



EAST OF HUDSON WATERSHED CORPORATION
QUARTERLY MEETING OF DIRECTORS AND MEMBERS

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

TIME and DATE: 10:30 a.m., Tuesday, January 9, 2018

Meeting Minutes

1) Open of Meeting at 10:30 a.m.

Voting Members in Attendance: Peter Parsons (Town of Lewisboro); Rich Williams (Town of Patterson); Warren Lucas (Town of North Salem); James Schmitt (Town of Pawling); Chris Burdick (Town of Bedford); Vincent Tamagna as alternate for MaryEllen Odell (Putnam County); Michael Quinn (Town of Yorktown); Ian Gilbert (Town of Yorktown); Steve Ferreira as alternate for Linda Puglisi (Town of Cortlandt); Steve Woelfle as alternate for Rick Morrissey (Town of Somers); Jon Powers as alternate for Kevin Hansan (Town of Pound Ridge); Ed Brancati as alternate for Gina Picinich (Town of Mount Kisco); Joseph Zarecki as alternate for Robert Liffland (Village of Pawling); Tony Hay (Town of Southeast); Maureen Fleming (Town of Kent); Sabrina Charney-Hull as alternate for Michael Greenstein (Town New Castle); Rich Franzetti as alternate for Ken Schmitt (Town of Carmel); Sam Oliverio (Town of Putnam Valley)

Others in Attendance: George Rodenhausen (Corporate Counsel); Antonino Modica (NYCDEP); Vincent Giorgio (NYCDEP); Bruce Barber (Town of Putnam Valley Wetlands Inspector); Stewart Glass (Town of Yorktown); Kevin Fitzpatrick (EOHWC); Joanne Tavino (EOHWC); Yvette Rivera (EOHWC); Linda Matera (EOHWC)

2) Pledge of Allegiance

3) Approve Meeting Minutes: October 17, 2017

Motion by Director Parsons, seconded by Director Burdick to approve the Board of Directors Meeting Minutes of October 17, 2017; all in favor.

4) Financial Update

Joanne Tavino reported that there is currently a fund balance of \$9.5 million, \$8 million of which is invested in treasuries. Approximately \$60,000 was earned in investment income. Expenditures for the year totaled \$1.7 million, bringing the total to roughly \$28.7 million since inception. The current balance at the end of 12/31/18 is estimated at \$5 million, which is subject to change as we move forward with regard to design contracts. In addition, the first five-year program with regard to construction will be finishing up and is subject to change our estimate for 2018 as well.

The annual audit is approaching and preparation has already begun. It was requested that any towns that have outstanding bills for 2017 submit them.

a. Investment Update

Joanne reported that the most recent treasury investment is currently yielding 1.34%. As we progress into construction and have the need to pay contractors, it will be necessary to lighten up on investments over the next year.

5) FAD Update & EOHWC Impact

Kevin Fitzpatrick summarized the FAD draft that came out in September and noted that there weren't any significant changes to what affects this East of Hudson Watershed Corporation (EOHWC). Many parts of the FAD refer to wastewater and how it is going to affect members' communities. No updates have been provided with regard to that section because it does not fall under our jurisdiction. Having reviewed the Department of Health (NYSDOH) comments that were issued, it does not appear as though there were changes from the document issued in September. In short, the 115 page document, as it affects our corporation, can be condensed into one or two sections. Many programs which are part of the FAD are directed towards West of Hudson communities, which EOHWC clearly does not feel the effect of. An area of concern worth mentioning is that the DOH has given the New York City Department of Environmental Protection (NYCDEP) an end date of September 2019 to execute and register a contract or contract amendment with the EOHWC to provide \$22 million to the corporation for stormwater retrofit projects moving forward. That is a hard date which represents when we must have the funding contract in place. Progress has been made over the past few months between George and NYCDEP to get that money as soon as possible. Originally, a soft date of March of 2019 was put out there with a lot of hope attached to it; however, a more realistic date is June, 2019. In reality, it takes an extended period of time to review any agreement that gets sent into NYCDEP as the steps are numerous. We've been given a realistic timeline of approximately 18 months.

As part of the agreement as we've been constructing it with NYCDEP, we've been given the ability to recuperate about \$500,000 worth of expenses dating back to January 1, 2017. That is going to allow us to cover any open construction or engineering contracts that we started in the beginning of the last calendar year in the FAD basins and will be more than enough to cover those expenses. We appreciate the NYCDEP extending that olive branch to allow us to do that moving forward. Director Parsons inquired if that was a hard agreement. Kevin responded that the agreement has not yet been signed or finalized. Director Parsons noted that he is anxious for it to be finalized because it is critical to the corporation and many of its members. Kevin added that from the NYSDOH the FAD states that anything essentially starting after December 28, 2017 is eligible to use the FAD money which we will receive in the future to cover any costs moving forward. This frees us up to keep moving forward with contracts. The only restriction worth mentioning is that we can only do work in the FAD basins with this funding which accounts for 90% of Putnam County. A small portion of Carmel and even a smaller portion of Southeast may be outside of the FAD. It eliminates many of the municipalities in Westchester; therefore, it will be necessary to find other funding sources to do stormwater retrofits in Westchester County. Director Parsons stated that essentially means that half of Lewisboro, about 20% of North Salem and a very small percentage of Bedford fall within the FAD in Westchester. All other towns are outside the FAD. Director Burdick expressed concern with how the doors would stay open between now and June 2019 given the situation. Kevin replied that a very conservative spending approach was utilized this past calendar year while we made sure that a hard date was locked in for funding. We loaded up as many projects in the FAD basin as possible even from the start of Year 6, so moving forward we can target all of those FAD projects and sufficiently keep the doors open and have work on our tables. Director Burdick further inquired given how long it will take to receive the money, will it set us behind in terms of the next five

years. Kevin explained that not all of the construction projects will be executed over the next year and a half; therefore, we will have a very slow construction season transitioning into a very heavy construction season once the money comes in. To conclude, Kevin encouraged members to reach out to him with any questions.

