

Northern Westchester Joint Water Works

NWJWW Board of Trustees Meeting – August 4, 2023

Convened at 10:10 A.M.

Adjourned at 11:58 A.M.

Present:

Jeffrey Scott, Chairperson	Matthew Geho, Operations Director
Robert Scorrano, Vice Chairperson	Catherine Paget, Business Director
Thomas Diana, Treasurer	Michael Cunningham, Attorney
Richard Becker, Trustee	Donna Albanese, Recording Sec’y
	Charles Peterson, MID Commissioner

A motion was made by Trustee Becker to adopt the June 16, 2023 minutes. Motion was seconded by Trustee Scorrano. Motion approved 4-0.

Trustee Scott reintroduced Mr. Charles Peterson, the Montrose Improvement District Commissioner who will be representing the Montrose Improvement District in 2024.

Review results and request award Bid# 2023.8 Catskill Paving and Site Improvements

Matthew Geho mentioned that we had a project on the capital plan this year to repave the grounds at the Catskill Water Treatment plant. A bid was put out for this in conjunction with the driveway and parking areas. Since we put together that budget proposal, we had an issue with our low lift steps. We included in this bid replacement of our low lift steps, a catch basin that failed and paving of 74 Locust Avenue which has rock and mud. This will be ripped up and the walkway replaced from the street to the house and the curb will be replaced. Currently, 82 Locust Avenue has a cone in the driveway and is in bad shape. The price that came in is greater than what we projected.

We held two walk-throughs as only one bidder showed up to the first walk-through. Three bidders showed up to the second walk-through. The first bid came in at \$205,250 and the second bid came in at \$381,310. We reached out to the third contractor who participated in the walk through and he said he did not like the terms of the contract, that it was a lump sum and he was too busy.

In 2020 Ben Cozzi Inc. did exceptional paving work at the Amawalk Water Treatment Plant and they were \$100,000 lower than the highest bidder at that time. It is \$85,000 more than what we had projected in 2022 when we set the budget but there is a lot of work.

In the capital plan we budgeted for \$150,000 to replace the HVAC systems here. We only replaced

components of the HVAC system through our O and M so we have not touched that money. The \$150,000 plus the \$120,000 that we originally budgeted would offset this additional cost. The concrete at the low lift plant steps has failed. Aluminum pre-fabricated OSHA certified steps will replace the current steps.

Mrs. Paget mentioned that we advertise our bids on Bidnet, the Empire State bidding system. Multiple vendors are automatically receiving the notification that the documents are advertised and available. We had a pool of 50 vendors that were interested in receiving the bid for this project. She mentioned it because only a few vendors showed up. It is also legally advertised in the Journal News. Ms. Albanese mentioned that she runs a report to show which vendors receive the notification and then downloads a report to show which vendors actually download the bid.

A motion was made by Trustee Diana to award Bid# 2023.8 paving and repair work for the Catskill Water Treatment Plant to Ben Cozzi Inc. in the amount of \$205,250. A motion was seconded by Trustee Becker. Motion approved 4-0.

Review results and request award Bid# 2023.9 Catskill DAF Actuators – Valves

Mr. Geho mentioned that we put a bid out for the actuators because they are 24 years old and a critical component for the overall operation of the plant. One failed but we were able to piecemeal to get through. There was a deviation of the bid prices. Technical Components who is the vendor that we have used exclusively for the Rotork actuators are sole source. Corrosion Products and Equipment came in for an actuator by the name of Bernard which is a reputable company we had researched who have been in the industry for 30 years. Rotork had taken some of their technology and modified it. The price is higher for the Rotork and we feel that for this particular application we do not need this technology to be there. Corrosion Products and Equipment, the lowest bidder came in at \$32,064. This is something we are going to fund through the fund balance as a capital project. The second bidder Technical Components came in at \$74,766.12. The two different technologies are identical and this will be easier to integrate with future technology.

Trustee Scorrano asked how much is left in the fund balance. Mrs. Paget reported \$7.5 million which is exclusive of the 25% that is mandated to be available for operating needs over the cost of the year. We develop the 20 cents per thousand rate which is meant to be a rolling figure so that you are always doing projects and always paying it out of fund balance and recouping that through water sales each year.

