$199,178	\$226,419
Sourcewell Discount	22.33%	27.29%	29.59%	32.54%	41.06%	40.76%	41.04%	39.92%	41.24%	40.75%	41.32%
*Customer Price	\$66,321	\$58,772	\$64,149	\$75,112	\$125,639	\$126,882	\$126,608	\$100,093	\$130,197	\$118,012	\$132,872

\*Customer price includes cab & chassis, Pre-Delivery-Inspection (PDI), factory-freight, and dealer profit/pac.

\*Customer price **does not** include flooring/interest charges, any applicable taxes (i.e. FET) and any components/services provided by the Peterbilt dealer after delivery from Peterbilt factory (i.e. body, manuals, training, additional fuel/def, extended coverages, etc.)

- Canadian Peterbilt Dealers have the option to order chassis in Canadian or US Dollars.
- If ordered in US dollars, Canadian Peterbilt Dealers have the option to lock-in the exchange rate and have the truck invoiced in Canadian Dollars prior to build date. (typically 2 weeks before build date).
- Peterbilt/PACCAR-Canada provides Peterbilt Dealers the updated exchange-rate on a daily basis.
- PACCAR Treasury uses a daily average along with 6 month futures.



May 26, 2020

## FORMAL PROPOSAL

**OBLIGOR:** NIAGARA FALLS WATER BOARD

- ✓ This is an Installment Purchase Contract. No residual value.
- ✓ Fixed interest rate for the three (3) year, four (4) year, and five (5) year terms.

**EQUIPMENT:** ONE (1) NEW PETERBILT DUMP TRUCK

**OPTION 1**

<b>Acquisition Cost:</b>	\$167,987.00	<b>Term:</b>	Three (3) years	<b>First Payment Due:</b>	One Year from Close
<b>Down Payment:</b>	\$ 0.00	<b>Payment Mode:</b>	Annual in Arrears	<b>Payment Amount:</b>	\$45,047.35
<b>Trade In:</b>	\$ 40,000.00	<b>Interest Rate:</b>	2.770%		
<b>Principal Balance:</b>	\$127,987.00	<b>Rate Factor:</b>	0.351968		

**OPTION 2**

<b>Acquisition Cost:</b>	\$167,987.00	<b>Term:</b>	Four (4) years	<b>First Payment Due:</b>	One Year from Close
<b>Down Payment:</b>	\$ 0.00	<b>Payment Mode:</b>	Annual in Arrears	<b>Payment Amount:</b>	\$34,242.79
<b>Trade In:</b>	\$ 40,000.00	<b>Interest Rate:</b>	2.770%		
<b>Principal Balance:</b>	\$127,987.00	<b>Rate Factor:</b>	0.267549		

**OPTION 3**

<b>Acquisition Cost:</b>	\$167,987.00	<b>Term:</b>	Five (5) years	<b>First Payment Due:</b>	One Year from Close
<b>Down Payment:</b>	\$ 0.00	<b>Payment Mode:</b>	Annual in Arrears	<b>Payment Amount:</b>	\$27,779.19
<b>Trade In:</b>	\$ 40,000.00	<b>Interest Rate:</b>	2.790%		
<b>Principal Balance:</b>	\$127,987.00	<b>Rate Factor:</b>	0.217047		

- **This is a proposal only and is not a commitment to finance. This proposal is subject to credit review and approval and proper execution of mutually acceptable documentation.**
- Failure to consummate this transaction once credit approval is granted and the documents are drafted and delivered to Obligor will result in a documentation fee being assessed to the Obligor.
- This transaction must be credit approved, all documents properly executed and returned to Baystone Government Finance and the transaction funded on ALL proposals on or before June 26, 2020. If funding does not occur within that time-frame, or there is a change of circumstance which adversely affects the expectations, rights, or security of Obligor or its assignees, then Obligor or its assignees reserve the right to adjust and determine a new interest rate factor and payment amount, or withdraw this proposal in its entirety.
- This transaction must be designated as tax-exempt under Section 103 of the Internal Revenue Code of 1986 as amended.
- **OBLIGOR'S TOTAL AMOUNT OF TAX-EXEMPT DEBT TO BE ISSUED IN THIS CALENDAR YEAR WILL NOT EXCEED THE \$10,000,000 LIMIT, OR THE INTEREST RATE IS SUBJECT TO CHANGE.**
- **Neither KS StateBank nor Baystone Government Finance is acting as an advisor to the municipal entity/obligated person and neither owes a fiduciary duty pursuant to Section 15B of the Exchange Act of 1934**

**BAYSTONE GOVERNMENT FINANCE**

Aaron Lindsten ~ alindsten@ksstate.bank  
Assistant Vice President

**NIAGARA FALLS WATER BOARD**

Signature

Title

Date

1010 Westloop Place, Manhattan, KS 66502  
800.752.3562 ~ Fax: 785.537.4806

*NIAGARA FALLS WATER BOARD RESOLUTION # 2020-06-006*

**AUTHORIZING AGREEMENT WITH ARCADIS FOR PREPARATION OF  
ENGINEERING REPORT AND TECHNICAL ASSISTANCE FOR  
WQIP AND EPG GRANT PROGRAM SUBMISSIONS**

**WHEREAS**, the Niagara Falls Water Board (“Water Board”) is under Order on Consent R9-2008052832 related to sanitary sewer overflows in the LaSalle-area sewer system; and

**WHEREAS**, in connection with the LaSalle-area sewer system, the Water Board is obligated to perform work to reduce inflow and infiltration into the sanitary sewer system pursuant to a Sanitary Sewer System Management Plan (“SSSMP”); and

**WHEREAS**, the Water Board previously contracted with Arcadis of New York, Inc., to perform the Year 12 progress evaluation required under the SSSMP; and

**WHEREAS**, as part of that Year 12 progress evaluation work and related meetings with Water Board staff and the NYSDEC, Arcadis has identified areas of the collection system where improvements can be made that will help the Water Board to develop a more cost effective approach to reduction in inflow and infiltration reduction per dollar spent compared to the work contemplated under the current SSSMP; and

**WHEREAS**, grant funding may be available to assist in implementing improvements to the LaSalle-area sewer system, through the Water Quality Improvement Project (“WQIP”) and Engineering Planning Grant (“EPG”) programs; and

**WHEREAS**, an engineering report regarding proposed improvements is needed for the WQIP program application, and a proposed topic is needed for the EPG application; and

**WHEREAS**, Arcadis is able to prepare the required report as an extension of its current work on the Year 12 progress evaluation, and issuing a separate request for proposals for those services is not desirable because it would be impossible to meet the July 2020 WQIP program deadline and would be inefficient, given the time required to become familiar with the system and Arcadis’s current scope of work; and

**WHEREAS**, Arcadis has presented a June 4, 2020 proposal to complete the required engineering report and to provide technical support for both the WQIP and EPG program applications for a total fee not to exceed \$22,310;

\* CONTINUED ON NEXT PAGE \*

**NOW THEREFORE BE IT**

**RESOLVED**, that on behalf of the Niagara Falls Water Board, its Executive Director hereby is authorized to accept the June 4, 2020 proposal by Arcadis of New York, Inc., to produce an engineering report and provide technical assistance related to Water Quality Improvement Project and Engineering Planning Grant program grant applications, for a total fee not to exceed \$22,310.

