

STAMP Water Works, Inc.
Meeting Agenda
Tuesday, April 30, 2024
Location: 99 MedTech Drive, Innovation Zone
10:00 a.m.

Page #'s	Topic	Discussion Leader	Desired Outcome
	Call To Order – Enter Public Session	P. Zeliff	
	2. Chairman’s Report & Activities		
2-3	2a. Additions / Deletions to the Agenda 2b. Minutes: April 24, 2023	P. Zeliff	Vote
	2. Organizational Formation		
4-5	3a. 1 st Quarter Financial Statements	L. Farrell	Disc / Vote
6-26	3b. 12/31/23 Audit	L. Farrell	Disc / Vote
27-30	3c. Audit and Finance Committee Charter	L. Farrell	Disc / Vote
31-34	3d. Governance & Nominating Committee Charter	L. Farrell	Disc / Vote
35-37	3e. Code of Ethics	L. Farrell	Disc / Vote
38-42	3f. Disposition of Real Property Guidelines	L. Farrell	Disc / Vote
43-54	3g. Procurement Policy	L. Farrell	Disc / Vote
55-60	3h. Investment Policy	L. Farrell	Disc / Vote
61	3i. Authority Self-Evaluation of Prior Year Performance	L. Farrell	Disc / Vote
62-63	3j. Mission Statement & Measurement Report	L. Farrell	Disc / Vote
64-69	3k. Internal Controls Narrative	L. Farrell	Disc / Vote
70	3l. Officer Appointments	L. Farrell	Disc / Vote
70	3m. Authorized Signers of Agreements, Contracts, etc.	L. Farrell	Disc / Vote
70	3n. Authorized Bank Signers	L. Farrell	Disc / Vote
70	3o. Authorized to Request Information Regarding Bank Accounts	L. Farrell	Disc / Vote
71-81	3p. Water Facilities Operation & Maintenance Agreement	M. Masse	Disc / Vote
	Adjournment	P. Zeliff	Vote

**STAMP Water Works, Inc. Meeting
Monday, April 24, 2023
Location: 99 MedTech Drive, Innovation Room
4:00 PM**

STAMP WATER WORKS, INC. MINUTES

Attendance

Board Members: C. Yunker, P. Battaglia, P. Zelif, M. Clattenburg, T. Hens, R. Crossen
Staff: L. Farrell, M. Masse, S. Hyde, L. Casey, J. Krencik, P. Kennett, C. Suozzi
Guests: M. Tyler (Phillips Lytle / Video Conference)
Absent: S. Mountain

1.0 Call to Order

P. Zelif called the meeting to order at 4:42 p.m. in the Innovation Zone.

2.0 Chairman's Report & Activities

2a. Agenda Additions / Other Business – Nothing at this time.

2b. Minutes: September 20, 2022 & October 6, 2022

C. Yunker made a motion to accept the September 20, 2022 & October 6, 2022 minutes as presented; the motion was seconded by M. Clattenburg. Roll call resulted as follows:

P. Battaglia -	Yes	C. Yunker -	Yes
T. Hens -	Yes	P. Zelif -	Yes
S. Mountain -	Absent	R. Crossen -	Yes
M. Clattenburg -	Yes		

The item was approved as presented.

3.0 Discussions

3a. 12/31/22 Audit – The same discussion that took place during the STAMP Sewer Works, Inc. meeting regarding the 12/31/22 Audit also applies the STAMP Water Works, Inc. The details of the discussion have been added for ease of reference. The Report to the Board of Directors states that no material weaknesses in internal controls were identified during the audit. It is their opinion that the audited financial statements present fairly, in all material respects, the financial position of the STAMP Water Works, Inc. as of December 31, 2022 in accordance with accounting principles generally accepted in the United States of America. There was no financial activity for the year ended 2022. Additionally, the STAMP Sewer Works, Inc. and the STAMP Water Works, Inc. are discretely presented component units on the GGLDC statements due to the GGLDC's ultimate control over these entities.

P. Battaglia made a motion to approve the 12/31/22 Audit as presented; the motion was seconded by T. Hens. Roll call resulted as follows:

P. Battaglia -	Yes	C. Yunker -	Yes
T. Hens -	Yes	P. Zelif -	Yes
S. Mountain -	Absent	R. Crossen -	Yes
M. Clattenburg -	Yes		

The item was approved as presented.

3b. 1st Quarter Financial Statements - L. Farrell reviewed the 1st quarter financial statements with the Board. The following was noted:

- The only expense incurred was a filing fee for the tax year 2021.
- The GGLDC approved transferring funds in the amount of \$25,000 to the STAMP Water Works, Inc. with the terms of repayment (if allowable) to be determined on a future date. These funds are currently recorded as grant income. Continued discussion on this matter will occur at a subsequent meeting.

T. Hens made a motion to approve the 1st Quarter Financial Statements as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Battaglia -	Yes	C. Yunker -	Yes
T. Hens -	Yes	P. Zelif -	Yes
S. Mountain -	Absent	R. Crossen -	Yes
M. Clattenburg -	Yes		

The item was approved as presented.

4.0 Adjournment

As there was no further business, T. Hens made a motion to adjourn at 4:43 p.m., which was seconded by P. Battaglia and passed unanimously.

STAMP WATER WORKS, INC.
Balance Sheet - Operating
March 31, 2024

ASSETS

Current Assets			
1040-00	CASH CHECKING	\$	6,988.07
1070-00	CASH SAVINGS		20,350.21
1100-00.1	ACCTS RECV - WATER RENTS		285.12
	Total Current Assets		<u>27,623.40</u>
Property and Equipment			
	Total Property and Equipment		<u>0.00</u>
Other Assets			
	Total Other Assets		<u>0.00</u>
	Total Assets	\$	<u><u>27,623.40</u></u>

LIABILITIES AND CAPITAL

Current Liabilities			
2000-00	ACCOUNTS PAYABLE -	\$	6,149.53
2120-00.1	CUSTOMER DEPOSITS		2,000.00
	Total Current Liabilities		<u>8,149.53</u>
Long-Term Liabilities			
	Total Long-Term Liabilities		<u>0.00</u>
	Total Liabilities		<u>8,149.53</u>
Capital			
3040-00	FUND BALANCE -		(5,474.33)
3042-00	SHAREHOLDERS EQUITY		25,000.00
	Net Income		<u>(51.80)</u>
	Total Capital		<u>19,473.87</u>
	Total Liabilities & Capital	\$	<u><u>27,623.40</u></u>

STAMP WATER WORKS, INC.
 Income Statement - Operations (00)
 Compared with Budget
 For the Three Months Ending March 31, 2024

	Current Month Actual	Year to Date Actual	Budget	% of Budget	
Revenues					
METERED WATER	\$ 285	\$ 285	\$ 0	0.00	4021-00
INTREST INCOME -	175	175	0	0.00	4030-00
	<u>460</u>	<u>460</u>	<u>0</u>		
Total Revenues				0.00	
Expenses					
SOURCE OF SUPPLY OPS	512	512	0	0.00	6401-00
	<u>512</u>	<u>512</u>	<u>0</u>		
Total Expenses				0.00	
Net Income	\$ (52)	\$ (52)	\$ 0	0.00	

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STAMP WATER WORKS, INC.
REPORT TO THE BOARD OF DIRECTORS
Year Ended December 31, 2023

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Certified Public Accountants

Deborah L. Mostert, CPA
Anthony T. Manzanero, CPA
Mary E. Manzanero, CPA
David E. Brownell, CPA
Jason L. Waite, CPA

March , 2024

Board of Directors
STAMP Water Works, Inc.
Batavia, New York

Dear Members of the Board of Directors:

We are pleased to present the results of our audit of the financial statements of the STAMP Water Works, Inc. (the "Corporation") for the year ended December 31, 2023.

Our plan for this year's audit included a commitment to understand and deliver on management's expectations. Our approach to the audit was designed to combine a historical perspective with a focus on the Corporation's industry and current emerging governmental issues.

This report to the Board of Directors summarizes our audit process, the scope of our engagement, the reports issued and various observations related to the Corporation's financial position and results of operations. The document also reviews the Board of Directors communications required by our professional standards, as well as current accounting issues that will affect the Corporation.

The completion of this year's audit was accomplished through the effective support and the assistance of the Corporation's personnel. As always, we strive to continually improve the quality of our audit services.

We appreciate the opportunity to serve you. If you have any questions or comments, please call us at (607) 432-8700.

Sincerely,

Mostert, Manzanero & Scott, LLP

Mostert, Manzanero & Scott, LLP

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SUMMARY OF WHAT WE AGREED TO DO

Our Approach

As communicated with management in our planning letter dated October 12, 2023, our audit plan represented an approach responsive to the assessment of risk of the Corporation. Specifically, we designed our audit to:

- Issue an opinion on the financial statements of the Corporation for the year ended December 31, 2023.
- Issue a management letter to the Board of Directors and management.
- Issue an Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

Areas of Audit Emphasis

The principal areas of audit emphasis were as follows:

- Revenue and related receivables;
- Expenses and related payables;
- Audit risk assessment; and
- Related party activity.

REQUIRED COMMUNICATIONS

Board of Directors
STAMP Water Works, Inc.
Batavia, New York

We have audited the financial statements of the STAMP Water Works, Inc. (the "Corporation"), for the year ended December 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 12, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Corporation are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Corporation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no accounting estimates reflected in the financial statements that we consider to be of a material nature.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not identify any misstatements required to be disclosed.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April , 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Corporation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Corporation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis (MD&A), which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the STAMP Water Works, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Mistert, Manzanero & Scott, LLP

Oneonta, New York
March , 2024

MANAGEMENT LETTER

Board of Directors
STAMP Water Works, Inc.
Batavia, New York

In planning and performing our audit of the financial statements of the STAMP Water Works, Inc. (the "Corporation") for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Corporation's system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the Board of Directors and others within the Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

Oneonta, New York
March, 2024

Mistert, Manzanero & Scott, LLP

STAMP WATER WORKS, INC.
AUDITED FINANCIAL STATEMENTS
December 31, 2023

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STAMP WATER WORKS, INC.

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
STAMP Water Works, Inc.
Batavia, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of STAMP Water Works, Inc. (a New York "Corporation"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Corporation as of December 31, 2023, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The Risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements; and
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on Page 3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March , 2024; on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

Oneonta, New York
March , 2024

Mistert, Manzanero & Scott, LLP

STAMP WATER WORKS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023

This section of the STAMP Water Works, Inc.'s (the "Corporation") annual financial report presents our discussion and analysis of the Corporation's financial performance during the year ended December 31, 2023, and should be read in conjunction with the financial statements and accompanying notes.

Overview of the Financial Statements

This annual financial report is made up of two parts: first management's discussion and analysis and secondly, the financial statements. The Corporation was established by Genesee Gateway Local Development Corporation as a New York State Transportation Corporation organized under the Transportation Corporation Laws of the State of New York. The Corporation's mission is to provide water services to businesses located in the western New York Science & Technology Advanced Manufacturing Park (STAMP).

These statements are presented in a manner similar to a private business.

Financial Analysis

The Corporation was formed in 2021 to provide water services to the tenants at the STAMP site. Operating income for fiscal year 2023 consisted of connection fees and water sales in the amount of \$500 and \$1,906, respectively. Non-operating income consisted of interest in the amount of \$433. Operating expenses produced a net loss of \$5,474. At the close of fiscal year 2023, the Corporation had shareholders equity of \$19,526, which is attributable to shareholder contributions. There was no financial activity carried out by the Corporation in 2022.

Contacting Financial Management

This financial report is designed to provide the public with a general overview of the Corporation's finances and to demonstrate accountability for the resources at its disposal. If you have any questions about this report or need additional financial information, contact the STAMP Water Works, Inc. located at the Dr. Bruce A. Holm Upstate MedTech Centre, 99 MedTech Dr., Suite 106, Batavia, New York 14020.

STAMP WATER WORKS, INC.

BALANCE SHEET
DECEMBER 31, 2023

ASSETS:

Current assets:

Cash and cash equivalents	\$	27,302
Accounts receivable		<u>1,861</u>
Total current assets		<u>29,163</u>

Total assets	\$	<u><u>29,163</u></u>
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LIABILITIES:

Current liabilities:

Accounts payable	\$	5,637
Customer deposits		<u>4,000</u>
Total current liabilities		<u>9,637</u>

Total liabilities		<u>9,637</u>
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SHAREHOLDER'S EQUITY

Capital		25,000
Retained earnings		<u>(5,474)</u>

Total shareholder's equity		<u>19,526</u>
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Total liabilities and shareholder's equity	\$	<u><u>29,163</u></u>
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STAMP WATER WORKS, INC.

