

Northern Westchester Joint Water Works

NWJWW Board of Trustees Meeting – September 15, 2023

Convened at 10:40 A.M.

Adjourned at 12:11 P.M.

Present:

Jeffrey Scott, Chairperson	Matthew Geho, Operations Director
Robert Scorrano, Vice Chairperson	Catherine Paget, Business Director
Thomas Diana, Treasurer, arrived 10:42 A.M.	Tom Wood, Attorney
Richard Becker, Trustee	Donna Albanese, Recording Sec’y
Steven Ferreira, Town of Cortlandt, Director of Department of Environmental Services, left at 11:20 A.M.	Ken Rundle, Yorktown Water Service Superintendent, left at 11:20 A.M.

A motion was made by Trustee Scorrano to adopt the August 4, 2023 minutes. Motion was seconded by Trustee Becker. Motion approved 3-0.

Request Amendment of Bid #2023.9 Catskill DAF Actuators

Mr. Geho reported that last month we awarded the Catskill DAF Actuator bid to Corrosion Products and Equipment for \$32,000 for the replacement of the DAF Actuators. The bid amount was incorrect and the number is actually \$22,628. When we summed the totals, we mistakenly included option 2 which was the alternative bid item. This would be a reduction in the total cost we will be spending on the project by \$9,436.

A motion was made by Trustee Scorrano to amend Bid #2023.9 Catskill DAF Actuators bid amount for Corrosion Products and Equipment from \$32,064 which had included item #2 in error to \$22,628 resulting in a \$9,436 decrease from resolution #2023-65. A motion seconded by Trustee Becker. Motion approved 4-0.

Request Rejection of Bid #2023.7 Electric Gates and Fencing at Catskill and Amawalk Plants

Mr. Geho requested that Bid #2023.7 Electric Gates and Fencing at both the Catskill and Amawalk Plants be rejected because we need to modify some of the verbiage in the bid specs. When the bids came back, we realized there was an integration issue that we were going to run into with our existing security system. We found that in the process of this, the Continental software cannot be touched by anyone but a Continental representative or it voids the warranty. We have to include that verbiage with the revised bid. We are trying to get that integration with our fobs so that we do not have separate remote controls to open the gates. We have to get that integration with the contractor to make sure it is seamless. We would like to award the bid at the next meeting or carry it over to 2024.

A motion was made by Trustee Becker to reject and rebid Bid #2023.7 Electric Gates and Fencing at the Catskill and Amawalk Plants with additional verbiage due to the fact that the Continental software cannot be touched by anyone but a Continental representative to avoid any warranty issues. A motion was seconded by Trustee Scorrano. Motion approved 4-0.

Request to Release Retainage Withheld for Bid #2022.1 Amawalk Generator Radiator Replacement

Mrs. Paget reported that the Operations Director reviewed the request of GenTech who finished the Amawalk Generator Radiator replacement project over a year ago to release the retainage. Our office has verified that the retainage amount requested \$10,181.36 is the amount on deposit.

A motion was made by Trustee Becker to release to GenTech Ltd their retainage in the amount of \$10,181.36 for Bid #2022.1 Amawalk Generator Radiator replacement project. A motion was seconded by Trustee Diana. Motion approved 4-0.

Requested by Trustee Diana – Discuss Member Bulk Meter Calibrations Plan

Trustee Diana requested that both he and Mr. Ken Rundle would like to go over the high level plans on what they should do to make sure that they are capturing all the water. Mr. Ken Rundle said that he has raised this issue quite often and understands that the 24” main leaves the Catskill Plant and goes to the Amawalk Plant, runs through the Town of Yorktown and that the Town of Cortlandt and the Town of Somers have connections off of that main. His issue is that when the meters leave the plants they capture all the reads then that gets billed to the Town of Yorktown to their rate payers. Whatever is on the meter for the Town of Cortlandt or Somers gets backed out of that and charged to that appropriate municipality. He believes that the issues are happening are that those meters for the Towns of Cortlandt and Somers are not accurate. He would like to see the meters tested for accuracy.

Mr. Rundle stated that the meter going to Quarry Acres is probably 40 years old and he would be surprised if that meter falls into specs. If it is running at 80% to 90% accuracy, the rate payers in Yorktown are subsidizing 10% of that water loss. The meters are calibrated every 6 months. The meters throughout the Distribution system leading into municipalities as far as he is aware have not been calibrated.

