

Northern Westchester Joint Water Works

NWJWW Board of Trustees Meeting – April 25, 2025

Raymond A. Reber Catskill Water Treatment Facility 2065 East Main Street, Cortlandt Manor, NY

Convened at 10:02 A.M.

Adjourned at 10:42 A.M.

A.M. Present:

Edward Lachterman, Chairperson	Matthew Geho, Operations Director, absent
Richard Becker, Vice Chairperson	Catherine Paget, Business Director
Jeffrey Scott, Montrose Representing Commissioner	Michael Cunningham, Attorney
Robert Scorrano, Trustee	Donna Albanese, Recording Sec’y
Phil Walko, Chief Operator	Mark Rowe, Assistant Chief Operator
Alan Kassay, PKF O’Connor Davies, left at 10:18 A.M.	Linda Taber, Accountant

A motion was made by Trustee Scorrano to adopt the March 21, 2025 minutes. Motion was seconded by Trustee Becker. Motion approved 3-0. MID Commissioner Jeffrey Scott refrained from voting.

Presentation of 2024 Financial Audit by PKF O’Connor Davies

Mr. Kassay from PKF O’Connor Davies presented the 2024 financial audit. He reviewed the independent auditor’s report and issued an unmodified opinion which is the best opinion you can receive. The opinion was based upon the work which was performed in accordance with government audit standards. He gave a narrative overview of the financial activities taken place over the 2024 year written by Mrs. Paget.

Mr. Kassay reviewed the comparative statement of net position. The Joint Water Works is on a full accrual accounting basis. You record all your liabilities, capital assets, pension expenses and other post-employment benefits based on the actuary analysis. Current assets increased from \$11.6 million to \$12.6 million and due from other governments increased slightly. The capital assets are \$14,440,000.

Current assets are new this year from GASB statement 101 for government municipalities. Mr.

Kassay reported that they had to do a calculation of what we estimate going forward and this must appear on the financial statements. Compensated absences were \$239,000 with a tax liability of \$1.6 million. Other post-employment benefits decreased slightly from \$9.3 million to \$8.6 million based on bi annual actuarial analysis. The total OPEB liability at the beginning of the year is \$9,343,068. The service cost is \$270,000 and interest is \$367,875. Mr. Kassay said that the only way to fund this liability is to put the money into an irrevocable trust. New York State does not have an irrevocable trust that will allow you to do that. Since you cannot invest and offset the liabilities from the earnings investment, you get charged interest.

He mentioned that you have differences between expected and actual experience of \$370,00 and changes in assumptions or other inputs of \$635,000. The actual benefits paid in the current year are \$318,000. The total liabilities are \$11.9 million down from \$12.6 million. Net investment in capital assets is basically capital assets less debts outstanding to purchase those assets. Since there is none, the net investment in capital assets is equal to capital assets of \$14,400 million and the unrestricted net position is \$997,000 down from \$1.2 million.

Mr. Kassay compared 2023 and 2024 revenues. Regarding revenue, the overall revenue increased about 9% which came from the water sales and water charges for services. Regarding operating expenses, water purchases and personal services increased slightly. Mrs. Paget mentioned that water treatment operations included the \$462,000 for periodic removal of the lagoon residuals at the Amawalk Water treatment plant. Since this is every three years, the year to year difference is nominal.

Mr. Kassay mentioned that the total operating expenses for the year were \$13,120,940 which increased about 10% from 2023. When you include net interest income and rental income your change in net position from modified to full accrual basis is (\$668,350). If you add that to the OPEB accrual, it is a reduction. Depreciation should be about \$1,144,000. Compensated absences are an additional \$34,000. GASB 68 which is the pension is an adjustment of \$116,000. If you adjusted the depreciation, the change in net position of the modified accrual basis is \$494,000. Based on actual operations, you have a surplus of almost \$500,000.

On the manager's report, there were no deficiencies or weakness. The audit went smoothly as it always does with Mrs. Paget at the helm. Mrs. Paget mentioned that it is always a pleasure working with Mr. Kassay and thanks to the staff for their input on the audit to make it run smoothly along with their record keeping.

Mr. Kassay said that with the new GASB announcement regarding the compensated absences, it requires a lot of work to come up with the liability. Before you had to estimate how much the employees earned by the end of the year and the contracts, limitations and current salary rate to come up with the liability. Now with the new GASB pronouncement you have to do that and estimate how much they earned at the end of the year and used the next year. When someone retires you record the liability. Other than that, it does not affect your liability.