*Water Board Personnel Responsible for Implementation of this Resolution:*

Executive Director

*Water Board Budget Line or Capital Plan Item with Funds for this Resolution:*

S-3, LaSalle Area Sewer Improvements (SSO)

On June 22, 2020, the question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Board Member Forster	[   ]	[   ]	[   ]	[   ]
Board Member Kimble	[   ]	[   ]	[   ]	[   ]
Board Member Larkin	[   ]	[   ]	[   ]	[   ]
Board Member Leffler	[   ]	[   ]	[   ]	[   ]
Chairperson Brown	[   ]	[   ]	[   ]	[   ]

Signed By:

Vote Witnessed By:

---

Patrick D. Brown, Chairperson

---

Sean W. Costello, Secretary to Board

Mr. Pat Fama  
Executive Director  
Niagara Falls Water Board  
1201 Buffalo Avenue  
Niagara Falls, NY 14304

Subject:

Engineering Services Proposal for Water Quality Improvement Project (WQIP)  
Program and Engineering Planning Grant Application Support

Arcadis of New York, Inc.  
50 Fountain Plaza  
Suite 600  
Buffalo  
New York 14202  
Tel 716 667 0900  
Fax 716 667 0279

Dear Mr. Fama:

As requested, Arcadis of New York, Inc. (Arcadis) is pleased to submit this proposal to the Niagara Falls Water Board for engineering services related to the submission of Water Quality Improvement Project (WQIP) Program and Engineering Planning Grant (EPG) applications. This proposal is an amendment to the *Sanitary Sewer System Management Plan – Year 12 Progress Evaluation* (Year 12 SSSMP), which included a Draft Report submitted December 2019 to the New York State Department of Environmental Conservation (NYSDEC).

Arcadis has prepared a proposal for the tasks listed in the following sections below.

## TASKS AND SERVICES

Arcadis's services will include the following:

### Task 1 – Prepare WQIP Engineering Report

Under Task 1, Arcadis will develop an Engineering Report for WQIP Program submission following the NYSDEC's Engineering Report Outline. Collection system improvements evaluated in this Engineering Report will follow the project summary descriptions provided in Attachment A. These recommendations were developed based on the results of the Year 12 SSSMP and previous discussions.

### Task 2 – Technical Support for WQIP and Engineering Planning Grant Applications

Task 2 will consist of additional technical support, as requested by the NFWB or CPL, for the development and submission of the WQIP and EPG applications. Our costs for this task assume that NFWB/CPL will be leading the preparation of the grant applications. Our effort will be limited to providing any technical guidance and assistance to ensure the completeness of each application.

WATER BUSINESS LINE

Date:

June 4, 2020

Contact:

Dan Seider, PE

Phone:

716 667 6670

Email:

Daniel.Seider@arcadis.com

Our ref:

30003049

## ENGINEERING SERVICES

As indicated in Table 1, Arcadis proposes to complete the entire scope of work on a time and material basis for the not-to-exceed amount of **\$ 22,310**.

Table 1. Project Fee Table

Task	Fee
Task 1 - WQIP Engineering Report	\$19,510
Task 2 – Technical Support for WQIP & EPG Applications	\$ 2,800

## PRELIMINARY WORK SCHEDULE

The Preliminary Work Schedule for this scope of work, based on Arcadis's receipt of authorization to proceed from NFWB, is as follows:

Table 2: Project Milestones

Milestones	Date
Arcadis Authorization to Proceed from NFWB	June 22, 2020
Task 1 – Draft WQIP Engineering Report	July 15, 2020
Task 1 – NFWB Comments Provided on WQIP Engineering Report	July 20, 2020
Task 1 – Final WQIP Engineering Report	July 24, 2020
Task 2 – Technical Support for Engineering Planning Grant Application	June - July 2020

Please feel free to contact me with any questions related to the content of this proposal.

Sincerely,

Arcadis of New York, Inc.



Dan Seider, PE  
Project Manager

Copies:

Doug Williamson, PE  
John Kolaga, Esq.

*This proposal and its contents shall not be duplicated, used or disclosed — in whole or in part — for any purpose other than to evaluate the proposal. This proposal is not intended to be binding or form the terms of a contract. The scope and price of this proposal will be superseded by the contract. If this proposal is accepted and a contract is awarded to Arcadis as a result of — or in connection with — the submission of this proposal, Arcadis and/or the client shall have the right to make appropriate revisions of its terms, including scope and price, for purposes of the contract. Further, client shall have the right to duplicate, use or disclose the data contained in this proposal only to the extent provided in the resulting contract.*

# ATTACHMENT A

## POTENTIAL WQIP AND EPG PROJECT SUMMARY DESCRIPTIONS





# MEMO

To:

John Kolaga, Esq.  
Pat Fama  
Doug Williamson, PE

Copies:

Arcadis of New York, Inc.  
50 Fountain Plaza  
Suite 600  
Buffalo  
New York 14202  
Tel 716 667 0900  
Fax 716 842 2612

From:

Dan Seider, PE

Date:

May 28, 2020

Arcadis Project No.:

05717006.0000

Subject:

NFWB Sanitary Sewer System Management Plan

Potential Water Quality Improvement Project and Engineering Planning Grant Project Summary Descriptions

---

The purpose of this document is to describe potential projects for submission to the New York State Water Quality Improvement Project (WQIP) and Engineering Planning Grant (EPG) Programs to obtain grant funding to support sanitary sewer system improvements outlined in the submitted *Sanitary Sewer System Management Plan Year 12 Progress Evaluation* (Year 12 SSSMP) and recent discussions. Budgetary cost estimates provided are based on recent bid quotations from local, qualified vendors and Arcadis experience. Further refinement of these estimates is expected to be conducted as part of the WQIP and/or EPG applications.

## WQIP Program Project Descriptions

The following are a list of projects discussed during a conference call on Thursday, May 21<sup>st</sup>, 2020. Please note that the historic deadline for WQIP application submission is late July. It is unclear at this time how the COVID-19 pandemic will affect this timeline.

### Project 1: Love Canal Sanitary Sewer System Improvements

**Description:** This project includes cured in place pipe (CIPP) lining of the sanitary sewers on 95<sup>th</sup>, 96<sup>th</sup>, 101<sup>st</sup>, and 102<sup>nd</sup> streets south of Colvin Boulevard. Further investigations would be conducted on 100<sup>th</sup> street to evaluate the measures necessary to abandon the sanitary sewer main in place as no residents are present and therefore all flow in this segment is likely inflow and infiltration (I/I). This work would build upon the recommendations and flow meter data obtained and analyzed as part of the Year 12 SSSMP.

**Budgetary Estimate:** Based on the pipe diameter, recent CIPP bid results, and quantity of sewer infrastructure in the areas described above, a budgetary construction cost estimate is \$500,000. Total project cost, which includes engineering, legal, and administrative costs would be approximately \$630,000.

**Other Considerations:** Depending on funding availability, NFWB could consider including manhole rehabilitation within this same area. This would increase the construction cost by approximately \$200,000.

### **Project 2: 91<sup>st</sup> and Luick Sanitary Sewer System Improvements**

**Description:** This project includes manhole rehabilitation in the entire 91<sup>st</sup> and Luick subsewershed. Post construction flow monitoring would be used to evaluate the sewer system rehabilitation effectiveness. Manhole rehabilitation techniques typically include interior cementitious and/or spray-on epoxy coatings.

**Budgetary Estimate:** Based on recent manhole rehabilitation bid results, and quantity of manholes in the 91<sup>st</sup> and Luick subsewershed, a budgetary construction cost estimate is \$300,000. Total project cost would be approximately \$400,000.

**Other Considerations:** Depending on available funds, NFWB could consider strategic CIPP lining for the sewer mains with the highest I/I within this subsewershed. These costs are currently not included in the budgetary estimate.

### **Project 3: Storm Sewer Lining**

**Description:** This project includes the lining of large diameter storm conduits that cross over sanitary sewers. These large storm sewer conduits are galvanized steel and are known to be deteriorating. Though not a true cross-connection, their close proximity to a sanitary sewer could be contributing to infiltration/inflow. We do not yet have an accurate estimate of the quantity and diameter of the storm sewer conduits so a budgetary cost estimate is not provided. Should NFWB wish to pursue this project, we could work with NFWB to identify each location and develop cost estimates as part of the WQIP grant application.

