
Agenda

LIVINGSTON COUNTY WATER & SEWER AUTHORITY
REGULAR MEETING
November 17, 2021 8am
Watershed Education Center (Vitale Park)
Lakeville, NY 14480

1. Call to Order

2. Approval of Agenda

3. Approval of Minutes

- a. September 15, 2021, Regular Meeting
- b. October 20, 2021, Regular Meeting

4. Reports

- a. Financial Report–October 2021
 - i. Approval of Financial Report
 - ii. Approval of Expenditures
- b. Operation/Capital Report
- c. Executive Director's Report

5. Other Business

- #2021-25 RESOLUTION AUTHORIZING THE SURPLUS AND TRANSFER OF THE REAL AND PERSONAL PROPERTY OF THE LIVINGSTON COUNTY WATER AND SEWER AUTHORITY – ARS WATERLINE PROJECT – TOWN OF MOUNT MORRIS WATERLINE ALONG RT. 408 IN THE TOWN OF MOUNT MORRIS
- #2021-26 RESOLUTION CLASSIFYING THE LIVINGSTON COUNTY WATER AND SEWER AUTHORITY CONESUS LAKE PUMP STATION IMPROVEMENTS IN LIVINGSTON COUNTY AS A TYPE II ACTION, ESTABLISHING LEAD AGENCY AND DETERMINING THE SIGNIFICANCE OF SUCH ACTION, AND DIRECTING THAT THE NEGATIVE DECLARATION BE PUBLISHED IN ACCORDANCE WITH SEQRA, AND ALSO AUTHORIZING THE PROJECT AND THE FILING OF AN APPLICATION FOR THE FINANCING THEREOF ALL AS FURTHER DESCRIBED HEREINAFTER
- #2021-27 RESOLUTION AUTHORIZING THE ISSUANCE OF THE AUTHORITY'S SYSTEM REVENUE NOTES, 2021 AND THE APPROVAL AND EXECUTION OF RELATED DOCUMENTS
- #2021-28 RESOLUTION SUPPORTING A COLLABORATIVE PARTNERSHIP BETWEEN THE VILLAGE OF AVON, TOWN OF AVON, LIVINGSTON COUNTY INDUSTRIAL

DEVELOPMENT AGENCY AND THE LIVINGSTON COUNTY WATER AND SEWER
AUTHORITY TO EVALUATE OPTIONS TO INCREASE DAILY TREATMENT
CAPACITY AT THE AVON WASTEWATER PLANT TO MEET SHORT AND LONG-
TERM DEVELOPMENT INTERESTS

6. Communications

- a. Update Richmond Mills Road water line
- b. Water Meter Replacement Program

7. Adjournment

Next Regular Meeting: Friday, December 17, 2021 @ 10 am

All attachments and reports referenced above may be found at
<http://www.co.livingston.state.ny.us/lcwsa.htm>
Go to Board meetings tab / current agenda.

Members Attending: S. Beardsley, E. Gott, M. McKeown, T. Saunders, M. Falk

Excused: D. Fanaro

Absent:

Others attending: J. Molino (Executive Director), M. Kosakowski (Director of Operations), R. Lewis (Principal Account Clerk), J. Campbell (Kruk & Campbell, P.C.) Eric Wies (Clark Patterson Lee)

Approval of Agenda

Motion: M. Falk moved and S. Beardsley seconded to approve the agenda as presented. Carried unanimously.

Approval of Minutes – August 18, 2021

Motion: T. Saunders moved and M. Falk seconded to approve regular board meeting minutes dated August 18, 2021. Carried unanimously.

Privilege of the Floor

- o Cleary Road residents

Financial Report: R. Lewis reviewed the Financial Report with the Board (on file with Secretary).

Motion: S. Beardsley moved and D. Higgins seconded to approve the August Financial Report. Carried unanimously.

Approval of Expenditures

Motion: E. Gott moved and M. Falk seconded to approve paying Total Capital & Operating expenditures of \$247,646.48. Carried unanimously.

Motion: T. Saunders moved and E. Gott seconded to approve paying Utilities & Miscellaneous expenditures in an amount not to exceed \$205,567.52. Carried unanimously.

Operations and Capital Report

M. Kosakowski reviewed the Operations and Capital Reports with the Board (on file with Secretary).

Other Business

#2021-16 RESOLUTION TO APPROVE THE KRUK & CAMPBELL, P.C. RATES FOR GENERAL LEGAL SERVICES TO THE LIVINGSTON COUNTY WATER AND SEWER AUTHORITY

Motion: E. Gott moved and D. Higgins seconded to approve Resolution No. 2021-16 to approve Kruk & Campbell, P.C. rates for general legal services to the Livingston County Water and Sewer Authority. Carried unanimously.

#2021-17 RESOLUTION TO APPROVE THE UNDERBERG AND KESSELER, LLC PROPOSAL FOR BOND COUNSEL SERVICES FOR THE COUNTYWIDE WATER SYSTEM IMPROVEMENTS PROJECT

Motion: S. Beardsley moved and T. Saunders seconded to approve Resolution No. 2021-17 to approve Underberg and Kessler, LLC proposal for bond counsel services for the Countywide Water System Improvements project. Carried unanimously.

2022 Recommended Budget Presentation

J. Molino presented the 2022 recommended budget (on file with the Secretary) covering the following:

1. Factors Impacting the Budget
 - Sewer Treatment Costs
 - Personnel Costs
 - Water Costs
 - Other Operating Costs
2. 2022 Capital Plan
3. Proposed Water and Sewer Service Rates
4. Proposed Water and Sewer Debt Service Rates
5. Challenges & Opportunities

Communications-Richmond Mills Rd water line

Executive Director's Update to the Board

Adjourn: Motion: M. Falk moved and T. Saunders seconded to adjourn the Board meeting. Carried unanimously.

Dated: September 15, 2021
M. McKeown, Chairman

Members Attending: S. Beardsley, M. McKeown, T. Saunders, M. Falk

Excused: D. Fanaro, E. Gott

Absent:

Others attending: J. Molino (Executive Director), M. Kosakowski (Director of Operations), R. Lewis (Principal Account Clerk), J. Campbell (Kruk & Campbell, P.C.)

Approval of Agenda

Motion: M. Falk moved and S. Beardsley seconded to approve the agenda as presented. Carried unanimously.

Approval of Minutes – None-September 15, 2021 minutes to be approved at the November 17, 2021 meeting.

Privilege of the Floor

- Wayne Smith & Sue Englert-Cleary Road, Livonia residents

Financial Report: R. Lewis reviewed the Financial Report with the Board (on file with Secretary).

Motion: T. Saunders moved and S. Beardsley seconded to approve the September 2021 Financial Report. Carried unanimously.

Approval of Expenditures

Motion: S. Beardsley moved and D. Higgins seconded to approve paying Total Capital & Operating expenditures of \$295,770.47. Carried unanimously.

Motion: M. Falk moved and T. Saunders seconded to approve paying Utilities & Miscellaneous expenditures in an amount not to exceed \$180,362.56. Carried unanimously.

Operations and Capital Report

M. Kosakowski reviewed the Operations and Capital Reports with the Board (on file with Secretary).

Other Business

#2021-18 RESOLUTION AUTHORIZING THE TREASURER OF THE LIVINGSTON COUNTY WATER & SEWER AUTHORITY TO PREPARE AND TRANSMIT A LIST OF THOSE PROPERTIES WITH UNPAID WATER CHARGES AND UNPAID SEWER CHARGES TO LIVINGSTON COUNTY BOARD OF SUPERVISORS FOR LEVY ON 2022 TAX ROLLS

Motion: D. Higgins moved and M. Falk seconded to approve Resolution No. 2021-18 authorizing the Treasurer of the Livingston County Water & Sewer Authority to prepare and transmit a list of properties with unpaid water charges and unpaid sewer charge to the Livingston County Board of Supervisors for the levy on 2022 tax rolls. Carried unanimously.

#2021-19 RESOLUTION TO ADOPT A NINTH SUPPLEMENTAL BOND RESOLUTION FOR THE COUNTYWIDE WATER SYSTEM IMPROVEMENTS PROJECT

Motion: S. Beardsley moved and T. Saunders seconded to approve Resolution No. 2021-19 to adopt a ninth supplemental bond resolution for the Countywide Water System Improvements Project. Carried unanimously.

#2021-20 RESOLUTION APPROVING A LEASE AGREEMENT BETWEEN THE TOWN OF GROVELAND AND LIVINGSTON COUNTY WATER AND SEWER AUTHORITY FOR WATER DISTRICT #1 IN THE TOWN OF GROVELAND

Motion: D. Higgins moved and T. Saunders seconded to approve Resolution No. 2021-20 approving a lease agreement between the town of Groveland and Livingston County Water and Sewer Authority for water district#1 in the Town of Groveland. Carried unanimously.

Close Public Hearing

Motion: M. Falk moved and D. Higgins seconded to close the Public Hearing. Carried unanimously.

#2021-21 RESOLUTION ADOPTING THE 2022 LIVINGSTON COUNTY WATER & SEWER AUTHORITY BUDGET & CAPITAL PLAN

Motion: M. Falk moved and S. Beardsley seconded to approve Resolution No. 2021-21 adopting the 2022 Livingston County Water & Sewer Authority budget and capital plan. Carried unanimously.

#2021-22 RESOLUTION ADOPTING THE 2022 RATE AND FEE SCHEDULE

Motion: T. Saunders moved and D. Higgins seconded to approve Resolution No. 2021-22 adopting the 2022 rate and fee schedule. Carried unanimously.

#2021-23 RESOLUTION CREATING A WATER CAPITAL IMPROVEMENT RESERVE FUND FOR CAPITAL IMPROVEMENTS TO THE LIVINGSTON COUNTY WATER AND SEWER AUTHORITY WATER SYSTEMS

Motion: S. Beardsley moved and M. Falk seconded to approve Resolution No. 2021-23 creating an water capital improvement reserve fund for capital improvements to the Livingston County Water & Sewer Authority water systems. Carried unanimously.

#2021-24 RESOLUTION TO CHANGE THE DATE AND TIME OF THE DECEMBER 2021 REGULAR BOARD MEETING

Motion: T. Saunders moved and S. Beardsley seconded to approve Resolution No. 2021-24 changing the date and time of the December 2021 regular board meeting. Carried unanimously.

Executive Director Report

- Town of Geneseo- adopted our sewer use laws at their October 14, 2021 meeting.

- Town of Avon- J. Molino will attend their October board meeting requesting they adopt our sewer use law.
- Village of Avon-J. Molino discussed partnership with Livingston County, Village of Avon and Town of Avon to form a joint effort to update a condition assessment report of the Avon WWTP.
- Water Shut Off & Non Working Meter policy- J. Molino discussed changes to the current policy.
- WIIA Grants-will submit for grant SCADA & pump station improvements.
- Livingston County Public Service Committee-J. Molino will attend the next meeting to provide and overview & update of the LCWSA.
- Richmond Mills Road-J. Molino will reach out to homeowners to discuss options.

Adjourn: Motion: M. Falk moved and S. Beardsley seconded to adjourn the Board meeting at 10:00 am. Carried unanimously.

Dated: October 20, 2021
M. McKeown, Chairman

Board Financial Report
October 2021

Balance Sheet

ASSETS

<u>Operating Cash (Reserve)</u>	\$1,564,879	p. 4a	Cash Report p. 3
<u>Debt Reserve Bank Balance</u>	\$ 943,521	p. 4b	
<u>Restricted Cash:</u>	\$ 116,922	p. 4d	
<i>Town of Caledonia</i>	<i>(\$11,217)</i>		
<i>On Deposit M & T</i>	<i>(\$105,705)</i>		
<u>Accounts Receivable</u>	\$ 229,815	p. 4c	
Work-In-Progress (WIP Report Attached)	\$1,871,492	p. 4e	WIP Report p.5

Capital Contributions Receivable (Current + Non-Current) – (May 2019 Update-Upsizing Farms)
 Beginning May 2019, Sparta Farms and Dairy Knoll Farms are responsible for paying debt service incurred by upsizing the DOCCS water infrastructure to meet their water demands. The debt will be paid quarterly to the Authority for an annual total of \$11,087.84 (principal and interest) for each farm. As this debt decreases the amount of principal paid is higher resulting in a lower principal balance due. Unless paid off early, this collection will continue until February 2039.

As the Village of Geneseo’s Supplemental water project debt decreases, the amount of principal paid is higher resulting in the lower principal balance due. This debt is currently paid quarterly to the Authority for an annual total of \$52,800 (principal & interest). Unless paid off early, this collection will continue until 2027.

Property & Equipment (net depreciation) –

Decrease is the cumulative effect of fully depreciating the Conesus Sewer District Assets. Most of that effect is completed for the 20-year depreciation assets. The next “chunk” will be in another 4 years, then 4 years after that the pipelines & other major infrastructure will also be fully depreciated.

LIABILITIES

<u>Current Liabilities</u>	\$ 4,215,176	p. 4f
<i>Debt Payables, Retirement Accruals, 2020 Payables & Current WWTP Project (Short Term Debt)</i>		
	4,179,687	
<i>Funds Held for Others</i>		
	\$13,235	<i>Customer overpayments</i>
	\$22,254	<i>Compact of Towns</i>

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<u>Long Term Liabilities</u>		\$5,156,824	p. 4g
Loans	\$3,577,775		
Deferred Outflow-Pension	\$(233,176)		
Deferred Outflow-OPEB	\$(365,817)		
Deferred Inflow-Pension	\$ 6,982		
Net Pension	\$ 209,871		
OPEB	\$1,923,480		
Compensated Absences	\$ 37,709		

REVENUES
2021 Budget Revenue -\$3,209,992 p. 6a

October was a non- billing month (Billing revenue reflects Service Period 11/1/20- 7/31/2021) Next Billing Cycle-November 2021 (service period 8/1/2021-10/31/2021)

Year to Date Revenue **\$2,131,048** p. 6b
*increase of \$166,976 from last year same time period
(Village of Livonia, DOCCS, Scrap Metal, Retail Fees, Late Fees-which
Includes Non working meter fees) Note: Village of Livonia will be re imbursed
for revenue up to 7/31/21 approx. \$90,000*

EXPENSES
2021 Budget Expenses -\$3,176,443 p. 7a

Year to Date Expenses **\$2,504,125 (approx. 78.8% of Budget)** p. 7b
Increase of \$223,182 from last year same time period

Increases	Other Prof. Serv.	\$30,578	Executive Director Search
	Computer Services	\$18,866	
	Outside O & M	\$117,318	Village of Livonia – Meadow Drive, Colacino
	Retirement	\$35,218	
	Health Care	\$25,523	
	Purchased Water	\$57,307	

Decreases	Wages	\$28,589	No Executive Director & Building Maintenance
	Customer Installs	\$29,601	

Relevey	2021	\$226,699.05 (includes Village of Livonia \$25,469)
	2020	\$195,586.94

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Oct-21

	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
	Estim	Act	Actual	Actual	Actual	Actual	Actual	Actual	Act	Act	Actual	Actual	Estim	Estim
Cash on hand 1st of each month	\$ 2,200	\$ 2,089	\$ 1,885	\$ 1,528	\$ 1,626	\$ 1,753	\$ 1,625	\$ 1,761	\$ 1,881	\$ 1,611	\$ 1,534	\$ 2,009	\$ 1,564	\$ 1,654
<u>Cash Received</u>														
Customer Billing	286	457.4	40.3	302.5	368.5	41.5	380.5	310.5	19.8	520	344.5	28	350	350
Miscellaneous	0.3		0.3	50.2	66.5	0.6	1	4.4	24.8	1.7		0.2		
Grant/Contributions														
Billing Services/O & M Services	57.4				72.1	3.8	45.4	13.2		15.8	17			
Relevy						197.2	-23							
<u>Estimated Cash Receipts</u>														
Cash Receipts														
Debt/Grant/Contrib Receipts														
EFC											651		66	
Cash Balance before expenditures	\$ 2,544	\$ 2,546	\$ 1,925	\$ 1,881	\$ 2,133	\$ 1,997	\$ 2,029	\$ 2,089	\$ 1,925	\$ 2,149	\$ 2,547	\$ 2,037	\$ 1,914	\$ 2,004
Utility & Misc. Vouchers	157.3	369.4	149	149.8	171.1	166	163	134	161.8	111.1	168.7	177	160	160
Operating Vouchers	87.7	178.6	191.8	93.8	85.3	182.9	90	41	151.9	164.8	88.5	134	90	90
Miscellaneous											121.8			
Project Vouchers	210.3	113.6	56	11.5	123.3	22.3	15.5	33	0.5	338.4	159	162	10	10
<u>Estimated Expenditures</u>														
Utilities														
Operating Projects														
Cash Balance after expenditures	\$ 2,089	\$ 1,885	\$ 1,528	\$ 1,626	\$ 1,753	\$ 1,625	\$ 1,761	\$ 1,881	\$ 1,611	\$ 1,534	\$ 2,009	\$ 1,564	\$ 1,654	\$ 1,744
Reserve Projects in Progress Budget Bal + Equipment to Purchase	1383	1363	1191	1166	1299	1201	1108	1094	1174	1168	1150	1149	1139	1129
Unallocated Cash Balance	\$ 706	\$ 522	\$ 337	\$ 460	\$ 454	\$ 424	\$ 653	\$ 787	\$ 437	\$ 366	\$ 859	\$ 415	\$ 515	\$ 615

10% of 2021 Budget Expenditures = \$317,644

Livingston County WSA

Balance Sheet

As of 10/31/2021

(In Whole Numbers)

	Current Year	Prior Year	Current Year Change	Beginning Year Ba...	YTD Change
CURRENT ASSETS					
Operating Cash	1,564,879	1,685,286	(120,407)	1,887,833	(322,954)
Debt Reserve	943,521	841,121	102,400	992,888	(49,366)
Accounts Receivable	229,815	117,240	112,575	795,502	(565,687)
Capital Contributions Receivable	9,515	8,011	1,504	54,073	(44,558)
Inventory	48,233	33,152	15,080	53,977	(5,744)
Prepaid Expenses	97,090	65,749	31,340	107,101	(10,012)
Funds held for Others	35,489	35,848	(359)	34,769	720
Total CURRENT ASSETS	2,928,542	2,786,408	142,133	3,926,143	(997,601)
Total Current Assets	2,928,542	2,786,408	142,133	3,926,143	(997,601)
NON-CURRENT ASSETS					
Restricted Cash	116,922	477,765	(360,843)	116,907	15
Capital Contrib Receivable, net current	529,014	632,063	(103,050)	529,014	0
Property & Equipment, Net Deprec	32,925,027	22,652,572	10,272,455	33,755,961	(830,934)
Work-In-Progress	1,871,492	9,251,153	(7,379,661)	1,153,041	718,451
Total NON-CURRENT ASSETS	35,442,454	33,013,554	2,428,900	35,554,922	(112,468)
Total Non-Current Assets	35,442,454	33,013,554	2,428,900	35,554,922	(112,468)
TOTAL ASSETS	38,370,996	35,799,962	2,571,034	39,481,065	(1,110,069)
CURRENT LIABILITIES					
Accounts Payable	72,235	192,384	(120,149)	21,834	50,401
Current Portion Loans Payable	4,146,382	298,789	3,847,593	3,573,461	572,921
Other Current Liabilities	(38,802)	(56,131)	17,329	315,335	(354,136)
Funds held for others	35,361	35,848	(488)	34,773	588
Total CURRENT LIABILITIES	4,215,176	470,891	3,744,285	3,945,402	269,774
Total Current Liabilities	(4,215,176)	(470,891)	(3,744,285)	(3,945,402)	(269,774)
NON-CURRENT LIABILITIES					
System Revenue Notes Payable	5,156,824	3,844,500	1,312,324	5,306,824	(150,000)
Total NON-CURRENT LIABILITIES	5,156,824	3,844,500	1,312,324	5,306,824	(150,000)
Retained Earnings & Net Position					
Retained Earnings	(30,377,991)	(32,317,080)	1,939,089	(30,377,991)	0
Net Income	1,211,109	1,150,509	60,600	0	1,211,109
Total Retained Earnings & Net Position	(29,166,882)	(31,166,571)	1,999,689	(30,377,991)	1,211,109
Total Net Position	38,538,882	35,481,962	3,056,920	39,630,217	(1,091,335)

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Capital Projects In Progress Report

10/31/2021

Project Code	Project Name	Expenditures		Budget		Service Area	Funding	Financing	Date Began
		To Date	Budget	Balance	Budget				
DEBT & REIMBURSABLE PROJECTS									
31140	I & I Study Sanitary Sewer TV & Cleaning	10,661.20	215,000.00	204,338.80	SL	EFC/EPG	\$100,000 grant		Jan-20
31131	WaterSystem Improvements (EFC WIIA)	120,588.00	7,000,000.00	6,879,412.00	33WM/WR	WIIA Grant/Loan			7/12/2019
31142	Upgrade Lakeville Plant Phase 2	957,068.05	5,525,016.06	4,567,948.01	32SLV	EFC Grant/Loan C8-6449-05-00			12/1/2017
GENERAL RESERVE PROJECTS									
31104	Lake Forest Water Main	8,020.09	108,760.00	100,739.91	33WR	Reserve			1/1/2014
31105	Slagle Park Water System Upgrade (Pine Tree)	15,216.08	128,760.00	113,543.92	33WR	Reserve			1/1/2014
31112	Adams/Clay St-PS Upgrades	8,883.30	93,200.00	84,316.70	33SL	Reserve			1/1/2016
31118	Conesus Outlet Water Main Re-Connection	8,027.50	130,000.00	121,972.50	32SLV	Reserve			8/23/2017
31125	Technology Upgrades(Employee Transition)	11,951.00	21,299.73	9,348.73	31WS	Reserve			9/26/2018
31129	San Sewer Sys Improvmt (Conesus Lake PS)	18,375.00	150,000.00	131,625.00	33SL	Reserve			2018
	Water Sys Improv (Stone Hill-WS Transfers)		80,000.00	80,000.00	33WR	Reserve			2018
31138	SCADA Sys Improv (Conesus Lake PS)	55,783.82	60,000.00	4,216.18	33SL	Reserve			2018
31127	I & I Reduction Project	292,459.58	290,000.00	(2,459.58)	33S	Reserve			2019
31145	Water Meter Replacement Phase 2	59,181.20	100,000.00	40,818.80	33W	Reserve			2019
	Bulk Water Station (D'Angelo Drive)		50,000.00	50,000.00	33WR	Reserve			2019
31132	Groveland Station Water Supply Study	-	3,900.00	3,900.00	33WR	Reserve			4/24/2019
	Evaluation/Needs Assessment-Future Admin & Ops Bldg		25,000.00	25,000.00	31WS	Reserve			2019
	IT Infrastructure Vulnerability & Risk Assessment,								
31139	Cybersecurity	9,273.00	15,000.00	5,727.00	31WS	Reserve			11/20/2019
31146	Heating & Ventilation Upgrades	26,487.95	35,000.00	8,512.05					10/28/2020
	Village of Livona Flowmeter Replacement		75,000.00	75,000.00	WR91	Reserve			1/29/2020
31141	Pennemite Road Sanitary Manhole Installation	90,459.81	110,000.00	19,540.19	SL	Reserve			1/29/2020
31144	Water Loss Control-Service Saddle Replace (S. Livonia)	171,894.97	336,900.00	185,005.03	WR	Reserve			1/29/2020
31147	Pump Station Evaluation	7,161.42	25,000.00	17,838.58	WS	Reserve			1/29/2020
	Technology Upgrades (Billing Software0		25,000.00	25,000.00	WS	Reserve			10/28/2020
	Water Loss Audit		25,000.00	25,000.00	W	Reserve			10/28/2020
	GIS Needs Assessment		25,000.00	25,000.00	WS	Reserve			10/28/2020
Total Reserve Projects		1,871,491.97	1,857,819.73	1,149,645.01					
Equipment (2021)									
	1/2 Ton 4WD Pickup	34,328.39	31,000.00					pd 2.17.21	10/28/2020
	Tractor (estimated re-sale on existing tractor: \$7,500)-ordered	47,000.58	50,000.00					pd 4.21.21	10/28/2020
	11/27/2020	81,328.97	81,000.00						
Total Equipment		81,328.97	81,000.00						

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Livingston County WSA
Statement of Revenues and Expenditures - Unposted Transactions Included In Report
 From 10/1/2021 Through 10/31/2021

	Current Period Actual	YTD Actual	YTD Last Year Actual	Current Year Change	Total Budget	Total Budget Variance
OPERATING REVENUE						
Fees						
4110 Retail Fees	1,402.45	1,734,985.58	1,572,853.89	162,131.69	2,746,030.00	(1,011,044.42)
4120 Wholesale Fees	0.00	648.00	145,069.42	(144,421.42)	1,000.00	(352.00)
4125 Wholesale Fees V Caledonia	0.00	140,179.25	0.00	140,179.25	180,000.00	(39,820.75)
Total Fees	1,402.45	1,875,812.83	1,717,923.31	157,889.52	2,927,030.00	(1,051,217.17)
Permit Fees						
4200 Permits	3,470.00	93,420.00	89,682.15	3,737.85	35,000.00	58,420.00
Total Permit Fees	3,470.00	93,420.00	89,682.15	3,737.85	35,000.00	58,420.00
O&M Services						
4130 O & M Service	0.00	99,483.00	127,840.00	(28,357.00)	184,593.00	(85,110.00)
Total O&M Services	0.00	99,483.00	127,840.00	(28,357.00)	184,593.00	(85,110.00)
Other Income						
4140 Late Fees	415.51	35,069.30	24,875.96	10,193.34	43,869.00	(8,799.70)
4150 Capital Fees	17.25	17.25	0.00	17.25	0.00	17.25
4160 Billing Services	0.00	14,189.55	3,750.00	10,439.55	0.00	14,189.55
4410 Miscellaneous Income	0.00	13,055.79	0.00	13,055.79	19,500.00	(6,444.21)
Total Other Income	432.76	62,331.89	28,625.96	33,705.93	63,369.00	(1,037.11)
Total OPERATING REVENUE	5,305.21	2,131,047.72	1,964,071.42	166,976.30	3,209,992.00	(1,078,944.28)
OPERATING EXPENSE						
Wages & Fringes						
5010 Wages & Salaries	86,782.48	568,981.97	597,571.19	(28,589.22)	776,100.00	207,118.03
5020 Overtime	3,813.18	20,721.03	17,969.41	2,751.62	51,700.00	30,978.97
5030 FICA	6,718.29	42,664.59	47,620.49	(4,955.90)	63,327.00	20,662.41
5040 Retirement	13,578.46	98,951.87	63,733.82	35,218.05	120,858.00	21,906.13
5048 Retiree Health Insurance	2,795.64	29,810.18	33,784.74	(3,974.56)	41,614.00	11,803.82
5050 Health Insurance	17,138.74	164,959.35	142,436.73	22,522.62	184,882.00	19,922.65
5060 Workman's Compensation/Disability	0.00	21,378.76	22,161.55	(782.79)	20,141.00	(1,237.76)
5065 Other Employee Benefits	0.00	10,000.00	6,471.65	3,528.35	8,000.00	(2,000.00)
5070 Unemployment	369.75	7,363.03	5,497.47	1,865.56	15,000.00	7,636.97
Total Wages & Fringes	131,196.54	964,830.78	937,247.05	27,583.73	1,281,622.00	316,791.22
Professional Services						
6110 Legal Services	6,689.00	37,118.92	35,357.60	1,761.32	39,000.00	1,881.08
6120 Engineering Services	0.00	15,000.99	13,621.73	1,379.26	16,500.00	1,499.01
6130 Financial Services	411.44	29,857.00	31,505.96	(1,648.96)	35,950.00	6,093.00
6140 Computer Services	9,686.22	33,632.82	14,766.48	18,866.34	29,670.00	(3,962.82)
6150 Insurance	8,100.00	80,289.15	76,889.79	3,399.36	92,000.00	11,710.85
6160 Plant Operations	14,000.00	123,744.00	120,866.00	2,878.00	84,000.00	(39,744.00)
6190 Other Professional Services	0.00	30,578.48	0.00	30,578.48	0.00	(30,578.48)
Total Professional Services	38,886.66	350,221.36	293,007.56	57,213.80	297,120.00	(53,101.36)
Utilities						



Livingston County WSA
Statement of Revenues and Expenditures - Unposted Transactions Included In Report
 From 10/1/2021 Through 10/31/2021

	Current Period Actual	YTD Actual	YTD Last Year Actual	Current Year Change	Total Budget	Total Budget Variance
6210 Electricity	20,968.87	186,662.35	175,750.18	10,912.17	299,115.00	112,452.65
6220 Gas/Heating	2,889.68	16,301.38	18,610.22	(2,308.84)	25,234.00	8,932.62
6230 Telephone	1,511.42	16,133.27	13,972.72	2,160.55	17,591.00	1,457.73
Total Utilities	25,369.97	219,097.00	208,333.12	10,763.88	341,940.00	122,843.00
Vehicle Expense						
6420 Vehicle Repair	1,667.99	4,144.79	6,869.30	(2,724.51)	10,000.00	5,855.21
6430 Gasoline	8,043.25	19,132.06	8,307.33	10,824.73	22,000.00	2,867.94
Total Vehicle Expense	9,711.24	23,276.85	15,176.63	8,100.22	32,000.00	8,723.15
Purchased Water/Sewer						
6510 Purchased Water	36,017.24	272,702.81	374,309.06	(101,606.25)	556,560.00	283,857.19
6515 Purchased Water MCWA	18,918.23	158,913.48	0.00	158,913.48	0.00	(158,913.48)
6520 Purchased Sewer Treatment	0.00	43,675.41	53,780.58	(10,105.17)	108,000.00	64,324.59
Total Purchased Water/Sewer	54,935.47	475,291.70	428,089.64	47,202.06	664,560.00	189,268.30
Equipment Maintenance						
6610 Equipment Repair/Supply	278.23	9,827.91	10,132.54	(304.63)	11,075.00	1,247.09
6625 Small Equipment Purchase	647.44	10,457.31	25,193.57	(14,736.26)	22,800.00	12,342.69
6635 Equip Lease/Rental Contracts	0.00	13,815.00	17,117.17	(3,302.17)	19,080.00	5,265.00
Total Equipment Maintenance	925.67	34,100.22	52,443.28	(18,343.06)	52,955.00	18,854.78
Building Maintenance						
6310 Outside O&M Services	60,885.81	240,133.16	122,814.53	117,318.63	294,578.00	54,444.84
6320 Laboratory Services	3,028.00	25,184.00	29,571.00	(4,387.00)	0.00	(25,184.00)
6350 Refuse Collection	555.69	5,395.86	4,263.41	1,132.45	0.00	(5,395.86)
6360 Cleaning Service	300.00	3,000.00	2,925.00	75.00	0.00	(3,000.00)
6620 Building Repair/Supply	2,560.96	76,841.47	74,015.50	2,825.97	91,810.00	14,968.53
6640 Customer Installation Supplies	(260.19)	55,293.06	84,894.37	(29,601.31)	46,832.00	(8,461.06)
Total Building Maintenance	67,070.27	405,847.55	318,483.81	87,363.74	433,220.00	27,372.45
Other Expenses						
6340 Uniforms/Clothing	75.44	3,612.15	3,832.05	(219.90)	8,550.00	4,937.85
6700 Permits, Fees & Inspections	2,425.00	6,324.82	6,717.00	(392.18)	23,360.00	17,035.18
6810 Postage & Freight	19.12	9,083.99	8,802.45	281.54	14,300.00	5,216.01
6820 Office Supplies	68.20	3,181.01	2,833.15	347.86	4,250.00	1,068.99
6830 Advertising	798.62	4,167.55	1,929.53	2,238.02	3,350.00	(817.55)
6840 Travel & Training	216.42	4,410.15	1,978.19	2,431.96	18,216.00	13,805.85
6890 Miscellaneous Expenses	39.00	42.81	0.00	42.81	0.00	(42.81)
6899 Prior Year expense	0.00	0.00	69.27	(69.27)	0.00	0.00
Total Other Expenses	3,641.80	30,822.48	26,161.64	4,660.84	72,026.00	41,203.52
Easements & Judgements						
6870 Easements & Landtaking	0.00	0.00	0.00	0.00	752.00	752.00
6880 Judgements & Claims	0.00	637.20	2,000.00	(1,362.80)	248.00	(389.20)
Total Easements & Judgements	0.00	637.20	2,000.00	(1,362.80)	1,000.00	362.80
Total OPERATING EXPENSE	331,737.62	2,504,125.14 ^b	2,280,942.73	223,182.41	3,176,443.00 ^a	672,317.86

