

# Northern Westchester Joint Water Works

NWJWW Board of Trustees Meeting – May 19, 2023

Convened at 10:10 A.M.

Adjourned at 11:07 A.M.

**Present:**

<b>Jeffrey Scott, Chairperson</b>	<b>Matthew Geho, Operations Director</b>
<b>Robert Scorrano, Vice Chairperson</b>	<b>Catherine Paget, Business Director</b>
<b>Thomas Diana, Treasurer, absent</b>	<b>Michael Cunningham, Attorney</b>
<b>Richard Becker, Trustee</b>	<b>Donna Albanese, Recording Sec’y</b>
	<b>Ken Rundle, Yorktown Water Service Superintendent</b>

A motion was made by Trustee Scorrano to adopt the April 21, 2023 minutes. Motion was seconded by Trustee Becker. Motion approved 3-0.

A motion was made by Trustee Scorrano at 10:11 A.M. to enter into Executive Session. A motion was seconded by Trustee Becker. Motion approved 3-0.

A motion was made by Trustee Scorrano at 10:31 to exit Executive Session. A motion was seconded by Trustee Becker. Motion approved 3-0.

Trustee Scott read aloud a draft resolution that effective June 12, 2023 Mr. Travis Humeston will be appointed to the position of Water Treatment Plant Operator IIA from the Civil Service list 02-601 subject to pre-employment drug testing, background screening and physical prior to his start date. This appointment is subject to the maximum probationary period as defined by Civil Service.

A motion was made by Trustee Scorrano to appoint Mr. Travis Humeston to the position of Water Treatment Operator IIA effective June 12, 2023. A motion was seconded by Trustee Becker. Motion approved 3-0.

### **Review results and request award of Bid #2023.4 HVAC Contractor Services**

Mr. Geho reported that we had advertised a bid for the HVAC Contractor Services on Bidnet. We received one bid yet 12 vendors had downloaded the bid document. Clean Air Quality Services Inc. was the only bidder and when Mr. Geho checked their references, they were all very good. They were responsive, thorough and on time which is good. He recommends that we utilize Clean Air

Quality Services and give them a try for a year.

Mrs. Paget went over their hourly rates and compared it to the awarded vendor from last year. Clean Air's rates are \$149 an hour and last year the previous vendor's rate was \$140 an hour. Regarding the night rate, Clean Air's rate is \$235 an hour and last year's vendor's rate was \$280 an hour. Mr. Geho mentioned that this is an annual agreement but we have language in the bid with a one-year extension if both parties agree. Mrs. Paget stated that their references were school districts and other municipalities such as the Village of Briarcliff Manor, Village of Scarsdale and the Croton Harmon Union Free School for about 15 years.

Mr. Geho mentioned that in the bid, we put in different sections for rates but we would not need section 2 emergency work or section 3-night work. We just have those sections for information. If anything happens to the HVAC system and it fails in the middle of the night, we would not call anyone to fix the problem. We will also have Clean Air do a preventive maintenance and may be able to use them for bigger projects.

A motion made by Trustee Scorrano to award Bid #2023.4 for HVAC contractor services to Clean Air Quality Service of Hawthorne, NY. A motion was seconded by Trustee Becker. Motion approved 3-0.

#### **Request approval of one-year extension of Bid #2022.6 Electrical Contractor Services**

Mrs. Paget reported that last year we had advertised a bid for electrical contractor services to work in the same manner as we had discussed with the HVAC. Basically, it is to respond for urgent or planned work. We had included in that contract two periods of one-year extensions. We wrote to Acorn Electrical Contractors saying we were interested in extending if they would also be interested in extending their service to us. There is a clause in the contract saying within reason if there is a price escalation. They wrote us back that there is no price escalation and it would be same rate as last year. As a reference, their rate is \$130 an hour for a master electrician. For night work, a master electrician's rate is \$175 an hour. We are looking to renew what we had awarded last year.

A motion was made by Trustee Becker to award Bid #2022.6 to Acorn Electrical Contractors by extending their contract from last year with no increase in rates. A motion was seconded by Trustee Scorrano. Motion approved 3-0.