### **Conceptual Approach to WQIP Grant**

Propose using Project 1 and 2 as experimental basins to determine whether CIPP lining or manhole rehabilitation provides a more cost-effective approach to I/I reduction. Post-construction, NFWB could monitor sewer flow within each subsewershed and compare to pre-construction conditions. Percent reduction in I/I could be calculated and costs could be normalized based on the volume of I/I eliminated.

### **EPG Project Descriptions**

The following are two potential projects for EPG application submission. Priority for selection is given to municipalities required by an Order on Consent or SPDES permit. Please note that the historic deadline for EPG application submission is also late July. It is unclear at this time how the COVID-19 pandemic will affect this timeline.

### **Project 1: Capacity Analysis Engineering Report for 93<sup>rd</sup> South of Bergholtz Subsewershed**

**Description:** This project includes the engineering analysis and feasibility of diverting flow from the '93<sup>rd</sup> South of Bergholtz' subsewershed to the 30-inch diameter sewer main on Niagara Falls Boulevard (NFB). Included in this analysis would be the available capacity of the existing 30-inch NFB diameter sewer main and the feasibility of (1) construction of a pump station in the 93<sup>rd</sup> South of Bergholtz subsewershed or (2) construction of gravity sewer to divert flow to the NFB sewer. This subsewershed is upstream of the 91<sup>st</sup> and Luick subsewershed so it could potentially limit the number of downstream sanitary sewer overflows at 91<sup>st</sup> & Luick, 88<sup>th</sup> & Mang, and Frontier & 81<sup>st</sup> while long-term sanitary sewer rehabilitation efforts are conducted in the NFWB collection system.

**Project 2: Focused Sanitary Sewer Evaluation Surveys**

**Description:** This project generally includes the development and completion of sanitary sewer evaluation surveys (SSESs) in the LaSalle sewer system to identify areas for focused sanitary sewer rehabilitation. Applicable SSESs include, but are not limited to manhole inspections, closed-circuit television inspections, smoke testing, dye testing, and additional flow monitoring to obtain more information related to I/I quantification. Results of the SSESs would be used to develop a revised 'Table 4.2' for sewer rehabilitation work to comply with the NFWB Order on Consent and better inform future capital planning decisions.

**INSTALLATION OF ELECTRICAL SERVICE  
FOR TEMPORARY CONSTRUCTION TRAILERS**

**WHEREAS**, the Niagara Falls Water Board (“Water Board”) has multiple projects in the final design or bidding phase that will result in substantial construction projects at the wastewater treatment plant; and

**WHEREAS**, the various contractors that will be employed on the wastewater treatment plant projects will need temporary trailers for construction offices, crew break areas, and secure storage; and

**WHEREAS**, to promote orderly and efficient work and to avoid interference with the Water Board’s use of the site, Water Board staff have prepared a plan for locating these temporary trailers in an unused part of the wastewater treatment plant site, with Water Board crews performing most of the site work required; and

**WHEREAS**, the temporary trailers will require electrical service that is not presently available at the designated site, the installation of which requires the services of an electrical contractor; and

**WHEREAS**, Ferguson Electric, pursuant to a pre-bid indefinite delivery/indefinite quantity contract, has submitted May 11, 2020 proposal No. PL21077 to install the necessary electrical service for the temporary trailer site, including installation of a new transformer, for a total cost of \$59,125;

\* CONTINUED ON NEXT PAGE \*

**NOW THEREFORE BE IT**

**RESOLVED**, that the Niagara Falls Water Board be and hereby is authorized to pay to Ferguson Electric up to \$59,125 to complete the scope of work for installation of electrical service for temporary construction trailers that is set forth in Ferguson's May 20, 2020 proposal No. PL21077.

*Water Board Personnel Responsible for Implementation of this Resolution:*  
Executive Director

*Water Board Budget Line or Capital Plan Item with Funds for this Resolution:*  
WWTP-17, WWTP Infrastructure Projects – Miscellaneous

On June 22, 2020, the question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Board Member Forster <sup>(1st)</sup>	[   ]	[   ]	[   ]	[   ]
Board Member Kimble	[   ]	[   ]	[   ]	[   ]
Board Member Larkin <sup>(2nd)</sup>	[   ]	[   ]	[   ]	[   ]
Board Member Leffler	[   ]	[   ]	[   ]	[   ]
Chairperson Brown	[   ]	[   ]	[   ]	[   ]

Signed By:

Vote Witnessed By:

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Patrick D. Brown, Chairperson

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Sean W. Costello, Secretary to Board

**Service Division**

Your exclusive TEGG® Service provider

- o Electrical preventative maintenance programs
- o 24-hour emergency service
- o Troubleshooting and repair

May 11, 2020

Niagara Falls Water Board  
5815 Buffalo Ave  
Niagara Falls, NY 14304

Attn: Mr. Robert Dunn

Re: Temporary Trailer Service, FES Proposal #PL21077

Dear Bob,

We are pleased to submit this proposal for the installation of a new service to provide power for the temporary trailers during the construction project.

We will:

- Provide a new transformer with pad and panelboard.
- Furnish and install a new bucket in the existing Garage MCC.
- Furnish and install a new feed from the MCC to the transformer.
- Furnish and install a feed from the transformer to the panelboard.
- Properly ground the system.
- Make all necessary connections.
- Verify proper voltages.

Our price for the above is **FIFTY-NINE THOUSAND ONE HUNDRED TWENTY-FIVE DOLLARS (\$59,125.00).**

Our price is subject to all applicable sales and use taxes unless otherwise directed by your order to proceed. Our price is based on performing the work during straight-time hours, 7:00am – 3:30pm, Monday through Friday, excluding holidays.

Notes:

- We will perform all work strictly according to Article 70E of the NFPA dealing with the Arc Flash Protection.
- Our price does not include connections to the trailers.

We appreciate the opportunity to work with **Niagara Falls Water Board.**



We await your written authorization of acceptance so that we may begin work on this project in a timely, satisfactory manner.

Respectfully Submitted,

**FERGUSON ELECTRIC SERVICE CO., INC.**

A handwritten signature in black ink, appearing to read "D. Schultz", is positioned above the printed name.

Daniel R. Schultz  
Electrical Services Manager

**UPDATED POLICY FOR AGENDAS, RESOLUTIONS,  
AND ASSOCIATED SUPPORTING MATERIALS**

**WHEREAS**, the Niagara Falls Water Board Chairperson is charged with presiding over all Water Board meetings; and

**WHEREAS**, the Water Board requires sufficient time to review matters prior to voting on them; and

**WHEREAS**, the Water Board desires to update its policy for preparation of agendas, resolutions, and associated supporting materials;

**NOW THEREFORE BE IT**

**RESOLVED**, that

- (1) The policy adopted pursuant to this Resolution shall be referred to as the “Agenda and Resolution” policy and it supersedes all prior Water Board policies regarding the same subject matter.
- (2) All agenda items, resolutions, and supporting materials shall be distributed to the Board of Directors via email by noon on the Wednesday prior to a scheduled work session or business meeting.
- (3) Staff shall provide any reports, agenda items, resolution requests, or other items for the Board’s agenda to the Secretary by the close of business on the Monday prior to a scheduled business meeting or work session, or if that Monday is a holiday, by the preceding Friday. Staff shall cooperate with any additional instructions by the Secretary regarding submission of items for the agenda.
- (4) Where staff anticipate resolutions for a business meeting that were not part of the work session agenda packet, the anticipated resolutions should be brought up for discussion at the work session when possible.
- (5) For business meetings, resolutions not provided by the deadline set forth herein may be submitted to the Chairperson as early as possible prior to the meeting, who shall determine whether or not the resolution should be presented at the meeting. If the Chairperson determines that staff may present the resolution, all Board members are to be provided with a copy of the resolution and any supporting documents as quickly as possible.
- (6) For consideration of a resolution submitted after the deadline, the Chairperson will call for a vote on whether the Board will waive the resolution deadline set forth in this policy in order to consider the resolution. If a majority votes to consider the resolution, the



matter then may be treated as part of the meeting agenda and may be the subject of a vote on roll call as to the question of whether the resolution should be adopted.