Trustee Becker asked if there were any red flags as far as liabilities or debt while doing the audit and Mr. Kassay said that the only debt we had was for the amount to other governments, the OPEB and the compensated absences paid out over the lifetime of all employees.

Request for permission to advertise for bid or request for proposal:

For Electrician Contractor services
For Chemical Supply and Residuals Removal
For Contractor Emergency Services
For Laboratory Services
For Computer Workstation Replacements
For Catskill Plant HVAC Replacements capital project

Trustee Becker asked if we can get a 2-year deal to renew. Mrs. Paget mentioned for the Contractor electrical services, lab services, contractor emergency services we usually have multiyear options for extending. The chemical and residuals we have discussed that internally because the market fluctuates it is hard for vendors to commit to that. It is not advantageous to us so we tend to do that annually.

A motion was made by Trustee Becker to approve to advertise to bid the following services: electrician contractor services, chemical and supply and residuals removal, contractor emergency services, laboratory services computer workstation replacements and Catskill Plant HVAC replacements capital projects. A motion was seconded by Trustee Scott. Motion approved 4-0.

Request for approvals:

Review results and request award for Bid #2025.1 Landscaping and Grounds Maintenance
Request approval for proposal for Cybersecurity Audit
Request approval to renew Workers Compensation insurance coverage
Request approval for Gentile Construction proposal for road and driveway restoration
Reimburse Business Director for domain address license renewals.

A motion was made by Trustee Becker to award Love Your Home LLC for Bid # 2025.1 Landscaping and Grounds Maintenance for May 2025-October 2025 services. A motion was seconded by Trustee Scott. Motion approved 4-0.

A motion was made by Trustee Becker to award PFK O'Connor Davies the proposal for cybersecurity risk assessment audit of the NWJWW network and SCADA systems to be in compliant with the New York State Department of Health regulations. The proposal is not to exceed \$17,500 plus expenses. A motion was seconded by Trustee Scott. Motion approved 4-0.

A motion was made by Trustee Becker to approve the workers compensation premium renewal to PERMA (Public Employees Risk Management Association) in the amount of \$77,007. A motion was seconded by Trustee Scott. Motion approved 4-0.

A motion was made by Trustee Becker to approve a proposal from Gentile Construction not to exceed \$22,928.50 for road and driveway restoration along Route 35 and Mohansic Creek Road in Amawalk during the November 2024 Route 35 water main break. A motion was seconded by

Trustee Scott. Motion approved 4-0.

A motion was made by Trustee Becker to approve to reimburse the Business Director \$257.94 for the cost of renewing the NWJWW domain licenses. A motion was seconded by Trustee Scott. Motion approved 4-0.

Attorney's Report

Mr. Cunningham said that the award to Gentile Construction is just to do repair and driveway restoration on a water main break.

Mr. Cunningham said that we modified the contract for Woodard and Curran to review the options for the Amawalk Plant. We did a minor phase one not to exceed \$285,000. We do not know exactly the way they are going whether it is better to put the pipe down and go near Bedford to the new water source or repair the Amawalk Plant. Woodard and Curran will do the preliminary estimate then the drawings and give us the details. Trustee Scorrano said we need to see about the new updates and regulations.

Business Director's Report

Mrs. Paget said we are done with both the Joint Water Works and Montrose audits. We are working on the annual financial report for the New York State Comptroller's report which is due on April 30th. She is working with Mr. Craig Rodrigues, Montrose Improvement District Treasurer, for the Joint Water Works because he has to certify the report.

Mrs. Paget inquired with the New York State Environmental Facilities Corporation that if the Water Works as an independent entity is eligible to apply for grants without having one of the municipalities be the agency and their legal department responded yes. Grant submissions and considerations can be held by this entity individually. Any debt that may occur over and above grants versing projects cannot be held by the Joint Water Works. Each member would have to be responsible for that piece if and when it becomes to that decision-making. In the near future she will reach out to their community team and schedule a meeting here or a presentation to the Board. It is relatively new to what the processes are.

Operations Director's Report (absent Chief Operator will report)

Mr. Walko, Chief Operator, mentioned that Mr. Geho put together a quarterly report for the Board. If the Board has any questions, they can reach out to either him or Mr. Mark Rowe, Assistant Chief Operator. Both gave their business cards in case the Board needs to reach them in Mr. Geho's absence.

