



EAST OF HUDSON WATERSHED CORPORATION

BOARD OF DIRECTORS' MEETING

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

TIME and DATE: 10:00 AM, Tuesday, November 10, 2015

Meeting Minutes

1) Open of Meeting at 10:00 AM

In Attendance: Michael Griffin (Town of Patterson); Warren Lucas (Town of North Salem); Chris Burdick (Town of Bedford); Peter Parsons (Town of Lewisboro); Bruce Walker (Putnam County); Rich Williams (Town of Patterson); Bruce Barber as alternate for Michael Grace (Town of Yorktown); Steve Ferreira as alternate for Linda Puglisi (Town of Cortlandt); Rick Morrissey (Town of Somers); Edward Brancati as alternate for J. Michael Cindrich (Town of Mount Kisco); Joseph Zarecki as alternate for Robert Liffland (Village of Pawling); Tony Hay (Town of Southeast); Maureen Fleming (Town of Kent); Adam Kaufman as alternate for Michael Schiliro (Town of North Castle); Sabrina Charney-Hull as alternate for Michael Greenstein (Town New Castle); George Rodenhausen (Corporate Counsel); Antonino Modica (NYCDEP); Vincent Giorgio (NYCDEP); Kevin Fitzpatrick (EOHWC); Joanne Tavino (EOHWC); John Belyea (EOHWC); Linda Matera (EOHWC); Yvette Rivera (EOHWC)

2) Pledge of Allegiance

3) Approve Meeting Minutes

Motion by Director Burdick, seconded by Director Lucas to approve the Board of Directors' Meeting Minutes from August 11, 2015 with amendment as indicated; all in favor.

4) List of Regulatory Compliance Due Dates

Joanne Tavino reported that the Proposed 2016 Budget was reviewed by the Executive Committee on October 22 and has been posted to the Authorities Budget Office (ABO) website. It will be certified on the ABO site upon its adoption today.

5) Stormwater Retrofit Program Update

Kevin Fitzpatrick informed the Board that Year 1-5 projects are expected to be completed by mid-summer 2016. At present, they total 478 kg. of phosphorus removal, which exceeds the required 459 kg for the first 5 years. We are expecting to get additional credit for channel stabilization projects which will provide an added 60 kg., bringing the total to close out years 1-5 to 520 kg. of phosphorus removal by the middle of summer. The RFP team led by Woodard and Curran are currently working with the New York State Department of Environmental Conservation (NYSDEC), the East of Hudson Coalition, and the

New York City Department of Environmental Protection (NYCDEP) to finalize the schedule for Year 6-10 projects. By June of 2016, we expect to have a final document ready for approval by the NYSDEC.

EOHWC Program Summary

Members of the Board were encouraged by Kevin to review the East of Hudson Watershed Corporation (EOHWC) Program Summary packet which contains projects that have been completed in each municipality and requested that any questions be directed to himself or John Belyea.

6) Financial Update

Joanne pointed out that 3 budget columns were added to the Running Project Status Table-Financial Data to track the budget for the remainder of 2015 and 2016. We will have approximately \$10 million in remaining expenditures to close the program and complete all projects.

Additionally, Joanne reported that since the August quarterly meeting, we received the final funding of \$5.5 million leaving us with a \$14.4 million fund balance after the October checks. In October, we had an additional \$250,000 in expenditures. Expenditures to date are \$23.5 million, leaving us the \$14.4 million fund balance. The budget picks up that \$10 million in estimated expenditures and leaves us with a remaining balance at the end of the program of \$4.5 million. It does not include any Year 6-10 projects or O &M, but it does include closing out the program.

7) Schedule 2016 Meeting Dates

Discussion regarding 2016 meeting dates ensued. All dates were agreed upon with the exception of Tuesday, November 8th which is Election Day. Director Parsons suggested the date be changed to Thursday, November 10th, 2016. All Board members agreed.

2016 Meeting Dates

Board of Directors’ Meetings – 10:00 AM

January 12 (Annual Meeting)
February 9
May 10
August 9
November 10

Executive Committee Meetings – 9:30 AM

January 28
February 25
March 24
April 28
May 26
June 23
July 28
August 25
September 22
October 27
November 17
December 22

A motion by Director Burdick, seconded by Director Morrissey to approve 2016 Board of Directors and Executive Committee Meeting Dates with a change in date of the November 8 Board of Directors meeting to November 10, 2016; all in favor.

