

**CITY OF WATERTOWN, NEW YORK  
AGENDA**

This shall serve as notice that the next regularly scheduled meeting of the City Council will be held on Monday, November 7, 2011, at 7:00 p.m. in the City Council Chambers, 245 Washington Street, Watertown, New York.

**MOMENT OF SILENCE**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**ADOPTION OF MINUTES**

**COMMUNICATIONS**

**PRESENTATION**

**PRIVILEGE OF THE FLOOR**

**RESOLUTIONS**

- Resolution No. 1 - Approving “Greater Fort Drum Region Encroachment Prevention Tools” Workshop on November 16, 2011 as Valid Training for Meeting the New York State Municipal Planning and Zoning Officials’ Training Requirement
- Resolution No. 2 - Reappointment of City Constable, Patricia J. Hennegan
- Resolution No. 3 - Reappointment of Deputy City Constable, Michael J. Hennegan
- Resolution No. 4 - Reappointment to Board of Ethics, Mary M. Corriveau
- Resolution No. 5 - Reappointment to Board of Ethics, Rande S. Richardson
- Resolution No. 6 - Reappointment to Board of Ethics, James D. St. Croix
- Resolution No. 7 - Reappointment of Board of Ethics, Frank A. Seminerio
- Resolution No. 8 - Reappointment to Board of Ethics, Arthur C. Stever III
- Resolution No. 9 - Reappointment to Community Action Planning Council, Thomas J. Bruno

- Resolution No. 10 - Reappointment to Community Action Planning Council, Christina E. Stone
- Resolution No. 11 - Reappointment to Community Action Planning Council, Stanley Zaremba
- Resolution No. 12 - Re-Approving Change Order No. 2 to Professional Services Agreement for Interoperable Communications, Blue Wing Services, Inc.
- Resolution No. 13 - Approving Water Treatment Agreement Between The City of Watertown and the Development Authority Of the North Country
- Resolution No. 14 - Approving Extension of Administrative Services Agreement By and Between POMCO and the City of Watertown Self-Funded Health Insurance Program
- Resolution No. 15 - Approving Pharmacy Services Agreement By and Between ProAct and the City of Watertown Self-Funded Health Insurance Program
- Resolution No. 16 - Approving Professional Services Agreement with CRA Infrastructure and Engineering, Inc. for Water Treatment Plant Filter Media Rehabilitation

## **ORDINANCES**

- Ordinance No. 1 - An Ordinance Authorizing the Issuance of \$600,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Cost of the Replacement of Complex Media Filters at the Waste Water Treatment Plant, in and for Said City

## **LOCAL LAW**

## **PUBLIC HEARING**

## **OLD BUSINESS**

## **STAFF REPORTS**

1. Wastewater Treatment Plant Outfall Disinfection System Design
2. October 20, 2011 Letter From NYS Small Business Development Center
3. The Greater Watertown North Country Chamber of Commerce – Nominations for the 60<sup>th</sup> Annual Israel A. Shapiro Citizenship Award
4. Tree Watertown Media Release

**NEW BUSINESS**

**EXECUTIVE SESSION**

**WORK SESSION**

**ADJOURNMENT**

**NEXT REGULARLY SCHEDULED CITY COUNCIL MEETING IS MONDAY,  
NOVEMBER 21, 2011.**

Res No. 1

November 1, 2011

To: The Honorable Mayor and City Council

From: Kenneth A. Mix, Planning and Community Development Coordinator

Subject: Approving “Greater Fort Drum Region Encroachment Prevention Tools”  
Workshop on November 16, 2011 as Valid Training for Meeting the  
New York State Municipal Planning and Zoning Officials’ Training  
Requirement

The City Council, Planning Board and Zoning Board of Appeals is subject to the four hour training requirement that the New York State Legislature adopted as Chapter 662 of the Laws of 2006 which took effect January 1, 2007. The law requires that the City Council approve courses before they can be used to meet the training requirement.

Attached is a flyer for a workshop on “Greater Fort Drum Region Encroachment Prevention Tools” to be held on Wednesday, November 16, 2011 from 6:30 p.m. to 8:30 p.m. at Jefferson Community College. After reviewing the agenda, staff believes that this workshop meets the intent of the state legislation for training and will therefore qualify as two hours toward meeting the training requirement upon approval by the City Council. A resolution approving this training has been prepared for Council’s consideration.

# RESOLUTION

Page 1 of 1

Approving "Greater Fort Drum Region Encroachment Prevention Tools" Workshop on November 16, 2011 as Valid Training for Meeting the New York State Municipal Planning and Zoning Officials' Training Requirement

Council Member BURNS, Roxanne M.  
 Council Member BUTLER, Joseph M. Jr.  
 Council Member MACALUSO, Teresa R.  
 Council Member SMITH, Jeffrey M.  
 Mayor GRAHAM, Jeffrey E.

Total .....

YEA	NAY

### *Introduced by*

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WHEREAS Chapter 662 of the New York State Laws of 2006, which took effect on January 1, 2007, requires all municipal planning and zoning officials to have four hours of training per year, and

WHEREAS the training must be approved by the City Council before it can be used to meet their training requirement, and

WHEREAS the Fort Drum Regional Liaison Organization, Jefferson County Department of Planning, New York State Tug Hill Commission and the Center for Community Studies at JCC are co-sponsoring a workshop entitled "Greater Fort Drum Region Encroachment Prevention Tools" for local planning officials on November 16, 2011 at Jefferson Community College,

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Watertown, New York, that the "Greater Fort Drum Region Encroachment Prevention Tool" workshop is approved to provide two hours of training toward meeting the New York State municipal planning and zoning officials' training requirement

### **Seconded by**

# GREATER FORT DRUM REGION ENCROACHMENT PREVENTION TOOLS

The Fort Drum Regional Liaison Organization, Jefferson County Department of Planning, NYS Tug Hill Commission, and The Center for Community Studies at JCC are co-sponsoring a training session featuring Andy Nevin, Senior Planner for Jefferson County, and Michael Richardson, Community Planner for Fort Drum. Andy serves a variety of functions at the Department including technical assistance to municipalities and County Planning Board coordination and project reviews. Mike serves as the primary staff person representing the installation to provide technical advice and coordinate all aspects of community planning as it relates to local off-post communities. Responsibilities include working to mitigate existing and potential incompatible physical development in proximity to the military installation via the Army Compatible Use Buffer program.

## AGENDA

- 6:30-6:35 pm Welcome and Opening Remarks
- 6:35-8:00 pm Presentation by Andy Nevin and Mike Richardson

Are people in your community affected by Fort Drum activities? What types of operations and training can be expected in the future? How can Fort Drum's neighboring communities contribute to troop training and readiness? What land use planning tools can they consider when examining

their proximity to Fort Drum activities? Learn what can be expected at Fort Drum now and in the future and examine community options for planning around the base to help keep Fort Drum's largely un-encroached status.

8:00-8:30 pm Ample time will be reserved for questions and answers

RSVPs are strongly encouraged by Monday,

November 14th. Email The Center for

Community Studies at

[hbarben@sunyjefferson.edu](mailto:hbarben@sunyjefferson.edu)

or

Call 315) 786-2333

Note to Planning Board and ZBA Chairpersons and Clerks-Please share this notice with other Board members and officials in your community.

If approved by your municipality, this workshop can provide two hours of training to meet the NYS Municipality Training requirement.

The College campus, in Watertown, NY is near the intersection of Interstate 81 and Coffeen Street (Exit 46)

**From Syracuse (the airport) and points south:**  
Take 81N to Exit 46, Coffeen Street. Turn right onto Coffeen Street. Turn left at the second light.

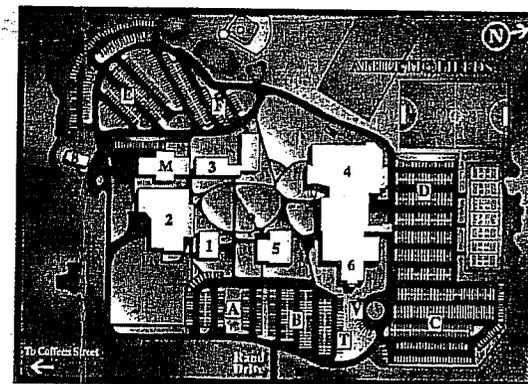
**From points north:**

**From Rte. 11:** Take Rte. 11S to Rte. 342. Turn right onto Rte. 342. Take Rte. 342 to 81S. Follow 81S to Exit 46, Coffeen Street. Turn left onto Coffeen Street. Go over the bridge over 81. Turn left at the third light.

**From Rte. 3:** Take Rte. 3E into Watertown. Turn right onto Rte. 3S, State Street. Follow Rte. 3S, State Street. Bear right in the traffic circle (Public Square) following the signs for Rte. 3. Turn right onto Massey Street. Turn left at the first light, Coffeen Street. Follow Coffeen Street past the County Fair Grounds, and turn right at the Jefferson Community College sign.

OR

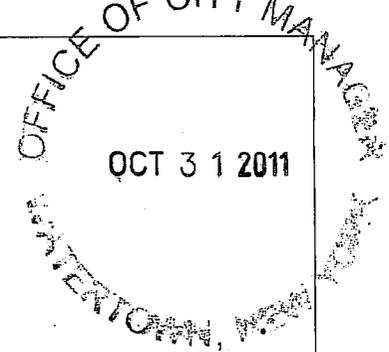
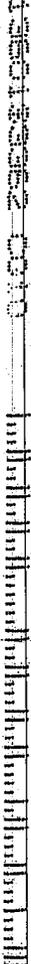
Take Rte. 3E into Jefferson County. In Felts Mills, turn right onto Rte. 283. Take Rte. 283 to Rte. 342. Turn right onto Rte. 342. Take Rte. 342 to 81S. Follow 81S to Exit 46, Coffeen Street. Turn left onto Coffeen Street. Go over the bridge over 81. Turn left at the third light.



Event Location: Room 6-002  
Jules Center Amphitheater, Bldg. 6

Parking: Lot C or D

Co-Sponsored By:



# Land Use Planning Workshop Notice

## GREATER FORT DRUM REGION ENCROACHMENT PREVENTION TOOLS

Wednesday  
November 16, 2011  
6:30 pm—8:30 pm  
Jules Center Amphitheater  
Room 6-002  
Jefferson Community College  
1220 Coffeen St.  
Watertown, NY

The Center for Community Studies at  
Jefferson Community College

1220 Coffeen Street  
Watertown, NY 13601

Return Service Requested

Ken Mix  
245 Washington St.  
Watertown, NY 13601

Non-Profit Org.  
U.S. Postage  
**PAID**  
Permit No. 7  
Watertown, N.Y.

Res Nos. 2 and 3

November 1, 2011

To: The Honorable Mayor and City Council  
From: Mary M. Corriveau, City Manager  
Subject: Appointment of City Constable and Deputy City Constable

At the request of the City Council, the City Constable, Patricia J. Hennegan, and Deputy City Constable, Michael J. Hennegan, have been contacted and both have agreed to serve another one-year term, such term expiring on December 31, 2012.

The attached resolutions have been prepared for City Council consideration.

# RESOLUTION

Page 1 of 1

Reappointment of City Constable,  
Patricia J. Hennegan

Council Member BURNS, Roxanne M.  
 Council Member BUTLER, Joseph M. Jr.  
 Council Member MACALUSO, Teresa R.  
 Council Member SMITH, Jeffrey M.  
 Mayor GRAHAM, Jeffrey E.

Total .....

YEA	NAY

***Introduced by***

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RESOLVED that the following individual is hereby reappointed as City Constable for the City of Watertown, for a one-year term expiring on December 31, 2012:

Patricia J. Hennegan  
 16820 Dry Hill Road  
 Watertown, New York 13601

**Seconded by**

**RESOLUTION**

Page 1 of 1

Reappointment of Deputy City Constable,  
Michael J. Hennegan

Council Member BURNS, Roxanne M.

Council Member BUTLER, Joseph M. Jr.

Council Member MACALUSO, Teresa R.

Council Member SMITH, Jeffrey M.

Mayor GRAHAM, Jeffrey E.

Total .....

YEA	NAY

***Introduced by***

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RESOLVED that the following individual is hereby reappointed as Deputy City Constable for the City of Watertown, for a one-year term expiring on December 31, 2012:

Michael J. Hennegan  
16820 Dry Hill Road  
Watertown, New York 13601

**Seconded by**

Res Nos. 4,5,6,7,8

November 1, 2011

To: The Honorable Mayor and City Council  
From: Mary M. Corriveau, City Manager  
Subject: Reappointments to the Board of Ethics

At the request of the City Council, the following members of the Board of Ethics were contacted and have agreed to serve another one-year term, such term expiring on December 31, 2012:

Mary M. Corriveau  
1350 Loomus Drive  
Watertown, New York

Rande S. Richardson  
269 Flower Avenue West  
Watertown, New York

James D. St. Croix  
636 Davidson Street  
Watertown, New York

Frank A. Seminerio  
722 Nellis Street  
Watertown, NY 13601

Arthur C. Stever III  
304 Paddock Street  
Watertown, New York

The attached resolutions have been prepared for City Council consideration.

# RESOLUTION

Page 1 of 1

Reappointment to Board of Ethics,  
Mary M. Corriveau

Council Member BURNS, Roxanne M.

Council Member BUTLER, Joseph M. Jr.

Council Member MACALUSO, Teresa R.

Council Member SMITH, Jeffrey M.

Mayor GRAHAM, Jeffrey E.

Total .....

YEA	NAY

***Introduced by***

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RESOLVED that the following individual is hereby reappointed to the City of Watertown's Board of Ethics for a one-year term expiring on December 31, 2012:

Mary M. Corriveau  
1350 Loomus Drive  
Watertown, New York 13601

**Seconded by**

# RESOLUTION

Page 1 of 1

Reappointment to Board of Ethics,  
Rande S. Richardson

- Council Member BURNS, Roxanne M.
- Council Member BUTLER, Joseph M. Jr.
- Council Member MACALUSO, Teresa R.
- Council Member SMITH, Jeffrey M.
- Mayor GRAHAM, Jeffrey E.

Total .....

YEA	NAY

***Introduced by***

---

RESOLVED that the following individual is hereby reappointed to the City of Watertown's Board of Ethics for a one-year term expiring on December 31, 2012:

Rande S. Richardson  
 269 Flower Avenue West  
 Watertown, New York 13601

**Seconded by**

**RESOLUTION**

Page 1 of 1

Reappointment to Board of Ethics,  
James D. St. Croix

Council Member BURNS, Roxanne M.

Council Member BUTLER, Joseph M. Jr.

Council Member MACALUSO, Teresa R.

Council Member SMITH, Jeffrey M.

Mayor GRAHAM, Jeffrey E.

Total .....

YEA	NAY

***Introduced by***

---

RESOLVED that the following individual is hereby reappointed to the City of Watertown's Board of Ethics for a one-year term expiring on December 31, 2012:

James D. St. Croix  
636 Davidson Street  
Watertown, New York 13601

**Seconded by**

# RESOLUTION

Page 1 of 1

Reappointment of Board of Ethics,  
Frank A. Seminerio

Council Member BURNS, Roxanne M.

Council Member BUTLER, Joseph M. Jr.

Council Member MACALUSO, Teresa R.

Council Member SMITH, Jeffrey M.

Mayor GRAHAM, Jeffrey E.

Total .....

YEA	NAY

***Introduced by***

---

RESOLVED that the following individual is hereby reappointed to the City of Watertown's Board of Ethics for a one-year term expiring on December 31, 2012:

Frank A. Seminerio  
722 Nellis Street  
Watertown, New York 13601

**Seconded by**

# RESOLUTION

Page 1 of 1

Reappointment to Board of Ethics,  
Arthur C. Stever III

Council Member BURNS, Roxanne M.

Council Member BUTLER, Joseph M. Jr.

Council Member MACALUSO, Teresa R.

Council Member SMITH, Jeffrey M.

Mayor GRAHAM, Jeffrey E.

Total .....

YEA	NAY

***Introduced by***

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RESOLVED that the following individual is hereby reappointed to the City of Watertown's Board of Ethics for a one-year term expiring on December 31, 2012:

Arthur C. Stever III  
304 Paddock Street  
Watertown, New York 13601

**Seconded by**

Res Nos. 9, 10, 11

November 1, 2011

To: The Honorable Mayor and City Council  
From: Mary M. Corriveau, City Manager  
Subject: Reappointments to the Jefferson County Community  
Action Planning Council

At the request of the City Council, the following members of the Jefferson County Community Action Planning Council (CAPC) were contacted and have agreed to serve another two-year term, such term expiring on December 31, 2013:

Thomas J. Bruno  
148 Francis Street  
Watertown, NY 13601

Christina E. Stone  
20258 County Route 63  
Watertown, NY 13601

Stanley Zaremba  
505 Franklin Street  
Watertown, NY 13601

In the past, the City has appointed four representatives to this Board. Following the last City Council meeting, I received a phone call from Melinda Gault indicating that CAPC is in the process of downsizing their Board from twenty eight (28) members to twenty one (21) members. As part of that process, Mr. Peter Clough has moved from a City appointed position to another category on the Board that had a vacant slot. Therefore, the City Council need not reappoint Mr. Clough, and in the future, the City Council will only appoint three members to this Board.

The attached resolutions have been prepared for City Council consideration.

# RESOLUTION

Page 1 of 1

Reappointment to Community Action  
Planning Council, Thomas J. Bruno

Council Member BURNS, Roxanne M.

Council Member BUTLER, Joseph M. Jr.

Council Member MACALUSO, Teresa R.

Council Member SMITH, Jeffrey M.

Mayor GRAHAM, Jeffrey E.

Total .....

YEA	NAY

***Introduced by***

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RESOLVED that the following individual is hereby reappointed to the Jefferson County Community Action Planning Council for a two-year term expiring on December 31, 2013:

Thomas J. Bruno  
148 Francis Street  
Watertown, NY 13601

**Seconded by**

# RESOLUTION

Page 1 of 1

Reappointment to Community Action  
Planning Council, Christina E. Stone

Council Member BURNS, Roxanne M.

Council Member BUTLER, Joseph M. Jr.

Council Member MACALUSO, Teresa R.

Council Member SMITH, Jeffrey M.

Mayor GRAHAM, Jeffrey E.

Total .....

YEA	NAY

***Introduced by***

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RESOLVED that the following individual is hereby reappointed to the Jefferson County Community Action Planning Council for a two-year term expiring on December 31, 2013:

Christina E. Stone  
20258 County Route 63  
Watertown, NY 13601

**Seconded by**

# RESOLUTION

Page 1 of 1

Reappointment to Community Action  
Planning Council, Stanley Zaremba

Council Member BURNS, Roxanne M.

Council Member BUTLER, Joseph M. Jr.

Council Member MACALUSO, Teresa R.

Council Member SMITH, Jeffrey M.

Mayor GRAHAM, Jeffrey E.

Total .....

YEA	NAY

***Introduced by***

---

RESOLVED that the following individual is hereby reappointed to the Jefferson County Community Action Planning Council for a two-year term expiring on December 31, 2013:

Stanley Zaremba  
505 Franklin Street  
Watertown, NY 13601

**Seconded by**

Res No. 12

November 1, 2011

To: The Honorable Mayor and City Council

From: Mary M. Corriveau, City Manager

Subject: Approving Change Order No. 2 to Professional Services Agreement, Interoperable Communications Study, Blue Wing Services, Inc.

On July 18, 2011, the City Council authorized Resolution No. 6, which approved Change Order No. 2 to the Professional Services Agreement with Blue Wing Services, Inc. for the Interoperable Communications Study. In the memorandum provided by Chief Dale Herman in July regarding this Change Order, it was described as a no cost change order because there was funding to transfer from the fielding line item within the grant award to the design line item, but did not address the contract with Blue Wing Services, Inc. While the grant may absorb the majority of the costs, the actual contract with Blue Wing Services, Inc. needs to be increased by \$55,235 to allow the City to pay them for actual services provided.

In order to correct the approval of this Change Order, the City Council, needs to resend the Resolution approved on July 18, 2011, and then approve Change Order No. 2 in the amount of \$55,235 to cover the increased costs associated with obtaining FCC Licensing, performing Coverage Testing and developing Creation Review recommendations. The attached Resolution rescinds the July 18, 2011 resolution approving the Change Order, approves the reallocation of funds under the grant, and approves the \$55,235 Change Order to the contract with Blue Wing services, Inc.

For your convenience I have attached copies of the cover report, resolution and memorandums from Chief Herman associated with the July 18, 2011 approval.

# RESOLUTION

Page 1 of 1

Re-Approving Change Order No. 2 to Professional Services Agreement for Interoperable Communications, Blue Wing Services, Inc.

Council Member BURNS, Roxanne M.  
 Council Member BUTLER, Joseph M. Jr.  
 Council Member MACALUSO, Teresa R.  
 Council Member SMITH, Jeffrey M.  
 Mayor GRAHAM, Jeffrey E.

Total .....

YEA	NAY

## *Introduced by*

WHEREAS on August 16, 2010 the City Council of the City of Watertown approved a bid submitted by Blue Wing Services, Inc. of St. Paul Minnesota, in the amount of \$85,940 for an interoperable communications study, and

WHEREAS on March 7, 2011 the City Council of the City of Watertown approved Change Order No. 1 to the Agreement with Blue Wing Services, Inc., in an amount not to exceed \$14,000, and

WHEREAS on July 18, 2011 Fire Chief Dale C. Herman requested that the City Council rescind Change Order No. 1 and approve Change Order No. 2 to that contract for a zero cost change, and

WHEREAS Change Order No. 2 actually results in additional amounts being paid to Blue Wing Services, Inc., under their professional services contract in the amount of \$55,235, which amounts will be covered by existing grant monies,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown hereby rescinds Resolution No. 6 of July 18, 2011, and

BE IT FURTHER RESOLVED that the City Council of the City of Watertown hereby rescinds Change Order No, 1 and approves Change Order No. 2 to increase the professional services contract with Blue Wing Services, Inc. by \$55,235 for a revised total contract amount of \$141,175 and also to reallocate money from Fielding to Design in the grant for the Interoperable Communications Study to cover the increase in costs.

## **Seconded by**

July 13, 2011

To: The Honorable Mayor and City Council  
From: Mary M. Corriveau, City Manager  
Subject: Approving Change Order No. 2 to Professional Services Agreement, Interoperable Communications Study, Blue Wing Services, Inc.

