

DRAFT

BUFFALO WATER BOARD MINUTES January 14, 2026

MEMBERS PRESENT:

**William L. Sunderlin
Debbie Lombardo
Scott Billman
Bill Hanley
Tim Donovan - Remote
Brian Gould**

OTHERS PRESENT:

**Peter J. Merlo
John D. McMahon
David Hill
Fouad Arab
Charles C. Martorana
Stephen Waldvogel
Doug Fultz
Damon Sykes
Damond Rand
Kelly Leeb
Dustin Steiner
Connor Bannochie
Matthew Adam
Zac Cox
Jeff Mays
Mike Wolasz
Pat Thornton
Roger Lis
William Jackson
Laura Du Bois
Carl Jamieson**

The regular monthly meeting of the Buffalo Water Board (BWB) was called to order at 9:00 A.M.

1. Motion by Mr. Hanley, seconded by Mr. Billman, to approve the agenda. Approved.
2. Motion by Ms. Lombardo, seconded by Mr. Billman, to approve the minutes of the December 17, 2025, meeting. Approved.
3. Public Comment: Ms. Laura Du Bois, a resident of the City of Buffalo, presented some comments concerning potential exposure by Forever Chemicals in the City of Buffalo water supply. Mr. Waldvogel, GHD Consulting Engineers, reported that the Buffalo Water Board regularly conducts water sampling, including what are commonly referred to as Forever Chemicals. He reported that all sampling done to date has not detected any Forever Chemicals in the City of Buffalo finished drinking water supply and that the quality of the finished water product complies with water quality standards established by the United States Environmental Protection Agency. Mr. Carl Jamieson is a resident of both Ontario, Canada as well as the City of Buffalo. He noted that in Canada, residents are given sampling kits twice per year for chemical testing. Mr. Waldvogel reported that City of Buffalo residents can call 311 anytime and request a free sample kit to test the tap water entering their home for lead anytime they want.
4. Staff Update: Mr. Fultz, with Veolia Water, provided a staffing update to the Buffalo Water Board.
5. In accordance with the public notice previously published by the Buffalo Water Board, the Vice Chair of the Buffalo Water Board opened the Public Hearing regarding the proposed

amendment to Appendix A of the Financing Agreement by and among the City of Buffalo, the Buffalo Municipal Water Finance Authority and the Buffalo Water Board concerning the Buffalo Water Board's current six year Capital Improvement Plan program, to be financed by bonds to be issued by the Buffalo Municipal Water Finance Authority. Mr. Waldvogel and Mr. Merlo presented a summary of the Capital Improvement Plan and offered an opportunity for public comments. No comments were received. Motion by Mr. Hanley, seconded by Ms. Lombardo to close the Public Hearing. Approved.

6. Motion by Mr. Hanley, seconded by Mr. Billman to approve the Amendment to Financing Agreement, as presented, and to authorize the Buffalo Water Board Chairman, Vice Chairman, and Secretary to execute and deliver this Amendment on behalf of the Buffalo Water Board. Approved.

7. Motion by Mr. Billman, seconded by Ms. Lombardo to approve the attached January 12, 2026 letter engaging R.A. Mercer & Co., P.C. as the Buffalo Water Board Independent Rate Consultant. This January 12, 2026 letter supplements their original December 29, 2025 letter and clarifies the scope of services to be rendered by R.A. Mercer & Co., P.C. as Independent Rate Consultant through the end of this fiscal year. The total contract fee payable to R. A. Mercer & Co., P.C. is in an amount not to exceed \$35,000.00. The project and contract will be administered by the City of Buffalo, Division of Water. Approved.

8. Mr. Waldvogel of GHD Consulting Services, Inc. delivered a report of GHD's on-going professional services to assist the Buffalo Water Board on several projects, including: (a) GHD has prepared the draft Engineering Report for the upcoming bond issuance in February/March 2026; (b) GHD is continuing to work with Veolia Water to prepare an Updated Enforcement Policy for Delinquent Water Accounts; (c) GHD is working with the new rate consultant to assist with forecasting rates over the whole Capital Plan; (d) GHD is working on a lead service line compliance plan; (c) GHD is continuing to provide engineering and oversight services at Colonel Ward Treatment Facility, for among other matters, the electrical upgrades at the plant, and survey of the spoils storage area.. GHD continues to participate in weekly contractor meetings for work at Ralph C. Wilson Centennial Park.

9. Several employees of Veolia Water presented Veolia Water's monthly Management Report. Mr. Sykes reported on the various factors that affect financial performance based on a 24-year financial review of historic performance. Mr. Hill reported on the status of notices being mailed to customers related to the Updated Enforcement Policy for Delinquent Water Accounts. Veolia Water plans to work with the appropriate City personnel that issue Certificates of Occupancy to ensure that a water meter is installed and operational at the time the certificate is issued. In addition, Veolia Water is focusing on estimates for water accounts with large meters, and promptly addressing any issues with proper functioning of water meters. Mr. Jeff Mays reported on his efforts to work with Northland regarding Boiler Training to develop a program to train City employees to service the boilers at the Colonel Ward Water Treatment Plant. He is also developing a cooperative program with the National Urban League to find new applicants for jobs in the Division of Water as well as updating outdated job descriptions.

Motion by Mr. Hanley, seconded by Ms. Lombardo adjourn at 10:20 A.M. Approved.

