

The Northern Westchester Joint Water Works will hold a Board of Trustees meeting on January 7, 2022 at 10:00 a.m. via Zoom Video Conference, **webinar# 844 0150 7518**

The public is welcome to view or listen in to the meeting, and to submit comments during the meeting. Please scroll down to see meeting documents.

Northern Westchester Joint Water Works
Agenda for the Board of Trustees Meeting, January 7, 2022

Held Via Zoom Video Conference, Meeting ID# 844 0150 7518

Present:

| | |
|-------------------------------------------|----------------------------------------|
| Richard Becker, Trustee | Ray Reber, Consultant |
| Robert Scorrano, Trustee | Tom Wood Esq., Attorney |
| Jeffrey Scott, Trustee | Donna Albanese, Recording Sec'y |
| Matthew Slater, Trustee | |
| Matthew Geho, Operations Director | |
| Catherine Paget, Business Director | |

Organizational Business:

Chairperson Slater to call meeting to order at _____.

Motion# 2022-01 was made by Trustee _____ to acknowledge the following member Trustees as officers of the NWJWW for the year 2022, following the scheduled rotating succession:

Town of Cortlandt - Chairperson
Montrose Improvement District – Vice
Chairperson
Town of Somers - Treasurer

The motion was seconded by Trustee_____. Motion approved_____ - ____, and each Trustee immediately assumes their designated officer role.

Organizational Motions requested:

- #2022-02 Adopt the recommended 2022 Trustees meeting schedule (as attached)
- #2022-03 Designate the depository for monies of the NWJWW with J. P. Morgan Chase Bank.
- #2022-04 Designation of media that will represent the NWJWW for all public newspaper notifications is the Journal News and the Examiner, with WHUD as the designated radio channel. Public notification will also occur on the NWJWW website **www.nwjww.com**
- #2022-05 Maintain the Petty Cash allotment amount of \$200.00 for the year 2022, and appoint Catherine Paget as Petty Cash custodian for the year 2022.
- #2022-06 Appoint Catherine Paget as Records Retention Manager and Safety Committee Coordinator.

- #2022-07 Establish the mileage reimbursement rate at the 2022 IRS designated rate, \$0.585 per mile. If the IRS makes further change to this rate in 2022 this designation will automatically adjust in accordance with that change.
- #2022-08 Authorize to Business Director to make decisions about delayed openings or closing due to weather and road conditions.
- #2022-09 Designate the closure of the Administrative and Billing offices on Friday, May 6 , 2022 for the purpose of performing Records Management.
- #2022-10 Establish the member bulk water rate at \$3.95 per thousand gallons as per the 2022 adopted budget.
- #2022-11 Renew the 2021 adopted Purchasing and Procurement Policy
- #2022-12 Renew the 2021 adopted Investment Policy
- #2022-13 Reaffirm the 2021 adopted NWJWW policy for billings to and payments from members (no changes).
- #2022-14 Authorize the Business Director to award formal public bids budgeted for and authorized by the Board of Trustees in the operating budget, not to exceed \$25,000 or exceed a period of one year, without vote of the Board of Trustees, subject to prior review by the NWJWW Attorney. This authorization excludes bids for capital projects and items/services not planned for in the budget, and is subject to report to the Board of Trustees at the next formal meeting.
- #2022-15 Authorize the Business Director to execute routine operating contracts budgeted for and authorized by the Board of Trustees in the operating budget, not to exceed \$5,000 and not to exceed a period of one year, without vote of the Board of Trustees and subject to prior review of NWJWW Attorney.
- #2022-16 Authorize the Operations Director to execute routine operating contracts budgeted for and authorized by the Board of Trustees in the operating budget, not to exceed \$20,000 and not to exceed a period of one year, without vote of the Board of Trustees and subject to prior review of NWJWW Attorney. This is subject to report to the Board of Trustees at the next formal meeting.
- #2022-17 Authorize the Business Director to make budget transfers up to \$2,000 between object codes in the functional budgets for Administration, Billing and Distribution, and make transfers not to exceed \$5,000 between function and object codes in the budgets for the Catskill and Amawalk Buildings and Treatment Plant budgets, without vote of the Board of Trustees.

A motion was made by Trustee _____ to adopt the above Organizational Resolutions numbers 2022-02 through 2022-17. Motion was seconded by Trustee _____. Motion approved_____.

- #2022-18 Renew the attached Professional Services agreement with Mr. Raymond Reber for the year 2022 at the hourly rate of \$120.00.
- #2022-19 Reimburse the Town of Cortlandt for legal counsel services provided to the NWJWW for the year 2022 at an annual cost of \$13,000.
- #2022-20 Reaffirm that in accordance with the Montrose Improvement District's request, to compensate Patrick Murphy, Water Foreperson, at the rate of \$230.77 weekly to act as the Responsible Operator in Charge for the District. This cost and applicable benefits will be billed back directly to the District.
- #2022-21 Authorize the payment of salaries for all employees in accordance with their current negotiated contract or previously adopted Board resolution.

A motion was made by Trustee _____ to adopt the above Organizational Resolutions numbers 2022-18 through 2022-21. Motion was seconded by Trustee _____. Motion approved__ -

Regular Business:

Request Adoption of the November 19, 2021 minutes

A motion was made by Trustee _____ to adopt the November 19, 2021 minutes. Motion was seconded by Trustee __. Motion approved__ - _____.