- (7) Nothing in this Resolution shall prohibit the Water Board from considering a “walk on” resolution proposed by any individual Water Board member at a regular meeting, provided that a majority of the members first votes to waive the deadline set forth in this policy with respect to the late resolution.

*Water Board Personnel Responsible for Implementation of this Resolution:*

Executive Director  
General Counsel and Secretary  
All Employees

*Water Board Budget Line or Capital Plan Item with Funds for this Resolution:*

Not applicable.

On June 22, 2020, the question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Board Member Forster	[   ]	[   ]	[   ]	[   ]
Board Member Kimble	[   ]	[   ]	[   ]	[   ]
Board Member Larkin	[   ]	[   ]	[   ]	[   ]
Board Member Leffler	[   ]	[   ]	[   ]	[   ]
Chairperson Brown	[   ]	[   ]	[   ]	[   ]

Signed By:

Vote Witnessed By:

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Patrick D. Brown, Chairperson

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Sean W. Costello, Secretary to Board

**NYS WATER QUALITY IMPROVEMENT PROJECT GRANT APPLICATION  
FOR LASALLE SEWER REHABILITATION PROJECT**

**WHEREAS**, the Niagara Falls Water Board (“the Water Board”), pursuant to NYS Department of Environmental Conservation (“DEC”) Order on Consent R-9-20080528-32, is required to evaluate the effectiveness of required sewer rehabilitation in the LaSalle area every five years; and

**WHEREAS**, the Water Board previously authorized Arcadis of New York, Inc. (“Arcadis”) to perform the engineering, evaluation, and flow-metering reporting necessary to complete the required evaluation; and

**WHEREAS**, in December 2019 Arcadis delivered a report to the Water Board titled Sanitary Sewer System Management Plan – Year 12 Progress Evaluation (“Report”) and on June 4, 2020 provided a memorandum titled NFWB Sanitary Sewer System Management Plan Potential Water Quality Improvement Project (“WQIP”) and Engineering Planning Grant Project Summary Descriptions (“Memorandum”); and

**WHEREAS**, the Report and Memorandum recommended that in undertaking future projects to rehabilitate sewers in the LaSalle area, priority should be given to projects to address specified sewersheds with the greatest volume of normalized inflow and infiltration as documented in the most recent evaluation of the effectiveness of required sewer rehabilitation; and

**WHEREAS**, the Report and Memorandum detail specific recommended improvements, and CPL engineers has developed estimated costs to construct those improvements, as follows:

- a) Cured-in-place pipe remediation for sanitary sewers in the Love Canal area, with an estimated cost of \$800,000;
- b) Sanitary sewer manhole rehabilitation in the area of 91st Street and Luick Avenue, at an estimated cost of \$500,000, and
- c) Lining of storm sewer pipes that cross over sanitary sewer pipes in LaSalle area, at an estimated cost of \$700,000; and

**WHEREAS**, the estimated cost total of these recommended projects is \$2,000,000, and these types of projects can be eligible for WQIP grant funding; and

**WHEREAS**, WQIP grant guidelines require a grant recipient to obligate itself to a local matching share of at least 25% of the project cost, in this case in the amount of \$500,000;

**NOW, THEREFORE, BE IT**

**RESOLVED**, that the Water Board authorizes the submittal of a Water Quality Improvement Project (“WQIP”) grant application for the following LaSalle sewershed rehabilitation project:

- a) Cured-in-place pipe remediation for sanitary sewers in the Love Canal area, with an estimated cost of \$800,000;
- b) Sanitary sewer manhole rehabilitation in the area of 91st Street and Luick Avenue, at an estimated cost of \$500,000, and
- c) Lining of storm sewer pipes that cross over sanitary sewer pipes in LaSalle area, at an estimated cost of \$700,000; and

**IT IS FURTHER RESOLVED**, that for the purposes of the State Environmental Quality Review Act (“SEQRA”) the Water Board declares itself as Lead Agency for the proposed actions; and

**IT IS FURTHER RESOLVED**, that the Water Board has authorized and obligated its funds to pay the local share of the project in the estimated sum of \$500,000; and

**IT IS FURTHER RESOLVED**, that the Water Board hereby designates CPL, engineers, as its authorized representative for the purpose of applying for the WQIP grant as described herein; and

\* CONTINUED ON NEXT PAGE \*

**IT IS FURTHER RESOLVED**, that the Executive Director is authorized to execute any documents necessary to complete the WQIP grant application.

*Water Board Personnel Responsible for Implementation of this Resolution:*  
Executive Director

*Water Board Budget Line or Capital Plan Item with Funds for this Resolution:*  
CIP Line S-3 (Additional Funds Required)

On June 22, 2020, the question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Board Member Forster	[   ]	[   ]	[   ]	[   ]
Board Member Kimble	[   ]	[   ]	[   ]	[   ]
Board Member Larkin	[   ]	[   ]	[   ]	[   ]
Board Member Leffler	[   ]	[   ]	[   ]	[   ]
Chairperson Brown	[   ]	[   ]	[   ]	[   ]

Signed By:

Vote Witnessed By:

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Patrick D. Brown, Chairperson

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Sean W. Costello, Secretary to Board

**ENGINEERING PLANNING GRANT APPLICATION AND SEQRA  
REVIEW FOR LASALLE SEWER REHABILITATION PROJECT**

**WHEREAS**, the Niagara Falls Water Board (“the Water Board”), pursuant to NYS Department of Environmental Conservation (“DEC”) Order on Consent R-9-20080528-32, is required to evaluate the effectiveness of required sewer rehabilitation in the LaSalle area every five years; and

**WHEREAS**, the Water Board previously authorized Arcadis of New York, Inc. (“Arcadis”) to perform the engineering, evaluation, and flow-metering reporting necessary to complete the required evaluation; and

**WHEREAS**, in December 2019 Arcadis delivered a report to the Water Board titled Sanitary Sewer System Management Plan – Year 12 Progress Evaluation (“Report”) and on June 4, 2020 provided a memorandum titled NFWB Sanitary Sewer System Management Plan Potential Water Quality Improvement Project (“WQIP”) and Engineering Planning Grant Project Summary Descriptions (“Memorandum”); and

**WHEREAS**, to plan for further rehabilitation work that will provide the most impact per dollar spent, the Memorandum recommended an engineering study to investigate and analyze the capacity of the sub-sewershed located at 93rd Street south of Bergholtz as well as to conduct focused sanitary sewer evaluation surveys in other parts of the LaSalle area; and

**WHEREAS**, per CPL, the Water Board’s engineers, the estimated cost of the recommended engineering study is \$180,000; and

**WHEREAS**, the Water Board desires to seek funding to offset the cost of the study identified above by applying for an Engineering Planning Grant in the maximum amount of \$100,000; and

**WHEREAS**, pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”), the Water Board must consider pursuant to criteria set forth in SEQRA the environmental implications of the engineering study project described herein; and

**WHEREAS**, SEQRA regulations at 6 NYCRR Part 617.5(c)(24), include among the list of Type II actions which have been found categorically to not have significant adverse impacts on the environment or actions that have been statutorily exempted from SEQRA review and that do not require preparation of an Environmental Assessment Form, a negative or positive declaration, or an Environmental Impact Statement “. . . information collection, including basic data collection and research; water quality and pollution studies, traffic counts, engineering studies; surveys; subsurface investigations; and soils studies that do not commit the agency to undertake, fund or approve any Type I or Unlisted action;” and

**WHEREAS**, the engineering study described above therefore is a Type II action pursuant to 6 NYCRR Part 617.5(c)(24);

**NOW, THEREFORE, BE IT**

**RESOLVED**, that the Niagara Falls Water Board hereby classifies the engineering study to investigate and analyze the capacity of the sub-sewershed located at 93rd Street south of Bergholtz as well as to conduct focused sanitary sewer evaluation surveys in other parts of the LaSalle area (the “Project”) to be a SEQRA Type II action; and

**IT IS FURTHER RESOLVED** that the Water Board hereby authorizes the submittal of an Engineering Planning Grant (“EPG”) application for the Project, and designates CPL Engineers as its Authorized Representative for the purpose of applying for the EPG; and

**IT IS FURTHER RESOLVED**, that the Water Board authorizes and appropriates the sum of \$80,000, representing the local match of at least 20% of the grant amount requested as required by the EPG program and the difference between the maximum grant amount of \$100,000 and the total estimated study cost of \$180,000; and

**IT IS FURTHER RESOLVED**, that the Executive Director is authorized to execute any documents necessary to complete the EPG application for the Project.