On August 16, 2010, the City Council accepted a bid submitted by Blue Wing Services, Inc. of St. Paul Minnesota, for the preparation of an Interoperable Communications study in the amount of \$85,940. A Public Safety Interoperable Communications (PSIC) Working Team has been formed and has been working Blue Wing team members on the agreed upon tasks as outlined in the agreement.

On March 7, 2011, City Council approved Change Order No. 1 to this contract in an amount not to exceed \$14,000 to cover an expanded scope to include formulating, creating and evaluating an RFP to procure radio system equipment utilizing the grant monies. This RFP was not created or evaluated due to the deadlines and availability of the needed radio equipment. Fire Chief Dale C. Herman is now requesting to rescind Change Order No. 1.

In its place, Chief Herman is requesting Change Order No. 2 which is a no cost Change Order which adds work items that the existing grant monies will cover the following:

Design		
FCC Licensing	180.5 hours	\$22,652.50
Coverage Testing	138 hours	\$17,820.00
Creation Review Recommendation	112.5 hours	\$14,762.50
Fielding		(\$55,235.00)

In his report attached, Chief Herman gives detailed information on each of these work items and explains that this results in no change to the overall contributions of the City and County to the project. Chief Herman plans to have a final document to be presented at the September City Council Work Session. A resolution for City Council consideration is attached.

# RESOLUTION

Page 1 of 1

Approving Change Order No. 2 to Professional Services Agreement for Interoperable Communications, Blue Wing Services, Inc.

Council Member BURNS, Roxanne M. 2  
 Council Member BUTLER, Joseph M. Jr.  
 Council Member MACALUSO, Teresa R.  
 Council Member SMITH, Jeffrey M.  
 Mayor GRAHAM, Jeffrey E.

	YEA	NAY
Council Member BURNS, Roxanne M. 2	/	
Council Member BUTLER, Joseph M. Jr.	/	
Council Member MACALUSO, Teresa R.	/	
Council Member SMITH, Jeffrey M.	/	
Mayor GRAHAM, Jeffrey E.	/	
Total .....	5	✓

Total .....

*Introduced by*

WHEREAS on August 16, 2010 the City Council of the City of Watertown approved a bid submitted by Blue Wing Services, Inc. of St. Paul Minnesota, in the amount of \$85,940 for an interoperable communications study, and

WHEREAS on March 7, 2011 the City Council of the City of Watertown approved Change Order No. 1 to the Agreement with Blue Wing Services, Inc., in an amount not to exceed \$14,000, and

WHEREAS Fire Chief Dale C. Herman has requested to rescind Change Order No. 1 and approve Change Order No. 2 to that contract for consideration by the City Council, and

WHEREAS Change Order No. 2 results in no additional charges but moves existing grant monies to cover FCC Licensing, Coverage Testing and Creation Review Recommendation,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown rescinds Change Order No. 1 and approves Change Order No. 2 to the contract with Blue Wing Services Inc., which reallocates money from Fielding to Design for an interoperable communications study.

**Seconded by**



# CITY OF WATERTOWN, NEW YORK

FIRE DEPARTMENT  
224 South Massey Street  
Watertown, New York 13601  
(315) 785-7800  
Fax: (315) 785-7821  
Dale C. Herman, Fire Chief  
dherman@watertown-ny.gov



July 13, 2011

Mrs. Mary Corriveau  
City Manager  
City of Watertown  
245 Washington Street  
Watertown, New York 13601



Dear Mary:

On August 16, 2010, City Council accepted a bid submitted by Blue Wing Services for preparation of an Interoperable Communications Study in the amount of \$85,940. In that agreement, Blue Wing specified hourly rates to be charged for work done by project team members.

During the ensuing months of the project, Blue Wing has not only been working on the agreed upon tasks as outlined in their proposal, but was also assigned additional work that was not forecasted in the original agreement. These additional tasks were, namely: work related to obtaining FCC licenses for UHF spectrum; coverage testing of both UHF and VHF spectrum at additional locations; and the creation, review and recommendation of various specifications for equipment and services by outside vendors.

The City/County working team members are requesting a Change Order #2 be created to move existing grant monies to cover the work listed below:

FCC Licensing	180.5 hours	\$22,652.50
Coverage Testing	138 hours	17,820.00
Creation Review Recommendation	112.5 hours	14,762.50

Examples of the type of work performed by Blue Wing are as follows:

FCC Licenses – Blue Wing team members researched spectrum in both VHF and UHF and recommended UHF as a more viable spectrum for the future. Team members researched and found 5 pairs of frequencies for City use and 10 pair for County use. Currently, through Blue Wings efforts, the City possesses an FCC License for 5 pair of UHF frequencies, and the County has approval for 6 pair and are awaiting additional engineering to determine if the other 4 pair will be approved.

Coverage Testing – Blue Wing team members were requested to return to Watertown and conduct a second round of coverage testing. City team members were disappointed that selected City sites in the first coverage test did not provide expected radio coverage of the City. Blue Wing conducted a second coverage test of City owned buildings and found of all sites tested, the County Office Building had the best performance to provide City radio coverage. The plan will reflect that the County Office Building be the primary transmitter site for City emergency response crews.

CRR – Blue Wing team members created an RFP for tower analysis of transmitter sites throughout the County and made recommendations as to which firm (Mid State) should be hired to do a structural analysis to determine if existing towers could support new equipment to be added. They reviewed state contract equipment listed to be sure items to be purchased meet the capacities needed to ensure a functional radio system, as well as compiling documentation of existing equipment at transmitter sites and developing a plan to replace 6 masts affixed to the County Office Building.

At present, Change Order #2 is a zero cost change to the overall contributions of the City and County to the project, but an authorization to adjust the overall grant budget to represent actual work done. Blue Wing is expecting to have a final document ready to be presented at a Council work session in September.

If you need anything further, please do not hesitate to contact me.

Truly yours,

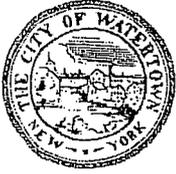
CITY OF WATERTOWN FIRE DEPARTMENT



Dale C. Herman  
Fire Chief

DCH:cdb

cc: Kurt Hauk, City Engineer



CITY OF WATERTOWN, NEW YORK

FIRE DEPARTMENT  
224 South Massey Street  
Watertown, New York 13601  
(315) 785-7800



Fax: (315) 785-7821  
Dale C. Herman, Fire Chief  
dherman@watertown-ny.gov

July 13, 2011

Mrs. Mary Corriveau  
City Manager  
City of Watertown  
245 Washington Street  
Watertown, New York 13601



Dear Mary:

On March 7, 2011, City Council approved Change Order No. 1 to Professional Services Agreement for Interoperable Communications, Blue Wing Services Inc. This change order was specifically intended to have Blue Wing formulate, create and evaluate an RFP to procure radio system equipment utilizing grant monies through PSIC and Stone Garden. Due to deadlines and the availability of the needed radio equipment on State bid, an RFP was not created or evaluated. It is recommended Change Order No. 1 be rescinded.

Truly yours,

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CITY OF WATERTOWN FIRE DEPARTMENT

Dale C. Herman  
Fire Chief

DCH:cdb

cc: Kurt Hauk, City Engineer

Res No. 13

November 3, 2011

To: The Honorable Mayor and City Council

From: Mary M. Corriveau, City Manager

Subject: Water Supply Agreement Between the City of  
Watertown and the Development Authority  
Of the North Country

On January 26, 1990 the City entered into an Agreement to supply water to the Development Authority of the North Country to support their Utility Service Contract with the U.S. Army at Fort Drum, New York, to deliver up to a maximum of 3.0 million gallons of potable water per day over the water line to Fort Drum. Additionally, under a separate Agreement, on December 4, 1995, the City granted to the Development Authority of the North Country the right to sell City water from the Fort Drum water line to municipalities and water districts in Jefferson County, up to a total of 1.0 million gallons per day (mgd).

Both of these Agreements have expired, and Staff from both agencies have been working over the last few months on a new twenty (20) year Agreement. This Agreement combines the two previous Agreements into one and provides for the Development Authority to pay the City all costs associated with providing this potable water supply, plus 20%. As part of the Agreement, the Development Authority also will pay the City capital costs based on their allocated capacity of 3.75 mgd, plus 20%. The total allocation to the Authority under the terms of this Agreement is 3.75 mgd, of which 3.0 mgd is allocated to Fort Drum and .75 mgd is allocated to other users along the line.

This Agreement has been reviewed by the Attorneys representing both organizations, and unanimously approved by the Development Authority's Board of Directors at their meeting on Wednesday, November 2, 2011.

Special thanks go to the Gary Pilon for lending his expertise in the negotiation of this Agreement.

# RESOLUTION

Page 1 of 1

Approving Water Supply Agreement Between  
The City of Watertown and the Development Authority  
Of the North Country

Council Member BURNS, Roxanne M.  
Council Member BUTLER, Joseph M. Jr.  
Council Member MACALUSO, Teresa R.  
Council Member SMITH, Jeffrey M.  
Mayor GRAHAM, Jeffrey E.

Total .....

YEA	NAY

**Introduced by**

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WHEREAS the Development Authority of the North Country has constructed, operates and maintains a water line and appurtenances to Fort Drum, New York, and on that line to other users, from a Water Treatment facility owned and operated by the City of Watertown, and

WHEREAS the City, for the past twenty years, has provided water treatment services and desires to continue to deliver water from its facility through the Development Authority's water line, and

WHEREAS the Authority acknowledges and understands that based on the operating abilities of the City's current facility, the City's ability to deliver water to the Authority's line to the U.S. Army at Fort Drum, New York, is currently limited to a peak capacity of 3.0 million gallons per day (3.0 mgd) and the City's separate ability to deliver water to the Authority's line from users other than the U.S. Army at Fort Drum is currently limited to a peak capacity of .75 million gallons per day (.75 mgd), and

WHEREAS the parties have reached an Agreement for providing water treatment services for twenty (20) years, beginning October 1, 2011,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown hereby approves the Water Treatment Agreement between the City of Watertown and the Development Authority of the North Country, a copy of said Agreement is attached and made a part of this resolution, and

BE IT FURTHER RESOLVED that City Manager Mary M Corriveau is authorized and directed to execute this Agreement on behalf of the City of Watertown.

**Seconded by**

# WATER SUPPLY AGREEMENT

## Between the Development Authority of the North Country and The City of Watertown, New York

This sets forth the Water Supply Agreement made as of \_\_\_\_\_, \_\_\_\_\_ by \_\_\_\_\_ and between THE DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY, a New York public authority with offices at Watertown State Office Building, 317 Washington Street, Watertown, New York (herein called "Authority") and THE CITY OF WATERTOWN, a New York municipal corporation with offices at Municipal Building, 245 Washington Street, Watertown, New York (herein called "City").

### RECITALS

1. Authority has constructed, operates, and maintains a water line and appurtenances from the City of Watertown to Fort Drum, New York.
2. City desires to produce and deliver treated Potable Water from its water Treatment Plant to accommodate the requirements of the Authority relative to Fort Drum and Other Users served by the Authority's water line.
3. City acknowledges and understands that the Authority has a valid Utility Service Contract with the U.S. Army at Fort Drum, New York to deliver up to a maximum of 3.0 million gallons of Potable Water per day over the water line to Fort Drum at a maximum or peak rate of flow of 2,083 gallons per minute. City further acknowledges and understands that through an agreement made as of December 4, 1995, the City granted to the Authority the right to sell City water from the Fort Drum water line to municipalities and water districts in Jefferson County, collectively defined as "Other Users", up to a total of one million gallons per day (gpd), subject to the physical constraints on the City's ability to deliver water.

4. Authority acknowledges and understands that the ability of the City to deliver Potable Water to the Authority's Booster Pump Station No. 1 is subject to certain physical and hydraulic constraints on City facilities when Authority's Booster Pump Station No. 1 is operated at flow rates higher than the original design flow rate of 3.0 million gallons per day (mgd) (2,083 gallons per minute). Authority further acknowledges and understands that under routine operations, only one pump rated at 3.0 mgd will be in operation at BPS No. 1 and, whenever it may become necessary to operate more than one pump, Authority personnel will communicate that need to the City before activating more than one pump and will coordinate the operation closely with the City's water Treatment Plant operations personnel.

5. This contract is authorized pursuant to § 2706 of the Public Authorities Law.

## **AGREEMENT**

In consideration of the mutual covenants herein contained, the parties agree as follows:

### **ARTICLE I**

#### **Definitions**

**Section 101. Defined Terms.** As used or referred to in this Agreement, unless a different meaning clearly appears from the context:

- (1) "Authority Officer" means the Chairman, any Vice Chairman, the Secretary, the Treasurer or the Executive Director of the Authority;
- (2) "City Officer" means the Mayor of the City of Watertown or the City Manager of the City of Watertown;

(3) "Fiscal Year" means the City of Watertown's official fiscal year, a period of twelve (12) consecutive months, beginning on July 1<sup>st</sup> of any given year and ending on June 30<sup>th</sup> of the following calendar year;

(4) The term "Potable Water" shall mean water suitable for consumption in accordance with New York State Department of Health requirements;

(5) "Treatment Plant" means all conduits, pipelines, water mains, reservoirs and reservoir transmission lines, pumping stations, water treatment systems, dams, plants and works, connections and intakes, and all other plant structures, boats, conveyances, and other real and tangible properties, and all renewals and/or replacements of any of the foregoing, acquired, constructed or operated by the City for the purpose of this agreement, including all repairs and replacements of any of the foregoing, regardless of the manner in which the City chooses to finance the same;

(6) "Utility Service Contract" means the utility service contract agreement, dated January 16, 1990, by and between the Department of the Army and the Development Authority of the North Country for water service to Fort Drum, and any amendments, thereto; and

(7) Words importing the singular number include the plural number and vice versa, words importing individual persons include firms, associations, and corporations, and words importing a masculine gender include every other gender.

## ARTICLE II

### City Facilities

**Section 201. Facilities.** The City will provide the Authority the service facilities as follows:

A Potable Water Treatment Plant, including:

(a) A connection at or near the City's Water Treatment Plant, between the Authority's water line and the City's facilities;

(b) Capacity to treat and deliver the Potable Water flows to the Authority's water line at a peak capacity of three million, seven hundred and fifty thousand gallons per day (3.75 mgd) and at a peak flow rate of 2,605 gallons per minute. The City's ability to provide capacity and rates of flow greater than 3.0 million gallons per day and 2,083 gallons per minute may be affected by certain conditions and demands in the City's water distribution system. Initiation of higher flows requiring activation of more than one pump at BPS No.1. will require coordination between Authority and City personnel as described in paragraph 4 of the RECITALS.

(c) A treatment process meeting all applicable Federal and State standards presently in effect and as the same may be amended during the term of this Agreement.

**Section 202. Point of Delivery.** City's water shall be delivered to Authority through a dedicated water pipe at or near the City Water Treatment Plant, The approximate latitude and longitude for the beginning of the Authority's Water Line is: 75.874 West Longitude; 43.975 North Latitude .

**Section 203. Metering.** City has installed and shall maintain at its own cost, a meter at the point of delivery, exclusively to measure the volume of water delivered to the Authority.

**Section 204. Conformance.** City's Treatment Plant and its operation shall conform to the requirements of all applicable federal and state laws and regulations.

### ARTICLE III

#### Operation of the System

**Section 301. Operation.** City shall itself operate and maintain all facilities required to treat and deliver water hereunder and to measure the Authority flow and amount of consumption at the point of delivery. City shall use reasonable diligence to provide regular and uninterrupted water treatment and delivery service to the Authority.

**Section 302. Other Users – Authorizations, Approvals, and Acknowledgements.** On December 4, 1995, the City and the Authority entered into an Agreement whereby the City granted to the Authority the right to sell up to a total of one million gallons per day of City water from connections to the Authority's Fort Drum water line to municipalities and water districts in Jefferson County. The Authority has since executed multiple agreements with the adjoining townships to deliver Potable Water from the City's Treatment Plant and facilities through the Fort Drum water line to water districts which have been created by these towns.

The City and Authority acknowledge and agree that beginning on the effective date of this Agreement, the Authority's authorization to sell City water to Other Users from connections to the Authority's Fort Drum water line shall be set at seven hundred fifty thousand gallons per day (0.75 mgd). Other Users connecting to the Authority water line must be approved in advance by the City or its designated representative, which approval shall not be unreasonably withheld or delayed. The parties further acknowledge and agree that the Development Authority's right to sell water to Other Users over or through the Fort Drum water line remains subject to the following conditions:

1. The Authority shall provide the City with all necessary data and plans deemed necessary by the City to make a determination as to approval of additional users.

2. The Authority shall coordinate individual user contracts with each municipality or water district to ensure that the City's facilities are capable of delivering the water which the parties have previously agreed must be delivered to Fort Drum and the Authority agrees to provide the City with copies of each individual contract agreement and any amendments, thereto.

3. The Authority shall not solicit the City's water customers, nor sell water from the Fort Drum line or otherwise to any municipality or water district or any other person or entity that is served by or through the City's water distribution system, unless prior approval or authorization is obtained from the City.

4. The Authority shall assume sole responsibility for billing the Other Users and shall be responsible for determining the usage and consumption of the individual municipalities and water districts and for providing that data to the City as required or as may be requested. The Authority shall be responsible to the City for payment of any and all annual charges resulting from the sale of water to the Other Users in accordance with the requirements set forth in Article V. of this Agreement.

5. The Authority shall provide the City with adequate information regarding allocations for water supply for each of the Other Users of the Authority's water line to Fort Drum that will allow the City to be aware of the overall usage and consumption levels that may ultimately be expected to be taken by the Other Users.

**Section 303. Meters and Measurements of the Water and Required Records** The City will provide, install, and use as part of its Treatment Plant and system, meters or other devices, methods or procedures for determining the volume directly, or by differentials, or otherwise, and from time to time as necessary make tests and use means for determining the quality and other

characteristics, of all water which shall be delivered to the Authority and, in accordance with sound engineering practice, will determine such volume and, when necessary, such quality and characteristics. Copies of each such determination made by the City as to the water delivered hereunder during any Fiscal Year shall be mailed to the Authority at its usual place of business. The City will make and keep permanent records of the volume and, when ascertained, the quality and other characteristics of water as delivered.

The City, at its expense, shall at least annually inspect and test its meter at the Point of Delivery. In the event the meter fails to register or registers incorrectly, the quantity of service delivered through it during that period shall be determined and mutually agreed upon, and an equitable adjustment will be made in the Authority's bills for that period. Meter registration deviation by less than 5% shall be deemed correct. It is expressly understood that this section concerns itself only with the single metering point at the point of delivery.

**Section 304. Authority Meters.** The Authority shall install, monitor, test annually for deviation where required, and record the periodic readings of the water meter at its point of delivery to Fort Drum and of the various water meters at the points of delivery to the respective water districts that are served from the Watertown to Fort Drum water line. Such records shall be kept and made available to the City as required for inspection and verification of flow so delivered. Each party shall submit its meter readings monthly to the other party.

## **ARTICLE IV**

### **Term and Termination**

**Section 401. Term.** The term of this agreement shall commence as of October 1, 2011, and terminate on September 30, 2031.

**Section 402. Termination.**

(a) Authority may terminate this agreement upon six months prior written notice to City only for the reason that the Department of Army has given notice of its intention to terminate its utility service agreement with the Authority.

(b) In the event of such termination, the City shall be entitled to a cancellation of the 3.0 mgd allocated capacity to the Authority for delivery of water to Fort Drum and to the amounts (currently, not past due) remaining due to bondholders of the City of Watertown on obligations issued to finance the capital construction required to provide this service, including accrued interest thereon. Authority's contractual portion of the remaining balance due to bondholders is equal to 20% of said balance due to bondholders, based on Authority's allocation for Fort Drum of 3/15 of the rated capacity of the City's water treatment facilities. City may seek enforcement of this provision only against the assets of the Authority constructed and maintained to provide water service to Fort Drum and partial or full termination damages received from the Department of the Army under its contract with the Authority.

(c) The Authority may terminate in whole or in part the portion of this Agreement related to Other Users, (.75 mgd), upon six months prior written notice to the City. In the event of such termination, the City shall be entitled to a cancellation of the entire .75 mgd or the agreed upon reduction in the allocated capacity to the Authority for delivery to Other Users and to the amounts (currently, not past due) remaining due to bondholders to provide this service, including accrued interest thereon. Authority's contractual portion of the remaining balance due to bondholders is equal to 5% of said balance due bondholders, based on Authority's allocation for Other Users of up to .75/15 of the rated capacity of the City's water treatment facilities. City may seek enforcement of this provision only against the assets of the Authority related to provision of water service.

## ARTICLE V

### City Charges and Payment Thereof

**Section 501. Payment for Water Supplied to the Authority** The Authority's obligation for payment for water supplied hereunder shall be computed, adjusted, and paid based upon the City's fiscal year (July 1 - June 30) at an amount equal to:

(a) The Authority's pro-rata share of the annual operation and maintenance costs incurred by the City to maintain its Treatment Plant and facilities and to treat and deliver Potable Water to include, but not limited to, the City's Water Fund accounts for administration (F8310), source of supply, power and pumping (F8320), water purification (F8330), workers compensation (F9040), unemployment (F9050), employee and retiree health insurance (F9060 and F9065), compensated absences (F9070), transfers to the capital fund (F9950), and reserve funding expressed as an amount per k gallon, plus 20%. General ledger numbers referenced in this agreement may change from time to time and are not to be considered the sole determining factor as to whether a cost applicable to the operations and maintenance of the water Treatment Plant and facilities is an allowable charge to the Authority.

(b) The Authority's pro-rata share of debt service based on the greater of 3.75 mgd (3.0 mgd-Fort Drum plus 0.75 mgd-Other Users) to the plant's total rated capacity of 15 mgd (25%) or the Authority's annual consumption to the total annual production through the Treatment Plant of the City's annual debt service defined as all principal and interest payments, charges and fees affecting the amortization of capital costs incurred and associated with the design, contract administration and construction of improvements and additions to the Potable Water Treatment Plant and related facilities, plus 20% on debt incurred after the effective date of this agreement.

The City shall estimate the k gallon charge for each fiscal year (July 1<sup>st</sup> – June 30<sup>th</sup>) and shall invoice the Authority monthly based upon metered water volume times the estimated operation and maintenance k gallon rate, and the debt expense based on the greater of 25% or the pro-rata share of metered volume. Payment by the Authority is due within twenty days of the invoice date. Any late payments shall be subject to late charges of 10% of the original billed amount.