STATEMENT OF INCOME AND
CHANGES IN SHAREHOLDER'S EQUITY
YEAR ENDED DECEMBER 31, 2023

OPERATING INCOME:

Connection fees		\$	500
Water sales			<u>1,906</u>
Total operating income			<u>2,406</u>

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OPERATING EXPENSES:

Fees and permits			101
Professional fees			6,100
Source of supply			<u>2,112</u>
Total operating expenses			<u>8,313</u>

Operating net loss (5,907)

NONOPERATING INCOME:

Other interest income			<u>433</u>
Total nonoperating income			<u>433</u>

Net loss (5,474)

Shareholder's equity - beginning -

Shareholder's contribution 25,000

Shareholder's equity - ending \$ 19,526

See accompanying notes to the financial statements.

STAMP WATER WORKS, INC.

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:

Connection fees	\$	500
Customer deposits		4,000
Water sales		45
Fees and permits		(76)
Professional fees		<u>(2,600)</u>
Net cash provided by operating activities		<u>1,869</u>

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CASH FLOWS FROM INVESTING ACTIVITIES:

Interest income		433
Equity investment from Shareholder		<u>25,000</u>
Net cash provided by investing activities		<u>25,433</u>

Net increase in cash and cash equivalents 27,302

Cash and cash equivalents - beginning of year -

Cash and cash equivalents - end of year \$ 27,302

RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Operating net loss	\$	(5,907)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
(Increase) in accounts receivable		(1,861)
Increase in accounts payable		5,637
Increase in customer deposits		<u>4,000</u>
Total adjustments		<u>7,776</u>
Net cash provided by operating activities	\$	<u>1,869</u>

See accompanying notes to the financial statements.

STAMP WATER WORKS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the STAMP Water Works, Inc. (the Corporation) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The more significant of the Corporation's accounting policies are described below.

A. REPORTING ENTITY

The Corporation was created in 2021 with a focus to engage in any lawful act or activity for which a water works corporation may be organized under the Transportation Corporations Law of the State of New York, provided that it may not engage in any act or activity requiring the consent or approval of any state official, department, board, agency or other body without such consent or approval first being obtained, and further provided that it may engage in the acts and activities of a water works corporation only in the Town of Alabama, New York. The Genesee Gateway Local Development Corporation (GGLDC) is the sole member of the corporation.

Management has determined that the Corporation is a component unit of the GGLDC in accordance with U.S. GAAP.

B. BASIS OF PRESENTATION

The Corporation's basic financial statements consist of three statements that provide information about the Corporation's activities. The first statement is the balance sheet which lists all the Corporation's assets and liabilities, with the difference reported as shareholder's equity. The second statement is the statement of income and changes in shareholder's equity which details how the Corporation's shareholder's equity changes during the current year based on the reporting of the income and expenses recognized by the Corporation. The third statement is the statement of cash flows which reports the activities that provide or use the cash and cash equivalents of the Corporation.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The Corporation's financial statements are prepared in conformity with accounting principles generally accepted in the United States. The financial statements of the Corporation use the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place.

D. INCOME TAXES

The Corporation is subject to federal and state income taxes in accordance with corporation tax laws.

E. CASH AND CASH EQUIVALENTS

The Corporation's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

F. ACCOUNTS RECEIVABLE

Accounts receivable are reported at their net realizable value. Generally accepted accounting principles require the establishment of an allowance for uncollectible accounts. No allowance for uncollectible accounts receivable has been provided since management believes that such allowance would not be necessary.

G. STATEMENT OF CASH FLOWS

For the purposes of the statement of cash flows the Corporation considers cash and cash equivalents to be all unrestricted and restricted cash accounts including demand accounts and short-term investments with original maturities of three months or less from the date of acquisition.

STAMP WATER WORKS, INC.

NOTES TO FINANCIAL STATEMENTS

H. USE OF ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2. RELATED PARTY TRANSACTIONS

The Corporation has related party relationships with the Genesee Gateway Local Development Corporation (the GGLDC).

NOTE 3 – DEFERRED TAX ASSETS

The Corporation's current year net operating loss resulted in the creation of deferred tax assets. Management believes it is more likely than not that the benefit from NOL carryforwards will not be realized, and therefore, has not created a provision for deferred tax assets on the balance sheet.

NOTE 4 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through XXXX, 2024, which is the date the financial statements are available for issuance and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

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INTERNAL CONTROL AND COMPLIANCE

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
STAMP Water Works, Inc.
Batavia, New York

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of STAMP Water Works, Inc. (the Corporation) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated March , 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mistert, Manzano & Scott, LLP

Oneonta, New York
March , 2024

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[STAMP WATER WORKS, INC.]

AUDIT AND FINANCE COMMITTEE CHARTER

Adopted pursuant to and in accordance with Section 2824(4) and Section 2824(8) of the Public Authorities Law

This Audit and Finance Committee Charter (the "Charter") was adopted by the Board of Directors (the "Board") of STAMP Water Works, Inc. ("SWWC"), a transportation corporation formed under Section 3 of the Transportation Corporations Law of the State of New York and in accordance with the procedure for the formation of corporations set forth in Article 4 of the Business Corporation Law of the State of New York.

Purpose

The purpose of the Audit and Finance Committee (the "Committee") shall be to:

- Assure that the Board fulfills its responsibilities for SWWC's internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting;
- Recommend to the Board the hiring of a certified independent accounting firm;
- Establish the compensation to be paid to such accounting firm;
- Provide direct oversight of the performance of the independent audit performed by such accounting firm;
- Provide an avenue of communication between management, the independent auditors, and the board of directors;
- Review proposals for the issuance of debt by SWWC and its subsidiaries and to make recommendations; and
- Carry out any other responsibilities delegated by the Board relating to SWWC's audit and finances.

Powers of the Committee

It shall be the responsibility of the Committee to:

- Appoint, compensate, and oversee the work of any public accounting firm employed by SWWC.
- Conduct or authorize investigations into any matters within its scope of responsibility.
- Seek any information it requires from SWWC employees, all of whom should be directed by the Board to cooperate with Committee requests.
- Meet with SWWC staff, independent auditors or outside counsel, as necessary.
- Retain, at SWWC's expense, such outside counsel, experts and other advisors as the Committee may deem appropriate.
- Review proposals for debt issuance by SWWC and its subsidiaries and to make recommendations.

The Board will ensure that the Committee has sufficient resources to carry out its duties.

Composition and Selection

The membership of the Committee shall be as set forth in accordance with and pursuant to Article IV, Section IV.1 of SWWC's By-laws. The Committee shall be comprised of the President of the Board (the "Board President") and at least three additional "independent members", within the meaning of, and to the extent required by, Section 2825 of New York Public Authorities Law, as amended from time to time. The Committee members shall be appointed by the Board President. The Board President may designate one member of the Committee as the Committee Chair. The members shall serve until their resignation, retirement, removal by the Board or until their successors shall be appointed and qualified. When feasible, the immediate past Committee Chair will continue serving as a member of the Committee for at least one year to ensure an orderly transition.

All members of the Committee shall possess the necessary skills to understand the duties and functions of the Committee, including an understanding of governmental financial reporting and auditing.

The Committee shall have access to the services of at least one financial expert; whose name shall be disclosed in the annual report of SWWC.

The Committee's financial expert should have: 1) an understanding of generally accepted accounting principles and financial statements; 2) experience in preparing or auditing financial statements of comparable entities; 3) experience in applying such principles in connection with accounting for estimates, accruals and reserves; 4) experience with internal accounting controls, 5) experience with debt issuances, and 6) an understanding of audit and finance committee functions.

Meetings

The Committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in this Charter or as otherwise delegated to the Committee by the Board. All Committee members are expected to attend each meeting, in person or via videoconference. The Committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information as necessary.

The Committee will meet with SWWC's independent auditor at least annually to discuss the financial statements of SWWC.

A meeting agenda will be prepared for every meeting and provided to the Committee members at least two days in advance of the scheduled meeting, along with the appropriate materials needed to make informed decisions. The Committee shall act only on the affirmative vote of a majority of the members at a meeting at which a quorum is present. Minutes of these meetings are to be recorded.

Responsibilities

The Committee shall have responsibilities related to: (a) the independent auditor and the annual financial statements; (b) SWWC's internal auditors (if any); (c) oversight of management's

internal controls, compliance and risk assessment practices; (d) special investigations and whistleblower policies; (e) issuances of debt and (f) miscellaneous issues related to the financial practices of SWWC.

The Committee shall be responsible for reviewing financial statement accuracy and review of Revolving Loan Fund requests.

Independent Auditors and Financial Statements

The Committee shall:

- Recommend to the Board the appointment of independent auditors retained by SWWC and pre-approve all audit services provided by the independent auditor.
- Establish procedures for the engagement of the independent auditor to provide permitted audit services. SWWC's independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the Committee. Non-audit services include tasks that directly support SWWC's operations, such as bookkeeping or other services related to the accounting records or financial statements of the authority, financial information systems design and implementation, appraisal or valuation services, actuarial services, investment banking services, and other tasks that may involve performing management functions or making management decisions.
- Review and approve SWWC's audited financial statements, associated management letter, report on internal controls and all other auditor communications.
- Review significant accounting and reporting issues, including complex or unusual transactions and management decisions, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Meet with the independent audit firm on a regular basis to discuss any significant issues that may have surfaced during the course of the audit.
- Review and discuss any significant risks reported in the independent audit findings and recommendations and assess the responsiveness and timeliness of management's follow-up activities pertaining to same.

Internal Controls, Compliance and Risk Assessment

The Committee shall:

- Review management's assessment of the effectiveness of SWWC's internal controls and review the report on internal controls by the independent auditor as part of the financial audit engagement.

Special Investigations

The Committee shall:

- Ensure that SWWC has an appropriate confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest or abuse by the directors, officers, or employees of the authority or any persons having business dealings with SWWC, or breaches of internal control.
- Develop procedures for the receipt, retention, investigation and/or referral of complaints concerning accounting, internal controls and auditing to the appropriate body.

- Request and oversee special investigations as needed and/or refer specific issues to the appropriate body for further investigation (for example, issues may be referred to the State Inspector General or, other investigatory organization.)
- Review all reports delivered to it by the Inspector General and serve as a point of contact with the Inspector General.

Other Responsibilities of the Audit and Finance committee

The Committee shall:

- Present annually to the Board a report of how it has discharged its duties and met its responsibilities as outlined in the Charter.
- Obtain any information and training needed to enhance the Committee members' understanding of the role of internal audits and the independent auditor, the risk management process, internal controls and a certain level of familiarity in financial reporting standards and processes.
- Review the Charter annually, reassess its adequacy, and recommend any proposed changes to the Board. The Charter will be updated as applicable laws, regulations, accounting and auditing standards change.
- Conduct an annual self-evaluation of the Committee's performance, including its effectiveness and compliance with the Charter and request Board approval for proposed changes.
- Review proposals for the issuance of debt by SWWC and its subsidiaries and make recommendations.

[STAMP WATER WORKS, INC.]

GOVERNANCE & NOMINATING COMMITTEE CHARTER

Adopted pursuant to and in accordance with Section 2824(7) of the Public Authorities Law

This Governance & Nominating Committee Charter (the "Charter") was adopted by the Board of Directors (the "Board") of STAMP Water Works, Inc. ("SWWC"), a transportation corporation formed under Section 3 of the Transportation Corporations Law of the State of New York and in accordance with the procedure for the formation of corporations set forth in Article 4 of the Business Corporation Law of the State of New York.

Purpose

The purpose of the Governance & Nominating Committee (the "Committee") is to assist the Board by:

- Keeping the Board informed of current best practices in corporate governance;
- Reviewing corporate governance trends for their applicability to SWWC;
- Recommending updates to SWWC's corporate governance principles and governance practices;
- Advising those responsible for appointing directors to the Board on the skills, qualities and professional or educational experiences necessary to be effective Board members;
- Nominating candidates for various offices including, but not limited to President, Vice-President, Secretary and Treasurer;
- Examining ethical and conflict of interest issues;
- Performing Board self-evaluations;
- Recommending By-laws which include rules and procedures for conduct of Board business; and
- Carrying out any other responsibilities delegated by the Board relating to SWWC's corporate governance process.

