

Northern Westchester Joint Water Works

NWJWW Board of Trustees Meeting – July 19, 2024

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

Convened at 10:10 A.M.

Adjourned at 11:09 A.M.

Present:

Robert Scorrano, Chairperson	Matthew Geho, Operations Director
Ed Lachterman, Vice Chairperson	Catherine Paget, Business Director
Richard Becker, Treasurer	Michael Cunningham, Attorney
Charles Peterson, Trustee	Donna Albanese, Recording Sec'y
	Chantal Fernandez, Town of Cortlandt, Legal Intern

A motion was made by Trustee Peterson to adopt the June 21, 2024 minutes. Motion was seconded by Trustee Lachterman. Motion approved 4-0.

Review of 2019 – 2024 Capital Projects Approvals and Spending Schedule

Mrs. Paget mentioned that during budget preparation, we always prepare a 5-year capital spending plan to advise which projects are priority, what our estimated spending level is and what are the financial needs. We have been very successful utilizing the 20 cents per thousand rate structure. She wanted to look back at what we planned for 2019 and where are we now in 2024. The initial spending authorization was \$2,184,129, and with increases in spending authorization of \$2,881,672., total authorization over time over the life of projects is \$5,065,801. The project to date expenditures total \$4,072,657 and the balance remaining is \$993,144. This is for projects basically from 2019 with the spending associated with them through 2024.

Within this you will see that the projects were initially authorized, and since the year of inception and it may have taken time to get parts or to get the bidding done. There may have been expenditures in prior years which affect the total authorization and their project to date expenditures. The 16” transmission main with repair and replacement was not a planned project but because it spanned from 2017 through final expenditures in 2019, we were able to cover \$1.5 million through the 20 cents per thousand and through the natural timing of other projects themselves. They do not always lay out in the schedule we expect. We were able to do that without any of the members having to issuing any borrowing for anything on the capital projects sheet. The only borrowing which has occurred since the initial building of this plant was the 2016 water tank which was a \$3 million project. We would not have been able to carry a project of such magnitude in that projects necessary 6-month time period. Mr. Geho said that the fund balance did not allow us to get the project started.

Mrs. Paget said that in 2019 the 5-year capital plan projected that through 2023., \$2.2 million would be spent. It came in at \$2,364.858, which is similar in nature. re.

Referring to the upper section of the spreadsheet, Mrs. Paget said that these are projects which have been authorized but there has been no spending on them. Even if there are increases in spending authorizations which means we issued a bid on it, but for mechanical reasons or supply change issues, they are not active.

For example, the Catskill 400 horsepower motor high lift pump upgrade was a bid we awarded to Longo and we did a change order. The bid is active but we are waiting for parts.

Referring to that specific project, Trustee Lachterman asked about the initial spending of \$130,000 then an increase in spending of \$147,232. Mr. Geho said that that was the project we started before the pandemic and the original cost was \$130,000 then when we bid it out in 2022 and it came in at double. Trustee Lachterman asked if any of the supply and demand costs dropped at this point? Mr. Geho said they have but nothing is getting manufactured. The original cost estimate for the pump was \$65,000 and that pump came in at \$130,000 when we bid it out. We are going on 4 ½ years when we started this project. Trustee Peterson asked do we know why they are having trouble manufacturing parts on time and Mr. Geho said that there is no stock. He explained that what got us through the pandemic was that we had a surplus in stock. He said that we have a great amount of spare parts such as valves, pumps and motors. We have an inventory but we do not want to replace anything because prices are high.

Mrs. Paget said that as we go into the budget season and we have a new 5-year capital plan, the 20 cents per thousand structure will remain the same unless she hears differently. We know that in the future PFOS could be part of utilizing some of that money. We ended last year with \$10,500,000 in the fund balance. Trustee Becker asked if there is a maximum fund balance we can maintain? Mrs. Paget is not aware through the Joint Water Works charter that there is. There is a minimum of 25% of the operating budget but she is not aware there is a maximum.