Upon completion of the City's fiscal year, a reconciliation will be computed to determine the Authority's pro-rata share of the total annual actual costs based on the Authority's annual billed consumption to the total Potable Water production through the City's water Treatment Plant. Any surplus or deficit between the final pro-rata calculation based upon actual costs and the payments made by the Authority on monthly invoiced amounts during the fiscal year, shall be billed or credited to the Authority and be included in, and become part of the next subsequent monthly invoice as an adjustment.

**Section 502. No Accruals of Causes of Action.** The Authority acknowledges the continuing nature of the services provided by the City under this Agreement and that billings by the City do not affect the Authority's obligations to pay for services provided during the term of this Agreement. The City's billings shall not be construed as accruals of causes of action for purposes of asserting claims against the Authority for amounts owed.

## **ARTICLE VI**

### **Expansion of Treatment Plant or Facilities**

**Section 601.** The provisions of this Agreement are applicable only to the City's Potable Water Treatment Plant and relevant facilities as they exist on the effective date of this Agreement. The City is not obligated to undertake any expansion of the Treatment Plant and facilities unless and until the City and all benefitted users reach agreement regarding the method by which such expansion is to be funded.

## ARTICLE VII

### Insurance – Accounts – Liability

**Section 701. Insurance.** The City will self-insure or at all times maintain with responsible insurers all such insurance as is customarily maintained with respect to water Treatment Plants and facilities of like character against loss or damage to the Treatment Plant and facilities and against public or other liability to the extent not less than that reasonably necessary to protect the interests of the City and the Authority. The City and Authority will at all times indemnify and save harmless the other against all liabilities, judgments, costs, damages, expenses and attorneys' fees for loss, damage or injury to third persons or property resulting directly or indirectly from the operation or failure of operation of the Treatment Plant and facilities caused by the negligence or willful act of the City or the Authority respectively, and their employees or agents.

**Section 702. Accounts.** The City and Authority will keep proper books of record and account in which complete and correct entries shall be made of its transactions relating to the Treatment Plant and the Authority's facilities or any parts thereof, and which, together with all other books and papers of the City and Authority, shall at all reasonable times be subject to public inspection as required by law. The City and Authority will cause its books and accounts

to be audited annually, and within thirty (30) days after the completion of such audit, copies of the reports of such audits so made shall be furnished to the Authority and City respectively.

**Section 703. Liability.** The City shall use reasonable diligence to provide regular uninterrupted flow of Potable Water from its Treatment Plant and facilities to the point of delivery, but shall not be liable to the Authority for damages, breach of contract, or otherwise, for failure suspension, diminution, or other variations of service occasioned by any cause beyond the control of the City. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, riots, civil disturbance, quarantine, restrictions, inability to obtain equipment or supplies, strikes, or failure or breakdown of facilities. None of the above shall affect the Authority's obligation for prompt payment of the annual charge.

## **ARTICLE VIII**

### **Miscellaneous**

**Section 801. Effect of Breach.** Failure on the part of the City or the Authority in any instance or under any circumstances to observe or fully perform any obligation assumed by or imposed upon it by this Agreement or by law shall not relieve the Authority from making any payment to the City or fully performing any other obligation required of it under this Agreement, but the Authority may have and pursue any and all other remedies provided by law for compelling performance by the City of said obligation assumed by or imposed upon the City.

The parties acknowledge that the Authority may undertake various projects unrelated to providing water service to Fort Drum and Other Users. It is the intent of the parties that this

contract, the rights and obligations hereunder and all accounts, reserves, and audits shall be separate from and independent of all unrelated projects and activities of the Authority. The City shall have no right to or claim upon the assets or income of the Authority other than those facilities providing water service to Fort Drum and Other Users and income receivable therefrom, subject to the rights of Authority bondholders and creditors, in satisfaction of any claim of the City arising hereunder.

**Section 802. Certain Acts Not a Waiver.** Delivery of Potable Water by the City to the Authority at a volume or rate of flow greater than that which is agreed to pursuant to this Agreement on one or more than one occasion or under one or more circumstances shall not constitute a waiver of such limit or restriction or of any provisions of this Agreement, and shall not in any way obligate the City thereafter to make provision for delivery of Potable Water to the Authority at a volume or rate of flow greater than that set forth in Section 201 of this Agreement.

**Section 803. Effect of Agreement.** This Agreement shall be in full force and effect and be legally binding upon the City and the Authority and contains the entire agreement between the parties. It may be modified or amended only by the written agreement thereto signed by the parties.

**Section 804. Execution in Counterparts.** This Agreement may be executed in any number of counterparts each of which shall be executed by the City and the Authority and all of which shall be regarded for all purposes as one original and shall constitute and be but one and the same.

**Section 805. Reservation.**

(a) The Authority water line shall exit the City in or near New York State Route 3 East.

(b) No Other Users will be connected to the Authority's water line without the written consent of the City in accordance with Section 302 of this Agreement, which consent shall not be unreasonably withheld or delayed.

(c) The Authority, at the City's request and based upon demonstrated need, shall request a modification of the Army peak capacity requirement and an appropriate rate adjustment to permit the City to sell to others, including the Authority, such capacity, which experience shows is not needed by the Army.

**ARTICLE IX**

**Federal Government Clauses**

**Section 901. City Obligations.** The City acknowledges the existence of and the Authority's obligations under, the Utility Service Contract (a copy of which is attached hereto by reference) for water service between the City of Watertown and Fort Drum and agrees to be bound to the Authority in the same manner and to the same extent as the Authority is bound under said Contract to the Department of the Army in every applicable respect, including but not limited to the performance of obligations contained in the following provisions of said Contract:

- Section 2.1 (e)      Payment.
- Section 2.3            Changes in Rates.
- Section 2.5            Continuity of Service and Consumption.
- Section 2.7            Definitions.
- Section 2.8            Officials Not To Benefit.

Section 2.9	<u>Gratuities.</u>
Section 2.10	<u>Covenant Against Contingent Fees.</u>
Section 2.13	<u>Examination By Comptroller General.</u>
Section 2.14	<u>Audit - Negotiation.</u>
Section 2.15	<u>Price Reduction for Defective Cost or Pricing Data.</u>
Section 2.16	<u>Subcontractor Cost or Pricing Data.</u>
Section 2.20	<u>Notice to Government of Labor Disputes.</u>
Section 2.21	<u>Convict Labor.</u>
Section 2.22	<u>Contract Work Hours &amp; Safety Standards Act – Overtime Compensation – General.</u>
Section 2.23	<u>Equal Opportunity.</u>
Section 2.25	<u>Affirmative Action for Special Disabled and Vietnam Era Veterans.</u>
Section 2.26	<u>Clean Air and Water.</u>
Section 2.34	<u>Availability of Funds.</u>
Section 3.2	<u>Audit.</u>
Section 3.3	<u>Other Users.</u>
Section 3.7	<u>Required Insurance.</u>
Section 3.16	<u>Plans and Specifications.</u>

**ARTICLE X**

**Supercedence**

**Section 1001.** This Agreement supersedes in all respects the Water Supply Agreement between the parties dated January 26, 1990, and also supersedes the Water Supply Agreement - Other Users between the parties dated December 4, 1995, both of which are hereby terminated, except to continuing and transition obligations surviving termination.

All of the above is established by the following signatures for the respective parties:

**DEVELOPMENT AUTHORITY OF  
THE NORTH COUNTRY**

By: \_\_\_\_\_  
Alfred Calligaris, Chairman

**CITY OF WATERTOWN**

By: \_\_\_\_\_  
Mary M. Corriveau, City Manager

November 1, 2011

To: The Honorable Mayor and City Council

From: Mary M. Corriveau, City Manager

Subject: Approving Administrative Services Agreement for Self-Funded Health Insurance, Third Party Administrator, POMCO

The City of Watertown became self-insured for our health insurance benefits effective July 1, 1992, with POMCO as our third party administrator. In 2000, and in 2008 the City's Health Insurance Committee went through the arduous process of requesting and reviewing proposals for the administration of our Health Insurance Program. The term of the Agreement entered into in 2008, was for three years, ending on December 31, 2011. The Health Insurance Committee is recommending that the City extend the Agreement with POMCO for an additional three years. In January 2014, they will begin the process once again of requesting and reviewing proposals for our third party administrator.

An extension to the Administrative Services Agreement has been negotiated. The term of the Agreement is for three years beginning January 1, 2012 and ending on December 31, 2014. The Administrative Fee charged by POMCO during the first year of this Agreement is \$24.68 per employee per month. This represents a 2.49% increase from the fee charged for 2011. The Administrative Fee for the second and third year of the proposed Agreement extension will be the \$24.68 increased by the Northeast Medical Consumer Price Index for the one year period ending September 30, 2012 and September 20, 2013 respectively, not to exceed 2.5% in either year.

A resolution approving the extension of the Administrative Services Agreement between the City of Watertown and POMCO has been prepared for City Council consideration.

# RESOLUTION

Page 1 of 1

Approving Extension of Administrative Services Agreement By and Between POMCO and the City of Watertown Self-Funded Health Insurance Program

Council Member BURNS, Roxanne M.  
 Council Member BUTLER, Joseph M. Jr.  
 Council Member MACALUSO, Teresa R.  
 Council Member SMITH, Jeffrey M.  
 Mayor GRAHAM, Jeffrey E.

Total .....

YEA	NAY

### ***Introduced by***

WHEREAS the Health Insurance Committee unanimously recommends POMCO as the City's Third Party Administrator, and

WHEREAS the City and POMCO have negotiated an extension to the Administrative Services Agreement, which was entered into effective January 1, 2008, that describes the duties and responsibilities of the parties, and

WHEREAS the term of this Agreement is for three (3) years beginning January 1, 2012 and ending on December 31, 2014, with an administrative fee of \$24.68 per enrollee per month, for the first year beginning January 1, 2012,

WHEREAS the administrative service fees for the second and third year of the Agreement will be the above fee increased by the Northeast Medical Consumer Price Index for the one year period ending September 30, 2012 and September 20, 2013 respectively, not to exceed 2.5% per year,

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Watertown, New York that it hereby approves this extension to the Administrative Services Agreement between the City and POMCO, a copy of which is attached and made a part of this resolution, and

BE IT FURTHER RESOLVED that the City Manager, Mary M. Corriveau, is hereby authorized and directed to execute the Agreement on behalf of the City.

### **Seconded by**

**CITY OF WATERTOWN  
ADMINISTRATIVE FEES  
APPENDIX C**

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**BASE ADMINISTRATION:**

**I. Comprehensive Health Claims Adjudication Services**

- Enrollment interface
- Receive and review health claims for eligibility
- Adjudicate health claims within benefit plan guidelines including Coordination of Benefits
- Produce checks and Explanation of Benefits
- Provide check registers along with funding requirements
- Produce an assortment of eligibility and claims data reports
- Identification Cards
- Booklet Development
- Plan Document
- 800 Customer Service

**II. Enrollment and Benefit Management Services**

This service is an exclusive POMCO developed product which includes all enrollment functions such as online updating, coordination of benefits, tracking student verification, employee status tracking, and other features. The service also provides instantaneous on-line access to eligibility and claims inquiry at your office. The service also allows for the collection of data that assists POMCO in providing consultation and management services with regards to plan design and cost analyses.

**III. COBRA/HIPAA**

POMCO provides all aspects of COBRA administration including notification, follow-up, billing and collection, eligibility update and termination. POMCO will provide HIPAA compliant administrative services.

**COST CONTAINMENT SERVICES:**

**IV. Inpatient Claims Accuracy & Necessity Reviews**

POMCO will review and price all inpatient claims submitted to the plan. In addition, focused necessity reviews will be performed on claims as they are submitted. This process involves the review of actual hospital records performed by accredited specialists. A HCRA/Inpatient fee of \$120 per non-Medicare primary hospital inpatient claim will be charged through as a claim expense on each inpatient claim. This fee will cover specialized services including expanded inpatient claims review, fee negotiation and discount arrangements, expanded reference requirements, and monthly tax reporting and filing requirements.

**V. Utilization Review Services**

POMCO will provide an inpatient precertification program including a toll free number, continued stay reviews, concurrent reviews, discharge planning, medical procedure reviews, and high risk case management services. Under this program POMCO works to provide the most effective medical care at the lowest possible cost. (Note: An additional hourly rate of \$135 is applied for professional services rendered on Large Case Management (LCM) cases).

**VI. Medical/Coding Review Services**

POMCO will review all claims for upcoding, unbundling, inappropriate/questionable procedures, medical protocol, etc. POMCO reviews and makes determination on claims and eliminates balance billing by providers. Claims are reviewed by consulting physician specialists when appropriate.

**VII. POMCO PPO Allied Network**

POMCO will provide its existing New York State and national PPO together with its routine expansions. POMCO's discounted fee schedule is accepted as payment in full for all eligible services performed (includes Multiplan).

**Total Above Services Per Enrollee Per Month ..... \$24.68\***

\* Effective January 1, 2013, the fees above shall be changed by the percentage change in the Northeast Medical Consumer Price Index for the period ending the previous September 30<sup>th</sup>, not to exceed 2.5%.

\* Effective January 1, 2014, the fees in effect January 1, 2013 shall be changed by the percentage change in the Northeast Medical Consumer Price Index for the period ending the previous September 30<sup>th</sup>, not to exceed 2.5%.

ADMINISTRATIVE FEE SCHEDULE FOR POMCO

July-92	\$13.50	
July-93	\$13.50	0.00%
July-94	\$13.86	2.67%
July-95	\$14.21	2.53%
July-96	\$14.56	2.46%
July-97	\$14.92	2.47%
July-98	\$15.13	1.41%
July-99	\$15.42	1.92%
July-00	\$15.42	0.00%
January-01	\$15.90	3.11%
January-02	\$16.63	4.59%
January-03	\$17.40	4.63%
April-03	\$18.10	4.02%
January-04	\$18.64	2.98%
January-05	\$19.58	5.04%
January-06	\$20.27	3.52%
January-07	\$20.80	2.61%
January-08	\$21.71	4.38%
January-09	\$22.43	3.32%
January-10	\$23.08	2.90%
January-11	\$24.08	4.33%
January-12	\$24.68	2.49%

**Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Northeast (1982-84=100 unless otherwise noted)**

Expenditure category	Indexes			Percent change from-		
	July 2011	Aug. 2011	Sep. 2011	Sep. 2010	July 2011	Aug. 2011
All items	242.282	243.033	243.323	4.0	0.4	0.1
Food and beverages	234.819	235.816	236.731	4.4	0.8	0.4
Food	234.580	235.601	236.533	4.6	0.8	0.4
Food at home	234.223	235.239	236.477	5.8	1.0	0.5
Food away from home	238.009	239.049	239.573	2.9	0.7	0.2
Alcoholic beverages	236.670	237.344	238.015	2.0	0.6	0.3
Housing	249.819	249.693	249.617	2.3	-0.1	0.0
Shelter	298.352	298.749	298.435	2.1	0.0	-0.1
Rent of primary residence (1)	293.597	294.568	295.088	2.0	0.5	0.2
Owners' equivalent rent of residences (1) (2)	308.043	309.089	309.799	2.0	0.6	0.2
Owners' equivalent rent of primary residence (1) (2)	307.981	309.030	309.727	2.0	0.6	0.2
Fuels and utilities	225.450	223.384	224.137	4.9	-0.6	0.3
Household energy	207.308	204.837	205.425	4.8	-0.9	0.3
Energy services (1) (3)	197.284	194.476	195.563	-0.7	-0.9	0.6
Electricity (1)	197.166	192.913	195.468	0.2	-0.9	1.3
Utility (piped) gas service (1)	184.024	184.983	182.363	-3.0	-0.9	-1.4
Household furnishings and operations	127.445	126.947	127.068	0.8	-0.3	0.1
Apparel	121.166	126.635	130.676	4.7	7.8	3.2
Transportation	215.391	215.368	214.535	12.4	-0.4	-0.4
Private transportation	208.854	208.705	207.774	12.8	-0.5	-0.4
New and used motor vehicles (4)	100.580	100.518	100.285	3.7	-0.3	-0.2
New vehicles	141.788	141.701	141.726	3.5	0.0	0.0
New cars and trucks (4) (5)	98.268	98.198	98.220	3.5	0.0	0.0
New cars (5)	138.501	138.558	138.727	3.4	0.2	0.1
Used cars and trucks	162.306	164.085	162.454	6.9	0.1	-1.0
Motor fuel	309.459	308.070	303.600	37.4	-1.9	-1.5
Gasoline (all types)	308.528	307.192	302.672	37.6	-1.9	-1.5
Gasoline, unleaded regular (5)	310.498	309.268	304.431	38.2	-2.0	-1.6
Gasoline, unleaded midgrade (5) (6)	312.972	311.364	307.507	36.3	-1.7	-1.2
Gasoline, unleaded premium (5)	296.123	294.521	291.077	35.2	-1.7	-1.2
Medical care	421.872	422.552	424.205	3.4	0.6	0.4
Medical care commodities	353.876	354.246	355.601	4.1	0.5	0.4
Medical care services	438.804	439.592	441.325	3.2	0.6	0.4
Professional services	336.912	337.198	338.223	1.9	0.4	0.3
Recreation (4)	118.230	119.103	118.198	-0.7	0.0	-0.8
Education and communication (4)	133.239	134.167	134.976	0.5	1.3	0.6
Other goods and services	416.181	417.365	418.182	1.5	0.5	0.2
<b>Commodity and service group</b>						
Commodities	191.616	192.548	192.941	7.1	0.7	0.2
Commodities less food and beverages	165.153	166.018	166.174	8.9	0.6	0.1
Nondurables less food and beverages	212.473	214.308	214.973	12.9	1.2	0.3
Durables	111.880	111.755	111.405	1.9	-0.4	-0.3
Services	292.042	292.625	292.818	2.1	0.3	0.1
<b>Special aggregate indexes</b>						
All items less medical care	234.257	235.005	235.245	4.0	0.4	0.1
All items less shelter	223.624	224.515	225.034	4.9	0.6	0.2
Commodities less food	168.008	168.872	169.044	8.6	0.6	0.1
Nondurables	224.913	226.382	227.169	8.7	1.0	0.3
Nondurables less food	213.863	215.637	216.302	12.2	1.1	0.3
Services less rent of shelter (2)	295.584	296.403	297.192	2.0	0.5	0.3
Services less medical care services	281.621	282.188	282.301	2.0	0.2	0.0
Energy	250.285	248.273	246.723	19.6	-1.4	-0.6
All items less energy	243.795	244.840	245.323	2.6	0.6	0.2
All items less food and energy	247.000	248.055	248.459	2.2	0.6	0.2

(1) This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

(2) Indexes on a December 1982=100 base.

(3) This index series was formerly titled Gas (piped) and electricity.

(4) Indexes on a December 1997=100 base.

(5) Special index based on a substantially smaller sample.

(6) Indexes on a December 1993=100 base.

- Data not available.

NOTE: Index applies to a month as a whole, not to any specific date.

To: The Honorable Mayor and City Council

From: Mary M. Corriveau, City Manager

Subject: Approving Pharmacy Benefit Services Agreement  
for Self-Funded Health Insurance, ProAct

The City of Watertown became self-insured for our health insurance benefits effective July 1, 1992. In 2008, the City's Health Insurance Committee went through the arduous process of requesting and reviewing proposals for the administration of our Pharmacy Benefits. The Agreement was awarded to ProAct, the term of the Agreement was for three years, ending on December 31, 2011. This year, with the help of our Stop Loss Carrier the City was able to negotiate a new Pharmacy Benefits Services administration for our Health Insurance Program with ProAct. The City's Health Insurance Committee recommends that the City Council enter into the attached three-year Agreement with ProAct. In January 2014, they will begin the process once again of requesting and reviewing proposals for our Pharmacy administrator.

The Pharmacy Benefit Services Agreement negotiated spells out the duties and responsibilities of the parties over the three year term, which begins January 1, 2012 and ends on December 31, 2014. Listed below are the current and the new rates proposed under the terms of this Agreement:

	Current	New
<b>Retail Network:</b>		
<b>Brand Name</b>	AWP less 15.5% + \$1.75	AWP less 17% + \$1.50
<b>Generic</b>	MAC + \$1.75	MAC + \$1.50
<b>Mail Order:</b>		
<b>Brand Name</b>	AWP less 22% + \$0.00	AWP less 24% + \$0.00
<b>Generic</b>	AWP less 52% + \$0.00	AWP less 65% + \$0.00
<b>Specialty Drugs:</b>		
<b>Brand Name</b>	AWP less 15% + \$1.75	AWP less 17% + \$1.50

A resolution approving the Agreement between the City of Watertown and ProAct has been prepared for City Council consideration.

# RESOLUTION

Page 1 of 1

Approving Pharmacy Services Agreement  
By and Between ProAct and the  
City of Watertown Self-Funded  
Health Insurance Program

Council Member BURNS, Roxanne M.  
Council Member BUTLER, Joseph M. Jr.  
Council Member MACALUSO, Teresa R.  
Council Member SMITH, Jeffrey M.  
Mayor GRAHAM, Jeffrey E.

Total .....

YEA	NAY

### ***Introduced by***

WHEREAS in 2008, a Request for Proposal was issued by the City’s Health Insurance Committee, reviewed and ultimately awarded a three year Agreement to ProAct, which expires on December 31, 2011, and

WHEREAS with the help of our Stop Loss Carrier the City has negotiated a new three year Agreement with ProAct, and

WHEREAS as a result of this process, the City’s Health Insurance Committee unanimously recommends that the City continue to have ProAct as the City’s Pharmacy Benefit Administrator, and

WHEREAS the City and ProAct have developed a Pharmacy Service Agreement that describes the duties and responsibilities of the parties, as well as the discounts and dispensing fees charged, and

WHEREAS the term of this Agreement is for three (3) years beginning January 1, 2012 and ending on December 31, 2014,

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Watertown, New York that it hereby approves this Pharmacy Benefit Services Agreement between the City and ProAct, a copy of which is attached and made a part of this resolution, and

BE IT FURTHER RESOLVED that the City Manager, Mary M. Corriveau, is hereby authorized and directed to execute the Agreement on behalf of the City.