An Executive Session is requested:

For the purpose of discussing collectively bargained agreement and update on specific personnel

A motion was made by Trustee _____ at _____ to enter into executive session. The motion was seconded by Trustee _____. Motion approved ____ - _____.

A motion was made by Trustee _____ at _____ to exit executive session. The motion was seconded by Trustee _____. Motion approved ____ - _____.

Discussion Topics:

Request to adopt 2022 Intended Capital Projects Plan, and authorize specific projects to be bid and/or begin.

Attorney's Report

Business Director's Report

Operations Director's Report

Consultant's Report

A motion was made by Trustee_____at_____to adjourn the meeting. The motion was seconded by Trustee_____. Motion approved____-_____.

Northern Westchester Joint Water Works

Minutes for the Board of Trustees Meeting November 19, 2021

Location: Town of Cortlandt Town Hall, One Heady Street, Cortlandt Manor, NY

Convened at 10:16 A.M.

Adjourned at 11:20 A.M.

Present:

| | |
|-------------------------------------------|--------------------------------------------------------------------|
| Matthew Slater, Chairperson | Ray Reber, MID Commissioner |
| Linda Puglisi, Vice Chairperson | Tom Wood Esq., Attorney, absent |
| Jeffrey Scott, Treasurer | Donna Albanese, Recording Sec'y |
| Rick Morrissey, Trustee | Michael Cunningham, Town of Cortlandt, Deputy Town Attorney |
| Matthew Geho, Operations Director | Dr. Richard Becker, Town of Cortlandt, Supervisor Elect |
| Catherine Paget, Business Director | |

Trustee Puglisi mentioned that Dr. Richard Becker has been on the Cortlandt Town Board for the past 14 years. He has been the Deputy Supervisor for several years. Starting January 2022, Dr. Becker will be the new Town of Cortlandt Town Supervisor.

Trustee Morrissey mentioned that Mr. Rob Scorrano will be the new Town of Somers Supervisor starting January 1, 2022. Trustee Morrissey will work with Mr. Scorrano and orientate him to the musings of town government. Mr. Geho mentioned that Mr. Dave Pagnelli from the Town of Yorktown sends his congratulations to Trustees Morrissey and Puglisi on their retirement.

Trustee Slater thanked Trustees Puglisi and Morrissey on their continued service and partnership with the Joint Water Works leadership. We will miss your knowledge and partnership and we wish you the best in your next chapter.

Trustee Scott mentioned that there were two changes to the September 17, 2021 Board minutes. On the first page paragraph three where we talk about 20 cents per thousand it is a funding plan for capital projects. We are going to incorporate some language there to clarify that that is what it represents. Trustee Scott mentioned that later in the minutes it talks about the reserve fund but the 25% applies to the budget. Mrs. Paget mentioned that is on page 8 the third paragraph from the bottom. When we talk about that, our operating budget is \$12 million and we have \$7.8 million in fund balance. Since we are non-profit, what we are clarifying is that that \$7.8 million is well over that 25% legally required reserve of about \$3 million that we are required to have available.

A motion was made by Trustee Morrissey to adopt the September 17, 2021 minutes as amended. Motion was

seconded by Trustee Puglisi. Motion approved 4-0.

Executive Session

A motion was made by Trustee Puglisi at 10:21 A.M. to enter into Executive session for the purpose of discussing specific employees. A motion was seconded by Trustee Morrissey. Motion approved 4-0.

A motion was made by Trustee Puglisi at 10:29 A.M. to exit Executive Session. A motion was seconded by Trustee Morrissey. Motion approved 3-0. Trustee Scott had stepped away.

A motion was made by Trustee Puglisi to place Mr. Patrick Murphy, Water Maintenance Foreperson, on medical leave effective November 17, 2021. Motion seconded by Trustee Morrissey. Motion approved 3-0.

A motion was made by Trustee Morrissey to authorize a part time position at \$23 an hour for Ms. Dawn Kennedy, subject to a background check. Motion seconded by Trustee Slater. Motion approved 3-0.

Discussion Topics:

Discuss funding of additional chemical and residual costs to operate Amawalk Plant as sole source during Catskill Aqueduct shutdown

Mr. Geho reported that this is the first time in years that the budget has been disrupted by operations. The Amawalk facility is the sole water provider because the aqueduct has been offline. In the past 3 months we have had an issue with treatment primarily due to the source water. We did get all the mechanicals fixed at the Plant and now we have an issue with water quality. We worked through the issue with the water quality but as a result our coagulant dose and a lot of our chemical costs have been increased due to the additional amount of chemicals having to be added to the water to be treated.

Since September we have had about 8 ½ inches of rain which results in surface water flooding our lagoons. We had to remove additional residuals from our lagoons to prevent it from overflowing. To underscore the amount of water we had out there in October we sold 12 million gallons more than we had purchased from the City because of all the water we had collected from our lagoons. As a result, we saved \$24,000 so we are asking that we take that \$24,000 and move it into the residuals.

