

WESTCHESTER JOINT WATER WORKS
Board of Trustees Meeting
Tuesday, March 19, 2019 at 4:00 p.m.

The meeting was called to order at 4:08 p.m. with the following members present:

Present:

- Trustees: Nancy Seligson, Ron Belmont, Tom Murphy
- Paul Kutzy, Manager
- Lori Lee Dickson, General Counsel
- David Birdsall, Business Director
- Frank Arcara, Chief Plant Operator

Approval of Minutes

Trustee Murphy made a motion to approve the minutes of the March 5, 2019 Board Meeting. Trustee Belmont seconded the motion, all in favor:

Trustee Seligson	“aye”
Trustee Belmont	“aye”
Trustee Murphy	“aye”

Financial Reports and Approvals

The Business Director reviewed bank balances and presented the claims to the Board highlighting significant items:

- Approval of Claims: Trustee Belmont made a motion to approve the 172 claims in the amount of \$2,673,157. Trustee Murphy seconded the motion, all in favor:

Trustee Seligson	“aye”
Trustee Belmont	“aye”
Trustee Murphy	“aye”

The Business Director briefly reviewed the 2018 provisional results and noted that net income (excluding accruals for potential fines expected to not be imposed) was above budget due to the following factors:

- Settlement received from Con Ed related to the 2012 break of the Shaft 22 transmission main in Eastchester;
- Settlement received related to a tax certiorari case with our outside retail districts concerning taxation of water infrastructure;
- Actual expenses were lower than budget in 2018 due to: NYC not raising its water rates as anticipated; the WJWW union contract not being settled and an underspend on a number of projects and equipment due to shifting priorities/schedules that will carryover to 2019.

The Business Director went on to review the increase in WJWW's working capital reserve which is needed to address fluctuations in cash levels due to the timing of outlays and reimbursements related to capital projects and to help address any unplanned costs, such as any residual fines that may be imposed. The net result of the higher net income (excluding non-filtration fine accruals) and the increase in the working capital reserve will be higher than anticipated distributions to member water funds during 2019.

The proposed distributions of 2018 WJWW income in 2019 to members is approximately \$3.9 million dollars (WJWW net income, excluding potential fines expected to not be imposed, of \$4.9 million less the increase in working capital reserves of \$650 thousand less 2018 transfers to member tax levies of \$306 thousand). This distribution of 2018 net income exceeds the budgeted amount by approximately \$1.4 million and will result in additional member water fund reserves providing members with additional flexibility with respect to funding of water related capital projects and/or setting of water rates.

The Business Director provided a brief overview of the 2019 budget, discussing various assumptions related to revenues, expenses and projects. A full presentation and discussion of the budget will take place in future meetings.

Old Business

The Chief Plant Operator reviewed the status of various projects:

- Kenilworth Tank (Joint Capital Project) – Site piping and removal of soil is in progress. Foundation work will take place over the next two weeks with tank construction expected to begin three weeks from now. Tank is expected to be completed on schedule by June 1.
- Flagler Drive (VOM Local Capital Project) – Work is substantially complete.

Manager's Report

- The Manager noted that his recent trip to Albany to discuss long-term compliance projects with the NYS Department of Health was successful. The NYSDOH was enthusiastic about the alternative approach being developed and was giving consideration to options presented. The Manager indicated to NYSDOH that he would keep them apprised of ongoing progress.
- Part 1 of the annual sanitary survey of WJWW's facilities and operations conducted by the Westchester County Department of Health has been completed with very favorable results. Part 2 will be completed shortly.
- The Manager discussed the disinfection by-products, haloacetic acid 5 (HAA5), exceedance notice issued on March 15th, emphasizing the following:
 - The water is safe to drink. However, according to the NYS Health Department, if you have a severely compromised immune system, have an infant or are elderly, you should seek advice about drinking water from your healthcare provider;
 - This is not an emergency;
 - The exceedance noted is slightly above the state and federal drinking water standard;
 - Generally, contaminant limits are set to provide a wide margin of safety and are an indicator to the water supplier to take corrective action, which is being done;
 - Questions can be referred to Frank Arcara (Chief Water Treatment Plant Operator) at 914-698-3500 or the Westchester County Health Department at 914-813-5000.