8) Switch Accounting Method to Cash Basis

Joanne recommended to the Board that East of Hudson Watershed Corporation switch from accrual basis to cash basis as of 12/31/15 and that NYCDEP has been notified.

A motion by Director Burdick, seconded by Bruce Walker to approve switching from accrual basis to cash basis.

At the meeting of the Board of Directors of the East of Hudson Watershed Corporation held on November 10, 2015,

WHEREAS, the Executive Committee of the East of Hudson Watershed Corporation (“corporation”) has discussed the benefits of changing the corporation’s accounting method from accrual basis to cash basis; and

WHEREAS, the Executive Committee believes the cash basis method to be a better representation of the five year stormwater retrofit program for which funding was received, as well as a more efficient and simpler method for reconciliation and reporting, and recommends to the Board of Directors that the change be made; and

WHEREAS, IRS Form 3115 “Application for Change in Accounting Method” must be filed with the IRS 2015 form 990 to make this change effective;

NOW THEREFORE IT IS HEREBY RESOLVED that Form 3115 Application for Change in Accounting Method shall be filed for the year 2015, which shall apply to 2015 and all subsequent years, changing the overall method of accounting for the corporation from accrual method to cash method.

Motion passed, all in favor.

9) Approve/Award New CPA Audit Firm

Motion by Director Morrissey, seconded by Director Parsons to approve Sickler, Torchia, Allen and Churchill as the new CPA Audit Firm.

At the Quarterly Meeting of the Board of Directors of the East of Hudson Watershed Corporation held on November 10, 2015,

WHEREAS, the East of Hudson Watershed Corporation (“corporation”) issued a Request for Proposals for a CPA audit firm, and the proposals received were evaluated and references checked by the Controller from among the lowest cost and most qualified respondents; and

WHEREAS, the Controller, the Audit Committee and the Executive Committee recommend to the full Board of Directors that Sickler, Torchia, Allen and Churchill, CPA be appointed as the corporation's audit firm as it is the most qualified at a reasonable cost; and

NOW THEREFORE IT IS HEREBY RESOLVED that:

1. Sickler, Torchia, Allen and Churchill, CPA (STAC) is hereby appointed the audit firm for the corporation to continue as such so long as the firm's performance is satisfactory to the corporation and adequate funding is provided to the corporation to maintain its mission; and
2. The compensation for STAC's services for the 2015 audit is estimated to be \$9,400.00 for the audit and \$600 for information returns, plus expenses, assuming the Controller assists by preparing the necessary supplemental schedule and provides supporting documentation in a timely manner; and
3. The 2015 audit services shall begin in November 2015 and be completed, including the information returns and issuance of the audit report, no later than March 31, 2016; and
4. The President is hereby authorized and directed to execute any and all documents necessary to give effect to this Resolution, consistent with the terms hereof, in form and substance satisfactory to the Audit Committee and corporate Counsel.

Motion passed, all in favor.

10) Executive Session

Director Griffin indicated that personnel matters planned to be discussed today will be addressed at the Executive Committee Meeting on November 19th and recommendations will be made for the Board of Directors' Meeting in January.

11) Adopt 2016 Budget

Motion by Director Burdick, seconded by Bruce Walker to adopt the budget for 2016 as written.

Motion to reconsider was made by Director Hay, seconded by Director Fleming. Motion failed.

At the meeting of the Board of Directors of the East of Hudson Watershed Corporation held on November 10, 2015,

WHEREAS, the Executive Committee of the East of Hudson Watershed Corporation ("corporation") has reviewed the proposed budget for 2016; and

WHEREAS, the Executive Committee believes the proposed budget for 2016 for the corporation is reasonable and appropriate and has recommended that the Board of Directors approve the budget and authorize its release to the Authorities Budget Office, the New York City Department of Environmental Protection (DEP) and any other agency or member of the public requesting it;

NOW, THEREFORE, IT IS HEREBY RESOLVED that the proposed budget for 2016 is hereby adopted as presented and may be released to the Authorities Budget Office, DEP and any other agency or member of the public requesting it.

(Vote: For-11; Against-3; Abstain-0)

12) Adopt Program Guidelines Policy

Motion by Director Burdick, seconded by Bruce Walker to adopt the Project Selection Policy and Procedures.