### **Seconded by**



# **PROACT INC. SERVICE AGREEMENT**

**with**

# **CITY OF WATERTOWN**

ProAct Inc.  
6333 Route 298  
East Syracuse, New York 13057  
(315) 413-7780

# SERVICE AGREEMENT

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## **PROACT INC. SERVICE AGREEMENT**

**THIS SERVICE AGREEMENT** (hereinafter referred to as the “Agreement”) is entered into this 1st day of January, 2012 for a period of 3 years, between PROACT INC., a New York corporation with offices located at 6333 Route 298, East Syracuse, New York 13057 (hereinafter referred to as “ProAct”), and City of Watertown, with offices located at 245 Washington Street, Watertown, NY 13601 (hereinafter referred to as “Plan Sponsor”).

**WHEREAS**, Plan Sponsor is a municipality organized under the laws of the State of New York and desires to offer a pharmacy prescription drug benefit plan providing for the dispensing of prescription drugs and other covered products to Plan Participants; and

**WHEREAS**, Plan Sponsor desires to hereby engage ProAct to perform services relating to prescription drug claim processing, eligibility verification, mail service pharmacy and preparation of drug management and utilization reports required by Plan Sponsor; and

**WHEREAS**, ProAct is qualified to perform the matters referred to hereunder and is willing to do so upon and subject to the terms and conditions hereof.

**NOW THEREFORE**, in consideration of the mutual promises and agreement herein contained, Plan Sponsor and ProAct hereby agree as follows:

### **ARTICLE 1 DEFINITIONS**

#### **1.1 Average Wholesale Price**

The term “Average Wholesale Price” shall mean the average wholesale price of a prescription drug or medication dispensed as set forth in the current price list updated no less than weekly in recognized sources such as Medi-Span or First Data Bank, including its supplements, or other nationally recognized pricing source as determined by ProAct in its sole discretion. The applicable Average Wholesale Price (“AWP”) for prescriptions dispensed at retail and mail services pharmacies shall be based on the actual package size submitted. In the event of any material change in the method used to determine AWP by First DataBank or Medi-Span, or should First DataBank and Medi-Span not continue to publish AWP pricing, the parties agree to modify the pricing hereunder to maintain the parties’ respective economic position under this Agreement as of the Effective Date such that the aggregate net price of a product is the same as before such change or discontinuance occurred.

1.2 Benefit Plan

The term “Benefit Plan” shall mean Plan Sponsor’s plan document covering prescription drug benefits, including Claims processing parameters and other information specifying healthcare coverage for Plan Participants, as those parameters currently exist or may be amended in the future. Plan Sponsor will provide ProAct with certain information relating to such Benefit Plans (“Benefit Plan Information”), as required in Section 4.2.

1.3 Claims

The term “Claims” shall mean those prescription drug claims processed through ProAct’s on-line claims adjudication system or otherwise transmitted or processed in accordance with the terms of this Agreement in connection with a Benefit Plan.

1.4 Copayment

The term “Copayment” shall mean such amounts as are required to be paid to Participating Pharmacies by Plan Participants according to the Benefit Plan Information provided by Plan Sponsor, which may be a deductible, a percentage of the prescription price or a fixed charge.

1.5 Dispensing Fee

The term “Dispensing Fee” shall mean the amount established by agreement between Plan Sponsor and ProAct on the date of execution hereof, and modified thereafter by agreement between ProAct and Plan Sponsor, as the standard Participating Pharmacy fee for filling a single prescription.

1.6 Effective Date

The term “Effective Date” shall mean the date upon which this Agreement shall be effective. The Effective Date is the 1st day of January, 2012.

1.7 ERISA

The term “ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

1.8 Formulary

The term “Formulary” shall mean the list of prescription drugs and medications identified by ProAct for routine use and which will be dispensed through Participating Pharmacies to Plan Participants.

1.9 HIPAA

The term “HIPAA” shall mean the Health Insurance Portability and Accountability Act of 1996, as amended, and the regulations promulgated thereunder.

1.10 Identification Cards

The term “Identification Cards” (“ID Cards”) shall mean printed identification cards containing specific information about the prescription drug benefits to which the Plan Participants are entitled. All ID Cards shall have the applicable ProAct pharmacy

network logo or other method of identifying the fact that ProAct is the provider of the prescription drug benefit in a form acceptable to ProAct.

1.11 Implementation Date

The term “Implementation Date” shall mean the date upon which ProAct completes the input of Plan Sponsor’s Plan Participants List, unless such date is extended because Plan Sponsor’s data required conversion or is in a format that is unacceptable to ProAct, pursuant to Section 3.2.

1.12 Maximum Allowable Cost or MAC

The term “Maximum Allowable Cost” or “MAC” shall mean the unit price that has been established by ProAct for a multi-source drug (i.e., a drug with more than two sources) included on the MAC drug list applicable to Plan Sponsor, which list may be amended from time to time by ProAct in maintaining its generic pricing program. Plan Sponsor acknowledges that the MAC list applicable to Plan Sponsor is not the same as the MAC published by the Centers for Medicare and Medicaid Services (formerly known as the Health Care Financing Administration, or “HCFA MAC”).

1.13 Participating Pharmacies

The term “Participating Pharmacies” shall mean those organizations which contract with ProAct to provide Pharmacy Drug Services for Plan Participants and shall include, but shall not be limited to, walk-ins, mail order, specialty injectible and e-commerce vendors.

1.14 Pharmaceutical Manufacturer

The term “Pharmaceutical Manufacturer” shall mean a pharmaceutical company which has entered into an agreement with ProAct to offer discounts for pharmaceutical products.

1.15 Pharmacy Network

The “Pharmacy Network” consists of a retail pharmacy network, established and maintained by ProAct, to provide covered prescription drugs and other products.

1.16 Pharmacy Network Management

The term “Pharmacy Network Management” shall mean ProAct’s responsibility for contract reimbursement negotiations as well as provider relations with Participating Pharmacies. Reimbursement negotiations shall include: i) payment terms; ii) method of payment; iii) timeliness of payment; and iv) access fees, as well as any other issues related to payment to Participating Pharmacies. Provider relations shall include: i) store information updates; ii) credentialing; iii) contract compliance; and iv) Plan Participant service issues, as well as any other issues related to the relationship with Participating Pharmacies.

1.17 Plan Participants

The term “Plan Participants” shall mean those individuals who are entitled to Prescription Drug Services under the Plan as identified by Plan Sponsor as set forth in Plan Sponsor’s eligibility file prepared and maintained by Plan Sponsor and delivered to ProAct.

1.18 Plan Participants List

The term “Plan Participants List” shall have the meaning set forth in Section 3.2.

1.19 Prescription Drug Services

The term “Prescription Drug Services” shall mean all claims processing, reporting, rebate administration, pharmacy network management and other pharmacy benefit management services to be provided by ProAct pursuant to this Agreement.

1.20 Protected Health Information or PHI

The terms “Protected Health Information” or “PHI” shall have the meaning given such terms by HIPAA but limited to that information created or received by ProAct in its capacity as a business associate to the Benefit Plan.

1.21 Rebates

The term “Rebates” shall mean the formulary rebates, including base and market share rebates, collected by ProAct in its capacity as a group purchasing organization for the Benefit Plan from various pharmaceutical companies that are attributable to the utilization of single source brand prescription drugs by Plan Participants.

**ARTICLE 2**  
**PROACT SERVICES**

2.1 Claims Processing Services. ProAct shall provide Claims processing services related to Claims for prescriptions dispensed on or after the Effective Date of this Agreement. ProAct shall process Claims received from Participating Pharmacies and Plan Participants, determine whether such Claims qualify for reimbursement in accordance with the terms of the applicable Benefit Plan and determine the applicable payment. ProAct agrees to process Claims within National Council for Prescription Drug Programs (NCPDP) prevailing standards. ProAct shall process Claims within the time frames established by applicable state and federal law. Upon termination of this Agreement, ProAct shall be obligated to process only those Claims which are for prescriptions dispensed before the termination date and which are received by ProAct within ninety (90) days of the termination date. Any Claims submitted and processed after the termination date will be invoiced at the rates set forth for such Claims in Exhibit A.

ProAct shall arrange for the following services to be provided upon receipt of a Claim:

- (a) Verify that the patient for which the prescription has been claimed is a Plan Participant and is entitled to Prescription Drug Services.
- (b) If applicable, verify that the prescriber is an authorized prescriber under the Benefit Plan.
- (c) Verify that the medication dispensed is a drug covered by the Benefit Plan.

- 2.2 Collection of Copayment by Participating Pharmacies. Prior to providing to a Plan Participant any Prescription Drug Services to which such Plan Participant is or may be entitled under a Benefit Plan, Participating Pharmacies shall be required to collect from Plan Participant the amount of any applicable Copayment. Participating Pharmacies shall not recover from Plan Participants any unpaid balances due Participating Pharmacies from ProAct or Plan Sponsor.
- 2.3 Mail Order Delivery Pharmacy. ProAct shall provide mail order home delivery services through HealthDirect Pharmacy Services as follows:
- (a) Dispense new or refill prescriptions following receipt from a Plan Participant of a prescription and a completed order or refill order form and any applicable Copayment;
  - (b) Fill prescriptions subject to the professional judgment of the dispensing pharmacist, good pharmacy practices in accordance with local community standards and product labeling guidelines; and
  - (c) Ship all filled prescriptions to Plan Participants via United States postal service or other appropriate carriers to the address provided by the Plan Participant.
- 2.4 Direct Plan Participant Reimbursement. To the extent authorized by the Benefit Plan, ProAct or Plan Sponsor shall provide Plan Participants with a ProAct (and Plan Sponsor approved) Claim form for use for reimbursement for Prescription Drug Services provided by a Participating or non-Participating Pharmacy. When such a Claim is submitted on the approved form, ProAct shall process the Claim according to the Benefit Plan and in the amount approved by Plan Sponsor for payment.
- 2.5 Claim Submission. Plan Sponsor acknowledges that ProAct shall require the Participating Pharmacies to send to ProAct, at the expense of the Participating Pharmacies, Claims via on-line point-of-sale terminals (“POS”), and/or on the Universal Claim Forms (“UCF”), and/or magnetic tapes or diskettes containing Claims information. Incorrect Claims will be denied. The Claim forms shall be sent to:

ProAct, Inc.  
1230 Route 11  
Gouverneur, New York 13642  
Attention: Helpdesk

or at such other address designated by ProAct upon written notice.

- 2.6 Pharmacy Network Administration. ProAct shall contract with Participating Pharmacies at various reimbursement rates throughout the term of the Agreement, and shall charge Plan Sponsor a blended reimbursement rate which may be greater or less than the actual rate paid to Participating Pharmacies. Plan Sponsor acknowledges and agrees that such

difference in provider discount, if any, shall be retained by ProAct as compensation for administering the pharmacy network (the “Network Administration Fee”).

- 2.7 Therapeutic Alternative Program. Generic substitutions may be conducted through ProAct’s mail order delivery service pharmacies and Participating Pharmacies under a program that substitutes brand name drugs with generic equivalents or therapeutic alternatives, where available and clinically appropriate, unless (i) the prescriber requires the prescription to be dispensed as written and does not authorize generic substitution; or (ii) the Plan Participant has notified the dispensing pharmacy to dispense the brand name drug only.
- 2.8 Payments to Participating Pharmacies. ProAct shall pay to the Participating Pharmacies, on behalf of Plan Sponsor, such reimbursement as may be agreed upon by Plan Sponsor and ProAct for dispensing of prescriptions to Plan Participants no later than fourteen (14) business days from confirmation of receipt of funds from Plan Sponsor for this purpose.
- 2.9 Transaction Charges. Participating Pharmacies shall be responsible for any applicable transaction charges associated with the submission of Claims to ProAct. Such charges are to be deducted by ProAct from the reimbursements to such Participating Pharmacies. Reimbursement checks to Participating Pharmacies using POS, Pharmacy Computer Systems and UCF for Claims processing will be paid in the net amount of the Claim after deduction by ProAct of all applicable transaction charges.
- 2.10 Customer Service for Pharmacy and Plan Participant Inquiries. ProAct shall be responsible for responding to inquiries from Participating Pharmacies and Plan Participants regarding the services provided by ProAct under this Agreement through a ProAct toll-free phone line. Services to be provided by ProAct include providing answers to questions on eligibility, Benefit Plan guidelines, deductibles, Copay levels, maximum benefit status, instructions on completing a direct Plan Participant reimbursement claim form and status of direct Plan Participant reimbursement claims.
- 2.11 Hours of Service. ProAct’s 800 Help Line shall be available to Plan Sponsors, Participating Pharmacies and Plan Participants during ProAct’s regular hours of business. These hours shall be Monday through Friday, 7:00 am to 8:00 pm, Eastern Standard Time (EST) and Eastern Daylight Time (EDT) and Saturday, 8:00 am to 5:00 pm, EST and EDT. These hours do not include national holidays and may be changed at any time. ProAct shall notify Plan Sponsor and the Participating Pharmacies prior to any changes to the schedule of business hours.
- 2.12 Pharmacy Audits. ProAct shall maintain criteria, which it may amend from time to time, to establish when and how a Participating Pharmacy shall be audited to determine compliance with its contract with ProAct. The audit may be conducted by ProAct’s internal auditors or its outside auditors or by ProAct’s review of electronically transmitted Claims. On-site pharmacy audits shall be conducted on a contingency basis. ProAct shall

not be required to institute any action to collect any overpayments to Participating Pharmacies.

- 2.13 Core Reports. ProAct shall prepare and deliver to Plan Sponsor core claims reports no later than thirty (30) days from the close of each quarter. Additional or customized reports shall incur costs to Plan Sponsor as described in Exhibit A.
- 2.14 Eligibility and Benefit Plan Changes. ProAct shall load Plan Participant data into the ProAct system no later than five (5) business days from receipt of such data. ProAct shall have thirty (30) days to implement any changes in any coverage criteria used by Plan Sponsor that require customized edits. The charges, as determined by agreement between ProAct and Plan Sponsor, for the necessary custom programming to implement any such customized edit will be borne by Plan Sponsor unless otherwise agreed by the parties. Plan Sponsor shall be bound by the change date requirements as described in Section 4.2 of this Agreement.
- 2.15 Plan Participant Services. Plan Participants shall be able to view their personal drug history for retail and mail order medications, expenditures and Copayments.
- 2.16 Government Agency Submitted Claims. Plan Sponsor acknowledges that government agencies may seek eligibility or similar data from ProAct regarding Plan Participants. Additionally, government agencies, or their agents, may submit to ProAct claims for reimbursement for prescription drug benefits provided by such government agencies to Plan Participants (“Government Claims”). Plan Sponsor authorizes ProAct to provide such data as requested by government agencies or their agents and further authorizes ProAct to process such Government Claims on behalf of Plan Sponsor. Plan Sponsor shall reimburse ProAct for all amounts advanced by ProAct for payment of Government Claims. Plan Sponsor acknowledges that Government Claims submitted by or on behalf of a state Medicaid agency shall be paid if submitted within three (3) years from the original date of fill unless a longer period is required by applicable law. In addition, Government Claims submitted by or on behalf of a state Medicaid agency may not be denied on the basis of the format of the Government Claim or failure to present proper documentation at the point-of-sale. Plan Sponsor shall also reimburse ProAct for any adjustments or reconciliations to previously processed Government Claims that may be payable to government agencies in accordance with applicable laws and regulations. ProAct reserves the right to (i) terminate these services upon ninety (90) days’ prior written notice to Plan Sponsor; or (ii) delegate these services to a third party claims processor.
- 2.17 Non-Standard or Excessive Services or Materials. In the event Plan Sponsor requests non-standard Identification Cards, services, forms, materials or documents, or standard services, forms, materials or documents in an amount which ProAct determines to be unreasonable or excessive, Plan Sponsor shall be charged for such additional services as provided based on the fee structure described in Exhibit A.

- 2.18 Additional Services. In the event that Plan Sponsor requests ProAct to provide services other than those described herein, including special research projects, special reports, consultative services (e.g., HIPAA compliance consultation), ProAct system changes to accommodate changes in Plan Sponsor's Benefit Plan or system, or other tasks to be specifically performed for or on behalf of Plan Sponsor, Plan Sponsor shall pay to ProAct an additional charge to be mutually agreed upon by the parties in writing before the services are provided.

### **ARTICLE 3 IMPLEMENTATION**

- 3.1 Implementation Services. ProAct shall provide standard implementation services to Plan Sponsor at no additional charge. In consultation with Plan Sponsor, ProAct shall develop a mutually agreeable implementation plan prior to the Effective Date. .
- 3.2 Plan Participant Lists. Plan Sponsor shall provide to ProAct (i) a full file list of Plan Participants (including eligible dependents) as described in Section 4.1 hereof at least fourteen (14) days prior to the Implementation Date in a format acceptable to ProAct; (ii) the governing Benefit Plan, including a summary plan description; and (iii) such other information required by Section 4.2 hereof describing the Plan Sponsor's Benefit Plan to be used by ProAct to provide Prescription Drug Services under the terms of this Agreement.

### **ARTICLE 4 DUTIES TO BE PERFORMED BY PLAN SPONSOR**

- 4.1 Eligibility Data. Plan Sponsor shall provide to ProAct all information concerning the Prescription Benefit Plan and Plan Participants necessary for ProAct to perform the Prescription Drug Services, including all updates thereto, on a daily basis and at least fourteen (14) days prior to the Implementation Date. Plan Sponsor shall be responsible for ensuring the accuracy of the Eligible Member List and Plan Sponsor shall be obligated to pay ProAct for Claims accepted by ProAct that are submitted by or on behalf of persons listed on any Plan Participants List. Plan Sponsor shall bear the entire risk of all fraudulent Claims submitted by Plan Participants or by unauthorized persons using a Plan Participant's ID Card or identification number. The Plan Participant List shall contain the following minimum information:
- Plan Participant's identification number;
  - Plan Participant's full name (last, first, and middle initial);
  - Plan Participant's date of birth;
  - Plan Participant's address;
  - the names of dependents;
  - the dates of birth for dependents;
  - the date the Plan Participant's participation in Prescription Drug Services under the Benefit Plan becomes effective;

- the date the Plan Participant's participation in Prescription Drug Services under the Benefit Plan is terminated;
- the Benefit Plan group number

Plan Sponsor agrees to indemnify ProAct for any damages related to Plan Sponsor's failure to provide accurate and timely data described in this Section 4.1.

- 4.2 Benefit Plan Information. Thirty (30) days prior to the Effective Date hereof, Plan Sponsor will deliver to ProAct detailed Benefit Plan Information. Such information shall contain all of the elements required by ProAct so that ProAct may verify and price the Claims submitted by Participating Pharmacies, and to prepare the various reports as described in this Agreement. In addition, Plan Sponsor shall provide any Benefit Plan Information changes to ProAct immediately, preferably thirty (30) days prior the date such changes shall become effective (the "Change Date"), except that changes to Benefit Plan Information that are to be effective on January 1 of any given year must be provided to ProAct at least ninety (90) days prior to January 1. Failure to provide Benefit Plan Information changes within the time frames described in this Section 4.2 may result in postponement of the proposed Change Date. Plan Sponsor shall also provide to ProAct copies of and any subsequent changes to the applicable plan document, certificate of insurance or summary plan description documentation containing Benefit Plan Information related to the Prescription Drug Services administered by ProAct under this Agreement.
- 4.3 Notification Requirements. Plan Sponsor will review all reports, statements, and invoices provided by ProAct and shall notify ProAct in writing of any errors or objections within thirty (30) days of receipt. Specifically, this shall also apply to all service requests, benefit change request forms, pharmacy operations change requests or any notification resulting from an independent audit. Until Plan Sponsor notifies ProAct in writing of any errors or objections, ProAct will be entitled to rely on the information contained in the reports, statements, and invoices. If Plan Sponsor does not notify ProAct in writing of any errors or objections within the thirty (30) day period, the information contained therein will be deemed accurate, complete, and acceptable to Plan Sponsor, and thereafter ProAct shall have no liability related thereto. This does not apply with respect to any undercharges or underpayments of Plan Sponsor.
- 4.4 Plan Participant Copayments. ProAct may, but shall not be obligated to, dispense a prescription even if the prescription is not accompanied by the applicable Copayment. ProAct will credit any amount submitted by Plan Participant in excess of the Plan Participant's Copayment. In the event a Plan Participant submits to ProAct an insufficient Copayment and the Plan Participant fails to remit the balance of the Copayment amount to ProAct within thirty (30) days of ProAct's request, then ProAct shall have the right to invoice Plan Sponsor and Plan Sponsor shall have an obligation to pay ProAct the amount of the uncollected Copayment.

**ARTICLE 5**  
**PAYMENTS DUE PROACT**

- 5.1 Invoicing. ProAct shall invoice Plan Sponsor for claims on a bi-weekly basis. Plan Sponsor shall remit to ProAct via overnight mail the full amount reflected on such invoices within ten (10) business days to the bank account designated by ProAct. Should said amount not be remitted via overnight mail within ten (10) business days, Plan Sponsor shall be subject to interest charged on all overdue amounts at an amount equal to one and one-half percent (1.5%) per month, to accrue on a daily basis. If Plan Sponsor questions the amount of the Statement, Plan Sponsor may notify ProAct of its questions regarding said amount but shall remain obligated to send via overnight mail the full amount of the invoice. If ProAct receives such a notice, it shall make a commercially reasonable effort to respond to such questions within five (5) business days.
- 5.2 Suspension of Services. In the event amounts due ProAct under Section 5.1 are more than two (2) days' past due and payment has not yet been sent via overnight mail to a ProAct designated bank account, then ProAct may give notice to Plan Sponsor of ProAct's intent to suspend its services and system operations. At any time thereafter, ProAct may terminate this Agreement as provided in Article 12 of this Agreement. Plan Sponsor shall be responsible for all costs of collection and agrees to reimburse ProAct for such costs and expenses, including reasonable attorneys' fees.
- 5.3 Deposit. In the event Plan Sponsor fails to remit its full payment within ten (10) business days of its receipt of ProAct's invoice three (3) or more times during any twelve (12) month period, ProAct shall have the option, in its sole discretion, to collect from Plan Sponsor a deposit in an amount equal to the average invoice amount over the previous six (6) months, or, if there is a less than six (6) months' billing history, then such deposit shall be equal to the average invoice amount over the actual billing history. ProAct shall retain the deposit until the termination of this Agreement, at which time such deposit shall be returned, without interest, less any offsets for payment defaults and collection costs (in accordance with Section 5.5 below).
- 5.4 Sale and Use Taxes. The parties hereby agree that the payment of any and all state and local sales taxes and use taxes attributable to any Prescription Drug Services delivered pursuant to this Agreement shall be the sole and exclusive obligation of Plan Sponsor.
- 5.5 Offsets. In the event of any uncured payment default, Plan Sponsor hereby authorizes ProAct to offset the amount of such payment defaults and collection costs against any amounts otherwise payable to Plan Sponsor (including any Rebate amounts as provided in Article 7) or Plan Sponsor's deposit (as described in Section 5.3 above).

