

Northern Westchester Joint Water Works

NWJWW Board of Trustees Meeting – June 16, 2023
HELD IN PERSON AT THE AMAWALK WATER TREATMENT PLANT
2548 ROUTE 35 AMAWALK, NY 10501

Convened at 11:03 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, absent	Donna Albanese, Recording Sec’y
	Charles Peterson, Montrose Improvement District Commissioner

Trustee Scott introduced Mr. Charles Peterson who is one of the Montrose Improvement District’s Commissioners.

A motion was made by Trustee Diana to adopt the May 19, 2023 minutes. Motion was seconded by Trustee Scorrano. Motion approved 3-0.

Review results and request award of Bid# 2023.5 Emergency Contractor Services

Mr. Geho reported that 2 bids and an RFP went out last month. We had determined that we had to have services for an emergency contractor in the event of a big break on any of our transmission mains. We are on our 3rd round of emergency contractors. On any of our services bid, we put out a scenario for the contractor to bid on. The scenario we used was a main break which involved a 25 foot-long trench, 5 feet wide with a 5 feet deep main replacement along route 9. Three bidders turned in bids: Ground Control, TAM Enterprises and ELQ Industries and we have done work with all 3 in the past. The lowest contractor was Ground Control Excavating who is the contractor we are currently using and have used for the past 2 years. We have used them for 2 jobs already and they are very responsive and very good. They get their work done in a timely manner at a decent cost. It is our recommendation to award this bid to Ground Control Excavating for emergency purposes only.

Mr. Geho said that sometimes we will use them for a planned projects when we are not able to use in house personnel. We relied on the Town of Cortlandt and the Town of Yorktown in the past but everyone is stretched thin. This is the best means to make sure our assets are protected. If any

member needs assistance, they can use Ground Control. Since we do not have a provision in the bid to do a renewal, we bid it out every year. Mrs. Paget mentioned that the hourly rates for the labor and mechanic are the same rates we previously had so there is no change. There is also no increase in the percent of profit or overhead charge.

Trustee Scorrano asked that if Ground Control comes in next year and wants to do a renewal with no additional charges or changes, would we do something like that. Mrs. Paget asked, that if the bid is not written that way can we choose to do it. Mr. Cunningham said that before the bid is awarded, we can add in something like-be it further resolved if the contractor agrees to the same price for a subsequent year the Board has an option to renew it. Mrs. Paget mentioned that last year we made awards for the HVAC and electricity and in those we had written the bid to say with 2 options for a one-year extension each year with language agreed upon for price escalation. She asked if we could factor that in right now. Mr. Cunningham said no because it was not in the original bid. Mr. Geho mentioned that we will add that to the next round of bids. For future bids, Mr. Cunningham said we could say that it be further resolved that if the awarded contractor honors the same price for the next year then at the NWJWW discretion they can renew the bid for a subsequent year.

A motion was made by Trustee Diana to award Bid #2023.5 for emergency contract services to Ground Control Excavating and authorized the Business Director to execute the contract. Be it further resolved as amended. A motion was seconded by Trustee Scorrano. Motion approved 3-0.

Review results and request award of Bid# 2023.6 Chemicals and Residuals

Mr. Geho mentioned this is the annual bid we put out for both the Catskill and Amawalk Water Treatment Plant chemicals and residuals. Mr. Geho presented the Board with a unit price cost comparison, and commented that chemicals are the 3rd most costly factor in production. New Chemical pricing have increased anywhere from 37% to 380% as compared to prices prior to 2020. We did not raise the rate that much. There are additional costs with production that were not foreseen 3 years ago. Sodium hypochlorite has increased about 100% and the poly-aluminum chloride is up 23% from 2022 and 91% from 2020.

Costs are increasing and we did not budget for this increase for the remaining of this year. The new chemical contract begins July 1, 2023 and ends June 30, 2024. The water rate will absorb the additional cost for the remainder of the year. Next year's budget will have a reflection of this increase. We are absorbing the increase through the fund balance. We bid out the fluoride in preparation for the fluoride project to be completed. We bid fluoride annually just to be prepared for when we get the go for fluoride which only goes to the Town of Yorktown. We have a code in our budget to fund the fluoride which we then bill back any fluoride expenses to the Town of Yorktown at the end of the year.