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Livingston County WSA
Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 10/1/2021 Through 10/31/2021

	Current Period Actual	YTD Actual	YTD Last Year Actual	Current Year Change	Total Budget	Total Budget Variance
GAIN/LOSS BEF DEPRECIATION	(326,432.41)	(373,077.42)	(316,871.31)	(56,206.11)	33,549.00	(406,626.42)
DEPRECIATION EXPENSE						
Deprec Expense-non contrib	(48,681.91)	(486,862.76)	(455,984.59)	(30,878.17)	0.00	(486,862.76)
Deprec Expense-contributed	(59,357.64)	(594,141.25)	(593,699.96)	(441.29)	0.00	(594,141.25)
Total DEPRECIATION EXPENSE	(108,039.55)	(1,081,004.01)	(1,049,684.55)	(31,319.46)	0.00	(1,081,004.01)
OPERATING GAIN/LOSS	(434,471.96)	(1,454,081.43)	(1,366,555.86)	(87,525.57)	33,549.00	(1,487,630.43)
NON-OPERATING REVENUE/EXPENSE						
Non-Operating Income						
Retail Fees-Debt related	182.41	187,625.75	177,173.74	10,452.01	0.00	187,625.75
Restricted Revenue	1.33	15.28	350.50	(335.22)	0.00	15.28
Interest Income	335.34	17,302.69	34,007.98	(16,705.29)	0.00	17,302.69
Total Non-Operating Income	519.08	204,943.72	211,532.22	(6,588.50)	0.00	204,943.72
Non-Operating Expense						
Interest Expense	(10,357.16)	(43,031.57)	(44,363.32)	1,331.75	0.00	(43,031.57)
G/L on sale of Assets	0.00	12,326.17	29,700.00	(17,373.83)	0.00	12,326.17
Total Non-Operating Expense	(10,357.16)	(30,705.40)	(14,663.32)	(16,042.08)	0.00	(30,705.40)
Total NON-OPERATING REVENUE/EXPENSE	(9,838.08)	174,238.32	196,868.90	(22,630.58)	0.00	174,238.32
NET GAIN/LOSS BEF CONTRIB	(444,310.04)	(1,279,843.11)	(1,169,686.96)	(110,156.15)	33,549.00	(1,313,392.11)
CAPITAL CONTRIBUTIONS						
Grant Revenue						
Grant & Donation Revenue	0.00	50,000.00	0.00	50,000.00	0.00	50,000.00
Total Grant Revenue	0.00	50,000.00	0.00	50,000.00	0.00	50,000.00
Contributed Capital						
Contributed Funds	0.00	0.00	19,178.32	(19,178.32)	0.00	0.00
Total Contributed Capital	0.00	0.00	19,178.32	(19,178.32)	0.00	0.00
Total CAPITAL CONTRIBUTIONS	0.00	50,000.00	19,178.32	30,821.68	0.00	50,000.00
CHANGE IN NET ASSETS	(444,310.04)	(1,229,843.11)	(1,150,508.64)	(79,334.47)	33,549.00	(1,263,392.11)

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Livingston County WSA
 Vendor Activity - Cash Disbursements-board mtg-Capital Projects
 From 11/17/2021 Through 11/17/2021

(1)

Category Code	Category Title	Check #	Vendor Name	Transaction Description	Expenses
31144	South Livonia Service Saddles	2579	Blue Heron Construction Co	P31144: S. Livonia Water Saddle Replacement	112,233.00
				Transaction Total	112,233.00
Total 31144	South Livonia Service Saddles				112,233.00
Report Opening/Current Balance					_____
Report Transaction Totals					112,233.00
Report Current Balances					_____



Livingston County WSA
 Vendor Activity - Cash Disbursements-board mtg-Operatg Exp overview
 From 11/17/2021 Through 11/17/2021

Vendor Name	Pmt Date	Transaction Description	GL Code	GL Short Title	Expenses	Check #
Abila	11/17/2021	31WS:maintenance & support plan	1001	Checking	0.00	2575
		31WS:maintenance & support plan	6140	Prof Computer	6,169.10	2575
		Transaction Total				<u>6,169.10</u>
Total Abila					6,169.10	
American Bankers Insurance Co...	11/17/2021	Flood Insurance renewal	1001	Checking	0.00	2576
		Flood Insurance renewal	1700	Prepaid Exp	2,510.00	2576
		Transaction Total				<u>2,510.00</u>
Total American Bankers Insuranc...					2,510.00	
Batavia Newspapers Corp	11/17/2021	31WS: Help Ads	1001	Checking	0.00	2577
		31WS: Help Ads	6830	Advertising	527.92	2577
		Transaction Total				<u>527.92</u>
Total Batavia Newspapers Corp					527.92	
Benefactor Funding Corp	11/17/2021	33WR: 10/25/21 samples	1001	Checking	0.00	2578
		33WR: 10/25/21 samples	6320	Lab Services	175.00	2578
		33WR: 10/27/21 samples	1001	Checking	0.00	2578
		33WR: 10/27/21 samples	6320	Lab Services	100.00	2578
		33WR: Analytical testing of samples	1001	Checking	0.00	2578
		33WR: Analytical testing of samples	6320	Lab Services	125.00	2578
		Various area samples 10/27/21	1001	Checking	0.00	2578
		Various area samples 10/27/21	6320	Lab Services	125.00	2578
Transaction Total				<u>525.00</u>		
Total Benefactor Funding Corp					525.00	
Blue Heron Construction Co	11/17/2021	P31144: S. Livonia Water Saddle Replacement	1001	Checking	0.00	2579
		Transaction Total				<u>0.00</u>
Total Blue Heron Construction Co					0.00	
Colacino Industries Inc	11/17/2021	33SL/32SD/33WR:modem monitoring-Dec	1001	Checking	0.00	2580
		33SL/32SD/33WR:modem monitoring-Dec	6230	Telephone	580.00	2580
		Transaction Total				<u>580.00</u>
Total Colacino Industries Inc					580.00	
CSEA Employee Benefit Fund De...	11/17/2021	31EWS/32EWS/32ESD/32ESL... Ins	1001	Checking	0.00	2582
		31EWS/32EWS/32ESD/32ESL... Ins	2050	A/P Payroll	650.36	2582

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Livingston County WSA
Vendor Activity - Cash Disbursements-board mtg-Operatg Exp overview
From 11/17/2021 Through 11/17/2021

Vendor Name	Pmt Date	Transaction Description	GL Code	GL Short Title	Expenses	Check #
		31EWS/32EWS/32ESD/32ESL... Ins	5050	Health	492.57	2582
		Transaction Total			1,142.93	
Total CSEA Employee Benefit Fu...					1,142.93	
CSEA, Inc	11/17/2021	October CSEA dues	1001	Checking	0.00	2581
		October CSEA dues	2050	A/P Payroll	657.24	2581
		Transaction Total			657.24	
Total CSEA, Inc					657.24	
Excellus Health Plan-Group	11/17/2021	31EWS/32EWS/32ESD/32ESL... health ins	1001	Checking	0.00	2583
		31EWS/32EWS/32ESD/32ESL... health ins	2050	A/P Payroll	2,936.13	2583
		31EWS/32EWS/32ESD/32ESL... health ins	5050	Health	14,979.07	2583
		Transaction Total			17,915.20	
Total Excellus Health Plan-Group					17,915.20	
Genesee Country Express	11/17/2021	31WS: help wanted ad	1001	Checking	0.00	2584
		31WS: help wanted ad	6830	Advertising	294.00	2584
		31WS:ad-notice is hereby	1001	Checking	0.00	2584
		31WS:ad-notice is hereby	6830	Advertising	32.32	2584
		31WS:balance from July & Aug	1001	Checking	0.00	2584
		31WS:balance from July & Aug	6830	Advertising	291.00	2584
		Transaction Total			617.32	
Total Genesee Country Express					617.32	
Genesee Valley Publications Inc	11/17/2021	31WS: Senior Account Clerk Ad	1001	Checking	0.00	2585
		31WS: Senior Account Clerk Ad	6830	Advertising	703.79	2585
		Transaction Total			703.79	
Total Genesee Valley Publications..					703.79	
Guenther Automotive	11/17/2021	33WS: change oil	1001	Checking	0.00	2587
		33WS: change oil	6420	Vehicle Repair	63.65	2587
		33WS: computer diagnostic, gas cap	1001	Checking	0.00	2587
		33WS: computer diagnostic, gas cap	6420	Vehicle Repair	79.25	2587
		33WS: oil change	1001	Checking	0.00	2587
		33WS: oil change	6420	Vehicle Repair	94.57	2587
		33WS: oil, brake light	1001	Checking	0.00	2587
		33WS: oil, brake light	6420	Vehicle Repair	102.56	2587
		33WS: oil, lube chassis	1001	Checking	0.00	2587
		33WS: oil, lube chassis	6420	Vehicle Repair	93.69	2587
		33WS: oil, rotate tires	1001	Checking	0.00	2587
		33WS: oil, rotate tires	6420	Vehicle Repair	89.57	2587



Livingston County WSA
 Vendor Activity - Cash Disbursements-board mtg-Operatg Exp overview
 From 11/17/2021 Through 11/17/2021

Vendor Name	Pmt Date	Transaction Description	GL Code	GL Short Title	Expenses	Check #
		33WS: oil, rotate tires, program tire sensors	1001	Checking	0.00	2587
		33WS: oil, rotate tires, program tire sensors	6420	Vehicle Repair	86.54	2587
		33WS: stratus, remount & balance tires	1001	Checking	0.00	2587
		33WS: stratus, remount & balance tires	6420	Vehicle Repair	779.00	2587
		33WS:oil change	1001	Checking	0.00	2587
		33WS:oil change	6420	Vehicle Repair	63.55	2587
		33WS:oil change, rotate tires	1001	Checking	0.00	2587
		33WS:oil change, rotate tires	6420	Vehicle Repair	52.60	2587
		Transaction Total			1,504.98	
Total Guenther Automotive					1,504.98	
Jackson Welding Supply Co Inc	11/17/2021	33WS: welding & gas products	1001	Checking	0.00	2588
		33WS: welding & gas products	6620	Bldg Repair	33.66	2588
		Transaction Total			33.66	
Total Jackson Welding Supply Co...					33.66	
Joe Johnson Equipment, Inc	11/17/2021	33S: VAC Truck Rental-Aug31-Sep 27	1001	Checking	0.00	2589
		33S: VAC Truck Rental-Aug31-Sep 27	6635	Equip Leas/Rent	1,630.00	2589
		Transaction Total			1,630.00	
Total Joe Johnson Equipment, Inc					1,630.00	
Layer 3 Technologies	11/17/2021	31WS:1yr subscription monitoring	1001	Checking	0.00	2590
		31WS:1yr subscription monitoring	6140	Prof Computer	48.00	2590
		Transaction Total			48.00	
Total Layer 3 Technologies					48.00	
Molino, Jason	11/17/2021	31WS: Nov cell phone	1001	Checking	0.00	2592
		31WS: Nov cell phone	6230	Telephone	50.00	2592
		Transaction Total			50.00	
Total Molino, Jason					50.00	
Network Oriented Solutions Inc	11/17/2021	31WS: add schedule charges to system	1001	Checking	0.00	2593
		31WS: add schedule charges to system	6130	Financial	340.00	2593
		Transaction Total			340.00	
Total Network Oriented Solutions...					340.00	



Livingston County WSA
 Vendor Activity - Cash Disbursements-board mtg-Operatg Exp overview
 From 11/17/2021 Through 11/17/2021

Vendor Name	Pmt Date	Transaction Description	GL Code	GL Short Title	Expenses	Check #
NYS Employees Retirement Syst...	11/17/2021	pension contribution	1001	Checking	0.00	2594
		pension contribution	2050	A/P Payroll	<u>113,619.00</u>	2594
		Transaction Total				<u>113,619.00</u>
Total NYS Employees Retirement...					113,619.00	
Pace Analytical Ince	11/17/2021	32SD: 10/21/21 samples	1001	Checking	0.00	2595
		32SD: 10/21/21 samples	6320	Lab Services	171.00	2595
		32SD: 10/7/21 samples	1001	Checking	0.00	2595
		32SD: 10/7/21 samples	6320	Lab Services	171.00	2595
		32SD: 8/16/21 samples	1001	Checking	0.00	2595
		32SD: 8/16/21 samples	6320	Lab Services	171.00	2595
		32SLV: 10/14/21 samples	1001	Checking	0.00	2595
		32SLV: 10/14/21 samples	6320	Lab Services	131.00	2595
		32SLV: 10/21/21 samples	1001	Checking	0.00	2595
		32SLV: 10/21/21 samples	6320	Lab Services	248.00	2595
		32SLV: 10/7/21 samples	1001	Checking	0.00	2595
		32SLV: 10/7/21 samples	6320	Lab Services	248.00	2595
		32SLV: 9/30/21 samples	1001	Checking	0.00	2595
		32SLV: 9/30/21 samples	6320	Lab Services	<u>195.00</u>	2595
		Transaction Total				
Total Pace Analytical Ince					1,335.00	
ServiceMaster	11/17/2021	31WS:4 Oct visits	1001	Checking	0.00	2596
		31WS:4 Oct visits	6360	Cleaning	<u>300.00</u>	2596
		Transaction Total				<u>300.00</u>
Total ServiceMaster					300.00	
Siewert Equipment Company	11/17/2021	33SL: repairs to cone pump	1001	Checking	0.00	2597
		33SL: repairs to cone pump	6620	Bldg Repair	1,208.00	2597
		33SL:Labor & New Pump	1001	Checking	0.00	2597
		33SL:Labor & New Pump	6620	Bldg Repair	<u>2,665.00</u>	2597
		Transaction Total				<u>3,873.00</u>
Total Siewert Equipment Company					3,873.00	
Slack Chemicals Co, Inc	11/17/2021	32SLV: pail, sta floe	1001	Checking	0.00	2598
		32SLV: pail, sta floe	6620	Bldg Repair	<u>1,032.72</u>	2598
		Transaction Total				<u>1,032.72</u>
Total Slack Chemicals Co, Inc					1,032.72	
Staples Business Advantage	11/17/2021	31WS: Office supplies	1001	Checking	0.00	2599
		31WS: Office supplies	6820	Office Sup	<u>352.09</u>	2599
		Transaction Total				<u>352.09</u>
Total Staples Business Advantage					352.09	
Ti-Sales Inc	11/17/2021	33W: meter e-coder & flange accessory kit	1001	Checking	0.00	2600



Livingston County WSA
 Vendor Activity - Cash Disbursements-board mtg-Operatg Exp overview
 From 11/17/2021 Through 11/17/2021

Vendor Name	Pmt Date	Transaction Description	GL Code	GL Short Title	Expenses	Check #
		33W: meter e-coder & flange accessory kit	6640	Cust Install	3,793.33	2600
		Transaction Total			3,793.33	
Total Ti-Sales Inc					3,793.33	
Todd Marsh	11/17/2021	33WS:clothing allowance	1001	Checking	0.00	2591
		33WS:clothing allowance	6340	Uniforms	91.45	2591
		Transaction Total			91.45	
Total Todd Marsh					91.45	
USA Blue Book	11/17/2021	32SLV:Reactive & total 25/pk	1001	Checking	0.00	2601
		32SLV:Reactive & total 25/pk	6620	Bldg Repair	483.90	2601
		Transaction Total			483.90	
Total USA Blue Book					483.90	
Valley Asphalt & Sealing, Inc	11/17/2021	33WR: Sawcut, prep & pave 6 areas	1001	Checking	0.00	2602
		33WR: Sawcut, prep & pave 6 areas	6310	Outside O&M	5,700.00	2602
		Transaction Total			5,700.00	
Total Valley Asphalt & Sealing, Inc					5,700.00	
Webster Szanyi LLP	11/17/2021	31WS: Legal Services 10.1.21-10.31.21	1001	Checking	0.00	2603
		31WS: Legal Services 10.1.21-10.31.21	6110	Prof Legal	637.50	2603
		Transaction Total			637.50	
Total Webster Szanyi LLP					637.50	
WW Grainger	11/17/2021	32SLV: disposable transfer pipet	1001	Checking	0.00	2586
		32SLV: disposable transfer pipet	6620	Bldg Repair	51.16	2586
		33WS:paper towels, toilet paper	1001	Checking	0.00	2586
		33WS:paper towels, toilet paper	6820	Office Sup	412.35	2586
		33WS:ratchets	1001	Checking	0.00	2586
		33WS:ratchets	6340	Uniforms	71.16	2586
		Transaction Total			534.67	
Total WW Grainger					534.67	
Yaws Environmental Process Con...	11/17/2021	32SLV/32SD: operation & maintenance	1001	Checking	0.00	2604
		32SLV/32SD: operation & maintenance	6160	Plant Operation	14,000.00	2604
		Transaction Total			14,000.00	
Total Yaws Environmental Proces...					14,000.00	



Livingston County WSA
Vendor Activity - Cash Disbursements-board mtg-Operatg Exp overview
From 11/17/2021 Through 11/17/2021

<u>Vendor Name</u>	<u>Pmt Date</u>	<u>Transaction Description</u>	<u>GL Code</u>	<u>GL Short Title</u>	<u>Expenses</u>	<u>Check #</u>
Report Opening/Current Balance						
Report Transaction Totals					180,707.80	
Report Current Balances						

Total Projects + Operating

Projects. \$ 112,233.00

Operating \$ 180,707.80

\$ 292,940.08



Livingston County WSA
 Vendor Activity - Cash Disbursements-board mtg-Utilities & misc
 From 10/21/2021 Through 11/10/2021

Vendor Name	Pmt Date	Transaction Description	GL Code	GL Short Title	Expenses	Check #
BXI Consultants, Inc	10/21/2021	31WS: Toner cartridge/31WS: Impressions 9-5 to 10-4	1001	Checking	0.00	2546
		31WS: Toner cartridge/31WS: Impressions 9-5 to 10-4	6820	Office Sup	59.20	2546
	10/28/2021	31EWS: freight	1001	Checking	0.00	2562
		31EWS: freight	6820	Office Sup	9.00	2562
	Transaction Total					<u>68.20</u>
Total BXI Consultants, Inc					68.20	
CID-Division Waste Mgmt	10/21/2021	33WS: dumpster service	1001	Checking	0.00	2547
		33WS: dumpster service	6350	Refuse	555.69	2547
	11/4/2021	33EWS: service 11/1-11/20/2021	1001	Checking	0.00	2568
		33EWS: service 11/1-11/20/2021	6350	Refuse	578.43	2568
	Transaction Total					<u>1,134.12</u>
Total CID-Division Waste Mgmt					1,134.12	
City Treasurer, Rochester, NY	10/21/2021	32WRV:BigTreeRd/32WR:Rt2... 8/31-9/30	1001	Checking	0.00	2548
		32WRV:BigTreeRd/32WR:Rt2... 8/31-9/30	6510	Water Purch	24,470.99	2548
	Transaction Total					<u>24,470.99</u>
Total City Treasurer, Rochester, NY					24,470.99	
Complete Payroll	10/29/2021	PR 22	1001	Checking	0.00	elec002
		PR 22	5010	Wages	27,310.19	elec002
		PR 22	5020	Overtime	1,385.75	elec002
		PR 22	5030	FICA	2,333.44	elec002
		PR 22	5070	Unemployment	125.26	elec002
		PR 22	6130	Financial	69.05	elec002
		Transaction Total				
Total Complete Payroll					31,223.69	
Constellation NewEnergy, Inc	10/21/2021	32SLV/32SD/33SD/33SA/33S... 8/25-9/24	1001	Checking	0.00	2549
		32SLV/32SD/33SD/33SA/33S... 8/25-9/24	6210	Electric	6,888.15	2549
	11/4/2021	33EWR/33ESL: service 9/23-10/22/2021	1001	Checking	0.00	2569
		33EWR/33ESL: sevice 9/23-10/22/2021	6210	Electric	881.60	2569
	Transaction Total					<u>7,769.75</u>
Total Constellation NewEnergy, Inc					7,769.75	
Direct Energy Services LLC	10/21/2021	33SL: June-July/32SLV: D'Angelo Dr 8/12-9/13	1001	Checking	0.00	2550
		33SL: June-July/32SLV: D'Angelo Dr 8/12-9/13	6220	Gas	228.82	2550

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Livingston County WSA
 Vendor Activity - Cash Disbursements-board mtg-Utilities & misc
 From 10/21/2021 Through 11/10/2021

Vendor Name	Pmt Date	Transaction Description	GL Code	GL Short Title	Expenses	Check #
	10/28/2021	33ESL/32ESLV: Service from 9/14-10/13/21	1001	Checking	0.00	2563
		33ESL/32ESLV: Service from 9/14-10/13/21	6220	Gas	736.76	2563
		Transaction Total			<u>965.58</u>	
Total Direct Energy Services LLC					965.58	
Frontier Communications	10/21/2021	33SM:8/25-10/24 / 33SLV: 9/22-10/21	1001	Checking	0.00	2551
		33SM:8/25-10/24 / 33SLV: 9/22-10/21	6230	Telephone	124.94	2551
	11/4/2021	33ESM/33ESLV: service 10/25-11/24	1001	Checking	0.00	2570
		33ESM/33ESLV: service 10/25-11/24	6230	Telephone	81.41	2570
		Transaction Total			<u>206.35</u>	
Total Frontier Communications					206.35	
Frontier Telephone	10/28/2021	33ESM: service 10/16 to 11/15/21	1001	Checking	0.00	2564
		33ESM: service 10/16 to 11/15/21	6230	Telephone	42.66	2564
		Transaction Total			<u>42.66</u>	
Total Frontier Telephone					42.66	
Monroe County Water Authority	10/21/2021	32WL: 2946 Main St - 8/31-9/30/21	1001	Checking	0.00	2552
		32WL: 2946 Main St - 8/31-9/30/21	6515	Purchased Water	18,918.23	2552
		Transaction Total			<u>18,918.23</u>	
Total Monroe County Water Auth...					18,918.23	
National Grid	10/21/2021	32SD/33SA/33SL/33WM/33wr... Aug 25-Sep24	1001	Checking	0.00	2553
		32SD/33SA/33SL/33WM/33wr... Aug 25-Sep24	6210	Electric	13,539.65	2553
	10/28/2021	33ESA/33EWA: service from 9/20-10/20/21	1001	Checking	0.00	2565
		33ESA/33EWA: service from 9/20-10/20/21	6210	Electric	171.61	2565
	11/4/2021	32SLV/32SD/33ESD/33SA/33... 32SLV/32SD/33ESD/33WM/3...	6210	Electric	23,419.66	2571
			1001	Checking	<u>0.00</u>	2571
		Transaction Total			<u>37,130.92</u>	
Total National Grid					37,130.92	
Networkfleet Inc	10/21/2021	33WS: Sep monthly service	1001	Checking	0.00	2554
		33WS: Sep monthly service	6230	Telephone	<u>113.33</u>	2554



Livingston County WSA
 Vendor Activity - Cash Disbursements-board mtg-Utilities & misc
 From 10/21/2021 Through 11/10/2021

<u>Vendor Name</u>	<u>Pmt Date</u>	<u>Transaction Description</u>	<u>GL Code</u>	<u>GL Short Title</u>	<u>Expenses</u>	<u>Check #</u>
		Transaction Total			<u>113.33</u>	
Total Networkfleet Inc					113.33	
NYS Employees Retirement Syst...	11/4/2021	October 2021 Employee Retirement	1001	Checking	0.00	elec
		October 2021 Employee Retirement	2050	A/P Payroll	2,007.54	elec
		Transaction Total			<u>2,007.54</u>	
Total NYS Employees Retiremen...					2,007.54	
NYS Deferred Compensation Plan	10/29/2021	PR 22	1001	Checking	0.00	elec003
		PR 22	2050	A/P Payroll	1,008.65	elec003
		Transaction Total			<u>1,008.65</u>	
Total NYS Deferred Compensatio...					1,008.65	
NYS Electric & Gas Corp	10/21/2021	33WR/33SL: various	1001	Checking	0.00	2555
		33WR/33SL: various	6210	Electric	132.17	2555
		33WR/33SL: various	6220	Gas	447.31	2555
	10/28/2021	33ESM: service 8/18-10/19/21	1001	Checking	0.00	2566
		33ESM: service 8/18-10/19/21	6210	Electric	96.49	2566
	11/4/2021	33EWR/33ESL - serv 9/28-10/27/2021	1001	Checking	0.00	2572
		33EWR/33ESL - serv 9/28-10/27/2021	6210	Electric	97.47	2572
		33EWR/33ESL - serv 9/28-10/27/2021	6220	Gas	117.55	2572
		Transaction Total			<u>890.99</u>	
Total NYS Electric & Gas Corp					890.99	
Rochester Gas & Electric	10/21/2021	33SM-River Rd/33M-Mt Morris Rd/33SL-Grayshores	1001	Checking	0.00	2556
		33SM-River Rd/33M-Mt Morris Rd/33SL-Grayshores	6210	Electric	140.80	2556
		33SM-River Rd/33M-Mt Morris Rd/33SL-Grayshores	6220	Gas	236.27	2556
	10/28/2021	32ESLV/33ESLV/33ESA: service from 8/13-10-14-2021	1001	Checking	0.00	2567
		32ESLV/33ESLV/33ESA: service from 8/13-10-14-2021	6220	Gas	399.07	2567
		Transaction Total			<u>776.14</u>	
Total Rochester Gas & Electric					776.14	
Time Warner Cable	10/21/2021	31WS: 10/8-11/7/21	1001	Checking	0.00	2557
		31WS: 10/8-11/7/21	6140	Prof Computer	159.98	2557
		Transaction Total			<u>159.98</u>	
Total Time Warner Cable					159.98	

Livingston County WSA
Vendor Activity - Cash Disbursements-board mtg-Utilities & misc
From 10/21/2021 Through 11/10/2021



Vendor Name	Pmt Date	Transaction Description	GL Code	GL Short Title	Expenses	Check #
Town of Avon	11/4/2021	32EWB: service Aug/Sep/Oct	1001	Checking	0.00	2573
		32EWB: service Aug/Sep/Oct	6510	Water Purch	<u>5,081.36</u>	2573
		Transaction Total				<u>5,081.36</u>
Total Town of Avon					5,081.36	
Valley Propane & Fuels	10/21/2021	33WR:Kerosene/33WR:Maple Bch/32SLV:D'Angelo/32SLV:K..	1001	Checking	0.00	2558
		33WR:Kerosene/33WR:Maple Bch/32SLV:D'Angelo/32SLV:K..	6220	Gas	841.45	2558
		Transaction Total				<u>841.45</u>
Total Valley Propane & Fuels					841.45	
Verizon Wireless	10/21/2021	33WS: Cell phone charges for 10/2-11/1/21	1001	Checking	0.00	2559
		33WS: Cell phone charges for 10/2-11/1/21	6230	Telephone	500.49	2559
		Transaction Total				<u>500.49</u>
Total Verizon Wireless					500.49	
Village of Avon	11/4/2021	Utility Bills	1001	Checking	0.00	2574
		Utility Bills	6520	Sewer Purch	<u>4,526.34</u>	2574
		Transaction Total				<u>4,526.34</u>
Total Village of Avon					4,526.34	
Village of Caledonia	10/21/2021	32WC: State Str/32WC: Middle Rd - Service 6/7-9/1	1001	Checking	0.00	2560
		32WC: State Str/32WC: Middle Rd - Service 6/7-9/1	6510	Water Purch	1,126.75	2560
		Transaction Total				<u>1,126.75</u>
Total Village of Caledonia					1,126.75	
Village of Mt Morris	10/21/2021	32WM: water bill for July/Aug/Sept	1001	Checking	0.00	2561
		32WM: water bill for July/Aug/Sept	6510	Water Purch	10,419.50	2561
		Transaction Total				<u>10,419.50</u>
Total Village of Mt Morris					10,419.50	
Report Opening/Current Balance						
Report Transaction Totals					<u>149,383.01</u>	
Report Current Balances						

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Livingston County WSA
Vendor Activity - Cash Disbursements-board mtg-Utilities & misc
From 10/15/2021 Through 10/19/2021

Vendor Name	Pmt Date	Transaction Description	GL Code	GL Short Title	Expenses	Check #
Complete Payroll	10/15/2021	PR21	1001	Checking	0.00	elec
		PR21	5010	Wages	26,321.46	elec
		PR21	5020	Overtime	1,299.26	elec
		PR21	5030	FICA	2,171.46	elec
		PR21	5050	Health	(199.28)	elec
		PR21	5070	Unemployment	131.10	elec
		PR21	6130	Financial	76.42	elec
		Transaction Total			29,800.42	
Total Complete Payroll					29,800.42	
NYS Deferred Compensation Plan	10/15/2021	PR21	1001	Checking	0.00	elec001
		PR21	2050	A/P Payroll	995.34	elec001
		Transaction Total			995.34	
Total NYS Deferred Compensatio...					995.34	
Report Opening/Current Balance						
Report Transaction Totals					30,795.76	
Report Current Balances						

149,383.0
180,178.77

Total Commodities - \$ 56,162.68
 Total Utilitys \$ 58,912.45
 Total MUB - \$ 68.20
 Total -PR- \$ 65,035.64

 \$ 180,178.77

LCWSA OPERATIONS REPORT

November 17, 2021

Water and Sewer Work Program

Customer Work Orders	Staff completed 61 workorders; down 15 from last month.
UFPO	Staff completed 147 stakeouts; down 33 from last month.
PM Maintenance	All PM maintenance was completed.
Sampling & Testing	All sampling and testing were completed.

Water Work Program

Curb Box Repair and Replacement	Staff repaired 4 curb boxes and replaced 2 curb boxes and rods
New Water Connections	staff completed 2 long side water taps
Meter Reading	Staff completed meter reading. Bills have been sent out
Village of Livonia- Big Tree, East Ave , and Shelly Rd Intersection.	Blue Heron has completed the work in the intersection. They will be starting on the saddle replacements the week of 11/15/2021

Sewer Work Program

Sewer Lateral Install	Fineline has been issued a P.O. to install a new sewer lateral on Densmore Rd
Sewer Cleaning and Televising	Staff is cleaning and televising sewers in the Village of Livonia.
Manhole Adjustment and Repair	Staff raised three manhole on Cluny Pt. and repaired a Manhole cover and frame on Poplar Hill Rd.
Phosphorous Removal Pilot Study	We have finished adding the four chemicals at the secondary clarifiers. All results have been recorded and now we are trying each chemical at the primary clarifier to see where the chemical gives the best results.
DEC Inspection	We had our annual DEC Inspection over to the Groveland Station Plant. The Inspection went well. There were a few comments that we are addressing at this time.

LCWSA CAPITAL PROJECTS REPORT

November 17, 2021

31085 DOCCS WSP	
	No change- still averaging between 110,000 and 135,000 gpd.
31131 Countywide Water System Improvements - Phase 1 (ARS Water Main Ext + Grov. Sta Inter)	
	Randsco has received pipe. They will be starting on the directional drills on 11/15/2021. They also will have 2 main line crews starting the week of 11/15/2021
31138 Comprehensive SCADA System Evaluation	
	We have received the Scope of work from GHD. Jason and I will be reviewing and preparing a plan to move forwards.
31140 I&I Study (Smoke Testing + San Sewer Cleaning & Televising)	
	CPL has finished the report and we have received.
31142 Lakeville WWTP Upgrades - Phase 2 + UV	
	Blue Heron has formed the wiers and the channel for the UV . The sub contractor has started the sludge building. The Electricians have been on site getting some prep work completed.