New Business

- The Business Director discussed the three 16” pressure regulator projects and related costs. Due to scope modifications, field changes necessitated by various utility, sewer and storm drain interferences as well as the need to remove and dispose of large quantities of rock during construction, the combined cost of the three projects increased by 37%. Revised cost estimates for each project are as follows:
 - Purchase Street 16” Pressure Regulator (A-1342) - \$550,000
 - North Barry Avenue 16” Pressure Regulator (A-1344) - \$500,000
 - Mamaroneck Avenue 16” Pressure Regulator (A-1345) - \$675,000

Following review and discussion, Trustee Murphy made a motion to approve the revised total cost estimates for projects A-1342, A-1344 and A-1345. Trustee Belmont seconded the motion, all in favor:

Trustee Seligson	“aye”
Trustee Belmont	“aye”
Trustee Murphy	“aye”

- The Manager and Chief Plant Operator reviewed the water storage tank inspection proposal submitted by H2M, noting the importance of doing regular inspections to identify maintenance issues before they become problematic. Following review and discussion, Trustee Belmont made a motion to approve the proposal for a lump sum amount of \$10,000. Trustee Murphy seconded the motion, all in favor:

Trustee Seligson	“aye”
Trustee Belmont	“aye”
Trustee Murphy	“aye”

- The Manager and Chief Plant Operator reviewed the operational evaluation proposal related to the Haloacetic Acid 5 violation submitted by H2M, noting that this will result in a report that is required by the NYS/WCDOH Departments of Health. Following review and discussion, Trustee Belmont made a motion to approve the proposal for an estimated amount of \$22,900. Trustee Murphy seconded the motion, all in favor:

Trustee Seligson	“aye”
Trustee Belmont	“aye”
Trustee Murphy	“aye”

- The Manager and Business Director discussed the historical basis for wholesale customer water rates and recovery of applicable capital project costs and the need to amend these methodologies to better reflect the current benefits that a unified system with redundant sources provides to this customer class. A review is currently in progress.
- The Chief Plant Operator discussed the importance of regular safety training and noted that self-contained breathing apparatus (SCBA) refresher training will be conducted by On-Site Safety in the near future. This involves the proper use of this type of equipment during chlorine gas tank changes and emergencies and in certain confined space situations.

Executive Session

At 5:35 p.m., Trustee Murphy made a motion to go into Executive Session to seek advice of counsel, to discuss personnel issues related to particular persons and to discuss union negotiations. Trustee Belmont seconded the motion, all in favor:

Trustee Seligson	“aye”
Trustee Belmont	“aye”
Trustee Murphy	“aye”

At 5:56 p.m., Trustee Murphy made a motion to leave Executive Session and return to the Regular Board meeting. Trustee Belmont seconded the motion, all in favor:

Trustee Seligson	“aye”
Trustee Belmont	“aye”
Trustee Murphy	“aye”

Following executive session, Trustee Murphy made a motion to approve a resolution appointing Robert Ponzini, Esq. as hearing officer to conduct a hearing pursuant to Section 75 of NYS Civil Service Law related to a WJWW employee. Trustee Belmont seconded the motion, all in favor:

Trustee Seligson	“aye”
Trustee Belmont	“aye”
Trustee Murphy	“aye”

Date of Next Meeting

The next Board of Trustees meeting is scheduled for Tuesday, April 2, 2019 at 4:00 p.m.

With no further business to discuss, Trustee Murphy made a motion to adjourn the meeting. Trustee Belmont seconded the motion, all in favor: “aye”. The meeting adjourned at 5:58 p.m.