



Annual Report 2018

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1. Introduction

The Livingston County Water & Sewer Authority (the Authority) is a public benefit corporation that was established in 1995 by an act of the State Legislature. As outlined in its enabling legislation, the Authority was created *“for the benefit of the people of the county and the state, for the improvement of their health, welfare and prosperity, and that such purposes are public purposes and that the authority is and will be performing an essential governmental function in the exercise of the powers conferred upon it”*.

The Authority’s primary responsibilities are to construct, improve, maintain, develop, expand and rehabilitate water and sewerage facilities. With a staff of 11 employees, the Authority currently operates and maintains: two wastewater treatment plants, approximately 50 miles of sanitary sewer collection and conveyance piping, and 46 sewage pump stations; approximately 65 miles of water distribution and transmission piping, 11 water storage tanks, 6 booster pump stations, and 5 re-chlorination stations.

The Authority is providing water services to approximately 3516 water accounts. The Authority’s water customers are located within the Village of Livonia and portions of the Towns of Avon, Caledonia, Conesus, Geneseo, Groveland, Livonia, Mount Morris, and Sparta.

The Authority is providing sewer services to approximately 3572 sewer accounts. The Authority’s sewer customers are located within the Village of Livonia and portions of the Towns of Livonia, Conesus, Avon, Groveland, Leicester, and Sparta.

The Authority is also responsible for the operation and maintenance of the flood gates in Conesus Creek at the outlet of Conesus Lake. This is accomplished through an agreement between the Authority and the Conesus Lake Compact (Towns of Conesus, Geneseo, Groveland, and Livonia).

2. Mission Statement

Our mission is to provide high quality, environmentally sound, efficient, reliable, and affordable water and sewer services to the people who live, work, and visit Livingston County.

(Date Adopted: July 23, 2003)

3. Authority Board

The Authority is governed by a Board consisting of seven members, who are residents of Livingston County and are appointed by resolution of the Board of Supervisors. These members are civic-minded individuals, with diverse backgrounds, who volunteer their time to the organization. Members are appointed to three-year terms.

In accordance with Public Authorities Law, the Authority has established the required Governance, Audit, and Finance Committees. As in previous years, the Board has elected to meet as a committee of the whole to discuss governance, audit, or finance related items.

A list of Authority Board Members with appointment terms, and a list of Committees and Committee Members, is provided in the attached organizational chart.

4. Organizational Chart

Since 2002, the Authority has been leasing most of its workforce from Livingston County (Public Works Department). In 2018, the Authority had an overall staff of 11 full-time employees, which included 10 leased employees (three are administrative and seven are for water and sewer operations). See Section 5.3 for additional detail on the employee “transfer” that occurred on January 1, 2019.

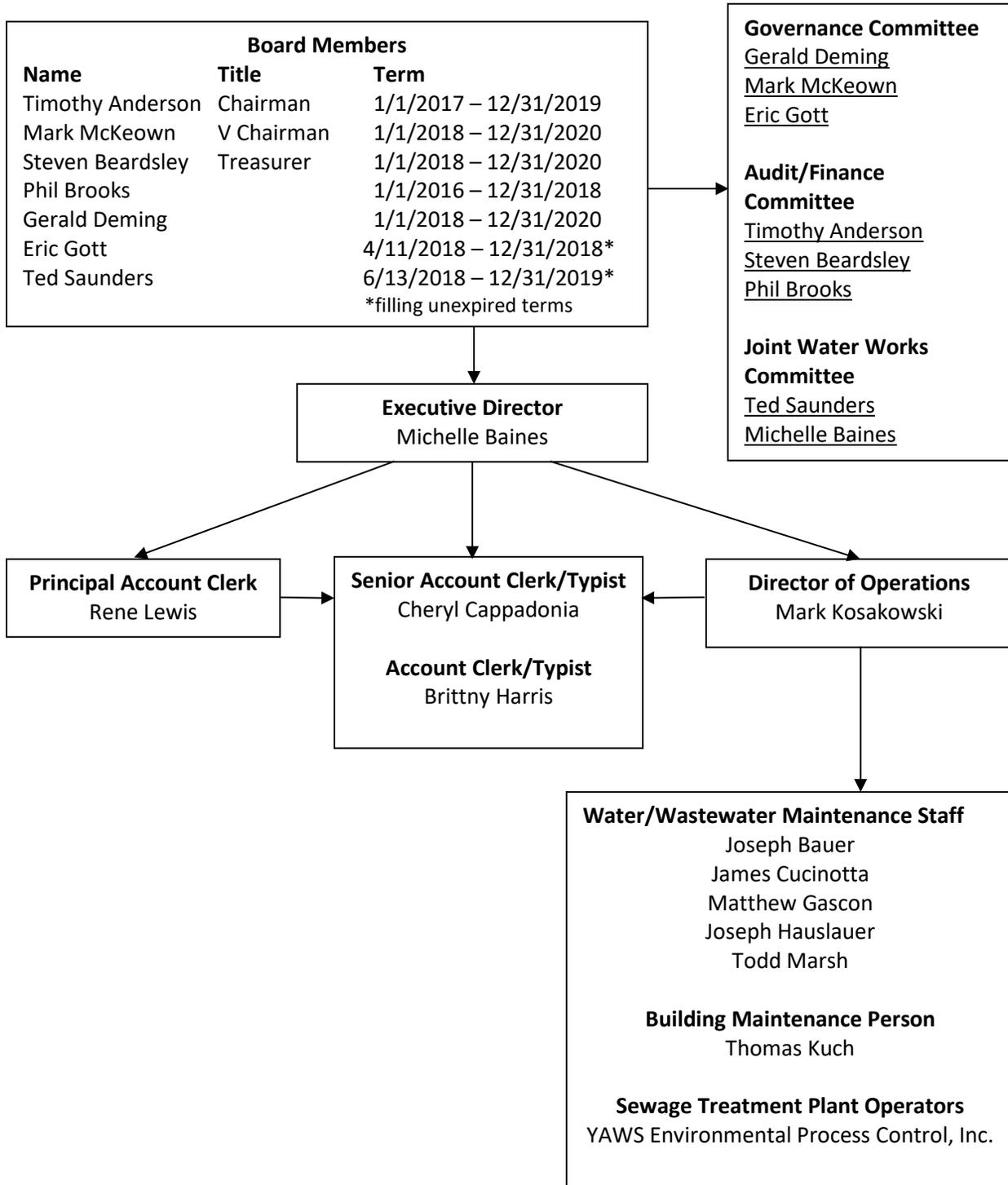
In 2018, the Executive Director was the only full-time employee of the Authority. The Authority did create two (2) seasonal laborer positions to assist with general lawn maintenance/grounds keeping, and water and sewer system maintenance.