The Buffalo Water Board members and staff will be present in person at the next meeting, which is scheduled for Wednesday, February 11, 2026, at 9:00 A.M.

Buffalo Water Board meetings are held in accordance with the New York State Open Meetings Law, Article 7 of the Public Officers' Law. The agenda will be posted on www.Buffalowater.org in advance of the meeting and will provide time for public comment. The public are invited to attend in person or by remote video and audio conference. A computer access "MS Teams" link and a Toll-Free Conference Call Telephone Number will be provided in advance of the meeting. See www.Buffalowater.org or call 716-851-9626 for more information.



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Raymond A. Mercer, CPA 1931-1983
Kathryn A. Larracuente, CPA

January 12, 2026

Mr. Brian A. Gould, Chairman
Buffalo Water Board and Peter Merlo, Principal Engineer
602 City Hall
Buffalo, New York 14202

Re: Buffalo Water Board Rate Consultant

Dear Mr. Gould and Mr. Merlo:

This letter is respectfully submitted to supplement our letter dated December 29, 2025 addressed to Gregg S. Szymanski, CPA. R.A. Mercer & Company, P.C. offers to provide our services to the Buffalo Water Board and Buffalo Municipal Water Finance Authority (BMWFA) in its capacity as independent Rate Consultant. We offer our services in furtherance of the requirements and agree to perform the duties of Rate Consultant set forth in the Financing Agreement by and among the City of Buffalo, Buffalo Water Board and Buffalo Municipal Water Finance Authority dated as of September 22, 1992, as amended, the Operation Agreement dated as of September 22, 1992, as amended and the Water System General Revenue Bond Resolution dated as of November 20, 1992, as amended, adopted by the Buffalo Municipal Water Finance Authority. We agree to perform these duties through June 30, 2026 in an amount not to exceed \$32,500.

For clarity, we have restated the scope of the duties as set forth in the above referenced agreements and Resolution, as follows:

Duties of Rate Consultant:

The role, qualifications, and duties of the rate consultant are governed by the Financing Agreement, the Operating Agreement, and the General Resolution. The Financing Agreement provides the following requirements:

- 1) The Financing Agreement defines the "Rate Consultant" as follows: "shall mean such independent accountant or firm of independent accountants, or management consultant or firm of management consultants, or independent engineer or firm of independent engineers (which must not be the same firm then serving as the Consulting Engineer), selected by the Board in consultation with the Authority and approved by the City." (p.8) The Operation Agreement and the General Resolution have a similar definition, see Operation Agreement by and between the City and the Buffalo Water Board dated as of September 24, 1992, as amended. (p.6) and Water System General Revenue Bond Resolution dated as of November 20, 1992. (p.19).
- 2) Section 6.2(A) of the Financing Agreement states in relevant part that "the Board shall retain annually a Rate Consultant for a term of one year whose duties . . . shall be to make any certificates and perform any other acts required or permitted of the . . . Rate Consultant hereunder, under the



Operation Agreement or under the Resolution. The same person or firm may not perform the duties and functions of the Consulting Engineer and the Rate Consultant.” For example, among certificates, the Financing Agreement and the Operation Agreement require the Rate Consultant to certify that certain “amounts payable to the City as part of the City Budget are reasonable and appropriate.” See Operation Agreement Section 6.2(A)(2). Additionally, the Operation Agreement requires the Rate Consultant to concur in the Boards basis for a deficiency. See Operations Agreement Section 3.1(D).

- 3) Section 6.2(B) of the Financing Agreement requires “in every Fiscal Year, the Rate Consultant shall make an examination of, and shall report on, the properties and operations of the System.” The Rate Consultant’s report shall provide “the Rate Consultant’s recommendation as to any necessary or advisable revisions of rates, fees and charges, and such other advice and recommendation as it may deem desirable.” This report is to be filed no later than February 1 of each year with the Authority, the Board, the Mayor, the Common Council, and the Trustee.
- 4) In addition, the Rate Consultant, along with the Consulting Engineer shall participate in planning the annual Budget and Capital Plan of the Buffalo Water Board and BMWFA and issue reports on the condition of the Water System and its finances in furtherance of any bond financing.

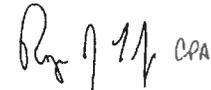
Also, the Operation Agreement provides the following requirements regarding the role of the Rate Consultant:

Section 6.2(A)(2) of the Operation Agreement provides that “Prior to making payments [for debt service on all of the City’s outstanding general obligation bonds, to the extent that the proceeds of such outstanding bonds were used for water-related purposes, all Operating Expenses incurred by the City in connection with the System, and the amount sufficient to reimburse the City for Costs incurred by the City for the Construction of Projects which are not paid or reimbursed from any other source] the Board shall have received . . . a certificate of the Consulting Engineer or the Rate Consultant, in such form and with such exhibits as may be agreed upon by the City and the Board, to the effect that such amounts certified by the City for costs to be incurred in connection with paragraphs (1) and (2) of subsection (B) of Section 6.1 hereof are reasonable and appropriate.”(p.9).

The Rate Consultant would be required to produce a Rate Consultant Report, and certain certifications in connection with the above duties. The agreed upon procedures must include the above requirements.

In addition, we are available to perform such other services as we may agree to perform with you in writing, and for an additional fee, as may be determined based on the additional scope of work, if any.

Very truly yours,



Roger J. Lis Jr., CPA
R.A. Mercer Co., P.C.