

MINUTES of the GOVERNANCE COMMITTEE MEETING of the ERIE COUNTY WATER AUTHORITY held in the office, 295 Main Street, Room 350, Buffalo, New York, on the 21st day of February 2019.

PRESENT: Jerome D. Schad, Chairman
Mark S. Carney, Vice Chairman
E. Thomas Jones, Treasurer
Terrence D. McCracken, Secretary to the Authority
Margaret A. Murphy, Attorney
Robert J. Lichtenthal, Jr. Deputy Director
Joseph T. Burns, Deputy Administrative Director
Karen A. Prendergast, Comptroller
Steven V. D'Amico, Business Office Manager
Anthony Alessi, Claims Rep/Risk Manager
Matthew Barrett, Security Officer
Leonard F. Kowalski, Sr. Distribution Engineer

CALL TO ORDER AT 9:30 A.M.

PLEDGE TO THE FLAG

I. - ROLL CALL

II. - READING OF MINUTES

Motion by Mr. Carney seconded by Mr. Jones and carried to waive the reading of the Minutes of the Governance Committee Meeting held on January 24, 2019.

DISCUSSION

None

VOTE

Ayes: Three; Commrs. Schad, Carney and Jones

Noes: None

III. - APPROVAL OF MINUTES

Motion by Mr. Carney seconded by Mr. Jones and carried to approve the Minutes of the

Governance Committee Meeting held on January 24, 2019.

DISCUSSION

VOTE

Ayes: Three; Commrs. Schad, Carney and Jones

Noes: None

IV. – REPORTS

V. - UNFINISHED BUSINESS

Mr. Schad asked for consensus to suspend the rules of order and to proceed with New Business. Neither Mr. Carney nor Mr. Jones had an objection. The Secretary proceeded to items under New Business.

VI. - NEW BUSINESS

1. Review and Recommend Revised Policy 92

DISCUSSION

Mr. Schad stated that he has looked at Policy 92 with all the changes and is satisfied.

The previous day, Mr. Jones had been informed by Mr. Lichtenthal that some of the words in the definitional section conflicted with existing written policies contained in manuals found in a backroom library. Mr. Jones stated he was unaware of the existence of these written policy manuals and requested a list be prepared and given to Board members. Mr. Jones questioned the use of the words “Unit” and “Unit Head” in the hiring policy. He also asked whether the term “CFO,” “Chief Financial Officer,” or “Chief Fiscal Officer” has been defined in any job description or in a written accounting procedure.

Ms. Murphy acknowledged that the Authority’s budget identifies “Departments” and then “Units” within such departments. After speaking with Ms. Prendergast, Ms. Murphy suggested that the word “Division” be substituted for the word “Unit.” Using the word “Division” would reflect the function of Governance, Legal, Operations and Financial/Fiscal.

Ms. Murphy stated that the written departmental manuals are not policy unless adopted by the Board. Both Mr. Lichtenthal and Ms. Prendergast acknowledged those written departmental manuals were procedures, not policies, adopted by prior department heads.

Mr. Schad stated he would be ready, if others would be, to adopt the hiring policy with a motion clarifying the word “Division” is substituted for the word “Unit.”

Ms. Murphy further stated there is no separate position designated as CFO. Mr. Lichtenthal, however, has signed documents as Deputy Director/CFO. Mr. Lichtenthal indicated that organizations, such as the ABO, often required the Authority to designate a Chief Financial Officer. Ms. Murphy stated the CFO is defined as the individual designated by the Board acting as the CFO, and could later create a position and job description for Chief Financial Officer.

As to the departmental procedure manuals, Mr. Carney stated these procedures should be given to the appropriate department heads who will review and report back to the Board with any recommendation as to the need to adopt a particular policy.

Mr. Carney then moved to amend Proposed Policy 92 as written by inserting the word “Division” in place of “Unit”, and to recommend its adoption by the Board. Motion seconded by Mr. Jones.

VOTE

Ayes: Three; Commrs. Schad, Carney and Jones

Noes: None

Both Mr. Jones and Mr. Carney agreed that an additional policy should be drafted dealing with job changes. Ms. Murphy responded that new job titles have always gone to the Board for approval. The Board has the authority to create positions, determine their qualifications, duties and responsibilities, so no new job can be created without Board action.

Mr. Schad suggested that because this policy already deals with promotions, this can be discussed later today during the Board Meeting.

2. Review and Recommend Amended and Restated By-Laws

DISCUSSION

Mr. Schad stated that he has gone through the memo received by Ms. Murphy and he is satisfied. He asked for a motion to adopt.

Mr. Carney moved to recommend that the Amended and Restated By-Laws be approved by the Board and was seconded by Mr. Jones.

VOTE

Ayes: Three; Commrs. Schad, Carney and Jones

Noes: None

3. Office of State Comptroller Tech Audit Corrective Action Plan Update

DISCUSSION

Mr. Lichtenthal stated that before reporting the Corrective Action Plan Update to the Office of State Comptroller, he wanted to have a discussion with the Board regarding where we stand, which is in the packet that has been distributed. After the Board's review, a copy of this will be submitted to the State Comptroller. We submitted a plan of corrective action that we would do; this is now the step saying we did it. We may not hear back from the State Comptroller's office, but if they do follow up on our plan, they are strictly looking to see if we did it. We believe this update satisfies all of their issues.