*Water Board Personnel Responsible for Implementation of this Resolution:*  
Executive Director

*Water Board Budget Line or Capital Plan Item with Funds for this Resolution:*  
CIP Line S-3 (Additional Funds Required)

On June 22, 2020, the question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Board Member Forster	[   ]	[   ]	[   ]	[   ]
Board Member Kimble	[   ]	[   ]	[   ]	[   ]
Board Member Larkin	[   ]	[   ]	[   ]	[   ]
Board Member Leffler	[   ]	[   ]	[   ]	[   ]
Chairperson Brown	[   ]	[   ]	[   ]	[   ]

Signed By:

Vote Witnessed By:

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Patrick D. Brown, Chairperson

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Sean W. Costello, Secretary to Board

*NIAGARA FALLS WATER BOARD RESOLUTION # 2020-06-009*

**AUTHORIZING PROJECT 10, PHASE 2, SCADA DESIGN,  
DEVELOPMENT, AND PROGRAMMING WORK AT  
WASTEWATER TREATMENT PLANT**

**WHEREAS**, in 2019, the Niagara Falls Water Board (“Water Board”), with the assistance of engineering firm Clark Patterson Lee (“CPL”), solicited proposals for supervisory control and data acquisition (“SCADA”) design, development, and programming services in connection with a number of capital upgrades at the wastewater treatment plant (“WWTP”), with this SCADA work referred to as WWTP Project 10; and

**WHEREAS**, Kaman Automation, Inc., submitted the only proposal for the Project 10 work, and was awarded the contract for the WWTP Project 10 work based upon an initial scope of work; and

**WHEREAS**, the progression of the WWTP upgrade and rehabilitation projects has proceeded since the development of the original Project 10 scope of work, and it now is desirable to add additional SCADA-system development and construction work to Project 10, with the additional scope of work referred to as “Phase 2” work; and

**WHEREAS**, Kaman has presented proposal No. 200740-2, dated June 17, 2020, proposing to complete the Phase 2 work on a time-and-material basis for a cost not to exceed \$146,200; and

**WHEREAS**, CPL and Water Board staff recommend that Water Board approve Kaman’s proposal for Project No. 10, Phase 2, work;

**NOW THEREFORE BE IT**

**RESOLVED**, that the Niagara Falls Water Board hereby accepts June 17, 2020 proposal from Kaman Automation, Inc., to perform the Project 10, Phase 2, scope of work as set forth in that proposal for a total time-and-material fee not to exceed \$146,200; and

\* CONTINUED ON NEXT PAGE \*

**IT IS FURTHER RESOLVED**, that the Water Board's Executive Director is authorized to execute an amendment to the Water Board's existing Project No. 10 agreement with Kaman Automation, Inc., to add the Project 10, Phase 2 scope of work and fee.

*Water Board Personnel Responsible for Implementation of this Resolution:*  
Executive Director

*Water Board Budget Line or Capital Plan Item with Funds for this Resolution:*  
CIP Item No. WWTP – 10, WWTP Rehab Phase 4J – SCADA Improvements.

On June 22, 2020, the question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Board Member Forster	[   ]	[   ]	[   ]	[   ]
Board Member Kimble	[   ]	[   ]	[   ]	[   ]
Board Member Larkin	[   ]	[   ]	[   ]	[   ]
Board Member Leffler	[   ]	[   ]	[   ]	[   ]
Chairperson Brown	[   ]	[   ]	[   ]	[   ]

Signed By:

Vote Witnessed By:

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Patrick D. Brown, Chairperson

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Sean W. Costello, Secretary to Board



Kaman Automation Inc. Proposal #200740-2

June 17, 2020

Subject: Niagara Falls Water Board – WWTP SCADA Network

We are submitting the following Kaman Automation Inc. (KAI) proposal #200740-0 for the Niagara Falls Water Board Waste Water Treatment Plant SCADA Network Upgrade. Our proposal addresses specific elements of the following specification:

- a. Project 10 – SCADA Engineer Network Specification – Issued to NFWB on 4/16/2020 for bid.
- b. SCADA\_2019\_10-Sch-01A.dwg

The following Work Scope identifies deliverables associated with the above listed specification and drawing.

### **Work Scope**

Provide the following network equipment and services:

1. MCP Door 3
  - a. Qty. (1) Corning CCH-02U - Closet Connector Housing for rack mounting in 19" Racks
  - b. Qty. (2) CCH-CP12-25T - 12 Port Panel for Type CCS Enclosure / Type "ST"
  - c. Qty. (1) Phoenix 2891085 - 4808E-16FX ST-4GC (Primary FX Switch), 115vac.
  - d. Qty. (4) Phoenix 2891754 - SFP SX – Gigabit Mini-GBIC Interface Unit.
  - e. Qty. (4) Fiber Optic Cable, LC / ST, Singlemode, Duplex, 9/125, 3 meter (10 foot)
  - f. Qty. (2) Fiber Optic Cable, LC / ST, Singlemode, Duplex, 9/125, 10 meter (30 foot)
2. Network Switches (IP2, IP3, CFCPA, CFCPB, Odor, CCT)
  - a. Qty. (6) Phoenix 2989323 – FL Switch SMCS 6TX/2SFP – 10/100MB Network Switch, 24vdc.
  - b. Qty. (12) 2891754 - SFP SX – Gigabit Mini-GBIC Interface Unit.
  - c. Qty. (6) Phoenix 2891275 – FL Mem Plug/MRM – Media Redundancy Manager Module.
  - d. Qty. (6) Phoenix 2891259 - FL Mem Plug – Memory Module.
  - e. Qty. (12) Fiber Optic Cable, LC / ST, Singlemode, Duplex, 9/125, 3 meter (10 foot)
3. Network Fiber Optic Patch Panels (IP2, IP3, CFCPA, CFCPB, Odor, CCT, Phone)
  - a. Qty. (2) Corning SPH-01 Fiber-Optic Patch Panel Housing, 1 Slot, 12 Fiber
  - b. Qty. (5) Corning WCH-02 Fiber-Optic Patch Panel Housing, 2 Slot, 12 Fiber
  - c. Qty. (1) Corning WCH-04 Fiber-Optic Patch Panel Housing, 4 Slot, 12 Fiber
  - d. Qty. (16) CCH-CP12-25T - 12 Port Panel for Type CCS Enclosure / Type "ST"
4. Electrical Substation
  - a. Qty. (1) Phoenix 2981067 – FL Switch 3012E-2SFX (Substation Hardened Switch).
  - b. Qty. (1) 2891754 - SFP SX – Gigabit Mini-GBIC Interface Unit.
  - c. Qty. (1) Fiber Optic Cable, LC / ST, Singlemode, Duplex, 9/125, 3 meter (10 foot)
5. Fiber Optic Cable Installation and Terminals
  - a. Provide electrical contractor services to install fiber optic cable and terminations as required in the specification.