Mr. Geho thinks we are spending about \$550,000 on average for capital projects and bringing in about \$480,000 and Mrs. Paget says it will fluctuate based on demand. We drew down on the fund balance for the Amawalk generator project. We have done all the upgrades but kept the balance steady. The actuators are a critical component and Mr. Geho stated that if we did not have the money he would not be doing this and for this cost we are doing the work in house so we are saving on insulation and integration costs.

A motion was made by Trustee Becker to award Bid #2023.9 Catskill DAF Electric Actuators and Valves to Corrosion Products and Equipment in the amount of \$32,064. A motion was seconded by Trustee Diana. Motion approved 4-0.

Mr. Geho reported that we put a bid out for gates which is part of the security upgrade. This will

include fixing the fences at both the Catskill and Amawalk Plants and replacing the gates with automatic high security gates. Currently, we have the gates on rollers. Mr. Geho has concerns over the lowest bid. Regarding the second lowest bidder, Mr. Geho received information from them but he would like to talk it over with Mr. Michael Cunningham. He is looking to make the award at the next Board meeting. Once we do this, we can integrate the IP cameras so we can get our security system upgraded. Right now, we have coaxial cameras. Trustee Becker said that the Town of Cortlandt signed a fencing contractor so maybe the Joint Water Works can piggyback off of that bid. Mr. Geho said that if we bought the gate outright would they be able to install it. Mrs. Paget said that you have to procure the gate. Mr. Cunningham mentioned that Mr. Steve Ferreira would know the operational aspect and to reach out to purchasing.

Request to rescind May 31, 2023 budget transfers and approve budget transfers dated July 25, 2023

Mrs. Paget prepared a schedule of budget transfers which includes the budget transfers which were approved on May 13, 2023. In that short window of time, we had incurred some additional operator training expenses and other obligations which would require some of the lines we thought we would transfer out of to cover those obligations. We are asking to rescind the previously approved budget transfers in the amount of \$3,958 and asking to approve budget transfers of \$14,344. Most of what is on there is a repeat of what we did last month where we are funding operator training and related travel for that. We are also asking to move additional monies around to pay for replacing the front door entrance at the Amawalk Water Treatment Plant as well as offset costs for tank inspections in bulk meter calibrations there. These are no budget increases in any budgetary lines.

A motion was made by Trustee Becker to rescind the May 31, 2023 budget transfers and approve budget transfers dated July 25, 2023 in the amount of \$14,344. A motion was seconded by Trustee Diana. Motion approved 4-0.

Request approval of retainage release to TAM Industries for Bid# 2021.3 Amawalk Clarifiers project

Mrs. Paget mentioned that the amount on deposit for TAM Industries is correct from what we withheld. Mr. Geho said that for part of that contract for one year during the warranty period we hold 10% of the cost which is \$30,918.85. We had a warranty issue that TAM Industries has addressed.

A motion was made by Trustee Scorrano to release \$30,918.85 retainage to TAM Industries for Bid #2021.1 for replacement of Clarifiers #1 and #2 at the Amawalk Water Treatment Plant. A motion was seconded by Trustee Becker. Motion approved 4-0.

Request to approve reimbursement to Business Director for expenses incurred for June 16, 2023 Trustees Meeting

Mrs. Paget asked to be reimbursed for lunch expenses from the June 16, 2023 Board of Trustees meeting held at the Amawalk Water Treatment Plant. The Board had approved a budget for no more than \$300 and we spent \$220.58.

A motion was made by Trustee Scorrano to reimburse Mrs. Paget \$220.58 for expenses incurred for the June 16, 2023 Board meeting lunch held at the Amawalk Water Treatment Plant. A motion was seconded by Trustee Becker. Motion approved 4-0.

Request to approve use of sick time for immediate family member for Matthew Geho

Mr. Geho thanked the Board for their concern regarding using sick time for a family member.

A motion was made by Trustee Becker to approve Mr. Geho's request for utilizing sick time from July 27, 2023 through August 3, 2023 to care for an immediate family member. A motion was seconded by Trustee Diana. Motion approved 4-0.