A motion was made by Trustee Becker to receipt and file the 2025 1st quarter Operations Report. A motion was seconded by Trustee Scorrano. Motion approved 4-0.

A motion was made by Trustee Scott at 10:27 A.M. to enter into executive session. The motion was seconded by Trustee Becker. Motion approved 4-0.

A motion was made by Trustee Becker at 11:39 A.M. to exit executive session. The motion was seconded by Trustee Scott. Motion approved 4-0.

A motion was made by Trustee Becker to make a permanent appoint to Mr. Brian Bradley and Mr. Harold Holmes to 1A operator. A motion was seconded by Trustee Scott. Motion approved 4-0.

A motion was made by Trustee Becker to make a permanent appoint to Mr. Mark Rowe, Assistant Chief Operator. A motion was seconded by Trustee Scott. Motion approved 4-0.

A motion was made by Trustee Becker for an authorized leave of absence for Mr. Matthew Geho for medical reasons. A motion was seconded by Trustee Scott. Motion approved 4-0.

A motion was made by Trustee Becker to canvas a Senior Office Assistant Manager list form the Department of Civil Service. A motion was seconded by Trustee Scott. Motion approved 4-0.

A motion was made by Trustee Scott at 10:42 A.M. to adjourn the meeting. A motion was seconded by Trustee Scorrano. Motion approved 4-0.

Resolution #2025-35

A motion was made by Trustee Scorrano to adopt the March 21, 2025 minutes. Motion was seconded by Trustee Becker. Motion approved 3-0. MID Commissioner Jeffrey Scott refrained from voting.

Resolution #2025-36

A motion was made by Trustee Becker to approve to advertise to bid for the following services: electrician contractor services, chemical and supply and residuals removal, contractor emergency services, laboratory services computer workstation replacements and Catskill Plant HVAC replacements capital projects. A motion was seconded by Trustee Scott. Motion approved 4-0.

Resolution #2025-37

A motion was made by Trustee Becker to award Love Your Home LLC for Bid # 2025.1 Landscaping and Grounds Maintenance for May 2025-October 2025 services. A motion was seconded by Trustee Scott. Motion approved 4-0.

Resolution #2025-38

A motion was made by Trustee Becker to award PFK O'Connor Davies the proposal for cybersecurity risk assessment audit of the NWJWW network and SCADA systems to be in compliant with the New York State Department of Health regulations. The proposal is not to exceed \$17,500 plus expenses. A motion was seconded by Trustee Scott. Motion approved 4-0.

Resolution #2025-39

A motion was made by Trustee Becker to approve the workers compensation premium renewal to PERMA (Public Employees Risk Management Association) in the amount of \$77,007. A motion was seconded by Trustee Scott. Motion approved 4-0.

Resolution #2025-40

A motion was made by Trustee Becker to approve a proposal from Gentile Construction not to exceed \$22,928.50 for road and driveway restoration along Route 35 and Mohansic Creek Road in Amawalk during the November 2024 Route 35 water main break. A motion was seconded by Trustee Scott. Motion approved 4-0.

Resolution #2025-41 *A motion was made by Trustee Becker to approve to reimburse the Business Director \$257.94 for the cost of renewing the NWJWW domain licenses. A motion was seconded by Trustee Scott. Motion approved 4-0.*

Resolution #2025-42

A motion was made by Trustee Becker to receipt and file the 2025 1st quarter Operations Report. A motion was seconded by Trustee Scorrano. Motion approved 4-0.

Resolution #2025-43

A motion was made by Trustee Becker to make a permanent appoint to Mr. Brian Bradley and Mr. Harold Holmes to 1A operator. A motion was seconded by Trustee Scott. Motion approved 4-0.

Resolution #2025-44

A motion was made by Trustee Becker to make a permanent appoint to Mr. Mark Rowe, Assistant Chief Operator. A motion was seconded by Trustee Scott. Motion approved 4-0.

Resolution #2025-45

A motion was made by Trustee Becker for an authorized leave of absence for Mr. Matthew Geho for medical reasons. A motion was seconded by Trustee Scott. Motion approved 4-0.

Resolution #2025-46

A motion was made by Trustee Becker to canvas a Senior Office Assistant Manager list form the Department of Civil Service. A motion was seconded by Trustee Scott. Motion approved 4-0.