

Northern Westchester Joint Water Works

NWJWW Board of Trustees Meeting – March 17, 2023

Convened at 10:02 A.M.

Adjourned at 11:20 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
	Alan Kassay, PKF O’Connor Davies, left at 10:14 A.M.

A motion was made by Trustee Diana to adopt the February 24, 2023 minutes. Motion was seconded by Trustee Becker. Motion approved 4-0.

Presentation of 2022 Financial Audit by PKF O’Connor Davies

Mr. Kassay from PKF O’Connor Davies presented the 2022 financial audit. He reviewed the independent auditor’s report and issued an unmodified opinion which is the best opinion you can receive with no legal issues. The opinion was based upon the work which was performed in accordance with government audit standards.

Mr. Kassay gave an overview of the 2022 financial report and reviewed the comparative statement of net position. The balance sheet is very consistent with the prior year. The big change in the assets is that there is a net pension asset of \$671,000 versus a liability which is the employee retirement system. The NWJWW’s financial statements are prepared based on a full accrual basis which means you have to record your full liability as opposed to other municipalities which are only recorded on the GASB statement. The reason for the change is in 2021 we had a net pension liability of \$8,000 with an asset of \$672,000. The reason is because the pension system is funded at approximately 104%. Since it is overfunded we now we have a pension asset which is good. It is also affected by the stock market which is up and down.

Mr. Kassay reported that there is very little change in the capital assets. There was an acquisition of \$327,000 less depreciation which accounts for the change. There was a decrease in accrued liabilities from \$301,000 to \$56,000. In 2021 it had included utility repairs, some water upgrades and water purchases. The total net position increased by \$500,000 but the unrestricted decreased so the negative went from \$2.5 million to \$1.2 million.

Due to the rate increase per thousand gallons from \$3.78 to \$3.95, the water service charges increased about \$500,000. The total operating revenues are up almost \$700,000 or 6%. The total operating expenses were down \$300,000 or 2 ½% which results in an operating income of \$408,000 versus an operating loss in 2021 of \$580,000. The non-operating revenues, interest and rentals were up by \$55,000. The overall change in net position increased \$464,000.

Since we are on full accrual basis, we have to account for the OPEB which is the other post-employment benefits which includes health benefits for all employees and retirees. Due to certain changes in the valuations, you have a positive \$95,000 versus a liability. The liability decreased in the current year and also for the GASB 68 which is the pension that decreased \$285,000. On a modified accrual basis, if you backed out those two elements which do not affect other municipalities, your change in net position would be \$751,000 versus \$463,000.

Overall, the audit went very well with no issues. The management's discussion and analysis does not show a budget on the report. The budget has always been prepared conservatively which it should be because you do not know what will happen with the revenues and expenses. There were no comments for the Joint Water Works for 2022. The books were kept very well, everything was in order and the audit was well prepared.

Trustee Becker was surprised because the cost of chemicals and parts which were ordered throughout the year had increased. Mrs. Paget mentioned that Mr. Geho along with the Chief Operator and Assistant Chief operator examined the use of the Amawalk facility where initially they had a certain share. Both treatment plants were modified accordingly. When we saw what the cost of chemicals were going to be at the Amawalk Water Treatment plant, operation changes were made to supply. Since there was no Catskill Aqueduct shutdown, we were able to do this.

Mr. Kassay mentioned that supplies decreased by \$29,000 and water treatment decreased by \$25,000. Overall, the expenses went from \$11,882,000 to \$11,582,000. Even with the medical rate increase, employee benefits had decreased. Mrs. Paget reported that we had changes in coverages and we did experience some decrease in what we paid for retirement because of the employees and what tier they are in. Over the last few years as employees have retired, they were replaced by Tier 6 employees which are employees that are new to the system. We had this favorable experience despite the fact that our electricity costs were over \$900,000 in 2022 versus \$700,000 in 2021.

Mrs. Paget mentioned that New York City did not increase their rate by the average of what we always consider to be 10%. In July, 2021, their increase was about 8.8% which only had a half year impact in 2022 because of the timing. In July 2022 there was a 1.4% rate increase. We build a forecast of an average of 10% which works well for us as an entity. There are also changes in member demand mainly attributable to Entergy and the Village of Buchanan.

Mrs. Paget mentioned that since working with PKF O'Connor Davies, we had different auditors over the last few years and it does not matter who works with us, we find that we have an easy working relationship.

Public Hearing for Video Conferencing Requirements

A motion was made by Trustee Becker to open the Public hearing for Video Conferencing Requirements for Remote and Hybrid Meetings. Motion was seconded by Trustee Scorrano. Motion approved 4-0.