Trustee Scott mentioned that they have a similar situation with the Montrose Improvement District. On their bulk meter, there is a clause in their contract with Buchanan that they have the right to order the calibration and Buchanan has to pay for it. He feels that if it is a legal obligation for Montrose then it would be the same for the Yorktown district and order the calibration of the meter at reasonable intervals. The Town of Somers and Cortlandt would have to pay for that calibration. Mr. Rundle said that the Town of Yorktown has a water agreement with New Castle for the Kitchawan water district and in that agreement it clearly states that that meter shall be calibrated once every 12 months.

Mr. Ferreira suggested to Mr. Rundle that he should let the Joint Water Works handle the annual calibration. Mr. Geho said that initially the idea was to have the Joint Water Works handle the calibration and replacement of the meters. He feels that where the disconnect has been is that the Joint Water Works does not have the authority to do this but have the responsibility to oversee it.

We generate the invoices for the members on the data which is being generated. Mr. Wood said that the 24" transmission line is a Joint Water Works line and you are using a meter to bill them less what the other 2 meters are showing. Wouldn't that be a Joint Water Works responsibility? Mr. Geho said it should but the problem with the disconnect is that he does not have the authority over the pit. Mr. Wood said we need to make sure it is all accurate.

Mr. Geho mentioned that we budget over the years for meter replacement and the main meters are calibrated. Mr. Wood said that it would be appropriate that all the meters used in this process should be. Mr. Geho stated that we have money in the budget for meter replacement but he cannot force anyone to change a meter. Mr. Wood said that we should ask the Town of Cortlandt and Somers for resolutions authorizing NWJWW to calibrate the meters into exercised supervision of the 2 meters. Mr. Geho said that with the Town of Somers, the DEP has control of the meters. The DEP wants to replace the meters again so Mr. McQuillan (Somers), the DEP, and the Joint Water Works can have real time data from those meters. It is the smaller meters throughout the system that need to be addressed.

Mr. Rundle said that is not in their scope and he would recommend that the Yorktown staff does not get involved with putting in 6" water meters since this is not what they do. Mr. Geho said he does not mind doing this but we would need a hydro vac and people to turn the valves. The actual physical install and communication we can handle yet we need manpower to get the job done.

Mr. Rundle suggested for example using Quarry Acres don't throw money for the meter just to get it tested because in the end you are going to pay someone \$1,500 to go in it and test it. They will say your meter is not within compliance and failed now you have to buy a new meter. His recommendation is to just buy a new meter instead. Mr. Geho said that it would cost \$6,000 which is \$1,000 an inch to replace a 6" meter. Mr. Rundle said that if it comes to meters being changed out maybe we should install Sensus meter. Mr. Geho said that we are using Sensus meters now with a MXU so we can get back to the network which is how we get our data at this point. We have standardized on Sensus and we have spare meter heads on site. The new T2 Omni meters come with a meter chamber. We go in, pull the meter chamber out, put the new meter chamber in send that meter chamber back to Sensus who verifies it. It comes back goes on the shelf and goes into a new meter. This is why we like to standardize on Omni's because it is a one-meter head we are buying.

Mr. Geho said that the bigger meters would require Neal Systems to verify flow utilizing ultrasonic flow meters downstream of the mage meter s in the field. Mr. Geho is trying to get Mr. Fred McQuillan from the Town of Somers access to the network that the DEP has set flows so he can see the meters. There is a coordination issue between the DEP and their network. Mr. Wood suggested we do a resolution in the town then next month reflecting what everyone comes up with. Mr. Geho mentioned that the funding will come through the Board and reassigned to the member at the end of the year.

We can replace the Quarry Acres meter and charge it back to the Town of Cortlandt at the year-end reconciliation so that the Joint Water Works is not paying for that meter unless we want to own that asset as the Joint Water Works. The meter pit is an existing infrastructure in everyone's individual system. If we replace that meter then the Joint Water Works cannot pay for that meter but charge the member back. Mrs. Paget said that if we own the asset then it becomes part of the regular transmission and distribution budget. Mr. Geho feels that the Joint Water Works should not own it

but stay in the municipal's hands and we just charge them back for it. Mr. Geho mentioned that the Joint Water Works would standardize on Flexnet's infrastructure just because it would be one program that Mr. Geho would be able to access.