WA - Village Avon (Caledonia #3)

Water Source: Village of Avon (Conesus Lake)
 Wholesale Water Rate (2020): \$5.35 /1000 gals
 LCWSA Retail Rate (2020): \$36.00 /quarter (Base Charge)
 \$5.35 /1000 gals
 No. of Retail Customers 14
 No. of Billing Units 63

Year	Quarter	Retail Service Period (based on meter reading)		Retail Usage (gals)	Wholesale Billing Period		Wholesale Usage (gals)	Water Loss	
								Gals	%
2019	Q1	10/5/2018	est 1/20/2019	1,014,000	11/1/2018	1/31/2019	1,026,324	12,324	1%
	Q2	est 1/20/19	4/26/2019	970,850	2/1/2019	4/30/2019	970,969	119	0%
	Q3	4/26/2020	7/11/2019	776,850	5/1/2019	7/31/2019	999,395	222,545	22%
	Q4	7/11/2019	10/10/2019	787,950	8/1/2019	10/31/2019	837,068	49,118	6%
2020	Q1	10/10/2019	est 1/20/2020	1,003,517	11/1/2019	1/31/2020	897,660	(105,857)	-12%
	Q2	est 1/20/2020	4/21/2020	843,359	2/1/2020	5/5/2020	1,026,325	182,966	18%
	Q3	4/21/2020	7/28/2020	866,182	5/5/2020	8/3/2020	1,039,042	172,860	17%
	Q4	7/29/2020	11/4/2020	156,972	8/3/2020	11/2/2020	1,102,626	945,654	86%
2021	Q1	11/4/2020	1/26/2021	2,131,986	11/2/2020	2/1/2021	1,383,892	(748,094)	-54%
	Q2	2/8/2021	5/7/2021	1,002,714	2/1/2021	5/3/2021	982,190	(20,524)	-2%
	Q3	5/10/2021	8/2/2021	806,588	5/3/2021	8/2/2021	896,912	90,324	10%
	Q4			0			846,045		

** requested that the Village of Avon include exact dates on invoices

Q1 2021 Revenue	
Loss	\$ (4,002)
Q2 2021 Revenue	
Loss	\$ (110)
Q3 2021 Revenue	
Loss	\$ 483
2021 Revenue Loss	\$ (3,629)

WC - Village Caledonia (Caledonia #1)

Water Source: Village of Caledonia (Lake Ontario)
 Wholesale Water Rate (2020): \$ 2.52 /1000 gals
 LCWSA Retail Rate (2020): \$ 29.00 /quarter (Base Charge)
 \$ 4.50 /1000 gals
 No. of Retail Customers 39
 No. of Billing Units 58

Year	Quarter	Retail Service Period (based on meter reading)		Retail Usage (gals)	Wholesale Billing Period		Wholesale Usage (gals)	Water Loss	
								Gals	%
2019	Q1	10/5/2018	est 1/20/2019	321,600	12/10/2018	3/8/2019	337,000	15,400	5%
	Q2	est 1/20/19	4/26/2019	344,300	3/8/2019	6/6/2019	337,000	(7,300)	-2%
	Q3	4/26/2020	7/11/2019	294,200	6/6/2019	9/6/2019	422,000	127,800	30%
	Q4	7/11/2019	10/10/2019	364,711	9/6/2019	12/9/2019	354,000	(10,711)	-3%
2020	Q1	10/10/2019	est 1/20/2020	355,398	12/9/2019	3/5/2020	362,000	6,602	2%
	Q2	est 1/20/2020	4/21/2020	350,859	3/5/2020	6/8/2020	390,000	39,141	10%
	Q3	4/21/2020	7/28/2020	400,545	6/8/2020	9/8/2020	546,000	145,455	27%
	Q4	7/29/2020	11/4/2020	573,391	9/8/2020	12/7/2020	534,000	(39,391)	-7%
2021	Q1	11/5/2020	2/5/2021	453,126	12/7/2021	3/8/2021	409,000	(44,126)	-11%
	Q2	2/8/2021	5/7/2021	268,358	3/8/2021	6/7/2021	373,000	104,642	28%
	Q3	5/10/2021	8/2/2021	315,725	6/7/2021	9/1/2021	425,000	109,275	26%
	Q4			0			0		

Q1 2021 Revenue	
Loss	\$ (111)
Q2 2021 Revenue	
Loss	\$ 264
Q3 2021 Revenue	
Loss	\$ 275
2021 Revenue Loss	\$ 428

WB - Town Avon (South Avon)

Water Source: Town of Avon (Conesus Lake)
 Wholesale Water Rate (2020): \$ 3.48 /1000 gals
 LCWSA Retail Rate (2020): \$ 54.00 /quarter (Base Charge)
 \$ 6.08 /1000 gals
 No. of Retail Customers 28
 No. of Billing Units 28

Year	Quarter	Retail Service Period (based on meter reading)		Retail Usage (gals)	Wholesale Billing Period		Wholesale Usage (gals)	Water Loss	
								Gals	%
2019	Q1	10/5/2018	est 1/20/2019	363,945	11/1/2018	2/1/2019	425,190	61,245	14%
	Q2	est 1/20/19	4/26/2019	318,705	2/1/2019	5/1/2019	850,250	531,545	63%
	Q3	4/26/2019	7/11/2019	946,070	5/1/2019	8/1/2019	576,180	(369,890)	-64%
	Q4	7/11/2019	10/10/2020	377,440	8/1/2019	11/1/2019	454,980	77,540	17%
2020	Q1	10/10/2019	est 1/20/2020	313,098	11/1/2019	2/1/2020	368,780	55,682	15%
	Q2	est 1/20/19	4/21/2020	420,192	2/1/2020	4/29/2020	679,990	259,798	38%
	Q3	4/21/2020	7/28/2020	372,627	4/29/2020	7/30/2020	1,021,660	649,033	64%
	Q4	7/29/2020	11/4/2020	408,539	7/30/2020	10/29/2020	609,546	201,007	33%
2021	Q1	11/5/2020	2/5/2021	320,235	10/29/2020	2/1/2021	449,283	129,048	29%
	Q2	2/8/2021	5/7/2021	367,061	2/1/2021	4/28/2021	686,354	319,293	47%
	Q3	5/10/2021	8/2/2021	445,214	4/28/2021	7/27/2021	426,282	(18,932)	-4%
	Q4			0			1,460,160	1,460,160	

Q1 2021 Revenue		
Loss	\$	449
Q2 2021 Revenue		
Loss	\$	1,111
Q3 2021 Revenue		
Loss	\$	(66)
2021 Revenue Loss	\$	6,576

WM - Village Mt Morris-Town of Groveland -ARS & T Leicester

Water Source: Village of Mt. Morris (Silver Lake)
 Wholesale Water Rate (2020): \$ 4.25 /1000 gals
 LCWSA Retail Rate (2020): \$ 46.00 /quarter (Base Charge)
 \$ 5.85 /1000 gals

No. of Retail Customers 28
 No. of Billing Units 162

Year	Quarter	Retail Service Period (based on meter reading)		Retail Usage (gals)	Wholesale Billing Period		Wholesale Usage (gals)	Water Loss	
								Gals	%
2019	Q1	10/3/2018	1/3/2019	2,325,240	9/18/2018	12/17/2018	2,562,000	236,760	9%
	Q2	1/3/2019	4/14/2019	1,668,720	12/17/2018	3/19/2019	2,005,000	336,280	17%
	Q3	4/14/2019	7/3/2019	2,574,860	3/19/2019	6/20/2019	2,433,000	(141,860)	-6%
	Q4	7/3/2019	10/4/2019	1,938,130	6/20/2019	9/17/2019	2,644,800	706,670	27%
2020	Q1	10/4/2019	1/7/2020	1,496,938	9/17/2019	12/23/2019	2,067,100	570,162	28%
	Q2	1/7/2019	4/13/2020	1,499,381	12/23/2019	3/23/2020	1,865,600	366,219	20%
	Q3	4/13/2020	7/29/2020	1,658,529	3/23/2020	7/6/2020	1,892,500	233,971	12%
	Q4	7/30/2020	11/3/2020	1,688,838	7/6/2020	9/21/2020	1,763,600	74,762	4%
2021	Q1	11/5/2020	2/5/2021	1,697,866	9/21/2020	12/30/2020	2,169,400	471,534	22%
	Q2	2/8/2021	5/7/2021	1,550,509	12/30/2020	3/31/2021	1,738,500	187,991	11%
	Q3	5/10/2021	8/2/2021	1,945,258	3/31/2021	6/30/2021	2,108,700	163,442	8%
	Q4			0	6/30/2021	9/22/2021	2,083,900	2,083,900	100%

Q1 2021 Revenue	
Loss	\$ 2,004
Q2 2021 Revenue	
Loss	\$ 799
Q3 2021 Revenue	
Loss	\$ 695
2021 Revenue Loss	\$ 3,498

WR14-DOCCS After Maple PS
WR3 - City of Rochester -East Swamp -Out of District
WR2 - City of Rochester -Scottsburg
WR10- Groveland Station
WR1- City of Rochester -Conesus
WR6 City of Rochester -Town Conesus - South Livonia
WR11 - City of Rochester - T Geneseo, WLR
WR13 - City of Rochester - T Avon, Triphammer Rd
WRH1 - Town of Geneseo - Wholesale water
WRH2 - Village of Geneseo - Wholesale water

East Lake Rd & Groveland Station
 ELR (Witte) meter vault

Water Source: City of Rochester (Hemlock Lake)
 Wholesale Water Rate (2020): \$ 1.07 /1000 gals
 LCWSA Retail Rate (2020): \$ 37.00 /quarter (Base Charge)
 \$ 3.50 /1000 gals
 No. of Retail Customers 907
 No. of Billing Units 1006

Year	Quarter	Retail Service Period (based on meter reading)		Retail Usage (gals)	Wholesale Billing Period		Wholesale Usage (gals)	Water Loss	
								Gals	%
2019	Q1	10/5/2018	est 1/20/19	10,447,181	11/1/2018	1/30/2019	#VALUE!	#VALUE!	#VALUE!
	Q2	1/20/2019	4/8/2019	13,571,377	1/31/2019	4/29/2019	17,112,000	3,540,623	21%
	Q3	4/8/2019	7/8/2019	12,986,965	4/29/2019	7/31/2019	20,774,270	7,787,305	37%
	Q4	7/8/2019	10/8/2019	14,105,684	7/31/2019	10/31/2019	21,519,000	7,413,316	34%
2020	Q1	10/8/2019	est 1/9/2020	14,307,182	10/31/2019	1/30/2020	22,934,000	8,626,818	38%
	Q2	est 1/9/2020	4/13/2020	14,956,501	1/30/2020	5/1/2020	20,157,000	5,200,499	26%
	Q3	4/13/2020	7/28/2020	16,565,476	5/1/2020	7/30/2020	25,173,000	8,607,524	34%
	Q4	7/29/2020	11/4/2020	24,237,212	7/30/2020	10/29/2020	26,300,000	2,062,788	8%
2021	Q1	11/5/2020	2/5/2021	15,174,391	10/29/2020	1/28/2021	21,968,409	6,794,018	31%
	Q2	2/8/2021	5/7/2021	16,924,750	1/29/2021	4/29/2021	25,161,000	8,236,250	33%
	Q3	5/10/2021	8/2/2021	26,910,458	4/30/2021	7/30/2021	34,003,000	7,092,542	21%
	Q4			-			-	-	

Q1 2021 Revenue	
Loss	\$ 7,270
Q2 2021 Revenue	
Loss	\$ 8,813
Q3 2021 Revenue	
Loss	\$ 7,589
2021 Revenue Loss	\$ 23,671

WR8 - City of Rochester -Town Livonia - Hemlock
WR7 - City of Rochester -Town Livonia - Lakeville
WR5 - City of Rochester -Town Livonia - East Lake Rd
WR4 - City of Rochester -Town Livonia - leased
WR91 - City of Rochester (Village of Livonia (giving 10,000 gals))

Water Source: City of Rochester (Hemlock Lake)
Wholesale Water Rate (2020): \$ 0.72
LCWSA Retail Rate (2020): \$ 37.00
\$ 3.25
No. of Retail Customers 1975
No. of Billing Units 2265

Year	Quarter	Retail Service Period (based on meter reading)		Retail Usage (gals)	Wholesale Billing Period		Wholesale Usage (gals)	Water Loss	
								Gals	%
2019	Q1	10/5/2018	est 1/20/19	30,574,986	11/1/2018	1/30/2019	59,936,000	29,361,014	49%
	Q2	1/20/2019	4/26/2019	34,782,665	1/31/2019	4/29/2019	68,284,000	33,501,335	49%
	Q3	4/26/2019	7/24/2019	35,646,827	4/29/2019	7/31/2019	68,125,030	32,478,203	48%
	Q4	7/24/2019	10/26/2019	36,509,459	7/31/2019	10/31/2019	52,209,000	15,699,541	30%
2020	Q1	10/29/2019	est 1/20/2020	29,896,801	10/31/2019	1/30/2020	49,569,000	19,672,199	40%
	Q2	1/20/2020	4/24/2020	32,150,827	1/30/2020	5/1/2020	45,120,000	12,969,173	29%
	Q3	4/24/2020	7/28/2020	37,816,680	5/1/2020	7/30/2020	61,597,000	23,780,320	39%
	Q4	7/29/2020	11/4/2020	44,499,057	7/30/2020	10/29/2020	55,050,000	10,550,943	19%
2021	Q1	11/5/2020	2/5/2021	30,972,867	10/29/2020	1/28/2021	46,154,591	15,181,724	33%
	Q2	2/8/2021	5/7/2021	27,276,974	1/29/2021	4/29/2021	48,228,000	20,951,026	43%
	Q3	5/10/2021	8/2/2021	38,976,061	4/29/2021	7/30/2021	59,156,000	20,179,939	34%
	Q4			0					

Q1 2021 Revenue	
Loss	\$ 10,931
Q2 2021 Revenue	
Loss	\$ 15,085
Q3 2021 Revenue	
Loss	\$ 14,530
2021 Revenue Loss	\$ 40,545

To: Livingston County Water and Sewer Authority Board

From: Jason Molino, Executive Director 

Date: November 8, 2021

Subject: Water Infrastructure Improvement Act (WIIA)

1. Action Requested:

Approval of Resolution No. 2021-29 authorizing the surplus and transfer of the water line along Rt. 408 in the Town of Mt. Morris, between the Village of Mt. Morris and the Town of Groveland, from the Livingston County Water and Sewer Authority to the Town of Mt. Morris.

2. Background:

As a result of working on the emergency supply agreement with the Village of Mt. Morris, several issues surrounding ownership of the portion of the ARS water line in the Town of Mt. Morris surfaced. Currently the section of water line along Rt. 408 in the Town of Mt. Morris, between the Village of Mt. Morris and the Town of Groveland is owned by the Authority, however there are no Authority customers on that section of water line. In the upcoming months, the Authority will be changing our water supply source from the Village of Mt. Morris to Hemlock Lake. As a result, the Authority can no longer maintain ownership of water delivery infrastructure that does not serve customers of the Authority.

I met with the Town of Mt. Morris Board on October 14th to discuss this issue and suggest several options which included the Town accepting dedication of the line with options to purchase water from LCWSA or turn over the 14 users to the LCSWA.

The Town agreed they would take ownership and title to the water line, and on October 21st the Town Board passed a resolution accepting the infrastructure and execution of the necessary documents to effectuate the transfer.

3. Financial Implications:

There are no financial implications with this transfer of infrastructure other than the Authority will no longer be responsible for maintaining that section of water line.

It is recommended the Board approve the transfer agreement. I will then follow with a proposal to the Town to purchase water wholesale from the Authority once our Groveland-ARS interconnection is completed in January/February 2022.



RESOLUTION NO. 2021-25

RESOLUTION AUTHORIZING THE SURPLUS AND TRANSFER OF THE REAL AND PERSONAL PROPERTY OF THE LIVINGSTON COUNTY WATER AND SEWER AUTHORITY – ARS WATERLINE PROJECT – TOWN OF MOUNT MORRIS WATERLINE ALONG RT. 408 IN THE TOWN OF MOUNT MORRIS

WHEREAS, the Town of Mount Morris on behalf of Water District No. 1, a municipal corporation in the State of New York with offices at 103 Main Street, Mount Morris NY 14510 (hereafter “Town”) and the Livingston County Water and Sewer Authority, a public benefit corporation in the State of New York with offices located at 1997 D’Angelo Drive, Lakeville, New York 14480 (hereafter “Authority”) and which are herein collectively (hereafter “Parties”) entered into an agreement for the Sale of Water (hereafter “Agreement”) that expired December 31, 2020, and

WHEREAS, said Agreement provided that the Authority would be constructing water mains and appurtenances (hereafter “Water Improvements”) to serve parts of the Town outside the Village of Mount Morris (hereafter “Village”) and areas in the Town of Groveland (hereafter “Groveland”), and

WHEREAS, said Agreement provided that after construction, the Authority would transfer to the Town, for it to own and operate, those Water Improvements within the Town but outside the Village and Groveland, and

WHEREAS, the Water Improvements anticipated in the Agreement have now been completed and are appropriate for transfer to the Town, and now therefore be it

RESOLVED, the Authority does hereby declare surplus and assign and transfer to the Town all right, title and interest in and to the Water Improvements constructed from the Village and Town line, east to the Town and Town of Groveland line, consisting of 7,700 +/- linear feet of 12” water main, with valves and hydrants, and be it further

RESOLVED, that the Executive Director of the Authority is hereby authorized to sign all documents and take such action as may be necessary or advisable in connection with the conveyance of all real and personal property related to the Water Improvements.

November 17, 2021
Livingston County Water & Sewer Authority
Moved By:
Seconded By:
AYES:
NAYS:

To: Livingston County Water and Sewer Authority Board

From: Jason Molino, Executive Director 

Date: November 8, 2021

Subject: Water Infrastructure Improvement Act (WIIA)

1. Action Requested:

Adoption of Resolutions No. 2021-26 and 2021-27 related to the Authority's 2021 WIIA grant application for \$5M project for upgrading and improving the 26 pump stations around Conesus Lake as well as SCADA system improvements.

2. Background:

In September the Governor announced the availability of \$600 million to communities statewide through the Water Infrastructure Improvement Act (WIIA), Water Quality Improvement Project (WQIP) Program, and Intermunicipal Grant (IMG) programs to fund projects to upgrade infrastructure. Specifically, WIIA grants are available for wastewater and drinking water projects that protect or improve water quality and/or protect public health.

In October the Board discussed and agreed to move forward with preparing the necessary resolutions and documents to submit an application for this year's WIIA program.

The attached resolutions are necessary to put forward the Authority's best effort in receiving grant and loan funding to complete the project.

3. Financial Implications:

The project as proposed would be eligible to receive up to 25% grant funding, or approximately \$1.24M for this project. The project is also eligible to receive a 0% hardship loan for the remaining balance of the project.

If funded with the maximum grant amount and 0% hardship loan, annual debt service payments could be approximately \$124,400. Preliminarily, this annual debt service payment would equal a \$25-\$32 annual debt charge per unit for customers. This, however, does not include additional grant opportunities that may be available.

It is recommended that the Board approve the attached resolutions and that CPL, in coordination with the Executive Director, submit an application for funding prior to the November 22nd deadline.



RESOLUTION NO. 2021-26

RESOLUTION CLASSIFYING THE LIVINGSTON COUNTY WATER AND SEWER AUTHORITY CONESUS LAKE PUMP STATION IMPROVEMENTS IN LIVINGSTON COUNTY AS A TYPE II ACTION, ESTABLISHING LEAD AGENCY AND DETERMINING THE SIGNIFICANCE OF SUCH ACTION, AND DIRECTING THAT THE NEGATIVE DECLARATION BE PUBLISHED IN ACCORDANCE WITH SEQRA, AND ALSO AUTHORIZING THE PROJECT AND THE FILING OF AN APPLICATION FOR THE FINANCING THEREOF ALL AS FURTHER DESCRIBED HEREINAFTER

WHEREAS, The Livingston County Water and Sewer Authority (“LCWSA”) has proposed improvements to 26 sanitary sewer pump stations and the Supervisory Control and Data Acquisition (SCADA) system around Conesus Lake, including replacement of pumps and valves along with miscellaneous building improvements in the Towns of Livonia, Conesus, Groveland and Geneseo (the “Project”), and

WHEREAS, pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”), the LCWSA must consider pursuant to criteria set for in SEQRA the environmental implications of the Project, and

WHEREAS, the LCWSA Board determined that the Project was a “Type II Action” pursuant to SEQRA, and

WHEREAS, Type II actions are those actions, or classes of actions, which have been found categorically to not have significant adverse impacts on the environment, or actions that have been statutorily exempt from SEQRA review, and Type II actions do not require preparation of an Environmental Assessment Form, a negative or positive declaration, or an Environmental Impact Statement, and

WHEREAS, Type II actions do not require any further SEQRA review, and

WHEREAS, the Board has considered under SEQRA the environmental impact of which will be separately considered, and finds that each of the actions meets the requirement for a Type II action, and

WHEREAS, pursuant to 6 NYCRR Section 617.5 (c), the project is determined to be Type II actions because the involves the following requiring no further review by the LCWSA:

1. 617.5 (c) (1) maintenance or repair involving no substantial changes in an existing structure or facility;
2. 617.5 (c) (2) replacement, rehabilitation or reconstruction of a structure or facility, in kind, on the same site, including upgrading buildings to meet building or fire codes, unless such action meets or exceeds any of the thresholds in section 617.4;

3. 617.5 (c) (11) extension of utility distribution facilities, including gas, electric, telephone, cable, water and sewer connections to render service in approved subdivisions or in connection with any action on this list, and

WHEREAS, the Board duly notified the other involved agencies pursuant to 6 NYCRR 617.6(3)(i) and indicated its willingness to be designated Lead Agency status, and

WHEREAS, all of the involved agencies have consented to the Board's request to be designated Lead Agency status, and now therefore be it,

RESOLVED, by the LCWSA declares to be lead agency for the project for the proposed action and therefore responsible for determining whether an environmental impact statement is required in connection therewith and otherwise complying with the procedural and substantive requirements of SEQRA, and be it further,

RESOLVED, by the Board of the LCWSA as follows:

1. The Project is hereby determined to constitute a SEQRA Type II Action as defined under 6 NYCRR Section 617.5 (c) and does not require an environmental impact statement or any other determination or procedure.
2. The Project is hereby authorized upon the receipt of a commitment for the financing thereof from the NYS Environmental Facilities Corporation.
3. The LCWSA hereby authorizes the preparation and submittal of such grant applications to Environmental Facilities Corporation as may be deemed necessary to obtain assistance in funding the Project.

November 17, 2021
Livingston County Water & Sewer Authority
Moved By:
Seconded By:
AYES:
NAYS:



RESOLUTION NO. 2021-27

RESOLUTION AUTHORIZING THE ISSUANCE OF THE AUTHORITY'S SYSTEM REVENUE NOTES, 2021 AND THE APPROVAL AND EXECUTION OF RELATED DOCUMENTS

WHEREAS, Title 8-G of the Public Authorities Law of the State of New York, as amended (the "Act") created the Livingston County Water and Sewer Authority (the "Authority") with the authority and power to issue its revenue bonds and notes for the purpose of among other things, planning, developing, acquiring, constructing and financing the Cost of any project (as defined in the Act), and the payment of incidental expenses in connection therewith; and

WHEREAS, the Authority desires to issue its System Revenue Notes (the "Notes") in an aggregate principal amount not to exceed \$5,000,000 pursuant to the Act, to finance various water facilities (as defined in the Act), including the planning, development and construction thereof, and to pay costs of issuance; and

WHEREAS, it is now desired to authorize the issuance of the Notes and to approve and authorize the form of and execution of related documents;

NOW, THEREFORE, BE IT RESOLVED by the Livingston County Water and Sewer Authority as follows:

SECTION 1. The Authority hereby finds and determines:

(a) By virtue of the Act, the Authority has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act.

(b) It is desirable and in the public interest for the Authority to issue and sell the Notes, pursuant to a certain General Revenue Bond Resolution, dated as of January 1, 2008, adopted by the Authority (the "General Resolution"), and pursuant to a certain proposed TENTH Supplemental Resolution of the Authority (the "TENTH Supplemental Resolution" and, collectively with the General Resolution, the "Resolution"), to be dated as of November 17, 2021 (or such later date as may be approved by Chairman or the Vice-Chairman of the Authority in accordance with the authority granted in Section 6 of this resolution), and to use the proceeds of said Notes to refinance costs of water projects and pay costs of issuance.

SECTION 2. In consequence of the foregoing, the Authority hereby determines to: (i) issue and sell the Notes, pursuant to the TENTH Supplemental Resolution and the General Resolution (in substantially the form presented to the Authority at this meeting) and in accordance with a

project finance agreement (the “Project Finance Agreement”) to be entered into by the Authority with the New York State Environmental Facilities Corporation (“EFC”); (ii) use the proceeds of the Notes as previously described and as shall be provided in the TENTH Supplemental Resolution, (iii) enter into each agreement hereafter identified in this resolution; and (iv) execute such other documents and take such other action as may be necessary to effectuate the purposes of this resolution.

SECTION 3. The form and substance of the TENTH Supplemental Resolution (in substantially the form presented to this meeting) is hereby approved.

SECTION 4. The Authority is hereby authorized to issue, execute, sell and deliver the Notes in the aggregate principal amount not to exceed \$5,000,000, bearing interest, maturing, and upon such terms as shall be approved by the Chairman or the Vice-Chairman and in substantially the form heretofore approved in this resolution, provided that:

(a) The Notes are hereby authorized to be issued, executed and delivered and shall be issued, executed and delivered at such time as the Chairman or the Vice-Chairman of the Authority shall determine.

(b) The Notes shall be issued solely for the purposes previously described.

(c) The Notes are not and shall never be a debt of the State of New York or any political subdivision thereof other than the Authority, including without limitation the County of Livingston, and neither the State of New York nor any political subdivision thereof other than the Authority, including without limitation the County of Livingston, shall be liable thereon.

SECTION 5. The Notes shall not be issued, executed or delivered until the prior approval of the State Comptroller shall have been obtained if required by the Act.

SECTION 6.

(a) The Executive Director, the Chairman or the Vice-Chairman of the Authority are hereby authorized, on behalf of the Authority, (i) to execute and deliver the TENTH Supplemental Resolution, in substantially the form thereof presented to this meeting, with such changes, variations, omissions and insertions as the Chairman or the Vice Chairman may hereafter approve, and (ii) to approve on behalf of the Authority (after consultation with Authority’s counsel and bond counsel) the form and substance of the Project Finance Agreement and the Notes (collectively, with the TENTH Supplemental Resolution, the “Financing Documents”), and to execute and deliver the same, and the Secretary of the Authority is hereby authorized to affix the seal of the Authority to the Financing Documents and to attest the same. The execution by the Chairman or the Vice-Chairman of each of the Financing Documents shall constitute conclusive evidence of the Chairman’s or the Vice-Chairman’s approval thereof.

(b) The Executive Director, the Chairman or the Vice-Chairman of the Authority are further hereby authorized, on behalf of the Authority, to designate any additional Authorized Representatives of the Authority (as used or defined in and pursuant to the Resolution) to execute, on behalf of the Authority, any Financing Documents.

SECTION 7. The members, officers, employees and agents of the Authority are hereby authorized and directed for and in the name and on behalf of the Authority to do all acts and things required or provided for by the provisions of the Financing Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the member, officer, employee or agent acting, desirable and proper to effect the purposes of this resolution and to cause compliance by the Authority with all of the terms, covenants and provisions of the Financing Documents.

SECTION 9. This resolution shall take effect immediately.

EXHIBIT A

Form of the

TENTH SUPPLEMENTAL RESOLUTION AUTHORIZING

\$5,000,000

SYSTEM REVENUE NOTES, [2021]

Be It Resolved by the Governing Board of the Livingston County Water and Sewer Authority (the “Authority”), as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

SECTION 1.01. TENTH Supplemental Resolution. This TENTH Supplemental Resolution Authorizing \$5,000,000 System Revenue Notes, [2021] is supplemental to the resolution adopted by the Governing Board of the Authority dated as of January 1, 2008, entitled “General Revenue Bond Resolution” and referred to herein as the “Resolution.”

SECTION 1.02. Definitions. (a) All terms that are defined in Section 1.5 of the Resolution shall have the same meanings, respectively, in this TENTH Supplemental Resolution as such terms are given in said Section 1.5 of the Resolution.

(b) In addition, as used in this TENTH Supplemental Resolution, unless the context shall otherwise require, the following terms shall have the following meanings:

“Closing Date” shall mean _____, 2021.

“EFC” shall mean the New York State Environmental Facilities Corporation.

“Notes” shall mean the “E.F.C. Clean Water Facility Note – [2021]” issued by the Authority as \$ _____ System Revenue Notes, [2021] authorized pursuant to this resolution.

“Project Finance Agreement” shall mean the Project Finance Agreement, dated as of _____, between the Authority and EFC.

“TENTH Supplemental Resolution” shall mean this TENTH Supplemental Resolution Authorizing up to \$5,000,000 System Revenue Notes, [2021].

(c) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words

importing persons shall include authorities and associations, including public bodies, as well as natural persons, but shall not include the Authority.

(d) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder”, and any similar terms, as used in this TENTH Supplemental Resolution, refer to the TENTH Supplemental Resolution.

SECTION 1.03. Authority for the TENTH Supplemental Resolution. This TENTH Supplemental Resolution is adopted pursuant to the provisions of the Act and the Resolution.

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF NOTES

SECTION 2.01. Authorization of Notes, Principal Amount, Designation and Series. The Notes are hereby authorized to be issued in an aggregate principal amount not to exceed \$5,000,000 on and this TENTH Supplemental Resolution and the project finance agreement (“Project Finance Agreement”) with the New York State Environmental Facilities Corporation (“EFC”).

SECTION 2.02. Purposes. The purpose for which the proceeds of the Notes are being issued is to (i) finance water facilities (as defined in the Act), including the planning, development and construction thereof, and (ii) pay the costs of issuance of the Notes.

SECTION 2.03. Date of Notes. The Notes shall be dated _____, 2021.

SECTION 2.04. Maturities and Interest Rate. The Notes shall bear no interest at and shall mature _____.

SECTION 2.05. Place of Payment. The principal of and interest on the Notes shall be payable to EFC.

ARTICLE III

APPLICATION OF PROCEEDS OF THE NOTES

SECTION 3.01. Application of Proceeds and Other Moneys. All proceeds of the Notes will be deposited into the Project Fund.

ARTICLE IV

FORM AND EXECUTION OF NOTES

SECTION 4.01. Form of Notes. Subject to the provisions of the Resolution, the Notes in registered form, together with the form of assignment therefor and the Trustee's Certificate of Authentication, shall be in substantially the form set forth in the Project Finance Agreement.

SECTION 4.02. Execution and Authentication of Notes. Pursuant to the provisions of Section 2.3 of the General Bond Resolution, either the Chairperson or the Vice-Chairperson of the Authority is hereby authorized and directed to execute by such person's manual or facsimile signature the Notes in the name of the Authority and the corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon. The Secretary of the Authority is hereby authorized and directed to attest, by manual or facsimile signature, the execution of the Notes. The Trustee is hereby authorized to authenticate, by manual or facsimile signature, the Notes and to deliver the same to or upon the order of the Authority in such amount and at such time as the Trustee shall be directed in writing by an Authorized Officer.

ARTICLE V

SECTION 5.01. State Covenant. In accordance with the provisions of the Act the State has pledged and agreed with the owners of Bonds of the Authority that the State will not alter or limit the rights vested by the Act in the Authority to finance or refinance the acquisition, construction, maintenance, operation, repair, reconstruction, rehabilitation and improvement of facilities and to fulfill the terms of any agreement made with or for the benefit of the holders of bonds of the Authority or with any public corporation or person with reference to such project or part thereof, or in any way impair the rights and remedies of the Authority's bondholders, until the Notes and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged. The State has further pledged and agreed with the holders of any bonds issued by the Authority pursuant to the Act that the State will not alter or limit the rights of the Authority to establish and collect rates, rents, fees or other charges to pay expenses in connection with the System.