Powers of the Committee

The Board has delegated to the Committee the power and authority necessary to discharge its duties, including the right to:

- Obtain advice and assistance from in-house or outside counsel, accounting and other advisors as the Committee deems necessary; and
- Solicit, at SWWC's expense, persons having special competencies, including legal, accounting or other consultants as the Committee deems necessary to fulfill its responsibilities. The Committee shall have the authority to negotiate the terms and conditions of any contractual relationship to the Board's adopted procurement guidelines as per Public Authorities Law Section 2879, and to present such contracts to the Board for its approval.

STAMP Water Works, Inc.

99 MedTech Drive, Suite 106, Batavia, New York 14020

585-343-4866 Fax: 585-343-0848

Email: _____ Web: _____

Composition and Selection

The membership of the Committee shall be as set forth in accordance with and pursuant to Article IV, Section IV.1 of SWWC's By-laws. The Committee shall be comprised of the President of the Board (the "Board President") and at least three additional "independent members", within the meaning of, and to the extent required by, Section 2825 of New York Public Authorities Law, as amended from time to time. The Committee members shall be appointed by the Board President. The Board President may designate one member of the Committee as the Committee Chair. The members shall serve until their resignation, retirement, removal by the Board or until their successors shall be appointed and qualified. When feasible, the immediate past Committee Chair will continue serving as a member of the Committee for at least one year to ensure an orderly transition.

The Committee members should be knowledgeable or become knowledgeable in matters pertaining to corporate governance.

Meetings

The Committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in this Charter or as otherwise delegated to the Committee by the Board. All Committee members are expected to attend each meeting, in person or via videoconference.

A meeting agenda will be prepared for every meeting and provided to the Committee members at least two days in advance of the scheduled meeting, along with the appropriate materials needed to make informed decisions. The Committee shall act only on the affirmative vote of a majority of the members at a meeting at which a quorum is present. Minutes of these meetings are to be recorded.

Reports

The Committee shall:

- Report its actions and recommendations to the Board at the next regular meeting of the Board;
- Report to the Board, at least annually, regarding any proposed changes to this Charter, the By-laws of SWWC, or the governance principles of SWWC; and
- Provide a self-evaluation of the Committee's functions on an annual basis.

Responsibilities

To accomplish the objectives of good governance and accountability, the Committee has responsibilities related to: (a) the Board; (b) evaluation of the Board's policies; (c) corporate governance; (d) ethical and conflict of interests issues; and (e) other miscellaneous issues.

Relationship to the Board

The Board has delegated to the Committee the responsibility to review, develop, draft, revise or oversee policies and practices for which the Committee has specific expertise, as follows:

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- Develop SWWC's governance practices. These practices should address transparency, independence, accountability, fiduciary responsibilities, and management oversight; and
- Develop the skills, competencies and personal attributes required of members of the Board.

In addition, the Committee shall:

- Develop and recommend to the Board the number and structure of committees to be created by the Board;
- Develop and provide recommendations to the Board regarding Board member education, including new member orientation and regularly scheduled Board member training to be obtained from state-approved trainers;
- Develop and provide recommendations to the Board of performance evaluations, including coordination and oversight of such evaluations of the Board, its committees and senior management in SWWC's governance process.

Evaluation of the SWWC's Policies

The Committee shall:

- Develop, review on a regular basis, and update as necessary SWWC's code of ethics and written policies regarding conflicts of interest. Such code of ethics and policies shall be at least as stringent as the laws, rules, regulations and policies applicable to state officers and employees;
- Develop and recommend to the Board any required revisions to SWWC's written policies regarding whistleblower protections;
- Develop and recommend to the Board any required revisions to SWWC's equal opportunity and affirmative action policies;
- Develop and recommend to the board any required updates to SWWC's written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence SWWC's procurement process;
- Develop and recommend to the Board any required updates to SWWC's written policies regarding the disposition of real and personal property;
- Develop and recommend to the Board any other policies or documents relating to the governance of SWWC, including rules and procedures for conducting the business of the Board, such as SWWC's By-laws. The Committee will oversee the implementation and effectiveness of the By-laws and other governance documents and recommend modifications as needed.

Other Responsibilities

The Committee shall:

- Annually review, assess and make necessary changes to this Charter and provide a self-evaluation of the Committee.
- Annually review the general performance of SWWC relative to budget, capital investment and jobs created.

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STAMP WATER WORKS, INC.

CODE OF ETHICS

The members of the Board of Directors (the "Board") of STAMP Water Works, Inc. (the "Corporation"), a duly established transportation corporation of the State of New York (the "State"), along with the officers and employees of the Corporation, shall comply with and adhere to the provisions of this Code of Ethics ("Code"), adopted pursuant to and in accordance with Section 2824 of the Public Authorities Law.

ARTICLE I CONFLICTS OF INTEREST

No officer, director or employee should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his or her duties to the Corporation or the public interest, or which could adversely affect his or her judgment in the discharge of his or her responsibilities.

No officer, director or employee shall:

1. Accept other employment which will impair his or her independence of judgment in the exercise of his or her duties.
2. Accept employment or engage in any business or professional activity which will require him or her to disclose confidential information which he or she has gained by reason of his or her position or authority.
3. Disclose confidential information acquired by him or her in the course of his or her duties nor use such information to further his or her personal interests.
4. Use or attempt to use his or her position to secure unwarranted privileges or exemptions for himself or herself or others, including but not limited to, the misappropriation to himself, herself or to others of the property, services or other resources of the state or the Corporation for private business or other compensated non-governmental purposes.
5. Engage in any transaction as a representative or agent of the state or the Corporation with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his or her official duties.
6. By his or her conduct give reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy his or her favor in the performance of his or her duties, or that he or she is affected by the kinship, rank, position or influence of any party or person.
7. If employed on a full-time basis, individually or through any firm or association of which such an officer or employee is a member nor corporation a substantial portion of which is owned or controlled directly or indirectly by such officer or employee, sell goods or services to any person, firm, corporation or association which is licensed or whose rates are fixed by the state or the Corporation in which such officer or employee serves or is employed.

8. Take action or participate in any manner whatsoever in his or her official capacity in the discussion, negotiation or the awarding of any contract or in any business or professional dealings with the Corporation in which the official or employee has or will have an interest, direct or indirect, in such contract or professional dealings.
9. Engage in, solicit, negotiate for or promise to accept private employment or render services for his or her personal benefit when such employment or service creates a conflict or impairs the proper discharge of his or her official duties.
10. Directly or indirectly solicit, accept, or agree to accept any gift or financial benefit from any person, other than a family member, who the Corporation officer or employee knows is considering, has, or within the previous twelve months has had, any business dealing with the Corporation that involves any discretionary act by the Corporation officer or employee. An Corporation officer or employee may accept from such person a gift or gifts which are customary on family, social, holiday or civic occasions, provided they do not total more than seventy-five dollars from any person within any calendar year, and further provided that they were not received under circumstances in which it reasonably might be inferred that such gift or gifts were intended to influence the officer or employee in the performance of his or her official duties or reward him or her for any official action. A gift or financial benefit shall include money, services, loan, travel, entertainment, hospitality, thing or promise thereof, or any other gratuity or promise thereof, including any financial transaction on terms not available to the general public, but shall not include a campaign contribution. Travel, room and board expenses incurred in the performance of official duties providing a legitimate public purpose shall be excluded from the provisions of this section.
11. Take action on a matter before the Corporation when, to his or her knowledge, the performance of that action would provide a pecuniary or material benefit to himself or herself.

An officer, director or employee shall:

1. Abstain from making personal investments in enterprises in which he or she has reason to believe may be directly involved in decisions to be made by him or her or which will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest.
2. Endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.

ARTICLE II PROCEDURES FOR DISCLOSURE

All directors, officers or employees of the Corporation shall adhere to the following procedures:

1. All conflicts of interest shall be disclosed in writing to the Ethics Officer as soon as practicable after learning of the conflict. In addition, in the event a director on the Board has a conflict, he or she shall verbally disclose the conflict during a public session of a Board meeting

at which the matter creating the conflict appears on the agenda. Such verbal disclosure shall be recorded in the minutes of the meeting and be made part of the public record.

2. The director, officer or employee with the conflict of interest shall refrain from participating in discussions or decisions on the matter creating the conflict. In addition, in the event a director on the Board has a conflict, he or she shall recuse him or herself from any deliberations and abstain from voting on such matter creating the conflict.

ARTICLE III PENALTIES

Failure to comply with this Code may result in penalties as provided for in law.

ARTICLE IV ETHICS OFFICER

The Board shall designate an officer, director or employee of the Corporation to serve as the Ethics Officer of the Corporation. In the event of a vacancy, the President of the Board shall serve as the Ethics Officer until such time as the Board appoints a successor.

ARTICLE V PROHIBITED CONFLICTS OF INTEREST

Notwithstanding any other provision contained in this Code, the directors, officers and employees of the Corporation shall comply with Article 18 of the General Municipal Law of the State of New York ("GML").

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STAMP WATER WORKS, INC.

DISPOSITION OF PROPERTY GUIDELINES (THE "GUIDELINES")

Adopted pursuant to and in accordance with Sections 2824 and 2896 of the Public Authorities Law

SECTION 1. DEFINITIONS

- A. "Contracting Officer" shall mean the officer or employee of STAMP Water Works, Inc. (hereinafter, the "Corporation") who shall be appointed by resolution to be responsible for the disposition of property.
- B. "Dispose" or "disposal" shall mean transfer of title or any other beneficial interest in personal or real property in accordance with Section 2897 of the Public Authorities Law.
- C. "Property" shall mean personal property in excess of five thousand dollars (\$5,000) in value, and real property, and any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

SECTION 2. DUTIES

- A. The Corporation shall:
- (i) maintain adequate inventory controls and accountability systems for all property owned by the Corporation and/or under its control;
 - (ii) periodically inventory such property to determine which property shall be disposed of;
 - (iii) produce a written report of such property in accordance with subsection B herewith; and
 - (iv) transfer or dispose of such property as promptly and practicably as possible in accordance with Section 3 below.
- B. The Corporation shall:
- (i) publish, not less frequently than annually, a report listing all real property owned by the Corporation. Such report shall consist of a list and full description of all real and personal property disposed of during such period. The report shall contain the price received by the Corporation and the name of the purchaser for all such property sold by the Corporation during such period; and
 - (ii) deliver copies of such report to the Comptroller of the State of New York, the Director of the Budget of State of New York, the Commissioner of the New York State Office of General Services, and the New York State Legislature (via distribution to the majority leader of the senate and the speaker of the assembly).

SECTION 3. TRANSFER OR DISPOSITION OF PROPERTY

- A. Supervision and Direction. Except as otherwise provided herein, the duly appointed Contracting Officer shall have supervision and direction over the disposition and sale of property of the Corporation. The Corporation shall have the right to dispose of its property for any valid corporate purpose.

B. Custody and Control. The custody and control of Corporation property, pending its disposition, and the disposal of such property, shall be performed by the Corporation or by the Commissioner of General Services when so authorized under Section 2897 of the Public Authorities Law.

C. Method of Disposition. Unless otherwise permitted, the Corporation shall dispose of property for not less than its fair market value by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Corporation and/or Contracting Officer deems proper. The Corporation may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of these Guidelines. Provided, however, that no disposition of real property, or any interest in real property, shall be made unless an appraisal of the value of such property has been made by an independent appraiser and included in the record of the transaction, and, provided further, that no disposition of any other property which because of its unique nature or the unique circumstances of the proposed transaction is not readily valued by reference to an active market for similar property, shall be made without a similar appraisal.

D. Sales by the Commissioner of General Services (the "Commissioner"). When the Corporation shall have deemed that transfer of property by the Commissioner will be advantageous to the State of New York, the Corporation may enter into an agreement with the Commissioner where under such Commissioner may dispose of property of the Corporation under terms and conditions agreed to by the Corporation and the Commissioner. In disposing of any such property, the Commissioner shall be bound by the terms of Section 2897 of the Public Authorities Law and references to the Contracting Officer shall be deemed to refer to such Commissioner.

E. Validity of Deed, Bill of Sale, Lease, or Other Instrument. A deed, bill of sale, lease, or other instrument executed by or on behalf of the Corporation, purporting to transfer title or any other interest in property of the Corporation in accordance herewith shall be conclusive evidence of compliance with the provisions of these Guidelines and all applicable law insofar as concerns title or other interest of any bona fide grantee or transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of such compliance prior to the closing.