The other issue is that we have seen elevated levels of manganese and carbon. This indicates that the reservoir itself is going through a transitional change as far as the source water which is concerning looking at the long-term use of that reservoir for treatment. Our background organics have increased about 20% over historical numbers which directly correlates to additional costs in coagulant which is our primary chemical at that facility. We are having to get 3,000 gallons every four days to keep that Plant in production. Typically, we would get a delivery every month. The turnover occurred on the reservoir which this year took about 60 days for the reservoir to completely turn over where last year it took about 40 days. Last year at this time when the reservoir turned over, our demand was about 2.3 million gallons. In total we did 58 million gallons during the turnover last year and this year we did 162 million gallons in total production during the turnover. We had a significant change in water quality from the water shed getting blasted with 9 inches of rain. All that runoff is coming into the reservoir now and it is going to be a long impact on us for the rest of the year

We incurred additional costs from the residuals handling that was not projected when we did the budget last year. There are 2 different modes that we are going to fund this. Roughly, \$62,000 is what is needed to handle the O and M side of production for residuals. There is a clarifier project amount that is broken out in the amount of \$53,000 which was back in March 2021. In order to do the inspection that we had to have done for the bid we put out, we had to dewater that and remove all the residuals from that clarifier and had to bring in a waste hauler to do this at a cost of \$53,000. We are requesting that that be funded through the capital

project which is the Amawalk clarifier project and the additional \$62,000 needed to pay for the residual hauling would then be from fund balance after transferring some monies from account 8330.

Mrs. Paget said that we would probably wait until the end of the year to see where we land and then make it part of our budget transfers and if for some reason we are not able to cover it with operating we would then come to the Board and ask for fund balance appropriation if needed. Mr. Geho mentioned that we may have some money in electrical that can offset some of these costs but we will not know until the end of the year.

Mr. Geho said that the trend of the water quality is concerning. During the flood conditions, we had to go on Hollowbrook. They were having a blue green algae because we had a real issue with the Amawalk facility. To put things into perspective, our coagulant dose for the Hollowbrook was 50 milligrams per liter. Now we are doing 110 milligrams at Amawalk. This tells us that the source water at Amawalk is a less quality than it was coming through the Hollowbrook. He is trying to talk to the City to see what they are going to do. They are charging us the same amount of money for this quality of water even though it is poor quality. To underscore that poor quality, we did our final water sampling for PFOS and PFOA and we had another hit. We had 4 quarters where we had concentrations roughly 50% of the state's MPL. The state will review that and come back to us and tell us if we need to do any additional treatment for that. This is something we will have to look at in the future but that watershed is not ideal. Mr. Geho is looking forward for the Catskill aqueduct to come back online.

The City does very limited testing and he is trying to get them to give us more data. Blue green algae can be problematic for us in the future. This is the last of the scheduled shutdown of the aqueduct. They have to complete this work so they can continue with the Delaware aqueduct work they are doing. Once the shutdown has been completed, Catskill will carry 95% of the demand and will utilize Amawalk in a supplemental capacity during the summer time peak demands.

Through the years that we have invested in the Amawalk facility, it is actually doing what it is designed to do and it is producing all of our water so we do not have to purchase our water from Campfield or Peekskill. There are no complaints of elevated THM's that we are going to have issues with. What we designed and implemented many years ago is paying off. Trustee Puglisi stated that to have the backup system and to meet the mandate from the EPA to filter water were the 2 reasons that we merged into the Joint Water Works.

Trustee Slater asked if we lifted the water restrictions on October 14, 2021 and Mr. Geho stated that it was lifted and we did not see any increase in demand. Trustee Morrissey asked Mr. Geho if he saw that the DEP stepping up and doing treatment at the Amawalk Plant. The question to the DEP is if you sell us water that does not meet the state MCL regulations how are we going to pay for this. Trustee Morrissey said that the PFOS situation is very curious and how the EPA action level is 70 parts per trillion. New York State decided that it is 10 parts per trillion. If we had to treat for this it would be anywhere from \$.90 to \$1.20 per thousand additional. Mr. Cunningham stated that the PFOS and PFOA has affected multiple municipalities throughout New York and the County. There is a big consolidated action that our communities are thinking of joining and they are going after all the manufacturers.

Mrs. Paget mentioned that as far as residuals is concerned, we are looking at an estimated expense this year of \$146,632 and we had budgeted \$85,000. As Mr. Geho had mentioned, this will be the last aqueduct shutdown. Using the budget as a reference, in 2019 we spent \$136,286 on residuals and in 2020 we spent \$122,693. We had shutdowns in the last 3 years but they came later. Mrs. Paget stated that when we planned 2022, with not having a aqueduct shutdown, we should not experience that level of expense. Due to water quality, we had an increase. The 2022 budget for residuals is \$101,192. Mr. Geho mentioned that Amawalk water is really expensive to treat and if you look at account 8331 we budgeted \$85,000 for residuals knowing that they only produce about 25% of our total demand. We budgeted \$22,000 for the Catskill which produces roughly 75%. Of that \$22,000 we only spent \$7,200 and the Catskill water quality is superior. Once that Plant is online, we

can run it full time. The additional money includes what the residuals will cost through the end of the year.

Complete review of 2022 Proposed Budget

Mrs. Paget reported that the total operating budget is \$11,445,749 which is an increase of \$375,028 from the 2021 total budget. In that water production expenses are \$9,236,601. Funded through the rate, we are proposing to consider 2 transmission line emergency breaks. During the summertime, we had to use an outside contractor to address those situations given that the Joint Water Works has been transferred ownership of larger transmission mains. We never had an operating budget for transmission line repairs. She factored in the “what if” to be considered to fund through the rate as well. Trustee Puglisi said that it was a good idea. Since we had nothing else to base it on, using this as a ballpark \$110,000 in addition to all treatment expenditures to pay for out of the rate. By doing this we would not have to come back to the Board in the future and say you owe “x” amount to cover this. This would be a line item in the budget.