SECTION 5.02. Authorized Officers. The Chairperson, Vice Chairperson, Secretary and Treasurer of the Authority are each hereby authorized to deliver and execute in the name and on behalf of the Authority any agreement, certificate, opinion, record or other document required by or authorized pursuant to the Resolution or this TENTH Supplemental Resolution in connection with the issuance of the Notes.

SECTION 5.03. When Effective. The TENTH Supplemental Resolution shall become effective immediately upon the filing with the Trustee of a copy hereof certified by an Authorized Officer.

IN WITNESS WHEREOF, LIVINGSTON COUNTY WATER AND SEWER AUTHORITY has caused this resolution to be executed by its Chairman and its corporate seal to be hereunto affixed, attested by its Secretary, all as of the day and year first above written.

[S E A L]

**LIVINGSTON COUNTY WATER AND
SEWER AUTHORITY**

Attest: _____
Secretary

By: _____
Executive Director

At a regular meeting of the Livingston County Water and Sewer Authority, held at the Watershed Education Center, 5828 Big Tree Road, Livingston County, New York at 8 o'clock a.m., on the 17th day of November, 2021, the following members of the Authority were:

PRESENT:

ABSENT:

ALSO PRESENT:

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the issuance and sale of the Authority's proposed System Revenue Notes, 2021.

The following resolution was duly moved, seconded, discussed and adopted with the *following members voting in open session:*

<u>AYE</u>	<u>NAY</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

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

I, the undersigned Secretary of the Livingston County Water and Sewer Authority, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Livingston Water and Sewer Authority, including the resolution contained therein, held on November 17, 2021, with the original thereof on file in my office, and that the same is a true and correct transcript therefrom and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that all members of said Authority had due notice of said meeting.

I FURTHER CERTIFY that, pursuant to Section 103 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public.

I FURTHER CERTIFY that, PRIOR to the time of said meeting, I duly caused a public notice of the time and place of said meeting to be given to the following newspapers and/or other news media as follows:

<u>Newspaper and/or other news media</u>	<u>Date given</u>

I FURTHER CERTIFY that PRIOR to the time of said meeting, I duly caused public notice of the time and place of said meeting to be conspicuously posted in the following designated public location on the following dates:

<u>Designated Location of Posted Notice</u>	<u>Date of posting</u>
None	

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Authority on November 17, 2021.

Secretary

LIVINGSTON COUNTY WATER AND SEWER AUTHORITY

and

MANUFACTURERS AND TRADERS TRUST COMPANY

as Trustee

GENERAL REVENUE BOND RESOLUTION

Dated as of January 1, 2008

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GENERAL REVENUE BOND RESOLUTION

WITNESSETH:

WHEREAS, capitalized terms shall have the meaning ascribed to them in this Resolution;
and

WHEREAS, the Authority is a body corporate and politic, constituting a public benefit corporation of the State of New York; and

WHEREAS, the Authority is authorized under the Act to issue bonds, notes or other obligations to pay the Cost of any Project or for any other corporate purpose, including the establishment of reserves to secure the Bonds, the payment of principal of, premium, if any, and interest on the Bonds and the payment of incidental expenses in connection therewith; and

WHEREAS, the Authority has determined that the public interest will be best served and that the purposes of the Act can be more advantageously obtained by the Authority issuing bonds, notes and other obligations hereunder in one or more series pursuant to supplemental resolutions from time to time for the purposes authorized by the Act.

NOW, THEREFORE, BE IT RESOLVED by the Governing Board of the Authority as follows:

In order to secure (i) the payment of principal or redemption price of and interest on all Bonds issued and Outstanding under this Resolution according to their tenor, purport and effect, (ii) all Payment Obligations, (iii) any Subordinated Indebtedness, and (iv) the performance and observance of all the covenants, promises, stipulations, agreements, terms, provisions and conditions contained in the Bonds, any Subordinated Indebtedness and in this Resolution (i), (ii), (iii) and (iv) collectively, the “Secured Obligations”), and for and in consideration of the purchase and acceptance of the Bonds by the Beneficial Owners in the case of Bonds issued pursuant to the Book-Entry System and Registered Owners in the case of Bonds issued in certificated form and of the acceptance by the Trustee of the trust hereby created, the Authority, intending to be legally bound, does hereby pledge and grant a security interest unto the Trustee and its successors in the trust and its assigns, in and to the following:

FIRST GRANTING CLAUSE

All right, title and interest of the Authority in and to the Revenues.

SECOND GRANTING CLAUSE

All right, title and interest of the Authority in and to all money and Investment Securities from time to time held by the Trustee in any fund or account created hereunder; provided, however, that money or Investment securities held in the Rebate Fund established under Section 5.8 hereof shall be applied solely to pay the Rebate Amount to the United States and shall not be available for the payment of any Secured Obligations and any amounts held by the Trustee to pay the

purchase price of any Bonds tendered for purchase in accordance with a Supplemental Resolution shall be held exclusively for the benefit of the Registered Owners of such Bonds.

THIRD GRANTING CLAUSE

Any and all other property rights and interests of every kind and nature from time to time hereafter by delivery or by writing of any kind granted, bargained, sold, alienated, demised, released, conveyed, assigned, transferred, mortgaged, pledged, hypothecated or otherwise subjected hereto, as and for additional security herewith, by the Authority or any other Person on its behalf or with its written consent, and the Trustee is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

FOURTH GRANTING CLAUSE

All rights and privileges of every kind and nature appurtenant to the properties described in First, Second and Third Granting Clauses hereof, all proceeds thereof, and all the right, title and claim whatsoever, at law as well as in equity, which the Authority now has or may hereafter acquire in and to the property described in the above Granting Clauses, or any part thereof, whether now owned or hereafter acquired.

TO HAVE AND TO HOLD all and singular the Trust Estate sold, assigned, transferred, pledged and set over by the Authority as aforesaid or intended so to be, unto the said Trustee and its successors and assigns, forever.

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth, (i) for the equal and proportionate benefit, security and protection of all present and future Owners of the Bonds issued under and secured by this Resolution without privilege, priority or distinction as to the Lien or otherwise of any of the Bonds over any of the other Bonds except as otherwise expressly provided herein, (ii) for the benefit of any and all Credit Facility Providers as their interests may appear, and (iii) for the benefit of the owner of any Subordinated Indebtedness, expressly as provided herein;

PROVIDED, HOWEVER, that if the Authority shall (i) well and truly pay, or cause to be paid, all Secured Obligations, at the times and in the manner specified therefor according to the true intent and meaning thereof, or shall provide for the payment thereof as permitted hereunder and (ii) well and truly keep, perform and observe all of the Secured Obligations other than Payment Obligations to be kept, performed and observed by it, and (iii) pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments and performance this Resolution and the rights hereby granted, and all interest of the Trustee in the Trust Estate, shall cease, terminate and be void, and the Trustee shall forthwith release, surrender and otherwise cancel any interest it may have in this Resolution, otherwise this Resolution to be and remain in full force and effect; and

PROVIDED, FURTHER, HOWEVER, that if there is in effect a Credit Facility issued concurrently with the delivery of any series of Bonds and being security for such series of Bonds, or any replacement thereof permitted in accordance with any Supplemental Resolution pursuant to which the applicable Bonds were issued and there is not then in existence and continuing a Credit Facility Default with respect to any such Credit Facility, the pledge of the Resolution, to

the Trustee as security for the Bonds shall be terminated and of no effect only if each Credit Facility Provider shall so notify the Trustee in writing;

AND IT IS HEREBY COVENANTED AND AGREED by and between the parties hereto, that the terms and provisions upon which the Bonds are to be issued, executed, authenticated, delivered and secured, and the trusts and conditions upon which the Trust Estate is to be held and disposed of, which said trust and conditions the said Trustee hereby accepts and agrees to discharge, are as follows:

ARTICLE I

GENERAL PROVISIONS.

SECTION 1.1. Authority for the Resolution. This Resolution is entered into by virtue of the Act and pursuant to its provisions, and the Authority has ascertained and hereby determines that each and every matter and thing as to which provision is made in this Resolution is necessary, convenient or desirable in order to further secure the payment of the Secured Obligations and to carry out and effectuate the purposes of the Authority in accordance with the Act.

SECTION 1.2. Resolution to Constitute Contract. In consideration of the purchase and acceptance of the Bonds by the Beneficial Owners in the case of Bonds issued pursuant to the Book-Entry System and Registered Owners in the case of Bonds issued in certificated form from time to time, and of the Secured Obligations issued from time to time, and the issuance of any Credit Facilities or Exchange Agreements, the provisions of this Resolution shall be deemed to be and shall constitute a contract between the Authority, the Trustee and Owners of the Secured Obligations, and, without limitation, the Registered Owners from time to time of the Bonds, any Credit Facility Providers and the parties to any Exchange Agreements and the covenants and agreements herein set forth to be performed on behalf of the Authority shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided herein.

SECTION 1.3. Scope of Resolution. Nothing in this Resolution shall limit the power of the Authority to issue obligations of the Authority outside this Resolution for any lawful purpose of the Authority or from granting liens on the Pledged Revenues which are expressly subordinate to the Lien of this Resolution or from granting liens of any priority on revenues of the Authority which are not Revenues as defined herein.

SECTION 1.4. Construction. (a) In this Resolution (except as otherwise expressly provided or unless the context clearly otherwise requires) the singular includes the plural, the masculine includes the feminine, all definitions and references to documents include all amendments or supplements thereto, and all definitions and references to Persons or entities include their respective successors and assigns.

(a) Words importing the “redemption” “redeemed” or “calling for redemption” of Bonds do not include or connote the payment of Bonds at their stated maturity, or the payment of

Bonds upon declaring such Bonds due and payable in advance of their maturity, or the purchase of Bonds.

(b) All references in this Resolution to designated “Articles,” “Sections” and other subdivisions of this Resolution are to the designated Articles, Sections or other subdivisions of this instrument as amended from time to time. The words “herein,” and “hereunder” and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or other subdivision unless otherwise specified.

(c) The word “or” is used in its inclusive sense.

SECTION 1.5. Definitions. The following terms whenever used in this Resolution shall have the meanings set forth in this Section except as otherwise expressly provided or unless the context clearly requires otherwise:

“Accountant” means such independent certified public accountant or accounting firm as shall at the time be employed by the Authority for the purpose of performing the functions and duties of the independent certified public accountant under this Resolution or the Act.

“Accreted Amount” means at any particular time, the then current amount of any Capital Appreciation Indebtedness used for the purpose of determining any required principal amount for Bondowners’ consents or approvals, the amount of Bonds Outstanding, the redemption price of such Indebtedness or the priority of any claim for payment of interest or principal upon the occurrence of an Event of Default, all as provided in the Supplemental Resolution authorizing the issuance of any such Capital Appreciation Indebtedness.

“Accrued Debt Service” means for the sum of Accrued Interest and Accrued Principal for all Outstanding Bonds.

“Accrued Interest” means the interest component of Debt Service Requirements which has accrued or will accrue on any particular series of Outstanding Bonds less (i) any interest component which accrues during such period, which is to be paid from money or Investment Securities or the earnings thereon, which money or Investment Securities are on deposit in a separate fund or account, such as a capitalized interest sub-account, or are otherwise segregated for such purpose, and (ii) any interest which has accrued but is not due and payable within the twelve (12) month period immediately following such accrual. A Supplemental Resolution authorizing the issuance of Additional Parity Indebtedness, with the consent of each Credit Facility Provider, may modify or amend this definition of Accrued Interest for such Additional Parity Indebtedness.

“Accrued Principal” means the principal component of Debt Service Requirements which has “accrued” or will “accrue” on a particular series of Outstanding Bonds less any principal component which accrues during such period but is to be paid from money or Investment Securities or the earnings thereon which money or Investment Securities are on deposit in a separate fund or account or are otherwise segregated for such purpose. For purposes of this definition, it shall be assumed that the principal component accrues in twelve (12) equal monthly installments commencing on the twelfth month preceding the date on which payment is due, except that (i) with respect to the principal component of a series of Bonds which is payable more frequently than

annually, the principal component shall accrue in equal monthly installments from one payment date to the next; (ii) if the first principal payment date on a series of Bonds is less than twelve (12) months after the issuance of such series of Bonds, the principal component due on such first payment date shall accrue in equal monthly installments from the date of issuance to the first payment date, and (iii) with respect to Balloon Indebtedness, the principal component maturing or payable on one date shall be deemed to accrue in the month in which such component matures or is payable and not in monthly installments prior to such date. In all events, principal shall be determined to accrue in monthly amounts sufficient to assure the full amount due on any principal payment date and to be paid from the Debt Service and Sinking Fund will be on deposit in the Debt Service and Sinking Fund on the payment date. If an Event of Default occurs and Bonds have been declared to be due and payable as provided in this Resolution, then, in each calendar month, the entire unpaid principal of all Bonds which have been accelerated shall be deemed to have accrued in that calendar month. A Supplemental Resolution authorizing the issuance of Additional Parity Indebtedness, with the consent of each Credit Facility Provider, may modify or amend this definition of Accrued Principal with respect to such Additional Parity Indebtedness.

“Act” means (i) the Livingston County Water and Sewer Authority Act, being Title 8-G of Article 5 of the Public Authorities Law as enacted by Chapter 411 of the Laws of 1995 of the State, as it may from time to time be amended.

“Act of Bankruptcy” means with respect to any Person the occurrence of one of the following events: (a) the Person shall become insolvent or shall fail to pay its debts generally as they become due, or shall admit in writing its inability to pay any of its indebtedness; (b) the Person shall file a case under the Federal Bankruptcy Code to be declared a bankrupt or for reorganization; (c) the Person shall consent to, or petition or apply to any authority for the appointment of a receiver, liquidator, trustee or similar official for itself or for all or any part of its properties; (d) any such receiver, liquidator, trustee or similar official shall otherwise have been appointed and shall not have been removed, dismissed or stayed within sixty (60) days of such appointment; or (e) insolvency, reorganization, arrangement, or liquidation proceedings (or similar proceedings) shall have been instituted by or against the Person, and if instituted against the Person, shall not have been dismissed within sixty (60) days of being instituted.

“Additional Indebtedness” means any Indebtedness incurred by the Authority and issued hereunder subsequent to the issuance of the 2008 Notes. Additional Indebtedness may constitute Additional Parity Indebtedness, Subordinated Indebtedness, Credit Notes or any combination thereof.

“Additional Parity Indebtedness” means any Indebtedness of the Authority incurred pursuant to Article III hereof secured by a Lien on the Trust Estate on a parity basis with Outstanding Bonds, if any.

“Advance-Refunded Municipal Bonds” means obligations the interest on which is excluded from gross income for purposes of federal income taxation that have been advance-refunded prior to their maturity and that are fully and irrevocably secured as to principal and interest by Government Obligations described in subparagraphs (a), (b) or (n) of the definition of Investment Securities held in trust for the payment thereof, which Advance-Refunded Municipal

Bonds are rated in the highest rating category by each Rating Agency that maintains a credit rating with respect to such Advance-Refunded Municipal Bonds.

“Authority” means the Livingston Water and Sewer Authority, a body corporate and politic constituting a public benefit corporation created and existing under and by virtue of the Act.

“Authority Budget” shall mean the annual budget of the Authority, as amended or supplemented, adopted or in effect for a particular Fiscal Year, as provided in Section 9.7 hereof.

“Authorized Denominations” means (i) with respect to the 2008 Notes, a single denomination of the principal amount thereof and (ii) with respect to any Additional Indebtedness, a minimum denomination specified in the Supplemental Resolution under which such Additional Indebtedness is issued.

“Authorized Newspaper” means a newspaper selected by the Trustee printed in the English language and customarily published at least five (5) days each week and generally circulated within the Borough of Manhattan, City and State of New York, and when successive publications in an Authorized Newspaper are required, they may be made in the same or different Authorized Newspapers.

“Authorized Representative” or “Authorized Officer” means, with respect to the Authority, the Chairperson, Vice Chairperson, Treasurer or Secretary thereof, or any other officer or person authorized to perform specific acts or duties by resolution duly adopted by the Governing Board of the Authority and in the case of any Credit Facility Provider, the President or any Vice President of the Credit Facility Provider, or any other officer authorized to perform specific acts or duties by resolution duly adopted by the Board of Directors, or relevant committee thereof, of the Credit Facility Provider and with respect to the County, means the Treasurer.

“Balloon Indebtedness” shall mean Indebtedness fifty percent (50%) or more of the initial principal amount of which matures or is payable at the option of the owners thereof on the same date, which portion of the principal is not required by the documents governing such Indebtedness to be amortized by redemption prior to such date. In calculating the Debt Service Requirement for purposes of determining the Debt Service Reserve Requirement or compliance with Additional Parity Indebtedness requirements, the Debt Service Requirement for such Indebtedness during such Fiscal Year shall be determined in accordance with the provisions of the Supplemental Resolution authorizing the issuance of such Indebtedness.

“Beneficial Owners” means purchasers of Bonds whose ownership interest is evidenced only in the Book-Entry System maintained by the Depository.

“Bond” or “Bonds” means the 2008 Notes and any Additional Parity Indebtedness issued pursuant to this Resolution.

“Bond Counsel” means Orrick, Herrington & Sutcliffe LLP or any other nationally recognized counsel experienced in matters of municipal law and the tax-exempt status of obligations under the Code, acceptable to the Authority.

“Bondowner,” “Owner,” “owner” and “Registered Owner” means the Depository or its nominee, if the Book-Entry System maintained by the Depository pursuant to Section 2.6 is in effect, or the person in whose name any Bond is registered in the Bond Register System maintained by the Trustee pursuant to Section 2.7 hereof.

“Bond Register System” means a system of Ownership and transfer of Bonds registered on the registration books of the Authority kept for that purpose by the Trustee, as Bond register.

“Book-Entry System” means a system for clearing and settlement of securities transactions among participants of a Depository (and other parties having custodial relationships with such participants) through electronic or manual book-entry changes in accounts of such participants maintained by the Depository for recording ownership of the Bonds by Beneficial Owners and transfers of ownership interests in the Bonds.

“Business Day” or “business day” means any day (other than Saturday or Sunday) during which (i) commercial banks located in the State or in any of the cities in which the Principal Office of the Trustee or the office of any then current Credit Facility Provider at which a draw or claim on the Credit Facility is to be made are located are not required or authorized by law to close; and (ii) The New York Stock Exchange, Inc. is not closed.

“Capital Appreciation Indebtedness” means any Additional Indebtedness with a stated amount due at maturity, the interest on which is not payable until maturity or earlier redemption. In calculating the Debt Service Requirement in any Fiscal Year for Capital Appreciation Indebtedness for purposes of determining the Debt Service Reserve Requirement or compliance with Additional Parity Indebtedness requirements, the Debt Service Requirement for such Indebtedness during such Fiscal Year shall be determined in accordance with the provisions of the Supplemental Resolution authorizing the issuance of such Capital Appreciation Indebtedness.

“Charges” means any rates or charges imposed by the Authority for Services.

“Code” means the Internal Revenue Code of 1986, as amended, and with respect to a specific section thereof, such reference shall be deemed to include (i) the regulations promulgated under such section, (ii) any successor provision of similar import hereafter enacted, (iii) any corresponding provisions of any subsequent Internal Revenue Code, (iv) the regulations prescribed under the provisions described in (ii) and (iii), and (v) any published revenue rulings applicable thereto.

“Cost” or “Costs” or “Costs of the Project” means “Costs” as defined in the Act.

“Costs of Issuance” means any costs relating to the issuance of any series of Bonds, including, without limitation, costs pertaining to credit enhancement, underwriting or placement fees, expenses and discounts, attorneys’ fees and expenses, printing and advertising expenses, fees and expenses of consultants and governmental or administrative fees and expenses.

“Counsel” means an attorney at law or law firm (who may be counsel for the Authority, the County, the Trustee or a Credit Facility Provider).

“County “ means the County of Livingston, New York, a municipal corporation of the State of New York, or its successors or assigns.

“Credit Agreement” means any agreement pursuant to which a Credit Facility is issued or provided for.

“Credit Facility” or “Credit Facilities” means any credit enhancement, guaranty, letter of credit, insurance policy, surety bond, standby bond purchase agreement or other credit facility or liquidity facility, and any extension or renewal thereof which is delivered to the Trustee as security or liquidity for the payment of the principal or purchase price of or interest on any series of Bonds or any portion thereof, and includes any Reserve Fund Credit Facility.

“Credit Facility Bonds” means those Bonds which are purchased from funds drawn under a Credit Facility by the Trustee during the period of time that such Bonds are not remarketed and are held by or for the account of any Credit Facility Provider.

“Credit Facility Default” means either (i) failure by the Credit Facility Provider to pay any claim or draw under the Credit Facility when due in accordance with its terms or (ii) Act of Bankruptcy of the Credit Facility Provider.

“Credit Facility Provider” means the provider of any Credit Facility, and includes any Reserve Fund Credit Facility Provider.

“Credit Note” means the promissory note or other instrument or agreement evidencing or setting forth the Authority’s obligations to a Credit Facility Provider pursuant to a Credit Agreement.

“Debt Service and Sinking Fund” means the fund so designated which is established pursuant to Section 5.4 of this Resolution.

“Debt Service Requirements” means, with reference to any specified period, the amounts required to be paid by the Authority to the Trustee for the owners of Indebtedness (or any trustee or paying agent for such owners) in respect of the principal of Indebtedness (including mandatory redemptions or prepayments) and the interest thereon, and the amounts required to be paid by the Authority as lease rentals in respect of Indebtedness in the form of capitalized leases, provided that, for the purposes of the foregoing:

(a) The amount deemed payable by the Authority in respect of interest on any Indebtedness shall not include interest funded and available from the proceeds thereof, any interest subsidy or corpus allocation percentage reasonably anticipated by the Authority to be available under any Project Finance Agreement, or similar agreement, executed with the New York State Environmental Facilities Corporation, or any successor thereof or any similar State agency or instrumentality, or, upon initial issuance, any accrued interest; and

(b) The amount deemed payable by the Authority in respect of the principal of and interest on any Balloon Indebtedness, Capital Appreciation Indebtedness, or Variable Rate Indebtedness shall be calculated and, to the extent required, recalculated as provided in this Resolution.

“Debt Service Reserve Fund” means the fund so designated which is established pursuant to Section 5.5 of this Resolution.

“Debt Service Reserve Requirement” means with respect to a particular date and with respect to a series or series of Bonds, but only if the Supplemental Resolution relating to the particular series or series of Bonds, so requires, the lesser of: (a) the maximum annual Debt Service Requirements with respect to the Outstanding Bonds of such series in the then current and all future Fiscal Years (for the purposes of which calculation any Variable Rate Indebtedness shall be calculated pursuant to the Supplemental Resolution pursuant to which the Indebtedness has been issued); (b) 125% of the average annual Debt Service Requirements (excluding Purchase Payments) with respect to the Outstanding Bonds of such series in the then current and all future Fiscal Years (for the purposes of which calculation any Variable Rate Indebtedness shall be calculated pursuant to the Supplemental Resolution pursuant to which the Indebtedness has been issued); and (c) the maximum amount that may be held in the Debt Service Reserve Fund, in the opinion of Bond Counsel to the Authority, with respect to a series of Bonds intended to be tax-exempt without adversely affecting the Tax-Exempt status of such Bonds. The Debt Service Reserve Requirement may be satisfied in whole or in part by a Reserve Fund Credit Facility. For purposes of calculating the Debt Service Reserve Requirement, the cost of any applicable Credit Facility shall be included as if it were interest on the Bonds of the related series of Bonds.

“Depository” means The Depository Trust Company, New York, New York, or any other entity performing substantially the same function under a Book-Entry System, and any successor depository designated pursuant to Section 2.6 hereof.

“Eastern Time” means the prevailing local time in The City of New York, New York.

“EFC” means the New York State Environmental Facilities Corporation.

“Event of Default” means any of the events described in Section 10.1 of this Resolution.

“Federal Bankruptcy Code” means Title 11 of the United States Code.

“First Supplemental Resolution” means the Supplemental Resolution, dated as of February 7, 2008, adopted by the Authority that is supplemental hereto and relates to the 2008 Notes.

“Fiscal Year” means the period of twelve months commencing on January 1 and ending on December 31.

“Fitch” means Fitch Ratings, New York, New York, its successors and assigns, or if such corporation dissolves or no longer performs the functions of a securities rating agency, such other nationally recognized securities rating agency designated by the Authority and not unacceptable to either the Trustee or any Remarketing Agent.

“Generally Accepted Accounting Principles” shall mean those accounting principles applicable in the preparation of financial statements of municipalities, authorities, or corporations as appropriate, as promulgated by the Financial Accounting Standards Board or such other body recognized as authoritative by the American Institute of Certified Public Accountants or any successor body.

“Governing Board” means the members of the Authority constituting and acting as the governing body of the Authority as provided in the Act.

“Government Obligations” means United States Treasury bills or other interest-bearing direct obligations of (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or obligations the principal and interest of which are unconditionally guaranteed as to full and timely payment by, the United States of America, but not mutual funds (including unit investment trusts)) investing in such obligations other than money market funds that are rated in the highest category by Moody’s, S & P and Fitch.

“Indebtedness” means, as to the Authority, at a particular time, all items which would, in conformity with Generally Accepted Accounting Principles, be classified as liabilities on a balance sheet of the Authority at such time, but in any event including without limitation (a) indebtedness arising under acceptance facilities or in respect of all letters of credit issued for the account of the Authority and, without duplication, all drafts drawn thereunder, (b) obligations under leases which have been, or under Generally Accepted Accounting Principles are required to be, capitalized, and (c) all indebtedness secured by (or for which the owner of such indebtedness has the right to be secured by) any mortgage, deed of trust, pledge, security interest or other lien, charge or encumbrance upon property owned or acquired subject to such mortgage, deed of trust, pledge, security interest, lien, charge or encumbrance, whether or not the liabilities secured thereby have been assumed. Indebtedness shall not in any event include (a) current obligations payable from current revenue, including current payments for the funding of pension or other employee benefit plans (which shall be considered Operating Expenses) but shall include the current portion of Indebtedness classified as a current obligation under Generally Accepted Accounting Principles; (b) obligations under contracts for supplies, services and pensions, allocable to current operating expenses of future years in which the supplies are to be furnished, the services rendered or the pension benefits paid (which shall be considered Operating Expenses in such future years); and (c) rentals payable in future years under leases, other than leases properly capitalized under Generally Accepted Accounting Principles (which shall be considered operating Expenses in such future years).

“Independent” means a Person who is not an officer, director or employee of a Credit Facility Provider or a member, officer or employee of the Authority or the County; provided, however, that the fact that such Person is retained regularly by or transacts business with the Authority, the County or the Credit Facility Provider shall not make such Person an employee within the meaning of this definition.

“Interest Payment Date” means for any Bonds the date on which interest on such Bonds is payable according to the Supplemental Resolution pursuant to which such Bonds were issued.

“Investment Securities” means and includes any of the following:

- (a) Government Obligations;
- (b) Government Obligations which have been stripped of their unmatured interest coupons and interest coupons stripped from either Government Obligations or obligations of the

Resolution Trust Company, which interest coupons are obligations of or guaranteed by the United States of America;

(c) Bonds, debentures, notes or other evidence of indebtedness issued by any of the following: Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association, Bank for Cooperatives, Federal Intermediate Credit Banks, Federal Financing Bank, Export-Import Bank of the United States, or Federal Land Banks, or the Resolution Trust Company;

(d) All other obligations issued or unconditionally guaranteed as to the timely payment of principal and interest by an agency or person controlled or supervised by and acting as an instrumentality of the United States government pursuant to authority granted by Congress;

(e) (i) Interest-bearing time or demand deposits, certificates of deposit, or other similar banking arrangements with any government securities dealer, bank, trust company, savings and loan association, national banking association or other savings institution (including the Trustee), provided that such deposits, certificates, and other arrangements are fully insured by the Federal Deposit Insurance Corporation or any successor federal deposit insurance corporation or entity or (ii) interest-bearing time or demand deposits or certificates of deposit with any bank, trust company, national banking association or other savings institution (including the Trustee), provided such deposits and certificates are in or with a bank, trust company, national banking association or other savings institution which either (A) has an unsecured, uninsured and unguaranteed obligation rated “Prime-1” or “A3” or better by Moody’s and “A-1” or “A-” or better by S & P or (B) is the lead bank of a parent bank holding company with an unsecured, uninsured and unguaranteed obligation meeting the rating requirements in (e)(ii)(A) above, and provided further that with respect to (i) and (ii) any such obligations are held by the Trustee or a bank, trust company or national banking association other than the issuer of such obligations (unless the issuer is the Trustee);

(f) Repurchase agreements or investment agreements collateralized by securities described in subparagraphs (a), (b), (c) or (d) above or (1) or (m) below, to the extent that any municipal bonds are rated in the highest rate category of one or more Rating Agencies with any registered broker/dealer subject to the Securities Investors’ Protection Corporation or that is an approved Federal Reserve Bank primary dealer or with any commercial bank (including the Trustee), provided that (1) a specific written repurchase agreement or investment agreement governs the transaction, (2) the securities, free and clear of any lien, are held by the Trustee or an independent third party acting solely as agent for the Trustee, and such third party is (a) a Federal Reserve Bank, or (b) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$25 million, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee, (3) a perfected first security interest under the Uniform Commercial Code, or book entry procedures described in 31 CFR 306.1 et seq. or 31 CFR 350. et seq., in such securities is created for the benefit of the Trustee, (4) the Trustee will value the collateral securities no less frequently than monthly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two (2) Business Days of such valuation, or, in the case of a repurchase agreement, the agreement has a term of thirty (30) days or less, (5) the fair market value of the collateral securities in relation to

the amount of the repurchase obligation or the payment obligation, depending on whether it is a repurchase agreement or an investment agreement, including principal and interest, is equal to at least 100% and (6) the collateral was not acquired by the broker/dealer pursuant to a repurchase agreement or reverse repurchase agreement;

(g) Uncollateralized investment agreements issued or guaranteed by entities with debt obligations of comparable or longer maturity that are rated “Aa3” or better by Moody’s and “AA-“ or better by S & P;

(h) Money market funds rated “Am” or “Am-G” or better by Moody’s and S & P;

(i) Commercial paper rated “Prime-1” or better by Moody’s and “A-1” or better by S & P;

(j) Obligations rated “A3” or better by Moody’s and “A-” or better by S & P;

(k) Shares of investment companies or cash equivalent investments which are authorized to invest only in assets or securities described in subparagraphs (a), (b), (c) and (d) above; provided, however, that investment in obligations described in this clause (k) shall not exceed \$500,000;

(l) Advance-Refunded Municipal Bonds;

(m) Tax-Exempt Obligations that are rated “A-3” or better or V-MIG 1 by Moody’s and “A-” or better or A-1 by S & P, or shares of investment companies that invest only in such obligations;

(n) Certificates that evidence ownership of the right to payments of principal of or interest on Government Obligations, provided that (1) such obligations shall be held in trust by a bank or trust company or national banking association meeting the requirements for a successor Trustee under this agreement, (2) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying Government Obligations, and (3) the underlying Government Obligations are held in a special account separate from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian or any person to whom the custodian may be obligated; and

(o) The Trustee’s “cash sweep account” or other short term investment fund of the Trustee, the assets of which consist of other Investment Securities defined above.

“Lien” means any sale, transfer, assignment, disposition, mortgage, pledge, security interest, lien, judgment lien, easement or other encumbrance on title, excluding Permitted Encumbrances.

“Moody’s” means Moody’s Investors Service, Inc., New York, New York, its successors and assigns, or if such corporation dissolves or no longer performs the functions of a securities rating agency, such other nationally recognized securities rating agency designated by the Authority and not unacceptable to either the Trustee or any Remarketing Agent.

