



EAST OF HUDSON WATERSHED CORPORATION
QUARTERLY MEETING OF DIRECTORS AND MEMBERS

LOCATION: Business Office: 2 Route 164, Patterson, NY 12563

TIME and DATE: 10:00 a.m., Tuesday, October 17, 2017

Meeting Minutes

1) Open of Meeting at 10:00 a.m.

Voting Members in Attendance: Peter Parsons (Town of Lewisboro); Chris Burdick (Town of Bedford); Warren Lucas (Town of North Salem); Rich Franzetti as alternate for Ken Schmitt (Town of Carmel); Sam Oliverio (Town of Putnam Valley); JoAnne Daley as alternate for Dave Kelly (Town of Pawling); Steve Ferreira as alternate for Linda Puglisi (Town of Cortlandt); Rick Morrissey (Town of Somers); Jon Powers as alternate for Richard Lyman (Town of Pound Ridge); Bruce Barber as alternate for Maureen Fleming (Town of Kent); Edward Brancati as alternate for J. Michael Cindrich (Town of Mount Kisco); Joe Zarecki as alternate for Robert Liffland (Village of Pawling); Tony Hay (Town of Southeast); Michael Quinn as alternate for Michael Grace (Town of Yorktown)

Others in Attendance: George Rodenhausen (Corporate Counsel); Vincent Giorgio (NYCDEP); Kevin Fitzpatrick (EOHWC); Joanne Tavino (EOHWC); Yvette Rivera (EOHWC); Linda Matera (EOHWC)

2) Pledge of Allegiance

3) Approve Meeting Minutes of August 8, 2017

Motion by Director Parsons, seconded by Director Burdick to approve the Quarterly Board of Directors Meeting Minutes of August 8, 2017; all in favor.

4) Financial Update

a. Year-to-date and Inception-to-date

Joanne reported that there is currently \$9.9 million on hand. The Year-to-date project and administrative cost is \$1.2 million and Inception-to-date is \$28.2 million. Since the last Board meeting, approximately \$165,000 was spent. At the end of the year, it's anticipated that there will be a fund balance of \$7.8 million; \$2.8 million for Putnam and \$5 million for Westchester. That reflects some of the construction costs originally budgeted for 2017 being moved to 2018.

b. Investment Update

Joanne informed members that with all trades since last October, the average return was about .6%. The most recent purchase on October 12 will yield 1.3%. Rates are expected to increase in December. Additionally, it was pointed out that a cash flow is normally done prior to every investment to ensure that there are funds available to reinvest.

c. O&M Billing Update

Joanne reported that the 2016 O&M continues to await finalization by the Town of Kent. Kevin will be meeting with Maureen Fleming and Rich Othmer as soon as they are available to confirm their numbers. Kent is the one municipality that has held back the rest from moving forward. At each monthly meeting, Vincent Giorgio inquires as to whether it has been finalized as it is preventing NYCDEP from completing their review. Furthermore, it was indicated that the O & M in EOHWC's 2016 financials was recorded as incomplete.

5) Adopt 2018 Budget

The 2018 Budget was presented for adoption by Joanne Tavino. It was specified that this budget assumes no additional funding until 2019. In addition, Kevin provided an estimate of \$1.7 million based upon the kilograms he anticipates being accomplished in 2018.

Motion by Director Parsons, seconded by Director Lucas to adopt the 2018 Budget as presented; all in favor.

6) List of Reporting and Filing Due Dates

Joanne reported that all items are up to date with the exception of O&M, which as previously discussed awaits being finalized. The 2018 Work plan is currently being worked on and will be sent out shortly. Kevin informed members that the New York State Department of Environmental Conservation (NYSDEC) has asked to come down and look at projects. Emphasis was placed on the effort required by each town to work towards completing all the O&M.

7) Project Update

Kevin reported that pending approval by the NYSDEC, the new 5 year total for the first five years of the program has increased from 520 to 536 kilograms. This is due to some recalculations and changes to projects which were anticipated. There are a few significant construction projects left that we will get out to bid as soon as possible. Some of these projects are in the permit phase. Once we receive responses, we can proceed. Based upon whether the winter is light or heavy, we may be able to do construction or may require being delayed further into 2018 to be completed.

We continue to move forward on as many Year 6 projects as possible. As we move forward in any given year, there is always the expectation of some fallout of projects and some new ones that rise to the top. The game plan for almost all Year 6 projects will be to complete the design phase of everything that we are able. At that point, they will be put on the shelf until we have a strong schedule for funding, which will be coming in from the NYCDEP FAD agreement and eventually will provide a clear picture of how to move forward. Although 2018 is not expected to be a very active construction period, we will accomplish as many design projects as possible. Any new project suggestions from members were encouraged.

The Year 7 Work plan is expected to be submitted to the NYSDEC and NYCDEP by the end of tomorrow. The goal is to utilize catch basin inserts as much as possible for the purpose of driving down the cost per kilogram. For the most part, we have been operating close to \$80,000 per kilogram in the past. By utilizing this product, we can get closer to \$5,000 per kilogram. It is not a product that can be

used everywhere; however, it is a good tool to have in our box to be used as much as possible but must be balanced with other projects as well. To that point, the best place to put these types of projects would be in each town's municipal lots, town halls, libraries or any town-owned property. Commuter lots that are town-owned are also good places for catch basin inserts. Moving forward, the goal for next year and subsequent years is going to be a concentration on projects within the FAD basin as it is our only source of funding currently available. Municipalities that lie within the FAD basin in Westchester are very limited, with the exception of Lewisboro and nearly all of Putnam County. Director Parsons added that until Yorktown and Somers move forward on the sewage project, there will be no funding available for Westchester.

a. Program Summary

The first five-year Program Summary was presented by Kevin.