To offset water production expenses, we bill out electrical surcharges over and above production costs which is billed to each member. This is the pumpage fee to get the water from once it leaves the Plant out to the specific systems. There is an offset of \$374,185. Any interest earnings that we have is about \$500 for the year. We have rental income from one of the homes that we own on Locust Avenue. The approved rent will bring in \$ 25,776 which leaves us \$8,883,189 to recoup from the members for water sales at a proposed rate of \$3.75 per thousand. This would put us in an operating deficit of \$62,952. We would use fund balance to offset that. This is all at the budget projections from the summertime. Trustee Puglisi stated that we have sufficient fund balance which would not impact that.

Mrs. Paget reported that we received notification from the New York Power Authority that there will be an increase of 25.1% in production rates. We still have not heard back yet from NYSEG. Health insurance through NYSHIP is increasing 12.4%. Medicare reimbursement to retirees is increasing 14.2%. Mrs. Paget mentioned that for the 2021 budget, she factored in a 10% rate increase for health insurance which did not materialize in 2021. The rate increase was about 3% in 2021. We had cushion in the appropriation lines.

Mrs. Paget stated that we are proposing that the regular rate would go from \$3.58 per thousand to \$3.75 for operating expenses. In addition to that we would keep the 20 cents per thousand capital funding plans in place so that our rate would be a total of \$3.95 per thousand gallons for water purchased. Trustee Slater asked what the increase was and Mrs. Paget said that the percent increase is 4.75%. The 2 towns that have the pass throughs factored in once we start billing water to consumers that actually purchased in 2022 which would become part of that pass through. Trustee Puglisi mentioned said that the DEP comes to us and then we do a pass through to our consumers either we absorb some of it or we have gone along with this increase.

Mr. Geho said that we purchase the water for \$2 per thousand gallons from the City, treat it and sell it for \$3.58 so we are basically producing 1,000 gallons of water for \$1.58 when you remove that cost for raw water that is 60% of our total operating budget. When you look at the water rate as a whole although it is \$3.75 for the finished water when you take the \$2 out we are actually producing at a reasonable rate. The more we produce the cheaper it gets. Dr. Becker asked if you look at our rates that we are charging the citizens, is it comparable to other communities. Mr. Geho said that on the finished side to the residents it is. When you look at the bulk side of water production we are within the limits.

Trustee Puglisi mentioned that the budget is a very good budget. She knows how much effort goes into preparing a budget.

Mrs. Paget stated that we have 3 vacant positions in the budget. There is a position in the billing area, a laborer’s position and a water meter repairer position. The billing area position and the water meter repairer position have both been interrupted by COVID. With the laborer’s position operationally, it would be a

benefit to the Water Works if we consider that to be more of a trainee position and groom them to become a licensed operator which has worked in our favor. There is a \$15,000 to \$18,000 difference than what is in there as a salary cost but we are not there yet with requesting to fill that position.

Mr. Geho mentioned that next year we will have a retiree and we are looking to promote from the present shift operators so we will need to fill that position. We know that we will have a retiree in 2023 so that will give us time to get that training up to speed and get their licensing.

A motion was made by Trustee Puglisi to adopt the \$3.75 per thousand rates with a 20 cents add on for capital. Motion seconded by Trustee Scott. Motion approved 4-0.

Request authorization for the Business Director to execute Broker Services Agreement with Arthur Gallagher Risk Management Services

Mrs. Paget mentioned that we just completed our commercial package renewal with Arthur Gallagher Risk Management, our broker of record. This went into effect November 10, 2021. Last year they did a presentation for the Board and this is their second year advocating on behalf of the Joint Water Works.

Zurich is our insurance carrier. The entire commercial package came in at a 6.1% increase over and above what our premiums were last year. This includes general liability, auto, umbrella and our cyber security. We were told to expect our cyber policy to increase anywhere from a 50% to 300% in premium even without having any kind of claims experience. As part of the package last year, we paid \$9,285 for our cyber insurance. The renewal comes in with the same carrier and coverage level at \$16,709 which is an 80% increase. Most other companies declined us. We have been fortunate in the process to complete a questionnaire in which Logically, formally Sullivan Data, was of great assistance in answering those questions. This seemed to work in our favor and we were able to renew with our current carrier with the current coverage. We did increase our deductible from \$10,000 to \$25,000.

Mrs. Paget stated that Ms. Albanese has been a trooper in learning to understand the terminology of the insurance world and Arthur Gallaher has been very accommodating in pulling things apart for us. The client services agreement has a value of \$25,000 which was their fee last year to service the account and the fee has not increased. Mr. Wood and Mr. Cunningham will review the agreement before signature.

Trustee Morrissey asked if Mrs. Paget communicated with Arthur Gallagher throughout the year besides signing the agreement. Mrs. Paget said that in May we discussed factors that may affect the renewal which occurs in November. They reach out to us regarding the cyber insurance to discuss that as we go through the marking process which affects the November renewal.