#### **Request receive and file of 2023 NWJWW Records Destruction List**

Mrs. Paget reported that we held our annual records inventory and management day on Friday, May 5, 2023. During that time, we identified records which exceeded their retention by the State Archives schedule that we are mandated to follow. We worked in conjunction with Westchester County for the mobile shredder to come on site. They took away everything on the disposal list. Mrs. Paget is asking for receipt and file.

A motion was made by Trustee Becker to accept the 2023 disposal list of items that had aged out of their mandatory retention. The files have been identified, measured and listed for the Board of Trustees. The County of Westchester mobile shredder was on site to dispose of such items. A motion was seconded by Trustee Scorrano. Motion approved 3-0 .

**Request to revisit topic of discussion at April meeting – NWJWW revenue figures affected by Montrose water demand charges via the Village of Buchanan**

Trustee Scott asked to revisit this topic which was previously discussed at the April Board meeting because a great deal of information was discovered and came to light regarding the purchase of water by Buchanan from Peekskill. He mentioned that we discovered the rate the Village of Buchanan is paying the Town of Peekskill for water. We have more precision on the excess water charges. Peekskill is charging Buchanan \$7.65 per thousand gallons. The cost from Montrose is \$6.66 per thousand gallons. We were able to determine that based on an annualized consumption of 90 million gallons, they are managing to keep their excess consumption charges from New York State DEP which amounts to \$3,534 per million gallons at or close to zero. They solved the optimum tabloid for minimizing water.

The impact is that the Montrose Improvement District has a contract with Buchanan for a good faith level of purchase for water. They are falling short of about 40 million gallons per year on their contractual obligation to purchase water. This indirectly affects the Joint Water Works in terms of water sales which is a Village of Buchanan issue. Trustee Scott stated that he does not think that that would change their consumption. The optimal consumption for them still would be 90 million gallons from the Montrose Improvement District and 130 million gallons from Peekskill.

Mrs. Paget mentioned that speaking in terms of dollars what it means to the Joint Water Works as far as anything over and above the loss of the spread between sales to Montrose and production that we would have to pay for and treat is the NWJWW 30% surcharge. Trustee Scott said that the excess fees are levied by the DEP directly, but Mr. Geho said no we were adding the 30% surcharge on top of that. We used that to offset the transmission main. Mr. Geho mentioned that when we identified that the 16” transmission main had a leak and we had to replace it, we went to Entergy and said that we need money and Entergy said no. We then said that we would add a surcharge. Mrs. Paget stated that since inception, we recouped \$747,000, and last year we collected \$105,000.

The DEP would charge the Joint Water Works, the Joint Water Works would charge the Montrose Improvement District and Montrose Improvement District would charge Buchanan. Buchanan would give Entergy a bill and they would pay it. Now that Entergy is no longer, it is not a feasible option. Mrs. Paget said that the only people that pay that 30% surcharge is the members that had been in that position which seems to be a seasonal thing. Mr. Geho said given recent history, coming up this month or next month it is only going to be the Town of Cortlandt. He feels that the only thing the Board can do is drop the 30% surcharge at this point because we are not really going to recoup much more money. It will only impact the members directly so that could be an option to help this.

Trustee Scott asked when does that get consideration? Is it at the budget meeting and Mrs. Paget said it could be whenever the Board wants it too because it is a Board decided event. It was by resolution of the Board after discussion. Mr. Geho said that even if we keep it imposed, we are not going to get any more out of it. Trustee Scott said he does not think they are going to change their consumption. Mr. Geho feels that their water quality is going to mandate that they take more from us so we have to wait it out because it will be a matter of time.

Mr. Cunningham asked Trustee Scott if Ms. Bernis Nelson, the Montrose Improvement District’s attorney, reached out to their attorney. Trustee Scott mentioned that Ms. Nelson was not at the previous Montrose Improvement District’s Board meeting so it will be discussed at the June Board

meeting. Buchanan is in breach of contract for 2022 and 2023. There is a deadline of July 1<sup>st</sup> to get out of the agreement for 2024. Trustee Scorrano asked that if we remove the 30% surcharge, does that affect other places where we give water to? Mr. Geho said just the members and Mrs. Paget said that cost is on top of the bulk sales to the members.