Mr. Geho said that on the capital plan, if you look at the Amawalk Clarifier #1 and #2 upgrades, there is a balance remaining of \$320,402. We awarded that project for \$1.1 million but we only spent \$853,000 because we determined that Clarifier #2 was beyond repair and had to be replaced. If you look at the Amawalk tank painting project we estimated \$395,000 plus another \$120,000 for our sludge tanks so the cost is about \$500,000 for painting the tanks. Latest estimate is coming in at \$1.3 million. If you look at Amawalk check valve there is a \$90,000 cost which still remains in the balance.

The Amawalk Hypochloride conversion design is \$5,000 and decant is \$40,000. He discussed with operations that this money should not be spent because this is money we were going to use to update existing infrastructure at the facility. Looking at the totality of the plant with the clarifier needing to be replaced and the potential of a new tank, if the costs come in to paint it is excessive, we can probably replace rather than repaint the tank.

Mr. Geho spoke to Mr. Steve Robbins from Woodard and Curran regarding the PFOS issue and he would like to request authorization from the Board to enter into a master agreement with them and put together a master plan for Amawalk. All this money we spent so far was to get us through the

Catskill shutdowns and now we have to look at what we are going to do with the Amawalk Plant especially in light of the PFOS issue. If it is a complete revamping of the Amawalk facility, this money should not be spent on these projects now because we can include those in a bigger plan and address everything at once like a new roof, new HVAC, new hypochloride, new clarifier, new oxidation, new filtration, PFOS removal and maybe a new tank. If we do a new tank, do we increase the size of the tank for future capacity? This organization needs the assistance of a third party to help us put together a plan so that we are not just throwing money away. We can not do without that facility because we do not have control of the raw water so when New York City shuts down our primary raw water-Catskill Aqueduct we have to use the Amawalk facility. We have to keep that facility in production. Because the Amawalk facility is so unoptimized and the technology is so antiquated that facility does 30% of the Joint Water Works total production. It costs us in the 3 primary cost factors which are polyaluminum chloride, disinfectant which is chlorine and residuals about \$360,000. Those 3 factors are 30% of our total production. It costs us \$150,000 for the Catskill Plant and produces 70% of our water. We can take that money over 10 years and it is a difference of \$2,500,000 just in costs that we have to spend and invest that into a better treatment option that will be cost effective year to year.

Trustee Peterson asked how much it will cost for the engineers to come up with a plan. Mr. Robbins will come up with a cost estimate and Mr. Geho will come back to the Board with the estimate in September. Using that mindset, we will not be doing additional work at the Amawalk facility. If something breaks, we will just fix it. We have five years until this new regulation is enforced and we are three months into the five years. It took us 4 years to put a pump in.

The Board raised \$20 million to build the Catskill Plant and if it is a \$10 million job out there and we have the money in the fund balance to get it going and the members only have to bond half of it that could be the reality. We have a lot of big-ticket items down the road in the next 3 to 5 years. Trustee Scorrano stated that to have a master plan going forward is important. Mr. Geho reported that regulations are always changing and we have to set us up for the future and the Amawalk Plant is 19th century technology. It is a matter of time that everyone is on public water and the we have to start running pipes. Mr. Geho said that the last time we had a master plan was 1996. Mr. Cunningham asked if Mr. Geho wanted to get a few estimates for the study and Mr. Geho said a demand study yes but this is just putting together a plan for what to do with the plant. If the Board would like, then he can get RFP's for professional services.

Mrs. Paget mentioned that the safety and security project was authorized at \$25,000 and we had an increase of \$12,000 and currently we are at \$51,000 in spending. We should probably increase the authorization for that because a lot of that is being done in-house so it is not a bid item. Mr. Geho said that he wrote \$40,000 over and above. He said this was for the new fire alarm system. We are also putting in new cameras and networking and we have all the infrastructure in place to do that. The camera quotes are about \$15,000 to \$20,000 and this is us doing all the work in house running the wires and the boxes. The \$40,000 includes what we are going to need plus the \$14,000. If you look at the 1-million-gallon storage tank, the tank baffling replacement was budgeted for \$150,000 we spent \$17,739 because it was the last project Mr. Reber did and we were able to source the material and do that work in house so we saved \$130,000.