**ARTICLE 6**  
**RECORDS**

- 6.1 Maintenance of Records. ProAct shall maintain, in the original form or other media, the Claims received from the Pharmacy Network and adequate records to establish payment to the Pharmacy Network. Upon prior written notification to ProAct, Plan Sponsor shall have access to such records during normal business hours.
- 6.2 Use of Information. ProAct and Plan Sponsor may use, reproduce, or adapt information obtained in connection with this Agreement, including Claims data information and eligibility information, in any manner they deem appropriate, except that each party and its agents, employees and contractors shall maintain the confidentiality of this information to the extent required by applicable Law, including the provisions of HIPAA, and may not use the information in any way prohibited by Law. Each party shall be solely responsible for its own use of the information and shall indemnify and hold the other party harmless for, from and against any and all costs, losses and damages incurred by such other party as a result of such use.
- 6.3 Ownership of Information. Without limiting the generality of Section 6.2, and subject to the restrictions set forth therein:
- a. Claims data information provided to ProAct directly by Plan Sponsor shall be the property of Plan Sponsor.
  - b. Plan Sponsor agrees that the aggregate compilations of information contained in any and all databases developed by ProAct or its designees, and any prior and future versions thereof, are the property of ProAct and protected by copyright which shall be owned by ProAct.
  - c. ProAct, its agents, employees, and contractors shall have the right to use, reproduce, and adapt all information obtained in connection with this Agreement, to render services to ProAct's clients and to develop new products and services which may be outside the scope of this Agreement. Any work, compilation, processes, or inventions developed by ProAct or its agents, employees, or contractors pursuant to this Section 6.3 shall be owned by ProAct and deemed its confidential information.
- 6.4 Right to Audit Claims and Business Records. Plan Sponsor may inspect and audit once annually ProAct's business records that directly relate to billings made to Plan Sponsor for Claims. ProAct may inspect and audit, or cause to be inspected and audited, once annually the books and records of Plan Sponsor directly relating to this Agreement, including the existence and number of Plan Participants. Plan Sponsor and ProAct shall fully cooperate with representatives of each other and with representatives of any regulatory or accreditation agency in the conduct of any such inspection or audit. Such audits shall be at the auditing party's sole expense and shall only be made during normal

business hours, following fifteen (15) days' written notice, without undue interference to the audited party's business activity, and in accordance with reasonable audit practices. An audit of ProAct's records shall be conducted at ProAct's office where such records are located and shall be limited to transactions over the twelve (12) month period preceding such audit. If a completed audit reveals a discrepancy in the results and the previous calculations of the audited party, then the auditing party shall deliver written notice setting forth in reasonable detail the basis of such discrepancy. The parties shall use reasonable efforts to resolve the discrepancy within thirty (30) days following delivery of the notice, and such resolution shall be final, binding, and conclusive upon the parties. Upon a final and conclusive determination of a discrepancy revealed by an audit procedure under this Agreement, the party that owes money shall pay such sums to the other party within thirty (30) days of the delivery of the conclusive audit findings.

## **ARTICLE 7**

### **REBATE ADMINISTRATION**

- 7.1 Appointment of ProAct as Agent. Plan Sponsor appoints ProAct as its exclusive agent for the purpose of negotiating and arranging for Rebates on the purchase of prescription drugs from Pharmaceutical Manufacturers. ProAct agrees that it will comply with all applicable state and federal laws and regulations regarding the administration of Rebates on the purchase of prescription drugs. Plan Sponsor represents that it does not have any existing direct rebate and/or chargeback agreements with any Pharmaceutical Manufacturer and also agrees that during the term of this Agreement Plan Sponsor will not negotiate or arrange for rebates on the purchase of Prescription Drug Services from any Pharmaceutical Manufacturer. In the event Plan Sponsor negotiates directly with a Pharmaceutical Manufacturer for rebates on the purchase of prescription drugs, ProAct may immediately terminate Plan Sponsor's participation in ProAct's Rebate program.
- 7.2 Participation in Program. Plan Sponsor shall be eligible to receive rebates from certain Pharmaceutical Manufacturers for prescription drugs dispensed to Plan Participants who are covered by Benefit Plans which meet the following criteria:
- Develop, publish and distribute a drug formulary or other drug product selection guide consistent with ProAct's recommended drug Formulary and preferred product list, including all subsequent revisions;
  - Provide feedback to Plan Sponsor to ensure compliance with Plan Sponsor's drug formulary via established communication mechanisms (e.g., retrospective drug utilization review/evaluation programs, provider newsletters, contract compliance programs); and
  - Meet the eligibility criteria of each of the respective Pharmaceutical Manufacturers for plan applicable agreements.

- 7.3 Rebate Disclosure. Plan Sponsor agrees that it will fully comply with ERISA. In providing services under this Agreement, ProAct is not acting as a fiduciary (as defined in Section 3.21(a) of ERISA) of Plan Sponsor's prescription drug program and Plan Sponsor shall not name ProAct as a "plan fiduciary."
- 7.4 Eligible Rebate Data. Claims which have been submitted to: (i) Medicaid; (ii) Medicare; or (iii) any other state or federal health care program which receives rebates, discounts, chargebacks or other forms of price reduction directly from Pharmaceutical Manufacturers shall not be eligible to participate in ProAct's Rebate program. Plan Sponsor shall clearly identify to ProAct those Plan Participants whose drug utilization has been otherwise submitted to Pharmaceutical Manufacturers or whose claims have been or will be filed for reimbursement with Medicaid, Medicare, or any state or federal health care program as described above. If Plan Sponsor fails to identify such members or claims and any Pharmaceutical Manufacturer's audit of ProAct's Rebate program reveals improperly calculated rebates involving such members or Claims, then Plan shall be solely responsible for the reimbursement of any Rebates improperly made and the cost of the audit services.
- 7.5 Other Pharmaceutical Relationships. Nothing in this Article 7 shall preclude ProAct from pursuing other, independent sources of revenue from Pharmaceutical Manufacturers and engaging in other revenue-producing relationships with Pharmaceutical Manufacturers.

## **ARTICLE 8 INDEMNIFICATION**

- 8.1 Indemnity by Plan Sponsor. Plan Sponsor shall indemnify and hold ProAct, its officers, directors, shareholders, employees, successors, other agents and assigns ("ProAct Indemnitees"), harmless from and against any claims, liabilities, damages, judgments or other losses (including attorneys' fees) imposed upon or incurred by ProAct Indemnitees arising out of or as a result of any acts or omissions of Plan Sponsor, its officers, directors, employees or other agents, in connection with the performance of any of their respective obligations under this Agreement, including, without limitation, the submission to Participating Pharmacies or Pharmaceutical Manufacturers of inaccurate or false information provided by Plan Sponsor.
- 8.2 Indemnity by ProAct. ProAct shall indemnify and hold Plan Sponsor and its officers, directors, shareholders, employees, successors, other agents and assigns ("Plan Sponsor Indemnitees"), harmless from and against any claims, liabilities, damages, judgments or other losses (including attorneys' fees) imposed upon or incurred by Plan Sponsor Indemnitees arising out of or as a result of any acts or omissions of ProAct, its officers, directors, employees or other agents, in connection with the performance of any of their respective obligations under this Agreement.
- 8.3 Limitation of Liability. ProAct relies on Medi-Span or First Data Bank or other industry comparable databases in providing Plan Sponsor and Plan Participants with Claims

adjudication and drug utilization review services. ProAct has utilized due diligence in collecting and reporting the information contained in the databases and has obtained such information from sources believed to be reliable. ProAct, however, does not warrant the accuracy of reports, alerts, codes, prices or other data contained in the databases. The clinical information contained in the databases and the Formulary is not intended as a supplement to, or a substitute for, the knowledge, expertise, skill, and judgment of physicians, pharmacists, or other healthcare professionals involved in Plan Participants' care. The absence of a warning for a given drug or drug combination shall not be construed to indicate that the drug or drug combination is safe, appropriate or effective for any Plan Participant.

IN NO EVENT SHALL PROACT OR ANY AFFILIATE OF PROACT BE LIABLE TO PLAN SPONSOR OR ANY PLAN PARTICIPANT OR ANY AFFILIATE FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOST PROFITS ARISING OUT OF OR RELATED TO PROACT'S PERFORMANCE UNDER THIS AGREEMENT OR BREACH THEREOF, EVEN IF PROACT HAS BEEN ADVISED OF THE POSSIBILITY THEREOF. PROACT'S LIABILITY TO PLAN SPONSOR, PLAN PARTICIPANTS OR ANY AFFILIATE UNDER THIS AGREEMENT, IF ANY, SHALL IN NO EVENT EXCEED THE TOTAL AMOUNT OF COMPENSATION PAID TO PROACT BY PLAN SPONSOR FOR ADMINISTRATIVE SERVICES FOR THE PRIOR TWELVE (12) MONTHS FROM THE DATE THE CLAIM IS ASSERTED.

## **ARTICLE 9**

### **DISPUTE RESOLUTION PROCEDURE**

- 9.1 Resolution of Disputes. The parties agree that any and all disputes arising out of, or relating to, this Agreement shall first be addressed by direct negotiation between the parties. The disputing party shall provide the other party with written notice of the dispute ("Notice of Dispute"), containing a detailed description of the matter in controversy. The parties agree to exercise reasonable commercial efforts to resolve the dispute as soon as practicable.

## **ARTICLE 10**

### **CONFIDENTIALITY**

- 10.1 Confidential Information. The term "Confidential Information" means information of a confidential or proprietary nature relating to the subject matter described in this Agreement which is taken from or disclosed by one party (the "Disclosing Party") to the other (the "Receiving Party"). Confidential Information includes, but is not limited to, matters of a technical nature such as trade secrets, methods, compositions, data and know-how, designs, systems, processes, computer programs, files and documentation, similar items or research projects and any information derived therefrom; matters of a business nature, such as the terms of this Agreement (including any pricing terms and Pharmaceutical Manufacturer contract terms), marketing, sales, strategies, proposals, and

lists of actual or potential Plan Participants, Participating Pharmacies and Pharmaceutical Manufacturers; as well as any other information that is designated by either party as confidential.

- 10.2 Treatment of Confidential Information. The Receiving Party agrees: (i) to hold the Disclosing Party's Confidential Information in strict confidence and to take reasonable precautions to protect such Confidential Information (including, without limitation, all precautions Receiving Party employs with respect to its own confidential materials); (ii) not to divulge any such Confidential Information or any information derived therefrom to any third party unless required in the performance of the Receiving Party's duties under this Agreement; (iii) not to make any use whatsoever at any time of such Confidential Information except for the purpose of this Agreement nor use it for its own or any third party's benefit; and (iv) not to copy, analyze, transcribe, transmit, decompile, disassemble or reverse engineer any such Confidential Information nor use such Confidential Information in any patent application. The confidentiality obligations of this Section 10.2 shall not apply to information which, as evidenced in writing, (a) is or becomes publicly known by Receiving Party through no breach of this Agreement; (b) is learned by the Receiving Party from a third party entitled to disclose it; or (c) is rightfully obtained by the Receiving Party prior to this Agreement.

Receiving Party may make disclosures required by law or court order provided Receiving Party uses diligent, reasonable efforts to limit disclosure and to obtain confidential treatment or a protective order and has allowed the Disclosing Party to participate in the proceeding.

- 10.3 Injunctive Relief. Receiving Party acknowledges that it shall not acquire any rights or title to any Confidential Information merely by virtue of its use or access to such Confidential Information hereunder. Neither the execution of this Agreement nor the furnishing of any Confidential Information hereunder shall be construed as granting, either expressly or by implication or otherwise, the Receiving Party any license under any invention or patent now or hereafter owned by or controlled by the Disclosing Party. Each party agrees that it may not be adequately compensated for damages arising from a breach or threatened breach of any of the covenants contained in this Article 10 by the other party, and each party shall be entitled to injunctive relief and specific performance in addition to all other remedies. None of the information that may be submitted or exchanged by the parties shall constitute any representation, warranty, assurance, guarantee, or inducement by a party to the other with respect to the infringement of patents, copyrights, trademarks, trade secrets, or any other rights of third persons.

## **ARTICLE 11 EXCLUSIVITY**

- 11.1 Exclusivity. Plan Sponsor agrees that ProAct shall be the sole and exclusive agent for Plan Sponsor for each of the services described herein during the term of this Agreement for each Plan Sponsor executing a Plan Sponsor Agreement. Notwithstanding the

foregoing, this Section shall not be construed to prohibit Plans Sponsor from including pharmacy coverage under a managed care, HMO or similar comprehensive medical/prescription benefit plan. Plan Sponsor acknowledges and agrees that Plan Sponsor shall not engage any prescription benefit manager or other third party to provide to Plan Sponsor or its Benefit Plan any service that is similar to one of the Prescription Drug Services provided by ProAct, including, without limitation, retail pharmacy network contracting, pharmacy claims processing, mail pharmacy services and formulary and rebate administration services. Plan Sponsor acknowledges and agrees that a breach of this Section 11.1 shall be deemed a material breach of this Agreement and shall entitle ProAct to modify pricing terms pursuant to Section 13.2 of this Agreement.

## **ARTICLE 12**

### **TERM AND TERMINATION**

- 12.1 Term. This Agreement shall become effective on the Effective Date and shall be for a term of three (3) years and thereafter shall continue in effect for additional one (1) year terms unless terminated on its anniversary date by either party by certified mail, mailed at least ninety (90) days prior to such date. Termination shall have no effect upon the rights and obligations of the parties arising out of any transactions occurring prior to the effective date of such termination.
- 12.2 Termination For Cause. This Agreement may be terminated at any time by either party based on a material breach of any terms or conditions herein stated provided that sixty (60) days' advance written notice of such material breach shall be given to the other party and such party shall have the opportunity to cure such material breach during such sixty (60) day notice period.
- 12.3 Termination Due to Non-Payment. Notwithstanding the termination rights described in Section 12.2, above, in the event Plan Sponsor fails to timely remit to ProAct the full amount of payment (and any interest accrued thereon) as set forth in Section 5.1 above, and such payment (plus interest, if any) is not received by ProAct within the time limits set forth in Section 5.2 above, ProAct may terminate this Agreement on any date thereafter, effective on the date notice of such termination is received by Plan Sponsor.
- 12.4 Effect of Termination. If this Agreement is terminated pursuant to this Article 12: (i) all further obligations of the parties under this Agreement shall terminate (but not such party's obligation to make payments arising prior to the termination of this Agreement or any obligation surviving the termination hereof); (ii) all Confidential Information provided by either party shall, except for Confidential Information required by law to be retained by a party, be immediately returned by a Receiving Party (as defined in Section 10.1), or such Receiving Party shall certify to the Disclosing Party that such materials have been destroyed; (iii) should ProAct have a deposit from Plan Sponsor (as described in Section 5.3, above), such deposit shall be reduced by any offsets for payment defaults and collection costs (as described in Section 5.5 above) before being returned; (iv) neither party shall be relieved of any obligation or liability arising from any prior breach of such

party of any provision of this Agreement; and (v) the parties shall, in all events, remain bound by and continue to be subject to the provisions set forth in Sections 6.1, 6.3, 6.4, 7.3, 8.1, 8.2, 8.3, 9.1, 10.1, 10.2, 10.3, 13.1, 13.2, 13.8, 13.9, 13.11, 13.12 and 13.20.

### **ARTICLE 13** **GENERAL PROVISIONS**

- 13.1 Use of ProAct Software. Plan Sponsor acknowledges that ProAct owns or possesses license rights (including off-the-shelf vendor agreements) from certain third parties to the entire software system used by ProAct in processing Claims and preparing reports, including computer programs, system and program documentation, and other documentation relating thereto (collectively, including certain license rights, the “ProAct Software System”) and that the ProAct Software System is the exclusive and sole property of ProAct.
- 13.2 Pricing Assumptions. Upon thirty (30) days’ prior written notice to Plan Sponsor, ProAct may modify or amend the financial provisions of this Agreement in a manner which accounts for the impact of the events identified below. Such notice will include ProAct’s explanation of the manner in which the modification accounts for the impact of the event:
- (a) Any government-imposed or industry-wide change that would impede ProAct’s ability to provide the pricing described in this Agreement, including any prohibition or restriction on the ability to receive rebates or discounts for pharmaceutical products;
  - (b) Implementation or addition of a high deductible health plan/consumer-driven health plan option;
  - (c) Implementation or addition of a member-paid plan;
  - (d) A greater than twenty percent (20%) change in the total number of Plan Participants from the number provided during pricing negotiations; or
  - (e) A change in the coverage of Medicare-eligible Plan Participants, irrespective of the resulting change in total number of Plan Participants, as defined above.
- 13.3 Insurance. Each party shall obtain and maintain, with respect to the activities in which such party engages pursuant to this Agreement, professional liability (errors and omissions) insurance in amounts reasonable and customary for the nature and scope of business engaged in by such party and comprehensive liability insurance. Upon request, either party shall promptly deliver to the other party evidence of such insurance. Each party agrees to notify the other party immediately upon such party’s receipt of any notice canceling, suspending or reducing the coverage limits of its professional liability insurance or comprehensive liability insurance.

- 13.4 Successors and Assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either party hereto without the prior written consent of the other party hereto. Subject to the preceding sentence, this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and permitted assigns. Notwithstanding anything to the contrary contained in this Agreement (including this Section 13.4), no consent shall be required and this Agreement will apply to, be binding in all respects upon, and inure to the benefit of any successors of Plan Sponsor to this Agreement resulting from a Change of Control. A “Change of Control” shall occur if, as a result of one or a series of related transactions: (i) all or substantially all the assets of Plan Sponsor are disposed of to any entity not wholly owned and controlled by Plan Sponsor, outside the ordinary course of business; (ii) Plan Sponsor effects a merger with one or more other entities in which Plan Sponsor is not the surviving entity; or (iii) Plan Sponsor engages in a transaction that results in any entity holding securities possessing a majority of the voting power that does not hold such voting power as of the time of this Agreement.
- 13.5 Waiver. Any term or condition of this Agreement may be waived at any time by the party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the party waiving such term or condition. No waiver by any party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or other term or condition of this Agreement on any future occasion.
- 13.6 Severability. In the event that any provision of this Agreement shall be determined to be invalid, unlawful, void or unenforceable to any extent, the remainder of this Agreement, and the application of such provision other than those as to which it is determined to be invalid, unlawful, void or unenforceable, shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.
- 13.7 Further Assurances. Each party hereto shall execute and cause to be delivered to each other party hereto such instruments and other documents, and shall take such other actions, as such other party may reasonably request (at or after the date hereof) for the purpose of carrying out or evidencing any of the transactions contemplated by this Agreement.
- 13.8 Choice of Law. This Agreement shall be construed, interpreted and governed according to the laws of the State of New York.
- 13.9 Non-Competition in Hiring. During the term of this Agreement, and for a period of one (1) year thereafter, neither party shall, without the prior written consent of the other party, knowingly employ or solicit for hire, or knowingly allow its officers, directors, agents or affiliates to employ or solicit for hire, any employees of the other party.
- 13.10 Force Majeure. The performance obligations of ProAct and/or Plan Sponsor respectively hereunder shall be suspended to the extent that all or part of this Agreement cannot be

performed due to causes which are outside the control of ProAct and/or Plan Sponsor and could not be avoided by the exercise of due care, including, but not limited to, acts of God, acts of a public enemy, acts of a sovereign nation or any state or political subdivision or any department or regulatory agency thereof or entity created thereby, acts of any person engaged in a subversive or terrorist activity or sabotage, fires, floods, earthquakes, explosions, strikes, slow-downs, freight embargoes, or by any enforceable law, regulation or order. The foregoing shall not be considered to be a waiver of any continuing obligations under this Agreement, and as soon as conditions cease, the party affected thereby shall fulfill its obligations as set forth under this Agreement. In order to benefit from the provisions of this Section 13.10, the party claiming force majeure must notify the other reasonably promptly in writing of the force majeure condition. If any event of force majeure, in the reasonable judgment of the parties, is of a severity or duration such that it materially reduces the value of this Agreement, then this Agreement may be terminated without liability or further obligation of either party (except for any obligation expressly intended to survive the termination of this Agreement and except for all amounts that have become or will become due and payable hereunder).

- 13.11 Entire Agreement; No Third Party Beneficiaries. This Agreement, including the Exhibits: (i) constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof; and (ii) is intended solely for the benefit of each party hereto and their respective successors or permitted assigns, and it is not the intention of the parties to confer third party beneficiary rights, and this Agreement does not confer any such rights, upon any other third party.
- 13.12 Use of Name. Neither party shall use the other party's name, trade or service mark, logo, or the name of any affiliated company in any advertising or promotional material, presently existing or hereafter established, except in the manner and to the extent permitted by prior written consent of the other party.
- 13.13 Notice. Any notice required or permitted by this Agreement, unless otherwise specifically provided for in this Agreement, shall be in writing and shall be deemed given: (i) one (1) day following delivery to a nationally reputable overnight courier; (ii) one (1) day following receipt by facsimile during the receiving party's business hours with written confirmation thereof; or (iii) three (3) days after the date it is deposited in the United States mail, postage prepaid, registered or certified mail, or hand delivered addressed as follows:

To ProAct:                      ProAct Inc.  
   6333 Route 298  
   East Syracuse, New York 13057

To Plan Sponsor:              City of Watertown  
   245 Washington Street  
   Watertown, NY 13601

Either party may at any time change its address for notification purposes by mailing a notice stating the change and setting forth the new address.