Discuss possibility of removing the NWJWW 30% Excess Consumption fee

Trustee Scott mentioned that during a previous Board meeting he asked about the excess per capita charges that come in from the DEP which have a 30% surcharge added by the Northern Westchester Joint Water Works. The members who are over on DEP per capita end up paying a 30% overage back to the Joint Water Works. Right now, the Town of Cortlandt and the Montrose Improvement District are both paying excess per capita charges not only to New York City but to the Joint Water Works. Mr. Geho said that the Town of Somers had a small part in it because we took over the 16" transmission line in Somers. Those fees were put in place to fund a pipeline project and since the project is complete, there really is no need to collect those fees which have a burden on two of the members. He would like the Board who has the authority to approve removing that rate structure.

Mrs. Paget said that the 30% surcharge was first put on in 2018. It was for a transmission line repair on Route 6 and that project cost about \$1.3 million. Through that excess surcharge, we recouped \$747,000. The initial ask at the time was to Entergy because it helped offset their operations need for making sure that that line was solid. The Trustees said at the time let us ask them to offset some of the costs of the project not expecting them to assume all responsibility but to contribute towards it which they refused. After some discussion about what could be done, it was thought that this would also be a means for the member that fronts the money on behalf of the Village that then fronted the money on behalf of Entergy could be able to pass fees down in such a way to allow them to recoup some of the money.

. Mrs. Paget said that we knew we would not recoup the entire cost of the project. Since Entergy refused to pay for it outright, they paid for it indirectly. Mr. Geho mentioned that this was the 16" main that supplied all low service, and if there is an issue on the transmission main you would have to fund it anyway. Trustee Scott asked if it was going to do anything to relieve the New York City DEP fines and Mr. Geho said no but it will relieve the 30% surcharge that the Joint Water Works is taking on top of the fines. Mr. Geho said that if there was ever a large bulk user in one of the members systems, that the Board should revisit this. It could be a way of raising funds for capital improvement. You want someone to pass it on to instead of just the municipality.

Trustee Scott said that there is a negative impact on the Joint Water Works. Mr. Geho feels that the 30% surcharge is not right anymore and it is not earmarked for anything right now. He mentioned that when we had that fund we were able to cover that cost without bearing any additional costs on the members. We can handle a \$2 million expense but outside of that it would be a bond. Trustee Scott asked what is our statutory reserve requirement? Mrs. Paget said 25% of that year's operating costs.

Mr. Cunningham asked if we wanted to wait a month for a resolution so that we can form a policy like if there are bulk users and we can form a modification of the excess consumption fee rather than total removal this way we do not have to come back and vote again. The Board agreed it was a great

idea. Mr. Geho mentioned that it will not impact anybody because the NYC Water Board bills are behind 2 months. May and June invoices would still have the 30% surcharge.

Plan ceremony for dedication of the Raymond A. Reber Catskill Treatment Facility

Mrs. Paget mentioned that the ceremony for Mr. Raymond Reber would be some type of formal dedication ceremony which would include inviting his family to see the honor and that we can do an in-house formal invitation. We should probably have a brief reception afterward inside. Since it is partly outside, she suggests we should not go later than October 1, 2023 or early September which would be preferable. Mr. Geho said that we are doing the paving work so the property may be torn up in September. Trustee Becker suggested that Mr. Geho work with Judy Peterson at the Town of Cortlandt because they are in contact with Mr. Reber's family.

Mrs. Paget said we will do this as a separate event and not part of the September Board meeting which will be our budget review. Mr. Geho suggested said that we can do a coffee and cake reception after the dedication. He mentioned that during the 2020 pandemic, we had wanted to do a 25th Joint Water Works anniversary but it never happened. The plaque with all the Trustees names going back to the inception of the Joint Water Works is being created for the 25th anniversary. We can extend an invitation to former Trustees, Commissioners and people from the Zoning board. Mrs. Paget mentioned that we can set a budget for miscellaneous expenses for the dedication. The Board agreed to expenses not to exceed \$500.

Trustee Diana mentioned that Mr. Ken Rundle, Yorktown Water Service Superintendent, would like to attend the next Board meeting and bring forth a MOU (memorandum of understanding) proposal of calibration of water meters that supply from and through Yorktown to Somers and Cortlandt. Mr. Geho mentioned that he knows that the Somers meters are being replaced and a number of smaller meters are being replaced by the Town of Cortlandt. All the meters that supply Yorktown are calibrated. He is working with the DEP because there is some obscure meter that goes from Yorktown to Somers. We are calibrating low service meters for Cortlandt and the Montrose Improvement District meters. Mr. Rundle wants to make sure there are no concerns regarding the meters.