Mr. Cunningham mentioned that last year the state actually allowed hybrid meetings with certain video conference requirements. You could have had teleconferences but you would have to invite some people into your house in order to do it. Now under certain circumstances, such as illness or family emergencies, someone can come in remotely via zoom, conduct a meeting and can still be a full voting member. Trustee Scott asked Mr. Cunningham if he could summarize what the requirements of the public law is in Section 103-A. He mentioned that this is part of the public officer's law and anytime you zoom or teleconference or record the meeting, you have to record the meeting in an emergency circumstance such as family emergency or illness. Trustee Scorrano asked if you could still be part of the meeting even if it is not an emergency yet be a voter. He asked if you have to post the person who is on zoom for emergency reasons and Mr. Cunningham said you have to publicly post the zoom link. He mentioned that you would not have to post ahead of time on who would not be at the meeting but just announce it at the meeting. Mr. Geho asked if that person would come in to fill the quorum and Mr. Cunningham said that if that person was on zoom for emergency purposes then that person would fill the quorum.

Trustee Scott stated that our meetings are open meetings so if a member of the public decides they want to come to the meeting but they have a family emergency they can attend via zoom. Mr. Cunningham agreed because it would be publicly available. Mrs. Paget mentioned that when we advertise the meeting schedule at the beginning of the new year, it is just one legal notice for the year with the dates unless there is a change of time and location which at that point we would make a public announcement. Mrs. Paget mentioned that in an emergency, there may not be enough time to make a legal notice to make a formal public announcement. Mr. Cunningham said that as long as it is posted online that would be sufficient. Mrs. Paget asked what do you need to do to document that it is in fact an emergency? Mr. Cunningham said it can go into the minutes but with no specifics and under the resolution that the member is participating remotely.

A motion was made by Trustee Diana to adopt the resolution for video conferencing requirements for remote and hybrid meetings for public meetings in conformance with the standards outlined in Section 103-A of the Public Officers Law. A motion was seconded by Trustee Becker. Motion approved 4-0.

A motion was made by Trustee Diana to close and adopt the public hearing for Video Conferencing Requirements for Remote and Hybrid Meetings. Motion was seconded by Trustee Becker. Motion approved 4-0.

Proclamation for Rich Barton

Trustee Scott read the proclamation from the Joint Water Works for retiree Mr. Richard Barton who started working for the Joint Water Works in 2005. He demonstrated water capabilities in the field of water treatment. He was a great asset to the Water Works. In 2013, Mr. Barton was promoted to Assistant Chief Operator and rose to the management

challenges that came with the position. He continued to serve the residents of the member communities of the Northern Westchester Joint Water Works until his retirement on March 17, 2023. On behalf of the Trustees of the Joint Water Works, I Jeffrey Scott, Chairperson, do hereby officially thank Mr. Barton for his 17 years of service and wish to convey the very best wishes for his retirement and future endeavors.

Attorney's Report

Mr. Cunningham will speak in Executive Session regarding some employees with employment issues.

Trustee Becker asked if it was discussed at the previous meeting renaming this building for Mr. Raymond Reber instead of the Pump House building. Mr. Geho mentioned that we would get quotes for the letters. Trustee Scott asked if the letters would be similar to the Pump House? Mr. Geho said that we were looking at something over the front door. He would like to not having anything promoting the facility accessible from Route 6. Trustee Becker asked if we could just move the letters from the Pump House to the front of the building. Mr. Geho said they could potentially be moved over because it would be the right scale for the front door. If we moved the letters higher, the font would be much larger and it may be more than what we need. Mr. Geho said that in the spring or June we could do something more formal for Mr. Reber's family.

Mr. Geho stated that next month we are looking to get the property paved provided we get the bid back by the next board meeting. He would like to get this done prior to the building dedication.

Business Director's Report

Mrs. Paget mentioned that both the Joint Water Works and the Montrose Improvement District audit have been completed.

We continue to participate in the water task force for the Town of Cortlandt. We are also continuing to work with Mr. Ken Rundle and Sensus for the upcoming stages for Yorktown's water meter project. She is also working with Mr. Cliff Kummer in planning for that project

Mrs. Paget mentioned that they have been utilizing the out-source vendor for water billing printing and mailing. It has been more proficient and helpful to us at the Joint Water Works.

We are continuing to train our two newest employees as we go through our annual processes. This past month we completed three re-levy processes for the Towns of Yorktown, Cortlandt and Montrose. We assisted their tax and assessor's office in getting that information in a time frame that we believe is helpful to them.

Trustee Scott congratulated Mrs. Paget on a great audit report. She thanked the Board of Trustees for their support and the staff's support in getting the work done.