A motion was made by Trustee Becker to increase the budget for Catskill and Amawalk safety and security improvements for an additional \$40,000. A motion was seconded by Trustee Peterson. Motion approved 4-0.

Distribution Tank Project

Mr. Geho said that the bid is almost completed and forwarded the bid to Mr. Fred McQuillan, Town of Somers Water Superintendent and Mr. Paul Vasillo, Town of Yorktown, Water Superintendent. We want to include the front-end insurance requirements in the bid documents as long as respected legals are okay with it and meet criteria. We would then use those numbers for the bid document and the legal departments should review it. We are looking to bid it out by the end of the month with a bid opening September 3, 2024. The bid information would come in and we would review it between the engineers, Mr. McQuillan, Mr. Vasillo and Mr. Geho. They would make a recommendation and give it to the respective Boards to make a resolution. The resolution would come to the Joint Water Works Board to be approved and we would issue the notice to proceed if everyone is on board.

Mrs. Paget asked if we did an authorization to put it out to bid so when we get the final specs back we have authorization to advertise the bid. Do we also need to have an IMA between the members about the repayment schedules not only just the resolution by the respective Board's to pay back a certain amount of money because that is our share? Mr. Cunningham said we should have some sort of agreement in place between the Joint Water Works, the Town of Somers and the Town of Yorktown.

A motion was made by Trustee Lachterman to authorize to advertise a bid for the storage tank project for the Town of Somers, the Town of Yorktown and the Joint Water Works. A motion was seconded by Trustee Peterson. Motion approved 4-0.

Yorktown Fluoride Project

Mr. Geho said that the fluoride delivery at the site for Catskill will be July 25, 2024 and Amawalk July 23, 2024 and looking to go online with the fluoride July 23, 2024.

Change in methodology of charging back costs for Yorktown High Service Pumps at Catskill

Mr. Geho stated that when the Catskill plant was built there were 3 systems. You had gravity which was a tank going to Montrose, Verplanck and Crugers. You had the Town of Cortlandt and the Town of Yorktown's distribution system. Those pumps were always segregated with regards to costs and anything that was done to those pumps were billed back to the entity. Since then the 24" transmission main is now a receiving interconnect with Cortlandt and we also put an inter-connect between Cortlandt and Montrose. What we called the Yorktown pumps and was always billed back to Yorktown is now used to feed everyone. Mr. Geho feels that it is fair to share the cost with everyone, remove the cost from Yorktown and put the cost into the O and M so it is spread across the cost per thousand. It would just be a formality that the Board would adopt and Mrs. Paget would not have to bill each member back.

Mr. Geho wanted to advocate to do the Cortlandt pumps too which is anything that has to do with high service pumps. The high service pumps can be used to send water to Montrose and we could send water back into the 24" transmission main. We put about half a dozen interconnects which allows us to move water for redundancy. In doing that, one pump can service everyone at this point. Anything on the high service side of the treatment facilities would be charged back to O and M so

that everyone has use of it. The cost would be less to Yorktown and spread out to all 3 entities. Once the new motor is in everyone will be able to take advantage of the cost savings.

A motion was made by Trustee Lachterman to change the methodology of charging back cost for the Yorktown High Service Pumps and to include the Town of Cortlandt at the Catskill Water Treatment Plant. A motion was seconded by Trustee Becker. Motion approved 4-0.