F. Bids for Disposal; Advertising; Procedure; Disposal by Negotiation; Explanatory Statement.

(i) Except as permitted by all applicable law, all disposals or contracts for disposal of property made or authorized by the Corporation or Contracting Officer shall be made after publicly advertising for bids except as provided in subsection (iii) of this Section F.

(ii) Whenever public advertising for bids is required under subsection (i) of this Section F:

(A) the advertisement for bids shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the property proposed for disposition;

(B) all bids shall be publicly disclosed at the time and place stated in the advertisement; and

(C) the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Corporation, price and other factors considered; provided, that all bids may be rejected at the Corporation's discretion or when it is in the public interest to do so.

- (iii) Disposals and contracts for disposal of property may be negotiated or made by public auction without regard to subsections (i) and (ii) of this Section F but subject to obtaining such competition as is feasible under the circumstances, if:
 - (A) the personal property involved has qualities separate from the utilitarian purpose of such property, such as artistic quality, antiquity, historical significance, rarity, or other quality of similar effect, that would tend to increase its value, or if the personal property is to be sold in such quantity that, if it were disposed of under subsections (i) and (ii) of this Section F, would adversely affect the state or local market for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation;
 - (B) the fair market value of the property does not exceed fifteen thousand dollars;
 - (C) bid prices after advertising therefore are not reasonable, either as to all or some part of the property, or have not been independently arrived at in open competition;
 - (D) the disposal will be to the state or any political subdivision or public benefit corporation, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation;
 - (E) under those circumstances permitted by Section (G) below; or
 - (F) such action is otherwise authorized by law.
- (iv) (A) An explanatory statement shall be prepared of the circumstances of each disposal by negotiation of:
 - (1) any personal property which has an estimated fair market value in excess of fifteen thousand dollars;
 - (2) any real property that has an estimated fair market value in excess of one hundred thousand dollars, except that any real property disposed of by lease or exchange shall only be subject to clauses (3) and (4) of this subparagraph;
 - (3) any real property disposed of by lease, if the estimated annual rent over the term of the lease is in excess of \$15,000; or
 - (4) any real property or real and related personal property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.
 - (B) Each such statement shall be transmitted to the persons entitled to receive copies of the report required under all applicable law not less than ninety (90) days in advance of such disposal, and a copy thereof shall be preserved in the files of the Corporation making such disposal.
- (G) Disposal of Property for less than Fair Market Value ("FMV").
 - (i) No assets owned, leased or otherwise in the control of the Corporation may be sold, leased, or otherwise alienated for less than its FMV except if:

- (A) The transferee is a government or other public entity, and terms of transfer require that the ownership and use of the asset will remain with the government or any other public entity; or
 - (B) the purpose of transfer is within the purpose, mission or governing statute of the Corporation; or
 - (C) in the event the Corporation seeks to transfer an asset for less than its FMV to other than a governmental entity, which disposal would not be consistent with the Corporation's mission, purpose or governing statutes, the Corporation shall provide written notification thereof to the governor, the speaker of the assembly, and the temporary president of the senate, and such proposed transfer shall be subject to denial by the governor, the senate, or the assembly. Denial by the governor shall take the form of a signed certification by the governor. Denial by either house of the legislature shall take the form of a resolution by such house. The governor and each house of the legislature shall take any such action within sixty days of receiving notification of such proposed transfer during the months of January through June, provided that if the legislature receives notification of a proposed transfer during the months of July through December, the legislature may take any such action within sixty days of January first of the following year. If no such resolution or certification is performed within sixty days of such notification of the proposed transfer to the governor, senate, and assembly, the Corporation may effectuate such transfer. Provided, however, that with respect to a below market transfer by the Corporation that is not within the purpose, mission or governing statute of the Corporation, if the governing statute provides for the approval of such transfer by the executive and legislative branches of the political subdivision in which the Corporation resides, and the transfer is of property obtained by the Corporation from that political subdivision, then such approval shall be sufficient to permit the transfer.
- (ii) If a below FMV transfer is proposed, the following information must be provided to the Corporation's board and the public:
- (A) a full description of Asset;
 - (B) an appraisal of the FMV of the asset and any other information establishing the FMV sought by the board;
 - (C) a description of purpose of transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages, or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the asset is situated as are required by the transfer;
 - (D) a statement of the value to be received compared to the FMV;
 - (E) the names of any private parties participating in the transfer, and if different than the statement required by subsection (D) of this Section, a statement of the value to the private party;
 - (F) the names of other private parties that have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.
- (iii) Before approving the disposal of any property for less than FMV, the board must consider the information described in the above Section 3(G)(ii) and make a written determination

that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.

These Guidelines are subject to modification and amendment at the discretion of the Corporation's board and shall be filed annually with all local and state agencies as required under all applicable law.

The designated Contracting Officer for the Corporation is the **Corporation's Board President**.

This policy is hereby adopted and shall be effective immediately as approved and adopted September 20, 2022.

Re-adopted: April 30, 2024

Doc #10372586.2

STAMP WATER WORKS, INC.

Procurement Policies and Procedures



Adopted: September 20, 2022
Re-adopted: April 30, 2024

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STAMP WATER WORKS, INC.

PROCUREMENT POLICIES AND PROCEDURES

1. INTRODUCTION
2. DECLARATION OF POLICY
3. DEFINITIONS
4. DETERMINATION OF PROCUREMENT
5. NO COMPETITIVE BIDDING
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 - 6.1. Written Descriptions Required
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8. PROCUREMENT POLICY SUMMARY CHART

NOTE: THESE POLICIES AND PROCEDURES APPLY ONLY TO GOODS AND SERVICES PAID FOR BY THE CORPORATION FOR ITS OWN USE AND ACCOUNT. THEY DO NOT APPLY TO GOODS OR SERVICES (SUCH AS, BUT NOT LIMITED TO, BOND COUNSEL OR CORPORATE COUNSEL) PROCURED IN CONNECTION WITH SALE LEASEBACK OR A BOND ISSUANCE, FOR WHICH GOODS AND SERVICES A COMPANY PAYS.

1. INTRODUCTION

The policies and procedures set forth herein have been developed by STAMP Water Works, Inc. (the "Corporation") pursuant to Section 2824 of the Public Authorities Law regarding the procurement of Goods and Services not required by law to be procured pursuant to competitive bidding.

These policies and procedures apply only to Goods and Services paid for by the Corporation for its own use and account. They do not apply to Goods or Services (such as, but not limited to, Bond Counsel or construction services) for a project for which the Corporation will not be the project operator or occupant.

2. DECLARATION OF POLICY

Goods and Services which are not required by law to be procured pursuant to competitive bidding must be procured in a manner so as to assure the prudent and economical use of Corporation moneys in the best interest of the Corporation, to facilitate the acquisition of Goods and Services of maximum quality at the lowest possible cost under the circumstances and to guard against favoritism, improvidence, extravagance, fraud and corruption. To further these objectives, the Members have adopted the policies and procedures set forth herein governing all procurement of Goods and Services which are not required to be procured pursuant to competitive bidding.

3. DEFINITIONS

The following terms shall have the following meanings:

1. "Corporation" shall mean STAMP Water Works, Inc..
2. "Competitive Quotations" means the procurement of Goods and/or Services, in accordance with the provisions of Section "6" herein.
3. "Contract" shall mean a public work contract, a purchase contract, or, generally a contract for Goods or Services in accordance with the provisions herein.
4. "County" shall mean the County of Genesee, New York.
5. "Goods" shall mean products, materials, supplies, equipment, apparatus and other like items, and the necessary Services related to these items.
6. "Members" shall mean the Board of Directors of the Corporation.

7. "Procurement" or "procure" shall mean the obtaining, through Contract or agreement of Goods and/or Services in accordance with these policies and procedures.

8. "Procurement Officer" shall mean the Treasurer of the Corporation or such other officer, or employee, or individual designated by the Members to carry out the general and specific provisions of the policies and procedures set forth herein.

9. "Professional Services" means for those Services requiring special or technical skills, training, expertise, or licensing, or such Services which involve the use of professional judgment and/or a high degree of creativity, or which involve a relationship of personal trust or professional confidence including, but not limited to, engineering, architectural, medical, financial and legal services.

10. "Services" shall mean, generally, labor and/or construction to be performed.

11. "Sole Source Goods or Services" shall mean Goods or Services for which the Procurement Officer has determined that there is only one possible source from which to procure the desired Goods or Services, including, but not limited to, certain patented Goods or Services, or public utilities; provided, however, the Procurement Officer must certify that such Goods or Services are available from only one source so that no possibility of competition exists, including a showing that, at least (a) the unique benefits of the desired Goods or Services as compared to other such Goods or Services available in the marketplace, (b) no other Goods or Services provide substantially equivalent or similar benefits, and (c) considering the benefits received, the cost of the Goods or Services is reasonable, when compared to conventional methods;

12. "State" shall mean the State of New York.

13. "Vendor" shall mean a supplier or prospective supplier of Goods or Services.

4. DETERMINATION OF PROCUREMENT

The Procurement Officer is hereby designated to be responsible for determining whether a procurement of Goods or Services is subject to Competitive Quotations or is exempt from such procurement, and the Procurement Officer is authorized to determine that the nature of a particular project or class of projects is exempt from the procurement policies described herein. The Corporation hereby finds and determines that Professional Services are, in all cases, exempt from these procurement policies and procedures, as solicitation of alternate proposals and quotations is not in the best interest of the Corporation in situations in which special skills and expertise are required.

5. NO COMPETITIVE BIDDING

As of the date of adoption of these policies and procedures, the Corporation is not subject to the competitive bidding requirements of Section 103 of the General Municipal Law.

6. COMPETITIVE QUOTATIONS

6.1. Written Descriptions Required

Upon a determination by the Procurement Officer that Goods or Services are to be procured through competitive or verbal quotations, the Procurement Officer shall cause to be made a written description for each such Goods or Services to be procured. Such description need not necessarily include detailed specifications but may be generic or in outline form or describe the result sought by the Corporation. Such written description shall contain that information deemed necessary for the procurement of the desired Goods or Services in accordance with the policies of the Corporation, including a statement that the requested bid or quotation price shall include a statement whether cost of delivery is included, a statement that the Corporation reserves the right to reject all bids or quotations, waive minor deviations, consider alternative bids or quotations, negotiate price and terms with those making a bid or quotation (provided that negotiations with all those making a bid or quotation will be on substantially the same basis and regarding substantially the same matters), subject to the same terms and conditions of the written descriptions being sought by the Corporation and a statement regarding security and/or insurance, if required.

6.2. Soliciting Written Competitive Quotations

1. If the cost of the Goods or Services to be procured, based upon the written description prepared for the desired Goods or Services, will require an expenditure of more than \$5,000, but less than \$10,000, the desired Goods or Services shall be procured through Competitive Quotations solicited from not less than two Vendors.

2. If the cost of the Goods or Services to be procured, based upon the written description prepared for the desired Goods or Services, will involve an expenditure of more than \$10,000, the desired Goods or Services shall be procured through Competitive Quotations solicited from not less than three Vendors.

3. If, following reasonable efforts, insufficient numbers of Vendors exist for the solicitation of the requisite number of Competitive Quotations, then the Procurement Officer shall cause to be solicited Competitive Quotations from less than the requisite number of Vendors; provided, however, that the basis and other

facts and circumstances or such efforts and/or findings relating to this provision shall be placed in writing.

4. The Procurement Officer shall cause to be made a record of the written description, the solicitation of the Competitive Quotations, the Competitive Quotations received and any other documents or materials prepared or received in connection with the procurement of Goods and Services of the Corporation.

5. Competitive Quotations need not be sealed and need not be opened and read at a stated time.

6. The Procurement Officer need not recommend the procurement of Goods and Services from the Vendor offering the lowest dollar quotation, but may recommend to the Members determinations of which quotations will fulfill or meet the best interests or needs of the Corporation, and each recommended determinations may be based on such factors as, without limitation, quality, features or options, reliability or reputation of the Vendor, availability of service, delivery time and location of the Vendor (local vis-a-vis non-local, in-state vis-a-vis out-of-state or country); and the Procurement Officer may negotiate terms and price with all Vendors submitting quotations (provided that all such negotiations will be on substantially the same basis and regarding substantially the same matters), and the determination of the Members pursuant to the Procurement Officer's recommendations made in good faith shall be final.