- 13.14 Counterparts; Facsimile. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart. This Agreement may be executed and delivered by facsimile and upon such delivery the facsimile signature will be deemed to have the same effect as if the original signature had been delivered to the other party. The original signature copy shall be delivered to the other party by express overnight delivery. The failure to deliver the original signature copy and/or the nonreceipt of the original signature copy shall have no effect upon the binding and enforceable nature of this Agreement.
- 13.15 Independent Contractors. Plan Sponsor and ProAct are independent entities and nothing in this Agreement shall be construed or be deemed to create a relationship of employer and employee or principal and agent or franchiser and franchisee or any relationship, fiduciary or otherwise, other than that of independent parties contracting with each other solely for the purpose of carrying out the provisions of this Agreement. Nothing in this Agreement is intended to be construed, or be deemed to create, any rights or remedies in any third party, including but not limited to a Plan Participant. Nothing in this Agreement shall be construed or deemed to confer upon ProAct any responsibility for or control over the terms or validity of the Prescription Drug Services. ProAct shall have no final discretionary authority over or responsibility for Plan Sponsor's administration. Further, because ProAct is not an insurer, plan sponsor, plan contract, third party administrator, or a provider of health services to Plan Participants, ProAct shall have no responsibility for: (i) any funding of Plan Sponsor's benefits; (ii) any insurance coverage relating to Plan Sponsor or any plan contract of Plan Sponsor or Plan Participants; or (iii) the nature or quality of professional health services rendered to Plan Participants.
- 13.16 Consent to Amend. This Agreement or any part or section of it may be amended at any time during the term of this Agreement only by mutual written consent of duly authorized representatives of ProAct and Plan Sponsor.
- 13.17 Headings. The headings of Articles, Sections and Exhibits contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.
- 13.18 Compliance with Laws and Regulations. This Agreement will be in compliance with all pertinent federal and state statutes and regulations. If this Agreement, or any part hereof, is found not to be in compliance with any pertinent federal or state statute or regulation, then the parties shall renegotiate the Agreement for the sole purpose of correcting the non-compliance. Each party shall comply with the provisions of all applicable laws relating to the performance of its obligations under this Agreement, including the federal

anti-kickback statute, set forth at 42 U.S.C. § 1320a-7b(b) (the “Anti-Kickback Statute”), and the federal “Stark Law,” set forth at 42 U.S.C. § 1395nn (“Stark Law”), with respect to the performance of its obligations under this Agreement.

13.19 Subcontracting. ProAct may subcontract any or all services to be provided under this Agreement.

13.20 HIPAA Compliance. For the purposes of this Agreement, ProAct is deemed to be a “Business Associate” or “Covered Entity” as such terms are defined by HIPAA. The parties will endeavor to comply with all applicable regulations published pursuant to HIPAA, as of the effective enforcement date of each standard. In addition, without limiting any other provision of this Agreement:

- a. all services provided by ProAct under this Agreement will be provided in such a manner as to enable Plan Sponsor to remain at all times in compliance with all HIPAA regulations applicable to Plan Sponsor, to the extent that Plan Sponsor’s compliance depends upon the manner in which such services are performed by ProAct;
- b. all software, application programs and other products licensed or supplied by ProAct under this Agreement will contain such characteristics and functionality (including as applicable, but not limited to, the ability to accept and securely transmit data using the standard HIPAA transaction sets) as necessary to ensure that Plan Sponsor’s use of such software, application programs and other products and associate documentation from ProAct, when utilized by Plan Sponsor in the manner as directed by ProAct, will fully comply with the HIPAA regulations applicable to Plan Sponsor. In the event any amendment to this Agreement is necessary for Plan Sponsor to comply with the HIPAA regulations as they relate to this Agreement or its subject matter, including, but not limited to, requirements pertaining to Business Associate agreements, Plan Sponsor and ProAct will negotiate in good faith and amend this Agreement accordingly, with such amendment to be effective prior to the date compliance is required under each standard of the HIPAA regulations; and
- c. all software, application programs, eligibility lists or other member-specific information and other products licensed or supplied by Plan Sponsor under this Agreement will contain such characteristics and functionality (including as applicable, but not limited to, the ability to accept and securely transmit data using the standard HIPAA transaction sets) as necessary to ensure that ProAct’s use of such software, application programs and other products and associate documentation from Plan Sponsor, when utilized by ProAct in the manner as directed by Plan Sponsor, will fully comply with the HIPAA regulations applicable to ProAct. In the event any amendment to this Agreement is necessary for ProAct to comply with the HIPAA regulations as they relate to this Agreement or its subject matter, including, but not limited to, requirements pertaining to

Business Associate agreements, ProAct and Plan Sponsor will negotiate in good faith and amend this Agreement accordingly, with such amendment to be effective prior to the date compliance is required under each standard of the HIPAA regulations.

- d. To the extent ProAct acts as a Business Associate of the Benefit Plan, ProAct shall adhere to applicable requirements established for Business Associates, as set forth in Exhibit B. In compliance with HIPAA, ProAct may share Plan Participant information as appropriate for the treatment, payment and health care operations of other health care providers or plans.

The provisions of this Agreement shall bind and inure to the benefit of the parties hereto and their heirs, legal representatives, successors and assignees. This Agreement constitutes the entire understanding between the parties hereto.

**PROACT INC.**

**CITY OF WATERTOWN**

\_\_\_\_\_  
BY

\_\_\_\_\_  
BY

David B. Warner  
NAME

\_\_\_\_\_  
NAME

President  
TITLE

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE

**EXHIBIT A**  
**ADMINISTRATIVE FEE SCHEDULE**

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<b><u>CLAIMS PROCESSING FEE:</u></b> <b>PER PAID CLAIM</b>	<b>\$.29</b>
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<b><u>REBATE SHARE TO PLAN SPONSOR:</u></b>	<b>80 %</b>
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**PHARMACY RATES**

Retail Network Pharmacy Rates:

Brand: AWP less 17% + \$1.50  
Generic: MAC +\$1.50

Mail Order Service Pharmacy:

Brand: AWP less 24% + \$0.00  
Generic: AWP less 65% + \$0.00

Specialty Drug Pricing:

AWP less 17% + \$1.50

- |  |                               |
|--|-------------------------------|
| 1. Electronic magnetic media                   | No charge                     |
| 2. Input and maintenance from hard copy        | No charge                     |
| 3. Clinical Prior Authorizations               | \$5.00 per Rx                 |
| 4. Direct Member Reimbursements (paper claims) | \$2.00 per paid claim         |
| 5. Member Identification Cards                 | No charge                     |
| 6. Ad Hoc Reports                              | \$150.00 per programming hour |
| 7. Drug Utilization Review (DUR) Services      | No charge                     |

- 8. Out-of-pocket expenses
  - Mailing expenses/postage At meter cost
  - Air freight/overnight letters At carrier cost
- 9. Shipping and handling charges At cost

10. Drug Rebates. ProAct shall remit to Plan Sponsor that portion of the Rebates as set forth above (“Plan Sponsor Rebates”), with the excess, if any, of actual Rebates over Plan Sponsor Rebates to be retained by ProAct as an additional service fee for the services provided under this Agreement. In lieu of billing Plan Sponsor for this fee, ProAct may retain the amount due from the Rebates collected by ProAct. No Rebate shall be credited for any generic Claim, whether such Claim is filled with a generic drug or by a brand-name drug dispensed in lieu of a generic drug reimbursement rate. Quarterly Rebate payment shall be made within sixty (60) days following the quarter collected. ProAct may adjust the Plan Sponsor Rebate payments in an equitable manner if: (i) a generic version of a branded product is introduced in the market; or (ii) a branded product is recalled or withdrawn from the market.

**EXHIBIT B**  
**BUSINESS ASSOCIATE AGREEMENT**

This Business Associate Agreement (“Agreement”) is entered into on January 1<sup>st</sup>, 2012 (“Agreement Effective Date”) for a period of 3 years between City of Watertown, having an office located at 245 Washington Street, Watertown, NY 13601, hereinafter referred to as “Covered Entity,” and ProAct, Inc. a New York corporation with offices located at 6333 Route 298, East Syracuse, New York, 13057, hereinafter referred to as “Business Associate.”

**WITNESSETH:**

**WHEREAS**, Covered Entity will make available and/or transfer to Business Associate certain Information (as defined herein), in conjunction with assisting Covered Entity in prescription claim processing, eligibility verification, pricing and reporting (as is more fully described in the “ProAct Inc. Service Agreement” between Business Associate and Covered Entity) that is confidential and must be afforded special treatment and protection; and

**WHEREAS**, Business Associate will have access to and/or receive from Covered Entity certain Information that can be used or disclosed only in accordance with this Agreement and the HHS Privacy and Security Regulations (collectively, “HHS Privacy Regulations”).

**NOW, THEREFORE**, for good and valuable consideration, intending to be legally bound, Covered Entity and Business Associate agree as follows:

1. Definitions. The following terms shall have the meaning ascribed to them in this Section. Other capitalized terms shall have the meaning ascribed to them in the context in which they first appear.

a. "Administrative, Physical and Technical Safeguards" shall have the same meaning as those terms are defined in 45 CFR 164.304.

b. "Agreement" shall refer to this document.

c. “Breach” shall mean the unauthorized acquisition, access, use or disclosure of Information (as defined herein) which compromises the security or privacy of such Information.

d. "Electronic Protected Health Information" shall have the same meaning as “electronic protected health information” in 45 CFR 160.103.

e. "HHS Privacy Regulations" shall mean the Code of Federal Regulations (“CFR”) at Title 45, Sections 160 and 164, as may be amended.

f. "Individual" shall mean the person who is the subject of the Information, and has the same meaning as the term "individual" is defined by 45 CFR 160.103, including a person who qualifies as a personal representative in accordance with 45 CFR 164.502.

g. "Information" shall mean protected health information provided and/or made available by Covered Entity to Business Associate, and has the same meaning as the term "protected health information" is defined by 45 CFR 160.103.

h. "Party" or "Parties" shall mean Business Associate and/or Covered Entity.

i. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR 164.103.

j. "Secretary" shall mean the Secretary of the U.S. Department of Health and Human Services ("HHS") and any other officer or employee of HHS to whom the authority involved has been delegated.

k. "Security Incident" shall mean the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.

l. "Unsecured Information" shall have the same meaning as the term "unsecured protected health information" in 45 CFR 164.402.

2. Term. The term of this Agreement shall commence on the Agreement Effective Date, and shall expire when all of the Information provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed, de-identified or returned to Covered Identity pursuant to Section 5(j) herein.

3. Limits on Use and Disclosure. Business Associate shall be prohibited from using or disclosing the Information provided or made available by Covered Entity for any purpose other than as expressly permitted or required by this Agreement, except to the extent such Information does not identify individual patients. (ref. 45 CFR 164.504(e)(2)(i).)

4. Permitted Use or Disclosure of Information.

a. Business Associate shall be permitted to use or disclose Information provided or made available from Covered Entity for the following stated purposes:

To perform any function required, necessary or desirable in connection with assisting Covered Entity in the prescription claim processing, eligibility verification, pricing and reporting, and as more fully described in the "ProAct Inc. Service Agreement," including, but not limited to disclosure of Information to other business associates of Covered Entity or other third parties as authorized by Covered Entity, provided such function would not violate the HHS Privacy Regulations if done by Covered Entity. (ref. 45 CFR 164.504(e)(2)(i).)

b. Except as otherwise limited in this Agreement, Business Associate is permitted to use and disclose Information received from Covered Entity if necessary for the proper management and administration of Business Associate, to carry out legal responsibilities of Business Associate, or otherwise in a manner which does not identify individual patients (ref. 45 CFR 164.504(e)(4)(i)(A-B).), provided, however, that:

i) The disclosure is Required by Law;

ii) The Business Associate obtains reasonable assurances from the person or entity to whom the Information is disclosed that it will be held confidentially and used or further disclosed only as Required by Law or for the purposes for which it was disclosed to the person or entity; the person or entity will use appropriate safeguards to prevent unauthorized access to, use, or disclosure of the Information, and the person or entity in possession of the Information immediately notifies the Business Associate of any instance of which it is aware in which the confidentiality of the Information has been breached. (ref. 45 CFR 164.504(e)(4)(ii)); or

iii) The Information is de-identified.

#### 5. Business Associate's Obligations.

a. **Limits on Use and Further Disclosure.** Business Associate shall not use or further disclose the Information provided or made available by Covered Entity other than as permitted or required by this Agreement, or as Required by Law. (ref. 45 CFR 164.504(e)(2)(ii)(A).)

b. **Appropriate Safeguards.** As of the Contract Effective Date, Business Associate shall establish and thereafter maintain appropriate safeguards to prevent any access to, or use or disclosure of the Information, other than as provided for in this Agreement and shall implement Administrative, Physical, and Technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic Protected Health Information that it creates, receives, maintains, or transmits on behalf of Covered Entity. (ref. 45 CFR 164.504(e)(2)(ii)(B) and 164.314(a)(2)(i)(A).)

c. **Policies and Procedures.** As of the Contract Effective Date, Business Associate shall implement reasonable and appropriate policies and procedures, as set forth in 45 CFR 164.316, to comply with the standards, implementation specifications and/or other security requirements for the Protection of Electronic Protected Health Information.

d. **Reports of Improper Use, Disclosure, Security Incident or Breach of Unsecured Information.** Business Associates shall report to Covered Entity promptly, but not later than five (5) business days after discover of any access to, use or disclosure of Information not provided for or allowed by this Agreement, or any Security Incident or Breach of Unsecured Information of which Business Associates becomes aware (ref. 45 CFR 164.504(e)(2)(ii)(C), 45

CFR 164.410 and 164.314(a)(2)(i)(C)). With respect to a Breach of Unsecured Information, Business Associate must include the following information in its report to Covered Entity, but must not delay initial notification of the suspected Breach for purposes of collecting such information:

(i) To the extent possible, the identity of each Individual whose Information has been breached;

(ii) Brief description of what happened, including the date of the Breach and the date of the discovery of the Breach, if known;

(iii) Description of the types of Unsecured Information that were involved in the Breach;

(iv) Steps Individuals should take to protect themselves from potential harm resulting from the Breach;

(v) Brief description of what Business Associate is doing to investigate the Breach, to mitigate harm to Individuals and to protect against further Breaches; and

(vi) Contact procedures to Individuals to ask questions or learn additional information, which shall include a toll-free telephone number, an email address, website or postal address.

e. Subcontractors and Agents. Any time Information is provided or made available to any subcontractor or agent of Business Associate, Business Associate shall ensure that the subcontractor or agent agrees to the same terms, conditions and restrictions on the access, use and disclosure of Information as contained in this Agreement. (ref. 45CFR 164.504(e)(2)(ii)(D).) Business Associate shall also ensure that any such subcontractor or agent to whom Business Associate provides Electronic Protected Health Information agrees to implement reasonable and appropriate safeguards to protect such Electronic Protected Health Information. (ref. 45 CFR 164.314(a)(2)(i)(B).)

f. Rights of Access. Business Associate shall use reasonable efforts to facilitate Covered Entity's obligation to make available and provide a right of access to Information by an Individual. This right of access shall conform to and meet all of the requirements of 45 CFR 164.524, including substitution of the words "Covered Entity" with Business Associate where appropriate. (ref. 45 CFR 164.504(e)(2)(ii)(E).)

g. Amendment and Incorporation of Amendments. Business Associate shall use reasonable efforts to facilitate Covered Entity's obligation to make Information available for appropriate amendment by an Individual and to forward immediately to Covered Entity any request by an Individual to make appropriate amendments to Information, and to incorporate any such appropriate amendments to Information provided by Covered Entity to Business Associate,

in accordance with 45 CFR 164.526, including substitution of the words “Covered Entity” with Business Associate where appropriate. (ref. 45 CFR 164.504(e)(2)(ii)(F).)

h. Accounting. Business Associate shall provide an accounting of all disclosures of Information in accordance with 45 CFR 164.528, including substitution of the words “Covered Entity” with Business Associate, where appropriate. (ref. 45 CFR 164.504(e)(2)(ii)(G).)

i. Access to Books and Records. Business Associate shall make its internal practices, books, and records relating to the use or disclosure of Information received from, or created or received by Business Associate on behalf of Covered Entity, available to the Secretary or the Secretary’s designee for purposes of determining compliance with the HHS Privacy Regulations. (ref. 45 CFR 164.504(e)(2)(ii)(H).)

j. Return or Destruction of Information. At the termination of this Agreement, Business Associate shall return, destroy or de-identify (so that the respective Information does not identify patients) all Information received from, or created or received by Business Associate on behalf of Covered Entity. If the return or destruction of the Information is not commercially feasible, Business Associate shall extend the protections of this Agreement for as long as necessary to protect the Information and to limit any further access, use or disclosure (except in a de-identified, aggregated form). If Business Associate elects to destroy the Information, it shall certify to Covered Entity in writing that the Information has been destroyed. Destruction of Information must be in accordance with industry standards and processes for ensuring that reconstruction, re-use and/or re-disclosure of Information is prevented after destruction, with the exact method of destruction dependent on the media in which the Information is contained. (ref. 45 CFR 164.504(e)(2)(ii)(I).)

k. Mitigation Procedures. Business Associates shall have procedures in place for mitigating, to the maximum extent practicable, any deleterious effect from the access, use or disclosure of Information in a manner contrary to or inconsistent with this Agreement or the HHS Privacy Regulations (ref. 45 CFR 164.530(f)).

l. Sanction Procedures. Business Associate shall establish and implement a system of sanctions, including documentation of the sanctions that are applied, if any, for any employee, agent or subcontractor who violates this Agreement or the HHS Privacy Regulations (ref. 45 CFR 164.530(e)(1)).

m. Federal Trade Commission Compliance. In addition to its obligations set forth herein pertaining to the HHS Privacy Regulations, Business Associate, to the extent applicable, shall provide the services described in the Service Agreement in accordance with 12 CFR § 681 (also known as the “Red Flags Rules”).

n. HITECH Act Compliance. All provisions of Subtitle D of the Health Information Technology for Economic and Clinical Health Act, signed into law on February 17, 2009 (“HITECH”), that are made applicable with respect to Covered Entity shall also be

applicable to Business Associate, and shall be deemed incorporated herein by reference. In accordance with HITECH and in furtherance of Business Associate's obligations set forth in this Agreement, Business Associate shall:

(i) Comply with 45 CFR 164.308; 164.310; 164.312; and 164.316 of the Security Rules.

(ii) Not use or disclose Information unless such use or disclosure is in compliance with each applicable requirement of 45 CFR 164.504(e), provided that Business Associate shall not be in compliance with same if it knows of a pattern of activity of the Covered Entity that is a material breach or violation of Covered Entity's obligations under this Agreement, unless Business Associate takes reasonable steps to cure the breach or end the violation, as applicable, and, if such steps are unsuccessful, terminate the Agreement or, if termination is not feasible, report the problem to the Secretary.

(iii) Comply with the applicable minimum necessary rules established by HITECH and pursuant to any applicable regulations promulgated by the Secretary.

(iv) Comply with the rules on marketing and fundraising communications established by HITECH and pursuant to any applicable regulations promulgated by the Secretary, provided, however, that Business Associate shall not make any such communications unless specifically authorized by Covered Entity.

(v) Comply with the rules on restrictions on certain disclosures of Information requested by Individuals established by HITECH and pursuant to any applicable regulations promulgated by the Secretary.

(vi) If Business Associate is responsible for providing an Individual access to Information maintained in an electronic health record, provide such access in accordance with HITECH and any applicable regulations promulgated by the Secretary.

(vii) Comply with the rules on accounting of disclosures of certain Information maintained in an electronic health record (if Covered Entity uses an electronic health record) established by HITECH and pursuant to any applicable regulations promulgated by the Secretary.

(viii) Comply with the rules on the sale of Information established by HITECH and pursuant to any applicable regulations promulgated by the Secretary.

o. Business Associate acknowledges that it has independent obligations to comply with the privacy and security requirements established by HITECH and the regulations promulgated by the Secretary. Accordingly, Covered Entity does not make any warranties, representations or guarantees that this Agreement satisfies Business Associate's independent obligations to comply with HITECH and the applicable regulations.

6. Covered Entity's Obligations.

a. Covered Entity shall notify Business Associate of Covered Entity's Notice of Privacy Practices, including any limitation(s) in accordance with 45 CFR 164.520, to the extent the Notice of Privacy Practices and/or such limitation(s) may affect Business Associate's use or disclosure of Information.

b. Covered Entity shall notify Business Associate of any changes in, or revocation of, the permission by Individual to use or disclose Information, to the extent that such changes may affect Business Associate's use or disclosure of Information.

c. Covered Entity shall notify Business Associate of any amendment or restriction to use or disclosure of Information that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of Information.

7. Property Rights. The Information shall be and remain the property of Covered Entity. Business Associate shall acquire no title or rights to the Information (except to the extent aggregated or de-identified) as a result of this Agreement.

8. Termination of Agreement. Covered Entity shall have the right to immediately terminate this Agreement and seek relief against Business Associate as available under law or in equity if Covered Entity determines that Business Associate has violated a material term of this Contract and/or the HHS Privacy Regulations if Business Associate knew or reasonably should have known of such non-compliance with the HHS Privacy Regulations, and Business Associate has not taken steps to cure such material default within thirty (30) days of Business Associate's receipt of Covered Entity's written notification of such purported material breach. However, in the event that the default cannot be cured within the 30-day cure period, the 30-day cure period shall be extended for a reasonable additional time to cure such default, provided Business Associate commences to cure the default within the 30-day cure period and proceeds diligently to affect the cure within such reasonable additional time. (ref. 45 CFR 164.504(e)(2)(iii).)

9. Change in Law/Regulation. In the event that any new laws, regulations or interpretations of the foregoing are promulgated, the parties shall use reasonable efforts to promptly amend this Agreement to comply with such change without any financial concessions. Notwithstanding, Business Associate acknowledges its obligation to also comply with all new HHS Privacy Rules applicable to the Covered Entity, and therefore to Business Associate, as required by HITECH.

10. Choice of Law. This Agreement shall be governed by New York law and applicable federal law, with venue for any suit, action or legal proceeding arising out of or relating to this Agreement being brought in a court of competent jurisdiction located in Onondaga Client, New York. The Parties also agree that for purposes of privacy rights, the HHS Privacy Regulations shall supercede all applicable State laws, except to the extent such State laws are not preempted.

11. Miscellaneous.

a. **Binding Nature and Assignment.** This Agreement shall be binding on, and inure to the benefit of the Parties hereto and their successors and permitted assigns, but neither Party may assign this Agreement without the prior written consent of the other (except to any entity controlled by, controlling or under common control with the assigning entity).

b. **Notices.** Whenever under this Agreement a Party is required to give notice to the other Party, such notice shall be deemed given if mailed by First Class Certified United States mail, return receipt requested, postage prepaid or hand-delivered, including recognized overnight courier service, with confirmed receipt, and addressed as follows:

If to Business Associate:      ProAct Inc.  
6333 Route 298  
East Syracuse, NY 13057  
ATTENTION: David B. Warner, R.Ph.