The Authority currently contracts with Yaws Environmental Process Control, Inc., to provide management, operation and maintenance of the Authority’s two wastewater treatment plants (Lakeville Wastewater Treatment Plant SPDES NY 0032328, and Groveland Station Sewage Treatment Plant SPDES NY 0247227).

The Authority’s overall organizational structure, including a list of personnel and corresponding job titles, is presented in the attached organizational chart.

LCWSA Organizational Chart and Board Committees 2018

Board Members, Staff and Titles:



5. Activities & Accomplishments

Sections 5.1 through 5.3 provide a description of the Authority's operations, completed and active projects, as well as any material changes in Authority operations and programs, in 2018.

5.1 Operations

Water & Sewer

- Customer work orders – Staff serviced 521 customer work orders in 2018.
- Utility Stakeouts – Staff responded to 623 utility stakeout requests in 2018.
- Water and Sewer Main and Service Repairs – Repairs for 2018 included: five (5) new sewer taps, two (2) water services, and four (4) water main breaks.
- Water and Sewer services – In 2018, the LCWSA processed 8 cap-off permits that resulted in a decrease in units. The cap-off permit is issued to customers who are demolishing or removing a served house or business. The LCWSA completed 10 new water taps. The LCWSA also activated 12 new accounts this year. These are accounts that either had a new water and/or sewer connection to the LCWSA system.
- Regulatory Inspections – NYS Department of Health/Livingston County Department of Health completed its annual inspection of LCWSA water facilities, which were found to be in satisfactory condition. NYS Department of Environmental Conservation completed its annual inspections of both the Lakeville Wastewater Treatment Plant and the Groveland Station Sewage Treatment plant, and found these facilities to be in satisfactory condition.

Water

- Hydrant and Valve maintenance and repair – Completion of hydrant and valve maintenance as part of the 2018 work program, and the replacement of two (2) hydrants and six (6) hydrant repairs.
- Curb box rehab – Twenty-five (25) Curb boxes and rods were replaced this year.
- Meter replacements – Approximately 85 water meters were replaced in 2018.
- Water Station Maintenance – Staff replaced the chlorinator at the Sliker Hill Rd tank and the chlorine lines at Sliker Hill Rd and Niver Rd. Staff replaced the solenoid valve at the Stone Hill Rd vault and the Rt 20A vault.

Sewer

- Generator Maintenance – Annual, scheduled maintenance work completed on all generators. Staff also completed the battery and block heater replacement on units that came due as part of the preventative maintenance program for 2018 with Penn Power.

- Boiler Maintenance – Annual maintenance on the boilers was completed.
- Calibration of flowmeters – All flow meters were calibrated in 2018
- Wet well and Manhole maintenance – A total of two (2) wet wells at Livonia Center and Adams Rd were cleaned; the tanks at the Groveland Station Sewage Treatment Plant were pumped out; and staff cleaned and pressure-washed the wet wells in the Conesus Lake sewer district.
- Sludge hauling and disposal – Sludge was hauled away from both, Lakeville and Groveland Plants.
- Sewer Cleaning and televising – Staff completed sewer cleaning and televising in the following areas: South side Village of Livonia, Mt. Morris, started East Lake Rd.
- Gauging stations and shimming pumps – Staff completed the gauging program for 2018.
- Manhole Inspections – Staff completed locating and inspecting manholes in Mt. Morris, and started East Lake Rd.
- Pump Station rehabilitation – New roof was installed at 5E. Staff replaced all the belts on the East Side pump stations. The airline was replaced at Brians Diner pump station. Staff cut branches and dead trees around stations.