Trustee Diana also mentioned that they would like to discuss the 12" water main break which occurred two weeks ago. There have been four water main breaks since 2019 and the Town of Yorktown is trying to contend with these issues. Trustee Diana stated that the town does not rebuild roads they just repair the roads. They do not have the equipment or manpower to do it or the money and the experience is not there.

Mr. Geho stated that we do have lines in our budget to bill entities back for calibrations. We have been trying to take that program over. We create the invoices which are about a half million dollars a month and he needs to make sure the numbers are correct. We will be working on the 2024 budget and we can budget additional monies. We replaced a number of meters over the years between the interconnects. We can have everything get calibrated on a every two-year basis and we can take it out of the members hands and bill the entities back through the year end reconciliation. Mrs. Paget said we can make it part of the Joint Water Works transmission and distribution budget and everyone just pays part of that. Currently, we bill back the member that is benefitting from it by the meter itself and who is responsible for the meter in the eyes of the DEP. Either way if the Water Works budget for it becomes part of the operating budget, we will determine how we are going to recoup

that back. Right now, if it is in the member direct lines, there is no question about who pay it. If we calibrated a meter that is in low service, it is either the Town of Cortlandt or the Montrose Improvement District that will be paying for it depending upon where the meter is. This is what we are doing now and if you are talking about a different type of plan, we would have to figure out how it is different and what will the funding mechanism be because it does not belong in the rate.

Mr. Geho said that the 8340 line, which is Distribution, would be based on percentage of flow for the year. We can now send water through Cortlandt's high service into Montrose's low service back into Cortlandt's low service. It is in everyone's best interest that those meters are calibrated. He knows there is an issue with the Amazon meter and that both Mr. Ken Rundle and Mr. Steve Ferreira know about it. The meter is out and they are having a hard time getting the meter which is a water loss for the Town of Yorktown. If we get on a plan and replace them, it would be better in the long run. Mr. Steve Ferreira and Mr. Fred McQuillan from the Town of Somers should also come to the next meeting because since it is everyone's system, everyone is being generated a bill for this. Mr. Geho also suggested a side meeting with the three towns Superintendents then bring a plan to the Board. We have been funding it and replacing meters. If you want to expedite it, maybe we fund it and use the assistance of some of the member's crew to get the work done.

Trustee Scott asked why doesn't the Montrose Improvement District have a meter? Mr. Geho said that Montrose is a flow through system and there is no meter proper that we can give Montrose. We have a low service meter and we subtract everything off of that. The best thing we can do is put another flow meter by College Hill then we can see what is going on in Blue Mountain. Trustee Scott asked if Mr. Geho knew how much goes into the 16" transmission main from the Plant. Mr. Geho said we have a low service meter that sits at the beginning of the 16" transmission main. We use that number to verify New York City's number. The City still has not provided us with a water supply agreement to make the Joint Water Works technically the entity in contract. Mrs. Paget said it will not recognize the Water Works and we have made efforts since 2011 and that was the last time we heard from them. Trustee Scott asked if the Montrose Improvement District holds the contract? Mr. Geho said yes Montrose, Cortlandt, Yorktown and Somers individually and the Joint Water Works is just the agent that provides the water. We receive the invoices on the entity's behalf. Mrs. Paget agreed yes, just the billing and there is nothing more formalized that would recognize the Joint Water Works as the responsible entity for water being purchased or not.

Mr. Geho said it goes back to the original agreement that every member had with the city for their water. There is no way we can get an absolute number for Montrose. We could put a meter down by the railroad tracks to give us an idea. Trustee Scott said that that would be something to consider from the Montrose Improvement District's end. Mr. Geho said yes as a means of fairness because we already have a way of metering the water on the 16" transmission main and then we have all the meters off the 16" calibrated. Trustee Scott said that since Montrose does not have a meter like the Town of Cortlandt, Yorktown and Somers the Joint Water Works subtracts everybody else's and Montrose gets billed for the excess. Mr. Geho said that when the 16" main was leaking, we did recoup costs for Montrose from that. Mrs. Paget mentioned that because of the lost water which was estimated, rather than charge the member, it became a water loss to the Joint Water Works. Mr. Geho said that if the loss is on the transmission main, then it is a loss for everyone.