“1986 Code” means the Code.

“Non-Purpose Obligations” shall have the meaning given such term under Section 1.148-1(b) of the Income Tax Regulations of the United States Department of the Treasury.

“Officer’s Certificate” means a certificate or statement signed by an Authorized Representative or Authorized Officer of the Authority, or, as the context may require, of the Credit Facility Provider.

“Operating Expenses” means the expenses reasonably incurred or to be incurred by the Authority in connection with the operation of the System, including, without limitation, all reasonable costs of operating, maintaining, insuring or repairing the System as may be necessary or proper to maintain adequate service, fees and expenses reasonably incurred or to be incurred by the Authority payable by the Authority to other Persons in connection with Services, all fees paid by the Authority to other parties in connection with the operation of the System, all taxes imposed upon the Authority or its assets or properties, auditing fees, legal fees, engineering fees, financial advisory fees, office expenses, general administrative and management expenses, compensation and expenses of the Trustee (including those of its counsel) and any remarketing fees and expenses with respect to any Bonds provided, however, that Operating Expenses shall not include depreciation on the System or any other non-cash charge, interest or principal on Indebtedness or Payment obligations. Without limiting the foregoing, Operating Expenses shall also include all costs of any Credit Facility and all administrative expenses.

“Operating Revenues” means for any period the Revenues of the Authority, excluding any extraordinary gain or loss resulting from the extinguishment of Indebtedness, the sale of capital assets, the proceeds of insurance claims, except business interruption insurance, and settlements and of condemnation awards or payments in lieu thereof, and the proceeds of any Indebtedness, all determined in accordance with Generally Accepted Accounting Principles.

“Outstanding,” when used with reference to a series of Bonds, shall, subject to the provisions of the Resolution, mean as of any particular time all of the Bonds authenticated and delivered by the Trustee under the Resolution, except:

- (a) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation;
- (b) Bonds for the payment or redemption of which money in the necessary amount shall have been deposited with the Trustee, and with respect to Bonds to be redeemed prior to maturity, notice of such redemption shall have been given or provided for as provided in the Resolution;
- (c) Bonds in substitution for which other Bonds shall have been authenticated and delivered pursuant to the terms of the Resolution; and
- (d) Bonds which are deemed to have been paid pursuant to the provisions of Article XIV hereof.

“Paying Agent” shall mean the Trustee or any other or successor Paying Agent appointed in accordance with any Supplemental Resolution.

“Payment Date” or “payment date” means, (a) with respect to payments of principal or interest on the 2008 Notes or any Additional Indebtedness, including upon the redemption of any of the same, such dates as may be specified in the applicable Supplemental Resolution and (b) in the case of payments to Bondowners after the occurrence of an Event of Default, such other date or dates as the Trustee shall establish for the payment of principal or interest.

“Payment Obligations” means all amounts due and owing to a Credit Facility Provider under a Credit Agreement.

“Permitted Encumbrances” means, as of any particular time, (i) leases, encumbrances, mortgages, easements or rights of way with respect to real estate of the Authority which the Authority has determined by resolution to be necessary or desirable in connection with the development of Projects, (ii) liens for ad valorem taxes, assessments or other governmental charges, permitted to exist as provided herein or not then delinquent, (iii) any mortgage or security agreement securing any Credit Facility Provider as permitted herein, (iv) any Lien created under this Resolution, (v) existing utility, access and other easements and rights of way, restrictions and exceptions and future encumbrances of like nature not arising out of the borrowing of money or the securing of advances of credit which will not interfere with or impair the operation of the property for its intended purpose, (vi) liens arising in connection with workers’ compensation, unemployment insurance, old age pensions and social security benefits and liens securing appeal and release bonds, provided that adequate provision for the payment of all such obligations has been made by the Authority, (vii) attachment and judgment liens, so long as the same are being contested in good faith and by appropriate legal proceedings, (viii) any mechanic’s, laborer’s, materialman’s, supplier’s or vendor’s lien or right or purchase money security interest in respect thereof if payment is not yet due and payable under the contract in question or which is being contested in accordance with the provisions hereof and which is bonded if and to the extent required by law, including without limitation the General Municipal Law of the State, (ix) those matters which were in existence at the time of the issuance of the 2008 Notes, and (x) such minor defects, irregularities, encumbrances, easements, rights of way, and clouds on title as normally exist with respect to properties similar in character to the property and as do not, in the opinion of Counsel, have a materially adverse effect on the use of the property for the purposes intended.

“Person” means an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization, a governmental body, political subdivision, municipality or authority or any other group or entity.

“Pledged Revenues” means all Revenues which have been pledged to the Trustee under this Resolution by the Granting Clauses hereof, whether or not they are held by the Trustee or its agent.

“Prime Rate” means the rate of interest publicly announced from time to time in The Wall Street Journal as the “prime rate” for major commercial banks, with the Prime Rate for any given calendar month being calculated by using the Prime Rate in effect as of the first day of such month.

“Principal Office,” when referring to the Trustee or any Paying Agent, means the office where any such institution maintains its principal corporate trust office, and when referring to a Credit Facility Provider means the office at which a demand for payment must be made,

“Principal Payment Date” means with respect to 2008 Notes February 7, 2010 or as otherwise provided in the Supplemental Resolution providing for the issuance of any Bonds.

“Project” means any project as such term is used in the Act.

“Rating Agencies” means S & P, Moody’s, Fitch, or any other nationally recognized credit rating agency, to the extent that such entity was initially requested by the Authority to rate its obligations and then maintains a credit rating with respect to the relevant security.

“Rebate Amount” means all interest income and profits earned on the investment of the proceeds of Tax-Exempt Bonds which is required to be paid to the United States under Section 148 (f) of the Code, calculated and determined in accordance with the Regulations in effect from time to time under that Section.

“Rebate Fund” means the separate fund created under Section 5.8 hereof.

“Record Date” means, as the case may be, (i) the Record Date for payment of the purchase price, principal of or interest on a series of Bonds as provided in the Supplemental Resolution pertaining to such series of Bonds or (ii) the record date established by the Authority in accordance with Section 13.2 hereof for obtaining consents from bondowners.

“Registered Owner” means the Depository or its nominee, if the Book-Entry System maintained by the Depository pursuant to Section 2.6 is in effect, or the person in whose name any Bond is registered, if the Bond Register System maintained by the Trustee pursuant to Section 2.7 hereof is in effect.

“Remarketing Agent” means the person or entity appointed as such under any Supplemental Resolution with respect to the Bonds of the series of Bonds authorized thereunder.

“Reserve Fund Credit Facility” means the letter of credit, insurance policy or surety bond, together with any substitute or replacement therefor, if any, complying with the provisions of Section 5.6 hereof, thereby fulfilling all or a portion of the Debt Service Reserve Requirement.

“Reserve Fund Credit Facility Provider” means any provider of a Reserve Fund Credit Facility.

“Resolution” means this instrument, together with all modifications hereof and amendments and supplements hereto.

“Revenues” means all rates, fees, charges and other income and receipts derived from the operation of the System including, without limiting the generality of the foregoing, Charges, investment proceeds and proceeds of insurance, condemnation, and sale or other disposition of assets, together with all federal, State or municipal aid, if any. Revenues do not include draws on reserves.

“Revenue Fund” means the fund so designated which is described in Section 5.2 of this Resolution.

“Secured Obligations” means the various obligations secured by this Resolution as described in the granting clauses hereto.

“Services” means any sewerage or water service or services with respect to the System required or permitted by the Act.

“S & P” means Standard & Poor’s Corporation, New York, New York, its successors and assigns, or if such corporation dissolves or no longer performs the functions of a securities rating agency, such other nationally recognized securities rating agency designated by the Authority and not unacceptable to either the Trustee or the remarketing agent, if any.

“Sinking Fund Installments” means for any Fiscal Year and any series of Bonds, the principal amount thereof subject to mandatory redemption pursuant to Section 5.4 hereof and the applicable Supplemental Resolution.

“State” means the State of New York.

“Stated Amount” means the amount set forth in any Credit Facility as the maximum amount the Trustee is permitted to draw from said Credit Facility, in respect of both principal and interest, as such amount is reduced and reinstated from time to time in accordance with the terms of the Credit Facility.

“Subordinated Indebtedness” means any Indebtedness of the Authority secured by a Lien on the Pledged Revenues that is by its terms expressly subordinated to the Lien on the Pledged Revenues securing the Bonds.

“Supplemental Resolution” means any Resolution amending, modifying or supplementing this Resolution made, signed and becoming effective in accordance with the terms hereof.

“System” means the System for furnishing Services.

“Tax-Exempt” means, with respect to interest on any obligations of a state or local government or public instrumentality, including Bonds, that such interest is excluded from gross income for federal tax purposes (other than for an owner who is a “substantial user” of the project being financed or a “related person” within the meaning of Section 147(a) of the Code), whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code. The Trustee may conclusively rely on an opinion of Independent Counsel experienced in the field of Tax-Exempt obligations to the effect that a particular series of Bonds is Tax-Exempt.

“Tender Agent” means the person or entity designated as such in a Supplemental Resolution.

“Trust Estate” means the revenue, receipts, property, and rights and interest of the Authority which are subject to the Lien of this Resolution.

“Trustee” means Manufacturers and Traders Trust Company, in its capacity as trustee under this Resolution, or its successors in the trust.

“2008 Notes” means the Authority’s initial issuance of \$964,150 original aggregate principal amount System Revenue Notes issued pursuant to this Resolution as further provided in the First Supplemental Resolution.

“Variable Rate Indebtedness” means any Bond, the rate of interest on which is subject to change prior to maturity and which cannot be determined in advance of such change, including but not limited to Bonds in a commercial paper mode. In calculating the Debt Service Requirement for purposes of compliance with Additional Parity Indebtedness requirements, such Variable Rate Indebtedness shall be deemed to be Indebtedness bearing interest calculated pursuant to the Supplemental Resolution pursuant to which the Indebtedness has been issued.

The words “hereof,” “herein,” “hereto,” “hereby” and “hereunder” (except in the form of Bond) refer to the entire Resolution.

SECTION 1.6. Form of Documents. Every “request,” “order,” “demand,” “application,” “requisition,” “appointment,” “notice,” “statement,” “certificate,” “consent,” or similar action hereunder by the Authority, unless the form thereof is specifically provided, shall be in writing signed by an Authorized Representative or Authorized Officer.

ARTICLE II

CONCERNING THE BONDS.

SECTION 2.1. Authorization of 2008 Notes. There shall be initially issued hereunder \$964,150 System Revenue Notes, 2008, as more particularly described in the First Supplemental Resolution. The 2008 Notes (or any amendment, modification, replacement, reissuance or refunding of the 2008 Notes) shall each be issued for such purposes, shall be in such form and denomination, shall bear such dates, shall be numbered, shall mature and bear interest and shall have such other terms and provisions (including the application of any Credit Facility) permitted under the Act and not contrary to the terms of this Resolution as shall be provided in the First Supplemental Resolution.

(a) Additional Parity Indebtedness may also be issued under this Resolution pursuant to and subject to the terms and conditions of Article III hereof. The Additional Parity Indebtedness shall be issued in such aggregate principal amounts, for such purposes, shall be in such form and denomination, shall bear such dates, shall be numbered, shall mature and bear interest and shall have such other terms and provisions (including the application of any Credit Facility) permitted under the Act and not contrary to the terms of this Resolution (including particularly but without limitation this Article II and Article III of the Resolution) as shall be provided in the Supplemental Resolution executed in connection with the issuance thereof.

(b) Bonds may also be issued under this Resolution pursuant to Section 2.10 hereof in lieu of Bonds theretofore issued which have been mutilated, lost, destroyed or stolen.

SECTION 2.2. Place, Manner and Source of Payment of Bonds. The principal of and interest on the Bonds issued and to be issued hereunder, and the redemption premium, if any, payable thereon in case of redemption, shall be payable as may be designated in the particular Bond issued or to be issued hereunder, in lawful money of the United States of America.

Interest on Bonds of each series of Bonds shall be payable at the rates and in the manner specified herein and in the Supplemental Resolution authorizing such series of Bonds and shall accrue from the dated date of such Bonds and be payable in arrears. The interest on Bonds shall be paid by check or draft of the Trustee mailed on the relevant Interest Payment Date to the Registered Owner of the Bond as of the close of business on the relevant Record Date provided, however, payment to EFC or its nominee shall be made as agreed upon with EFC or its nominee. Interest on any Bonds may also be payable by wire transfer to any Registered Owner of such Bonds in the principal amount of \$1,000,000 or more as of the close of business on the Record Date next preceding any Interest Payment Date at a wire destination in the continental United States provided such owner submits to the Trustee a written request therefor at least five (5) days before the Record Date for such payment.

The principal amount of the Bond and any redemption premium shall be paid to the Registered Owner thereof upon the surrender of the Bond at the principal corporate trust office of the Trustee.

SECTION 2.3. Execution of Bonds. All Bonds issued hereunder shall be executed in the name of the Authority by the manual or facsimile signature of its Chairperson or Vice-Chairperson, and an actual impression or facsimile of the corporate seal shall be thereunto affixed and attested by the manual or facsimile signature of its Secretary (or in either case such other officer as may be designated by the Authority). Any such Bonds may be authenticated, issued and delivered notwithstanding that one or more of the officers signing such Bonds or whose facsimile signature shall be upon such Bonds or any thereof, shall have ceased to be such officer or officers at the time when such Bonds shall actually be delivered, and although at the nominal date of the Bonds any such person shall not have been such officer of the Authority.

SECTION 2.4. Authentication of Bonds. No Bonds shall become valid or obligatory for any purpose until such Bonds shall have been authenticated by the Trustee, and such authentication by the Trustee upon any Bond shall be conclusive evidence and the only evidence that the Bond so authenticated has been duly authenticated pursuant to the written direction of the Authority and delivered hereunder and that the Registered Owner thereof is entitled to the benefit of the trust and lien hereby created.

SECTION 2.5. Bonds Are Negotiable Instruments. The Bonds shall have the qualities of negotiable instruments under the merchant law and the negotiable instruments law of the State, as well as the Uniform Commercial Code as adopted by the State, subject to the provisions for registration and transfer contained in Section 2.6 and in the Bonds.

SECTION 2.6. Transfer and Exchange of Bonds; Book-Entry System. (a) Except as may be provided in any Supplemental Resolution or as provided in this Section 2.6 or in Section 2.7, each series of Bonds shall be subject to the Book-Entry System of ownership and transfer. Each series of Bonds subject to the Book-Entry System of ownership and transfer shall initially be evidenced by one certificate for each maturity, in an amount equal to the aggregate principal amount thereof. The Bonds so initially delivered shall be registered in the name of “Cede & Co.” as nominee for the Depository. The Bonds subject to the Book-Entry System of ownership and transfer may not thereafter be transferred or exchanged on the registration books of the Authority held by the Trustee as bond registrar except:

(i) to any successor Depository designated pursuant to (b) below;

(ii) to any successor nominee designated by a Depository; or

(iii) if the Authority shall, by resolution, elect to discontinue the Book-Entry System pursuant to (b) below, the Authority will cause the Trustee to authenticate and deliver replacement Bonds in fully registered form to such persons, and in such authorized denominations, as may be designated by the Depository, but without any liability on the part of the Trustee or the Authority for the accuracy of such designation; thereafter the provisions of Section 2.7 below regarding registration, transfer and exchange of Bonds shall apply.

(b) Upon the resignation of any institution acting as Depository hereunder, or if the Authority determines that continuation of any institution in the role of Depository is not in the best interests of the Beneficial Owners or the Authority, the Authority will attempt to identify another institution qualified to act as Depository hereunder. If the Authority is unable to identify such successor Depository prior to the effective date of the resignation, the Authority shall, by resolution, discontinue the Book-Entry System, as provided in (a)(iii) above with respect to the applicable series of Bonds.

(c) So long as the Book-Entry System is used for Bonds of a series of Bonds, the Authority and the Trustee shall treat the Depository (or its nominee) as the sole and exclusive owner of such Bonds registered in its name for the purposes of payment of the principal or redemption price of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondowners under this Resolution, registering the transfer of such Bonds, obtaining any consent or other action to be taken by Bondowners and for all other purposes whatsoever, except as may otherwise be provided by law; and neither the Authority nor the Trustee shall be affected by any notice from any Person other than the Depository (or its nominee) to the contrary. None of the Authority, any Credit Facility Provider or the Trustee shall have any responsibility or obligation to any participant in the Depository, any person claiming a beneficial ownership interest in Bonds subject to the Book-Entry System of ownership and transfer under or through the Depository or any such participant, or any other person which is not shown on the registration books of the Trustee as being a Bondowner, with respect to: (A) such Bonds; or (B) the accuracy of any records maintained by the Depository or any such participant; or (C) the payment by the Depository or any such participant of any amount in respect of the principal or redemption price of or interest on such Bonds; or (D) any notice which is permitted or required to be given to Bondowners under this Resolution; or (E) the selection by the Depository or any such participant or any person to receive payment in the

event of a partial redemption of such Bonds; or (F) any consent given or other action taken by the Depository as Bondowner. The Trustee shall cooperate with the Depository in connection with any consent given or other action taken by the Depository as Bondowner if and to the extent the Depository has delegated by proxy such consent or action to other Persons.

(d) Notwithstanding the payment provisions contained in the forms of Bonds subject to the Book-Entry System of ownership and transfer, so long as such Bonds or any portion thereof are registered in the name of the Depository or any nominee thereof, all payments of the principal or redemption price of or interest on such Bonds shall be made to the Depository or its nominee in New York Clearing House or equivalent next day funds on the dates provided for such payments under this Resolution, except as provided in a Supplemental Resolution. Each such payment to the Depository or its nominee shall be valid and effective to fully discharge all liability of the Authority or the Trustee with respect to the principal or redemption price of or interest on such Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Bonds subject to the Book-Entry System of ownership and transfer Outstanding, the Trustee shall not require surrender by the Depository or its nominee of the Bonds so redeemed, but the Depository (or its nominee) may retain such Bond certificate as to the amount of such partial redemption; provided that, in each case the Trustee shall request, and the Depository shall deliver to the Trustee, a written confirmation of such partial redemption and thereafter the records maintained by the Trustee shall be conclusive as to the amount of the Bonds of such series and maturity which have been redeemed.

(e) So long as the Bonds subject to the Book-Entry System of ownership and transfer or any portion thereof are registered in the name of the Depository or any nominee thereof, all notices required or permitted to be given to the Bondowners under this Resolution shall be given to the Depository.

SECTION 2.7. Provisions for Bond Register System. The Bonds or any series of Bonds may be subject to a Bond Register System of ownership and transfer if so designated by the Authority in the Supplemental Resolution authorizing such series of Bonds or as provided in Section 2.6. A Supplemental Resolution may provide that Bonds of the Series of Bonds authorized thereby will be subject to a Book-Entry System of ownership only at particular times or from time to time. If the Book-Entry System shall be discontinued for any series of Bonds, the conversion to a Bond Register System for each such series of Bonds shall be effected pursuant to arrangements for the surrender of a single Bond for the applicable series of Bonds by the Depository and the issuance of Bonds of such series to Registered Owners that are reasonably satisfactory to the Trustee, which arrangements shall be communicated by the Trustee to the Depository on behalf of the Beneficial Owners. The conversion shall become effective hereunder and binding upon the Authority, the Trustee and all Registered Owners and Beneficial Owners at such time as may be specified in a Supplemental Resolution authorizing such series of Bonds or as specified in a resolution of the Authority. The general provisions of such Bond Register System, after conversion from the Book-Entry System, are as follows.

Any Bond may be transferred at the principal corporate trust office of the Trustee by the Registered Owner in person or by his attorney duly authorized in writing, and thereupon, the Authority shall execute in the name of the transferee or transferees, and the Trustee shall authenticate and deliver, a new Bond or Bonds, of the same series, of the same maturity, and for

the same aggregate principal amount registered in such name or names as shall be requested. The Trustee shall register any transfer and shall deliver an appropriately registered and authenticated Bond or Bonds within seventy-two (72) hours of the receipt of the Bond or Bonds to be transferred and such other necessary documentation.

All Bonds shall be exchangeable for like Bonds of the same series of Bonds but different Authorized Denominations, in the same aggregate principal amount, maturing on the same dates and bearing the same rate of interest as the Bonds to be exchanged, all in the manner hereinafter provided. The Registered Owner of any Bond or Bonds, desiring to exchange such Bond or Bonds, shall present such Bond or Bonds, accompanied by appropriate instruments of transfer, at the principal corporate trust office of the Trustee, together with a written request for exchange, in form approved by the Authority, setting forth the denomination or denominations thereof and the person or persons in whose name such Bond or Bonds are to be registered. Thereupon, the Trustee shall authenticate and deliver to the Registered Owner thereunto entitled a new Bond or new Bonds of the same series of Bonds in authorized denominations aggregating the principal amount of the Bond or Bonds surrendered, maturing as to principal on the same date or dates, bearing the same rate of interest and bearing the same designation as to series.

Except as may be set forth in a Supplemental Resolution with respect to a series of Bonds, Bonds issued in exchange for or upon the registration of transfer of Bonds on or after the first Interest Payment Date thereon shall be dated as of the Interest Payment Date next preceding the date of delivery thereof by the Trustee, except that (a) if such date of delivery shall be an Interest Payment Date thereof, said Bonds shall be dated as of such date of delivery, or (b) if there shall be no Interest Payment Date thereof preceding such date of delivery, then notwithstanding any of the foregoing provisions of this section, such Bonds shall be dated the date of Bonds of such series upon their original issuance, or (c) if such date of delivery is on or after a Record Date and before the next succeeding Interest Payment Date, such Bonds shall be dated the date of such next succeeding Interest Payment Date, or (d) if interest on such Bonds shall not have been paid in full in accordance with its terms, then, notwithstanding any of the foregoing provisions of this Section, such Bonds shall be dated as of the date to which interest has been paid in full on such Bonds.

Registration, transfer and exchanges of Bonds authorized under this Article shall be without expense to the Registered Owners of such Bonds, except that any taxes or other governmental charges shall be paid by the Registered Owner requesting any such transaction, as a condition precedent to the exercise of such privilege.

The Trustee shall not be required to issue or transfer any Bonds during a period beginning at the opening of business on the fifth day (whether or not a business day) next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is given or to transfer any Bonds which have been selected or called for redemption in whole or in part.

All Bonds executed, authenticated and delivered in exchange for Bonds surrendered or upon the transfer of registered Bonds shall be valid obligations of the Authority, evidencing the same debt as the Bonds surrendered, and shall be secured by the lien of this Resolution to the same extent as such surrendered Bonds.

SECTION 2.8. Ownership of Bonds. The Authority, the Trustee and any Paying Agent designated in any Bond may treat the Registered Owner of the Bond as the absolute owner of such Bond for all purposes whether or not such Bond shall be overdue, and neither the Authority, the Trustee nor any Paying Agent shall be affected by any notice to the contrary. Any consent, waiver or other action taken by the Registered Owner of any Bond shall be conclusive and binding upon such Registered Owner, his heirs, successors or assigns, and upon all transferees of such Bond whether or not notation of such consent, waiver or other action, shall have been made on such Bond or on any Bond issued in exchange therefor or upon registration or transfer thereof.

SECTION 2.9. Temporary Bonds. Until Bonds of a series of Bonds in definitive form are ready for delivery, the Authority may execute, and upon its request in writing the Trustee shall authenticate and deliver in lieu of any thereof, and subject to the same provisions, limitations and conditions, one or more printed, lithographed or typewritten Bonds of such series of Bonds in temporary form, substantially of the tenor of the Bonds hereinbefore described and with appropriate omissions, variations and insertions. Such Bond or Bonds in temporary form may be for the amount of any authorized denomination or any multiple thereof, as the Authority may determine. Until exchanged for Bonds of the same series of Bonds in definitive form such Bonds in temporary form shall be entitled to the lien and benefit of this Resolution. Unless otherwise agreed with the Registered Owner of such temporary Bond, the Authority shall, without unreasonable delay, prepare, execute and deliver to the Trustee, and thereupon, upon the presentation and surrender of any Bond or Bonds in temporary form, the Trustee shall authenticate and deliver, in exchange therefor, a Bond or Bonds in definitive form of the same series and the same maturity for the same aggregate principal amount as the Bond or Bonds in temporary form surrendered. Such exchange shall be made by the Authority at its own expense and without making any charge therefor. Until such Bonds in definitive form are ready for delivery, the Registered Owner of one or more Bonds in temporary form may, with the consent of the Authority, exchange the same, upon surrender thereof to the Trustee for cancellation, for Bonds in temporary form of like aggregate principal amount, of the same series and maturity and in authorized denominations.

SECTION 2.10. Mutilated, Destroyed, Lost or Stolen Bonds. Upon receipt by the Authority and the Trustee of evidence satisfactory to both of them that any Outstanding Bond has been mutilated, destroyed, lost or stolen, and of indemnity satisfactory to both of them, then the Authority, in its discretion, may execute and thereupon the Trustee shall authenticate and deliver, a new Bond of the same series and same maturity and of like tenor in exchange and substitution for, and upon surrender and cancellation of, the mutilated Bond or in lieu of and in substitution for the Bond so destroyed, lost or stolen.

The Authority may, for each new Bond authenticated and delivered under the provisions of this Section, require the payment of the expenses, including counsel fees, which may be incurred by the Authority and the Trustee in connection therewith. In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Authority, in its discretion, may, instead of issuing a new Bond, direct the payment thereof and the Trustee shall thereupon pay the same.

Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be destroyed, lost or stolen, shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be destroyed, lost or stolen be at any time

enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Resolution with all other Bonds issued under this Resolution.

ARTICLE III

ISSUANCE OF ADDITIONAL INDEBTEDNESS.

SECTION 3.1. Purposes of Additional Parity Indebtedness. The Authority may issue from time to time, and the Trustee shall authenticate, Additional Parity Indebtedness for any lawful corporate purpose, including but not limited to providing all or part of the funds necessary (i) to refinance, restructure or refund all or any portion of any Indebtedness of the Authority, including accrued and unpaid interest and redemption premium, if any; (ii) to plan, develop, construct, acquire, complete, restore or replace any Project or any portion thereof (as requested by the Authority pursuant to the Act), including studies, planning and design and other preliminary costs and expenses in connection therewith; (iii) to pay costs and expenses, any increase in the Debt Service Reserve Requirement incidental thereto and the funding of any reserves or (iv) for any other purpose permitted under the Act.

SECTION 3.2. Conditions Precedent to the Issuance of Additional Parity Indebtedness. The Trustee shall not authenticate or deliver to the Authority on its order any Additional Parity Indebtedness pursuant hereto unless theretofore or simultaneously therewith there shall have been delivered or paid to the Trustee the following:

(a) a certified copy of a resolution or resolutions of the Governing Board of the Authority authorizing the issuance of such Additional Parity Indebtedness, stating the purpose or purposes for the issuance of such Additional Parity Indebtedness, describing in brief and general terms the Bonds to be refinanced, restructured or refunded and/or the Projects to be financed by the issuance of such Additional Parity Indebtedness, if any, authorizing the execution and delivery of the Supplemental Resolution, and fixing the terms of such Additional Parity Indebtedness;

(b) a Supplemental Resolution executed by the Authority providing for the issuance of the Additional Parity Indebtedness, and containing such other necessary or proper terms, requirements and provisions which shall not be inconsistent with this Resolution or any previous Supplemental Resolution, unless all Bonds, the Registered Owners of which are entitled to the protection of the provision or provisions with which the Supplemental Resolution is inconsistent, have been paid or redeemed or provision therefor duly made. The provisions of this Resolution shall apply to any Additional Parity Indebtedness unless the relevant Supplemental Resolution explicitly provides otherwise;

(c) a written opinion or opinions of Bond Counsel to the effect that: (i) all conditions precedent to the issuance of the Additional Parity Indebtedness pursuant to the Act, this Resolution and any relevant Supplemental Resolution have been satisfied; (ii) the Additional Parity Indebtedness, when issued, will be valid and binding obligations of the Authority in accordance with their terms; (iii) it is proper for the Trustee to authenticate the Additional Parity Indebtedness; and (iv) if the Additional Parity Indebtedness is intended to be Tax-Exempt, an opinion to the effect that interest on the Additional Parity Indebtedness is Tax-Exempt;

(d) the written order of the Authority, signed by the Chairperson or Vice Chairperson of the Authority, ordering the Trustee to authenticate and deliver such Additional Parity Indebtedness, stating the amount of the proceeds of sale thereof and directing the application of such proceeds;

(e) the proceeds of the Additional Parity Indebtedness in the amounts stated in the order of the Authority described above, to be applied as described in such order;

(f) any additional deposit to the Debt Service Reserve Fund required with respect to the Additional Parity Indebtedness;

(g) with respect to any Additional Parity Indebtedness, a certificate duly executed by the Accountant (or an Authorized Representative of the Authority, to the extent permitted by Section 3.3 hereof) stating that, based upon a review of the books and records of the Authority, for any twelve (12) consecutive month period of the eighteen (18) calendar months immediately preceding the month during which the Additional Parity Indebtedness is to be issued (or during such lesser period if less time has expired) all amounts required to be paid into the Debt Service and Sinking Fund were so paid and the Debt Service Reserve Fund Requirement was maintained in accordance with the Resolution and Revenues from Charges during such period is no less than 120% of the debt service on Bonds and proposed Additional Parity Indebtedness on an annual basis for the Fiscal Year immediately preceding the issuance of the Additional Parity Indebtedness;

(h) if the Additional Parity Indebtedness is being issued to finance a refunding (1) executed counterparts of such documents as are necessary or appropriate for the purposes of the refunding, including, specifically, an escrow deposit agreement providing for the deposit and application of funds for the refunding, (2) unless all refunded Indebtedness is to be redeemed or otherwise retired on the date of settlement for the refunding Bonds, such schedules, verified as to their mathematical accuracy by an Accountant, as are necessary to demonstrate the adequacy of funds deposited for the refunding and the income thereon for the purpose of paying, when due, the principal or redemption price of and interest on the refunded Indebtedness, and (3) evidence satisfactory to the Trustee that notice of any necessary redemption has been properly given, or that provisions satisfactory to the Trustee have been made therefor, or that sufficient waivers of such notice have been duly filed with the Trustee; and

(i) a confirmation from the Rating Agencies that the issuance of such Additional Parity Indebtedness would not cause the Bonds to be rated less than investment grade, if the Bonds are currently rated.

The opinion(s) of Bond Counsel described in paragraph (c) above may be accepted by the Trustee as conclusive evidence that the requirements of this Section have been complied with, and the Trustee shall thereupon be authorized to execute said Supplemental Resolution, to authenticate the Additional Parity Indebtedness and to deliver the same to or upon the order of the Chairperson or Vice Chairperson of the Authority.

SECTION 3.3. Exceptions for Certain Additional Parity Indebtedness. (a) Notwithstanding anything to the contrary in paragraph (g) of Section 3.2 above, the Authority may issue Additional Parity Indebtedness without satisfying paragraph (g) of Section 3.2 above in any

authorized amount if (i) all Outstanding Bonds are secured as to the payment of the principal of and interest due on such Bonds by a Credit Facility or Credit Facilities and issued concurrently with the delivery of each series of Bonds and being security for each series of Bonds, or any replacement thereof permitted in accordance with any Supplemental Resolution pursuant to which the applicable Bonds were issued and no such Credit Facility Provider has wrongfully dishonored a draw request for payment under such Credit Facility, which wrongful dishonor remains uncured, and (ii) the Credit Facility Provider or Credit Facility Providers, as the case may be, of each series of such Bonds consents to the issuance of the Additional Parity Indebtedness without satisfaction of such paragraph or (iii) if the proceeds of such Additional Parity Indebtedness will be expended on a Project required to be constructed by the Authority to comply with any State or federal law, rule or regulation.