5.2 Capital Projects

The Authority recognizes the importance of multi-year capital planning to ensure the effective management of capital assets. The Authority has adopted a 10-year capital plan, which identifies several projects that have been prioritized based on various criteria (e.g. projects that are regulatory driven, projects that will result in operational savings, etc.). Concurrent with the budget process, the Authority Board also adopts an annual capital plan. The Authority routinely reviews both its annual capital plan and 10-year capital plan, and makes adjustments as necessary to respond to new or changing needs. A summary of active and completed projects in 2018 is presented below: *(LCWSA project ID numbers included in parentheses)*

- **Department of Corrections & Community Supervision (DOCCS) Water Supply Project (31085)**
By the end of 2018, the major components of the project including but not limited to approximately 60,000 linear feet of new water main, new pumping station, new water storage tank, and miscellaneous upgrades to the Authority's existing facilities were complete and ready to be put in service. In January 2019, the Authority received approval from the Livingston County Department of Health to put the new water system into operation. The contract between the Authority and the Department of Corrections and Community Supervision (DOCCS) allows the Authority to utilize pipe capacity of up to 70,000 gallons per day (gpd) for connections by residential/non-industrial users, without further authorization from DOCCS. There are approximately 130 properties, primarily residential, located along the corridor and it is anticipated that many of these properties will connect to the water system in the next few years. It is anticipated that the Groveland and Livingston Correctional Facilities will begin taking

water from the Authority by the end of 2019, following completion by DOCCS of a separate project that involves modifications to its existing water treatment plant. Per the contract between the Authority and DOCCS, the Authority's infrastructure shall be capable of delivering a minimum average daily flow of 500,000 gpd, and a maximum daily flow of 700,000 gpd to the DOCCS facilities.

During construction of the above project, certain water facilities were "upsized" at a cost of \$318,000 to provide additional system capacity to two (2) farms, Dairy Knoll Farms LLC and Sparta Farms LP, both located in the Town of Groveland. The initial capital contribution was provided by the Authority, and both farms have entered in capital re-payment agreements with the Authority, with each farm required to pay its proportionate payment obligation of \$159,000 over a maximum 20-year period. It is anticipated that both farms will be billed their first quarterly "capital charge" in early May 2019.

▪ **Lakeville Wastewater Treatment Plant Upgrades Project (31120)**

This \$5.7M project involves significant upgrades to the treatment plant, which was originally constructed in the early 1970s. Certain upgrades are necessary to meet the Authority's modified SPDES permit (see page 9 for further detail) and are being completed as part of Phase 1. These improvements include: installation of a new final clarifier, new bio-tower, new pump station, new generator, and new site piping; along with modifications to one of the existing primary clarifiers, main power distribution, and one of the existing trickling filters. At the end of 2018, construction on Phase 1 was approximately 30% complete. Design for Phase 2 will begin in mid-2019, and construction is anticipated to extend from late 2019 through end of 2020.

▪ **2017 Mobile Home Park Water Improvement Project (31104 & 31105)**

This project involves the installation of approximately 700 linear feet of water main at the Lake Forest Mobile Home Park and 1,500 linear feet of water main in Pine Tree Mobile Home Park. The Authority is proceeding with the necessary acquisition of both temporary and permanent easements at both sites, prior to performing any improvements.

▪ **Adams Road Sewage Pump Station Rehabilitation (31112)**

Proposed improvements to the existing pump station include: piping replacement, installation of a new enclosure, and pump replacement. This project is in the design phase, with construction anticipated in 2019.

▪ **Conesus Outlet Water Main Re-Connection (31118)**

This project involves the installation of a new water main under the Conesus Lake Outlet, which will replace the crossing along NYS Route 15 (at the gate structure) that is no longer operational. This project is in the design phase, with construction anticipated in 2019.

▪ **Aten Road Water Main Extension (31122)**

This project involved the installation of approximately 550 linear feet of 6-inch water main and related appurtenances along Aten Road. Design and construction were completed in 2018.

- **Rosebrugh Road Water Main Extension (31123)**
This project involved the installation of approximately 550 linear feet of 6-inch water main and related appurtenances along Rosebrugh Road. Design and construction were completed in 2018.