Trustee Diana asked if we had a 24" transmission main on Route 35? Mr. Geho said we do and it is on the side of the substation, comes under the creek goes up Whippoorwill Road makes that bend

gets out at Broad Street makes a left and goes down before Granite and goes through the woods and makes its way up to Quinlan. Trustee Scott asked if those losses are charged by partner share or budget share. Mrs. Paget mentioned that the loss becomes lost revenue but not allocated out to anyone and it becomes a loss of fund balance.

Attorney's Report

Mr. Cunningham said that in executive session today we are going to have attorneys who are representing municipalities about the ongoing PFOS litigation. They are going to speak to us and even though we do not have levels that exceed the current thresholds, we think we may be entitled to some of the settlement money. We have worked with these attorneys before and they are great. Mr. Geho said that the PFOS is all around us falling out of the air. Mr. Cunningham mentioned that we have a unique system where we buy water and normally you are not entitled to it but because we have to treat the water that we have to buy this is why we may be entitled to the money. He said that Mr. Geho was very good with the attorneys explaining to them how the system works.

A motion was made by Trustee Diana at 11:00 a.m. to enter into Executive Session. A motion was seconded by Trustee Becker. Motion approved 4-0.

A motion was made by Trustee Diana at 11:41 a.m. to exit Executive Session. A motion was seconded by Trustee Becker. Motion approved 4-0.

Mr. Cunningham stated that we are going to retain Napoli Shkolnik to represent the Joint Water Works in the ongoing AFFF and PFAS litigation. We are also authorizing our legal counsel to sign the retainer.

A motion was made by Trustee Diana to authorize Napoli Shkolnik to represent the Joint Water Works in the ongoing AFFF and PFAS litigation, and for Michael Cunningham to execute the agreement on behalf of the Joint Water Works. A motion was seconded by Trustee Becker. Motion approved 4-0.

Business Director's Report

Mrs. Paget provided an update on budget expenditures and revenues. She mentioned that in terms of water purchased from New York City, we had budgeted for a 10% increase in the rate effective July 1, 2023. The rate came in at 6.67%. If member demand plays out as projected when we developed the budget, we should have a surplus in our cost for water purchase. Based on member's activity for revenue, we are coming in about 46% of budget which is a favorable. Our biggest activity months are July and August due to the summer months. We will see that reflected in the numbers when we plan for projections through the end of the year as we go through the draft budget in September. She will give the Board a better projection on all activity in most of the lines and this will be how we develop the 2024 budget.

Regarding the 30% surcharge, this year the revenue for the surcharge is \$14,739 through the end of June. This is also because Entergy is offline and the Village of Buchanan has not been buying their water from the Montrose Improvement District, thereby they are not exceeding per capita from New York City. By not having the expenditure, you are not having the revenue. Overall, revenue for the year is at 37% of what we had planned and

expenditures are at 40%. We are a good position and where we are expected to be.

Mrs. Paget provided a spreadsheet of the overall cost for the 16” transmission line break at Blue Mountain Park on June 18, 2023 and June 20, 2023. We had requested from operations to provide information that would allow us to track those costs and allocated the costs out to what would be the Joint Water Works as well as any costs attributable to the Montrose Improvement District.. Overall, \$30,254.38 is what the event cost in total. The Joint Water Works has been designated to be responsible for \$13,515.29 and the Montrose Improvement District’s responsibility is \$16,739.09. Of the overall \$30,254.38 spent, \$13,515.29 consisted of employee costs through the IMA agreement for employees from the Joint Water Works, Town of Cortlandt and the Town of Yorktown who all assisted in the repair of the transmission line break. We had not used any outside contractors. The supplemental reports will show the breakdown of employee costs and equipment and supplies. The equipment and supplies are a mix of equipment use through the Town of Cortlandt and billed back to the Joint Water Works and then to Montrose as well as connections, tees, etc. to stabilize the repair through Ferguson.

Mrs. Paget mentioned that something failed with the contractor’s installation with the County. The failure was a wet tap on the County’s tap or connection that caused all these problems. It is the desire of Montrose to bill back to Westchester County to recoup some of the costs of what have been incurred. She feels that we should send a letter to them with supporting documentation. Mr. Geho said the wet tap was not properly installed and over time the bolts came apart and wore itself out and started blowing out. The onus is really on the contractor who should be insured. Mrs. Paget will talk to Bernis Nelson, the Montrose Improvement District’s lawyer so that they are all on board.