SECTION 3.4. Application of Proceeds of Additional Parity Indebtedness. The proceeds of the Additional Parity Indebtedness issued for the purpose of acquiring, constructing, completing, restoring or replacing Projects, after paying the costs and expenses of the financing and making any other payments and setting aside any reserves authorized by the Governing Board of the Authority, shall be deposited into the Project Fund and expended to pay Project Costs. Any capitalized interest funded from the proceeds of such Additional Parity Indebtedness shall be deposited with the Trustee as directed in a certificate of an Authorized Officer of the Authority.

The proceeds of Additional Parity Indebtedness issued for refunding purposes shall, after paying all costs and expenses incidental to the redemption and to the financing, be directly or indirectly applied by the Trustee to the payment or redemption of the Indebtedness to be refunded pursuant to the written order of the Authority described in Section 3.2 (d) hereof.

SECTION 3.5. Additional Parity Indebtedness on Parity. All Additional Parity Indebtedness issued from time to time under this Article III shall be on a parity with Outstanding Bonds and with all other Additional Parity Indebtedness issued hereunder, except as expressly provided herein or permitted by this Resolution.

SECTION 3.6. Subordinated Indebtedness. The Authority may issue from time to time one or more series of Subordinated Indebtedness pursuant to the terms of a Supplemental Resolution for any lawful purpose of the Authority (including the provision of working capital of the Authority), such Subordinated Indebtedness to be in substantially such form as may be approved by the Authority and specified in the Supplemental Resolution authorizing the same. The priority of payments of principal or redemption price and interest on such Subordinated Indebtedness and the security therefor shall be as provided in the applicable Supplemental Resolution, which shall make such provisions for payment of the Debt Service Requirements of the Subordinated Indebtedness from Revenues held in the Revenue Fund in a manner consistent with Article V of this Resolution.

SECTION 3.7. Credit Notes. The Authority may issue from time to time one or more Credit Notes pursuant to the provisions of a Supplemental Resolution. Any Credit Note that secures a Credit Facility with respect to any series of Bonds shall be subordinate only to the Bonds of the series of Bonds to which the Credit Facility relates. Therefore, a Credit Facility Provider shall be entitled to share in the Trust Estate under and according to Section 10.10 hereof only when all amounts due and payable on the Bonds of the series of Bonds to which the Credit Facility it has

issued relates have been fully paid. Any Credit Note that secures a Credit Facility with respect to Subordinated Indebtedness shall be likewise subordinated to such Subordinated Indebtedness. Furthermore, notwithstanding anything to the contrary contained herein, the Authority shall not be obligated to establish or fund a Debt Service Reserve Requirement with respect to any Credit Note, nor include any contingent payments under any Credit Note as part of any calculation of Debt Service Requirements.

ARTICLE IV

COSTS OF ISSUANCE FUND.

SECTION 4.1. Costs of Issuance Fund. The Trustee shall create, at a minimum, one separate fund, entitled the “Costs of Issuance Fund,” to be held separate from all other funds and accounts of the Trustee.

The Authority shall transfer to the Trustee for deposit in the Costs of Issuance Fund any proceeds of Bonds or other amounts designated by the Authority. The Trustee shall apply the amounts on deposit in the Costs of Issuance Fund to the payment of Costs of Issuance of Bonds of the related series of Bonds. Any amounts on deposit therein that are not so applied within one year of deposit shall be applied to any fund created or established hereunder in which there is a deficiency, and, to the extent not so required, transferred to the Debt Service and Sinking Fund. Costs of Issuance, including without limitation the Cost of any Credit Facility, shall be paid by the Trustee from the Costs of Issuance Fund without need of prior invoice from the Credit Facility Provider.

Amounts held in the Costs of Issuance Fund shall be invested by the Trustee solely in Investment Securities, subject to the limitations imposed thereon by the Act.

ARTICLE V
REVENUES AND FUNDS.

SECTION 5.1. Rate Covenant. The Authority covenants that it will fix, charge and collect Charges for Services so long as any Bonds shall remain Outstanding, which shall produce, together with other Authority Revenues, in the aggregate Operating Revenues which shall be sufficient in each Fiscal Year to provide for:

- (a) the Operating Expenses of the Agency as set forth in the Annual Budget for such Fiscal Year;
- (b) an amount equal to one hundred and five percent (105%) of the Debt Service Requirements for all Indebtedness in such Fiscal Year; and
- (c) any amount necessary to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement as provided herein.

For purposes of the preceding covenant, Operating Revenues shall include amounts (i) capitalized from proceeds of Bonds or (ii) otherwise made available and reserved and not already taken into account hereunder by reduction of the obligation which Operating Revenues must cover.

The Authority shall, not less frequently than once each year, review and adjust its Charges so as to produce Operating Revenues which, together with amounts capitalized from proceeds of Bonds or otherwise made available and reserved and not already taken into account hereunder by reduction of the obligation which Operating Revenues must cover, shall be sufficient to comply with this Section. In the event Charges shall be inadequate to comply with this Section, from time to time and as often as shall appear necessary, the Authority covenants that it will adjust its Charges so as to produce Operating Revenues which, together with amounts capitalized from proceeds of Bonds or otherwise made available and reserved and not already taken into account hereunder by reduction of the obligation which Operating Revenues must cover, shall be sufficient to comply with this Section.

For the purposes of complying with the Rate Covenant, “amounts capitalized from proceeds of Bonds or otherwise made available and reserved and not already taken into account hereunder by reduction of the obligation which Operating Revenues must cover” shall mean money of the Authority held in a fund or account that is included within the Trust Estate and which the Trustee has been irrevocably instructed to apply to the Payment of Debt Service Requirements or the restoration of the Debt Service Reserve Fund within the Fiscal Year for which credit is given.

SECTION 5.2. Pledge of Revenues: Security Interest. As security for its obligation to make payments required hereunder and to secure the performance and observance of all the covenants and conditions contained herein, and in confirmation of and subject to the Granting Clauses hereof, the Authority pledges and grants to the Trustee, subject to the uses and applications

authorized or required by this Resolution, a Lien on and security interest in the Trust Estate. The pledge made by this Resolution shall be valid and binding from the time such pledge is made, and the covenants and agreements set forth herein to be performed by or on behalf of the Authority shall be for the benefit, protection and security of the Registered Owners of the Bonds and Subordinated Indebtedness with priority and distinction as expressly provided herein or permitted by this Resolution. The Trust Estate shall immediately be subject to the Lien of the pledge without any physical delivery thereof or further act, and, except as otherwise provided herein, shall be held by the Trustee until disbursed as authorized by this Resolution in trust for the benefit of the Registered Owners from time to time of the Bonds, and Subordinated Indebtedness issued and Outstanding under this Resolution.

Notwithstanding the above pledge, money from time to time deposited and held in the Debt Service and Sinking Fund for the payment of particular Bonds shall be held in trust by the Trustee for payment to the respective Registered Owners from time to time of the particular Bonds for the payment of which said money has been deposited in said Fund, and whenever Bonds shall be selected for redemption out of money held under the Resolution, the money so held to the amount necessary to pay principal, redemption premium, if any, and interest to the date fixed for redemption on the Bonds selected for redemption, shall be held by the Trustee in trust for the payment to the respective Registered Owners of the particular Bonds so selected for redemption.

SECTION 5.3. Revenue Fund; Application of Revenues. (a) There is hereby established a special fund, designated as the "Revenue Fund", to be held by the Trustee in trust separate and apart from the other funds and accounts of the Trustee.

(b) The Authority shall cause sufficient Revenues to be transferred to the Trustee for deposit into the Revenue Fund on or before the First Business Day of each calendar month an amount equal, in the aggregate, to Accrued Debt Service for Bonds with a final maturity of more than three years. For Bonds with a final maturity of three years or less, the Authority shall cause sufficient Revenues to be transferred to the Trustee for deposit into the Revenue Fund at least fifteen days prior to any Payment Date an amount equal to Accrued Debt Service for such Bonds. Amounts held in the Revenue Fund shall be invested solely as directed in writing by an Authorized Representative of the Authority in Investment Securities, subject to the limitations imposed thereon by the Act.

(c) On the first Business Day prior to each Payment Date succeeding the issuance of the 2008 Notes, the Trustee shall make the following payments from the Revenue Fund in the following order of priority:

FIRST: Such amount to the Debt Service and Sinking Fund as is necessary as shall be sufficient to pay Accrued Debt Service due and payable on the next Payment Date;

SECOND: From the balance, if any, in the Revenue Fund after making the deposits required by the preceding paragraph, an amount to the Debt Service Reserve Fund as is necessary so that the balance in the Debt Service Reserve Fund equals the Debt Service Reserve Requirement;

THIRD: From the balance, if any, in the Revenue Fund after making the deposits or retainage required by the preceding paragraphs, such amount as is necessary to make all required payments for or in connection with Subordinated Indebtedness as provided in and in accordance with the provisions of any Supplemental Resolution or similar document pertaining to such Subordinated Indebtedness;

FOURTH: From the balance, if any, in the Revenue Fund after making the deposits required by the preceding paragraphs, such amount as is necessary to make all required payments in any fund or account as the Authority or the Trustee at the direction of the Authority may from time to time create pursuant to Section 5.11 of the Resolution in such amount as is required by said direction; and

(d) FIFTH: From the balance, if any in the Revenue Fund to continue in the Revenue Fund.

SECTION 5.4. Project Fund. There is hereby created a special fund known as the Project Fund which shall be held in trust by the Trustee until applied as hereinafter provided. Amounts held in the Project Fund shall be applied as directed in the request of an Authorized Representative of the Authority to pay Project expenses of the Authority and pending such application shall be invested solely by the Trustee as directed in writing by an Authorized Representative of the Authority in Investment Securities.

SECTION 5.5. Debt Service and Sinking Fund. There is hereby created a special fund known as the Debt Service and Sinking Fund which shall be held in trust by the Trustee until applied as hereinafter provided. The Debt Service and Sinking Fund shall include a separate account for each series of Bonds issued hereunder.

In the event moneys are not sufficient for the payment of Debt Service on a Payment Date, the Trustee shall, without instruction or further direction from the Authority, promptly transfer the requisite amounts from the Debt Service Reserve Fund to the relevant accounts of the Debt Service and Sinking Fund to make good any such deficiency.

The money held from time to time in the Debt Service and Sinking Fund shall be applied by the Trustee without further direction from the Authority to the payment of the Debt Service Requirements on the Bonds as and when the same shall become due and payable; provided that if the same shall have been paid under a Credit Facility (other than municipal bond insurance) relating to the series of Bonds on which the payments were due, including in those instances where Debt Service Requirements on a series of Bonds has been paid in the first instance from the proceeds of a Credit Facility, amounts equal to such payments on deposit in the account of the Debt Service and Sinking Fund established with respect to Bonds of such series of Bonds shall be paid to the Credit Facility Provider as reimbursement. If a Supplemental Resolution provides that Debt Service Requirements on Bonds of a series of Bonds issued thereunder are to be paid in the first instance from the proceeds of a Credit Facility, the Trustee shall comply with the terms of such Supplemental Resolution in that regard and draw upon the Credit Facility to pay Debt Service Requirements on Bonds of such series of Bonds.

SECTION 5.6. Debt Service Reserve Fund. There is hereby created a special fund known as the Debt Service Reserve Fund which shall be held in trust by the Trustee until applied as hereinafter provided. The Debt Service Reserve Fund shall include a separate account for each series of Bonds issued hereunder for which a Debt Service Reserve Requirement applies.

The Trustee shall be authorized, without further direction from the Authority, to apply the money in the Debt Service Reserve Fund toward the payment of the Debt Service Requirements from time to time becoming due and payable upon a series of Bonds, to the extent that, the Debt Service and Sinking Fund shall at any time be insufficient with respect to such series of Bonds. The Trustee shall, for any particular series of Bonds, initially draw funds from the Debt Service Reserve Fund.

In the event of any deficiency in the Debt Service Reserve Fund, the Authority shall thereafter make monthly transfers from the Revenue Fund, (after the deposits required by Section 5.5, if any), until the amount in the Debt Service Reserve Fund in cash or investments shall equal the Debt Service Reserve Requirement. Amounts held in the Debt Service Reserve Fund shall be restored to their respective Debt Service Reserve Requirement within twelve (12) months after the occurrence of any deficiency therein. The investments of each account of the Debt Service Reserve Fund made pursuant to Section 6.2 shall, for the purpose of determining the amount from time to time in the Debt Service Reserve Fund, be valued annually by the Trustee at amortized cost. The investments of the accounts of the Debt Service Reserve Fund shall include (i) investments that at the time of acquisition would constitute Investment Securities if the stated level of required ratings, if any, for Investment Securities were at least the second highest whole rating category (without regard to pluses or minuses) for the type of rating in question (e.g. short-term or long-term) and (ii) investments which can be liquidated by or on behalf of the Trustee not later than ten (10) years from the date of their acquisition for an amount at least equal to the principal thereof and all accrued interest (or amortized discount) thereon to the liquidation date, whether by maturity, redemption, tender or otherwise.

Upon written instructions of an Authorized Officer of the Authority during the twelve (12) month period prior to the final maturity date of any series of Bonds, money held in the Debt Service Reserve Fund shall be credited against the amount otherwise transferable from the Revenue Fund to the Debt Service and Sinking Fund in respect of Debt Service Requirements for such Bonds and shall be transferred to the Debt Service and Sinking Fund for the payment of such Debt Service Requirements; provided, however, that no such credit shall be given and no such transfer shall be made if, immediately prior to such crediting and transfer, the amount on deposit in the Debt Service Reserve Fund is not at least equal to the Debt Service Reserve Requirement.

Except to the extent that a Supplemental Resolution shall provide otherwise, the amount then held in the Debt Service Reserve Fund pursuant to this Section 5.6 in excess of the Debt Service Reserve Requirement shall, upon the written instructions of the Chairperson or Vice-Chairperson of the Authority, be transferred from the Debt Service Reserve Fund and deposited in the Revenue Fund or applied by the Trustee pursuant to such instructions to the prompt purchase or redemption of Bonds.

Monies and securities held for the credit of the Debt Service Reserve Fund may, at the direction of the Authority, be withdrawn from the Debt Service Reserve Fund and applied to the

purchase, redemption or payment of the principal of and interest on Bonds at any time provided that after giving effect to such purchase, redemption or payment the amount credited to the Debt Service Reserve Fund shall not be less than the Debt Service Reserve Requirement.

SECTION 5.7. Reserve Fund Credit Facility. The Authority may elect to satisfy in whole or in part the Debt Service Reserve Requirement by means of a letter of credit, insurance policy or surety bond (together with any substitute or replacement therefor, the “Reserve Fund Credit Facility”), subject to the following requirements:

(A) The Reserve Fund Credit Facility Provider must have a credit rating issued by a Rating Agency not less than the then current rating on the related series of Bonds and in any event equal to one of the Rating Agency’s two highest long-term rating categories;

(B) The Authority shall not secure any obligation to the Reserve Fund Credit Facility Provider by a Lien on the Trust Estate superior to the Lien on the Trust Estate granted to the Bondowners;

(C) Each Reserve Fund Credit Facility shall have a term of at least one (1) year (or, if less, the remaining term of the related series of Bonds) and shall entitle the Trustee to draw upon or demand payment at such times and for such purposes as the Trustee would be entitled to claim the funds and investments that would be on deposit in the Debt Service Reserve Fund were there no such Reserve Fund Credit Facility and receive the amount so requested in immediately available funds not later than five (5) Business Days after such draw or demand. To assure a timely draw on any Reserve Fund Credit Facility and timely payment of funds in the Debt Service and Sinking Fund, any Supplemental Resolution providing for a Reserve Fund Credit Facility shall provide that the date for deposit in the applicable account of the Debt Service and Sinking Fund for a series of Bonds for which a Reserve Fund Credit Facility has been provided shall be no later than five days prior to the first Business Day of each calendar month in which an Accrued Debt Service payment is due;

(D) The Reserve Fund Credit Facility shall permit a drawing by the Trustee for the full Stated Amount in the event (i) the Reserve Fund Credit Facility expires or terminates for any reason prior to the final maturity of the related series of Bonds, and (ii) the Authority fails to satisfy the Debt Service Reserve Requirement by the delivery to the Trustee of cash, obligations, a substitute Reserve Fund Credit Facility, or any combination thereof, for deposit in the related account in the Debt Service Reserve Fund on or before the date of such expiration or termination;

(E) If the rating issued by the Rating Agencies to the Reserve Fund Credit Facility Provider is withdrawn or reduced below the rating assigned to that of the related series of Bonds immediately prior to such action by the Rating Agencies, the Authority shall provide a substitute Reserve Fund Credit Facility within sixty (60) days after said rating change, and, if no substitute Reserve Fund Credit Facility is delivered to the Trustee by such date, shall fund the Debt Service Reserve

Requirement in not more than forty-eight (48) equal monthly payments commencing not later than the first day of the month immediately succeeding the date representing the end of said sixty (60) day period; and

(F) If the Reserve Fund Credit Facility Provider commences any insolvency proceedings or is determined to be insolvent or fails to make payments when due on its obligations, the Authority shall provide a substitute Reserve Fund Credit Facility within sixty (60) days thereafter, and, if no substitute Reserve Fund Credit Facility is delivered to the Trustee by such date, shall fund the Debt Service Reserve Requirement in not more than forty-eight (48) equal monthly payments commencing not later than the first day of the month immediately succeeding the date representing the end of said sixty (60) day period.

If the events described in either (E) or (F) above occur, the Trustee shall not relinquish the Reserve Fund Credit Facility at issue until after the Debt Service Reserve Requirement is fully satisfied by the provision of cash, obligations, or a substitute Reserve Fund Credit Facility or any combination thereof. In the event a Reserve Fund Credit Facility is delivered to the Trustee, the Trustee shall transfer the money and securities held in the related account of the Debt Service Reserve Fund, to the extent not needed to comply with the Debt Service Reserve Requirement, to the Bond Redemption and Accumulated Surplus Fund. The Trustee is hereby authorized and directed to draw upon or demand payment from any such Reserve Fund Credit Facility in accordance with its terms in the event funds are needed from the Debt Service Reserve Fund in accordance with Section 5.9 hereof. Any amount received from the Reserve Fund Credit Facility shall be deposited directly into the Debt Service and Sinking Fund and such deposit shall constitute the application of amounts in the Debt Service Reserve Fund. If amounts held in an account of the Debt Service Reserve Fund containing a Reserve Fund Credit Facility are less than the related Debt Service Reserve Requirement because the Reserve Fund Credit Facility has been drawn upon and has not been reinstated, the Authority shall transfer from the Revenue Fund, (after the deposits in Section 5.5, if any, and 5.6 hereof, in amounts sufficient to reinstate said Reserve Fund Credit Facility, and the Trustee shall pay such amounts to the Reserve Fund Credit Facility Provider. Upon the reinstatement of the Reserve Fund Credit Facility, said payment shall constitute the replenishment of said account.

SECTION 5.8. Rebate Fund. (a) There is hereby created and established with the Trustee a special fund to be known as the Rebate Fund which shall be used for the deposit of the Rebate Amount, and shall not be subject to the lien of this Resolution.

(b) The Authority covenants to determine the Rebate Amount or cause the same to be determined in the manner provided in Section 148 (f) of the Code, the Treasury Regulations promulgated thereunder and any other rules which may be promulgated thereafter by the Treasury Department or Internal Revenue Service (the "Rules") and to transfer or cause to be transferred to Trustee such determination for purposes of paragraph (c) of this Section 5.8.

(c) Records of each of the determinations required to be made pursuant to Section 5.8 (b) hereof and the Rules shall be retained by the Trustee until a date which is six (6) years after the retirement of the last Bond.

(d) The Trustee shall deposit in the Rebate Fund the Rebate Amount which may be from deposits by the Authority or from available investment earnings on amounts held in the Debt Service Reserve Fund, the Operating Fund or the Bond Redemption and Accumulated Surplus Fund, as directed in writing by the Authority. If the Authority fails to make any payment to the Trustee, the Trustee may, but shall not be required to, transfer money without requisition first from the Construction Fund and then from the Bond Redemption and Accumulated Surplus Fund to the Rebate Fund so that such payment can be made.

(e) If any amount shall remain in the Rebate Fund after the Trustee has made the final payment to the United States in accordance with the Rules, such amount shall be deposited in the Bond Redemption and Accumulated Surplus Fund.

(f) Any money held as a part of the Rebate Fund shall be invested or reinvested by the Trustee, as directed in writing by the Authority, in Investment Securities, subject to the restrictions set forth in the Rules. The Trustee may make any and all such investments through its own investment department. In making investments, the Trustee may rely upon the directions of the Authority as to the investments purchased and shall be and hereby is relieved of all liability with respect to making, holding, redeeming or selling such investments in accordance with the foregoing.

(g) Any and all money held as part of the Rebate Fund shall be considered proceeds of the Bonds for all purposes including, but not limited to, the limitations on investments in Non-purpose Obligations.

(h) The Rebate Amount shall be paid to the United States by the Trustee on behalf of and at the written direction of the Authority in installments as provided in the Rules. Each payment of an installment of the amount required to be paid to the United States shall be paid at the time and in the manner provided in the Rules. The duty of the Trustee to make payments to the United States pursuant to this Section 5.8 (h) and the Rules shall be expressly limited to funds available in the Rebate Fund at the times such payments are required to be made (including all investment earnings on funds theretofore deposited by the Trustee in the Rebate Fund), and any other funds actually provided to the Trustee by the Authority for such payments. The Trustee shall not be under any duty to pay any amounts in excess of the amount available in the Rebate Fund, if any, or actually provided to it by the Authority. The Trustee shall not have any duty to determine the Rebate Amount or expend its own funds with respect to the determination that any amounts are rebatable or the calculation thereof.

SECTION 5.9. Transfer to Revenue Fund. The Trustee shall on the last business day of each Fiscal Year, so long as any Bond is outstanding, transfer to the Revenue Fund (a) any funds remaining in the Debt Service and Sinking Fund not required to pay or provide for the payment of Debt Service Requirements for the Bonds, and (b) any funds remaining in the Debt Service Reserve Fund not required to maintain the Debt Service Reserve Requirement. The Trustee shall also deposit in the Revenue Fund any amounts otherwise directed or required to be transferred thereto pursuant to the terms of the Resolution. The Trustee shall account for deposits into and transfers out of any account or fund on a first-in, first-out accounting basis.

SECTION 5.10. Discontinuation of Funds. In the event that the Authority shall desire to redeem and pay all Outstanding Bonds, and the money in the funds held by the Trustee under this Resolution, or in any one or more of said funds, together with other available money, are sufficient to effect such redemption or payment, including in addition to principal and interest, costs of redemption and proper charges and expenses of the Trustee, said funds or any one or more of them as the case may be, may be discontinued and the money therein applied toward such redemption or payment.

SECTION 5.11. Additional Funds or Accounts. (a) The Authority or the Trustee at the direction of the Authority may create such additional funds or accounts (or additional accounts or sub-accounts within existing funds or accounts) as the Authority deems necessary or desirable, including, without limitation, such funds or accounts relating to Subordinated Indebtedness. Any Supplemental Resolution may provide for additional amounts to be paid into any of the funds or accounts established hereunder and the manner of making payments into and disbursements from such funds or accounts not materially inconsistent with the provisions of this Resolution.

(b) The Authority may create, outside of the Trust Estate, additional funds or accounts funded solely with moneys not subject to the Lien of the Resolution.

ARTICLE VI

SECURITY FOR AND INVESTMENT AND DEPOSIT OF FUNDS.

SECTION 6.1. Deposits and Security Therefor. All money received by the Trustee under this Resolution for deposit in any fund established hereunder shall, except as hereinafter provided, be deposited in interest bearing accounts in the commercial or trust department of the Trustee, until or unless invested or deposited as provided in Section 6.2 hereof. All deposits in the commercial department of the Trustee (whether original deposits under this Section 6.1 or deposits or redeposits in time accounts under Section 6.2 hereof) in excess of the amount covered by insurance by the Federal Deposit Insurance Corporation, shall be secured by a pledge of Government Obligations having an aggregate market value, exclusive of accrued interest, at all times at least equal to the balance so deposited, or secured as required by applicable law. If at any time the commercial or trust department of the Trustee is unwilling to accept such deposits or unable to secure them as provided above, the Trustee may deposit such money with any other depository which is authorized to receive them and is subject to supervision by public authorities. All deposits in any other depository (whether under this Section or Section 6.2 as aforesaid) in excess of the amount covered by insurance by the Federal Deposit Insurance Corporation shall to the extent permitted by law, be secured by a pledge of Government Obligations having an aggregate market value, exclusive of accrued interest, at all times at least equal to the balance so deposited. Such security shall be deposited with a Federal Reserve Bank or with a bank or trust company having a combined capital and surplus of not less than \$50,000,000.

Notwithstanding the foregoing, or anything else to the contrary herein, the proceeds of any payments under a Credit Facility and the proceeds of any remarketing of Bonds pursuant to a Supplemental Resolution shall be held by the Trustee or a Tender Agent, as the case may be, separate and apart from any other funds of the Authority, the Trustee or the Tender Agent and from any other funds held under this Resolution for the exclusive benefit of the parties to be paid

therefrom and may be invested only in Government Obligations maturing coming due by the earlier of thirty (30) days following investment on the date needed for the purposes of this Resolution.

SECTION 6.2. Investment of Funds. (a) The Trustee shall, pursuant to written or oral (promptly confirmed in writing) investment instructions from an Authorized Representative of the Authority, invest and reinvest money held in any fund or account held by the Trustee under this Resolution in Investment Securities. Such instructions may authorize specific transactions with respect to the deposits to be made or the Investment Securities to be purchased and the prices to be paid, and may include general instructions for future reinvestments of cash as and when such obligations are paid or redeemed. The scope of such general instructions shall be satisfactory to the Trustee which may, if it deems it advisable, from time to time require specific instructions or general instructions within defined limits. All investments made pursuant to this Section 6.2 shall mature or be subject to redemption at not less than the principal amount thereof or the cost of acquisition, whichever is lower, and all deposits in time accounts shall be subject to withdrawal, not later than the date when the amounts will foreseeably be needed for purposes of this Resolution.

(b) The interest and income received upon such investments and any interest paid by the Trustee or any other depository of any fund or account and any profit or loss resulting from the sale of any investment shall be added or charged to the fund or account in question, provided, however, that the Trustee shall credit any investment income or loss with respect to any fund or account established hereunder to any other fund or account, as directed in writing by the Authority. Subject to the requirements of Section 5.5 hereof, investment earnings on amounts held in the Debt Service Reserve Fund shall be transferred to the Revenue Fund unless the Authority otherwise directs in writing.

(c) Upon request of the Authority, whenever a payment is to be made out of any fund or account the Trustee shall sell such Investment Securities as may be requested or required to make the payment and restore the proceeds to the fund or account in which the Investment Securities were held. The Trustee shall not be accountable for any depreciation in the value of any such Investment Security or for any loss resulting from the sale thereof.

(d) To the extent permitted by law, the Trustee may commingle any amounts on deposit in the Funds held under this Resolution for the purpose of purchasing Investment Securities. However, the trust shall maintain and keep separate account of such Funds at all times.

SECTION 6.3. Valuation of Funds. To the extent the Trustee holds amounts in any fund or account established under this Resolution, and at the direction of the Authority, the Trustee shall compute the value of the assets of each such fund or account after taking into account any payments required to be made to Bondowners on such dates and any transfers required to be made hereunder. In computing the value of any fund or account, investments and accrued interest thereon shall be deemed a part thereof. Such investments shall be valued at the face value or the current market value thereof, whichever is the lower, or at the redemption price thereof, if then redeemable at the option of the owner, provided, however, that the value of investments with respect to the Debt Service Reserve Fund shall be calculated in accordance with Section 5.5 hereof.

ARTICLE VII

REDEMPTION OF BONDS.

SECTION 7.1. Bonds Subject to Redemption. The Bonds issued or to be issued hereunder shall be subject to redemption at such time or times and from time to time, in such order, at such redemption prices, upon such notice, and upon such terms and conditions as may be expressed in the particular Bond, or, as the case may be, in this Resolution or in the pertinent Supplemental Resolution. In the event of a conflict between this Resolution and a Supplemental Resolution concerning these matters, including, without limitation, notice of any redemption, the Supplemental Resolution shall govern.

SECTION 7.2. Notice of Redemption. Whenever the Authority shall, by Resolution of the Authority, determine to redeem Outstanding Bonds in accordance with the right reserved to do so, the Authority shall give the Trustee not more than ten (10) days' and at least five (5) days' notice of the date fixed for redemption. When Bonds are called for redemption, whether at the option of the Authority or pursuant to mandatory redemption, the Trustee shall cause a notice to be deposited in the United States mail first class, postage prepaid, not more than thirty (30) days and at least ten (10) days prior to the redemption date addressed to the Registered Owners of the Bonds called for redemption, at the addresses appearing in the records kept by the Trustee. Such Notice shall be given in the name of the Authority, shall identify the Bonds to be redeemed by certificate number, CUSIP number, date of issue, interest rate, maturity date and any other identifying information (and in the case of a partial redemption of any Bonds, the respective principal amounts thereof to be redeemed and the numbers, including CUSIP numbers if applicable, of the Bonds to be redeemed which may, if appropriate, be expressed in designated blocks of numbers) shall specify the redemption date, the redemption price, and the Trustee's name and address and shall state that on the redemption date the Bonds called for redemption will be payable at the principal corporate trust office of the Trustee and that from the date of redemption interest will cease to accrue provided, however, that the Registered Owners of all Bonds to be redeemed may file written waivers of notice with the Trustee, and if so waived, such Bonds may be redeemed and all rights and liabilities of the Owners shall mature and accrue on the date set for such redemption, without the requirement of written notice. Any defect in or failure to give such notice with respect to any particular Bond or Bonds shall not affect the validity of any such redemption of other Bonds.

In addition, the Trustee shall cause copies of such notice of redemption to be sent by registered mail, certified mail, overnight delivery service or confirmed telecopy (or other similarly secure service acceptable to the Trustee) to one or more national information services that disseminate redemption information.

The Trustee shall send a second copy of said redemption notice by registered or certified mail, postage prepaid, to all registered bond owners that do not present their Bonds for payment within thirty (30) days following the Redemption Date.

If at the time of the notice of redemption the Authority shall not have deposited with the Trustee money sufficient to redeem all the Bonds called for redemption and the Trustee shall not otherwise hold such money for such purpose, such notice may state that it is conditional, that is,

subject to the deposit of the redemption money with the Trustee not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

SECTION 7.3. Payment of Redemption Price. Notice having been given in the manner hereinbefore provided, or written waivers of notice having been filed with the Trustee prior to the date set for redemption, the Bonds so called for redemption shall become due and payable on the redemption date so designated and, if an amount sufficient to pay the redemption price thereof is on deposit with the Trustee for such purpose on such date, interest on such Bonds shall cease to accrue from the redemption date whether or not the Bonds shall be presented for payment. The principal amount of all Bonds or portions thereof so called for redemption, together with the accrued and unpaid interest thereon to the date of redemption shall be paid by the Trustee or the Paying Agent, if any, mentioned in the Bond called for redemption, upon presentation and surrender thereof in negotiable form. If any Outstanding Bond is redeemed in part, the Trustee shall authenticate and deliver to the Registered Owner thereof, a new Bond or Bonds of any authorized denomination as requested by such Registered Owner in an aggregate principal amount equal to the principal amount of the Outstanding Bond not called for redemption.

SECTION 7.4. Destruction of Bonds. All Bonds which shall be paid, purchased or redeemed by the Trustee or Authority pursuant to the terms and provisions of this Resolution, or of any Supplemental Resolution, shall be canceled and destroyed by the Trustee which shall furnish the Authority with its certificates of destruction.

ARTICLE VIII

[RESERVED]

ARTICLE IX

PARTICULAR COVENANTS OF THE AUTHORITY.

SECTION 9.1. Payment of Bonds and Other Indebtedness. The Authority covenants that it will promptly pay from the Trust Estate the Debt Service Requirements for every Bond issued and to be issued hereunder and secured thereby, and all other Indebtedness secured thereby, including without limitation Credit Notes at the place and on the dates and in the manner specified herein and in said Bonds, or therein, according to the true intent and meaning thereof. The Authority further covenants that it will pay as and when due from sources legally available therefor the Debt Service Requirements on all other Indebtedness.