- **Comprehensive Water Meter Replacement Program (31124)**
This multi-phase/multi-year program began in 2018, with the primary driver of increasing operational efficiencies by significantly reducing the length of time being expended to complete quarterly meter readings within the Authority's service areas. Additional benefits will include: (1) reduction in non-revenue water (through increased meter and billing accuracy), (2) ability to schedule and complete meter reads that better represent a true 90-day consumption period; and (3) elimination of meter read estimates in winter months (when direct read or touch read equipment may be inaccessible). Phase 1 involves upgrading to an Automatic Meter Reading (AMR) System, including the purchase of the necessary AMR equipment and 300-400 new water meters.

- **Technology Upgrades (Employee Transition) (31125)**
With information technology (IT) support no longer being provided by the Livingston County IT Department, effective January 1, 2019, the Authority proceeded with various technology upgrades in the second half of 2018, including installation of new IT equipment (computers, server, etc.) and email and data migration. Additional upgrades that are being undertaken in the first half of 2019 include upgrade to phone system, website development, and implementation of a new computerized work order system.

- **Roof Replacement for Sewage Pumping Stations 1E/2E/3E (31116)**
This project involves replacement of the existing flat roofs at three (3) sewage pumping stations located around Conesus Lake, with new "pitched" roofs comprising wood trusses and metal roofing panels. Design was completed in 2018 and construction is anticipated in 2019.

5.3 Miscellaneous

Employee Transfer

Pursuant to Section 1199-dddd of the LCWSA enabling legislation, NYS Public Authorities Law, Article 5, Title 8G, the Authority has the power to appoint such officers and employees as are required for the performance of its duties. In 2018, the Authority Board began to take the necessary steps to hire and employ its staff directly, which included recognizing CSEA as the exclusive bargaining representative, and recognizing a new CSEA unit of Authority employees that consists of the same job titles currently recognized in the Livingston County/CSEA collective bargaining agreement.

On December 21, 2018, a new CSEA full-time employee collective bargaining agreement was executed between the Livingston County Water & Sewer Authority and CSEA, Local 1000, AFSCME, AFL-CIO, Livingston County Employees Local 826, Livingston County Water & Sewer Authority Unit #7301. The term of the new agreement is January 1, 2019 to December 31, 2020. This agreement covers nine (9) of the eleven (11) full-time employees. (Note: The Executive Director and Director of Operations positions are non-union, full-time, salaried positions). This agreement includes an attendant Memorandum of Agreement (MOA) that recognizes certain benefits of employment to

which the nine (9) employees were entitled while covered by the governing Livingston County/CSEA collective bargaining agreement, including seniority, pay, accrued leave time, vacation, health insurance, retiree health insurance, etc.

In accordance with Livingston County Civil Service Rules, all 10 leased employees were either appointed and/or transferred to the Authority on January 1, 2019.

On November 20, 2018, an agreement was executed between the Authority and Livingston County, which terminated the employee lease arrangement, effective December 31, 2018. This agreement also addresses (1) on-going retiree health insurance costs for six (6) Livingston County Department of Public Works employees who were previously leased to the Authority and retired between 2003 and 2017, and (2) the Authority's pro-rata share of the 2018 employer contribution to the New York State and Local Retirement System (NYSLRS).

As of January 1, 2019, Livingston County is no longer providing administrative support services, including payroll, information technology (IT), etc. The Authority has entered in various agreements/contracts with third party vendors/consultants to provide these services directly to the Authority. As of January 1, 2019, the Authority will be required to perform the necessary employer retirement reporting to the NYSLRS for all eleven (11) full-time employees.

Employee Benefits

In 2018, in anticipation of the employee transfer, the Authority Board formally adopted a Section 457(b) Deferred Compensation Plan and a Section 401(a) Matching Deferred Compensation Plan, in order to provide substantially equivalent benefits to those employees who were to be transferred from the Livingston County Public Works Department to the Authority.

Leased employees who were previously covered under Livingston County's health insurance plan, are now covered under the Authority's group health insurance plan, effective January 1, 2019. Dental insurance coverage is available to CSEA unit members through the CSEA Employee Benefit Fund (EBF).

The Authority terminated its membership with the Public Employer Risk Management Association, Inc. (PERMA), and enrolled in the Livingston County Self-Insurance Plan for Workers' Compensation, effective January 1, 2019.

Lakeville Wastewater Treatment Plant – SPDES Permit Modifications

In 2017, the New York State Department of Environmental Conservation (NYSDEC) issued the following two (2) modifications to the discharge permit for the above referenced treatment plant:

- Seasonal reduction in final effluent limit for Ammonia (from 45 lbs/day to 16 lbs/day, May through October). Compliance deadline is April 1, 2019.
- Addition of seasonal disinfection of sewage treatment plant effluent. Compliance deadline is May 1, 2022.

In order to meet the April 1, 2019 compliance deadline, the Authority is proceeding with an approximate \$5,700,000 upgrade project, which is being completed in two phases. The project is being funded by a NYS Water Infrastructure Improvement Act (WIIA) grant (maximum \$1,412,500) and a 0% interest loan secured through the New York State Environmental Facilities Corporation (EFC). See Section 5.2 for status of the Phase 1 capital project.