Mrs. Paget said that we moved our email to the Microsoft 365 world. Part of our capital plan is that the administrative server needs to be replaced and other security factors will be part of that as well. We are doing these things in accordance so that we can keep that insurance. Trustee Morrissey said that in Somers they send an email out to employees to be aware and not open emails that look suspicious because there is a great deal of phishing going on. They are trying to get away from servers because those are vulnerable and they would rather have everything in the cloud. Mrs. Paget said that in the insurance world we want to see what they are finding as they renew with other clients and what is the experience. Are the claims coming in from the cloud environments or hosted?

A motion was made by Trustee Puglisi to execute the broker services agreement with Arthur Gallagher Risk Management Services. Motion seconded by Trustee Morrissey. Motion approve 4-0.

Trustee Puglisi asked if anyone has had a meeting with Holtec and Mr. Geho said no not yet. Mr. Geho stated

that they think they are chasing a leak in the low service but we have been looking for a leak and we have identified Buchanan. They are up to 130,000 gallons a day above last month. Trustee Puglisi asked Mr. Geho if he would like Mr. Cunningham or Mr. Wood to send a certified letter to them? Dr. Becker asked if we charge commercial differently than residential? Mr. Geho said we do not and we sell the members through the wholesale side.

Mrs. Paget stated that as far as the Water Works goes because our only consumers are the 4 entities exclusive of that each entity has a little different rate schedule. Cortlandt does not charge commercial users differently than the residential. Yorktown has a tiered consumption schedule so by nature the larger user will pay more per thousand for the water. The Montrose Improvement District has 2 bulk consumers, Indian Point is through Buchanan that they charge differently than the residential. Indian Point is Buchanan.

Mr. Geho said that the Joint Water Works sells water to MID. They sell it to Buchanan and Buchanan sells it to Entergy (Holtec). Dr. Becker said that on the Town of Cortlandt's side it makes sense to adopt what Yorktown has which is a usage rate. The 2 biggest would be the Hospital and Indian Point. If there are plans down the road for other developments in town, we should definitely adopt a usage the more you use the higher the rate. You should not be asking Holtec what they are willing to pay you should just send them a bill. Mr. Geho said we do not bill Holtec directly that is strictly Buchanan.

Trustee Scott said that we (Montrose) lose track of the water after it goes through our meters. Their meters go through Buchanan. Holtec is Buchanan's customer. Buchanan gets roughly 30% of their total demand from Peekskill. Dr. Becker asked that once it hits Buchanan there is no metering for usage. Mr. Reber stated that there is a meter going into Buchanan and they get 3 feeds one from Peekskill and 2 from Montrose which are all metered. Dr. Becker feels that along the line someone will be suing for over charging or not charging the correct amounts. He feels that everything should be metered. Mr. Reber said that our authority ends once we transfer the water over to Buchanan. How they handle it internally for their residents and commercial users, we do not have control over that. Mr. Geho mentioned that there was about a 5-year period they were estimating flows.

Trustee Puglisi has been saying all along that Holtec needs to sit down with the Joint Water Works and MID and all of us and let us know what their projected usage will be so we can plan as well. Dr. Becker said that we need to know how much water Holtec is using. Trustee Puglisi said that they need to communicate.

Attorney's Report

Mr. Cunningham said that he is following up with the attorney that is leading the class action suit to see what criteria he needs to include the Joint Water Works and our individual municipalities.

Trustee Slater asked if we ever heard back from the letter that we sent to the County for the capital improvement. Mr. Geho said that we have not heard back. Trustee Slater said we will have to follow up with our County Representative.

Business Director's Report

Mrs. Paget mentioned that the Organizational meeting will be held on January 7, 2022.

Operations Director's Report

Mr. Geho said that the DEP has been working on housekeeping with some of the old taps with the aqueduct so they have been taking them out and we have been coordinating with them.

Our SCADA systems are completely separate from our administrative servers and they will never be together. We have dedicated VPN's with limited access to users. We now have the Forti token implemented which is

utilized to get into the servers. Nobody has access to it to the outside world.

Consultant's Report

Mr. Reber has been in touch with Mr. Geho regarding operational issues.

Trustee Slater mentioned that the Town of Yorktown is going to make the decision soon on the water meter project. We went to bid and it looks like we will continue with the current project with Core and Main and Sensus. They are looking to make a decision by the end of the year so that in 2022 we will be installing new meters and finishing the 4,600 that have not been replaced.

Trustee Morrissey commented that it has been a pleasure working with the organization and found us to be very professional. He was amazed at the new water tank and the timeframe it took to be completed.

Trustee Puglisi said that it has been such a great pleasure working with all of us. We have had challenges that we have met collectively together, solved them and have gone on to the next one. It has been a wonderful journey and we became friends. She came to respect everyone tremendously. She knows that we will be in good hands with her successor, Dr. Richard Becker. She said that her top 3 accomplishments are bringing in the advance life support/paramedics, 911 which we did not have until the mid 1990's and the Joint water Works. She thanked everyone for working with her and is very proud to be a charter member.

Trustee Slater thanked Trustee Puglisi and Trustee Morrissey for their dedicated service and it has been a pleasure working with both of them. We hope that they participate and provide guidance and institutional knowledge. We will continue this legacy that was built.

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

Resolution #2021-62

A motion was made by Trustee Morrissey to adopt the September 17, 2021 minutes. Motion was seconded by Trustee Puglisi. Motion approved 4-0.