The key items are the Findings, the recommendations and what we have gotten done:

- Finding #1 about developed procedures for managing system and network access - The IT Department created the attached ECWA System and Network Access Procedures, which IT has been following since January 1, 2019. This is the way new employees will be managed as they come onboard. This follows along with and should address every technical aspect of protecting the Authority's network with regard to accessing it.
- Finding #2 – Internet usage was not routinely monitored. They did a sampling of 10 different computers and looked at the Internet usage of them. They recommended that 3 issues be addressed:
 - Update the Computer Use Policy
 - Provide the updated policy to all employees during cyber security training
 - The finding that Internet usage was not routinely monitored

Mr. Lichtenthal stated that from a procedural basis, we have addressed how Internet usage monitoring is done. The shortcoming of the Policy as previously adopted is that it told users that their Internet usage may be monitored, but the practice of actually going in and doing that was not done. Now there is a procedure that will be followed where random sampling and random testing of computers will be done to ensure that the Internet is being appropriately used.

Ms. Murphy raised an issue regarding an employee accessing ECWA Wi-Fi from an employee's personal device. After discussion, Mr. Schad asked that we get an answer from IT regarding whether such access would violate the proposed policy and then decide whether the policy needs to be tweaked. If it is a violation, we will deal with it then.

In terms of the State Comptroller, Mr. Schad asked if we need to adopt this policy now.

Mr. Lichtenthal responded that we do not need to adopt it now. He did not submit it as a final issue because he wanted the Board to have a couple of weeks to digest it beforehand. He does not believe there would be damage in waiting two weeks. We had 90 days to respond to it with a plan. We gave them the Plan. Now we're showing them the actual execution of the Plan.

Mr. Schad suggested that we put this on hold until the next meeting as there may be a need to modify the language to address the Wi-Fi issue. There were no objections.

Mr. Lichtenthal stated that he would communicate to the Comptroller's Office that we have done the procedures and the Board is in the process of adopting the changes in the Policy, so they are knowledgeable of where we are going.

V. - UNFINISHED BUSINESS

T-11 AMENDMENT TO THE AUTHORITY'S CODE OF ETHICS RELATING TO CONDUCT OF COMMISSIONERS AND FORMER COMMISSIONERS ITEM NO. 7 6/28/18)

Keep that on the table.

GT-1 AMENDMENT OF BY-LAWS (Governance Item 3 – 12/20/18)

Mr. Carney moved to take GT-1 off the table, seconded by Mr. Jones.

VOTE

Ayes: Three; Commrs. Schad, Carney and Jones

Noes: None

Mr. Schad asked for a motion to approve and recommend. No motion being made, the item is received and filed.

GT-2 RESOLUTION TO RESCIND ANY AND ALL PRIOR RESOLUTIONS PURPORTING TO DELEGATE CERTAIN FINAL EMPLOYMENT DECISIONS TO VARIOUS MANAGEMENT STAFF (Item 22 – 12/20/18)

Mr. Jones moved to take GT-2 off the table, seconded by Mr. Carney.

VOTE

Ayes: Three; Commrs. Schad, Carney and Jones

Noes: None

DISCUSSION:

Mr. Jones and Mr. Schad discussed the best means to rescind all prior resolutions delegating employment decisions to certain staff members.

Mr. Jones moved to approve and recommend the resolution. No second being made; the item is received and filed.

GT-3 PROPOSED POLICY NO. 92 (Governance Item 2 1/24/19)

Mr. Carney moved to take GT-3 off the table, seconded by Mr. Jones.

VOTE

Ayes: Three; Commrs. Schad, Carney and Jones

Noes: None

Mr. Schad asked for a motion to approve and recommend. No motion being made, the item is received and filed.

Mr. Jones moved to amend the prior motion recommending the adoption of the revised Policy No. 92, substituting the word "Division" for the word "Unit" and also recommending all prior resolutions delegating employment decision to certain staff members be rescinded, seconded by Mr. Carney.

DISCUSSION:

The committee had an extensive discussion with Ms. Murphy as to parliamentary procedure.

VOTE

Ayes: Three; Commrs. Schad, Carney and Jones

GT-4 REVISED AMENDED BY-LAWS (Governance Item 3 1/24/19)

Mr. Carney moved to take GT-4 off the table, seconded by Mr. Jones.

VOTE

Ayes: Three; Commrs. Schad, Carney and Jones

Noes: None

Mr. Schad asked for a motion to approve and recommend. No motion being made, the item is received and filed.

VII. – ADJOURNMENT

Motion made by Mr. Carney seconded by Mr. Jones and carried that the meeting adjourn at 10:25 a.m.

Respectfully submitted,

Terrence D. McCracken
Secretary to the Authority

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