Mrs. Paget reported that in 2021 we spent \$421,000 on chemicals and in 2022 we spent about \$400,000. This year we are projected at \$478,000 but she feels that our bid came in a little bit more favorably for the earlier part of the year so we may only hit between \$400,000 and \$450,000. Trustee Scorrano said that with the difference going into next year what increase are we looking at. Mrs. Paget said that we should consider allowing about \$500,000 in the budget for 2024. This is the first year that Amawalk carried us through an aqueduct shutdown and this will influence our actual expenses. When you need the Amawalk Plant to offset other sources of supply, you are going to see that in the chemical budget.

Mr. Geho said that the primary chemical is polyaluminum chloride which is the coagulant. When we ran the Amawalk facility 6 weeks ago, we were consuming about \$1,800 a day of chemical. When we run the Catskill Plant, we are around \$200 a day of chemical so this is the offset for the source water. The Amawalk facility was the first in the state to use calcium hypochlorite tablets for primary disinfection and we are presently using it. The cost is \$4,400 per pallet and we burn through a pallet in about 4 days.

Trustee Diana asked how big of a problem is the PFOS and where does it originate. Mr. Geho said it is atmospheric. Given the source water and given the fact there is a lot of septic effluence running into the water shed, it is probably coming from human consumption of the product.

Mr. Geho stated that the next major upgrade to the Amawalk facility will be some kind of tertiary treatment which would be a bonding issue. Trustee Scott asked if there is any direct distribution from the Amawalk Plant without it going through Distribution. Mr. Geho said that everything goes out through the 24' inch or 16" main. The 24" main is tapped off by Somers and Yorktown and we go directly into their distribution system. The present federal MCL for PFOS/PFOA is 70 parts per trillion. Mr. Cuomo dropped it to 10 parts per trillion for New York State only. The EPA is trying to get a new law which will make it 4 parts per trillion.

Looking at the long run impact, Mr. Geho is starting to plan on what is going to be the best treatment. Blending the water would mean taking the water and splitting 50% of this water, treat half of it and blend it back in. We would not have to treat 100% of the Amawalk water. We cannot blend the Amawalk water with the Catskill water because the coagulation process will not remove it and it has to be filtered out.

Referring back to the chemical bid, Mrs. Paget mentioned that we put a clause in the bid that in the absence of the lowest bidder being able to deliver the product in a timely manner or if there is any issue then the lowest bidders be hereby authorized as the alternative bid.

A motion was made by Trustee Diana to award Bid# 2023.6 for chemicals and residuals in accordance with the various vendors lowest bid as illustrated. Furthermore, that in the absence of the lowest bidder being able to deliver the product in a timely manner or any issue then the next lowest bidder is hereby authorized to deliver the product. A motion was seconded by Trustee Scorrano. Motion approved 3-0.

Review results and request award of RFP for Water Quality Laboratory Testing

Mr. Geho mentioned that a few years back we decided to put out a RFP for all the annual sampling for both facilities and our members. We put together a spreadsheet and requested from labs to provide us a price for the course of the year. We had 2 bids, one from Eurofins Eaton Analytical and one from Pace Analytical. Pace is currently the laboratory we are using. We are happy with them and the price came in flatline. They provide a courier service to us and are local so if there is a problem we can get a sample to them quickly. The samples are also for the Town of Cortlandt, the Town of Yorktown and Montrose. It is for the members disinfection byproducts, lead and copper and PFOS. He is requesting that the Board approve the RFP to Pace Analytical. It is not a fixed price because it is dependent on what we need for that particular year.

A motion was made by Trustee Diana to award the RFP water testing services to Pace Analytical Services at the unit costs as per their submission not to exceed \$18,807. A motion was seconded by Trustee Scorrano. Motion approved 3-0.

Request to approve Budget Transfers dated May 31, 2023

Mrs. Paget stated that regarding the budget transfer we move money around in the current budget without making any budgetary increases. We are moving funds from various professional services lines and a small amount from a safety training line to tuition and training, auto and travel and to fund the sodium hypochlorite at the Amawalk Plant which was needed just to operate the backup chlorinator system. Sodium hypochlorite is not a typical chemical so we do not budget for it each year. Regarding tuition and training and auto and travel is that several operators are in line to prepare for receiving their 1A licensing. Some of those licensing classes costs have increased. It is more of a timing issue than a planning issue but there are funds to offset those costs. The request is to fund the lines accordingly from one section to the other sections.

A motion was made by Trustee Diana to approve the requested budget transfers with no additional funds to be expended and the total of the annual budget remains the same. A motion was seconded by Trustee Scorrano. Motion approved 3-0.