Resolution #2021-63

A motion was made by Trustee Puglisi to place Mr. Patrick Murphy, Water Maintenance Foreperson on medical leave effective November 17, 2021. Motion seconded by Trustee Morrissey. Motion approved 3-0.

Resolution #2021-64

A motion was made by Trustee Morrissey to authorize a part time position at \$23 an hour for Ms. Dawn Kennedy, subject to a background check. Motion seconded by Trustee Slater. Motion approved 3-0.

Resolution #2021-65

A motion was made by Trustee Puglisi to adopt the \$3.75 per thousand rates with a 20 cent add on for capital. Motion seconded by Trustee Scott. Motion approved 4-0.

Resolution #2021-66

A motion was made by Trustee Puglisi to execute the broker services agreement with Arthur Gallagher Risk Management Services. Motion seconded by Trustee Morrissey. Motion approve 4-0.

1/7/22 NWJWW 2022 Proposed Trustee Meeting Schedule

| | |
|--------------|---------------------------------------|
| January 7 | Organizational meeting |
| February 18 | |
| March 18 | |
| April 22 | |
| May 13 | |
| June 17 | to be held at Amawalk Treatment Plant |
| July 15 | |
| September 16 | Budget meeting |
| October 21 | |
| November 18 | |

All meetings days are Fridays, meeting time is 10 a.m.

If not held via video conference, the physical location of the meetings will be at the Administrative Office unless otherwise noted.

*Northern Westchester Joint Water Works
2021 Purchasing and Procurement Policy
Request for renewal made at January 7, 2022 Trustees Meeting*

The following guidelines are to be followed when making any purchases for the NWJWW. These guidelines have been created in order to achieve the greatest savings and maintain a standard of procurements that meets all internal controls for auditing purposes under NYS General Municipal Law Section 103 and 104.

The following methods will be used for pricing items:

PURCHASES

| RANGE LIMITS | REQUIREMENTS |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Up to \$999 | A good faith effort to obtain the best price |
| \$1,000 - \$1,999 | Three verbal quotes |
| \$2,000 - \$19,999 | Three written quotes |
| \$20,000 | Advertisement for sealed bids required, with award to be made by the Business Director up to \$25,000 for budgeted items. Items not budgeted or exceeding \$25,000 must be awarded by the Board of Trustees. |

PUBLIC WORKS CONTRACTS

Construction, Materials, Labor, and Professional Services

| RANGE LIMITS | REQUIREMENTS |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Up to \$4,999 | Requisition requiring approval of Business Director if budgeted. |
| \$5,000 to \$9,999 | Request at least three (3) written quotes, award made to the lowest acceptable bidder for budgeted services. |
| \$10,000 to \$34,999 | At least three (3) written quotes, to be reviewed at an appointed time in the presence of at least two NWJWW representatives, with award to be made to the lowest acceptable bidder by Business Director for budgeted services. Emergency situations must be recognized as such by the Board of Trustees by resolution at the next formal meeting. |

(continued)

***Northern Westchester Joint Water Works
2021 Purchasing and Procurement Policy
Request for renewal made at January 7, 2022 Trustees Meeting***

\$35,000 and over

Advertisement for sealed bids required, opened as above, with award to be made by Business Director up to \$25,000, if service is budgeted. Capital projects and services not budgeted must be awarded by the Board of Trustees to the lowest acceptable bidder. Emergency situations must be recognized as such by the Board of Trustees by resolution at the next formal meeting.

Items of a like or similar nature are deemed to be the same and subject to aggregate thresholds above.

Award of Purchase contracts may be made on basis of Best Value when criteria for that basis is developed in advance of soliciting quotes and/or bids from vendors, and is in a manner consistent with General Municipal Law 103 and in accordance with NWJWW policy.

Exempt from the above guidelines are purchases made under New York State contracts, Westchester County contracts, Federal Local Preparedness Acquisition Act, Preferred Sources and Sole Suppliers, Cooperative Purchasing groups and Piggyback Procurements. Excluded from public works contracts are Legal, Accounting, and Consulting Services appointed by the Board of Trustees.

The following individuals are hereby authorized to make purchasing decisions for the NWJWW:

| | |
|-------------------------------------|-----------------------------------------------|
| A majority of the Board of Trustees | Assistant Chief Operator |
| Business Director | Maintenance Mechanic (Utility) |
| Operations Director | Water Foreperson |
| Chief Operator | Staff Assistant – Finance & Administration |

The individual responsible for the utilizing the purchase and/or services must make purchase order requests along with all supporting documentation, including but not limited to:

Completed requisition form
Documentation of price quotes requested and obtained – i.e., if vendor A is contacted for a request for quote but declines the opportunity, the details must be provided on the request for quotes form.
Completed and executed quotes summary form, with written price quotes if applicable.

(continued)

***Northern Westchester Joint Water Works
2021 Purchasing and Procurement Policy
Request for renewal made at January 7, 2022 Trustees Meeting***

For cooperative purchasing bids and/or piggybacked bids - copies of bid document, bid award, and bid pricing from the awarding agency must be provided.

For Westchester County or NYS Contract Awards – copies of award document and specific pricing

For Sole Source providers – written certification from the manufacturer

For ease of reference to the Water Works and conservation of natural resources, electronic copies of supporting documentation are encouraged and preferred. However, in order to ensure that both procurement and document retention regulations as dictated by the State of New York Archives Schedule are met, these documents must be emailed to the Administrative office at the time of the requisition request – not a future date. Saving to a location on the common network drive without emailing is not acceptable to establish procurement compliance.