A separate future project will be undertaken to meet the disinfection requirement, and will need to be complete and operational by May 1, 2022. In 2018, the Authority applied for and was subsequently awarded a grant through the NYSDEC Water Quality Improvement Project (WQIP) program (see page 12 for further detail), for the installation of a UV disinfection system at the wastewater treatment plant.

Lakeville Wastewater Treatment Plant – NYSDEC Consent Order (R8-20180803-83)

In 2017 and 2018, the Authority experienced high levels of flow during heavy rainfall and snowmelt events which resulted in multiple flow exceedances at the wastewater treatment plant. The NYSDEC issued a draft Consent Order in August 2018, which was finalized and fully executed by both parties in February 2019. The Consent Order identifies several compliance directives to address infiltration and inflow (I/I) issues. In accordance with the Consent Order, the Authority will be proceeding with a manhole repair/rehabilitation project, which requires a minimum initial expenditure of \$25,000. In addition, the Authority will be required to prepare a comprehensive I/I report, that will need to include a plan/program for how “cross connections for roof drains, sump pumps, and other sources of storm water will be discovered, documented, and disconnected” and a three-year schedule of I/I reduction projects expected to be completed with a corresponding budget. The I/I report is due to the NYSDEC at the end of May 2019. Upon completion of the report, the Authority will then be able to better estimate its future capital expenditures to address the above I/I issues.

As part of the Consent Order negotiations with the NYSDEC, the Authority agreed to submit a permit modification request to increase the current permitted design flow of 0.98 million gallons per day (MGD) to the original plant design flow of 1.27 MGD. This permit modification request is currently under review by the NYSDEC. It is anticipated that this increase will likely trigger additional treatment requirements, specifically phosphorus removal. The Authority is awaiting issuance of a final modified permit before it can quantify future costs of any additional capital upgrades.

Livingston County Comprehensive Water Supply Study Update Project

In 2017, Livingston County agreed to act as lead applicant on behalf of the Authority and other interested municipalities, in seeking funding through the Consolidated Funding Application (CFA) process. Livingston County was subsequently awarded a \$270,000 Department of State (DOS) Grant through the Local Government Efficiency (LGE) Program. The intent of the project is to identify opportunities to collaborate and work together on needed water infrastructure improvements that help maximize system and operational efficiencies, minimize costs and best serve the residents of Livingston County. In Fall 2018, a consultant was selected for the project and a kick-off meeting with municipal officials was held in January 2019. It is anticipated that the

project will extend into 2020. As a member of the project steering committee, the Authority looks forward to being an active participant in this critically important project.

Agreements

New agreements or modifications to existing agreements in 2018 are summarized below:

▪ **Project Finance Agreement (Short-Term Financing Program), State Revolving Fund Project No.: C8-6449-05-00, between Livingston County Water & Sewer Authority and New York State Environmental Facilities Corporation**

On February 1, 2018, the Authority issued a Bond Anticipation Note (BAN) Series 2018 through EFC for a maximum amount of \$4,306,960 for the Lakeville Wastewater Treatment Plant Upgrades Project with an initial rate of 0.00% under a NYS EFC short-term financing program. The BAN has a maturity date of February 1, 2023. At that time, the Authority can convert the BAN to long-term financing if all conditions are met and if such financing is made available by EFC. A principal payment of up to \$86,080 must be made on or before February 1, 2020, which will be based on actual total draws made on the BAN.

▪ **Amendment No. 1 to Water Improvement Repayment Agreement, between Livingston County Water & Sewer Authority and Dairy Knoll Farms LLC**

This amendment recognized the added community benefit of completing a public water main extension along Rosebrugh Road, including the opportunity to expand service to additional areas in the future, versus the installation of a private service that would only serve Dairy Knoll Farms. The amendment delineated responsibilities/duties of each party necessary to completion of the water main extension.

▪ **Inter-Municipal Cooperation Agreement Authorizing the Livingston County Water & Sewer Authority and the Town of Groveland to perform and provide certain services relating to the Groveland Town Hall Water System Improvements - Aten Road Water Main Extension**

This amendment recognized the added community benefit of completing a public water main extension along Aten Road, including the opportunity to expand service to additional areas in the future, versus the installation of a private service that would only serve the Town offices and highway garage. The amendment delineated responsibilities/duties of each party necessary to completion of the water main extension.

▪ **Amendment No. 2 to Agreement for Professional Management, Operations and Maintenance Services for the LCWSA Wastewater Treatment Facilities, between Livingston County Water & Sewer Authority and YAWS Environmental Process Control, Inc.**

The Authority entered into a second amendment for a three-year extension (to October 20, 2021) for operation and maintenance of its Lakeville Wastewater Treatment Plant and Groveland Station Sewage Treatment Plant.