Requested by Trustee Becker – Discuss 1799 Lockwood Road

Trustee Scott mentioned that after a brief discussion before the Board meeting was called to order, the Board will discuss 1799 Lockwood Road at the next Board meeting. Trustee Becker mentioned that this was a complicated issue where there is a home within the Town of Yorktown that gets its water from the Town of Cortlandt. He feels the Towns of Yorktown and Cortlandt can work out some recommendations along with the Joint Water Works. There may be a reason to create an 8" loop that would help the Water Works too and service the one home. We would give some redundancy to the system or we just put in a new copper line. The Towns of Cortlandt and Yorktown can split the cost. It is not the homeowner's fault or the 2 towns fault and needs to be resolved.

Request for IMA for Fluoride Pump Station Completion

Mr. Geho mentioned that the fluoride pump station on Catherine Street by Old Crompond Road is coming to completion. Our crews are there now putting in the new plumbing. We realized that going back to the inception of the Joint Water Works there was never truly an IMA agreement formed between the Town of Yorktown and the Joint Water Works to operate the fluoride system. There was a letter of consent that we would operate it but no physical agreement which we would like to have. We want it to say that the Joint Water Works will operate and maintain the fluoride system and Yorktown will pay back said costs. Trustee Diana mentioned that we would need a resolution within the Town of Yorktown.

Mr. Geho said that when we set the budget, the Town of Yorktown will know what the fluoride costs will incur which is about \$25,000 to \$30,000 in chemicals and supplies. The Town of Yorktown will give us a resolution then we can adopt one at the Joint Water Works. This will also include the Amawalk Water Treatment Plant because we operate the fluoride over there. Mr. Rundle asked when the fluoride was up and running in the early 2000's was the Town of Yorktown receiving a bill? Mr. Geho did not know but in 2011 when he started working at the Joint Water Works, Yorktown was being billed. Ms. Paget said that it would show up on the year end reconciliation. We would segregate out the associated costs for getting the fluoride and anything related to it and pull that out of the expenses that get allocated to the members and pass that on to Yorktown. It was not a separate invoice but put on the reconciliation billing.

The fluoride is specific for just Yorktown because the other entities do not have it. Mr. Wood said that when the Water Works was formed, there was a room for equipment to inject the fluoride into the feed for Yorktown only. Mr. Wood stated that at that time to accommodate Yorktown's fluoride injection it functioned at the Catskill Plant for 10 to 15 years then corroded. There was a debate whether to continue using fluoride or not. When Yorktown decided to continue it, it was determined it was easier to inject the fluoride on Catherine Street. Mr. Geho mentioned that by the time this conversation happened, the new interconnect for Cortlandt was being implemented which means the injection point had to be downstream of that new tap. He mentioned that before water district #2, Yorktown was paying 100% of all treatment costs and now they are paying 40% because the fluoride is just for them. Since we are accommodating the Town of Yorktown to inject fluoride, there are about 12 to 20 homes which is about 25 to 30 accounts off of Lexington Avenue within the Town of Cortlandt that fluoride goes into by default because of the proximity.

Mr. Rundle said that when the fluoride comes on those accounts should be notified. Mr. Geho said that the public notices are addressed to Yorktown and Somers residents in the two different districts exclusively but Quarry Acres will no longer be fluoridated. Mr. Wood asked Mr. Geho if he bills Yorktown for the maintenance and operation of the Catherine Street pump station. Mr. Geho said yes and he will bill them eventually. We have to buy all new face masks which is all for the fluoride system. Mr. Wood stated that basically the injection of fluoride is done at the request of the Town of Yorktown. If this is going to be problematic that other residents are getting the fluoride who are not part of the Town of Yorktown then the Water Works would have to consider whether they want to be involved in the injection of the fluoride or if it should be injected into the joint system.

Mr. Ferreira asked what the cost of the fluoride is and Mr. Geho said about \$25,000 for the year. About \$2,000 a month for the entire population which is \$2 per home for the year. The Joint Water works crew are there now plumbing in the day tank feed and the Health Department has been notified to go there for a final certification.

