

EXECUTIVE COMMITTEE MEETING

9:30 A.M., Thursday, January 23, 2025

Meeting Minutes

1) Opening of Meeting

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

Others in Attendance: Sabrina Hull (Town of New Castle) via Zoom; Christine Chale (Corporate Counsel) via Zoom; Cassondra Britton (Corporate Counsel); Millie Magraw (Westchester County); Vincent Giorgio (NYCDEP); Steven Cutignola (NYCDEP); Kevin Fitzpatrick (EOHWC); Keith Giguere (EOHWC); Linda Matera (EOHWC)

2) Approve Meeting Minutes of December 19, 2024

Motion by Director Scorrano, second by Director Goncalves to approve the meeting minutes of December 19, 2025; all in favor.

3) Financial Update

Keith Giguere reported that he is presenting the preliminary financials today because the monthly financials won't be available until after the audit. After the preliminary financials were prepared, notification was received from the Army Corps of Engineers (ACOE) that the \$600,000 reimbursement for NewC-NCR-801 was approved. He will be setting up a \$600,000 receivable for that reimbursement. In addition, there is the potential that we may get a partial reimbursement of the \$1.2 million for Y-MU-40 ahead of completion. Kevin Fitzpatrick added that the partial will be for approximately \$1 million, which has already been submitted. A timeline has not been provided, therefore, we are at the mercy of the federal government as to when it will be received.

4) Audit Engagement Letter

Keith informed members that the audit engagement letter that was requested over two weeks ago was just received this morning. The cost of the audit is quoted at \$21,500 plus the costs of the Form 990, CHAR500, and any additional expenses that they incurred while doing the audit. The total cost of last year's audit was \$27,671. He noted that the engagement letter for the two tax returns for the Form 990 and CHAR500 have not been received yet. They said they are still coming but they don't get filed until after April.

Motion by Director Williams, seconded by Director Goncalves to approve the agreement with RBT CPAs for 2024 audit services; all in favor.

5) List of Reporting and Filing Dates

Linda Matera informed members that all reporting items are up to date except for the 2023 O&M reimbursements to Westchester County. A few Board members still need to submit their Board Evaluations and Conflict of Interest forms. The Financial Disclosure link will be provided by the Putnam County Ethics Board at the beginning of February and must be completed by May 15th. Once received, it will be forwarded to all Board members. Millie Magraw noted that she received the 2023 O&M backup today from Kevin and it will take a while to review. Additionally, she reported that the funding extension is now in the hands of the Board of Legislators.

6) Project Update

Kevin Fitzpatrick reported that there have been no major updates since the Board of Directors' meeting. We are still looking at quite a few projects that will likely go to construction in the spring once we finalize a some installation agreements. We expect a very busy spring, summer and fall. One project that we hope to accomplish in the spring, which will likely be moved for the purpose of time constraints, is L-CR-1001 at Waccabuc Country Club. In speaking with the engineer, we just don't feel as though we could squeeze it in within the window. Part of the installation agreement was to have it installed before Memorial Day. At this point with the timing, it doesn't seem to be worth trying to make sure it gets done so it will be postponed until after Labor Day. The project at Longfellow Drive in Kent (Kent-MB-1000) will likely be presented to the Kent Board for their internal review in March.

7) Copier Lease

Linda reported that the current Xerox copier that we are leasing has come to the end of service, which basically means they can no longer get parts. Quotes from 3 different companies were gathered. Xerox was the only one whose legal department would not add language that would give us the ability to end the lease without penalty should we not receive funding. They are willing to transfer the lease to one of the municipalities if EOHWC doesn't receive funding. Director Lucas offered to reach out to see if we can get Westchester County pricing and will share the information with Linda.

Motion by Director Scorrano, seconded by Director Goncalves to authorize the approval of the Xerox copier lease in the amount of \$278 per month contingent upon whether EOHWC can piggyback off of the Westchester contract at a lesser price; all in favor.

8) O&M Program Update

Kevin explained that what was received by the deadline for 2024 will be processed, and anything received after the deadline will be part of 2025. The three submissions that were expected which were not received are Yorktown, Kent and Cortlandt. Everything submitted at this point will be audited. We have to have that ready for RBT CPAs to have the final numbers by February 12th when they are on-site for the audit. Anything that wasn't addressed for 2024 can be carried over into 2025. Unfortunately, Yorktown and Kent are very large numbers, particularly Kent. If they address everything, then it should be in the \$40,000 range because they have a lot of projects. It will be reviewed when submitted and will be included in 2025. Director Calves asked if there is a risk that they may not get reimbursed if there is no funding. Kevin said that the only towns that get reimbursed are in Westchester because they have an agreement with us. It affects everyone whenever a municipality misses a deadline or delays a submission.