8) Maintenance Bond Update

Kevin indicated that the maintenance bond addresses NYCDEP Land Use projects both currently and in the future. One of the points of contention has been that in order to install capital improvement projects on NYCDEP property and to acquire the Land Use Permit through the NYCDEP, a maintenance bond requires being put in place to achieve that permit. Our opinion was voiced that it is not in the best interest of everyone to be paying a maintenance bond on an annual basis in order to install these projects for improvement. In response, the NYCDEP has offered to discuss removing that bond and fee requirement as long as any municipality that holds the Land Use Permit for one of our projects passes a resolution that states in the event that the NYSDEC MS4 Permit dissolves, the municipality themselves will take on the responsibility of the maintenance of those projects. What has been proposed by NYCDEP appears to be a very easy path to clear this obstacle. At the moment, they are reviewing some language we sent to them in hopes of moving this resolution forward. Although this may not affect many of the towns present today, there are select towns that currently have Land Use Permits which EOHWC is paying and others that may come up in the future. Instead of paying \$20,000 annually in these fees, it would be best to eliminate them entirely. As we work to get the exact language in place with the NYCDEP, municipalities will be addressed individually to get the resolution passed. Richard Franzetti requested a list of towns that have the Land Use Permits in place and recommended emailing any towns that will be impacted.

9) O & M Discussion

Kevin informed members that a notice will be going out to all supervisors and highway departments. In order to process everything on time as the end of the calendar year is approached, we are asking that all paper work be submitted to us by December 1, 2017. Being that O&M is something that is worked on all year long, this request should be easily achievable. If your highway department representative is not the correct contact for us, please inform us of the proper contact.

10) 2018 Proposed Meeting Schedule

Director Parsons presented the 2018 Proposed Meeting Schedule. No objections to dates proposed were voiced by members of the Board.

Motion by Director Burdick, seconded by Ed Brancati to adopt the 2018 Meeting Schedule as presented; all in favor.

11) Proposed Dates for Watershed Inspector General Meeting

Director Parsons informed members that Phil Bein, the Watershed Inspector General wishes to meet with members of the Board. He sent out a detailed memo suggesting that the FAD document should be radically revised. We objected strongly. Apart from the comments themselves, they were being made to the wrong party, to the wrong document and had nothing to do with the FAD. In addition, his comments have nothing to do with the Department of Health and everything to do with the NYSDEC. That position was entirely accepted by the Department of Health who assured us that the comments are in no way going to hinder the publication of the FAD and will get out before the end of the year. Phil has proposed four potential meeting dates which are included on the memo in today's attachments. Kevin added that Don Lake, who is involved in setting up the stormwater regulations for the state, will be accompanying him to present how their comments have been successful in other areas in the state and why they should be able to work for the NYCDEP watershed. It is to everyone's benefit to know what he plans on presenting to the state because if what he is proposing succeeds, the results can be detrimental to every town. Additionally, it was recommended that supervisors who plan on attending the meeting bring their town engineer. It is extremely important that any technical experience in the room speak about the reasons why what he is presenting will not work and may even help Phil realize whether he has considered any of the technical aspects of his comments. Director Parsons suggested the date and time of Thursday, December 14th at 10:00 AM. Members of the board agreed. Once the date and time are confirmed with Phil, an official invitation will be sent. Director Parsons clarified that it is not a formal Board meeting. It will be a coalition meeting in which member municipalities will be invited.

12) Update/FAD Agreement

Director Parsons indicated that it is anticipated that the FAD will be issued comfortably before the end of the year. The original document would have given us ample money to do projects in the FAD basin only. The point we made on the first draft was that the money was needed quickly. Vincent Giorgio communicated that the FAD documents were sent back to George last week for review.

13) Other Business

No other business was brought forward.

14) Executive Session

Enter into Executive Session to discuss terms of employment of a particular person or persons, motion proposed by Director Parsons, seconded by Director Lucas; all in favor.

Motion to come out of Executive Session by Director Parsons, seconded by Director Lucas; all in favor. Director Parsons reported that no action was taken in Executive Session.

15) Compensation Increases

Motion by Director Lucas, seconded by Director Burdick to apply a 2% increase effective January 1, 2018 to the annual compensation of Kevin Fitzpatrick, Director of Engineering; Yvette Rivera, Accounts Payable Coordinator; and Linda Matera, Records Management Coordinator, and effective January 1, 2018, to increase the salary of Joanne Tavino, Comptroller from \$80,000 to \$90,000 per year; all in favor.

16) Adjournment – Motion to adjourn by Director Parsons, seconded by Director Burdick; all in favor. Adjourned 10:33 AM.

PRESIDENT'S CERTIFICATE

I certify that the foregoing is a true and correct copy of the October 17, 2017 meeting minutes approved by the Board of Directors of the East of Hudson Watershed Corporation.

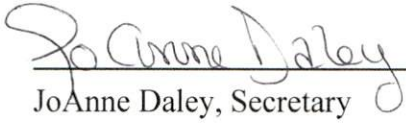


Peter Parsons, President

1/9/18
Date

SECRETARY'S CERTIFICATE

I certify that the foregoing is a true and correct copy of the October 17, 2017 meeting minutes approved by the Board of Directors of the East of Hudson Watershed Corporation.



JoAnne Daley, Secretary

01-11-2018
Date