Discuss Possible Amendments to NWJWW 30% Excess Consumption Fee Structure

Trustee Scott stated that this was a discussion topic to take away the 30% excess consumption fee structure that the Joint Water Works charges on NYC DEP per capita excesses of which the Town of Cortlandt and the Montrose Improvement District are the recipients. Mr. Geho said back in 2016 there was a break on the 16' main on Route 6. It was a \$1.3 million-dollar project and we used the funds from our fund balance to cover the costs of the break with the idea of using the 30% excess consumption on top of the City's per capital to recoup some of the costs. The idea was to get Buchanan/Entergy to pay the bill which we had requested and they would not. We hit them with a surcharge which they paid uncontested so we received ¾ of the money back. Buchanan is no longer supplying Entergy so Montrose and the Town of Cortlandt were the only entities that had excess charges this year.

The excessive consumption was about \$25,000 from the City and we tacked on another \$8,000 to \$10,000. The idea came up that if we suspend that 30% excessive charge on top of the excessive consumption, we are not penalizing our members directly. The idea would be to drop it but have it available in the event we want to re-implement it the future. We have a 20 cents per thousand for capital project for the plants but we do not have any additional costs for distribution to maintain the transmission lines.

Trustee Scott stated that the original resolution specifically targeted Entergy who has since ceased drawing water to the Village of Buchanan any excess water. Mrs. Paget stated that the resolution would be to modify the original resolution and establish under what conditions it is triggered again to reinstate it.

Mrs. Paget said we wanted to see the Board's position on the 30% excess and maybe Mr. Wood or Mr. Cunningham can draft a resolution based upon how they want it be handled. Mrs. Paget and Mr. Geho will draft their ideas and send it to Mr. Cunningham and Mr. Wood for review and put it on the agenda to discuss at the next Board meeting. Mr. Geho said that if we decide to remove it then it would start August 2023 because that excessive consumption will not come out until the November invoices. If we implement it in October it would be effective August 2023.

A motion was made by Trustee Diana at 11:20 a.m. to enter into Executive Session. A motion was seconded by Trustee Becker. Motion approved 4-0.

A motion was made by Trustee Becker at 11:55 a.m. to exit Executive Session. A motion was seconded by Trustee Scorrano. Motion approved 4-0.

2024 Budget discussion??

Mrs. Paget reviewed the 2024 draft budget. She budgeted a 10% increase in the health insurance as well as the commercial insurance package. The retirement rates have a 20% increase. There are no additional positions but we still have the water meter reader position which was budgeted 5 years ago that has yet been unfilled. The concept was that if we hired someone they can assist in Montrose and Cortlandt with their needs. She asked do we want to fill that position or not? She can talk more with the members direct personnel if it is the Board's will to keep the position in the budget. Regarding Civil Service, they will automatically strike it from your record after 5 years then you would have to start all over. Since we are going into year 5 if we are not going to fill it, we will lose it. The needs of this position have to be revisited at budget time for everyone as to whether we continue to keep it in the Joint Water Works budget.

Salary rates are included at the 2023 salary rates and the union contract expires at the end of 2023. The budget includes provisions for equipment as needed by the Operation's Director's request.

In reviewing the capital plan, there is about \$7.5 million in project plans over the next 5 years. The transmission line capital plan is about \$5.6 million which is a guesstimate. Given that we have a fund balance of nearly \$10 million, we talked about if we do a transmission line repair and how it would be funded. We could probably use some of that money up to a certain point to start it or stabilize the system and any long-term repair would still need be bonded by the members. If we continue to fund projects with the 20 cents per thousand, you have \$6 million available for decisions once you take out the 25% required to be on reserve for unforeseen operating expenses. What is listed can be funded by the 20 cents per thousand without the 30% surcharge, which Mrs. Paget took out when she prepared the budget in anticipation of the fact that it was likely not going to be captured. The 20 cents per thousand every year generates about \$450,000 and then the capital expenses over a 5-year period would give us about \$2.1 million.

The water rate is proposed at \$3.98 which would cover the operating deficit of \$535,000. Last year we had proposed to have a rate increase of 11 cents, which was passed on by the Board. We kept the water rate the same in 2022 and 2023. A 23-cent increase in the rate to \$3.98 would cover your operating deficit for the most part. The 20 cents per thousand is over and above and has its own designation. The water revenue reflected in the budget is at the current rates.