SECTION 9.2. No Impairment of Bondowners' Rights. The Authority covenants and agrees that so long as any of the Bonds secured hereby are Outstanding, none of the Pledged Revenues shall be used for any purpose other than as provided in this Resolution, and that no contract or contracts shall be entered into or amended or any action taken by which the rights or security of the Trustee or of the Bondowners may be impaired or diminished.

SECTION 9.3. Further Action. The Authority covenants that it will, from time to time, execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the purpose of this Resolution.

SECTION 9.4. Creation of Liens on Pledged Revenues. Except as provided in Article III hereof and the next ensuing sentence, the Authority shall not incur any Indebtedness which is secured by a pledge of or other Lien on the Secured Obligations and shall not create or cause to be created any Lien on the Pledged Revenues or any other part of the Trust Estate or on any amounts which are held by the Trustee or by any Paying Agent under the terms of this Resolution, other than Permitted Encumbrances or Liens which are expressly made subordinate to the lien of this Resolution.

SECTION 9.5. No Extension of Time for Payment of Interest. In order to prevent any accumulation of claims for interest after maturity, the Authority covenants and agrees that it will not directly or indirectly extend or assent to the extension of time of payment of any claim for interest on any of the Bonds and will not, directly or indirectly, be a party to or approve any such arrangement by purchasing or funding such claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, such claim for interest shall not be entitled in case of any default hereunder, to the benefit or security of this Resolution except subject to the prior payment in full of the principal of all Bonds issued and Outstanding hereunder, and of all claims for interest which shall not have been so extended or funded.

SECTION 9.6. Accounts and Periodical Reports and Certificates. The Authority shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions under this Resolution and which, together with all other books and papers of the Authority, shall at all reasonable times be subject to the inspection of the Trustee or the representative, duly authorized in writing, of the owner or owners of not less than 25% in principal amount of the Bonds then Outstanding.

SECTION 9.7. Authority Budget. The Authority covenants that it will adopt by resolution and file with the Trustee for each Fiscal Year, an Authority Budget or Budgets setting forth the estimated monthly Debt Service Requirements, and other expenses, if any. Any Authority Budget may be amended or supplemented at any time, but such amended or supplemented Authority Budget shall not supersede any prior Authority Budget until it shall have been authorized by a certified resolution of the Authority. The Authority Budget may authorize certain variances for various line items at the discretion of Authority officers, as the Governing Board of the Authority deems prudent, and amounts expended within such authorized variances shall be deemed to be within the amount provided for in the Authority Budget.

SECTION 9.8. Financing Statements. The Authority shall cause financing statements relating to this Resolution to be filed, registered and recorded in such manner and at such places as may be required by law (in the opinion of Bond Counsel) to fully protect the security of the Registered Owners of the Bonds. The Authority shall perform or shall cause to be performed any acts, and execute and cause to be executed any and all further instruments as may be required by law (in the opinion of Bond Counsel) or as shall reasonably be requested by the Trustee for the protection of the interests of the Trustee and the Bondowners, and shall furnish satisfactory

evidence to the Trustee of recording, registering, filing and re-filing of such instrument and of every additional instrument which shall be necessary to preserve the Lien and security interest of this Resolution upon the Trust Estate or any part thereof until the principal of and interest on the Bonds secured hereby shall have been paid. The Authority and the Trustee shall execute or join in the execution of any such further or additional instrument and file or join in the filing thereof at such time or times and in such place or places as the Trustee may be advised by an opinion of Counsel will preserve the lien and security interest of this Resolution upon the Trust Estate or any part thereof until the aforesaid principal and interest shall have been paid.

SECTION 9.9. Federal Tax Covenants. The Authority hereby covenants not to take or omit to take any action so as to cause interest on any Tax-Exempt Bonds to be no longer excluded from gross income for the purposes of federal income taxation and to otherwise comply with the requirements of Section 103 and Sections 141 through 150 of the Code, and all applicable regulations promulgated with respect thereto, throughout the term of such Tax-Exempt Bonds. The Authority further covenants that it will make no investments or other use of the proceeds of any Tax-Exempt Bonds which would cause such Tax-Exempt Bonds to be “arbitrage bonds” as defined in Section 148 of the Code. The Authority further covenants to comply with the rebate requirements (including the prohibited payment provisions) contained in Section 148 (f) of the Code and any regulations promulgated thereunder, including the payment of any Rebate Amount, to the extent applicable, and to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements, to the extent applicable.

SECTION 9.10. Issuance of Obligations. The Authority covenants not to issue any Indebtedness, or other obligations of any type with a maturity maturing on a date, or permit the same to remain outstanding beyond a date, that would cause the term of the Indebtedness to exceed the term allowed by law.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES.

SECTION 10.1. Events of Default Defined. Each of the following shall be an “Event of Default” hereunder:

A. Payment of the principal of any Bond is not made when it becomes due and payable at maturity or upon redemption, or otherwise or if payment of any installment of interest on any Bond is not made when it becomes due and payable; or

B. If the Authority defaults in the due and punctual performance of any other covenant in the Bonds or in this Resolution, and such default continues for thirty (30) days after written notice requiring the same to be remedied shall have been given to the Authority by the Trustee; provided that if any such default cannot be cured within thirty (30) days the period shall be extended for such period as is reasonable to cure the same with due diligence if the Authority commences the cure within thirty (30) days and proceeds diligently; or

C. The occurrence of any Act of Bankruptcy with respect to the Authority; or

D. The failure of timely payment of the purchase price of any tendered Bond required to be paid according to the Supplemental Resolution authorizing such Bond; or

E. Such additional Events of Default as may be set forth in a Supplemental Resolution duly executed in connection with the issuance of any Bonds.

The Trustee shall give written or telephonic (promptly confirmed in writing or by confirmed teletype) notice of any Event of Default, as herein defined, to the Authority and any Credit Facility Provider as soon as practicable after the occurrence of such Event of Default becomes known to the Trustee.

Notwithstanding the foregoing provisions, Additional Parity Indebtedness in the form of capitalized leases may provide for grace periods of up to twelve (12) months before the occurrence of a default under the lease shall constitute an Event of Default as herein defined hereunder.

SECTION 10.2. Bonds Declared Due and Payable. Upon the happening and continuance of any Event of Default specified in Section 10.1 of this Article, then and in every such case the Trustee may, and upon the written request of the Registered Owners of not less than twenty-five percent (25%) in principal amount of the Bonds Outstanding shall (but in all events only after giving thirty (30) days' notice in writing to the Authority), declare the principal of all the Bonds Outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything contained in the Bonds or in this Resolution to the contrary notwithstanding; provided, however, that if at any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Resolution, money shall have accumulated in the Debt Service and Sinking Fund sufficient to pay the principal of all Bonds which have matured and which should have been called for redemption from money in the Debt Service and Sinking Fund and all matured Bonds, if any, and all arrears of interest, if any, upon all the Bonds Outstanding (except the principal of any Bonds not then due by their terms except as provided above and the interest accrued on such Bonds since the last interest payment date), and the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee, and all other amounts then payable by the Authority hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee, and every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the Bonds or in this Resolution (other than a default in the payment of the principal of such Bonds) then due only because of a declaration under this Section shall have been remedied to the satisfaction of the Trustee, then and in every such case the Trustee may, and upon the written request of the Registered Owners of not less than twenty-five percent (25%) in principal amount of the Bonds not then due by their terms and then outstanding shall, by written notice to the Authority, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

SECTION 10.3. Enforcement of Remedies by Trustee. Upon the happening and continuance of any Event of Default specified in Section 10.1 then and in every such case the Trustee may, and upon the written request of the Registered Owners of not less than twenty-five percent (25%) in principal amount of the Bonds then Outstanding hereunder, shall:

- (1) By mandamus or other suit, action or proceeding at law or in equity enforce all rights of the Registered Owners, including the right (i) to require the Authority to collect Revenues adequate to carry out any agreement as to, or pledge of, such Revenues, (ii) to demand all moneys and securities then held by the Authority in any Operating Expense and all Revenues be promptly paid to the Trustee for deposit in the Revenue Fund, and (iii) to require the Authority to carry out any other agreements with the Registered Owners of such Bonds and to perform its duties under this Resolution and the Act; and/or
- (2) Bring suit upon such Bonds; and/or
- (3) By action or suit in equity, require the Authority to account as if it were the trustee of an express trust for the Registered Owners of such Bonds; and/or
- (4) Make demand for payment, or draw under, any Credit Facility that may be available for the payment of the Debt Service Requirements of Bonds of any series of Bonds; and/or
- (5) By action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Registered Owners of such Bonds.

The Trustee hereunder shall proceed in accordance with the Act, subject to the provisions of Section 10.1, to protect and enforce its rights and the rights of the Registered Owners under the laws of the State or under this Resolution by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights. In the enforcement of any remedy under this Resolution the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming and at any time remaining due from the Authority for principal, interest or otherwise under any of the provisions of this Resolution or of the Bonds and unpaid, with interest on overdue payments at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Registered Owners, and to recover and enforce any judgment or decree against the Authority, but solely as provided herein and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from money in the Debt Service and Sinking Fund, Debt Service Reserve Fund, and Revenue Fund and any other money available for such purpose) in any manner provided by law, the money adjudged or decreed to be payable.

Any suit, action or proceeding by the Trustee on behalf of Registered Owners shall be heard or maintained in a court of competent jurisdiction. The Trustee shall, in addition to the foregoing, have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth in the Act or incident to the general representation of Registered Owners in the enforcement and protection of their rights as mandated in Section 1199-hhhh of the Act. All rights of action under this Resolution or under any of the Bonds secured hereby, enforceable by the Trustee, may be enforced by it without the possession of any of the Bonds or

the production thereof at the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the Registered Owners of such Bonds, subject to the provisions of this Resolution.

SECTION 10.4. Effect of Discontinuance of Action. In case any proceeding taken by the Trustee on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case the Authority, the Trustee and the Registered Owners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

SECTION 10.5. Control of Proceedings. Anything in this Resolution to the contrary notwithstanding, the Registered Owners of not less than twenty-five percent (25%) in principal amount of the Bonds then Outstanding hereunder shall have the right, subject to the provisions of Section 10.6 of this Resolution, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Resolution.

SECTION 10.6. Restriction on Bondowners' Action. No Registered Owner of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder or for any other remedy hereunder unless (i) such Registered Owner previously shall have given to the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted which specifically refers to such event as an "Event of Default", (ii) the Registered Owners of not less than twenty-five percent (25%) in principal amount of the Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceeding in its or their name; (iii) there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby; (iv) the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are hereby declared, in every such case at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Resolution or for any other remedy hereunder. It is understood and intended that no one or more Registered Owners of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Resolution, or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Registered Owners of such Outstanding Bonds.

Nothing contained in this Article, however, shall affect or impair the right of any Registered Owner to enforce the payment of the principal of and interest on his Bonds, or the obligation of the Authority to pay the principal of, interest on and premium, if any, on each Bond issued hereunder to the Registered Owners thereof at the time and place expressed in said Bond.

SECTION 10.7. Appointment of Receiver. Upon the happening and continuance of any Event of Default specified in Section 10.1, the Trustee, whether or not the issue of Bonds represented by such Trustee has been declared due and payable, shall be entitled as of right to the appointment of a receiver of any part or parts of the properties the Revenues of which are pledged for the security of the Bonds of such issue and such receiver may enter and take possession of such part or parts of the properties and, subject to any pledge or agreement with Bondowners, shall take possession of all money and other property derived from such part or parts of the properties and proceed with any construction thereon or the acquisition of any property, real or personal, in connection therewith which the Authority is under obligation to do, and to operate, maintain and reconstruct such part or parts of the properties and collect and receive all Revenues thereafter arising therefrom subject to any pledge thereof or agreement with Bondowners relating thereto and perform the public duties and carry out the agreements and obligations of the Authority under the direction of the court. In any suit, action or proceeding by the Trustee the fees, counsel fees and expenses of the Trustee and of the receiver, if any, shall constitute taxable disbursements and all costs and disbursements allowed by the court shall be a first charge on any Revenues from the properties.

SECTION 10.8. Extension of Maturity of Bonds. In case the maturity of any of the Bonds or the time for payment of any installments of interest shall be extended by mutual agreement between the Authority and the Registered Owner of any such Bonds, such Bonds or claims for interest shall not be entitled in case of any default hereunder to the benefit of this Resolution or to any payment out of any assets of the Authority or the funds (except funds held in trust by the Trustee for the payment of particular Bonds or claims for interest pursuant to this Resolution) held by the Trustee, subject to the prior payment of the principal of all Bonds issued and outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest.

SECTION 10.9. Modifications with Respect to Credit Facilities Pursuant to Supplemental Resolutions. If so specified in the Supplemental Resolution relating to a particular series of Bonds, any action that may be taken by and any consent that must be received from the Registered Owners of all or some lesser percentage of the Bonds Outstanding of such series of Bonds under Article X of this Resolution shall instead and in lieu thereof be taken by or received from the Credit Facility Provider of a Credit Facility under which Debt Service Requirements for Bonds of such series of Bonds are payable if and when there does not exist a Credit Facility Default with respect to such Credit Facility. If any such action or consent requires a vote by the Registered Owners of the Bonds of such series of Bonds because there are then Outstanding hereunder Bonds of more than one series of Bonds, the Supplemental Resolution may also specify that the Credit Facility Provider shall have the right to vote hereunder with respect to the action or consent fully as if it were the Registered Owner of all of the Bonds of the series of Bonds unless there shall then exist a Credit Facility Default with respect to the Credit Facility.

SECTION 10.10. Priority of Payments After Default. Notwithstanding any other provisions of this Resolution other than those contained in this Section 10.10, in the event that, subsequent to the occurrence of an Event of Default, the funds held by the Trustee shall be insufficient for the payment of interest and principal then due on the Bonds, such funds (other than funds held for the payment or redemption of particular Bonds or installments of interest which have theretofore become due at maturity or otherwise) and any other money received or collected

by the Trustee, after making provision for the payment of any expenses necessary in its opinion to preserve the continuity of the Revenues or to provide for the continued operation of the System or otherwise to protect the interests of the Registered Owners of the Bonds, and for the payment of the charges, expenses (including those of its counsel) and liabilities incurred and advances made by the Trustee in the performance of its duties hereunder, shall be applied as follows:

(a) If the principal of all of the Bonds shall not have become or have been declared due and payable,

First: To the payment to the persons entitled thereto all installments of interest then due on Bonds (with interest on overdue installments of interest then due on such Bonds, to the extent permitted by law, at the rate per annum borne by such Bonds) in the order of the maturity of such installments and, if the amount available shall not be sufficient to pay in full any installment then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference, except as to the difference, if any, in the respective rates of interest specified in the Bonds; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due (with interest on such Bonds at their rate from the respective dates upon which they became due) whether at maturity or by call for redemption, in the order of their due dates and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, together with such interest, then to the payment ratably, according to the amounts of principal and interest due on such dates, to the persons entitled thereto, without any discrimination or preference except as to the difference, if any, in the respective rates of interest on the Bonds.

(b) If the principal of all the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds with interest on overdue interest and principal as provided above, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due, respectively, for any principal and interest, to the persons entitled thereto without any discrimination or preference, except as to the difference, if any, in the respective rates of interest specified in the Bonds.

(c) Payments of debt service on any Subordinated Indebtedness shall be made in accordance with the provisions of the Supplemental Resolution authorizing the issuance of such Subordinated Indebtedness.

Whenever money is to be applied pursuant to the provisions of this Section, such money shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be the earliest practicable date it deems suitable and which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be

paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such money and of the fixing of any such date, and shall not be required to make payment to the Owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

The Trustee may, in its sole discretion, hire one or more consultants experienced in the operation of water supply, transmission and distribution facilities for the purpose of determining what expenses are necessary to preserve the continuity of the Revenues or to provide for the continued operation of the System. The fees and expenses of any such consultant shall be considered expenses incurred by the Trustee in the performance of its duties for purposes of this Resolution. Subject to Section 11.7 hereof, the Trustee may conclusively rely on any determination made by such consultant.

Notwithstanding anything to the contrary in this Section 11.10, the proceeds of any Credit Facility that are intended to pay the Debt Service Requirements of a particular series of Bonds shall be applied exclusively to the payment of such Debt Service Requirements and for no other purpose. Until the Credit Facility Provider shall have been reimbursed through this Resolution for the payment of such Debt Service Requirements, the Debt Service Requirements shall not be deemed to have been discharged hereunder. Furthermore, in the event that the Credit Facility Provider of any such Credit Facility shall have paid all Debt Service Requirements of the applicable series of Bonds as and when due, such Credit Facility Provider shall be surrogated to the Registered Owners of the Bonds of such series of Bonds with respect to all rights such Registered Owners may have under this Resolution, including without limitation the rights to payment under this Section 11.10.

ARTICLE XI

CONCERNING THE TRUSTEE.

SECTION 11.1. Acceptance of Trust; Abrogation of Right to Appoint Trustee. The Trustee accepts and agrees to execute the trust hereby created, but only upon the terms set forth in this Resolution, to all of which the parties hereto and the respective owners of the Bonds agree. The Trustee shall perform only such duties as are specifically set forth in this Resolution, and no implied covenants or obligations shall be read into this Resolution against the Trustee. The right of the owners of Bonds to appoint a trustee under the Act is hereby abrogated as permitted by the Act.

SECTION 11.2. No Responsibility for Recitals. The recitals, statements and representations contained in the Resolution or in the Bonds, save only the Trustee's authentication upon the Bonds, shall be taken and construed as made by and on the part of the Authority, and not by the Trustee, and the Trustee assumes and shall be under no responsibility or obligation for the correctness of same.

SECTION 11.3. Power to Act Through Agents: Liability Limited. The Trustee may execute any of the trusts or powers hereof and perform the duties required by it, by or through attorneys, agents, receivers, or employees, and shall be entitled to advice of counsel concerning all matters of trust hereof and its duty hereunder, and the Trustee shall not be answerable for the

default or misconduct of any such attorney, agent, or employees selected by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power under this Resolution or under any Supplemental Resolution, nor for anything whatever in connection with the trust, except only its own misconduct or negligence.

SECTION 11.4. Compensation. The Authority shall pay to the Trustee reasonable compensation for all services rendered by it hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee hereunder, all as may be mutually agreed to in writing between the Authority and the Trustee including any liability or loss except as such may result from the Trustee's willful misconduct or gross negligence. If any Event of Default shall have occurred and be continuing, the Trustee may, upon the failure by the Authority to pay any such compensation, deduct the same from any money coming into its hands (excluding the proceeds of any Credit Facility or of the remarketing of any Bonds) and shall be entitled to a preference in payment over any of the Outstanding Bonds hereunder (except from any such excluded proceeds). The Authority shall indemnify and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to the Trustee's willful misconduct or gross negligence.

SECTION 11.5. No Duty to Effect or Renew Insurance. The Trustee shall be under no duty to effect or to renew any policies of insurance, nor shall the Trustee incur any liability for the failure of the Authority to effect or renew insurance or to report claims thereunder, or be subject to any liability with respect to losses suffered from the investment of any funds on deposit with it under this Resolution, except for the safekeeping of the securities in which said funds are invested and the collection of interest thereon.

SECTION 11.6. Notice of Default; Right to Investigate. The Trustee shall, within ninety (90) days after the occurrence thereof, give written notice by first class mail to Registered Owners of Bonds of all Events of Default known to the Trustee to have occurred and be continuing. The Trustee shall not be deemed to have notice of any default under paragraph D or E of Section 10.1 unless notified in writing of such default by a Credit Facility Provider or the Registered Owners of at least 25% in principal amount of the Bonds then Outstanding, which notice shall specifically refer to such event as an "Event of Default". The Trustee may, however, at any time that it has reasonable cause to question the same, require of the Authority full information as to the performance of any covenant hereunder; and, if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made, at the expense of the Authority, an investigation into the affairs of the Authority related to this Resolution and the properties covered thereby.

SECTION 11.7. Obligation to Act on Defaults. If any Event of Default of which the Trustee is deemed to have knowledge according to Section 10.1 hereof shall have occurred and be continuing, the Trustee shall exercise such of the rights and remedies vested in it by this Resolution and shall use the same degree of care in their exercise as a prudent man would exercise or use in the circumstances in the conduct of his own affairs; provided that, if in the opinion of the Trustee such action may tend to involve expense or liability, it shall not be obligated to take such action unless it is furnished with indemnity satisfactory to it.

SECTION 11.8. Records. The Trustee will keep proper books of record of all transactions relating to the receipts, disbursements, allocations and applications of all funds

accruing to the Trustee hereunder, and such books shall be available for inspection by the Authority or any Bondowner at reasonable hours and under reasonable conditions. Other than its duty to enforce the terms of the Resolution, the Trustee shall have no responsibility for the nonperformance of any covenant or agreement by the Authority under any such instrument, nor any duty to see to the application of insurance or condemnation proceeds.

SECTION 11.9. Reliance on Requisitions, etc. The Trustee may conclusively rely and act on any requisition, resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or document which it in good faith believes to be genuine and to have been passed or signed by the proper Persons or to have been prepared and furnished pursuant to any of the provisions of the Resolution; and the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement.

SECTION 11.10. Trustee May Deal in Bonds. The Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Bondowners may be entitled to take with like effect as if the Trustee were not a party to this Resolution. The Trustee may also engage in or be interested in any financial or other transaction with the Authority; provided that if the Trustee determines that any such relation is in conflict with its duties under this Resolution it shall eliminate the conflict or resign as Trustee.

SECTION 11.11. Advances to Cure Defaults. If the Authority shall fail to perform any of the covenants or agreements contained in this Resolution, the Trustee may, in its uncontrolled discretion and without notice to the Bondowners, at any time and from time to time, make advances to effect performance of the same on behalf of the Authority, but the Trustee shall be under no obligation so to do; and any and all money paid or advanced by the Trustee for any such purpose, together with interest thereon at the rate equal to the Prime Rate plus two percent (2%) per annum, shall be repaid by the Authority immediately upon demand therefor, and until such payment by the Authority shall be a lien in favor of the Trustee upon the Revenues on a parity with the lien of the Bonds; but no such advance shall operate to relieve the Authority from any default hereunder.

SECTION 11.12. Construction of Resolution. The Trustee may construe any of the provisions of this Resolution insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof; and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Bondowners.

SECTION 11.13. Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by the Resolution by written resignation filed with the Chairperson of the authority not less than sixty (60) days before the date when it is stated to take effect; provided notice of such resignation is given to the Bondowners in the same manner as notice of redemption. Such resignation shall take effect on the day specified therein unless a successor Trustee is previously appointed, in which event the resignation shall take effect immediately on the appointment of such successor, and unless no successor has been appointed as of the day specified therein, in which event the resignation shall not take effect until the successor is in fact appointed. Simultaneously with the effectiveness of the appointment of a successor Trustee, the former Trustee shall transfer to the successor Trustee any existing Credit Facility then in favor of the former Trustee.

SECTION 11.14. Removal of Trustee. Any Trustee hereunder may be removed at any time upon thirty (30) days' written notice to the Trustee and, with regard to clause (i) hereof, to the Authority by an instrument appointing a successor to the Trustee so removed, executed by either (i) the Registered Owners of a majority in principal amount of the Bonds then Outstanding or (ii) so long as no Event of Default has occurred and is continuing, by an Authorized Representative of the Authority. Such Trustee shall continue to act as Trustee hereunder until the successor is in fact appointed. Simultaneously with the effectiveness of the appointment of a successor Trustee, the former Trustee shall transfer to the successor Trustee any existing Credit Facility then in favor of the former Trustee.

SECTION 11.15. Appointment of Successor Trustee. In case at any time the Trustee, or any Trustee hereinafter appointed, shall resign, or shall be removed, or be dissolved, or its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, a vacancy shall forthwith and ipso facto exist in the office of Trustee and a successor may be appointed, (i) so long as no Event of Default has occurred and is continuing, by the Authority by an instrument authorized by resolution of the Governing Board of the Authority and signed by an Authorized Representative of the Authority or (ii) if an Event of Default has occurred and is continuing, by the Registered Owners of a majority in principal amount of the Bonds then Outstanding, by an instrument or instruments in writing filed with the Chairperson of the Authority, signed by such Bondowners or by their attorneys in fact duly authorized. Copies of each instrument shall be promptly delivered by the Authority to the predecessor Trustee and to the Trustee so appointed.

Until a successor Trustee shall be appointed by the Bondowners as herein authorized, the Authority, by an instrument authorized by resolution of its Governing Board, may appoint a Trustee to fill such vacancy. After any appointment by the Authority, it shall deposit written notice of such appointment in the United States mail, first-class, postage prepaid, addressed to each Registered Owner of Bonds at the addresses appearing upon the Bond register. Any new Trustee so appointed by the Authority shall immediately and without further act be superseded by a Trustee appointed by the Bondowners in the manner above provided. In case at any time the Trustee shall resign and no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Article prior to the date specified in the notice of resignation as the date when such resignation shall take effect, the retiring Trustee or any Bondowner may forthwith apply to a court of competent jurisdiction for the appointment of a successor Trustee. Such court may thereupon after such notice, if any, as it may deem proper and prescribe, appoint a successor Trustee.

SECTION 11.16. Qualification of Successor Trustee. Every successor in the trust appointed in pursuance of the provisions of this Article XI shall be any trust company or a state or national bank with trust powers, within or without the State, having capital and paid in surplus of at least \$50,000,000, if there be such a trust company or bank willing and able to accept the trust on reasonable and customary terms.

SECTION 11.17. Instruments of Succession. Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Authority an instrument accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all the estates, property, rights, powers, trusts, duties and obligations

of its predecessor in the trust hereunder, with like effect as if originally named Trustee herein. Upon request of such Trustee, the Trustee ceasing to act and the Authority shall execute and deliver an instrument transferring to such successor Trustee all the estates, property, rights, powers and trusts hereunder of the Trustee so ceasing to act; and the Trustee so ceasing to act shall pay over to the successor Trustee all money at the time held by it hereunder.

SECTION 11.18. Merger of Trustee. Any corporation into which any Trustee hereunder may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Trustee hereunder shall be a party, shall be the successor Trustee under this Resolution, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

ARTICLE XII

EVIDENCE OF RIGHTS OF BONDOWNERS.

SECTION 12.1. Proof from Registered Owners. Any request, consent or other instrument required by this Resolution to be signed and executed by Bondowners may be in any number of concurrent writings of substantially similar tenor and may be signed or executed by such Bondowners in person or by agent duly appointed by an instrument in writing. Proof of the execution of any such request, consent or other instrument or writing appointing any such agent shall be sufficient for any purpose of this Resolution and shall be conclusive in favor of the Trustee and of the Authority if made in the manner provided in this Article.

SECTION 12.2. Proof of Writing. The fact and date of the execution by any Person of any such request, consent or other instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by laws thereof to take acknowledgments of deeds, certifying that the Person signing such request, consent or other instrument acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such affidavit or certificate shall also constitute sufficient proof of such person's authority.

SECTION 12.3. Proof of Bonds Held. The ownership of Bonds shall be proved by the registration books of such Bonds kept by the Trustee.

Any request, consent, vote, other instrument or action, required by this Resolution of the Registered Owner of any Bond shall bind every future Registered Owner of the same Bond and the Registered Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority pursuant to such request, consent or vote, whether or not notation thereof be made on any Bond issued hereunder.

SECTION 12.4. Presumptions. In determining whether the Registered Owners of the requisite aggregate principal amount of Bonds shall have concurred in any demand, request, direction, consent or waiver under this Resolution, Bonds which are owned by the Authority or by any person directly or indirectly controlling or controlled by or under common control with the Authority shall be disregarded and deemed not to be Outstanding. For the purposes of determining

whether the Trustee shall be protected in relying on such demand, request, direction, consent or waiver, only Bonds which the Trustee actually knows to be so owned shall be disregarded. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purpose of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by or under common control with the Authority. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of Counsel shall be full protection to the Trustee.

ARTICLE XIII

SUPPLEMENTAL RESOLUTIONS.

SECTION 13.1. Supplemental Resolutions Without Bondowners' Consent. The Authority and the Trustee from time to time, and at any time, subject to the conditions and restrictions of this Resolution may enter into Resolutions supplemental hereto, which Resolutions thereafter shall form a part hereof, for any one or more of the following purposes:

(a) to add to the covenants and agreements of the Authority under this Resolution or to surrender any right or power herein reserved or conferred upon the Authority and which shall not adversely affect the interests of the Registered Owners of the Bonds;

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provisions contained in this Resolution, or in regard to matters or questions arising under this Resolution, or to include provisions relating to the administration of any Credit Facility or the funds and accounts established hereunder or under any Supplemental Resolution, as the Authority and the Trustee may deem necessary or desirable and which shall not adversely affect the interests of the Registered Owners of the Bonds, or for other purposes as the Authority and the Trustee may deem desirable but only if and to the extent that such Supplemental Resolution does not in any manner adversely affect or impair the rights of the Bondowners under this Resolution;

(c) to subject, describe or redescribe any property subjected or to be subjected to the lien of this Resolution;

(d) to provide for the issuance of the 2008 Notes or Additional Indebtedness (or any amendment, modification, replacement, reissuance or refunding of the 2008 Notes or Additional Indebtedness) pursuant to Article III hereof or the issuance of a Credit Facility;

(e) to modify, amend or supplement this Resolution or any Resolution supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar Federal statute hereafter in effect, and if they so determine, to add to this Resolution or any Resolution supplemental hereto such other terms, conditions and provision as may be required by said Trust Indenture Act of 1939, as amended, or similar Federal statute; provided, however, that no such modification shall adversely affect or impair the rights of the Bondowners or permit the creation of any lien prior to or on a parity with the lien of the Resolution (except as herein expressly permitted) or deprive the Bondowners of the lien created by the Resolution;

(f) to modify, amend or supplement the Resolution in such manner as may be necessary to obtain or maintain from the Rating Agencies a securities rating on the 2008 Notes or any Additional Indebtedness; and

(g) to make any other change to this Resolution that affects one or more particular series of Bonds if notice by registered or certified mail, return receipt requested, of such change, including a copy of the proposed Supplemental Resolution, is given to each Owner of a Bond of such series at least thirty (30) days prior to the effective date of the Supplemental Resolution and if each such Owner shall have had at least one opportunity to require the purchase of such Bond pursuant to the terms of the Supplemental Resolution under which the particular Bonds were issued during a period beginning thirty (30) days after the giving of such notice and ending on the effective date of the Supplemental Resolution.

Any Supplemental Resolution authorized by the provisions of this Section may be executed by the Authority and the Trustee without the consent of the Registered Owners of any of the Bonds at the time Outstanding, but the Trustee shall not be obligated to enter into any such Supplemental Resolutions which affect the Trustee's rights, duties or immunities under this Resolution or otherwise.

SECTION 13.2. Supplemental Resolutions with Bondowners' Consent. With the consent of the Registered Owners of a majority in aggregate principal amount of Bonds as of the relevant Record Date, the Authority and the Trustee, may from time to time and at any time enter into an Resolution or Resolutions supplemental hereto for the purpose of adding any provisions or changing in any manner or eliminating any of the provisions of this Resolution or of any Supplemental Resolution; provided, however, that no such supplemental Resolution shall (a) extend the fixed maturity of the Bonds or reduce the rate of interest thereon or extend the time of payment of interest, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the Registered Owner of each Bond so affected or (b) reduce the aforesaid percentage of Registered Owners of Bonds required to approve any such Supplemental Resolution. Upon receipt by the Trustee of certified resolutions authorizing the execution of any such Supplemental Resolutions, and upon the filing with the Trustee of evidence of the consent of Bondowners, as aforesaid, the Trustee shall join with the Authority in the execution of such Supplemental Resolution unless such Supplemental Resolution will affect the Trustee's own rights, duties and immunities under this Resolution or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such Supplemental Resolution.