Operation's Director's Report

Mr. Geho reported that operationally we are doing good. Work was done on our motor starters in

which the bid was awarded last month. We are bringing one of our Cortlandt pumps into the SCADA system. We are focusing on preparing bids, one for landscaping and also a bid for paving and site work.

Mr. Geho would like to replace the main gates at both the Catskill and Amawalk Plants with an automated gate. At this time, we just have a chain locking the gate and the gate is in bad shape. In our capital plan, we had budgeted \$100,000 for security upgrades and we are going to utilize some of those funds. Mr. Geho would also like to look into IP cameras to tie the two facilities together now that we have fiber on both facilities so both facilities can watch each other. Years ago, both he and Mr. Glenn Sullivan formerly of Sullivan Data started to put a plan together and Mr. Geho feels that we have all the pieces in place to get a lot of this done this year into next year. We can bring security into both plants.

Trustee Diana asked if we have any internet in the fluoride building and Mr. Geho mentioned that we have a FIOS drop there. Trustee Diana said that this may be another one to loop in. Mr. Geho said that it is integrated into our SCADA system and we get notifications when the doors are accessed.

Mr. Geho said that we are working with Sensus about tapping into one of our vendors to help implement a program using Sensus' infrastructure to basically tie all their tanks into our SCADA. Sensus has a smart gateway that will communicate to the towers in Yorktown and bring the data in. We are looking to put those on the remainder of Yorktown's, Cortlandt's and Somers tanks. We have money budgeted for this and Mr. Geho will reach out to each superintendent and get that done and save money. We deal with Core and Main for all our Sensus information. Mr. Geho said that we will tie all the tank levels into one program so that each member can see their tank level. Currently, we have a combination of radios and internet. Part of this program would be to fractionate the Distribution systems to help figure out pressure changes and help identify leaks in each members' system. Trustee Diana said that it is a good idea because sometimes in the middle of the night, you cannot find those breaks and your tanks will start coming down.

Trustee Scott asked if this was measuring the level in the tank or the pressure coming out of the tank. Mr. Geho said it was the pressure of the tank which correlates to the level of the tank. The pressure transducer sends a signal which we can get on our radio.

A motion was made by Trustee Diana at 10:35 A.M. to enter into Executive session. A motion was seconded by Trustee Scorrano. Motion approved 4-0.

A motion was made by Trustee Diana at 11:17 A.M. to exit Executive session. A motion was seconded by Trustee Scorrano. Motion approved 4-0.

Mr. Cunningham read a resolution to appoint Mr. Mark Rowe to Assistant Chief Operator. Whereas Northern Westchester Joint Water Works held interviews for the Assistant Chief Operator position due to the retirement of Mr. Richard Barton. After conducting interviews, it was determined that Mr. Rowe would be the best fit for the position. Effective March 20, 2023, Mr. Rowe is provisionally appointed to the Assistant Chief Operator position. The Business Director and Operation Director are authorized to canvas the Civil Service list for an IIA Water Treatment Operator to fill Mr. Rowe's position.

A motion was made by Trustee Becker to appoint Mr. Mark Rowe to Assistant Chief Operator effective March 20, 2023. An authorization was made for both the Business and Operations Directors to canvas a Civil Service list for an IIA Water Treatment Operator to fill Mr. Rowe's previous position. A motion was seconded by Trustee Diana. Motion approved 4-0.

A motion was made by Trustee Becker at 11:20 A.M. to adjourn the meeting. Motion seconded by Trustee Scorrano. Motion approved 4-0.

Resolution # 2023-36

A motion was made by Trustee Diana to adopt the February 24, 2023 minutes. Motion was seconded by Trustee Becker. Motion approved 4-0.

Resolution # 2023-37

A motion was made by Trustee Becker to open the Public hearing for Video Conferencing Requirements for Remote and Hybrid Meetings. Motion was seconded by Trustee Scorrano. Motion approved 4-0.

Resolution # 2023-38

A motion was made by Trustee Diana to adopt the resolution for video conferencing requirements for remote and hybrid meetings for public meetings in conformance with the standards outlined in Section 103-A of the Public Officers Law. A motion was seconded by Trustee Becker. Motion approved 4-0.

Resolution # 2023-39

A motion was made by Trustee Diana to close and adopt the public hearing for Video Conferencing Requirements for Remote and Hybrid Meetings. Motion was seconded by Trustee Becker. Motion approved 4-0.

Resolution # 2023-40

A motion was made by Trustee Becker to appoint Mr. Mark Rowe to Assistant Chief Operator effective March 20, 2023. An authorization was made for both the Business and Operations Directors to canvas a Civil Service list for an IIA Water Treatment Operator to fill Mr. Rowe's previous position. A motion was seconded by Trustee Diana. Motion approved 4-0.