If to Covered Entity:            City of Watertown  
245 Washington Street  
Watertown, NY 13601

Notices that are mailed shall be deemed to be given three (3) days after they are mailed. Notices given by hand delivery shall be deemed given on the date of delivery.

c. **Good Faith.** The Parties shall exercise good faith in the performance of this Agreement.

d. **Article Headings.** The article headings used are for referenced and convenience only, and shall not enter into the interpretation of this Agreement.

12. Entire Agreement. This Agreement, together with the ProAct, Inc. Services Agreement entered into by the Parties, constitutes the entire agreement between the Parties with respect to the subject matter herein. There are no understandings or other agreements which are not fully expressed in this Agreement, and no change, waiver or discharge of obligations arising under this Agreement shall be valid unless in writing and executed by the Party against whom such change, waiver or discharge is sought to be enforced.

13. Indemnification. Each Party (“Indemnifying Party”) shall defend, indemnify and hold the other Party harmless for any and all costs, including fines, penalties, interest and reasonable attorneys’ fees, related to any claim, liability, suit, or investigation by law enforcement or other governmental or regulatory agency or brought by an Individual related to the wrongful acts or omissions of the Indemnifying Party, its employees, agents or subcontractors, whether intentional or negligent, that violates the HHS Privacy Regulations regarding access to, use of or disclosure of Information.

14. Partial Invalidity. In the event that any part or section of this Agreement is inconsistent with any legislative or regulatory action or invalidated by judicial decision in a court of general competence and authority over this Agreement, such part or section of this Agreement shall cease to be effective on the date of the action or invalidation, without change to the remainder of the Agreement wheresoever possible. In such event, the Parties shall discuss and amend this Agreement as necessary to maintain compliance with current legislative, regulatory and judicial requirements to meet the spirit and purpose of enhanced confidentiality of protected health information. In the event the Parties are unable to reach agreement on the necessary amendment to this Agreement within ninety (90) days or such other time period as mutually agreed upon by the Parties, of the foregoing applicable effective date of such change, this Agreement shall terminate at the expiration of the ninety (90) days, or such other mutually agreed upon time period.

**IN WITNESS WHEREOF**, Business Associate and Covered Entity have caused this Agreement to be signed and delivered by their duly authorized representatives, as of the date first set forth above.

**PROACT, INC.**

**CITY OF WATERTOWN**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: President \_\_\_\_\_

Title: \_\_\_\_\_

Res No. 16

November 3, 2011

To: The Honorable Mayor and City Council

From: Mary M. Corriveau, City Manager

Subject: Approving Professional Services Agreement with CRA Infrastructure and Engineering, Inc. for Water Treatment Plant Filter Media Rehabilitation

The FY 2010-2011 Capital Budget contains a project to replace the aging five (5) multi-media filters at the Water Treatment Plant. As a key component in the water treatment process, an RFP was advertised on July 25, 2011 for performing engineering services for the rehabilitation. These proposals were received by August 26, 2011, and the firm CRA Infrastructure and Engineering, Inc. is being recommended by City Engineer Kurt W. Hauk from a group of six (6) firms that submitted proposals for an amount not to exceed \$24,700.

As described in the FY 2011-2012 Capital Budget, during a comprehensive performance evaluation of the facility, representatives from the New York State Department of Health found that the media was beginning to lose its efficiency. There were indications that portions of the ceramic underdrains might be in need of replacement, as well. Therefore DOH has recommended to the City that consideration be given to replacing the media as soon as possible. This contract with CRA will provide of the development of specifications and contract documents, assist with the bidding of the project, and review and make recommendations on the bids received. Additionally, CRA will provide the City with construction inspection services on this project.

The attached Agreement has been reviewed by the City Attorney and a resolution for City Council consideration is also attached.

# RESOLUTION

Page 1 of 1

Approving Professional Services Agreement with  
CRA Infrastructure and Engineering, Inc. for  
Water Treatment Plant Filter Media Rehabilitation

Council Member BURNS, Roxanne M.  
 Council Member BUTLER, Joseph M. Jr.  
 Council Member MACALUSO, Teresa R.  
 Council Member SMITH, Jeffrey M.  
 Mayor GRAHAM, Jeffrey E.

Total .....

YEA	NAY

### *Introduced by*

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WHEREAS the City Council of the City of Watertown desires to design and prepare plans for the rehabilitation of the filter media at the water treatment, and

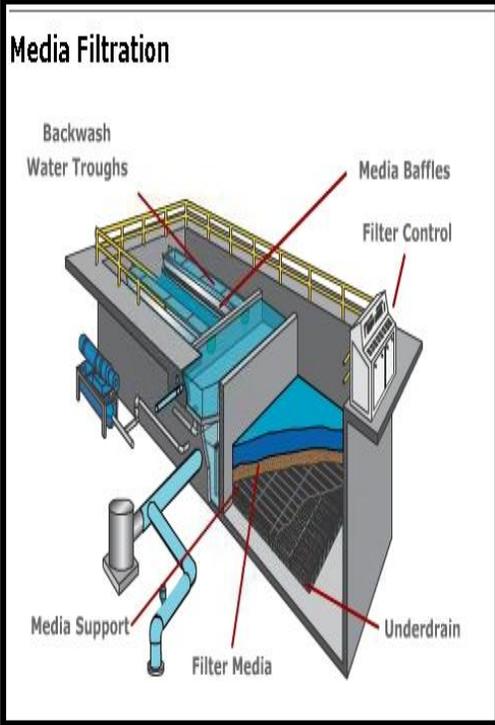
WHEREAS the City of Watertown Engineering Department issued an RFP and received six (6) responses, and after reviewing the responses, City Engineer Kurt W. Hauk is recommending that the City enter into an Agreement for Professional Services with CRA Infrastructure and Engineering, Inc. for engineering services,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown hereby approves the Professional Services Agreement between the City of Watertown, New York and CRA Infrastructure and Engineering, Inc., for a not to exceed amount of \$24,700, a copy of which is attached and made a part of this resolution, and

BE IT FURTHER RESOLVED that City Manager Mary Corriveau is hereby authorized and directed to execute the Agreement on behalf of the City Council.

### **Seconded by**

**FISCAL YEAR 2011-2012  
CAPITAL BUDGET  
FACILITY IMPROVEMENTS  
WATER TREATMENT PLANT**

PROJECT DESCRIPTION	COST
<p>Water Treatment Plant Process Complex Filter Media Replacement:</p> <p>The filter media in the five (5) multi-media filters at the Water Treatment Plant is a key component of the water treatment process. During a comprehensive performance evaluation of the facility representatives from the New York State Department of Health found that the media was beginning to lose its efficiency. There were indications that portions of the ceramic underdrains might be in need of replacement, as well. The DOH recommended that consideration be given to replacing the media as soon as possible.</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">  <p><b>Media Filtration</b></p> </div> <div style="width: 45%;"> <p><b>Leopold® Engineered Filter Media® Anthracite</b></p>  <p>The filter media in a Leopold filter—media quality, bed composition, bed depth, and grain size distribution—is designed according to filter configuration, raw water quality, pretreatment, and desired filtrate quality. Leopold filters employ Engineered Filter Media® anthracite, the lowest uniformity coefficient (UC) anthracite filter media available. Leopold® Engineered Filter Media® anthracite typically produces consistent improvements in turbidity removal due, in part, to more efficient solids loading. Plus, low-UC media produces smaller changes in effluent turbidity during periods of peak influent turbidity.</p> </div> </div> <p>Funding to support this project will be through the issuance of a 10 year serial bond with projected FY 2012-13 debt service of \$84,000.</p>	<p><b>\$600,000</b></p>
<b>TOTAL</b>	<b>\$600,000</b>



**CONESTOGA-ROVERS  
& ASSOCIATES**

285 Delaware Avenue, Suite 500, Buffalo, New York 14202  
Telephone: 716-856-2142 Facsimile: 716-856-2160  
www.CRAworld.com

August 25, 2011

Reference No. 630885

Kurt W. Hauk, City Engineer  
City of Watertown  
245 Washington Street, Suite 305  
Watertown, New York 13601

Dear Mr. Hauk:

Re: Cost Proposal  
Filter Media Rehabilitation  
Watertown Water Treatment Plant

CRA Infrastructure & Engineering, Inc. (CRA) is pleased to submit one copy of our Cost Proposal for professional engineering services in connection with the above-referenced project for the City of Watertown (City). As requested in the RFP, we are forwarding the Technical Proposal portion for this project under separate cover.

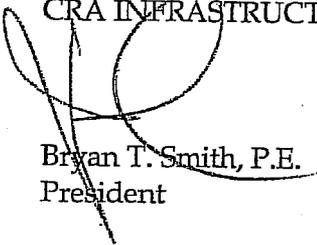
The cost proposal is presented in two distinct parts, Phase I and Phase II as described in the RFP. Our total not-to-exceed fee for the Scope of Work described in the proposal is \$24,700.

We have also attached a copy of our 2011 Standard Rates, which would apply to special requests, reports, or additional services incurred by broadening the original scope.

Thank you for giving CRA the opportunity to submit this proposal. If you have any questions or need additional information, please contact me at (716) 856-2142, or Mr. Eric Haslam at (315) 233-4270 or via email at ehaslam@CRAworld.com.

Yours truly,

CRA INFRASTRUCTURE & ENGINEERING, INC.

  
Bryan T. Smith, P.E.  
President

BTS/las/002

Encls.

cc: Eric Haslam, P.E. - CRA

Equal  
Employment  
Opportunity Employer

REGISTERED COMPANY FOR  
**ISO 9001**  
ENGINEERING DESIGN







## 2011 Fee Schedule

**Principals:** \$163.00 - \$188.00

**Associates:** \$143.00 - \$168.00

**Specialist:** \$168.00 - \$188.00

**Engineers:**

- ◆ Level A \$94.00
- ◆ Level B \$106.00
- ◆ Level C \$116.00 - \$136.00
- ◆ Level D \$142.00 - \$152.00
- ◆ Level E \$157.00 - \$167.00

**Geologists/Hydrogeologists:**

- ◆ Level A \$94.00
- ◆ Level B \$106.00
- ◆ Level C \$116.00 - \$136.00
- ◆ Level D \$142.00 - \$152.00
- ◆ Level E \$157.00 - \$167.00

**Environmental Chemists/Scientists/Planners:**

- ◆ Level A \$89.00
- ◆ Level B \$99.00
- ◆ Level C \$111.00 - \$121.00
- ◆ Level D \$126.00 - \$136.00
- ◆ Level E \$153.00 - \$163.00

**Industrial Hygienists/Safety Professionals:**

- ◆ Level A \$89.00
- ◆ Level B \$99.00
- ◆ Level C \$112.00 - \$132.00
- ◆ Level D \$138.00 - \$148.00
- ◆ Level E \$153.00 - \$163.00

**Information Technologists:**

- ◆ Level A \$89.00
- ◆ Level B \$99.00
- ◆ Level C \$111.00 - \$121.00
- ◆ Level D \$126.00 - \$136.00
- ◆ Level E \$153.00 - \$163.00

**Database Analysts:**

- ◆ Level A \$75.00
- ◆ Level B \$85.00
- ◆ Level C \$100.00 - \$120.00
- ◆ Level D \$132.00 - \$152.00
- ◆ Level E \$157.00 - \$167.00

**Technicians/Technologists:**

- ◆ Level A \$69.00
- ◆ Level B \$79.00
- ◆ Level C \$95.00
- ◆ Level D \$105.00 - \$125.00
- ◆ Level E \$135.00 - \$145.00

**Draft/CADD:**

- ◆ Level A \$63.00
- ◆ Level B \$73.00
- ◆ Level C \$84.00
- ◆ Level D \$94.00
- ◆ Level E \$105.00

**Technical Apprentices:** \$69.00 - \$79.00

**Secretaries/Word Processors:** \$56.00

**Office Clerks<sup>1</sup>:** \$56.00

<sup>1</sup> Office Clerks include: Purchasing/Maintenance/  
Finance/Information Systems/Receptionists/  
Human Resources/Print Room Operators

## AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement dated this \_\_\_ day of November, 2011, by and between the City of Watertown, New York, a New York municipal corporation with principal offices located at 245 Washington Street, Watertown, New York 13601 (the "City"), and CRA Infrastructure and Engineering, Inc., a New York professional corporation with principal offices located at 285 Delaware Avenue, Buffalo, New York 14202 ("Engineer").

### RECITALS

WHEREAS, on July 25, 2011, the City issued a Request for Proposal, providing a scope of work for the provision of professional engineering services in connection with the Filter Media Rehabilitation at the Watertown Water Treatment Plant; and

WHEREAS, Engineer responded to the Request for Proposals by a document entitled "Cost Proposal" dated August 25, 2011, responding to the scope of work to be performed, providing a schedule of fees for services by Phase, and containing a "Not to Exceed" fee for those services; and

WHEREAS, the City and Engineer desire to enter into an Agreement for the provision of the professional services outlined in the City's Request for Proposal and in the Engineer's Fee Proposal dated August 25 2011; and

---

WHEREAS, the provision of engineering services are professional services within the meaning of the New York General Municipal Law; the parties agree as follows:

## AGREEMENT

### 1. Scope of Services.

The scope of services to be performed by Engineer for the City in connection with the Filter Media Rehabilitation is as set forth on the Request for Proposals dated 25 July 2011, a copy of which is attached as Exhibit "A." The total Not-to-Exceed fees to the City for the services to be performed, allocated by Engineer to each identified Phase of Work, is as outlined in Engineer's Fee Proposal attached as Exhibit "B".

Services will consist of final design and will include preparation of plans, specification, and Engineer's estimate. Phase I is completed with a Bid Recommendation from Engineer. Phase I will include answers to contractor questions, issuance of addenda as required, attendance at the bid opening, preparation of the bid tabulation, and a recommendation of award letter. Phase II is completed at the conclusion of the media installation.

Engineer shall provide qualified personnel to perform the assigned work. At all times relevant to this Agreement, Engineer's employees shall be regarded as its employees, and not City employees. Accordingly, Engineer shall be responsible for the payment of all wages, as well as insurances (including Workers' Compensation and disability insurance), and for any and all safety issues pertaining to its employees.

~~Engineer shall maintain commercial general liability coverage during its~~ performance of the services outlined at Exhibit "A", in the minimum amount of \$1,000,000 per person/\$2,000,000 in the aggregate per occurrence, naming the City as an additional insured. Engineer shall provide the City with a certificate of insurance evidencing this coverage prior to commencing work.

**2. City Representative.**

The City Engineer of the City of Watertown shall be the City's approval authority for all services to be performed under this Agreement. The City Engineer shall designate a City representative from whom all assignments to Engineer shall be issued and to whom all reports concerning the engineering services to be performed pursuant to this Agreement shall be provided. The City Engineer's designation of the City's representative shall be in writing.

**3. City to Provide File Documents.**

The City shall provide the Engineer with complete access to the City's file documents concerning the existing facility. It is anticipated that copies of relevant documents will be provided by City staff. When originals are provided, Engineer shall return any original documents upon completion of the task for which they were made available.

**4. City Property.**

All documents, reports, studies, recommendations, plans, and/or instruments of services prepared by Engineer and provided to the City, both written and electronic, shall become the property of the City upon provision.

**5. Term of Agreement.**

~~The performance of services by Engineer shall commence on signing this~~ Agreement. All services required to be performed pursuant to this Agreement shall be performed, to the City Engineer's satisfaction, no later than February 29, 2012.

**6. Payment.**

The Engineer shall submit monthly progress payments for hours worked and reimbursable expenses incurred during that monthly period.

**7. Disputes.**

The venue of any dispute under this Agreement shall be in the New York State Supreme Court in and for Jefferson County, New York.

**8. Notices.**

To the City:                   Watertown City Manager  
                                      City of Watertown  
                                      245 Washington Street  
                                      Watertown, New York 13601

To the Engineer:           CRA Infrastructure and Engineering, Inc.  
                                      Bryan T. Smith, P.E., President  
                                      285 Delaware Avenue, Suite 500  
                                      Buffalo, New York 14202

WHEREFORE, the parties have signed this Agreement this \_\_\_\_ day of November, 2011.

CITY OF WATERTOWN

By: \_\_\_\_\_  
Mary M. Corriveau  
City Manager

CRA INFRASTRUCTURE AND ENGINEERING, INC.

By: \_\_\_\_\_  
Bryan T. Smith, P.E.  
President



1869

CITY OF WATERTOWN  
ENGINEERING DEPARTMENT  
MEMORANDUM

DATE: November 2, 2011

TO: Mary Corriveau, City Manager

FROM: Kurt W. Hauk, City Engineer

SUBJECT: Filter Media Rehabilitation Professional Services Agreement

Enclosed is a copy of the professional services agreement with CRA Infrastructure and Engineering, Inc. for City Council review and approval. The agreement was created for the purposes of performing engineering services for the rehabilitation of the filter media at the water treatment plant for the not to exceed amount of \$24,700.

The firm was selected from a group of six firms that submitted proposals. The RFP for the project was advertised on July 25, 2011 and proposals were due by August 26, 2011.

The agreement language has been reviewed by the City attorney.

cc: Amy Pastuf, Purchasing Agent  
Gary Pilon, Water Superintendent  
Jim Mills, City Comptroller  
File

Ord No. 1

November 7, 2011

To: The Honorable Mayor and City Council

From: James E. Mills, City Comptroller

Subject: Bond Ordinance – Water Treatment Plant Filter Media Replacement

Included in tonight's agenda is a resolution to accept the proposal submitted by CRA Infrastructure & Engineering Inc. for the professional engineering services related to the water treatment plant filter media replacement project in the amount of \$24,700. The project was included in the Fiscal Year 2011-12 Capital Budget at an estimated cost of \$600,000 intended to be financed through the issuance of serial bonds.

**ORDINANCE**

Page 1 of 6

An Ordinance Authorizing the Issuance of \$600,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Cost of the Replacement of Complex Media Filters at the Waste Water Treatment Plant, in and for Said City

Council Member BURNS, Roxanne M.  
Council Member BUTLER, Joseph M. Jr.  
Council Member MACALUSO, Teresa R.  
Council Member SMITH, Jeffrey M.  
Mayor GRAHAM, Jeffrey E.

Total .....

YEA	NAY

***Introduced by***

\_\_\_\_\_

At a regular meeting of the Council of the City of Watertown, Jefferson County, New York, held at the Municipal Building, in Watertown, New York, in said City, on November 7, 2011, at 7:00 o'clock P.M., Prevailing Time.

The meeting was called to order by \_\_\_\_\_, and upon roll being called, the following were

PRESENT:

ABSENT:

The following ordinance was offered by \_\_\_\_\_, who moved its adoption, seconded by \_\_\_\_\_, to wit:

WHEREAS, it appears necessary to replace complex media filters at the City of Watertown's Waste Water Treatment Plant, which is a Type II Action within the meaning of the State Environmental Quality Review Act and requires no environmental review thereunder; and WHEREAS, it is now desired to authorize the financing of such capital project;

NOW, THEREFORE, BE IT ORDAINED, by the Council of the City of Watertown, Jefferson County, New York, as follows:

Section 1. For the specific object or purpose of paying the cost of the replacement of complex media filters at the Waste Water Treatment Plant, in and for the City of Watertown, Jefferson County, New York, including incidental expenses in connection therewith, there are hereby authorized to be issued \$600,000 bonds of said City pursuant to the provisions of the Local Finance Law.

# ORDINANCE

Page 2 of 6

An Ordinance Authorizing the Issuance of \$600,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Cost of the Replacement of Complex Media Filters at the Waste Water Treatment Plant, in and for Said City

Council Member BURNS, Roxanne M.  
 Council Member BUTLER, Joseph M. Jr.  
 Council Member MACALUSO, Teresa R.  
 Council Member SMITH, Jeffrey M.  
 Mayor GRAHAM, Jeffrey E.

YEA	NAY

Total .....

Section 2. It is hereby determined that the estimated maximum cost of the aforesaid specific object or purpose is \$600,000 and that the plan for the financing thereof is by the issuance of the \$600,000 bonds of said City authorized to be issued pursuant to this bond ordinance.

Section 3. It is hereby determined that the period of probable usefulness of the aforesaid specific object or purpose is ten years, pursuant to subdivision four of paragraph a of Section 11.00 of the Local Finance Law.

Section 4. Subject to the provisions of the Local Finance Law, the power to authorize the issuance of and to sell bond anticipation notes in anticipation of the issuance and sale of the bonds herein authorized, including renewals of such notes, is hereby delegated to the City Comptroller, the chief fiscal officer. Such notes shall be of such terms, form and contents, and shall be sold in such manner, as may be prescribed by said City Comptroller, consistent with the provisions of the Local Finance Law.

Section 5. The faith and credit of said City of Watertown, Jefferson County, New York, are hereby irrevocably pledged for the payment of the principal of and interest on such obligations as the same respectively become due and payable. An annual appropriation shall be made in each year sufficient to pay the principal of and interest on such obligations becoming due and payable in such year.

Section 6. Such bonds shall be in fully registered form and shall be signed in the name of the City of Watertown, Jefferson County, New York, by the manual or facsimile signature of the City Comptroller and a facsimile of its corporate seal shall be imprinted thereon and may be attested by the manual or facsimile signature of the City Clerk.

Section 7. The powers and duties of advertising such bonds for sale, conducting the sale and awarding the bonds, are hereby delegated to the City Comptroller, who shall advertise such bonds for sale, conduct the sale, and award the bonds in such manner as he shall deem best for the interests of the City, including, but not limited to, the power to sell said bonds to the New York State Environmental Facilities Corporation; provided, however, that in the exercise of these delegated powers, he shall comply fully with the provisions of the Local Finance Law and any order or rule of the State Comptroller applicable to the sale of municipal bonds. The receipt of the City Comptroller shall be a full acquittance to the purchaser of such bonds, who shall not be obliged to see to the application of the purchase money.

# ORDINANCE

Page 3 of 6

An Ordinance Authorizing the Issuance of \$600,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Cost of the Replacement of Complex Media Filters at the Waste Water Treatment Plant, in and for Said City

Council Member BURNS, Roxanne M.  
Council Member BUTLER, Joseph M. Jr.  
Council Member MACALUSO, Teresa R.  
Council Member SMITH, Jeffrey M.  
Mayor GRAHAM, Jeffrey E.

Total .....

YEA	NAY

Section 8. The power to issue and sell notes to the New York State Environmental Facilities Corporation pursuant to Section 169.00 of the Local Finance Law is hereby delegated to the City Comptroller. Such notes shall be of such terms, form and contents as may be prescribed by said City Comptroller consistent with the provisions of the Local Finance Law.