From a budgetary standpoint, there was \$50,000 included in the expenditure budget in the Distribution area to cover materials for transmission line breaks and there is money to be moved from there to service other governments which is how we will pay back the Town of Cortlandt and the Town of Yorktown for their assistance. Mr. Geho said a few years ago, we had a break on the 16” transmission main where we had to bring in a third-party contractor which cost us about \$60,000. With the \$13,000, we made an improvement on the infrastructure which will benefit us for the future. Mr. Geho said it was a team effort and everyone worked very well together.

A motion was made by Trustee Becker to receipt and file reports regarding the 16” transmission line water main break expenses incurred and personnel costs for Blue Mountain Park water main break on June 18 and June 20, 2023. A motion was seconded by Trustee Diana. Motion approved 4-0.

Operation’s Director

Mr. Geho requested receipt and file for 2nd quarter 2023 operations report.

It has come to Mr. Geho’s attention that the Town of Yorktown’s vactor truck has some mechanical issues that need to be addressed and that they are buying a brand new vactor truck. The Town of Cortlandt has a vactor truck which is not working so they are leasing one. He asked if the Joint Water Works can fund the repair of the Town of Yorktown’s vactor truck and budget on an annual basis to have a backup for all the members? The vactor truck is well worth it and members can use it. Mr. Cunningham said that Yorktown will have to decide if they are willing to sell theirs and if

they do not, we can work out a plan. Trustee Diana mentioned that he will address the situation.

Mr. Geho reported that we had the 2022 sanitary survey done by the Department of Health with no deficiencies.

A motion was made by Trustee Becker at 11:58 A.M. to adjourn the meeting. A motion was seconded by Trustee Diana. Motion approved 4-0.

Resolution # 2023-63

A motion was made by Trustee Becker to adopt the June 16, 2023 minutes. Motion was seconded by Trustee Scorrano. Motion approved 4-0.

Resolution # 2023-64

A motion was made by Trustee Diana to award Bid# 2023.8 paving and repair work for the Catskill Water Treatment Plant to Ben Cozzi Inc. in the amount of \$205,250. A motion was seconded by Trustee Becker. Motion approved 4-0.

Resolution # 2023-65

A motion was made by Trustee Becker to award Bid #2023.9 Catskill DAF Electric Actuators and Valves to Corrosion Products and Equipment in the amount of \$32,064. A motion was seconded by Trustee Diana. Motion approved 4-0.

Resolution # 2023-66

A motion was made by Trustee Becker to rescind the May 31, 2023 budget transfers and approve budget transfers dated July 25, 2025 in the amount of \$14,344. A motion was seconded by Trustee Diana. Motion approved 4-0.

Resolution # 2023-67

A motion was made by Trustee Scorrano to release \$30,918.85 retainage to TAM Industries for Bid #2021.1 for replacement of Clarifiers #1 and #2 at the Amawalk Water Treatment Plant. A motion was seconded by Trustee Becker. Motion approved 4-0.

Resolution # 2023-68

A motion was made by Trustee Scorrano to reimburse Mrs. Paget \$220.58 for expenses incurred for the June 16, 2023 Board meeting lunch held at the Amawalk Water Treatment Plant. A motion was seconded by Trustee Becker. Motion approved 4-0.

Resolution # 2023-69

A motion was made by Trustee Becker to approve Mr. Geho's request for utilizing sick time from July 27, 2023 through August 3, 2023 to care for an immediate family member. A motion was seconded by Trustee Diana. Motion approved 4-0.

Resolution # 2023-70

A motion was made by Trustee Diana to authorize Napoli Shkolnik to represent the Joint Water Works in the ongoing AFFF and PFAS litigation, and for Michael Cunningham to execute the agreement on behalf of the Water Works. A motion was seconded by Trustee Becker. Motion approved 4-0.

Resolution # 2023-71

A motion was made by Trustee Becker to receipt and file reports regarding the 16" transmission line water main break expenses incurred and personnel costs for Blue Mountain Park water main break on June 18 and June 20, 2023. A motion was seconded by Trustee Diana. Motion approved 4-0.