All purchases orders must be approved by the Business Director. Notwithstanding this, the two (2) Administration support employees may issue a purchase order up to \$2,000 for routine purchases. Once a Purchase Order Number (P.O.) is issued, an order can be placed. No other employee is authorized to issue a P.O.

In the case of an emergency, all transactions necessary for managing the situation are pre-approved. Once the situation is stabilized, a written explanation detailing the specifics will be required to justify these expenditures. This will be submitted to the Board of Trustees at a formal meeting for the purpose of documenting the emergency via resolution adoption.

When orders are received, the employee responsible for the order will sign off on the order and present all documentation to Administration office. This will include any packing slips and invoices plus any additional information necessary to process the order. This should be presented in an orderly, legible manner that would allow an individual unfamiliar with the transaction the ability to understand the purchase.

For circumstances that do not fit into the above guidelines, please consult with the Business Director.

**2021 INVESTMENT POLICY
FOR NORTHERN WESTCHESTER JOINT WATER WORKS
Request for renewal at January 7, 2022 Trustees Meeting**

I. SCOPE

This investment policy applies to all moneys and other financial resources available for investment on its own behalf or on behalf of any other entity or individual.

II. OBJECTIVES

The primary objectives of the local government's investment activities are, in priority order,

- * to conform with all applicable federal, State and other legal requirements (legal);
- * to adequately safeguard principal (safety);
- * to provide sufficient liquidity to meet all operating requirements (liquidity); and
- * to obtain reasonable rate of return (yield).

III. DELEGATION OF AUTHORITY

The governing board's responsibility for administration of the investment program is delegated to the Business Director of the Northern Westchester Joint Water Works who shall establish written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a data base or records incorporating descriptions and amounts of investments, transaction dates, and other relevant information and regulate the activities of subordinate employees.

IV PRUDENCE

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Northern Westchester Joint Water Works to govern effectively.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence, exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

V DIVERSIFICATION

It is the policy of the Northern Westchester Joint Water Works to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

VI INTERNAL CONTROLS

It is the policy of the Northern Westchester Joint Water Works for all moneys collected by any officer or employee of the government to transfer those funds to the Northern Westchester Joint Water Works Business Director within two (2) days of deposit, or within the time period specified in law, whichever is shorter.

The Business Director of the Northern Westchester Joint Water Works is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

VII DESIGNATION OF DEPOSITORIES

The banks and trust companies authorized for the deposit of moneys up to the maximum amounts are:

| DEPOSITORY NAME | MAXIMUM AMOUNT |
|-----------------------------|-----------------------|
| JP Morgan Chase Bank | \$8,000,000 |

VIII COLLATERALIZING OF DEPOSITS

In accordance with the provisions of General Municipal Law, §10, all deposits of Northern Westchester Joint Water Works, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

1. By a pledge of “eligible securities” with an aggregate amount of deposits from the categories designated in Appendix A to the policy.
2. By an eligible “irrevocable letter of credit” issued by a qualified bank other than the bank with the deposits in favor of the government for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short term debt obligations are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.
3. By an eligible surety bond payable to the government for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.

IX SAFEKEEPING AND COLLATERALIZATION

Eligible securities used by collateralizing deposits shall be held by the depository and/or a third party bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure local government deposits together with agreed upon interest, if and, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the local government to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the local government, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Northern Westchester Joint Water Works or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the local government, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the local government a perfected interest in the securities.

X PERMITTED INVESTMENTS

As authorized by General Municipal Law, §11, the Northern Westchester Joint Water Works authorizes the Business Director to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- * Special time deposit accounts;
- * Certificates of deposit;
- * Reciprocal deposit programs
- * Obligations of the United States of America;
- * Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America;
- * Obligations of the State of New York;
- * Obligation issued pursuant to LFL §24.00 or 25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation other than the Town of Cortlandt;
- * Obligation of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments.
- * Certificates of Participation (COPs) issued pursuant to GML §109-b.
- * Obligation of this local government, but only with any moneys in reserve fund established pursuant to GML §§6-c, 6-d, 6-e, 6-g, 6-h, 6-j, 6-k, 6-i, 6-m, 6-n.

All investment obligations shall be payable or redeemable at the option of the Northern Westchester Joint Water Works within such times as the proceeds will be needed to meet expenditures for purposes for which the money were provided and, in the case obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Northern Westchester Joint Water Works within two years of the date of purchase.

XI AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Northern Westchester Joint water Works shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investment which can be made with each financial institution or dealer. All financial institutions with which the local government conducts business must be credit worthy. Banks shall provide their most recent consolidated Report of Condition (Call Report) at the request of the Northern Westchester Joint Water Works. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers with the New York Federal Reserve Bank, as primary dealers. Northern Westchester Joint Water Works Treasurer and Northern Westchester Joint Water Works Business Director are responsible for evaluation the financial position and maintaining a listing of proposed depositories, trading partners and custodians. Such listing shall be evaluated at least annually.

XII. PURCHASE OF INVESTMENTS

The Business Director is authorized to contract for the purchase of investments:

1. Directly, including through a repurchase agreement, from an authorized trading partner.
2. By participation in a cooperative investment program with another authorized governmental entity pursuant to Article 5G of the General Municipal Law where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the governing board.
3. By utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the governing board.