▪ **Employee Lease Termination Agreement, between Livingston County Water & Sewer Authority and Livingston County**

(see "Employee Transfer" narrative under Section 5.3 for further detail)

- **CSEA Full-Time Employee Collective Bargaining Agreement, between Livingston County Water & Sewer Authority and CSEA, Local 1000, AFSCME, AFL-CIO, Livingston County Employees Local 826, Livingston County Water & Sewer Authority Unit #7301**
(see “Employee Transfer” narrative under Section 5.3 for further detail)

Awards & Recognition

- **Livingston County Water & Sewer Authority awarded \$767,250 Grant to assist with disinfection project at the Lakeville Wastewater Treatment Plant**
In December 2018, the Authority was notified by the NYSDEC that it was awarded up to \$767,250 in grant monies through the Water Quality Improvement Project (WQIP) program, for the installation of a UV disinfection system at the wastewater treatment plant. The overall project estimate is \$1,255,500, therefore the Authority’s contribution to the project will be approximately \$488,250. The Authority is in the process of executing a contract with the NYSDEC, and will then develop a schedule for design, bidding, and construction.

6. Financial Reporting

The revenues and expenses, and assets and liabilities, as of and for the years ended December 31, 2018 and 2017, are set forth in the audited financial statements prepared for the Authority by Bonadio & Co., LLP. The statement of net position and the statement of revenue, expenses, and change in net position provide information about the Authority as a whole and about its activities, and are presented on the following pages.

Financial highlights are as follows:

- Net position increased from 2017 by \$2,821,427, resulting in total 2018 net position of \$32,354,997.
- 2018 Operating Revenues increased over 2017 by \$27,523, or 0.8%.
- 2018 Operating Expenses increased over 2017 by \$101,074, or 2.8%.

A schedule of the Authority’s outstanding debt, as of December 31, 2018, has been included as Appendix A.

LIVINGSTON COUNTY WATER AND SEWER AUTHORITY
(A Discretely Presented Component Unit of the County of Livingston, New York)

STATEMENTS OF NET POSITION
DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,024,362	\$ 1,936,350
Restricted cash	549,964	1,016
Accounts receivable	845,185	840,032
Due from New York State	1,291,384	1,909,158
Current portion of capital contributions receivable	45,594	35,609
Inventory	42,605	10,408
Prepaid expenses	67,808	46,391
Funds held for others	<u>33,025</u>	<u>28,781</u>
Total current assets	<u>4,899,927</u>	<u>4,807,745</u>
NONCURRENT ASSETS:		
Restricted cash	11,061	11,059
Funds held by trustee	106,337	131,669
Capital contributions receivable, net of current portion	632,064	359,658
Capital assets, net	<u>32,266,493</u>	<u>29,068,601</u>
Total noncurrent assets	<u>33,015,955</u>	<u>29,570,987</u>
Total assets	<u>37,915,882</u>	<u>34,378,732</u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	399,661	516,207
Current portion of bonds payable	151,725	151,725
Other current liabilities	119,129	110,499
Funds held for others	<u>33,025</u>	<u>28,781</u>
Total current liabilities	<u>703,540</u>	<u>807,212</u>
NONCURRENT LIABILITIES:		
Bond anticipation note payable	653,120	-
Bonds payable, net of current portion	<u>3,886,225</u>	<u>4,037,950</u>
Total noncurrent liabilities	<u>4,539,345</u>	<u>4,037,950</u>
Total liabilities	<u>5,242,885</u>	<u>4,845,162</u>
DEFERRED INFLOWS OF RESOURCES		
Contributed capital	<u>318,000</u>	<u>-</u>
Total deferred inflows of resources	<u>318,000</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	27,575,423	24,878,926
Restricted	117,398	142,728
Unrestricted	<u>4,662,176</u>	<u>4,511,916</u>
Total net position	<u>\$ 32,354,997</u>	<u>\$ 29,533,570</u>

LIVINGSTON COUNTY WATER AND SEWER AUTHORITY
(A Discretely Presented Component Unit of the County of Livingston, New York)

STATEMENTS OF REVENUE, EXPENSES AND CHANGE IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
OPERATING REVENUE:		
Service fees	\$ 3,266,764	\$ 3,212,725
Permit fees	88,861	95,157
Other income	<u>71,207</u>	<u>91,427</u>
Total operating revenue	<u>3,426,832</u>	<u>3,399,309</u>
OPERATING EXPENSES:		
Administrative	561,679	578,152
Treatment	1,004,017	891,554
Transmission/collection	1,143,477	1,148,377
Depreciation	<u>981,272</u>	<u>971,288</u>
Total operating expenses	<u>3,690,445</u>	<u>3,589,371</u>
Total operating loss	<u>(263,613)</u>	<u>(190,062)</u>
NON-OPERATING REVENUE (EXPENSE):		
Interest revenue	28,487	20,027
Interest expense	(70,398)	(72,350)
Gain on sale of capital assets	17,931	-
Grant revenue	<u>706,250</u>	<u>-</u>
Total non-operating revenue (expense)	<u>682,270</u>	<u>(52,323)</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS	<u>418,657</u>	<u>(242,385)</u>
CAPITAL CONTRIBUTIONS:		
Contract with New York State	<u>2,402,770</u>	<u>5,417,870</u>
Total capital contributions	<u>2,402,770</u>	<u>5,417,870</u>
CHANGE IN NET POSITION	2,821,427	5,175,485
NET POSITION - beginning of year	<u>29,533,570</u>	<u>24,358,085</u>
NET POSITION - end of year	<u>\$ 32,354,997</u>	<u>\$ 29,533,570</u>