The Authority shall in its sole discretion select a Record Date in connection with obtaining the consent of Registered Owners to supplemental Resolutions. Only Registered Owners as of the close of business on said Record Date shall be entitled to consent to any such supplemental Resolution. Any such consent shall be irrevocable and binding on all subsequent transferees, whether or not such supplemental Resolution has been executed or approved by the requisite number of Registered Owners at the time of any such consent or subsequent transfer. For the purpose of determining consents, any Bond in a denomination other than the minimum Authorized Denomination for that series shall be treated as representing such number of separate Bonds of that series as is obtained by dividing the actual principal amount of such Bond by the minimum Authorized Denomination of that series. The Registered Owner of more than one Bond shall be

entitled to consent or disapprove of any supplemental Resolution as owner of any Bond independent of the consent or disapproval given as owner of any other Bonds.

It shall not be necessary for the consent of the Bondowners under this Section to approve the particular form of any proposed supplemental Resolution, but it shall be sufficient if such consent shall approve the substance thereof.

SECTION 13.3. Effect of Supplemental Resolutions. Upon the execution of any Supplemental Resolution pursuant to the provisions of this Article XIII, this Resolution shall be and be deemed to be modified and amended in accordance therewith and the respective rights, duties and obligations under this Resolution of the Authority, the Trustee and all Registered Owners of Bonds Outstanding thereunder shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Resolution shall be and be deemed to be part of the terms and conditions of this Resolution for any and all purposes.

SECTION 13.4. Opinion of Counsel as to Supplemental Resolution; Reliance on Counsel. Before the Trustee shall enter into any supplemental Resolution pursuant to Section 13.1, there shall have been delivered to the Trustee an opinion of Counsel to the effect that such supplemental Resolution (i) is authorized under this Resolution and complies with the requirements of this Article, (ii) will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms, and (iii) will not affect the exclusion from gross income of the interest on any Tax-Exempt Bonds for federal income tax purposes. The Trustee may conclusively rely upon such an opinion of Counsel.

SECTION 13.5. Voting Rights of Credit Facility Provider. As long as the Credit Facility Provider has not failed to comply with its payment obligations under the Credit Agreement, the Credit Facility Provider shall have all rights and privileges of the Owners of the Credit Facility Bonds to exercise rights of approval, consent, discretionary waiver and make all requests on behalf of and in place of such Owners. For purposes of computing applicable percentages of Bondowners under this Resolution, actions taken by such Credit Facility Provider shall be treated as action taken by the Owner of such Credit Facility Bonds.

In addition to the foregoing, the Authority may provide that a Credit Facility Provider (not in default under its payment obligations under a Credit Agreement) shall have rights (i) to consent to amendments or supplements to this Resolution in addition to, in lieu of or separate from the rights of the Owners of the Bonds to such consent and (ii) to direct remedies upon the happening and continuance of an Event of Default in addition to, in lieu of or separate from the rights of the Owners of the Bonds.

ARTICLE XIV

DEFEASANCE.

SECTION 14.1. Defeasance. Subject to provisions of a Supplemental Resolution that may modify this Section 14.1 insofar as it governs the Bonds authorized by such Supplemental Resolution, if the Authority shall pay or cause to be paid, in accordance with the provisions of this

Resolution, to the Registered Owners of any Bond, the principal and interest and premium, if any, to become due thereon, at the times and in the manner stipulated therein and in the Resolution, then the pledge of the Trust Estate and any other money and securities hereby pledged and all other rights granted hereby shall be discharged and satisfied with respect to such Bond. In the event the Authority so provides for all Outstanding Bonds issued under this Resolution, the Trustee shall, upon the request of the Authority, execute and deliver to the Authority, all such instruments as may be desirable to evidence such discharge and satisfaction and the Trustee shall pay over or deliver, first to each Credit Facility Provider to the extent of any unreimbursed Payment Obligations, and then to the Authority, all money or securities held by it pursuant to the Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

Notwithstanding the release and discharge of the Lien of this Resolution as provided above, those provisions of this Resolution and any applicable Supplemental Resolution relating to the maturity of the Bonds, interest payments and dates thereof, tender and purchase provisions, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds, the holding of moneys in trust, and the duties of the Trustee, Tender Agent and Remarketing Agent in connection with all of the foregoing, remain in effect and shall be binding upon the Trustee, Tender Agent, Remarketing Agent, Issuer and the Bondowners.

Any Bond for the payment or redemption of which funds shall have been set aside and shall be held in trust by the Trustee (through deposit of funds for such payment or redemption or otherwise) whether at or prior to the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the first sentence of this Section. Subject to provisions of a Supplemental Resolution that may modify this Section 14.1 insofar as it governs the Bonds authorized by such Supplemental Resolution, any Outstanding Bond shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in the first sentence of this Section if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to give notice of redemption of such Bonds on said date as provided herein, (ii) there shall have been deposited with the Trustee either money in an amount which shall be sufficient, or noncallable Investment Securities of the type listed in subparagraphs (a), (b), or (n) of the definition of Investment Securities, the principal of and the interest on which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, premium, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iii) if said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days and such Bonds are to be redeemed the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to give notice to the Registered Owners of such Bonds that the deposit required by (ii) above has been made in accordance with this Section and stating such maturity or redemption date upon which money is to be available for the payment of the principal and premium, if applicable, on said Bonds. Neither Investment Securities or money deposited with the Trustee pursuant to this Section, nor principal or interest payable on any such Investment Securities, shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or premium, if applicable, and interest on said Bonds; provided that any cash received from such

principal or interest payments on such Investment Securities deposited with the Trustee, if not then needed for such purpose, shall, at the written direction of the Authority and to the extent practicable, be reinvested in Investment Securities of the type hereinbefore described in this paragraph maturing at times and in amounts sufficient, together with other money available for the purpose, to pay when due the principal, premium, if applicable, and interest to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien or pledge, provided, further that any Investment Securities may be sold, transferred, redeemed or otherwise disposed of, and the proceeds thereof applied to the purchase of other Investment Securities of the type permitted for this purpose, the principal of and interest on which, when due, together with money and other Investment Securities then held by the Trustee for such purpose shall be sufficient to pay when due the principal, premium, if applicable, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be.

Anything in the Resolution to the contrary notwithstanding and except as the escheat laws of the State may otherwise provide, any money held by the Trustee in trust for the payment and discharge of any of the Bonds which remain unclaimed for four years after the date when all of the Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such money were held by the Trustee at such date, or for four years after the date of deposit of such money if deposited with the Trustee after the said date when all of the Bonds become due and payable, shall, at the written request of the Authority, be repaid by the Trustee to the Authority, as its or their absolute property and free from trust, and the Trustee shall thereupon be released and discharged; provided, however, that before being required to make any such payment, the Trustee shall, at the expense of the Authority, cause to be published once in an Authorized Newspaper, notice that said money remains unclaimed and that, after a date named in said notice, which date shall be not less than ten (10) nor more than twenty (20) days after the date of first publication of such notice, the balance of such money then unclaimed will be returned to the Authority as provided above.

SECTION 14.2. Surplus Funds. Any surplus money held by the Trustee after all obligations arising under the Bonds and this Resolution have been paid or otherwise provided for as provided under the Resolution shall be transferred to the Authority.

ARTICLE XV

MISCELLANEOUS PROVISIONS.

SECTION 15.1. Benefit of Covenants. All the covenants, stipulations, promises and agreements in this Resolution contained by or on behalf of the Authority shall bind and inure to the benefit of its successors and assigns, whether so expressed or not.

SECTION 15.2. No Further Beneficiaries. Nothing expressed or implied in this Resolution or in the Bonds is intended or shall be construed to give to any person other than the parties hereto, any Credit Facility Providers, and the Registered Owners of the Bonds issued hereunder, any legal or equitable right, remedy or claim under or in respect of this Resolution or any covenants, conditions or provisions therein or herein contained.

SECTION 15.3. Waiver of Notice. Whenever in this Resolution the giving of notice by mail or otherwise shall be required, the giving of such notice may be waived in writing by all Persons entitled to receive such notice, and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 15.4. Severability. In case any one or more of the provisions contained in this Resolution or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Resolution or the Bonds, but this Resolution or the Bonds shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein or therein.

SECTION 15.5. Substitute Notice. If for any reason it shall be impossible to make publication of any notice required hereby in an Authorized Newspaper, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice.

SECTION 15.6. Notices. Except as otherwise provided herein, all notices, demands, requests, consents, certificates, directions, elections and waivers pursuant to any provision of this Resolution shall be in writing and sent by United States registered or certified mail, return receipt requested, postage prepaid, or alternatively, by hand delivery, addressed to the Authority as follows:

Livingston County Water and Sewer Authority
1997 D'Angelo Drive, Lakeville, New York 14480
Attention: Chairperson

and to the Trustee as follows:

Manufacturers and Traders Trust Company
One M&T Plaza
Buffalo, New York 14203
Attention: Corporate Trust and Agency Division

or to such other address as the party to receive the communication may hereafter designate by written notice to all other Persons listed above. Copies of all notices shall be sent to the Trustee at its address above. All notices shall be deemed to have been given hereunder on the day following mailing thereof in accordance with the requirements of this Section, except for telephonic notice pursuant to specific provisions hereof authorizing such notice or notice by hand delivery, which shall be deemed given immediately.

SECTION 15.7. Successors and Assigns. All the covenants, promises and agreements contained in this Resolution by or on behalf of the Authority, or by or on behalf of the Trustee, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 15.8. Headings for Convenience Only. The descriptive headings herein are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 15.9. Counterparts. This Resolution may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but such counterparts shall together constitute but one and the same instrument.

SECTION 15.10. Payments on Weekends, Holiday. Whenever the date fixed for the payment of the principal or redemption price of or the interest on any Bonds falls on any date that is not a Business Day, then the payment of principal, redemption price or interest need not be made on such date, but may be made on the next-succeeding Business Day with the same force and effect as if made on the date fixed, and no interest shall accrue on such payment to the date payment is made.

SECTION 15.11. No Personal Liability. No recourse under or upon any obligation, covenant or agreement contained in this Resolution or in any Bond hereby secured, or under any judgment obtained against the Authority or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise, or under any circumstances, under or independent of this Resolution, shall be had against any member, officer or employee, as such, past, present or future, of the Authority for the payment for or to the Authority or any receiver thereof, or for or to the Registered Owners of any Bonds issued hereunder or otherwise, of any sum that may be due and unpaid by the Authority upon any such Bond. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such member, officer or employee of the Authority as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Registered Owner of any Bond issued thereunder or otherwise, of any sum that may remain due and unpaid upon the Bonds and hereby secured or any of them, is hereby expressly waived and released as a condition of and consideration for the execution of this Resolution and the issuance of such Bond.

SECTION 15.12. No Indebtedness Created. Neither the State, County nor any other municipality or public corporation shall be liable for the payment of the principal of or interest on any of the Bonds issued hereunder, or for the performance of any pledge, mortgage, obligation or agreement or indebtedness of the Authority, and none of the Bonds of the Authority issued hereunder shall be construed to constitute an indebtedness of said State, County or any other municipality or public corporation.

SECTION 15.13. Agreement of the State. There is hereby incorporated in this Resolution by this reference, fully as if set forth herein at length, the agreement of the State with the Registered Owners of Bonds and the owners of any Additional Indebtedness set forth in Section 1199-III of the Act.

SECTION 15.14. Governing Law. This Resolution shall be governed exclusively by the provisions hereof and by the applicable laws of the State without reference to conflict of law provisions.

SECTION 15.15. Consents. Whenever the consent of any Person is required pursuant to the terms of this Resolution, the same shall not be unreasonably withheld.

SECTION 15.16. Construction of Delivery by Trustee or Tender Agent. Any reference herein to delivery of Bonds by the Trustee or the Tender Agent shall be understood to mean only that the Trustee or the Tender Agent, as the case may be, shall make the Bond or Bonds available for pick-up during normal business hours at its principal corporate trust office in Buffalo, New York.

SECTION 15.17. Action by Authority or Credit Facility Provider. Except as otherwise expressly stated herein, any action to be taken hereunder or under any Supplemental Resolution by the Authority or Credit Facility Provider may be taken by an Authorized Representative thereof.

IN WITNESS WHEREOF, LIVINGSTON COUNTY WATER AND SEWER AUTHORITY has caused this Resolution to be executed by its Chairperson and its corporate seal to be hereunto affixed, attested by its Secretary, and MANUFACTURERS AND TRADERS TRUST COMPANY has caused this Resolution to be executed by one of its authorized officers, all as of the day and year first above written.

(SEAL)

LIVINGSTON COUNTY WATER AND SEWER AUTHORITY

Attest: _____
Secretary

By _____
Chairperson

MANUFACTURERS AND TRADERS TRUST COMPANY

By _____

STATE OF NEW YORK :
 : SS.
COUNTY OF LIVINGSTON :

On this _____ day of _____, 2008, personally appeared before me _____, personally known to me and known by me to be the person who executed the foregoing instrument in the name and on behalf of the Livingston County Water and Sewer Authority, who, being by me duly sworn, did depose and say that he is the _____ of said Authority, that the said Authority is the body corporate and politic described in and that executed the said instrument, and acknowledged said instrument so executed to be his voluntary act and the voluntary act and deed of said Authority, and stated on oath that said instrument was so signed by him and sealed and attested by _____, Secretary of said Authority, and delivered on behalf of said Authority and at its direction, and that the seal affixed to said instrument is the official seal of said Authority.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the day and year aforesaid.

Notary Public

(Notarial Seal)

My Commission Expires:

STATE OF NEW YORK :
 : SS.
COUNTY OF :

On this _____ day of _____, 2008, personally appeared before me _____, personally known to me and known by me to be the person who executed the foregoing instrument in the name and on behalf of Manufacturers and Traders Trust Company, who, being by me duly sworn, did depose and say that he is the _____ of said Trustee, that the said Trustee is the body corporate and politic described in and that executed the said instrument, and acknowledged said instrument so executed to be his voluntary act and the voluntary act and deed of said Trustee, and stated on oath that said instrument was so signed by him and sealed and attested by _____, Vice President of said Trustee, and delivered on behalf of said Trustee and at its direction, and that the seal affixed to said instrument is the official seal of said Trustee.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the day and year aforesaid.

Notary Public

LIVINGSTON COUNTY WATER SEWER AUTHORITY

TENTH SUPPLEMENTAL RESOLUTION
AUTHORIZING
\$5,000,000
SYSTEM REVENUE NOTES, [2021]

Dated as of _____, 2021

TENTH SUPPLEMENTAL RESOLUTION AUTHORIZING

\$5,000,000

SYSTEM REVENUE NOTES, [2021]

Be It Resolved by the Governing Board of the Livingston County Water and Sewer Authority (the “Authority”), as follows:

ARTICLE VI

DEFINITIONS AND STATUTORY AUTHORITY

SECTION 6.01. TENTH Supplemental Resolution. This TENTH Supplemental Resolution Authorizing \$5,000,000 System Revenue Notes, [2021] is supplemental to the resolution adopted by the Governing Board of the Authority dated as of January 1, 2008, entitled “General Revenue Bond Resolution” and referred to herein as the “Resolution.”

SECTION 6.02. Definitions. (a) All terms that are defined in Section 1.5 of the Resolution shall have the same meanings, respectively, in this TENTH Supplemental Resolution as such terms are given in said Section 1.5 of the Resolution.

(b) In addition, as used in this TENTH Supplemental Resolution, unless the context shall otherwise require, the following terms shall have the following meanings:

“Closing Date” shall mean _____, 2021.

“EFC” shall mean the New York State Environmental Facilities Corporation.

“Notes” shall mean the “E.F.C. Clean Water Facility Note – [2021]” issued by the Authority as \$ _____ System Revenue Notes, [2021] authorized pursuant to this resolution.

“Project Finance Agreement” shall mean the Project Finance Agreement, dated as of _____, between the Authority and EFC.

“TENTH Supplemental Resolution” shall mean this TENTH Supplemental Resolution Authorizing up to \$5,000,000 System Revenue Notes, [2021].

(c) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include authorities and associations, including public bodies, as well as natural persons, but shall not include the Authority.

(d) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder”, and any similar terms, as used in this TENTH Supplemental Resolution, refer to the TENTH Supplemental Resolution.

SECTION 6.03. Authority for the TENTH Supplemental Resolution. This TENTH Supplemental Resolution is adopted pursuant to the provisions of the Act and the Resolution.

ARTICLE VII

AUTHORIZATION, TERMS AND ISSUANCE OF NOTES

SECTION 7.01. Authorization of Notes, Principal Amount, Designation and Series. The Notes are hereby authorized to be issued in an aggregate principal amount not to exceed \$5,000,000 on and this TENTH Supplemental Resolution and the project finance agreement (“Project Finance Agreement”) with the New York State Environmental Facilities Corporation (“EFC”).

SECTION 7.02. Purposes. The purpose for which the proceeds of the Notes are being issued is to (i) finance water facilities (as defined in the Act), including the planning, development and construction thereof, and (ii) pay the costs of issuance of the Notes.

SECTION 7.03. Date of Notes. The Notes shall be dated _____, 2021.

SECTION 7.04. Maturities and Interest Rate. The Notes shall bear no interest at and shall mature _____.

SECTION 7.05. Place of Payment. The principal of and interest on the Notes shall be payable to EFC.

ARTICLE VIII

APPLICATION OF PROCEEDS OF THE NOTES

SECTION 8.01. Application of Proceeds and Other Moneys. All proceeds of the Notes will be deposited into the Project Fund.

ARTICLE IX

FORM AND EXECUTION OF NOTES

SECTION 9.01. Form of Notes. Subject to the provisions of the Resolution, the Notes in registered form, together with the form of assignment therefor and the Trustee’s Certificate of Authentication, shall be in substantially the form set forth in the Project Finance Agreement.

SECTION 9.02. Execution and Authentication of Notes. Pursuant to the provisions of Section 2.3 of the General Bond Resolution, either the Chairperson or the Vice-

Chairperson of the Authority is hereby authorized and directed to execute by such person's manual or facsimile signature the Notes in the name of the Authority and the corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon. The Secretary of the Authority is hereby authorized and directed to attest, by manual or facsimile signature, the execution of the Notes. The Trustee is hereby authorized to authenticate, by manual or facsimile signature, the Notes and to deliver the same to or upon the order of the Authority in such amount and at such time as the Trustee shall be directed in writing by an Authorized Officer.

ARTICLE X

SECTION 10.01. State Covenant. In accordance with the provisions of the Act the State has pledged and agreed with the owners of Bonds of the Authority that the State will not alter or limit the rights vested by the Act in the Authority to finance or refinance the acquisition, construction, maintenance, operation, repair, reconstruction, rehabilitation and improvement of facilities and to fulfill the terms of any agreement made with or for the benefit of the holders of bonds of the Authority or with any public corporation or person with reference to such project or part thereof, or in any way impair the rights and remedies of the Authority's bondholders, until the Notes and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged. The State has further pledged and agreed with the holders of any bonds issued by the Authority pursuant to the Act that the State will not alter or limit the rights of the Authority to establish and collect rates, rents, fees or other charges to pay expenses in connection with the System.

SECTION 10.02. Authorized Officers. The Chairperson, Vice Chairperson, Secretary and Treasurer of the Authority are each hereby authorized to deliver and execute in the name and on behalf of the Authority any agreement, certificate, opinion, record or other document required by or authorized pursuant to the Resolution or this TENTH Supplemental Resolution in connection with the issuance of the Notes.

SECTION 10.03. When Effective. The TENTH Supplemental Resolution shall become effective immediately upon the filing with the Trustee of a copy hereof certified by an Authorized Officer.

IN WITNESS WHEREOF, LIVINGSTON COUNTY WATER AND SEWER AUTHORITY has caused this resolution to be executed by its Chairman and its corporate seal to be hereunto affixed, attested by its Secretary, all as of the day and year first above written.

[S E A L]

**LIVINGSTON COUNTY WATER AND
SEWER AUTHORITY**

Attest: _____
Secretary

By: _____
Chairman



RESOLUTION NO. 2021-29

RESOLUTION SUPPORTING A COLLABORATIVE PARTNERSHIP BETWEEN THE VILLAGE OF AVON, TOWN OF AVON, LIVINGSTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY AND THE LIVINGSTON COUNTY WATER AND SEWER AUTHORITY TO EVALUATE OPTIONS TO INCREASE DAILY TREATMENT CAPACITY AT THE AVON WASTEWATER PLANT TO MEET SHORT AND LONG-TERM DEVELOPMENT INTERESTS

WHEREAS, the Village of Avon, a municipal corporation in the State of New York with offices at 74 Genesee Street, Avon, New York 14414 (hereafter “Village”) and the Town of Avon, a municipal corporation in the State of New York with offices at 23 Genesee Street, Avon, New York 14414 (hereafter “Town”) and the Livingston County Industrial Development Agency, a public benefit corporation in the State of New York with offices located at 6 Court Street, Geneseo, New York 14454 (hereafter “IDA”) and the Livingston County Water and Sewer Authority, a public benefit corporation in the State of New York with offices located at 1997 D’Angelo Drive, Lakeville, New York 14480 (hereafter “Authority”) and which are herein collectively referred to as the “Parties”, and

WHEREAS, the Village owns, operates and maintains a wastewater treatment plant (hereafter “Plant”) within the jurisdictional boundaries of the Village that is used for the treatment of various types of wastewater for the benefit of the health, safety and welfare of the residents of the Village and the Town, and

WHEREAS, the Village Plant has a daily treatment capacity of 1,000,000 gallons per day (gpd), defined by the Village’s State Pollution Discharge Elimination System (SPDES) permit as an influent monthly annual rolling average, and

WHEREAS, Authority owns, operates and maintains a sanitary sewer system and collection facilities in the Town which is currently interconnected to the Village sanitary sewer system at Rt. 5 and Rt. 20 at the Village line, and

WHEREAS, the Village and Authority have a sewer treatment agreement (hereafter “Agreement”), which was transferred from Livingston County (hereafter “County”) to the Authority on January 1, 2002, that provides for the Village to accept and treat sewage from the Authority and provides a methodology for determining treatment costs and treatment rate charged by the Village to the Authority, and

WHEREAS, in 2014 the Village commissioned a Project Engineering Report for the Village of Avon Wastewater Treatment Plant Improvements (hereafter “Project Engineering Report”) which evaluated the need to implement improvements to the Village Plant to address changes to its SPDES permit and accommodate growth from the Livingston County Industrial Complex and other areas, and address conditions, efficiency and concerns with the Plant; and

WHEREAS, due to recent development in the Village and the Town, and planned future residential, commercial and industrial development in the Village and the Town, sewer flows are expected to increase; and

WHEREAS, the Parties desire create a formal relationship so that the Parties can work jointly to update the Project Engineering Report and evaluate options to increase daily treatment capacity at the Village Plant to meet both short and long-term development interests of the Parties; and

WHEREAS, the Parties wish to formally memorialize the terms under which the Parties will work cooperatively to carry out this joint work, and now therefore be it,

RESOLVED, the Parties agree as follows:

1. Financial Contribution to Update the Project Engineering Report: The Parties agree to contribute an equal amount of financial support to update the Project Engineering Report in an amount not to exceed \$7,500. If additional funds are needed all parties shall agree to equally share the costs prior to proceeding with the additional work.
2. Joint Sewer Committee: The Parties agree to create a Joint Sewer Committee (hereafter “Committee”) each nominating one (1) representative to sit on the Committee. The Committee shall be tasked with selecting a professional engineering firm to update the Report. The Committee shall provide a monthly written update on the progress of the project to the Village, Town, IDA and Authority Boards.
3. Procurement of Services: The Authority agrees to procure the services of the selected professional engineering firm that will work with the Committee to update the Project Engineering Report. The Authority will bill the Parties equally as invoices are received for payment by the selected professional engineering firm.
4. Updated Project Engineering Report – The Parties agree that the updated Project Engineering Report will be distributed to all Parties and made be available to the public.

BE IT FURTHER RESOLVED, the Parties agree to work collaboratively and transparently to evaluate long term solutions for future development and growth in the community.

November 17, 2021
Livingston County Water & Sewer Authority
Moved By:
Seconded By:
AYES:
NAYS:



Livingston County Water & Sewer Authority
1997 D'Angelo Drive
PO Box 396
Lakeville, NY 14480
Phone: (585) 346-3523
Fax: (585) 346-0954
TTY NY: (800) 662-1220

Executive Director
Jason Molino

To: Richmond Mills Rd. Residents
From: Jason Molino, Executive Director
CC: Mark Kosakowski, Director of Operations
Date: November 2, 2021
Subject: Water Line Extension

Please see the project descriptions below as well as financial breakdown of each option we discussed the other day.

	Option No. A Private	Option No. B LCWSA	Option No. C LCWSA
Materials =		\$ 15,000	\$ 15,000
Labor =		\$ 35,000	\$ 25,000
Construction Subtotal =		\$ 50,000	\$ 40,000
Contingency (10%) =	\$ 5,000	\$ 5,000	\$ 4,000
Legal, Engineering, Administration =	\$ 10,000	\$ 13,000	\$ 13,001
Total Estimated Capital Cost =	\$ 15,000	\$ 68,000	\$ 57,001
Interest Rate =	NA	2.0%	2.0%
Loan Term =	NA	30	30
Grant =	NA	\$ -	\$ -
Net Local Project Cost =	NA	\$ 68,000	\$ 57,001
Estimated Debt Service =	NA	\$ 3,037	\$ 2,546
Total EDU's =	3	3	3
Estimated Debt Service/Unit/Year =	\$ -	\$ 1,012.33	\$ 848.67
Estimated Yearly Water Cost =	\$ 358.00	\$ 358.00	\$ 358.00
Total Annual Unit Cost =	\$ 358.00	\$ 1,370.33	\$ 1,206.67
One Time Cost =	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00

Option No. A - Privately funded and constructed project, with dedication to the LCWSA after project completion.
Option No. B - LCWSA led project. Construction by a contractor.
Option No. C - LCWSA led project. Construction by LCWSA.

Option A: Privately Funded

- The Authority would design the project and property owners would contract with a private contractor to install the water main per the Authorities design.
- Property owners would be responsible for paying for the design up front prior to the start of the project as well as financing the construction of the project.
- A Main Extension Agreement would be executed prior to the project started outlining the terms of the project, payment to the Authority timelines for design, requirements for inspection of installation and process for dedication of water line.
- Once the water main is constructed there would be an estimated cost of ~\$1,600 for each resident to connect their house to the water main, permitting and disconnect from their existing well. This is the responsibility of the property owner and cost may vary depending on each property.

Option B or C: Authority Financed

- The Authority would prepare a mortgage agreement for each property owner to execute. The mortgage agreement would outline each property owner's commitment to repay the costs of the project over the life of the mortgage agreement.
- The term of the mortgage agreement would be at a minimum 30 years at a locked interest rate; market interest rate borrowing for municipalities has been less than 2%.
- Costs would be determined by publicly bidding the project and comparing bidding prices to in-house labor costs. The lower of the two would be selected by the Authority to implement the project.
- Each homeowner would share the total design, administrative and construction costs equally. A homeowner may choose to pay their respective share up front if requested.
- Once the water main is constructed there would be an estimated cost of ~\$1,600 for each resident to connect their house to the water main, permitting and disconnect from their existing well. This is the responsibility of the property owner and cost may vary depending on each property.
- It should be noted that the mortgage agreement will be filed against each property. This means that any attempt to sell, transfer or refinance the property would require the mortgage agreement to be paid off in full. The only exception would be if the current property owner intends to refinance the property, but retain title, the Authority would take second position and be subordinate to the refinancing institution.

Please review these summaries and feel to call me with any questions. Mark and I would be happy to come to another meeting to discuss this with the group as well. Once an option is selected by the group the Authority will prepare the appropriate agreements for your review and signature, and timelines for designing, bidding and installation can be developed.

To: Livingston County Water and Sewer Authority Board

From: Jason Molino, Executive Director 

Date: November 9, 2021

Subject: System-wide meter replacement program

1. Action Requested:

Consensus from the Board to move forward with developing a meter replacement program utilizing in-house staff. Additional staff to be hired in 2022 would provide a focused effort to complete all LCWSA customer meter replacements over a 10-12-month period. Additional staff would include two (2) Water/Wastewater Maintenance Works and one (1) Account Clerk/Typist.

2. Background:

As part of the County Wide Water System Improvement project replacing all hand-held read water meters with radio read water meters will provide lower loss water and enhance revenue due to better performing meters. Replacing water meters with radio read meters will also significantly reduce staff time needed to read meters, providing for a net gain of ~1 FTE.

Currently the Authority has approximately 1,690 meters that have to be replaced with radio read meters. With the addition of the Village of Livonia water system this summer, there are an additional 409 meters. Also, the Authority should consider partnering with the Town of Leicester to change out an additional 250 meters through an intermunicipal agreement. In total, approximately 2,400 could be replaced through the upcoming County Wide Water System Improvement project.

3. Financial Implications:

Two options that have been evaluated when considering how to approach replacing 2,400 meters: contracting out versus in-house forces.

Meter costs are generally the same regardless of installation approach. 2,400 meters at a unit price of \$200 is approximately \$470,000. After speaking with CPL, estimates for a private contractor, based on past experiences, to coordinate, schedule and install meters is estimated at \$250-\$300 per meter. In total, estimated costs for a private contractor to install 2,400 water meters is ~\$1,000,000.

If the Authority were to install all meters in-house it would require the hiring of additional field and administrative staff, with additional expenditures for vehicles and equipment. The attached spreadsheet is a breakdown of estimated costs associated with installing 2,400 water meters.

The NYS Environmental Facilities Corporation (EFC) has confirmed that all costs related to in-house meter installations, including personnel, vehicles and equipment, can be reimbursed through the grant/loan financing for the project. In total, estimated costs for an in-house installation of 2,400 water meters is ~\$840,000.

It is unclear how long it would take a private contractor to install all meters, but timeframe to complete all installations may impact cost. Regardless of if a contractor installing meters, some Authority staff support will be needed both in the field and administratively. Based on the Authority's experience in changing out water meters, it takes on average 30-60 minutes per meter installation, in addition to travel time to locations, etc. It is estimated that it would take 10-12 months to install 2,400 water meters in-house.

From a cost perspective, changing out the remaining water meters in the Authority's water system would be best achieved by hiring three additional employees and creating an in-house meter installation program.

There are however, additional benefits to creating an in-house program versus contracting out for services:

- **I/I Program** - Authority staff can conduct I/I inspections at residences during the water meter install. Being able to inspect any Authority sewer customer, especially along Conesus Lake, would greatly advance the Authority's efforts to lower I/I in the sewer system. Also, being able to install a water meter and conduct the I/I inspection in the same visit will cut down on staff time to accomplish both tasks as well as minimize resident disruption with one visit to each residence rather than two. This would be an additional cost if a private contractor were tasked with this activity.
- **Succession Planning** - Within the next 7 years, 75% of the Authority's current workforce will be eligible to retire. Currently it is expected that a maintenance worker will retire each year between 2023 and 2026. It is also possible that the current administrative staff will retire within that same time frame.

It is realistic to assume that by the time the Authority will need absorb the cost of the additional staff following EFC funding, vacancies from retirements will need to be backfilled. Staff hired due to the meter program will provide more than a 12-month overlap with existing staff to assist with training, institutional knowledge transfer and field experience. In short, bringing on extra staff in the

short-term for the meter program, can result in preparing staff for the transition and overlap of upcoming retirements.

- **Customer Growth** – With growth in new customers, adding additional staff will be inevitable to maintain services. Currently the Authority is working with several municipalities regarding the creation or transfer of water and sewer services to the Authority. In total the Authority could see ~250-500 new water and/or sewer customers within the next 12-24 months. The Authority is also intricately involved with the County wide water discussions that could bring water to western, central and southern part of the County within the next 5-10 years.

Based on the financial and operational benefits of establishing an in-house meter replacement program, as stated above, it is recommended that the Board approve this approach and I will prepare the appropriate budget amendments for consideration at the December Board meeting.