Request authorization for Operations Director to sign claim forms for AFFF Products Liability Litigation (MDL 2873)

Mr. Cunningham mentioned that the requested authorization is for the PFOS litigation. We do not know the amount we would be able to get and the class action council does not know either. Mr. Geho and Mrs. Paget have been compiling a lot of information for the attorneys for the litigation regarding the PFOS. The final step is for Mr. Geho to review it and sign it. Mrs. Paget stated that the information they requested is mostly from Mr. Geho regarding flow data and chemical background. Trustee Peterson said that he felt Mr. Cunningham was very confident that we would be receiving money and Mr. Cunningham said that the class action council is also very confident. He was able to get a letter from Westchester County explaining the Amawalk relationship because they technically own the Amawalk Plant but we are responsible so the letter was turned around in 2 days. They are also involved in the litigation as well.

A motion was made by Trustee Becker to authorize Mr. Geho to sign claim forms for AFFF products liability Litigation. A motion was seconded by Trustee Lachterman. Motion approved 4-0.

Business Director's Report

Mrs. Paget said that regarding the meter projects for both the Towns of Cortlandt and Yorktown, the billing staff as well as herself have been involved in bringing it to full implementation. The Town of Cortlandt is ongoing but the Town of Yorktown is almost complete. Earlier this week, both she and Mr. Cliff Kummer met with Mr. Paul Vasillo, Mr. James Waterhouse and Mr. Mike Hecker from the Town of Yorktown Water Department and discussed a group scenario for training to use some of the new software and data programs.

Ms. Albanese mentioned that Mr. Daniel Paget, our summer intern, has done very well with records management at our storage unit. He organized the members records management boxes in order of entity and year. He has done some scanning of the past 10 years of tools and equipment which he put on the server and other small projects.

Operations Director's Report

Nothing further to report.

Executive Session

A motion was made by Trustee Lachterman at 10:45 A.M. to enter into executive session. The motion was seconded by Trustee Becker. Motion approved 4-0.

A motion was made by Trustee Lachterman at 11:07 A.M. to exit executive session. The motion was seconded by Trustee Peterson. Motion approved 4-0.

A motion was made by Trustee Lachterman to allow the Joint Water Works to advertise for the Accountant position at a salary range from \$90,000 to \$100,000. A motion was seconded by Trustee Peterson. Motion approved 4-0.

A motion was made by Trustee Becker to hire Mr. Nicholas Hunt as a provisional employee for the position of Water Meter Repairer at an annual salary of \$52,500 effective August 12, 2024. A motion was seconded by Trustee Peterson. Motion approved 4-0.

A motion was made by Trustee Peterson at 11:09 A.M. to adjourn the meeting. Motion seconded by Trustee Lachterman. Motion approved 4-0.

Resolution #2024-67

A motion was made by Trustee Peterson to adopt the June 21, 2024 minutes. Motion was seconded by Trustee Lachterman. Motion approved 4-0.

Resolution #2024-68

A motion was made by Trustee Becker to increase the budget for Catskill and Amawalk safety and security improvements for an additional \$40,000. A motion was seconded by Trustee Peterson. Motion approved 4-0.

Resolution #2024-69

A motion was made by Trustee Lachterman to authorize to advertise a bid for the storage tank project for the Town of Somers, the town of Yorktown and the Joint Water Works. A motion was seconded by Trustee Peterson. Motion approved 4-0.

Resolution #2024-70

A motion was made by Trustee Lachterman to change the methodology of charging back cost for the Yorktown High Service Pumps and to include the Town of Cortlandt at the Catskill Water Treatment Plant. A motion was seconded by Trustee Becker. Motion approved 4-0.

Resolution #2024-71

A motion was made by Trustee Becker to authorize Mr. Geho to sign claim forms for AFFF products liability Litigation. A motion was seconded by Trustee Lachterman. Motion approved 4-0.

Resolution #2024-72

A motion was made by Trustee Lachterman to allow the Joint Water Works to advertise for the Accountant position at a salary range from \$90,000 to \$100,000. A motion was seconded by Trustee Peterson. Motion approved 4-0.

Resolution #2024-73

A motion was made by Trustee Becker to hire Mr. Nicholas Hunt as a provisional employee for the position of Water Meter Repairer at an annual salary of \$52,500 effective August 12, 2024. A motion was seconded by Trustee Peterson. Motion approved 4-0.