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## EXECUTIVE COMMITTEE MEETING

*9:30 A.M., Thursday, March 27, 2025*

### Meeting Minutes

#### **1) Opening of Meeting**

Voting Members in Attendance: Richard Williams, Sr. (Town of Patterson); Ellen Calves (Town of Bedford); JoAnne Daley for James Schmitt (Town of Pawling); Robert Scorrano (Town of Somers); Warren Lucas (Town of North Salem); Tony Goncalves (Town of Lewisboro); Michael Cazzari (Town of Carmel)

Others in Attendance: Patricia Brennan (RBT CPAs); Millie Magraw (Westchester County) via Zoom; Christine Chale (Corporate Counsel) via ZOOM; Cassondra Britton (Corporate Counsel); Sabrina Hull (Town of New Castle) via Zoom; Vincent Giorgio (NYCDEP); Steve Cutugno (NYCDEP); Kevin Fitzpatrick (EOHWC); Keith Giguere (EOHWC); Linda Matera (EOHWC)

#### **2) Approve Meeting Minutes of February 20, 2025**

Motion by Director Williams, second by Director Lucas to approve the meeting minutes of February 20, 2025; all in favor.

#### **3) Financial Update**

Keith Giguere reported that the month-end February balance was \$2.9 million in WQIP after having received Army Corps of Engineers funding in the amount of \$1,586,000, which was reimbursement for two projects in Westchester (NewC-NCR-801 and Y-MU-40) and was reallocated to Westchester funds. The balance in FAD was \$10.5 million. The annual audit has been completed and will be presented today.

#### **4) Audit Presentation**

Patricia Brennan of RBT CPAs presented the 2024 financial statements. The audit was done to determine whether the financial statements are materially misstated and to form an opinion. The opinion on the financial statements for 2024 is unmodified and has been since the existence of the organization. Because EOHWC is a governmental entity, a statement is provided on internal control; if any weakness was identified, if there were any significant deficiencies, or material deficiencies. None were noted. If they are noted, they become findings and are included in the financial statements. As of December 31, 2024, all EOHWC bank balances have collateralized coverage either through FDIC or through a line of credit. Overall, the net position is \$1.8 million, which is an increase of approximately \$603,000. Management suggestions have been included in a board report that communicates best practices but not elevated to material deficiency, a significant deficiency or other matter that they felt needed to be placed in the audit report. During the fiscal year, an audit staffer procedure is implemented, which basically ensures that the entity can't predict what the

auditor is going to test. This year they went through the various policies the organization has adopted. They compared it to some of the best practices that NYS municipalities and different governing boards have available, such as the Authorities Budget Office (ABO) and New York Council of Non-Profits (NYCON). Best practice is always to review policies and update as necessary. There aren't any policies that East of Hudson Watershed Corporation has not adopted or implemented that would be in violation of the ABO's requirement. There is no finding for non-compliance purposes. There is one that may need re-wording or working with legal counsel on how to best address compensated absences. During fiscal year 2024, EOHWC had to adopt GASB 101, which required compensated absences to be properly recorded so that everyone is doing it the same way consistently. There are areas that were noted as suggestions, of which one was bank reconciliations. With the size of the operations, it leaves Keith and Linda to do a lot of segregation on the financial end. From what was gathered, there is no documentation of review of the bank reconciliations and journal entries. It is just a suggestion that there is a review in the process because it does leave a segregation of duties issue with having the comptroller as a one-person finance department.

In conclusion, Keith presented Director Calves with bank reconciliations and the monthly voucher listing for review. Director Williams asked when we could expect to receive the final document. Patricia said that it has already gone through the partner review and quality control review process. The last stage is administration for clerical review, which she will request when she returns to the office today. She expects to have the final by Friday afternoon.

Motion by Director Williams, seconded by Director Lucas to recommend the 2024 Audit Report to the Board of Directors for the May meeting; all in favor.

#### **5) List of Reporting and Filing Dates**

Linda Matera reported that Board Evaluations and Conflict of Interest forms were reviewed by the Governance Committee and submitted to the ABO on March 26. Two Board members and one alternate will continue to be contacted to have them complete the required compliance items. Director Lucas offered to reach out to those members.

#### **6) Updated List of Meeting Dates**

Linda reminded members that the date of the April meeting has been changed from Thursday, April 24 to Friday, April 25 because many members had a conflict. An invite will be sent to remind everyone two weeks prior to the meeting.