Section 9. The City Comptroller is hereby further authorized, at his or her sole discretion, to execute a project financing agreement, and any other agreements with the New York State Department of Environmental Conservation and/or the New York State Environmental Facilities Corporation, including amendments thereto, and including any instruments (or amendments thereto) in the effectuation thereof, in order to effect the financing or refinancing of the specific object or purpose described in Section 1 hereof, or a portion thereof, by a bond, and, or note issue of said City in the event of the sale of same to the New York State Environmental Facilities Corporation.

Section 10. The intent of this resolution is to give the City Comptroller sufficient authority to execute those applications, agreements, instruments or to do any similar acts necessary to effect the issuance of the aforesaid bonds and, or notes, without resorting to further action of the City Comptroller.

Section 11. All other matters, except as provided herein relating to such bonds, including determining whether to issue such bonds having substantially level or declining annual debt service and all matters related thereto, prescribing whether manual or facsimile signatures shall appear on said bonds, prescribing the method for the recording of ownership of said bonds, appointing the fiscal agent or agents for said bonds, providing for the printing and delivery of said bonds (and if said bonds are to be executed in the name of the City by the facsimile signature of its City Comptroller, providing for the manual countersignature of a fiscal agent or of a designated official of the City), the date, denominations, maturities and interest payment dates, place or places of payment, and also including the consolidation with other issues, shall be determined by the City Comptroller. It is hereby determined that it is to the financial advantage of the City not to impose and collect from registered owners of such bonds any charges for mailing, shipping and insuring bonds transferred or exchanged by the fiscal agent, and, accordingly, pursuant to paragraph c of Section 70.00 of the Local Finance Law, no such charges shall be so collected by the fiscal agent. Such bonds shall contain substantially the recital of validity clause provided for in Section 52.00 of the Local Finance Law and shall otherwise be in such form and contain such recitals in addition to those required by Section 52.00 of the Local Finance Law, as the City Comptroller shall determine.

ORDINANCE

Page 4 of 6

An Ordinance Authorizing the Issuance of \$600,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Cost of the Replacement of Complex Media Filters at the Waste Water Treatment Plant, in and for Said City

Council Member BURNS, Roxanne M.  
Council Member BUTLER, Joseph M. Jr.  
Council Member MACALUSO, Teresa R.  
Council Member SMITH, Jeffrey M.  
Mayor GRAHAM, Jeffrey E.

Total .....

YEA	NAY

Section 12. The validity of such bonds and bond anticipation notes may be contested only if:

- (1) Such obligations are authorized for an object or purpose for which said City is not authorized to expend money, or
- (2) The provisions of law which should be complied with at the date of publication of this resolution are not substantially complied with, and an action, suit or proceeding contesting such validity is commenced within twenty days after the date of such publication, or
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

Section 13. This resolution shall constitute a statement of official intent for purposes of Treasury Regulations Section 1.150 2. Other than as specified in this resolution, no monies are, or are reasonably expected to be, reserved, allocated on a long term basis, or otherwise set aside with respect to the permanent funding of the object or purpose described herein.

Section 14. This ordinance, which takes effect immediately, shall be published in summary in the Watertown Daily Times the official newspaper, together with a notice of the City Clerk in substantially the form provided in Section 81.00 of the Local Finance Law.

Unanimous consent moved by \_\_\_\_\_, seconded by \_\_\_\_\_, with all voting "AYE".

The question of the adoption of the foregoing ordinance was duly put to a vote on roll call, which resulted as follows:

\_\_\_\_\_ VOTING \_\_\_\_\_  
 \_\_\_\_\_ VOTING \_\_\_\_\_  
 \_\_\_\_\_ VOTING \_\_\_\_\_  
 \_\_\_\_\_ VOTING \_\_\_\_\_  
 \_\_\_\_\_ VOTING \_\_\_\_\_

The ordinance was thereupon declared duly adopted.

\* \* \* \* \*

ORDINANCE

Page 5 of 6

An Ordinance Authorizing the Issuance of \$600,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Cost of the Replacement of Complex Media Filters at the Waste Water Treatment Plant, in and for Said City

Council Member BURNS, Roxanne M.  
Council Member BUTLER, Joseph M. Jr.  
Council Member MACALUSO, Teresa R.  
Council Member SMITH, Jeffrey M.  
Mayor GRAHAM, Jeffrey E.

Total .....

YEA	NAY

APPROVED BY THE MAYOR

\_\_\_\_\_, 2011.  
Mayor

STATE OF NEW YORK     )  
  ) ss.:  
COUNTY OF JEFFERSON    )

I, the undersigned Clerk of the City of Watertown, Jefferson County, New York, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Council of said City, including the ordinance contained therein, held on November 7, 2011, with the original thereof on file in my office, and that the same is a true and correct transcript therefrom and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that all members of said Council had due notice of said meeting.

I FURTHER CERTIFY that, pursuant to Section 103 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public.

I FURTHER CERTIFY that, PRIOR to the time of said meeting, I duly caused a public notice of the time and place of said meeting to be given to the following newspapers and/or other news media as follows:

Newspaper and/or other news media   Date given  
Regular meeting of the City Council held in accordance with Section 14-1 of the  
Municipal Code

I FURTHER CERTIFY that PRIOR to the time of said meeting, I duly caused public notice of the time and place of said meeting to be conspicuously posted in the following designated public location(s) on the following dates:

Designated Location(s) of Posted Notice    Date of Posting

**ORDINANCE**

Page 6 of 6

An Ordinance Authorizing the Issuance of \$600,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Cost of the Replacement of Complex Media Filters at the Waste Water Treatment Plant, in and for Said City

Council Member BURNS, Roxanne M.  
Council Member BUTLER, Joseph M. Jr.  
Council Member MACALUSO, Teresa R.  
Council Member SMITH, Jeffrey M.  
Mayor GRAHAM, Jeffrey E.

Total .....

YEA	NAY

Regular meeting of the City Council held in accordance with Section 14-1 of the Municipal Code

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said City on November \_\_\_\_\_, 2011.

\_\_\_\_\_  
City Clerk

(CORPORATE  
SEAL)

**FISCAL YEAR 2011-2012  
CAPITAL BUDGET  
FACILITY IMPROVEMENTS  
WATER TREATMENT PLANT**

PROJECT DESCRIPTION	COST
<p>Water Treatment Plant Process Complex Filter Media Replacement:</p> <p>The filter media in the five (5) multi-media filters at the Water Treatment Plant is a key component of the water treatment process. During a comprehensive performance evaluation of the facility representatives from the New York State Department of Health found that the media was beginning to lose its efficiency. There were indications that portions of the ceramic underdrains might be in need of replacement, as well. The DOH recommended that consideration be given to replacing the media as soon as possible.</p> <div style="display: flex; justify-content: space-between;"> <div data-bbox="162 892 657 1617" style="width: 45%;"> <p><b>Media Filtration</b></p> </div> <div data-bbox="673 892 1193 1617" style="width: 45%;"> <p><b>Leopold® Engineered Filter Media® Anthracite</b></p> <p>The filter media in a Leopold filter—media quality, bed composition, bed depth, and grain size distribution—is designed according to filter configuration, raw water quality, pretreatment, and desired filtrate quality. Leopold filters employ Engineered Filter Media® anthracite, the lowest uniformity coefficient (UC) anthracite filter media available. Leopold® Engineered Filter Media® anthracite typically produces consistent improvements in turbidity removal due, in part, to more efficient solids loading. Plus, low-UC media produces smaller changes in effluent turbidity during periods of peak influent turbidity.</p> </div> </div> <p>Funding to support this project will be through the issuance of a 10 year serial bond with projected FY 2012-13 debt service of \$84,000.</p>	<p><b>\$600,000</b></p>
<b>TOTAL</b>	<b>\$600,000</b>



CITY OF WATERTOWN  
ENGINEERING DEPARTMENT  
MEMORANDUM

DATE: November 1, 2011

TO: Mary Corriveau, City Manager

FROM: Kurt W. Hauk, City Engineer

SUBJECT: Wastewater Treatment Plant Outfall Disinfection System Design

This memorandum serves as both an update to the Disinfection System Project for the WWTP and also requests concurrence from the City Council to proceed with the next phase of the project.

The new State Pollution Discharge Elimination System (SPDES) permit for the WWTP effective February 1, 2011 incorporated new language requiring the installation of a disinfection system to the outfalls of the Wastewater Treatment Plant. The new language required the basis of design to be submitted within 8 months of the effective date of the new permit. The Council was briefed about these developments and the time requirements at the meeting of January 17, 2011.

The Council approved an agreement with Stearns and Wheler GHD on March 7, 2011 to perform the basis of design of the disinfection system for submittal and approval by the NYSDEC. The basis of design was submitted to the NYSDEC in August 2011, and we expect the approval within a few days or weeks.

When that approval is granted, another time constraint will be placed on the City to complete the final design and construction. In anticipation of that time constraint, we are seeking City Council approval/concurrence to begin negotiations with Stearns and Wheler GHD for a Professional Services Agreement for Design and Construction Inspection. The hope being that the agreement can be well on its way to being finalized when approval is granted from the NYSDEC. The Council will have the opportunity to approve the final agreement prior to its implementation

The basis of design recommendation is to construct a sodium hypochlorite disinfection system for each outfall at the WWTP.

cc: Amy Pastuf, Purchasing Agent  
Mike Sligar, Chief Operator STP  
File



October 20, 2011



Ms. Mary Corriveau  
City Manager  
City Hall, Municipal Bldg  
Washington Street  
Watertown NY 13601

Dear Mary Corriveau:

Enclosed is our statistical summary for NYS Small Business Development Center (SBDC) at Jefferson Community College. This data is representative of our Federal year October 1, 2010 through September 30, 2011. All funding dollars invested by our clients as well as the jobs that were saved and or created are verified by our clients through independent surveys.

This past year was again difficult for our business economies to gain access to funding. The recession continues to impact business sales creating some cash flow problems for many of them. Our counseling services remained in high demand with 798 clients utilizing them with 63 businesses receiving funding and investing significant investment dollars in our community.

Should you have any questions about our programs, please give me a call.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Constance".

Eric Constance  
Regional SBDC Director

Enclosure  
res

## Statistical Summary

Gender	Military	Workshops
41% Female	26 %	38
59% Male		1787 Attendees

### JOBS

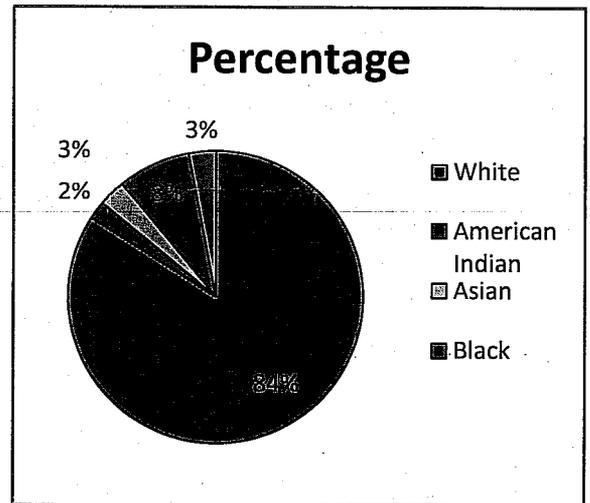
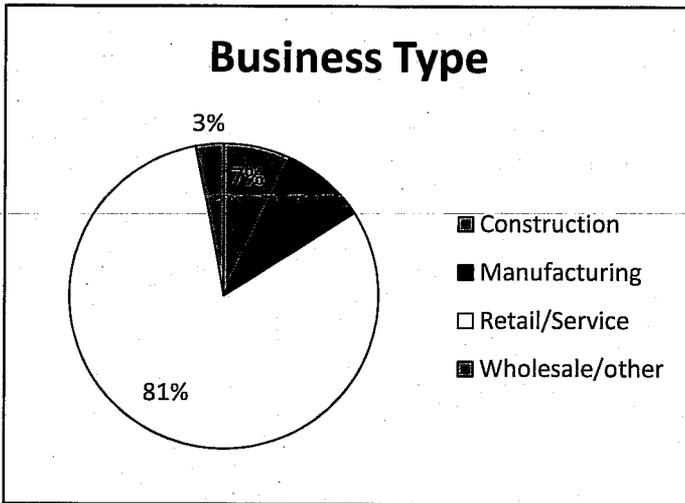
<u>Saved</u>	<u>Created</u>
139	195

#### Clients

Oswego – 208  
 Watertown – 590  
 Total        798

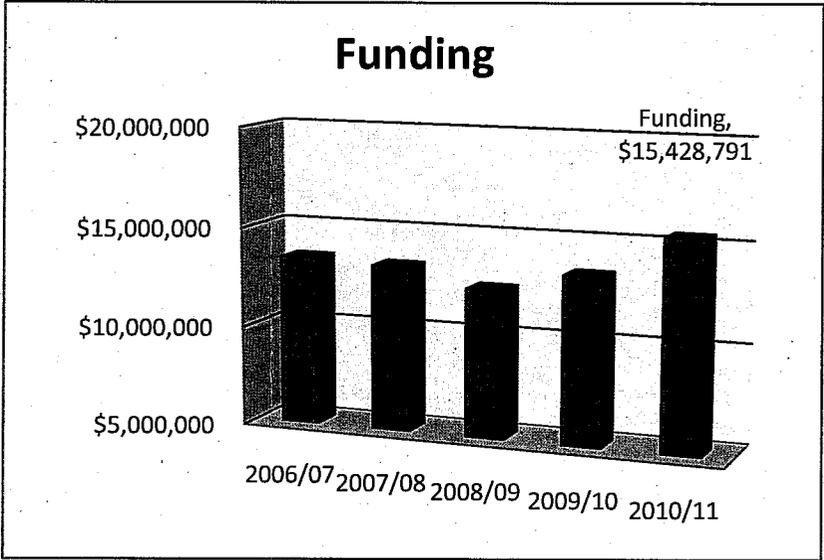
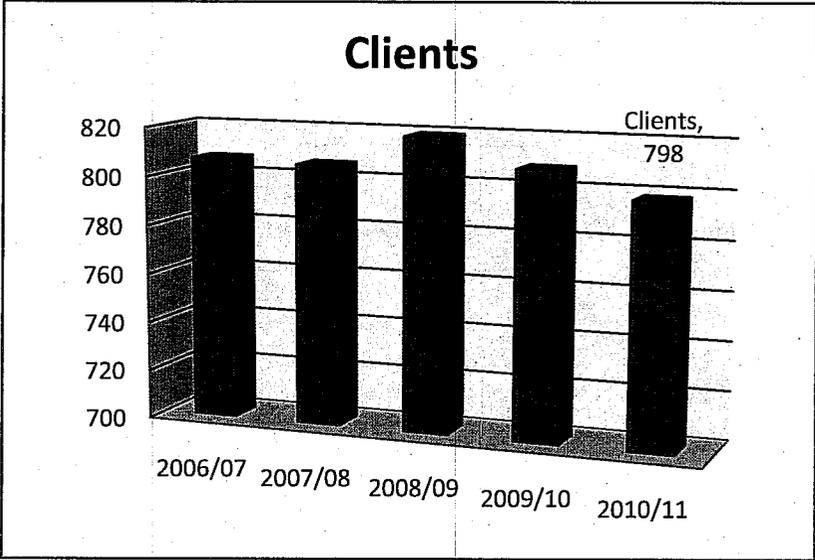
#### Impact

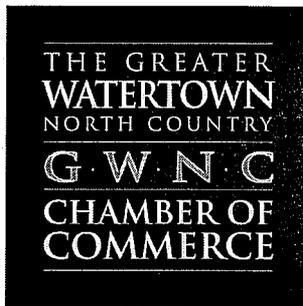
\$15,428,791.05  
 63 Funding projects



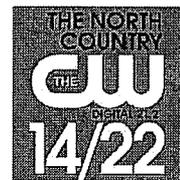
# Watertown Regional SBDC

## Client Statistics





*Sponsored By*



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## **Nominations for the 60<sup>th</sup> Annual Israel A. Shapiro Citizenship Award**

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Nominations are now being accepted for the 2011 Israel A. Shapiro Citizenship Award, which is presented annually by the Greater Watertown - North Country Chamber of Commerce to an outstanding citizen of the Watertown area. The award was established by Arnold I. Shapiro to honor the memory of his father, a long time business leader in this community. A director of the Chamber at the time of his father's death in 1952, Mr. Shapiro sensed a need in Watertown for a symbolic annual recognition of exceptional leadership on behalf of our city. Over the years, the award has been presented to many deserving individuals for their contributions and service to our community.

You are invited to submit your choice of candidate for this prestigious recognition.

The following is the official entry form to be used in submitting the name of your candidate. News clippings, photos, and other supporting documents may be added to the form.

### **THE NOMINATION PROCEDURE:**

---

1. All nominations are to be submitted on the official entry form. The forms may be augmented with clippings or other documentary materials. The number of support letters is limited to three (3). Nominations may be male or female.
2. Nominations must be received by the Chamber office no later than **Wednesday, November 30, 2011 at 4 p.m.**
3. Entries will be judged by a review board made up of five past recipients of the award. Their names will not be made public.
4. The review board will meet in December to make their decision and announcement. The award itself will be formally presented at the Greater Watertown – North Country Chamber of Commerce Annual Membership Dinner on Thursday, February 2, 2012 (tentatively).
5. **Please enclose a professional photograph of the Nominee and also be prepared to send the photo electronically should your nominee be selected.**

Thank you for participating and acting as a nominator in the 60<sup>th</sup> Annual Israel A. Shapiro Citizenship Award.

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## **60<sup>th</sup> ANNUAL ISRAEL A. SHAPIRO CITIZENSHIP AWARD**

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### **RULES AND PROCEDURES**

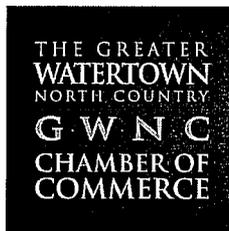
The official entry form must be used for all nominations for the 2011 Israel A. Shapiro Citizenship Award. The following rules will be observed:

1. The nominee must be a person 18 years or older and must reside in Jefferson County.
2. Emphasis will be placed on community activities or involvement by the nominee during the calendar year of 2011. However, significant accomplishments from past years may be included as additional supporting evidence.
3. The award is made on the basis of outstanding citizenship and/or for outstanding contribution in civic or social welfare activity. Entries will be judged on five key areas:
  - **OUTSTANDING CITIZENSHIP**
  - **ACHIEVEMENT**
  - **LEADERSHIP**
  - **DEDICATION**
  - **MOTIVATION**
4. Attention should be directed to those individuals who act in a volunteer capacity, with dedication and motivation to contribute without any thought of reward. Nominations made for individuals who are in a paid capacity and whose acts or contributions are a part of their employment duties will not be considered. The same rule applies to those who are not paid, but an implied obligation exists to perform such acts or contributions.
5. There are no posthumous awards.
6. The review board has the right to waive the award in any year where it is felt that a suitable nominee has not been presented. The judgment of the review board is final.

---

**Nominations must be submitted no later than 4:00pm Wednesday, November 30, 2011 to:**

**Israel A. Shapiro Award Committee  
Attn: Michelle Farrell  
Greater Watertown - North Country Chamber of Commerce  
1241 Coffeen Street  
Watertown, New York 13601  
(315) 788-4400  
Fax: (315) 788-3369  
E-Mail: [events@watertownny.com](mailto:events@watertownny.com)  
[www.watertownny.com](http://www.watertownny.com)**



## 60th ANNUAL ISRAEL A. SHAPIRO CITIZENSHIP AWARD

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### NOMINATION FORM

Please print or type:

NAME of NOMINEE: \_\_\_\_\_

HOME ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

EMPLOYER: \_\_\_\_\_

BUSINESS ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

TELEPHONE:(HOME) \_\_\_\_\_ (WORK) \_\_\_\_\_

E-MAIL: \_\_\_\_\_

OCCUPATION: \_\_\_\_\_

NAME OF PERSON

SUBMITTING ENTRY: \_\_\_\_\_

---

SPONSORING

ORGANIZATION: \_\_\_\_\_

DAYTIME

TELEPHONE: \_\_\_\_\_

**60th ANNUAL ISRAEL A. SHAPIRO CITIZENSHIP AWARD**

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**KEY CRITERIA:**

- **OUTSTANDING CITIZENSHIP**
- **ACHIEVEMENT**
- **LEADERSHIP**
- **DEDICATION**
- **MOTIVATION**

**DEADLINE: Wednesday, November 30, 2011 4 PM**

**Describe how the nominee meets these criteria.  
Please be as specific as possible.**

Additional pages may be attached to this form, including news clippings, photos and other supporting documents. Please limit the number of letters of support to three (3).

1. Outstanding Citizenship:

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2. Achievement:

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3. Leadership:

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4. Dedication:

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5. Motivation:

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# Tree Watertown

245 Washington Street, Watertown, New York 13601

Phone – (315) 785-7734

## MEDIA RELEASE

For Immediate Release  
November 1, 2011

Contact: Michael A. Lumbis,  
Tree Watertown Member (315) 785-7734

### **TREE WATERTOWN TO PLANT 13 TREES AT STARBUCK ELEMENTARY**

On ***Saturday, November 5, 2011 at 9:00 a.m.***, Tree Watertown will be conducting its 10<sup>th</sup> annual fall tree planting project on the grounds of Starbuck Elementary. Tree Watertown, which serves as the City's Street Tree Advisory Board, is working in conjunction with several organizations and volunteers to plant a total of 13 bare root trees.

The project brings together several organizations that are working together to improve the community. Tree Watertown has purchased the trees for the project and the City Department of Public Works has pre-dug the tree planting holes. Volunteers from Tree Watertown will be joined by Master Gardeners from Cornell Cooperative Extension and students, parents and staff from Starbuck Elementary to plant the trees on Saturday.

The project will serve to beautify the school grounds while furthering the goals of Tree Watertown to increase the tree canopy in the City and to educate the community about the benefits of planting trees.

The fall planting has become an annual project for Tree Watertown and supplements other spring tree planting efforts in the City. Trees planted during any season improve the community's quality of life, provide beauty and shade for our neighborhoods, schools and parks and help clean the air by filtering pollution and producing oxygen that we breathe.

Tree Watertown invites anyone who is interested to join us at 9:00 a.m. at Starbuck Elementary on East Hoard Street to help plant the trees.

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