6.3. Exceptions

1. General Exceptions. The following Goods and Services may be procured by the Corporation without soliciting competitive quotations:

a. Services performed by inmates, or Goods manufactured, in correctional facilities operated by the New York State Department of Correctional Services or in local correctional facilities of this State; provided, however, that the procurement of such Goods and Services shall be in accordance with Section 186 of the Correction Law;

b. Goods and Services produced or assembled by the blind or other severely handicapped; provided, however, that the procurement of such Goods and Services shall be in accordance with Section 175-B of the State Finance Law;

c. Goods procured by the County in accordance with subdivision (2) of Section 408-a of the County Law; provided, however that no such procurement shall be made from the County when Competitive Quotations have already been received, unless such procurement may be made upon

the same terms, conditions and specifications of a lower price through the County;

d. Goods in excess of \$500.00 procured by the State through the New York State Office of General Services, subject to rules established by such Office, in accordance with Section 163 of the State Finance Law; provided, however, that no such procurement shall be made from such Office when Competitive Quotations have already been received, unless such procurement may be made upon the same terms, conditions and specifications at a lower price through such Office;

e. Surplus and/or second hand Goods which are being offered for purchase from the Federal or State governments or any other political subdivision or public benefit corporation within the State of New York.

2. Special Exceptions. Upon a determination that Goods or Services are (i) Professional Services, (ii) Sole Source Goods or Services or (iii) Goods or Services deemed by the Procurement Officer, in his or her sole discretion, not in the best interest of the Corporation to be procured in accordance with the Competitive Quotation requirements set forth herein, the Procurement Officer may procure such Goods or Services in such manner as the Procurement Officer determines to be in the best interest of the Corporation and which otherwise is in accordance with the policies of the Corporation, as set forth in Section "2" herein.

6.4. Authorization

The procurement of Goods and Services which will involve an expenditure of less than \$5,000 may be approved by the Procurement Officer. Authorization for individual expenditures of \$5,000 and over shall require the formal review and approval of the Corporation's Members.

6.5. Entering Into the Contract

1. Except as provided in Section "6.5.2" herein, upon receipt of the requisite number of Competitive Quotations, the Procurement Officer shall recommend to the Members that the Corporation enter into a Contract, or enter into an agreement, for such Goods or Services to the Vendor that submitted the Competitive Quotation with the lowest dollar offer for such Goods or Services, but subject to the provisions of Section "6.2.6" hereof.
2. If the Procurement Officer shall recommend to the Members that the Corporation enter into a Contract for Goods or Services to a Vendor that did not submit the Competitive Quotation with the lowest dollar offer, the

Procurement Officer shall state the reasons such an award furthers the policy set forth in Section "2" herein and in accordance with Section "6.2.6" hereof.

3. Upon the procurement of Goods or Services in accordance with the provisions of Section "6.3" herein, the Procurement Officer shall recommend to the Members that the Corporation award a Contract, or enter into an agreement, for such Goods or Services to the Vendor identified by the Procurement Officer.
4. Upon receipt of the recommendation by the Procurement Officer regarding the entering into a Contract, the Members shall authorize the Procurement Officer to cause to be procured such Goods or Services with the recommended Vendor; provided, however, that the Members reserve the right to reject all bids or quotations, waive minor deviations, consider alternative bids or quotations, subject to the same terms and conditions of the written descriptions being sought by the Corporation.

6.6. Purchases (\$5,000 or less)

Notwithstanding the provisions set forth herein, the procurement of Goods or Services involving an expenditure of up to five thousand dollars (\$5,000.00) may be made without seeking Competitive Quotations; provided, however, that any agent of the Corporation authorized to make such a procurement shall use his or her best efforts to obtain the lowest cost for such Goods or Services, but taking into consideration the terms of Section "6.2.6" hereof.

6.7. Policy for Corporation's Benefit

These policies and procedures are intended solely for the benefit of the Corporation and are not intended for the economic or other benefit of any particular Vendor making a quotation; and accordingly, no Vendor shall have the right to challenge the determination of the Corporation to enter into Contracts for Goods and Services in accordance with the policies and procedures herein set forth.

7. MISCELLANEOUS

1. Procurement of Insurance – Procurement of Insurance Brokerage/Agent is subject to this Policy as a Professional Service. Notwithstanding the foregoing, actual insurance policies procured are not subject to requirements of this Policy. Insurance Policies shall be reviewed by the Members annually.
2. Genesee County Business Enterprises – It is the preference of the Corporation to provide opportunities for the purchase of Good and Services from business enterprises located in Genesee County.

3. Minority & Women Owned Business Enterprises (M/WBE) – The Corporation shall comply with all applicable legal requirements relating to the hiring of such businesses. It is understood that granting agencies may enforce requirements regarding M/WBE participation and the Corporation may not be able to choose lowest responsible bidders in order to comply in these situations.
4. Effect of Other Procurement Requirements – Where the procurement of a specific Good or Service is to be accomplished using funds other than the funds of the Corporation and such funding sources specify different or more restrictive procurement requirements than are provided for in this Policy, the procurement requirements of the funding source will supersede the requirements of this Policy.
5. The Members shall review the policies and procedures herein not later than March 31, 2023, and each year thereafter. Amendments to these policies and procedures may be made at any time during the year.
6. The unintentional failure to fully comply with the provisions of the policies and procedures set forth herein shall not be grounds to void action taken or give rise to a cause of action against the Corporation, the Members, the Procurement Officer, or any officer or employee of the Corporation.

STAMP WATER WORKS, INC.
99 MedTech Drive, Batavia, NY 14020-3118
Phone: 585/343-4866 Fax: 585/343-0848

COMPETITIVE QUOTATION FORM

Date: _____

1. **VENDOR:** _____ Phone: _____
Address: _____ Fax: _____

2. **REQUEST FOR QUOTATION** (to be completed by Corporation):
GOODS/SERVICES NEEDED

Delivery Needed By: _____

Insurance is is not required

- > The quotation should include charges, if any, for delivery.
- > The Corporation encourages changes or suggestions offering cost savings.
- > The Corporation reserves the right to reject all quotations, waive minor deviations or consider alternative quotations, subject to the same terms and conditions or negotiate with Vendors as to price, specifications or terms.
- > If your Goods or Services deviate from the description herein, please note such deviation.
- > Please submit any additional information that is pertinent to your quotation.

3. **QUOTATION:** The Corporation is requesting your competitive quotation of the Goods or Services described above. Please complete this quotation, sign and return not later than 5:00 p.m. on _____. Unsigned quotations will not be considered.

I, _____, am an employee of the Vendor identified above and am duly authorized to submit this quotation.

[Corporation Employee Name]
[Title]

STAMP WATER WORKS, INC.
99 MedTech Drive, Batavia, NY 14020-3118
Phone: 585/343-4866 Fax: 585/343-0848

VERBAL QUOTATION FORM

Date: _____

Procurement Officer/Corporation Employee: _____

REQUEST FOR QUOTATION

GOODS/SERVICES NEEDED

Delivery Needed By: _____

QUOTATIONS

VENDOR	TELEPHONE #	VENDOR REPRESENTATIVE	QUOTATION
1.			
2.			
3.			
4.			

STAMP Water Works, Inc.
Procurement Policy Summary

AUTHORIZATION	None	2 Written	3 Written	Other*	Procurement Officer	Board
Purchase Contracts:						
\$1,000-\$5,000	X				X	
\$5,000-\$10,000		X				X
\$10,000 or greater			X			X
Public Works Contracts:						
\$1,000-\$5,000	X				X	
\$5,000-\$20,000		X				X
\$20,000 or greater			X			X
Professional Services				6.3.2		
Sole Source Goods or Services				6.3.2		
Other Exceptions				6.3.1		

* Refer to Section indicated

[STAMP Water Works, Inc.]
Investment Policy

Adopted pursuant to and in accordance with Section 2824 of the Public Authorities Law

I. Scope

This Investment Policy ("Policy") applies to all moneys and other financial resources available for deposit and investment by STAMP Water Works, Inc. ("Corporation") for its own use and account. The Corporation adopted this Policy at a meeting held on **April 30, 2024**.

II. Investment Objectives

The primary objectives of the Corporation's investment program shall be, in order of priority, to: (1) comply with all applicable provisions of law; (2) safeguard the principal of all deposits and investments; (3) provide sufficient liquidity to ensure that monies invested are available to meet expenditures as they come due; and (4) obtain the maximum rate of return that is consistent with the preceding objectives.

III. Delegation Of Authority

The members of the Corporation hereby delegate their responsibility for the implementation and administration of the Corporation's deposit and investment programs, including the authority to execute any security and custody agreements required by this Policy, to the Treasurer or his or her designee who shall establish written procedures for the operation of the programs consistent with this Policy. Such procedures shall regulate subordinate employees and include an adequate internal control structure to provide a satisfactory level of accountability based on a database or record incorporating descriptions and amounts of deposits and investments, transaction dates, interest rates, market prices and other information necessary to manage the portfolio and to identify the sources of all funds being invested.

IV. Internal Controls

The Treasurer is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized loss or disposition, that such transactions are executed in accordance with proper authorization and recorded properly and, that such transactions are managed in compliance with applicable laws and regulations.

V. Prudence

The Treasurer, his or her subordinates and any other Corporation employee having responsibility for the deposit or investment of Corporation moneys shall at all times act responsibly as custodian of the public trust. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their affairs not for speculation, but for investment, considering the safety of principal as well as the income to be derived. All Corporation directors, officers and employees involved in the execution of the investment program shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions, and shall adhere to the Corporation's Code of Ethics.

VI. Authorized Investments

Except as otherwise may be provided in this Policy, monies not required for immediate expenditure may be otherwise invested in any of the following:

- (1) Special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York ("bank");
- (2) Obligations of the United States of America;
- (3) Obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America;
- (4) Obligations of the State of New York;
- (5) With the approval of the State Comptroller, obligations issued pursuant to Section 24.00 and Section 25.00 of the Local Finance Law by any municipality or district corporation;
- (6) Obligations of a public corporation which are made lawful investments by the Corporation pursuant to another provision of law; and
- (7) Certificates of participation issued pursuant to General Municipal Law ("GML"), section 109-b.

Investments shall be payable or redeemable at the option of the Corporation within such time as the proceeds shall be needed to meet expenditures for the purpose for which the monies were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Corporation within two years of the date of purchase.

VII. Deposits

All monies collected by any officer or employee of the Corporation shall be deposited in such banks as have been authorized by a resolution of the Board of Directors for that purpose in an amount not to exceed the amount specified in such authorizing resolution. It is the policy of the Corporation that all moneys collected by any officer or employee of the Corporation shall be deposited within two days of receipt and under no circumstance shall deposits occur later than the end of the month in which payment was received.

VIII. Diversification

Although it is the policy of the Corporation to diversify its investment portfolio, the opportunity to diversify among types of investments is very limited because of legal constraints. Subject to these constraints, however, investments and deposits shall be diversified by financial institution, maturity and type of investment, a specific bank or trading partner or a specific maturity.

IX. Authorized Banks and Trading Partners

The Treasurer shall maintain a list of banks and other trading partners approved for investment purposes and if appropriate, establish limits on the amount of investments that may be outstanding with any bank or trading partner at any time. All banks and trading partners with which the Corporation conducts business must be creditworthy as determined by criteria established by the Treasurer. All banks with which the Corporation does business shall provide their most recent Consolidated Report of Condition (Call Report) to the Treasurer at his or her request. Trading partners not affiliated with a bank shall be recognized primary security dealers as designated by the Federal Reserve Bank of New York. The Treasurer is responsible for periodically evaluating the financial position of banks and trading partners with which the Corporation does business and, based on such evaluations, for revising the list of eligible banks and trading partners as he or she deems appropriate.

X. Procedures for Securing Deposits, Special Time Deposits and Certificate Of Deposit

(A). Written Security Agreements

Monies of the Corporation shall only be deposited, including certificates of deposit and special time deposits, in a bank with which the Corporation has entered into a written security agreement. Such security agreement shall require the bank to secure all Corporation deposits, in excess of the amount insured by the Federal Deposit Insurance Corporation, in the manner required by the New York State General Municipal Law ("GML"), section 10 and shall: (1) specify which types of eligible securities and other collateral authorized by Appendix "A" of this Policy and GML, section 10 are to be provided by the bank; (2) prescribe the maximum amount of collateral to be provided by the bank at any time; (3) prescribe the manner in which the market value of the collateral shall be determined and require any adjustments to market value as required by GML, section 10; (4) require the bank to provide

STAMP Water Works, Inc.