7. Management's Assessment of Internal Controls

The Authority has developed policies and procedures to provide reasonable assurance that assets are safeguarded from unauthorized acquisitions, use of, or disposition of assets that could have a material effect on the Authority's operations, financial statements and reports, and that the records of the Authority reflect only authorized transactions.

The Authority's system of internal controls is evaluated regularly by Authority management and administrative staff. Independent external auditors also review the internal control system of the Authority in order to determine compliance with generally accepted accounting principles and safeguards for the purpose of expressing an opinion on the financial statements.

Public Authorities Law requires all public authorities to complete an annual assessment of the effectiveness of their internal control structure and procedures. *This statement certifies that the Livingston County Water & Sewer Authority followed a process that assessed and documented the adequacy of its internal control structure and policies for the year ending December 31, 2018. To the extent that deficiencies were identified, the Authority has developed corrective action plans to reduce any corresponding risk.*

8. Personal & Real Property Transactions

In 2018, the Authority disposed of the following personal property (equipment, vehicles, and materials) with an estimated fair market value in excess of \$5,000:

- 2012 Chevrolet Silverado Truck
- 2014 Ford F-150 XL

In 2018, the Authority did not acquire or dispose of real property with a fair market value in excess of \$15,000.

A report of all real property owned by the Authority, as of December 31, 2018, is included as Appendix B.

APPENDIX A
Schedule of Debt
Livingston County Water & Sewer Authority

The Authority had the following debt outstanding as of December 31, 2018:

	<u>Balance January 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Due Within One year</u>	<u>Due After One Year</u>
On August 27, 2009, the Authority issued a \$2,921,000 Sewer Installment Bond with the NYS Environmental Facilities Corporation to fund the cost of various sewer projects. The bond has an interest rate of 4.27% and will mature on August 1, 2039.	2,315,000	-	(85,000)	(85,000)	2,145,000
On February 7, 2011 the Authority issued a \$951,750 Drinking Water Installment Bond with the NYS Environmental Facilities Corporation to fund the cost of the Groveland Station water project. The note has an interest rate of 0% and will mature on August 31, 2040.	729,675	-	(31,725)	(31,725)	666,225
On May 1, 2012, the Authority issued a \$1,322,692 clean water installment bond with the NYS Environmental Facilities Corporation to fund the cost of various sewer projects. The bond has an interest rate of 3.74% and will mature on May 1, 2042.	<u>1,145,000</u>	<u>-</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>1,075,000</u>
	<u>\$ 4,189,675</u>	<u>\$ -</u>	<u>\$ (151,725)</u>	<u>\$ (151,725)</u>	<u>\$ 3,886,225</u>

The Authority had the following debt outstanding as of December 31, 2017:

	<u>Balance January 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Due Within One year</u>	<u>Due After One Year</u>
On August 27, 2009, the Authority issued a \$2,921,000 Sewer Installment Bond with the NYS Environmental Facilities Corporation to fund the cost of various sewer projects. The bond has an interest rate of 4.27% and will mature on August 1, 2039.	\$ 2,395,000	\$ -	\$ (80,000)	\$(85,000)	\$ 2,230,000
On February 7, 2011 the Authority issued a \$951,750 Drinking Water Installment Bond with the NYS Environmental Facilities Corporation to fund the cost of the Groveland Station water project. The note has an interest rate of 0% and will mature on August 31, 2040.	761,400	-	(31,725)	(31,725)	697,950
On May 1, 2012, the Authority issued a \$1,322,692 clean water installment bond with the NYS Environmental Facilities Corporation to fund the cost of various sewer projects. The bond has an interest rate of 3.74% and will mature on May 1, 2042.	<u>1,180,000</u>	<u>-</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>1,110,000</u>
	<u>\$ 4,336,400</u>	<u>\$ -</u>	<u>\$ (146,725)</u>	<u>\$ (151,725)</u>	<u>\$ 4,037,950</u>

APPENDIX B
Real Property Schedule
2018 Annual Report
Livingston County Water & Sewer Authority