#### **7) Project Update**

Kevin Fitzpatrick reported that Y-MU-40 in the Town of Yorktown is moving toward completion this spring. What remains are the additional plantings to be done in the spring as well as clean-up from the winter. Once those items have been wrapped up, the remaining cost will be sent into the Army Corps of Engineers for reimbursement. It is expected that they will be able reimburse EOHWC by mid-summer. We are on the town board agenda for Kent-MB-1000 at Longfellow Drive in the Town of Kent at the beginning of April. At that point we will get approval for the town to sign off on the easement, installation agreement, and other documents. We expect to go out to bid for construction over the summer and will also have to go out to bid on construction administration services as part of our agreement with the property owner. This will be a big FAD expense that we expect to come up at the end of the year. The next set of projects expected to go to construction in late spring/early summer would be Woodland Trail (Carmel-CF-703), Marina Drive (Carmel-AM-1000), and Ridge

Road (Carmel-GL-815). We expect a fall construction at Waccabuc Country Club (L-CR-1001). Design edits are finally wrapping for Woodcrest Terrace in Somers (S-AM-1015). We are in negotiations with the property owners at Lake Dutchess (PW-MB-1000) because it's a rental property and they want to line up construction with a time when it is not going to affect their day-to-day activities, which means it should be ready to go to construction possibly in late spring. Director Scorrano asked if the project at Woodcrest would be completed this year. Kevin said he expects it to be. Director Goncalves inquired about the Lake Katonah project (L-MU-1017) and if it will be done in the spring. Kevin said he is in contact with Kellard Sessions for the stormwater permit, and at that time they will be able to sign off on the MS4 acceptance, so it should be ready to go in the spring. Kevin said that our attorneys and the Lewisboro town attorneys will speak about Tarry-a-bit project in Lewisboro (L-CR-804). Director Lucas inquired about NewC-NCR-601. Kevin said the town of New Castle is looking into FEMA funding. Sabrina informed members that the town is tied up in other funding sources currently. It is moving forward but they are not there yet. Kevin added that the project will come off the Running Project Status spreadsheet because it has already been moved over into Years 11-15. It will line up better for the town once they figure out what funding is available.

Kevin has not received any approvals for the Years 11-15 Workplan that was submitted in December. He will reach out to Tom Snow at NYSDEC to see where it stands and to see if they have any questions he can address for them. Once it is approved and funding is available, we can start working on it.

## **8) Change Orders**

### **a) Design/NewC-NCR-801**

Kevin explained that the change order being presented today in the amount of \$4,200 has to do with design and construction administration for Courtmel Road in New Castle. The project went through a lot of design changes in the process of completing installation, so this change order reflects some of the overages the design engineer had in regard to getting the land use permit, town permits, and construction administration charges for additional change orders that the contractor had in the process. The amount of the change order does not significantly impact the efficiency of the project. It would increase the cost of the project from approximately \$48,805 to \$53,005.

Motion by Director Lucas, seconded by Director Cazzari to approve the change order for NewC-NCR-801 submitted by Hudson Engineering in the amount of \$4,200.

WHEREAS, Hudson Engineering & Consulting, P.C., has submitted a change order request for NewC-NCR-801 for an additional \$4,200 on file with the secretary; and

WHEREAS, stormwater retrofit project no. NEWC-NCR-801 is located at 24 Courtmel Road in the Town of New Castle, New York (the "Town"), tax parcel no. 71.18-1-14, on property owned by the New York City Department of Environmental Protection, and is included in Years 6-10 MS4 regional plan approved by the NYS Department of Environmental Conservation (the "Project"); and

WHEREAS, the Project consists of the installation of filtration BMPs in the Town right of way and the stabilization of two eroded channels, all in accordance with plans prepared by Hudson Engineering & Consulting, P.C.; and

WHEREAS, this change order, if approved, would increase engineering costs from \$48,805 to \$53,005 and would have an updated efficiency of approximately \$36,000/kg.

NOW THEREFORE IT IS HEREBY RESOLVED, by the Executive Committee of the Board of Directors of the East of Hudson Watershed Corporation that the change order request for Hudson Engineering & Consulting, P.C., for an increase of \$4,200 for NewC-NCR-801 is approved.

Motion passed; all in favor.

R-0327-01

#### **b) Construction/Y-MU-40**

Kevin explained that he was not able to wrap up negotiations with Y-MU-40 in time for today's meeting. The change order that is going to be proposed will be for plantings on site. In the process of construction, they had to clear out a very large number of trees, some of which were unhealthy, and it opened a very wide area along a major roadway in the town of Yorktown impacting the neighbors. In getting our presentation to the Town of Yorktown during the beginning of construction, there was a discussion of putting plantings in, but we had already gone out to bid once this problem was identified. Kevin felt that there was room to put plantings in to try to accommodate the residents in the area because it is on Route 202, which is a major roadway. The change will be for installing plantings along the shoulder of the project location. They are discussing getting a group of 6-8 tall white pines to plant along the road, approximately 17 feet back from the road. Director Williams said that white pines are not going to tolerate road salt. Kevin said that was a concern for the landscape architect as well, but planting them back 17-20 feet would be enough to withstand the salt. They were also considering the use of large arborvitae. His preference would be towards something the town does not have to come back and check on constantly. For now, they will continue to search for the right species of tree for that area. He hopes to have something to present to the Executive Committee between now and the April meeting. In the past, Kevin was given permission to approve change orders not to exceed \$15,000. If it comes back and falls into that category, he would like to get the contractor out there. In the meantime, he will keep members informed of the details.