99 MedTech Drive, Suite 106, Batavia, NY 14020

585-343-4866 Fax: 585-343-0848

Email: _____ Web: _____

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additional collateral if the market value falls below the required amount; (5) provide that the collateral is being provided by the bank to secure all Corporation deposits in the bank, together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default; (6) grant a security interest to the Corporation in any securities pledged by the bank to secure deposits; (7) set forth the conditions under which the collateral may be sold, presented for payment, substituted or released; (8) define the events of default that will enable the Corporation to exercise its rights against the pledged securities; (9) require that securities pledged to secure deposits and not registered in the name of the Corporation be delivered in a form suitable for transfer or with an assignment in blank to a custodial bank with which the Corporation has entered into a written custodial agreement; (10) provide for the frequency of valuation of collateral, which shall be no less frequently than monthly; (11) require that the agreement be properly authorized by the Board of Directors of the bank and that the bank maintain such agreement as an official record of the bank; and, (12) contain all such other provisions deemed necessary to enable the Corporation to enforce its interest in the collateral in the event of default by the bank.

(B). Custody Agreement

All securities pledged by a bank pursuant to a written security agreement shall be delivered to a bank with which the Corporation has entered into a written custody agreement ("Custodian"). The custody agreement shall: (1) specify the manner in which the custodian shall hold securities; (2) require the custodian to hold the securities as agent of, and custodian for, the Corporation and to keep such securities separate and apart from the general assets of the custodian and not permit them to become backing for any other deposits or liabilities of the custodian; (3) require the custodian to confirm in writing the receipt, substitution or release of any securities from the Corporation's custody account; (4) provide for the methodology and frequency of valuation of securities held by the custodian; (5) require the custodian to make appropriate entries on its books at all times showing the Corporation's interest in the securities; (6) require physical securities be kept in the custodian's vault and physically segregated from the custodian's property and other property held by the custodian; (7) require the custodian to subordinate any claims it may have against the pledged securities to the Corporation's interest therein; (8) permit the Corporation access to books and records maintained by the custodian with respect to the Corporation's account; and, (9) contain any other provisions deemed necessary and appropriate. A bank shall [not] be permitted to act as custodian of any securities pledged by such bank to secure Corporation deposits.

XI. Purchase and Safekeeping of Investments

The Treasurer shall establish operation procedures for making investments with approved banks and trading partners. In the case of investments in certificates of deposit and special time deposits, the procedures shall require the solicitation of quotations from more than one approved bank and whenever practicable, from banks located within Genesee County. In the case of investments in obligations, the procedures shall: (1) require the solicitation of quotes from more than one approved trading partner, except in the purchase of governmental securities at their initial auction; (2) require all purchased obligations, unless registered or inscribed in the name of the Corporation, to be purchased through, delivered to, and held in the custody of a bank with which the Corporation has entered into a written custodial agreement which complies with the requirements contained in paragraph (b) of section X of this Policy; (3) ensure that obligations are purchased, sold or presented for redemption or payment by a custodian only accordance with prior written authorization from the officer or employee authorized to make the investment; and, (4) provide that payment of the Corporation's funds shall only be made upon delivery of the purchased obligations to the custodian. The Treasurer is further authorized to purchase obligations; (1) subject to a repurchase agreement in accordance with the procedures enumerated in paragraph XII of this Policy; or (2) pursuant to an ongoing investment program which has been authorized by the members of the Corporation and which provides investment advisory and custodial services to the Corporation.

XII. Procedures for Repurchase Agreements

The Treasurer is authorized to purchase and sell obligations pursuant to repurchase agreements subject to the following restrictions:

- (1) No repurchase transaction shall be entered into with any trading partner until the Corporation has entered into a written master repurchase agreement with the trading partner;

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- (2) Repurchase agreements shall be entered into only with trading partners approved by the Treasurer pursuant to Section IX of this Policy and shall be subject to any trading limits established for each trading partner;
- (3) Only obligations of the United States of America and obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America shall be purchased pursuant to a repurchase agreement;
- (4) Obligations purchased pursuant to a repurchase agreement shall be held by a custodian, other than the trading partner, pursuant to a written custodial agreement;
- (5) The price paid for the securities shall not be in excess of the market value of the securities being purchased plus any accrued interest not reflected in the market price.

Master repurchase agreements between the Corporation and its trading partners shall: (1) contain procedures which ensure that the Corporation obtains a perfected security interest in the purchased securities; (2) define events of default; (3) prohibit the trading partner from substituting securities for the purchased securities during the term of the repurchase agreement; (4) limit the term of a specific repurchase transaction to a period of not more than thirty days; (5) contain appropriate margin requirements and procedures for timely correction of margin deficiencies or excesses; (6) provide that the Corporation shall not make payment for purchased securities until received by the custodian; (7) require that the terms of all specific repurchase transactions, including rate, price and a description of the specific securities being purchased, be confirmed in writing; (8) provide that all specific repurchase transactions shall be subject to the terms of the master repurchase agreement; and, (9) contain such other provisions as are deemed necessary and appropriate. The written custody agreement shall comply with the requirements of paragraph (b) of section X of the Policy.

XIII. Legal Review

All security agreements, custodial agreements, letters of credit, surety bonds and repurchase agreements shall be reviewed by the Corporation Counsel or other attorney retained for this purpose to determine their compliance with the requirements of sections 10 and 11 of the GML and this Policy.

XIV. Reports

The Treasurer shall provide quarterly written investment reports to the Board of Directors of the Corporation. Such reports shall describe investments in the portfolio and contain any other information deemed necessary for management purposes.

XV. Annual Review

The Board of Directors shall review this Policy at least annually and make any amendments thereto as are deemed necessary.

Doc #10372891.2

APPENDIX A
SCHEDULE OF ELIGIBLE COLLATERAL
Eligible Securities

Authorized
(Yes or No)

- | | | |
|-----|--------|--|
| Yes | (i) | Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, a Corporation thereof or a United States government sponsored corporation. |
| No | (ii) | Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank. |
| Yes | (iii) | Obligations partially insured or guaranteed by any Corporation of the United States of America, at a proportion of the Market Value of the obligation that represents the amount of the insurance or guaranty. |
| Yes | (iv) | Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of this State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys. |
| Yes | (v) | Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization. |
| No | (vi) | Obligations of Puerto Rico rated in one of the three highest rating categories by at least one of the three highest rating categories by at least one nationally recognized statistical rating organization. |
| Yes | (vii) | Obligations of counties, cities and other governmental entities of a state, other than the State of New York, having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization. |
| No | (viii) | Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization. |
| Yes | (ix) | Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by Federal banks under the limitations established by federal bank regulatory agencies. |
| No | (x) | Commercial paper and bankers' acceptances issued by a bank, other than the bank with which the money is being deposited or invested, rated in the highest short term category by at least one nationally recognized statistical rating organization and having maturities of not longer than 60 days from the date they are pledged. |
| Yes | (xi) | Zero coupon obligations of the United States government marketed as "Treasury STRIPS". |

STAMP Water Works, Inc.

99 MedTech Drive, Suite 106, Batavia, NY 14020

585-343-4866 Fax: 585-343-0848

Email: _____ Web: _____

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Other Eligible Collateral

- No (i) A surety bond executed by an insurance company authorized to do business in the State of New York, the claims-paying ability of which is rated in the highest rating category by at least two nationally recognized statistical rating organizations.
- No (ii) An irrevocable letter of credit issued in favor of the local government for a term not to exceed ninety days by a bank (other than the bank with which the money is being deposited or invested) whose commercial paper and other unsecured short-term debt obligations (or, in the case of a bank which is the principal subsidiary of a holding company, whose holding company's commercial paper and other unsecured short-term debt obligations) are rated in one of the three highest rating categories (based on the credit of such bank or hold company) by at least one nationally recognized statistical rating organization or by a bank (other than the bank with which the money is being deposited or invested) that is in compliance with applicable federal minimum risk-based capital requirements.

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Authority Self-Evaluation of Prior Year Performance

Local Public Authority Name: STAMP Water Works, Inc. (S~~W~~WC)

2023 Measurements:

1. Operate and maintain any onsite transmission water lines at the STAMP site.
 - **Contracted with the Town of Batavia for operation and maintenance for existing onsite lines.**

2. Support the GCEDC economic development and selling process helping to facilitate capital investment and job creation commitments and tax base enhancement in the community.
 - **Supported site visits with potential companies.**

3. Enter into Water Supply Agreements with any new tenants at the STAMP site.
 - **In process.**

4. Work with the GCEDC to obtain funding to expand the current source providers of water and the extension of any onsite water lines to support development of the STAMP site.
 - **GCEDC was awarded a \$56 million FAST NY grant in 2023 to fund some of this infrastructure.**

New York State Local Public Authority Mission Statement and Measurement Report

Local Public Authority Name: STAMP Water Works Corp. (SWWC)

Fiscal Year: January 1, 2024 – December 31, 2024

Mission Statement: STAMP Water Works, Corp.'s mission is to own, operate and maintain an onsite transmission system (including storage) to provide water to all tenants within the STAMP site that would be purchased from various municipal sources.

2024 Measurements:

1. Operate and maintain any onsite transmission water lines at the STAMP site.
2. Support the GCEDC economic development and selling process helping to facilitate capital investment and job creation commitments and tax base enhancement in the community.
3. Enter into Water Supply Agreements with any new tenants at the STAMP site.
4. Work with the GCEDC to obtain funding to expand the current source providers of water and the extension of any onsite water lines to support development of the STAMP site.

Authority self-evaluation of prior year performance (based upon established measurements): To Be provided by March 31, 2025 related to 2024 performance.

Governance Certification:

1. Have the Board members acknowledged that they have read and understood the mission of the public authority?

Board of Directors Response: Yes

2. Who has the power to appoint management of the public authority?

Board of Directors Response: The Board of Directors

3. If the Board appoints management, do you have a policy you follow when appointing the management of the public authority.

Board of Directors Response: The Board has not adopted a final, written policy; however, the Board follows the prudent and reasonable practice of appointing responsible individuals.

4. Briefly describe the role of the Board in the implementation of the mission.

Board of Directors Response: The role of the Board regarding the implementation of the public authority's mission is to provide strategic input, guidance, oversight, mission authorization, policy setting and validation of the authority's mission, measurements and results. The Board is also responsible for strategy development / strategy authorization and to implement established programs, processes, activities and policies to achieve the public authority's mission.

5. Has the Board acknowledged that they have read and understood the response to each of these questions?

Board of Directors Response: Yes

**Client Name: Genesee County Industrial Development Agency
dba Genesee County Economic Development Center
Genesee Gateway Local Development Corporation**

GGLDC administrative tasks are performed by GCEDC employees

Audit & Finance Committee Last Reviewed: 6/27/23

CASH CONTROL ACTIVITIES

Cash Receipts

The GCEDC/GGLDC does not routinely handle cash. When cash is received, it's generally once a year at the annual meeting location via registration fees paid. Mail is opened by the Operations Assistant. All receipts are immediately marked "for deposit only". The cash receipts are deposited every 3 – 5 days in the appropriate cash account either in Five Star Bank, Key Bank, or The Bank of Castile. Some receipts are received directly into bank accounts via ACH/wire transfer. Posting of cash receipts to accounts receivable is done by the Finance Assistant. The postings are done promptly and accurately recorded as to customer account, amount and period. The Operations Manager reviews deposits and postings to customer accounts and general ledger accounts. Any adjustments to cash accounts are approved by the CFO. Cash held on site is stored in a locked file cabinet and kept independent of mail receipts. A PayPal account is used for annual meeting registration fees paid. Email notifications are received when payments have been made. PayPal deposits are recorded in the general ledger weekly by the Finance Assistant and the Operations Manager reviews the monthly activity.

Cash Disbursements

Cash disbursements are made by check, online payments, online bill pay or bank wire, except for small amounts from petty cash. Online payments and online bill pay are only made to ensure that bills are paid on time and to prevent late payment charges.

All checks require two signatures. GCEDC checks must be co-signed by at least one board member. GGLDC checks are signed by two board members. The GCEDC and GGLDC Audit & Finance Committee members are authorized bank signers.

All GCEDC line of credit withdrawals must be co-signed by at least one board member. GGLDC line of credit withdrawals must be signed by two board members.

Checks are pre-numbered and the sequence is accounted for regularly. All blank checks are kept in a secure location. All cash disbursement records are matched against accounts payable/open invoice files by the Operations Manager.