6. Network Installation and Setup Services
  - a. Install network switches and association hardware at MCP, IP2, IP3, CFCPA, CFCPB, Odor, CCT, and Electrical Substation
  - b. Upgrade all ControlLogix processor's firmware to the latest revision based on processor model and Studio 5000 requirements.
  - c. Revise control system network addresses to conform to the IP addressing scheme outlined in the specification.
7. Final Documents to include the following:
  - a. Updated network diagram incorporating all changes made over the course of the project, if any.
8. Spare Parts
  - a. Qty. (1) Phoenix 2891085 - 4808E-16FX ST-4GC (Primary FX Switch), 115vac.
  - b. Qty. (1) Phoenix 2989323 – FL Switch SMCS 6TX/2SFP – 10/100MB Network Switch, 24vdc.
  - c. Qty. (2) 2891754 - SFP SX – Gigabit Mini-GBIC Interface Unit.
  - d. Qty. (1) Phoenix 2891275 – FL Mem Plug/MRM – Media Redundancy Manager Module.
  - e. Qty. (1) Phoenix 2891259 - FL Mem Plug – Memory Module.

### Exceptions and Clarifications

1. Kaman Automation will upgrade the firmware in the AB ControlLogix processors to a current revision based on processor model and Studio 5000 requirements. This will insure proper PLC to PLC Ethernet communications and reduce the Studio 5000 software revisions needed.
2. Pre-Project meeting with site walk through will be coordinated with NFWB, Ferguson Electric, and Kaman Automation to review fiber optic cable installation plan. Site plan will be developed for approval by NFWB.
3. NFWB shall provide AutoCAD drawing of site plan for the addition of the backbone fiber optic cable routing.
4. Kaman and Ferguson Electric will be responsible for storage of all equipment until it has been installed.
5. All T&M Allowance work must be approved in advance by NFWB.

### Pricing Summary

- Schedule of Values (SOV)

Item	Description	Ext. Price
1	Engineering, Installation, and Startup	\$58,000
2	Fiber Optic Cable and Installation	\$61,000
3	Spare Parts	\$7,200
4	T&M Allowance (160 Hours @ \$125/Hour)	\$20,000
-	<b>Total</b>	<b>\$146,200</b>

### Terms & Conditions

- Full Terms and Conditions of Sale listed in Appendix A.
- Shipping: FOB KAI, Rochester, NY 14607
- Freight: Pre-Pay and Add
- Invoicing: Net. 30 days
  - Invoicing to follow an agreed Schedule Of Values determined at time of Purchase Order

- Delivery:
  - Engineering Submittal: 6 weeks after receipt and acceptance of purchase order
  - Control Panels: 8 weeks after approved Engineering Submittal
- Purchase order acceptance is expressly based upon KAI. standard terms and conditions
- Cancellation Policy:
  - Please note that the products and services listed in this proposal are custom, made to order items, and cannot be returned. In the event this order is cancelled or modified for any reason, the Contractor is obligated for cost and expenses incurred by KAI as a result of the cancellation, modification, returns, progress being stopped or other changes from proposed quantities and conditions specified herein.
- Warranty:
  - KAI guarantees all workmanship for a period of 12 months from date of shipment. Component Warranties are limited to that provided by the manufacturers—component warranties will be transferred to the owner.
- Proposal is Valid for: 30 days
- Remit To:

Kaman Automation Inc.  
1000 University Ave Suite 800  
Rochester, NY 14607

Please let me know of any questions or need for additional information.