At the meeting of the Board of Directors of the East of Hudson Watershed Corporation held on November 10, 2015,

WHEREAS, the Executive Committee of the East of Hudson Watershed Corporation (“corporation”) has reviewed the proposed project selection policy and procedures; and

WHEREAS, the Executive Committee believes the proposed project selection policy and procedures for the corporation is reasonable and appropriate and has recommended that the Board of Directors approve the project selection policy and procedures;

NOW, THEREFORE, IT IS HEREBY RESOLVED that the proposed project selection policy and procedures is hereby adopted.

Motion passed, all in favor.

13) Adopt O & M Policy

Rich Williams explained that there are more than 150 stormwater retrofit practices installed that require periodic inspection. Toward the end of the general permit, each individual municipality is responsible for varying costs of completing inspections and doing maintenance on all of the practices which are being claimed for regulatory compliance. Some municipalities have been more aggressive about installing stormwater retrofits and others have had some difficulty in meeting their phosphorus reduction requirement. East of Hudson Watershed Corporation will be overseeing all maintenance and inspections going forward. Each municipality will be obligated to contribute to a fund to ensure that the stormwater practices are being properly maintained. Some municipalities may be getting money back because they have more stormwater retrofits in their jurisdiction and others will be contributing because they have few or no installed stormwater practices. The Executive Committee tried to find the most equitable way to address this issue and that is what this policy is designed to accomplish. In order to effectuate this policy, each municipality is going to have to present for adoption to their town board the model member resolution which is included in the meeting handouts.

A discussion ensued regarding each town’s financial obligation as well as each highway department’s maintenance responsibility. Vincent Giorgio indicated that NYCDEP funding is not contingent upon each municipality’s O & M participation. George Rodenhausen will apply revisions as discussed to both O & M resolutions. Director Griffin stated that a letter accompanied by the O & M Policy, Resolution to Adopt

the O & M Policy, Model O & M Resolution, and the Annual Estimated O & M Cost table, will be sent to each member municipality by the end of the week.

Motion by Bruce Walker, seconded by Director Parsons to approve the O & M resolutions as is.

Motion by Director Burdick, seconded by Director Parsons to approve the O & M resolutions with revision as indicated by George Rodenhausen.

Motion by Director Griffin, seconded by Director Parsons to rescind all motions up to this point relative to O & M; all in favor.

Motion by Director Griffin, seconded by Director Burdick to adopt the O & M Policy as amended.

At the meeting of the Board of Directors of the East of Hudson Watershed Corporation held on November 10, 2015, the following resolution was adopted:

WHEREAS, the MS4 Permit applicable to all member municipalities requires the municipality to maintain a stormwater retrofit project (SRP) for its useful life to ensure that it continues to operate as it was designed; and

WHEREAS, DEP has indicated that while it may to some extent be willing to continue funding the construction of SRPs approved by NYSDEC as part of the regional stormwater retrofit plan, it is not willing to fund the non-construction costs of operation and maintenance (O&M) of completed SRPs, as such expenses may not be paid from bond proceeds; and

WHEREAS, the Executive Committee has developed and recommends for adoption by the Board of Directors the annexed O&M Policy providing for the equitable sharing of the costs and responsibilities of O&M by all member municipalities in a manner consistent with the MS4 Permit bubble compliance concept; and

WHEREAS, approval of the O&M Policy is a Type II action exempt from the State Environmental Quality Review Act (SEQRA) under 6 NYCRR 617.5(c)(1) as it relates to the routine maintenance of the SRPs;

NOW THEREFORE IT IS HEREBY RESOLVED by the Board of Directors of the East of Hudson Watershed Corporation that:

1. The Board of Directors hereby approves the annexed O&M Policy providing for the equitable sharing of the costs and responsibilities of O&M by all member municipalities in a manner consistent with the MS4 Permit bubble compliance concept, conditioned on the legislative body of each member municipality agreeing to comply with the terms and conditions of the O&M Policy; and
2. Authorizes the President to distribute to each member municipality a copy of this resolution and the annexed Model Member O&M Resolution with a request that the member municipality promptly adopt the model resolution or a similar resolution assuring that it will comply with the terms and conditions of the O&M Policy.

Motion passed, all in favor

14) Other Business

No action taken.

**15) Adjournment – Motion to adjourn by Director Parsons, seconded by Director Burdick; all in favor.
Adjourned 11:36 am**