We received an email from the New York Power Authority and they are having a virtual informational meeting on Westchester customers later this month to let us know what is expected for the 2024 rate. Preliminary, they said they expect delivery costs to increase

17% this year which would be effective this month. The electricity expense we have seen this year is more favorable than last year. We may wind end up between \$800,000 and \$900,000 again this year based upon what they predicted with the rate increase. She would not recommend doing anything right now.

Trustee Scott asked Mr. Geho if he knew what the hourly consumption electric service is? Mr. Geho said we use about 1 megawatt of power a day which is 70/30 between the 2 plants. When you look at NYSEG, the off duty and on duty hours are equal. We are locked in with New York Power Authority and they have a great rate with a rate of 8 or 9 cents per kilowatt and the delivery is about 40%. Mr. Geho said that once the new pump for the Town of Yorktown comes on, it will help save on surcharges per monthly costs. Mr. Geho mentioned that to keep costs down, we can reduce flows during the day and double or triple pump at night. With Amawalk, we cannot run a backwash pump when we have a high lift pump on. This is the peak instantaneous consumption. Trustee Scott asked if they have us locked into peak consumption on the highest usage day and Mr. Geho said yes on a 30-day period.

Budget discussions will continue at the next Board meeting.

Attorney Report

Mr. Wood had no further comments.

Business Director's Report

Mrs. Paget suggested that following the October 13th Board of Trustees meeting, we can have a formal Catskill Water Treatment Plant building dedication to Mr. Raymond Reber. We would send out invitations to current and former Trustees and Commissioners who have had history with the Joint Water Works. The Board agreed there is no conflict to start right after the October 13, 2023 Board meeting.

Mrs. Paget spoke about GASB standards so as we enter the last quarter of the year, we will be preparing our information to be in compliance with one of the newer standards subscription based costs and reporting.

Operation's Director

Mr. Geho requested the Board to receive and file the 2nd quarter Operations Report.

A motion was made by Trustee Becker to receive and file the 2nd quarter Operations Report. A motion was seconded by Trustee Scorrano. Motion approved 4-0.

Mrs. Paget and Mr. Geho mentioned that we need to do an resolution authorizing to canvas a 1A list for promotional consideration.

A motion was made by Trustee Diana to direct a directive to the Business Director to request the Civil Service list for a 1A operator from the Westchester County Department of Civil Service. A motion was seconded by Trustee Scorrano. Motion approved 4-0.

A motion was made by Trustee Diana at 12:11 P.M. to adjourn the meeting. A motion was seconded

by Trustee Becker. Motion approved 4-0.

Resolution # 2023-72

A motion was made by Trustee Scorrano to adopt the August 4, 2023 minutes. Motion was seconded by Trustee Becker. Motion approved 3-0.

Resolution # 2023-73

A motion was made by Trustee Scorrano to amend Bid #2023.9 Catskill DAF Actuators bid amount for Corrosion Products and Equipment from \$32,064 which had included item #2 in error to \$22,628 resulting in a \$9,436 decrease from resolution #2023-65. A motion seconded by Trustee Becker. Motion approved 4-0.

Resolution # 2023-74

A motion was made by Trustee Becker to reject and rebid Bid #2023.7 Electric Gates and Fencing at the Catskill and Amawalk Plants with additional verbiage due to the fact that the Continental software cannot be touched by anyone but a Continental representative to avoid any warranty issues. A motion was seconded by Trustee Scorrano. Motion approved 4-0.

Resolution # 2023-75

A motion was made by Trustee Becker to release to GenTech Ltd their retainage in the amount of \$10,181.36 for Bid #2022.1 Amawalk Generator Radiator replacement project. A motion was seconded by Trustee Diana. Motion approved 4-0.

Resolution # 2023-76

A motion was made by Trustee Becker to receive and file the 2nd quarter Operations Report. A motion was seconded by Trustee Scorrano. Motion approved 4-0.

Resolution # 2023-77

A motion was made by Trustee Diana to direct a directive to the Business Director to request the Civil Service list for a 1A operator from the Westchester County Department of Civil Service. A motion was seconded by Trustee Scorrano. Motion approved 4-0.