#### **9) O & M Program Update**

Kevin informed members that four payments towards the 2024 O&M have been received to date and asked that those that have not sent in their payment do so. Once all payments are received, we will begin issuing checks to everyone that are due a reimbursement. There will be \$10,000-\$20,000 left over in the Westchester County O&M fund after the 2024 numbers come through. He reminded Westchester municipalities not to rely on getting reimbursed for their O&M after 2024 because the fund has essentially been brought down to zero.

#### **10) Checks and vouchers**

Monthly vouchers were signed. No action was taken.

#### **11) Other business**

Director Williams said that he and Director Lucas met with Tom Snow at the New York State Department of Environmental Conservation on Monday. They were able to express their concerns regarding funding EOHWC. He characterized the meeting as being somewhat positive. They listened to our concerns and Tom is going to be thinking about how we can get additional funding for the organization. That being said, we have started the discussion about assuming we are not going to get any more funding for the organization, which can potentially impact all of the municipalities. The memo presented today contains the information from the spreadsheets that have been circulated around recently. It lays out what the administrative cost would be for the organization, moving

forward for each municipality if we don't get any funding from Westchester or Putnam County. Sabrina asked that column headers are added on page 1 of the spreadsheet and that totals are shown for each county so she can share it. Director Williams said the first column has to do with the administrative costs that were estimated at \$660,000. The second column provides an additional \$100,000 for projects that may not go forward because if we start a project and it doesn't go to completion under the new contract with NYCDEP, the Corporation is going to be responsible for the cost. Sabrina asked if that is an administrative cost or a lost cost. Director Williams said it is a lost cost. Sabrina recommended that it be shown separately, defined as uncovered or lost cost. Director Williams said there is no inflation cost in the numbers either. Kevin said that one addition that might be worth noting is that we are currently in Year 2 of the 5-year permit and if we don't get some momentum behind us, we are going to find ourselves at Year 3 starting at ground zero. Director Lucas said he's not sure that members realize what the cost will be to towns if we don't get funding. Sabrina said she has no problem sharing this information with her comptroller or administrator and town supervisor, but she thinks if we are talking about 5-year costs and we're already behind by 2 years, this should be laid out by year. Director Goncalves asked when we will find out about the request for funding from Westchester and Putnam County. Director Lucas said Westchester County is basically done, but we're still waiting on Putnam County. Director Williams clarified that the numbers shown in the memo do not take into account the \$2 million from Westchester, or anything from Putnam County. It only reflects the \$10 million. Sabrina suggested adding the Westchester and Putnam funding in as benchmark requests in italics. Alternate Daley asked when the forthcoming costs would be due from the municipalities. Director Lucas said that it has not yet been determined. Christine Chale asked if it would be helpful for the memo to include a paragraph about bubble compliance. Sabrina thought it would be helpful to have that included particularly given the turnover that is being seen in all positions as it relates to retirement. Director Lucas recommended that the numbers reflect inflation. Director Calves recommended adding a column showing the amount that Westchester County funding will cover and suggested adding a column assuming the inflation percentage as opposed to just adding it to the number. She inquired where we left off with Tom Snow. Director Williams said that Tom requested some additional information that has already been shared with him. Everyone should be aware that the driver on this whole deal is the TMDL implementation plan that was done many years ago. They are currently looking to update it, and they expect that a new TMDL implementation plan will be released by the end of the year. It was not indicated whether there would be any major changes. Discussion ensued. Director Calves asked if any towns are enforcing the 5-Year septic emptying recommendation. Sabrina said that the Town of New Castle is beginning to enforce it. Documentation is attached when someone applies for a building permit. They also do annual mailings to remind residents. Both Director Goncalves and Director Scorrano said their towns do it the same as New Castle. Director Williams said the Town of Patterson does it at the point of title search or sale. JoAnne Daley said that the Town of Pawling created an actual septic pump out form that is sent to every landowner along with a brochure of why you should maintain your septic system and the town keeps track of the forms submitted. It is done by way of a mailing that is sent out every five years, this way a report can be generated to find which property owners are doing it.

**12) Adjournment - Motion to adjourn by Director Goncalves, seconded by Director Cazzari; all in favor. Adjourned 10:51 AM**