Mr. Geho stated that the per capita allotment which the City issues on a monthly basis is what sets that number. If the Town of Cortlandt exceeds that number, that total volume is what is allotted and when you trip that anything over that is \$3,300 per million. It does add up quickly and there is nothing you can really do. Mr. Cunningham said that if you remove the NWJWW excess consumption fee from Buchanan then you have to remove it completely. Mr. Geho said that if we were not sitting in such a positive place, that 30% surcharge is not going to make or break the organization. When we did that, we did recoup a portion of the cost of the transmission line. If we have to do the 16" transmission line through Blue Mountain, that 30% is not going to be part of it.

Trustee Scott said that this is the subtotal of the 30% surcharge. He does not feel that Buchanan would increase their consumption. Mr. Geho said that it is more of a benefit to the members on a whole because it is not money you are paying out. The 30% surcharge was just to offset the cost for the 16" transmission line from Route 35, the 24" inch transmission line from Amawalk, and the 16" transmission line going to low service.

Trustee Becker said that the removal of the 30% surcharge is option B. He said that the first option is you have a contract and can go back to that. Buchanan does not have a right to obviate their contractual obligations. Mr. Cunningham said he would speak to Ms. Bernis Nelson because she has to take the lead on that because Montrose is in contract with the Village of Buchanan. He said that we know from other sewer agreements, they like to charge a 30% surcharge to out of district users. He does not understand why Buchanan would have an issue with a 30% excess fee that everyone else is subject to. Mr. Geho mentioned that the Village of Buchanan never balked at it and they did pay it. Trustee Scott said that if the contract fails, there is less emphasis to remove the surcharge because you are doubling your sense of losses.

### **Discuss plan for June 16 meeting at Amawalk Plant**

Mr. Geho reported that this will be our 3<sup>rd</sup> year that we have held a Board meeting at our Amawalk facility so that everyone is aware that Amawalk is also our asset. The will be held on Friday, June 16, 2023 at 11:00 A.M. in the lab area. After the Board meeting, we usually have a small lunch costing no more than \$300. Trustee Scott mentioned that the other two Montrose Improvement District Trustees, Charlie Peterson and Craig Rodrigues, would be interested in attending the June meeting.

A motion was made by Trustee Becker to hold the June 16, 2023 Board meeting at the Amawalk facility at 11:00 A.M. with lunch provided by the Northern Westchester Joint Water Works at a price not to exceed \$300. A motion was seconded by Trustee Scorrano. Motion approved 3-0.

### **Attorney's Report**

Mr. Cunningham commended Mrs. Paget and Mr. Geho who complied with Civil Service. It is not an easy process and they are both very diligent. Mrs. Paget appreciated the guidance.

## **Business Director's Report**

Mrs. Paget said we are continuing on with project assistance from the Towns of Cortlandt and Yorktown in terms of the Yorktown meter replacement project and the Cortlandt water task force with moving things forward.

She mentioned that the New York City Water Board did issue a public hearing notice that they are reviewing the water rate to the upstate communities which will be in effect July 1, 2023. They are discussing the likelihood that there will be a rate increase of 6.76%. We should know by the next Board meeting what the impact will be to us as whether they will go forward or not.

Mr. Rundle asked if there is a price increase, do we pass over the increase to the members in the beginning of next year or would it be July. Mrs. Paget stated that it gets factored into the following year's budget. Preemptively, we prepare the current year's budget with a factor that is meant to cover what we anticipate they will do based on their history. We usually factor in a 10% increase in July because we have found in recent years they fluctuate. They have gone from as low as 2% to a 9.79% increase and at one time we had a 24% increase. We do that with the intent of not making a mid-year adjustment. We have not had to do that and we take it into account the following year. Sometimes we do not have to change the rate at all and this year's rate to the members has not increased. We kept the rate at \$3.95 which is the same as last year's rate. Mr. Geho said we try to keep everything contained for the year since everyone is on a calendar year and it seems to make the process easier. The water rate is applied in January and the rate stays until the end of the year. Mrs. Paget said that if there was some other reason the Board had to entertain a rate increase to the members for conditions outside of that it would be at the discretion of the Board.

## **Operation's Director**

Mr. Geho reported that the Catskill facility is still offline and should be back online by Monday. Regarding prior Board of Trustees, they had allowed us to update and upgrade the Amawalk facility and it has paid off. It is producing about 7.3 million gallons of water a day which is the most it has produced in 50 years. We have 3 pumps running and we may need the fourth pump up to keep up with demand. We are going to try not to run on Peekskill water but there is a chance we may have to tomorrow for the weekend. If we get a reprieve from the rain, we are going to keep the systems isolated so that the Peekskill water is contained to Montrose and Cortlandt's low service which is Verplanck, Crugers and Buchanan. This will be done so we can keep any complaints that may arise from the different quality of water to a minimum. The objective is not to do that but if we find that we are in a situation tomorrow that can compromise fire protection we may have to do it which at that point we will come in tomorrow to start the plant up.