Request to extend 82 Locust Avenue tenant rental agreement

Mrs. Paget mentioned that 82 Locust Avenue is rented by Mr. Phil Walko, our Chief Operator. This is the 3rd or 4th rental period that he has had tenancy at the house. A few years back when we first had gotten into an agreement with him, there were a few things that needed to be done at the house. At that time the Board was amenable to the concept of Mr. Walko getting that in line. At that time, we decided what the rent would be. Mr. Walko was able to get licensed help easier whereas for us contractors did not want to do the work because they had to submit prevailing wage reports. Mr. Walko is interested in remaining at the house. It is our recommendation that the Board approve another one-year lease extension at the current rate of \$2,148 per month with no price inflation beginning July 1, 2023 through June 30, 2024. Mr. Geho said that from an operations point of view it is advantageous having Mr. Walko reside there and being close to the Plant if anything arises.

A motion was made by Trustee Diana to authorize an executed lease extension for Mr. Phil Walko for rental of 82 Locust Avenue at the current rate of \$2,148 per month from July 1, 2023 through June 30, 2024. A motion seconded by Trustee Scorrano. Motion approved 3-0.

Request to fund 82 Locust Avenue maintenance/repair of kitchen floor

Mr. Geho mentioned that we have to do routine maintenance and upkeep at 82 Locust Avenue. It has come to our attention that the kitchen floor needs to be replaced. We would like to have the floor replaced with not top of the line linoleum floor but not cheap just to prevent any trip or fall accidents. Mr. Geho is requesting that the floor be replaced and discuss options how to fix it. We can get all the supplies from Home Depot or Mr. Walko can pay for it and we would reduce his rent. Home Depot has contractors that they can assign to do the job. Mr. Cunningham said we should get prices and options and bring it to the next Board meeting. Trustee Diana said that a sole proprietor can do the job without a laborer and would not have to do the prevailing rates.

Return of Robert Zawacki from unpaid medical leave effective May 24, 2023

Mr. Cunningham mentioned that Mr. Robert Zawacki was medically cleared to return to work.

A motion was made by Trustee Diana for the return from leave of absence for Mr. Robert Zawacki who had sustained a non-work related injury and was absent from work beginning February 21,

2023. He returned to work from an unpaid medical leave of absence effective May 24, 2023. We have appropriate medical certification to return to work without restrictions. A motion was seconded by Trustee Scorrano. Motion approved 3-0.

Attorney's Report

Mr. Cunningham thanked Mr. Geho and Mrs. Paget for being very diligent with the bids.

Business Director's Report

Mrs. Paget mentioned to the Board that an employee has been very diligent in their account's payable management. Through tireless review, Donna Albanese personally prevented one of the companies we work with a \$3,742 in duplicate billing. She reviewed the proposals and costs with them because the invoices were not clearly delineated. Ms. Albanese mentioned that the company billed an invoice for \$ 3,788 and another invoice for \$2,400. There were amounts on the proposals and we paid the invoice according to the proposal. The vendor invoiced again separately for such charges with different invoice numbers. Mrs. Paget stated that the terminology on the monthly invoices do not coincide each month. We will not be paying the invoices until the vendor straightens it out. Trustee Scott mentioned that we are fortunate to have an outstanding employee.

Mrs. Paget stated that she has a meeting next week with our banking representative at Chase Bank. We are going to discuss locking in high interest rates for a longer period of time as the we see what the federal government is doing this week and what other options we have. They are starting to consider not raising rates. She wants to make sure we benefit from that.

Mrs. Paget spoke about updating the employee handbook and obtaining price quotes. Public Sector Management Corporation has partnered with PERMA, our workers compensation carrier and administrator. They offered a 30% discount to companies associated with PERMA membership so she is in the process of learning what services go with creating that handbook.

Operation's Director

Mr. Geho said that he wanted to thank the employees at the Amawalk Plant for carrying us through the aqueduct shutdown.

Mr. Hummeston, our new operator, started on Monday, June 12th and seems to be a good fit.

In promotion of Mr. Mark Rowe from a 1A operator to Assistant Chief Operator, we ran into a little snag with Civil Service which Mrs. Paget was able to resolve. It opened our eyes to the need to maybe have an additional step between a 1A Operator and Assistant Chief Operator. As it stands right now, we may not be able to promote someone because of the Civil Service law without the additional supervisory experience and we are trying to figure this out. We have a great crew and we would like to promote from within. Both he and Mrs. Paget discussed a couple of options that they will bring to the Board to work around this problem.

