

MINUTES of the FINANCE COMMITTEE MEETING of the ERIE COUNTY WATER AUTHORITY held in the office, 350 Ellicott Square Building, Buffalo, New York, on the 19th day of April, 2018.

PRESENT: Robert Anderson, Chairman
 Jerome D. Schad, Vice Chairman
 Karl J. Simmeth, Jr., Treasurer
 Joseph T. Burns, Secretary to the Authority
 Robert J. Lichtenthal, Jr., Deputy Director
 Earl Jann, Executive Director
 Terrence McCracken, Deputy Administrative Director
 Margaret A. Murphy, Associate Attorney
 Russell Stoll, Executive Engineer
 Paul Riester, Director of Administration
 Karen Prendergast, Comptroller
 Steven D'Amico, Business Office Manager
 Daniel NeMoyer, Director of Human Resources
 Jacqueline Mattina, Deputy Associate Attorney
 Darlene Sikorski-Petritz, Deputy Associate Attorney
 Susan Rinaldo, Cash Manager
 Richard Planavsky, Chief Business Officer Manager/Budget Director
 John Mogavero, Chemist/Chief WTPO
 Paul Whittam, Director of Water Quality

ATTENDEES: Sean Dwyer
 Mike Wymer
 Rick Ganci

CALL TO ORDER

PLEDGE TO THE FLAG

I. - ROLL CALL

II. - READING OF MINUTES

Motion by Mr. Simmeth seconded by Mr. Schad and carried to waive the reading of the Minutes of the Finance Committee Meeting held on March 8, 2018.

III. - APPROVAL OF MINUTES

Motion by Mr. Simmeth seconded by Mr. Schad and carried to approve the Minutes of the Finance Committee Meeting held on March 8, 2018.

IV. - REPORTS

A. Discussion regarding Proposed 2018 Bond Issuance-Conflict Issues

Margaret Murphy addressed the Board with regard to who has the authority to waive a conflict on behalf of the Authority. When this was brought to her attention, she advised that the waiver of a conflict for the Authority rests with the Board of Commissioners. The original conflict that was brought to attention by Joseph Burns had to do with Jeffries LLC counsel who happens to be the Authority's lobbyist. Ms. Murphy indicated that there was a conflict, but under the Code of Ethics of attorneys, there are conflicts that can be waived. She indicated that she did not see this being a problem because we have separate bond counsel. She further advised that since that time, she was informed that there was a second conflict, that being on the part of our bond counsel, Barclay Damon. This conflict is that Barclay Damon represented Jeffries in the past and may represent them in the future. This did not appear to be the kind of conflict that could be waived. Since that time, she was alerted that Barclay Damon has now advised the Authority that they do in fact represent Jeffries, at which point she advised that this was a concern. She wanted to bring this to the Board's attention. She stated that she feels that this can be resolved by getting other bond counsel, but also stressed that this is a decision that needs to be made by the Board. There was discussion with the Commissioners.

Thereafter, Rick Ganci presented the Board with his view with regard to this conflict. He does not see this as a significant conflict. He advised that in the market, if the Authority were to change counsel, there is a good chance the next bond counsel will have some relationship with some other underwriter. There were further discussions with the Commissioners. Chairman Anderson advised that the Authority needs to recognize in writing that there is a conflict and that the Commissioners vote to waive the conflict.

Margaret Murphy advised that the letters that the bond counsel submit will reflect this conflict and the Authority's approval of this conflict and although there is no adversarial position like in litigation, the Authority needs to remember that there is going to be a public offering to people.

Commissioner Schad advised that he sees the real problem is that in the future if there are any disagreements, there is a divided loyalty and there will always be that divided loyalty. Rick Ganci added that Barclay Damon's role as underwriter counsel to Jeffries is not a retained basis

to represent Jeffries as a firm, but it is a transaction specific engagement, therefore, once the transaction is completed, their role as underwriters counsel is a thing of the past.

Chairman Anderson inquired as to what if the Authority kept Barclay Damon, where does the Authority go from here and what if the Authority looks into changing bond counsel, where does the Authority go? Bob Lichtenthal advised that if the Authority does not keep Barclay Damon, the Board would approve the issuance of an RFP, go through the standard process (60-90 days). He further advised that there was an RFP for underwriters by which Jeffries was selected, the Authority could start going down the list of the other RFPs. He advised that Jeffries was the firm selected at the top as being able to market this deal and get the Authority the most favorable terms. If the Authority chooses to not go with Jeffries, then the Authority would have to go down the list to see what other firms might have any conflicts and what they could bring to the table.

It was decided that this matter will be discussed and another Finance Committee Meeting will be scheduled in the near future with the determination.

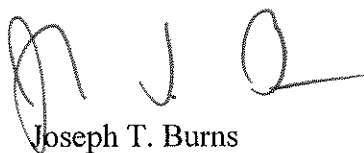
V. - COMMUNICATIONS AND BILLS

VI. - UNFINISHED BUSINESS

VII. - NEW BUSINESS

VIII. - ADJOURNMENT

Motion by Mr. Anderson, second by Mr. Schad and carried that the meeting adjourn.



Joseph T. Burns
Secretary to the Authority

SLZ