Invoices received are date stamped by the Operations Assistant and given to the Finance Assistant for review, tracking against contracts in place, to make sure supporting documentation is attached, and to ensure that the appropriate person signs off for approval of payment. All invoices are then reviewed by the Operations Manager and the CFO prior to disbursement checks being prepared. Checks are prepared by the Finance Assistant, only after proper matching of supporting documentation. Supporting documentation is marked with the check number when a check is prepared. The check signer reviews all supporting documentation. Purchasing documents are accounted for and controlled by the Operations Manager. Signed disbursement checks are returned to the Finance Assistant / Operations Assistant for mailing. *Mitigating controls: The CFO opens and reviews bank statements and does not have authorization to sign checks.*

All bank and interfund transfers are authorized by the CFO and the Sr. VP of Operations.

Electronic/Online Payments

Online bill pay can be used for payments to vendors that are on the Audit & Finance Committee pre-approved list. The same cash disbursement control procedures are followed, except that payments are acknowledged by two authorized bank signers after the online payment is complete.

Bank Account Reconciliations

Bank accounts are reconciled monthly by the Finance Assistant and reconciliations are reviewed by the Operations Manager and the CFO. All reconciling items are appropriate and supported. All bank statements received in the mail are delivered unopened to the CFO who opens, reviews and signs off prior to reconciliations being performed.

Journal entries

Non-standard journal entries are recorded in the general ledger by Operations Manager and the Finance Assistant and reviewed by the CFO.

SUPPORT, PROGRAM SERVICE FEES, REVENUE AND RECEIVABLE CONTROL ACTIVITIES

Program Service Receivables

Invoices are prepared once a month by the Finance Assistant. All invoices are numbered and issued in sequential order. Invoices are posted to the accounting system as payment is received. The individual(s) charged with the billing duties is also responsible for accounts receivable with the Operations Manager monitoring and reviewing the process.

Pledges Receivable (Not Applicable)

Collections

There are no established credit policies.

When cash payments are received they are posted to customer accounts by the Finance Assistant. The GCEDC/GGLDC does not prepare regular customer statements. Invoices for rent and revolving loan fund payments are mailed once a month and outstanding invoices older than 30 days are followed up via telephone by the Operations Manager, Senior VP of Operations, or CFO.

Trial Balance

The accounts receivable aging is maintained separately from the general ledger. The aging is reconciled once a month by the Operations Manager. Program revenues recorded are compared with the budget monthly by the Operations Manager and any significant deviations from budget are investigated and explained.

Allowance for Doubtful Accounts Program Services fee write-offs:

All write-offs to rent or revolving loan fund accounts are approved by the GCEDC/GGLDC Board of Directors. The accounts receivable aging is reviewed monthly by the Operations Manager. Accounts are deemed possibly uncollectible and written off to the allowance for doubtful accounts when they meet the following criteria: When the board of directors determines that all efforts to collect have been exhausted.

INVESTMENTS AND DERIVATIVE CONTROL ACTIVITIES

The GCEDC and GGLDC's Investment Policies are provided separately.

EXPENSES FOR PROGRAM AND SUPPORTING SERVICES AND ACCOUNTS PAYABLE AND PURCHASES CONTROL ACTIVITIES

Purchasing (Other than Inventory)

Purchasing is done by the Operations Assistant. For all purchases (other than items of inventory), the purchases are supported by approvals and authorizations. The GCEDC/GGLDC does not require pre-numbered purchase orders. Individuals with the right to approve and authorize purchases are the President/CEO, CFO, and Senior VP of Operations. The Operations Manager approves purchases of supplies, equipment and postage that are within budget as well as any other purchases that were planned for within the budget.

Receiving, Recording Payable and Expense

When the ordered items are received they are inspected for condition and counted by the Operations Assistant. Due to the small nature of the organization, full segregation of duties is not possible. The individual responsible for receiving is also responsible for purchasing, with oversight by Operations Manager or Finance Assistant.

The invoices subsequently received from vendors are matched up to the purchase orders and receiving reports and compared for quantities received, product ordered, pricing and clerical accuracy by the Operations Manager. For any goods that are returned, the shipping documents are maintained and reviewed and matched to vendor credit memos.

The payables are paid approximately twice a month by the Finance Assistant. The checks are reviewed and signed by two authorized bank account signers.

Trial Balance

The accounts payable aging is maintained separately from the general ledger. The aging is reconciled monthly by the Operations Manager. The GCEDC/GGLDC does not prepare monthly vendor statements. The President/CEO, CFO and the Audit & Finance Committee review the detailed monthly financial statements and compare the balances in expense accounts to budgeted amounts and any significant deviations from expectations are investigated and explained.

GCEDC PAYROLL AND EMPLOYEE BENEFITS CONTROL ACTIVITIES

Payroll

Employees are paid biweekly out of the Five Star Bank primary checking account. Funds are transferred into the account used for payroll from the Five Star Bank primary savings account by the Operations Manager. The GCEDC transfers funds to cover payroll as needed. All fund transfers are authorized by the CFO and Senior VP of Operations. Employees are never paid in cash.

Salaried employees are not required to submit weekly time records however; a record of absence is to be maintained by each employee, kept current and electronically stored in a common location as directed. Employees must have vacation compensation approved by the President/CEO or CFO. The individuals responsible for approving time are not responsible for processing or recording payroll.

Hourly employees are required to submit bi-weekly time records to their supervisor to report hours worked.

Complete Payroll Processing is the service provider used to process payroll. All the payroll information provided to the service organization such as pay rates and withholdings is authorized by the President/CEO and/or CFO. Bi-weekly payroll information is submitted to Complete Payroll Processing by the Operations Manager after compiling adequate support for the time worked by the employees. The registers produced by the service are reviewed after processing and approved by Operations Manager. The review is done to ensure the payroll transactions are only for authorized employees and that the correct pay rate is used. GCEDC does not pay commission to its employees.

All payroll checks are pre-numbered and used in sequence and any unissued checks are controlled by Complete Payroll Processing.

When new employees are hired they complete the appropriate paperwork including withholding forms and authorizations for payroll deductions that are maintained in personnel files by the Operations Manager and are entered into the payroll system by the Operations Manager. When employees are terminated they are removed from the payroll system by the Operations Manager. When there are raises or changes in pay rates, they are approved by the President/CEO or CFO and entered into the payroll system by the Operations Manager. All changes in personnel data are reported promptly so they can be properly taken care of in the payroll database.

The timely remittance of payroll taxes and of the payroll tax returns is overseen by Complete Payroll Processing.

Employee Benefits

For all benefits provided to employees such as health insurance, retirement plans, and fringe benefits, support is maintained in the personnel files authorizing deductions by the Operations Manager. Individuals with the appropriate level of knowledge are responsible for monitoring employee benefit matters and for ensuring withholdings such as 403(b) or NYS Deferred Compensation deferrals and cafeteria plan withholdings are remitted timely. These individuals include the CFO and Operations Manager.

Trial Balance

The Operations Manager reviews the monthly financial statements and compares the balances in the payroll and employee benefit expense accounts to budgeted amounts and any significant deviations from expectations are investigated and explained. The detailed payroll records are also reconciled by the Operations Manager to the payroll tax returns quarterly, and the total W-2s are reconciled to the general ledger at year end by the Operations Manager.

When necessary the appropriate payroll accruals including accruals for compensated absences are made to the general ledger by the Operations Manager.

Computers / IT

All computers are password protected. Peachtree is password protected. Each user has an independent password. Those with access to the Peachtree system are the Operations Manager, Finance Assistant, and CFO. The CFO does not post or change any data in the system; he/she reviews data only.

All employee computer files are backed up to the server and the server is backed up to an off-site location (Erie County IDA) on a nightly basis. The back-up is monitored by the IT Consultant and the Operations Manager.

There is a firewall in place. Multi-factor authentication is used by all staff.

GCEDC Employee Reimbursements

Employee reimbursement requests are submitted to and approved by the Senior VP of Operations and CFO. The President/CEO must sign off on requests submitted by the Senior VP of Operations or CFO. Two Board members must sign off on requests submitted by the President/CEO.

GCEDC Travel Authorization

Travel involving overnight accommodation or travel outside of New York State requires prior approval of the President & CEO (or the Chairman or Vice-Chairman of the Board, in the case of the CEO's travel).

Signed travel authorization forms are attached to subsequent reimbursement requests to verify that expenditures are appropriate and in line with the prior approval.

GCEDC / GGLDC

Pre-Approved List of Vendors That Can Be Paid Online:

- Tompkins Trust Company (Visa)
- Selective Insurance
- Toshiba Financial Services
- National Grid
- National Fuel
- Five Star Bank (Loan payments)
- KeyBank (Line of Credit payments)
- Bank of Castile
- Five Star Bank
- Quadient (Postage)
- Traveler's (D&O Insurance)
- Town of Batavia (Water/Sewer)
- Empire Access

List Last Reviewed & Approved by Audit & Finance Committee:

GCEDC - 6/27/2023

GGLDC - 6/27/2023

STAMP Water Works, Inc.

Current Officers

Pete Zeliff, Chair
Paul Battaglia, Vice Chair
Steve Mountain, Secretary
Tim Hens Treasurer

Authorized to request information regarding all bank accounts and transfer funds between accounts for the STAMP Sewer Works, Inc.

L. Farrell
P. Kennett

The following are authorized signors of agreements, contracts, deeds and any other instruments as approved by the Board or operational items within the approved budget limits:

Chairman (per by-laws)
Vice Chairman (per by-laws)

Bank Account Authorized Signers

Audit & Finance Committee members are authorized bank signers.

All STAMP Water Works, Inc. checks and / or Line of Credit withdrawals must be signed by two authorized signors.

31/3m/3n/3o

Mark Masse

**STAMP Water Works Corporation
April 30, 2024**

Water facilities operation and maintenance agreement

Discussion: The Town of Batavia has provided an updated agreement for the operation and maintenance of the water facilities for STAMP Water Works Corp.

Fund Commitment: \$3,600 in 2024 with a 3% escalator each year for five years. This amount would need to be modified as more tenants come on board at STAMP and costs change based on usage.

Board Action Request: Approval of the Agreement for Operation and Maintenance of Water Facilities for STAMP Water Works, Corp., Inc.

**AGREEMENT FOR OPERATION AND MAINTENANCE
OF WATER FACILITIES FOR
STAMP WATER WORKS, INC.**

THIS AGREEMENT, made the _____ day of _____, 20___, by and among the **TOWN OF BATAVIA**, a Municipal Corporation of the State of New York, with offices located at 3833 West Main Street Road, Batavia New York 14020, (hereinafter "Batavia"); and the **STAMP WATER WORKS, INC.**, a Transportation Corporation of the State of New York, with offices located at 99 MedTech Drive, Suite 106, Batavia, NY 14020, (hereinafter "SWWC"); (hereinafter collectively referred to as the "Parties").

WITNESSETH:

WHEREAS, Batavia has previously entered into a Water Supply Agreement with the County of Genesee, whereby the County supplies an adequate quantity of water for use by Batavia's residents who are obtaining water services, and

WHEREAS, the Genesee County Economic Development Center ("GCEDC") has previously entered into a Water Supply Agreement with the County of Genesee, which has been assigned to SWWC in accordance with its terms (the "Genesee Water Supply Agreement"), whereby the County supplies at a minimum of two hundred (200,000) gallons per day for use by tenants of the STAMP Site who are obtaining water services, and

WHEREAS, the GCEDC and its affiliate, the Genesee Gateway Local Development Corporation ("GGLDC"), have been working for the last several years on the development of the Western New York Science & Technology Advanced Manufacturing Park ("STAMP"), a planned advanced manufacturing campus on approximately 1,262 acres of land located along the west side of New York State Highway 77/63 (north of Judge Road) approximately five miles north of the I-90/New York State Thruway in the Town of Alabama ("STAMP Site"); and

WHEREAS, at full build out, STAMP will be a high technology campus with the potential to accommodate over 6 million square feet ("sf") of advanced technology manufacturing and related uses and to create up to approximately 10,000 jobs; and

WHEREAS, the GGLDC has formed SWWC under New York State Transportation Corporation Law to own, operate and maintain the onsite water system at the STAMP Site; and

WHEREAS, an onsite water distribution system will be constructed within the STAMP Site consisting of initially approximately 5,000 linear feet of new 12-inch diameter water main, together with all related hydrants, valves, apparatus, conduits, pipes, casings, meters and manholes, to also include all interests in real property of any kind or nature to the extent assignable, to be installed within the STAMP Site as more fully described on the Boundary Map for said STAMP Site attached hereto as **EXHIBIT B** (hereinafter referred to collectively as the “Facilities” or the “Project”), with future extensions and installations of water lines to be done as tenants commit and build at the STAMP Site, and

WHEREAS, SWWC has established the STAMP Site to provide water services (hereafter “Water Service Area”), and

WHEREAS, SWWC desires to contract for the operation and maintenance of the Facilities, as well as for the billing and collection of the costs to provide and pay for the water service, and

WHEREAS, Batavia will lease the Facilities from SWWC in order to perform the services and responsibilities as set forth herein, pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, it is agreed as follows:

1. SWWC does hereby lease the Facilities to the Town of Batavia for the term as hereinafter set forth in this Agreement.
2. The leased Facilities include replacements, additions, betterments and improvements, which may hereinafter during the term of this Agreement be furnished and installed within or on behalf of the Water Service Area by SWWC .
3. Batavia agrees to operate and maintain the entire Facilities and to distribute water on behalf of SWWC to the Water Service Area, using personnel of required skill, experience and qualifications and in a professional and workmanlike manner in accordance with best industry standards for similar services and shall devote adequate resources to meet its obligations under this Agreement. The schedule of services to be provided under this Agreement are more fully set forth on **EXHIBIT A**, attached hereto and made a part hereof, identified as the tasks to be performed Daily, Weekly, Monthly, Quarterly, Semi-annually and Annually (hereinafter, “Fixed Rate Services”).