Trustee Scott asked if the operators worked in both facilities. Mr. Geho said that we were integrated between both facilities prior to the pandemic. After the pandemic, we split everyone within both plants. We are getting back into that integration again because it gives us redundancy. Treating water is consistent but with different technologies.

Trustee Scorrano asked if there was any aqueduct work. Mr. Geho said that the DEP stated that they are in the process of capital projects and improvements because the aqueduct is about 100 years old. He feels the shutdowns are going to be more frequent and routine. He said that they are going to be shutting down the Delaware this year to do the tie into the new tunnel into the Hudson River. We should not have any more shutdowns of the Catskill aqueduct this year. When they call for a shutdown we have to be prepared.

The best thing we have ever done is to have the Amawalk facility updated in preparation for the shutdowns. The DEP is after us to change our intake at the Catskill facility. They want to operate the aqueduct at 180 MGD versus the 330 MGD. Mr. Geho is refusing to do this because why would we incur additional costs to upgrade this intake when they are going to shut it down throughout the course of the year. The DEP should fund it if they want to fix it and there is no agreement. Currently, we cannot draw water out of the aqueduct unless we are about 6 feet 9 inches and they want to bring it down to 4 feet.

Mr. Tim Rogers, the mayor of New Paltz, reached out to Mr. Geho. He is contesting the price increase by the DEP. In the past 20 years, the rate increased 358% for raw water. He went to the public session for the rate increase and no one was there. The DEP owns the water and makes up the rules. There are people who are contesting the water rate. He feels the rate increase will hold at about 7% for 2024. Mrs. Paget said that she thinks they will have one more public meeting this year before they announce what they are going to do and the increase will be in affect July 1st.

Mr. Geho said that the 7% will be absorbed by the present water rate for the rest of the year. Trustee Scott asked what is the difference between the cost of the finished water and what does it cost to produce the water. Mr. Geho said it costs more to process the water. The only difference is the cost of chemical to treat. We are selling water for \$3.95 per thousand gallons. Our cost is really \$1.50 to produce a thousand gallons of water.

A motion was made by Trustee Diana at 11:58 A.M. to adjourn the meeting. A motion was seconded by Trustee Scorrano. Motion approved. 3-0.

Resolution # 2023-56

A motion was made by Trustee Diana to adopt the May 19, 2023 minutes. Motion was seconded by Trustee Scorrano. Motion approved 3-0.

Resolution # 2023-57

A motion was made by Trustee Diana to award Bid #2023.5 for emergency contract services to Ground Control Excavating and authorized the Business Director to execute the contract. Be it further resolved if the contractor agrees to the same price for a subsequent year the Board has an option to renew it. A motion was seconded by Trustee Scorrano. Motion approved 3-0.

Resolution # 2023-58

A motion was made by Trustee Diana to award Bid# 2023.6 for chemicals and residuals in accordance with the various vendors lowest bid as illustrated. Furthermore, that in the absence of the lowest bidder being able to deliver the product in a timely manner or any issue then the next lowest bidder is hereby authorized to deliver the product. A motion was seconded by Trustee Scorrano. Motion approved 3-0.

Resolution # 2023-59

A motion was made by Trustee Diana to award the RFP water testing services to Pace Analytical Services at the unit costs as per their submission not to exceed \$18,807. A motion was seconded by Trustee Scorrano. Motion approved 3-0.

Resolution # 2023-60

A motion was made by Trustee Diana to approve the requested budget transfers with no additional funds to be expended and the total of the annual budget remains the same. A motion was seconded by Trustee Scorrano. Motion approved 3-0.

Resolution # 2023-61

A motion was made by Trustee Diana to authorize an executed lease extension for Mr. Phil Walko for rental of 82 Locust Avenue at the current rate of \$2,148 per month from July 1, 2023 through June 30, 2024. A motion seconded by Trustee Scorrano. Motion approved 3-0.

Resolution # 2023-62

A motion was made by Trustee Diana for the return from leave of absence for Mr. Robert Zawacki who had sustained a non-work related injury and was absent from work beginning February 21, 2023. He returned to work from an unpaid medical leave of absence effective May 24, 2023. We have appropriate medical certification to return to work without restrictions. A motion was seconded by Trustee Scorrano. Motion approved 3-0.