Best regards,

*Gregory H. Merriam*

Gregory H. Merriam

## Appendix A

1. **TERMS AND CONDITIONS.** Seller's willingness to offer goods or services ("Products") for sale or accept an order for Products is expressly subject to the terms and conditions contained herein and published online at <https://ec.kamandirect.com/us/content/terms/termsofsale.htm>. Seller rejects any different or additional terms or conditions in any order, other document or other communication issued by Buyer.
2. **SHIPMENT; DELIVERY; TITLE AND RISK OF LOSS.** All unconfirmed delivery dates are approximate. Seller is not responsible for damages resulting from shipping delays caused by circumstances outside Seller's control. Regardless of the manner of shipment, delivery occurs and title and risk of loss or damage pass to Buyer, upon placement of the Products with the shipment carrier at Seller's facility.
3. **WARRANTY.**
  - A. **Warranty for Distributed or Third-Party Products.** Please note that products, supplies, components or devices manufactured by a third party ("Third Party Product") may constitute, contain, be contained in, incorporated into, attached to, distributed by, or packaged together into, Seller's Value Added Products. Seller's warranties do not cover Third Party Products. In the case of Third Party Products, Seller's sole obligation shall be limited to making any existing applicable manufacturer's warranties pertaining to such products available to Buyer to the extent Seller can legally do so. Buyer's sole remedy for breach of this warranty, and subject to Seller's sole discretion, is either repair or replacement.
  - B. **Warranty for Seller Designed, Engineered, Built, or Assembled Products ("Value Added Products").** Seller warrants that the Value Added Products sold hereunder shall be free from defects in material or workmanship for a period of twelve (12) months from the date of shipment. Buyer's sole remedy for breach of this warranty, and subject to Seller's sole discretion, is either repair or replacement.
  - C. **Warranty for Seller Services (including Repairs and Build-To-Print).** Seller warrants to Buyer that it shall perform the Services using personnel of required skill, experience and qualifications and in a professional and workmanlike manner in accordance with generally recognized industry standards for similar services and that the Product will materially conform to Specifications. Buyer's sole remedy for breach of this warranty, and subject to Seller's sole discretion, is either repair or reperformance.
  - D. **Disclaimer.** All prices are based upon the exclusive limited warranties stated above and upon the following disclaimer: THE WARRANTIES LISTED ABOVE ARE THE SOLE AND ENTIRE WARRANTIES PERTAINING TO PRODUCTS PROVIDED. ALL OTHER WARRANTIES ARE EXCLUDED, WHETHER EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, INCLUDING BUT NOT LIMITED TO ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Warranties do not extend to any losses or damages due to misuse, accident, abuse, neglect, normal wear and tear, negligence, unauthorized modification or alteration, use beyond rated capacity, unsuitable power sources or environmental conditions, improper installation, repair, handling, maintenance or application or any other cause not the fault of Seller. To the extent that Buyer or its agents have supplied specifications, information, representation of operating conditions or other data to Seller in the selection or design of the Product and the preparation of Seller's quotation, and in the event that actual operating conditions or other conditions differ from those represented by Buyer, any warranties or other provisions contained herein that are affected by such conditions shall be null and void.
4. **CLAIMS; COMMENCEMENT OF ACTIONS.** Buyer agrees to inspect Products within five calendar days of receipt and agrees to immediately notify Seller of any defects, nonconformities or shortages. Buyer waives any right to object to such defects, nonconformities or shortages after such time. Any claim or action against Seller based upon breach of contract or any other theory, including tort, negligence, or otherwise must be commenced within twelve (12) months from the date of the alleged breach or other alleged event, without regard to the date of discovery.
5. **CANCELLATION/CHANGES.** Buyer may cancel orders only upon reasonable advance written notice and upon payment to Seller of Seller's cancellation charges which include, among other things, all costs and expenses incurred, and, to cover commitments made, by the Seller and a reasonable profit thereon. Seller's determination of such cancellation charges shall be conclusive. Buyer may request changes or additions to the Products consistent with Seller's specifications and criteria. In the event such changes or additions are accepted by Seller, Seller may revise the price, license fees, and dates of delivery and/or performance dates. Seller reserves the right to change designs and specifications for the Products without prior notice to Buyer, except with respect to made-to-order Products.
6. **PAYMENT.** Seller's prices do not include any sales, use, or other taxes or duties unless specifically stated. Seller reserves the right to negotiate escalation fees as warranted. Payment for all purchases is due thirty (30) days from the mailing date of invoice. Unpaid invoices beyond the specified payment date incur interest at the maximum allowable rate under applicable law.
7. **RETURNS.** Product may not be returned without prior authorization. A ten percent (10%) restocking charge, after inspection and in the opinion of the Seller, shall be made upon all Products returned for credit. Products returned for credit must be returned within five (5) business days after receipt, accompanied by Seller's invoice number and date of purchase, and be unopened in the original packaging. Custom, made-to-order or special Products including nonstandard components are not returnable.
8. **BUILD-TO-PRINT.** Where the Seller is responsible for manufacturing or servicing Product to Buyer's specifications, engineering data, drawings, schematics, materials, components, data or requirements ("Specifications"), the Buyer is solely responsible for determining the suitability and sufficiency of those Specifications, and assumes sole responsibility for the outcome and performance of Product based upon those Specifications. Additionally, Buyer is responsible for making the final selection of Product and assuring that all performance, endurance, maintenance, safety and warning requirements are met.
9. **BUYER'S OBLIGATION; RIGHTS OF SELLER.** To secure payment of all sums due or otherwise, Seller retains a security interest in all Products delivered to Buyer and this agreement is deemed to be a Security Agreement under the Uniform Commercial Code. Buyer authorizes Seller as its attorney to execute and file on Buyer's behalf all documents Seller deems necessary to perfect its security interest.
10. **FORCE MAJEURE.** Seller does not assume the risk and is not liable for delay or failure to perform any of Seller's obligations by reason of events or circumstances beyond its reasonable control (hereinafter "Events of Force Majeure"). Events of Force Majeure shall include without limitation: accidents, strikes or labor disputes, acts of any government or government agency, acts of nature, delays or failures in delivery from carriers or suppliers, shortages of materials, or any other cause beyond Seller's control.
11. **WAIVER AND SEVERABILITY.** Failure to enforce any provision of this agreement will not invalidate that provision; nor will any such failure prejudice Seller's right to enforce that provision in the future. Invalidation of any provision of this agreement by legislation or other rule of law shall not invalidate any other provision herein. The remaining provisions of this agreement will remain in full force and effect.
12. **DELAY.** Seller reserves the right to invoice for all items purchased, all work completed or in progress, and for any other commitments made by Seller on behalf of the Buyer if Buyer delays contract progress for a period exceeding six (6) weeks.
13. **GOVERNING LAW.** This agreement and the sale and delivery of all Products are deemed to have taken place in, and shall be governed and construed in accordance with, the laws of the State of Connecticut without regard to conflicts of laws principles. Buyer irrevocably agrees and consents to the exclusive jurisdiction and venue of the courts of Hartford County, Connecticut with respect to any dispute, controversy or claim arising out of or relating to this agreement.
14. **INDEMNITY.** (a) Seller agrees to hold Buyer harmless from all loss, liability, claims or expenses (including reasonable attorney's fees) awarded in a final judgment by a court of competent jurisdiction arising from bodily injury or property damage (including death) to any person caused directly by the recklessness or willful misconduct of Seller in the performance of this Agreement; (b) Buyer shall indemnify, defend, and hold Seller harmless from any losses, claims, liabilities, damages, lawsuits, judgments and costs (including attorney fees and defense costs), whether for personal injury, property damage, patent, trademark or copyright infringement or any other claim, brought by or incurred by Buyer, Buyer's employees, or any other person, arising out of: (i) improper selection, application, design, or other misuse of Products purchased by Buyer from Seller; (ii) any act or omission, negligent or otherwise, of Buyer; (iii) Seller's use of patterns, plans, drawings, or specifications furnished by Buyer to manufacture Products; or (iv) Buyer's failure to comply with these terms and conditions. Seller shall not indemnify Buyer under any circumstance except as otherwise provided.
15. **INSURANCE.** Seller agrees to procure and maintain, at its sole cost and expense, the following insurance underwritten by reputable insurance companies licensed to do business in the states in which the work or any portion of the work is performed for the entire term of this Agreement: Workers' Compensation insurance with statutory limits in accordance with the laws of the state in which the work or any portion of the work is performed; Employers' Liability insurance with limits of \$1 million each accident for bodily injury by accident or \$1 million each employee for bodily injury by disease. Commercial General Liability insurance with a limit of \$2 million each occurrence. Business Automobile Liability insurance with a limit of \$2 million any one accident or loss for injuries, including accidental death, and property damage covering all owned, non-owned and hired vehicles. Upon Buyer's written request: 1) Seller shall provide Buyer with certificates of insurance as evidence that the policies providing such coverage and limits are in full force and effect; 2) shall provide Buyer with renewal certificates of insurance within ten business days following the inception of the new policy period; 3) shall name Buyer as a "Certificate Holder" for each of the above policies. For its part, Buyer shall require its insurer to waive all rights of subrogation against Seller's insurers and Seller.

16. **LIMITATION OF LIABILITY.** NEITHER PARTY SHALL BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL (INCLUDING LOST PROFITS, DIMINUTION IN VALUE OR REPUTATION, OR LOST OPPORTUNITY), SPECIAL, PUNITIVE OR LIQUIDATED DAMAGES, DIRECTLY OR INDIRECTLY, ARISING OR RESULTING FROM THE BREACH OF ANY OF THE TERMS HEREOF OR FROM THE SALE, HANDLING OR USE OF THE PRODUCTS SOLD. SELLER'S LIABILITY HEREUNDER, FOR BREACH OF WARRANTY, NEGLIGENCE OR OTHERWISE, IS EXPRESSLY LIMITED AT SELLER'S OPTION TO: (A) TO THE REPLACEMENT AT THE AGREED POINT OF DELIVERY OF ANY PRODUCTS FOUND TO BE DEFECTIVE OR NOT TO CONFORM TO THE SPECIFICATIONS SET FORTH HEREIN, (B) TO THE REPAIR OF SUCH PRODUCTS, OR (C) TO THE REFUND OR CREDITING TO BUYER OF THE PRICE OF SUCH PRODUCTS.

17. **COMPLIANCE WITH LAWS.** Buyer agrees to comply with all applicable laws, regulations, import and export laws and regulations of the Buyer's country and the United States of America, including but not limited to the Export Administration Regulations (EAR) and the International Traffic in Arms Regulations (ITAR). Buyer further agrees that for any EAR or ITAR controlled product, it shall not directly or indirectly, sell, export, re-export, transfer, divert or otherwise dispose of in any other country, or to any prohibited party, any such controlled product, either in its original form or after being incorporated into another end-item, without the prior written approval of the relevant U.S. Government authority.

18. **DISPUTE RESOLUTION.** If a dispute arises out of or relates to this these terms or their breach, the parties shall attempt to resolve such dispute through the dispute resolution procedures set forth herein ("Resolution Procedures"). If any dispute arises under this agreement, either party may notify the other in writing of the existence of such dispute and the commencement of the Resolution Procedures. Within twenty (20) business days after receipt of the commencement notice the parties shall conduct a hearing at a mutually agreed upon location and time. The hearing shall be conducted before a hearing panel of one senior executive of from each party ("Hearing Executives"). During the hearing each party shall presents its position, and each party shall be entitled to a rebuttal. The Hearing Executives will reach agreement on the order of presentations and other procedural issues regarding the hearing. At the conclusion of the hearing, the Hearing Executives shall meet to attempt to resolve the dispute. The Resolution Procedures shall be deemed terminated if the parties have not executed a written settlement of the dispute on or before the tenth (10th) business day following the conclusion of the hearing. Unless a written settlement is executed, any promises or agreements made by the parties at the hearing shall not be binding on the parties. All discussions, offers, promises, statements, or conduct made in the course of the Resolution Procedures are privileged, confidential, inadmissible, and not discoverable for any purpose. If the Hearing Executives are unable to resolve the dispute within forty-five (45) days of the date of the commencement notice, either party may institute litigation.