9) Checks and vouchers

Monthly vouchers were signed. No action was taken.

10) Other business

Kevin informed members that the Years 11-15 Workplan has been submitted to the NYSDEC and NYCDEP. It will be sent out to the municipalities in the coming days. Millie requested a copy for Westchester County as well. Vincent said he hasn't received it yet. Instead of resending the email with an attachment, Kevin will send it to Vincent a OneDrive link.

Director Williams indicated that the WQIP funding from Putnam County for the next cycle is still under review. That being the case, we may need to look at Plan B. If we are to continue, the organization will have to be funded by the municipalities. We will have to figure out what is needed for an annual budget and use the same formula on allocation of costs for the Westchester funding for covering the Westchester communities. The Putnam communities are going to have to pony up and Dutchess has been along for the ride for a while so it's unclear where that will leave us with Dutchess. Christine asked if Director Williams' calculation had a Dutchess component. He confirmed that it did have a Dutchess component. Alternate Daley said that it was originally set up with David Kelly and recommended speaking with Lauri Taylor. Director Williams indicated that everybody needs to understand the ramifications, especially when making our budgets. Christine said it may be beneficial if you get a comfortable budget number and apply the formula to show everyone what that number looks like. She stressed the importance of doing this now because everyone needs to understand what happens if Putnam is unable to provide support at the legislative level. Director Williams agreed. Alternate Daley said Dutchess will need to understand what it would mean to the two towns if they don't continue with bubble compliance and have to do it themselves. We will need to come up with some numbers for Dutchess as well. Director Williams said that he doesn't know if we can come up with those numbers because at that point, we would be taking whatever stormwater retrofits they have for Years 11-15 and figuring out what those costs would be. He doesn't know what we have because he hasn't seen a report yet. Kevin said it's minimal. In terms of new projects, there might be 1 or 2. He will do his best to make sure every town is represented on the list, but if they choose to go out on their own, we would not pursue anything in those municipalities and they would be on their own for engineering, construction, and plans. Alternate Daley said she believes the Village of Pawling's phosphorus reduction requirement is 4.3 and the Town's is 3.5. Millie notified members that Westchester County's policy will be that the money they give will be on a reimbursement basis. Christine said that presents a very big problem because we don't have any way to borrow money. Millie said she is aware of that and it's not her decision to make, but that is the policy. Christine indicated that the only way this can work is if all the Westchester County towns put up money ahead of time in advance for Westchester County's and get reimbursed by the county. Discussion ensued. Sabrina Hull agreed that the Westchester County policy is very problematic and we will need to have a larger conversation about it because towns can't support that directly. Director Williams asked Millie who made that decision. She said that ultimately it is the County Executive. Christine emphasized that contracts can't be signed, and staff can't be hired if you don't have working capital. Christine said the towns will have to support it if the Westchester and Putnam counties don't. Sabrina suggested that if we are going to have difficulty getting money from these sources, then we may have to change the purpose or add to the responsibilities of the Corporation to meet with our MS4 needs. She believes that is the only way the Town of New Castle would be willing to consider payment is if other aspects of the town's stormwater program can be incorporated into the responsibilities of this corporation. Director Williams said that there is going to be a much larger conversation about what those costs are going to be. Director Calves asked how the reimbursement with Westchester County would work. If it's really for just operations and admin,