Mr. Geho said that we base everything on Yorktown's Quinlan's tanks which are the highest tanks (elevation) which sets the benchmark for us. If we can get ourselves back to the upper 20's to low 21-foot elevation by tomorrow morning then we will be in a good place. If we are on that 19-foot range then we may consider bringing it back on so that we can be satisfied and make it by Tuesday at a minimal. We could possibly take 2.5 million gallons of water which would satisfy low service demand. Trustee Scott stated that it gives us the in-system reserve.

Mr. Geho mentioned that last year when we set the budget around this time of year, we identified projects that we felt we needed to be addressed, so we budgeted for them. However since then we identified other more pressing issues that we feel needs to be addressed this year. An actuator for

our DAF system failed. Due to the age we cannot repair so must replace. Given there are a total of 8 actuators that are the same age and are just as critical to the overall operation of the facility we would like to capitalize the replacement of all 8 actuators. This is not part of the 5-year capital plan.

Mr. Geho is asking the Board to capitalize an actuator replacement project which we would use fund balance monies to fund. We would offset that use of money with O and M money at the end of the year. We are not requesting an increase in the budget, just shifting our priorities to what we need. Mr. Geho would like to get a bid out. We are projecting \$40,000 to \$60,000 depending on the technology we implement. He would like to get that bid out and receive data and information so he can present the information at the June 2023 Board meeting if we can get everything back quickly. We are going to be planning next year's budget now and things that we see as a problem will need to be fixed.

Trustee Scott asked what does an actuator do and Mr. Geho said an actuator remotely operates valves.

A motion was made by Trustee Scorrano to have Mr. Geho bid out the actuator replacement project to be funded through O and M. Mr. Geho would give Mrs. Paget a breakdown of all the budgetary items that we would look not to do. A motion was seconded by Trustee Becker. Motion approved 3-0.

*A motion was made by Trustee Scorrano at 11:07 A.M. to adjourn the meeting. A motion was seconded by Trustee Becker. Motion approved. 3.0*

**Resolution # 2023-49**

*A motion was made by Trustee Scorrano to adopt the April 21, 2023 minutes. Motion was seconded by Trustee Becker. Motion approved 3-0.*

**Resolution # 2023-50**

*A motion was made by Trustee Scorrano to appoint Mr. Travis Humeston to the position of Water Treatment Operator IIA effective June 12, 2023. A motion was seconded by Trustee Becker. Motion approved 3-0.*

**Resolution # 2023-51**

*A motion made by Trustee Scorrano to award Bid #2023.4 for HVAC contractor services to Clean Air Quality Service of Hawthorne, NY. A motion was seconded by Trustee Becker. Motion approved 3-0.*

**Resolution # 2023-52**

*A motion was made by Trustee Becker to award Bid #2022.6 to Acorn Electrical Contractors by extending their contract from last year with no increase in rates. A motion was seconded by Trustee Scorrano. Motion approved 3-0.*

**Resolution # 2023-53**

*A motion was made by Trustee Becker to accept the 2023 disposal list of items that had aged out of their mandatory retention. The files have been identified, measured and listed for the Board of Trustees. The County of Westchester mobile shredder was on site to dispose of such items. A motion was seconded by Trustee Scorrano. Motion approved 3-0.*

**Resolution # 2023-54**

*A motion was made by Trustee Becker to hold the June 16, 2023 Board meeting at the Amawalk facility at 11:00 A.M. with lunch provided by the Northern Westchester Joint Water Works at a price not to exceed \$300. A motion was seconded by Trustee Scorrano. Motion approved 3-0.*

**Resolution # 2023-55**

*A motion was made by Trustee Scorrano to have Mr. Geho bid out the actuator replacement project to be funded through O and M. Mr. Geho would give Mrs. Paget a breakdown of all the budgetary items that we would look not to do. A motion was seconded by Trustee Becker. Motion approved 3-0.*