19. **MISC.** Unless otherwise agreed in writing this agreement contains the entire agreement between the Buyer and Seller and constitutes the final, complete and exclusive expression of the terms of sale. All prior or contemporaneous written or oral agreements or negotiations are herein merged. These terms may only be amended, modified or supplemented by an agreement in writing signed by each party. If any term or provision of this Agreement is determined to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other term herein.

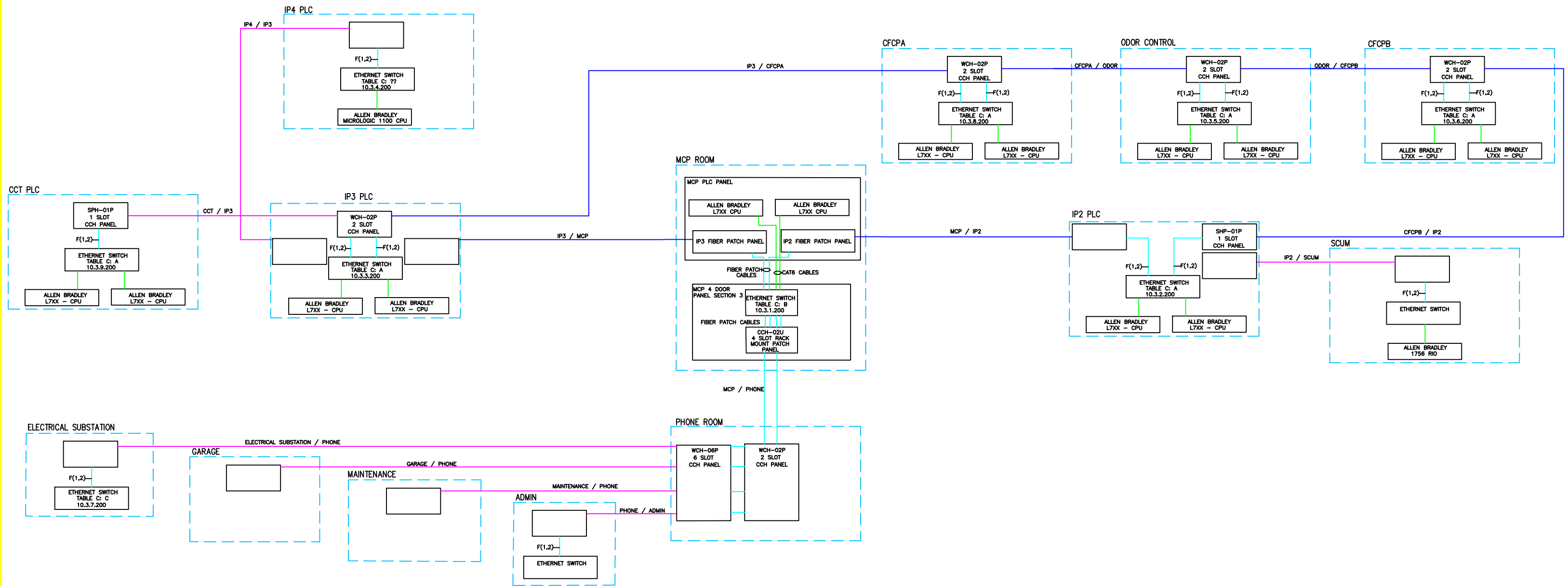


TABLE: D

FIBER EQUIPMENT PART NUMBERS		
MANUFACTURER	PART NUMBER	DESCRIPTION
CORNING CABLE SYSTEMS	012KSF-T4130D20	12 FIBER 62.5/125 FREEDOM INDOOR/OUTDOOR CABLE
CORNING CABLE SYSTEMS	FAN-BT25-12	12 FIBER BUFFER TUBE FAN-OUT KIT
CORNING CABLE SYSTEMS	CCH-CP12-25ST	12 PORT PANEL FOR TYPE CCH ENCLOSURE/TYPE "ST" CONNECTORS
CORNING CABLE SYSTEMS	SHP-01P	FIBER ENCLOSURE, WALL MOUNT, HOLDS 1 CCH CONNECTOR
CORNING CABLE SYSTEMS	WCH-02P	FIBER ENCLOSURE, WALL MOUNT, HOLDS 2 CCH CONNECTORS
CORNING CABLE SYSTEMS	WCH-06P	FIBER ENCLOSURE, WALL MOUNT, HOLDS 6 CCH CONNECTORS
CORNING CABLE SYSTEMS	CCH-02U	FIBER ENCLOSURE, RACH MOUNT, HOLDS 4 CCH CONNECTORS

TABLE: C

ETHERNET SWITCH PART NUMBERS			
EQUIPMENT ID	MANUFACTURER	PART NUMBER	DESCRIPTION
A	PHOENIX CONTACT	2989323	FL SWITCH SMCS 6TX/25FP-10/100MB NETWORK SWITCH
	PHOENIX CONTACT	2891754	SFP SX-GIGABIT MINI-GBIC INTERFACE UNIT (2/NETWORK SWITCH)
	PHOENIX CONTACT	2891275	FL MEM PLUG/MRM-MEDIA REDUNDANCY MANAGER MODULE
	PHOENIX CONTACT	2891259	FL MEM PLUG-MEMORY MODULE
B	PHOENIX CONTACT	2891085	4808E-16FX ST-4GC, 115VAC
	PHOENIX CONTACT	2891754	SFP SX-GIGABIT MINI-GBIC INTERFACE UNIT (4/NETWORK SWITCH)
C	PHOENIX CONTACT	2981067	FL SWITCH 3012E-2SFX SUBSTATION HARDENED SWITCH
	PHOENIX CONTACT	2981754	SFP SX-GIGABIT MINI-GBIC INTERFACE UNIT (2/NETWORK SWITCH)

TABLE: B

FIBER CABLE SCHEDULE			
FIBER ID	QUANTITY	MANUFACTURER	PART NUMBER
IP3/MCP	12 FIBER	CORNING	012KSF-T4130D20
IP3/CFCPA	12 FIBER	CORNING	
CFCSPA/ODOR	12 FIBER	CORNING	
ODOR/CFCPB	12 FIBER	CORNING	
CFCPB/IP2	12 FIBER	CORNING	012KSF-T4130D20
IP3/IP4	12 FIBER	CORNING	
IP3/CCT	12 FIBER	CORNING	
IP2/SCUM	12 FIBER	CORNING	
IP2/MCP	6 FIBER	CORNING	012KSF-T4130D20
ELEC SUB/PHONE	6 FIBER	CORNING	
GARAGE/PHONE	6 FIBER	CORNING	
MAINT/PHONE	6 FIBER	CORNING	
ADMIN/PHONE	6 FIBER	CORNING	012KSF-T4130D20
PHONE/MCP	(2) 12 FIBER	CORNING	

LEGEND

<span style="color: green;">—</span>	CATEGORY 6 ETHERNET CABLE
<span style="color: blue;">—</span>	BACKBONE FIBER
<span style="color: red;">—</span>	FIBER PATCH CABLES
<span style="color: magenta;">—</span>	SPOKE FIBER

TABLE: A

FIBER PORT COLOR CODE		
FIBER-PORT 1	BLUE	
FIBER-PORT 2	ORANGE	
FIBER-PORT 3	GREEN	
FIBER-PORT 4	BROWN	
FIBER-PORT 5	SLATE	
FIBER-PORT 6	WHITE	
FIBER-PORT 7	RED	
FIBER-PORT 8	BLACK	
FIBER-PORT 9	YELLOW	
FIBER-PORT 10	VIOLET	
FIBER-PORT 11	PINK	
FIBER-PORT 12	LIGHT BLUE	