would we have to assign it to each project and then submit reimbursement. and what would be the timing on that. Millie said it would probably be quarterly. Perhaps there is a situation where they would give an advance \$200,000 so that you have that working forward. After that it would be quarterly. Director Lucas said that quarterly is not going to work. We have to talk to some folks at the County and figure it out. Millie recommended that they start by sending her a letter as to why the money is needed in advance. Once she has that argument in place she can then start to move it forward. Director Lucas asked how much money we have that can be used for salaries and such that aren't covered. Keith said there is approximately \$600,000 that is uncommitted in WQIP funds. We will be getting a \$600,000 reimbursement from the Army Corps of Engineers. He indicated that money is likely something Kevin is hoping to use for other projects. Director Lucas asked if that money from the Army Corps is fungible. Keith said it's a reimbursement for expenses already incurred. Director Williams asked Millie to clarify if the new policy for reimbursable funds applies to the new funding that is being requested and the request to roll over whatever we have left. Millie said it would apply to the new funding. She believes that they can make the case that they are not going to do that because the money was given before, so they are not going to re-nag on that. Sabrina asked Millie if she knew why the policy is changing. Millie doesn't know if there is a set reason, but the people she spoke to told her that it would only be on a reimbursement basis. She recommended putting in writing the reasons why it can't be on a reimbursement basis, what the ramifications would be, what it would require of the Westchester County municipalities and why it is going to be a hardship for the municipalities within the county. Christine said she doesn't see how the organization can operate without a year's annual budget funded in advance. Discussion ensued. Christine asked Vincent to remind her how we will be reimbursed. Vincent said reimbursement would be semi-annual. Vincent noted that the WQIP money is there if you start to design a project and for whatever reason it doesn't go forward to construction, then it's not a capital asset and can't be funded with NYCDEP money. Christine said that is why we have to have a backstop for that. Director Lucas said we have to sit down of the NYCDEP and NYSDEC, and maybe even Westchester County. He asked Millie who it was at Westchester County that said it wasn't going to work. Millie said she spoke with 3 different people and that she prefers to get the letter in hand first and move forward with it that way. Christine said she can work on a letter but would like some financial information from Kevin and Keith, otherwise it will be hard to put it in perspective without that. Director Calves asked if all Kevin's time was allocated to projects. Kevin indicated that a good portion is, but not all. Director Calves said that we need to figure out what that number is. Millie asked how long the \$2 million from the county is anticipated to last. Director Williams says he estimated between 2 and 2 ½ years. If funding is not coming from the state, federal government, counties, or NYCDEP then that is all going to be pushed back on us. The last time we tried to negotiate, David Warne said that we shouldn't ask them for more money when there is all this money sitting in the coffers for Westchester and Putnam. Millie indicated that it depends on what is happening with Lewisboro, North Salem, or if Yorktown ever decides to do their project. The money could go very quickly. Sabrina said they are holding for future when we really need to examine what is needed immediately. Millie said that Lewisboro and North Salem are moving forward. Sabrina emphasized that there are other projects and other monies, and this is one of those projects. Director Williams said he can't fault NYCDEP's position because that money was given to the communities in 1997 to fix water quality problems. Sabrina stressed we will get no more money until that money is spent. Director Calves pointed out that we need to figure out what percentage of our overhead costs are not covered by projects and then calculate the projections for 5 years for that number. That is what we should be asking the Westchester County for now. If it's \$2 million, that is not going to cover it and we should ask for more and making the case with the projections to show how much it's going to cost. A lot of it will be in the DEP reimbursement because it's part getting the projects done, but we need to make the

case for what's not covered. Director Williams said the \$2 million we asked for was a reasonable number that we thought would be approved quickly because we are rapidly running out of time. We must finish up years 1-10, which should be soon considering we are years passed when it should have been done and moving into Year 11. How the organization is funded is going to change radically in Year 11. NYCDEP funding can only be used for projects that are capital improvement which are actually completed. Vincent said that was always the case as far as the city was concerned or you would have to charge it to WQIP or another source. The only difference is a lump sum payment is not given up front any longer.

Director Calves asked Keith to put together what the costs are that are allocated to projects for EOHWC month to month and what the projection might be for Years 11-15. Keith said most of the costs are not allocated to projects. It's just a small amount of salary and benefits for each project, and it's just Kevin's time and a small portion of Linda's. Christine said that we need numbers on a page now so that we can have this conversation with Westchester County and the Putnam municipalities. We have to have projections. Director Williams said that those same numbers are what he was referring to before to allocate all those to each individual municipality to see what everybody is going to be paying because we can't move forward if we don't have any funding. Millie said the County will be interested in knowing that. Keith promised to pull something together.


11) Adjournment - Motion to adjourn by Director Scorrano, seconded by Director Goncalves; all in favor. Adjourned 11:10 AM.

PRESIDENT'S CERTIFICATE

I certify that the foregoing is a true and correct copy of the January 23, 2025 meeting minutes approved by the Executive Committee.



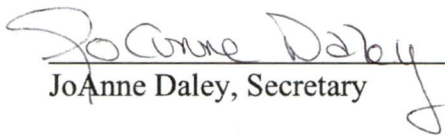
Richard Williams, Sr., President

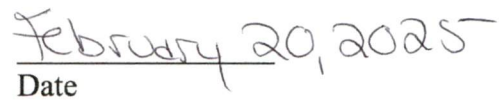


Date

SECRETARY'S CERTIFICATE

I certify that the foregoing is a true and correct copy of the January 23, 2025 meeting minutes approved by the Executive Committee.


JoAnne Daley, Secretary


Date