Director Parsons mentioned that he questioned a date in the Mission Statement that didn't seem realistic for the completion of the second five year program by 2020 and was told that it was a reasonable target. At some stage, the date may require revision. Vincent Giorgio noted that date will come from New York State Department of Environmental Conservation (NYSDEC).

6) List of Reporting and Filing Due Dates

Joanne reported that we are on target with all items except the O & M documentation, which we continue to wait for select towns to submit. 2016 checks and 2017 costs are expected within the next month.

7) Project Update

Kevin pointed out that there are two separate documents that everyone should be zeroing in on. The colored side reflects a list of active projects that are moving forward which are either in design, construction or at a concept level. Everything at the top of the chart reflects projects from Years 1-5. It is anticipated that by the May Board of Directors' meeting, all of the Year 1-5 projects will be complete and only the Year 6-10 project chart will remain. The Veteran's Memorial Park project (Pat-EB-09-03B) will be moved from Years 1-5 to 6-10. The bottom chart reflects projects for years 6 and 7 which we will be actively pushing. As mentioned earlier, a majority of the projects are in Putnam County and in the FAD basin. Essentially, each project gets re-evaluated for efficiency when it reaches 30%. Kevin requested the opportunity, as it presents itself, to sit down with a member of each towns' planning board in order that we might be able to jump in on or work with developers on potential projects that come up. Please keep us in mind as new developments come into your town. Joanne pointed out that she prepares the reverse side of the Project Update which contains financial data that tracks every project that Kevin is currently working on that can be found on the front side. It provides detail of where we are going with our funding and what we anticipate for the budget in the coming year. Currently, only 2018 is being tracked and reflects contracts for which we already have signed agreements. Joanne will be working closely with Kevin to come up with more meaningful numbers by the next quarterly meeting. Director Burdick requested a map of the FAD basin in pdf format be emailed. Kevin agreed to provide the requested map. In addition, Joanne pointed out that a FAD basin map is located on the EOHWC website (EOHWC.org) if anyone else is interested.

a. Program Summary

Kevin explained that the information contained in the Program Summary is a snap shot of everything we've completed or received/will receive credit for within the corporation. The biggest update on this table from previous versions is the 10-year phosphorus reduction requirement which was previously a 5-year. As we move forward and plan for the next four years, we should be focused on a kilogram number of 919. Essentially, the reduction requirements that are listed at the far right, are now relative to the 10-year program, not the 5-year. As we complete projects, they are added. Each municipality has its own sheet with projects listed. Director Burdick inquired as to the current overall phosphorus reduction total to which Kevin responded was 428 kilograms. Lastly, Kevin pointed out that on the packet provided, a very optimistic number of 80 kilograms remains in the program should we complete all of Year 6 and 7 projects. To make that number realistic, we have to complete a review of the open projects. There is a success rate that we like to keep which is as close to 100% as possible. The reality is that we are going to

run into projects that are not going to make it to construction so that 80 kilogram number remaining when moving forward, we have to consider a 40 kilogram average. For three years, it's anticipated that there will be 120 kilograms left over after years 6 and 7 are completed. Any additional projects would improve that number. Kevin invited inquiries from members on specific projects.

8) O & M Discussion

Kevin stated that the 2017 O & M documents were due on December 1, 2017. Many towns have already submitted. It was encouraging to see an improvement over how the process went in 2016. Appreciation was expressed to everyone who was able to get them in on time and accurately. As we continue to wait for a few more submissions, everyone is encouraged to keep pushing ahead to make sure the O & M work gets completed. Any O & M which was done after December is essentially going to be counted towards 2018. If you haven't submitted your documents yet, you are not going to get paid for your time and efforts for a full calendar year at a minimum. The 2017 efforts will be closing very shortly because Joanne needs to work with the Audit Committee and the Auditors to make sure we have an accurate depiction of what occurred in 2017. Time is running out for those who have not yet submitted. Kevin will be contacting those who have not submitted their paperwork to come up with a realistic game plan.

9) Other business

No other business was brought forward.

10) Adjournment – Motion to adjourn by Director Parsons, seconded by Ed Brancati; all in favor. Adjourned 10:52 AM.



East of Hudson Watershed Corporation

2 Route 164, Suite 2
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PRESIDENT'S CERTIFICATE

I certify that the foregoing is a true and correct copy of the January 9, 2018 Quarterly Meeting Minutes approved by the Board of Directors of the East of Hudson Watershed Corporation.

Richard Williams Sr.

Richard Williams, Vice President

5/8/18

Date




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SECRETARY'S CERTIFICATE

I certify that the foregoing is a true and correct copy of the January 9, 2018 Quarterly Meeting Minutes approved by the Board of Directors of the East of Hudson Watershed Corporation.


JoAnne Daley, Secretary


Date