4. For the provision of the Fixed Rate Services by Batavia to the SWWC, the SWWC agrees to pay Batavia a fixed annual fee which shall cover the period from January 1 to December 31 of each year of this Agreement, as extended from time to time. The annual fee for 2024 shall be the rounded sum of \$3,600.00, with an annual escalator of three percent (3%) for each year thereafter. This sum is based upon the unit rates for anticipated services to be performed by Batavia over a 12-month period as set forth on **EXHIBIT A**. This sum shall be a fixed fee for the entire year and due no later than March 31 of such year, however, if additional entities begin operations at the STAMP site the parties agree to negotiate in good faith as to the annual rate to be paid by SWWC to Batavia for the provision of such Fixed Rate Services during the calendar year. In succeeding years of this Agreement, or as additional entities begin operations at the STAMP site, and as extended, the parties agree to negotiate in good faith as to the annual rate to be paid by SWWC to Batavia for the provision of such Fixed Rate Services.

5. All other services performed by Batavia shall be provided on a time and material basis (the "Time and Material Services"). Batavia shall not perform Time and Material Services without first obtaining the permission or consent from SWWC to perform such Time and Material Services, with the exception of circumstances, which in the judgement of the Town, require services to be performed that are beyond ordinary maintenance, and must be completed on an emergency basis to protect the integrity of the system, without enough time to obtain prior SWWC consent. Such emergency services shall be billed to SWWC at Batavia's cost for Time and Material Services. In the event labor is contracted to an outside vendor, the actual cost incurred by Batavia for such contracted labor shall be billed by Batavia to SWWC. In the event Batavia force labor is utilized, such labor costs shall be billed by Batavia to SWWC at Batavia's then-applicable wage rates, plus 40% for administrative overhead, benefits, and supervision. Time and Material Services shall include:

- a. additional services required to be performed by New York State Department of Health, including but not limited to those tasks outlined as "Potential Additional NYSDOH Requirements" on **EXHIBIT A**, attached hereto;
- b. capital improvements, if any; and
- c. repairs, which for purposes of this Agreement are defined as any project beyond ordinary maintenance resulting from damage or defects in materials, design

and/or construction, and involving replacement of facilities or components before the expiration of their period of probable usefulness.

Payment for Time and Material Services shall be made by SWWC to Batavia within 30 days of invoice delivered by Batavia to SWWC accompanied by receipts and supporting documentation reasonably acceptable to SWWC, except for any amounts disputed by SWWC in good faith.

6. All performance of services that will be provided by Batavia shall be pursuant to Subpart 5-1, Public Water Supplies of the New York State Sanitary Code, Batavia's Water Ordinance, (hereinafter the "Ordinance"), and the terms of SWWC's water supply agreements with customers. All services to be provided by Batavia, including Fixed Rate Services and Time and Material Services, shall be provided by Batavia using personnel of required skill, experience and qualifications and in a professional and workmanlike manner in accordance with best industry standards for similar services and shall devote adequate resources to meet its obligations under this Agreement. The Ordinance may be amended from time to time by Batavia. However, Batavia agrees to provide SWWC at least forty-five (45) days advance written notice before implementing any such amendments. During this forty-five (45) day period, the Supervisor from Batavia and President of SWWC shall meet at least once to discuss the proposed Ordinance changes.

7. Upon request, Batavia shall supply to SWWC copies of any test reports required by the New York State Department of Health.

8. Batavia shall read all meters and invoice the customers of the Water Service Area, for the amounts established and amended by SWWC. SWWC shall set the rates and penalties and/or any other charges to be collected by Batavia.

9. All Batavia invoices to the Water Service Area customers included in this Agreement, shall be due and paid by such customers according to the terms of the Ordinance, in effect as of the date of the invoice for such water. In the event that any such customer is delinquent for more than ninety (90) days, SWWC shall have in effect and shall maintain throughout this Agreement rules and regulations to enforce collection of such charges.

10. At least monthly, Batavia will transfer all money collected directly to an account designated by SWWC, and Batavia shall notify SWWC when any customer payments are delinquent.

11. Customers within the Water Service Area shall purchase water to serve present and future needs of this Water Service Area pursuant to the Genesee Water Supply Agreement, and any other applicable water supply agreement.

12. A map of the Water Service Area service areas to be served by SWWC is annexed hereto and made a part of this Agreement as **EXHIBIT B**. This map shall be amended as necessary from time to time to reflect any customers added by the Water Service Area. Any such amendment that expands or extends the Water Service Area, shall be approved by Batavia and shall not negatively affect supply or service to existing Town of Batavia service area customers.

13. All extensions to the Water Service Area after the execution of this Agreement shall be made under the exclusive control and jurisdiction of SWWC and shall be subject to the provisions of the Transportation Corporation Law and any amendments thereto. In the event that SWWC shall form one or more extensions, SWWC shall have the exclusive right to determine the amount of any fee to be charged to any such extension and to be paid to it by the customers in the extension for the right to connect to the existing Facilities of the Water Service Area. The fee shall belong exclusively to SWWC, and Batavia shall have no right or interest to this fee or any other charges related thereto.

14. It is understood and agreed that, except as otherwise set forth in this Agreement, Batavia makes no guarantee as to the pressure, quantity, quality or continuity of service, and shall not, under any circumstances, be held liable for loss or damage from a deficiency or failure in the supply of water whether caused by shutting off water in case of accident, or for alterations, extensions, connections or repairs or for any other cause of any kind or nature.

15. In the event of an emergency or other necessity, Batavia shall have the right to shut off or reduce the flow of water for such periods that it deems necessary.

16. In the event that Batavia deems it necessary to shut off or reduce the flow of water supply, Batavia shall provide tenants of the STAMP Site with reasonable advance notice when possible. Batavia shall restore water supply as soon as practicable. In such cases, SWWC shall have the right to request that Batavia temporarily turn off its transmission main and SWWC shall be able to temporarily obtain water from another source, but only until such time as the restorative measures taken by Batavia have been inspected and approved by Batavia's Water Department.

17. If Batavia deems that there is a condition in the Water Service Area that could contaminate the water supply, Batavia will notify SWWC, and SWWC will correct the condition

as soon as practicable. Batavia may temporarily discontinue water service to the Water Service Area until the necessary corrections have been made.

18. In the event that a water emergency is declared by Batavia, Batavia shall notify the SWWC President and request that the SWWC President perform the following: (i) cause or use all reasonable efforts to cause the SWWC to declare a similar emergency with respect to all water supplied to customers within the Water Service Area and (ii) use all commercially reasonable efforts to cause the SWWC to duplicate any emergency measures taken by Batavia during such water emergency.

19. SWWC shall immediately notify Batavia of any information or complaints that it receives from customers within the Water Service Area; as well as any problems or difficulties relating to the Facilities and the water distribution system.

20. There are no other Agreements or understandings, either oral or written, by and among the parties effecting this Agreement. No changes, addition or deletions of any portions of this Agreement shall be valid or binding upon the parties hereto, unless the same is approved in writing by the parties.

21. This Agreement may not be assigned by any party, in whole or in part, without the prior written consent of both parties.

22. This Agreement shall be binding upon and shall inure to the benefit of both of the parties hereto and their respective successors and permitted assigns.

23. This Agreement and any transactions by and between the parties hereunder shall be governed by, construed and interpreted in accordance with the Laws of the State of New York.

24. The parties shall execute such further instruments, documents or certificates as may be necessary or desirable to effectuate the purpose and intent of this Agreement.

25. No waiver of compliance with any provision or condition of this Agreement, and no consent provided for herein, shall be effective, unless evidenced by instrument in writing, duly executed by the parties sought to be charged therewith.

26. No failure on the part of either party to exercise and/or any delay in exercising any of its rights hereunder, shall operate as a waiver thereof, nor shall any single or partial exercise by either party of any right preclude any other or future exercise thereof or the exercise of any other right.

27. All the rights and duties of the parties created by this Agreement shall survive with respect to the services performed prior to such terminations.

28. This Agreement may be executed in several counterparts, each of which shall be an original and all which shall constitute the same instrument herein.

29. The term of this Agreement shall be for a period of five (5) years, with the following provisions:

A. This Agreement may be terminated or extended upon a written instrument executed by both Parties.

B. SWWC may terminate this Agreement upon at least 120 days prior written notice to Batavia.

C. Batavia may terminate this Agreement upon at least 120 days prior written notice to SWWC.

D. Upon termination of this Agreement, master meters must be installed (if not already installed) in the Water Service Area at no cost to the Town Batavia.

[SIGNATURES FOLLOW ON SUCCEEDING PAGES]

IN WITNESS WHEREOF the parties have last signed this Agreement the day and year first written above.

TOWN OF BATAVIA

(SEAL)

Gregory H. Post, Supervisor

State of New York }
County of Genesee } ss.

On this _____ day of _____, 20_____, before me, the undersigned, personally appeared Gregory H. Post, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

IN WITNESS WHEREOF the parties have last signed this Agreement the day and year first written above.

STAMP Water Works, Inc

(SEAL)

_____, President STAMP Water Works, Inc.

State of New York}
County of Genesee}ss.

On this _____ day of _____, 20____, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

**EXHIBIT A
SCHEDULE OF SERVICES**

Frequency & Task	Hours/Task	Total Hours	Rate/Hour	Cost
Daily				
1. None	N/A	0	\$49.44	\$0.00
Weekly				
1. Quality Sampling: Chlorine Residual, Ph, Temperature	0.2	10.4	\$49.44	\$514.18
2. Security Checks	0.1	5.2	\$49.44	\$257.09
3. Master Meter Reads	0.1	5.2	\$49.44	\$257.09
Monthly				
1. Utility Stakeouts	1	12	\$49.44	\$593.28
Quarterly				
1. Mainline Flushing	1	4	\$49.44	\$197.76
2. Customer Meter Reading/Billing/Collections	4	16	\$49.44	\$791.04
3. Private Fire System Testing/Coordination/Inspection	2	8	\$49.44	\$395.52
Semi-Annually				
1. String Trimming All Hydrants	1	2	\$49.44	\$98.88
Annually				
1. Hydrant and Valve Maintenance (9)	1	9	\$49.44	\$444.96
Total Annual Cost:				\$3,549.79
2024 Budgetary Cost:				\$3,600.00
2025 Budgetary Cost:				\$3,700.00
2026 Budgetary Cost:				\$3,800.00
2027 Budgetary Cost:				\$3,900.00
2028 Budgetary Cost:				\$4,000.00

Potential Additional NYSDOH Requirements: (1)
1. Vulnerability Assessment
2. Emergency Response Plan
3. Lead and Copper Testing (Annually for 3 years, then every 3 years)
4. NYSDOH Operator Reports (Monthly)
5. Asbestos Waiver
6. Bacteriological Testing (Monthly)
7. Disinfection Byproducts Sampling
Estimated Cost Range: \$2,000 to \$5,000
*Above can be avoided if NYSDOH allows the Phase 1 STAMP area be included in the Town of Alabama Public Water Supply

Additional Services "At Cost":

1. Any watermain/hydrant leaks/breaks will be repaired and billed "at cost"
2. Any capital improvements requested will be billed "at cost"

EXHIBIT B
BOUNDARY MAP OF STAMP SITE