All purchased obligations, unless registered or inscribed in the name of the local government, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Northern Westchester Joint Water Works by the bank or trust company. Any obligation held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal, §10.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, the local government, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the local government a perfected interest in the securities.

XIII. REPURCHASE AGREEMENTS

Repurchase agreements are authorized subject to the following restrictions:

- * All repurchase agreements must be entered into subject to Master Repurchase Agreement.
- * Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers.
- * Obligation shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America.
- * The custodian shall be a party other than the trading partner.

APPENDIX A
Schedule of Eligible Securities

- _____ 1. **Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government sponsored corporation.**
- _____ 2. **Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development and the Inter-American Development Bank.**
- _____ 3. **Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the Market Value of the obligation that represents the amount of the insurance or guaranty.**
- _____ 4. **Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of such State or obligation of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.**
- _____ 5. **Obligations issued by states (other than the State of New York) of the United States of America rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.**
- _____ 6. **Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.**
- _____ 7. **Obligations of counties, cities and other government entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such government entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.**
- _____ 8. **Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization.**
- _____ 9. **Any mortgage related securities, as defined in the Securities and Exchange Act of 1934, as amended, which may be purchase by banks under the limitations established by bank regulatory agencies.**
- _____ 10. **Commercial paper and banker's acceptance issued by a bank, other than the Bank, rated in the highest short term category by at least one nationally recognized statistical rating organization and having maturities of not longer than 60 days from the date they are pledged.**
- _____ 11. **Zero coupon obligations of the United States government marketed as "Treasury strips".**

NUMBER _____

RESOLUTION

(REAFFIRM PAYMENT PROCEDURE)

WHEREAS, maintaining equity with all members is fundamental to the principles under which the NWJWW operates; and

WHEREAS, the Trustees of the NWJWW wish to reaffirm for all parties involved the previously adopted billing and payment procedures; and

NOW, THEREFORE, BE IT RESOLVED, that the following procedures for invoicing for water used and payment thereof are hereby re-established and will be distributed to the member entities:

1. NWJWW will invoice the member monthly, mailing such invoices within 15 days of the end of the month.
2. Full Payment, including discrepancies due to rounding, will be made within 30 days of the invoice date.
3. Any protest to an invoice is to be submitted in writing within 15 days of the invoice date.
4. The NWJWW will respond in writing to any protest received within 15 days of receipt of the protest.
5. The member will then pay the invoice within 30 days of receipt of the response to the protest, or have the issue placed on the agenda of the next trustee meeting.
6. Failure to pay a justified invoice within 60 days following the original invoice will incur a penalty of one percent per month or fraction thereof unpaid.

**BY ORDER OF THE BOARD OF
TRUSTEES OF THE NWJWW**

Adopted _____
At a Regular Board of Trustees Meeting
Held at NWJWW

**NORTHERN WESTCHESTER JOINT WATER WORKS 2022 INTENDED
CAPITAL PROJECT LIST**

| Location | Project Name | 2021 Approved | 2022 Requested | Status | Total expenses to date | Estimated Project Cost | Explanation | Source of Funding |
|----------|----------------------------------------------------|---------------|----------------|----------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| AMAWALK | Clarifier upgrade/replaceent | \$1,173,652 | \$0 | Completion 2022 | ~\$500,000 | \$1,173,652 | Bid 2021.1 Clariffier rebuild-Amawalk | Capital |
| AMAWALK | Backwash Pump B and Check Valve | \$40,000 | \$50,000 | Bid out spring 2022 | \$0 | \$90,000 | Repalce Backwash pump B. This is the original pump (1970's) and needs to be replaced/updated before it fails. Due to material shortages not able to complete in 2021 | Capital |
| CATSKILL | Waste Wash water Residuals Removal | | \$55,000 | Utilize existing residuals contract for tank cleaning | \$0 | \$55,000 | Periodic residaul removal required | Capital |
| CATSKILL | 400 Hp motor and pump installation-Yorktown Header | | \$130,000 | Bid out Spring 2022. Engineering and bid docuemtns being developed in 2021. DOH approval to be issued before bid | \$0 | \$130,000 | Replace existing motor with new to increase capacity | Capital |
| CATSKILL | New Server | \$45,000 | | project delayed until we can figure out mail server needs. | \$0 | \$45,000 | Replace adminstartive servers | Capital |
| DISTRO | Storage tank telemetry project | \$100,000 | | Budgeted and approved to be completed in 2021, but postponed due to additional costs for clarifier work. To be completed in 2022 | \$0 | \$100,000 | Project to connect all storage tank (TOC, Yorktown, and Somers) into NWJWW SCADA. Project managed by NWJWW and the data would be shared with members and | Capital |
| DISTRO | 24" Hydrant removal | \$25,000 | | | \$0 | \$25,000 | Remove hydrants on 24" transmission main. 4 hydrants are located in a swamp (between Cortlandt Lanes and United Rental) and not used for flushing or fire fighting. To prevent failure of valves and hydrants we will remove from the system. Ideally, this project would be bid out with the Cortlandt's 10" inter-connect on the 24". | Capital |
| Total | | \$1,383,652 | \$235,000 | | \$0 | \$1,618,652 | | |