LCWSA Facility	Location (Municipality)	Property Classification	Address	Tax Map Number	Total Acreage/Size
Sewer Plant	Livonia	-----	1997 D'Angelo Dr	65.-1-84.1	18.56 acres
Sewer Plant	Groveland	853	7458 Groveland Station Rd	135.-1-25.2	57 x 259
Water Tank	Mt Morris	822	3746 East Groveland	98.-1-12.2	180 x 200
Water Tank	Groveland	822	7305 Groveland Hill Rd	136.-1-3	75 x 75
Water Tank	Groveland	822	7161 Groveland Hill Rd	127.-1-20	75 x 75
Water Tank	Conesus	827	6022 Sliker Hill	119.-1-20.12	280 x 170
Water Tank*	Groveland	105*	5168 Dennison Rd*	118.-1-10.2	1.80 acres
Water Pump Station*	Groveland	311*	5500 Maple Beach Rd*	109.-1-38.12	.26 acre
Sewer Pump Station	Livonia	853	2851 Lakeville Rd (Pease)	65.-1-6.113	30 x 60
Sewer Pump Station	Groveland	312	5650 S Cove Ln (1W)	110.69-1-9	30x40
Sewer Pump Station	Groveland	853	6019 W Lake Rd (2W)	109.60-1-7	30 x 60
Sewer Pump Station	Groveland	853	5945 Calvin Lane (3W)	109.52-1-7	50 x 16
Sewer Pump Station	Groveland	853	5883 W Lake Rd (4W)	109.44-1-13.2	25 x 50
Sewer Pump Station	Groveland	853	4257 Sutton Point North (5W)	100.83-1-32	30 x 80
Sewer Pump Station	Groveland	853	5556 Cottonwood Dr (6W)	100.59-1-11.2	66 x 33
Sewer Pump Station	Groveland	853	5341 West Lake Rd (7W)	100.35-1-13	55 x 30
Sewer Pump Station	Geneseo	853	5113 West Lake Rd (8W)	91.68-1-17	39 x 33
Sewer Pump Station	Geneseo	853	5346 N Point Dr (9W)	91.36-1-20	33 x 33
Sewer Pump Station	Geneseo	853	4637 Westwood Dr (10W)	82.76-1-9	47 x 44
Sewer Pump Station	Geneseo	853	4257 West Lake Rd (12W)	83.37-1-16.2	35 x 63
Sewer Pump Station	Livonia	853	4007 Graywood Ctr (13W)	74.69-1-3	31 x 30
Sewer Pump Station	Conesus	311	5756 Mariners Dr (1E)	110.55-1-60	35 x 42
Sewer Pump Station	Conesus	311	5926 E Lake Rd (2E)	110.39-1-12.1	30 x 27
Sewer Pump Station	Conesus	311	5650 E Lake Rd (3E)	101.-1-96.3	30 x 25
Sewer Pump Station	Conesus	311	5506 E Lake Rd (4E)	101.46-1-8	7 x 31
Sewer Pump Station	Conesus	853	5289 E Lake Rd (5E)	92.78-1-17	35 x 35
Sewer Pump Station	Livonia	853	5158 E Lake Rd (6E)	92.62-2-2	50 x 24
Sewer Pump Station	Livonia	311	5765 McPherson's Pt (7E)	92.38-2-13	41 x 42
Sewer Pump Station	Livonia	853	4820 E Lake Rd (8E)	83.79-2-1.2	33 x 25
Sewer Pump Station	Livonia	853	5719 Old Orchard Pt (9E)	83.54-2-28	25 x 45
Sewer Pump Station	Livonia	853	4440 E Lake Rd (10E)	83.31-2-13	48 x 12
Sewer Pump Station	Livonia	853	4088 E Lake Rd (11E)	74.48-1-7.2	33 x 32
Sewer Pump Station	Lakeville	853	3562 Camp Run (12E)	65.81-1-36	10 x 50
Sewer Pump Station	Mt Morris	330	3098 Mt Morris - Geneseo Rd	106.-1-16.2	73 x 150
Sewer Pump Station	Mt Morris	822	3229 Mt Morris - Geneseo Rd	98.-2-1.12	329 x 138
Sewer Pump Station	Groveland	312	7546 Groveland Station Rd (South)	136.17-1-11.2	40 x 60
Sewer Pump Station	Conesus	311	6170 East Lake Rd	110.-1-20.117	40 x 40
Sewer Pump Station	Conesus	652	6265 Mill Street	110.-1-16.123	32 x 59
Sewer Pump Station	Conesus	600	6295 North Street	111.17-1-11.2	50 x 50

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 2018 Annual Report
 Livingston County Water & Sewer Authority

LCWSA Facility	Location (Municipality)	Property Classification	Address	Tax Map Number	Total Acreage/Size
Driveway Access to Lakeville Water Tank	Livonia	853	Longview Blvd	74.-1-5.215	50 x 680

Property Classification Codes:

105	Agricultural Vacant Land
242	Residential - Recreational Use
311	Residential Vacant Land
312	Residential Land incl Small Improvement
330	Vacant Land located in Commercial Areas
600	Community Services
652	Office building
822	Water Supply
853	Sewage Treatment and Water Pollution Control

** Dennison Road Water Storage Tank and Maple Beach Pump Station currently under construction as part of DOCCS Water Supply Project*