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December 19, 2025

Azuria Water Solutions, Inc.  
580 Goddard Avenue  
Chesterfield, MO 63005  
Attn.: Ted Grimes, Legal Counsel

Re: Mamaroneck Sewer I & I Contract # 2020-03

The purpose of this letter is to inform you of the findings of our review of the aforementioned payment requisitions for Phase 1 & 2 sanitary sewer rehabilitation submitted by Green Mountain Pipeline Services and Westmoreland Construction. Materials reviewed include Payment Requisitions 1) #1-17 & 19-25 submitted by KSCJ Consulting from June 21, 2021, to September 21, 2023 (PHASE 1); 2) Payment Requisitions #1-18 submitted by KSCJ Consulting from September 23, 2023, to September 2, 2025 (PHASE 2); 3) Request for Sealed Bids for Contract #2020-03 titled "Sanitary Sewer Rehabilitation" dated October 30, 2020; 4) Contract #2020-03 titled "Sanitary Sewer Rehabilitation Meter Areas 8, 11, 13, & 14 – Addendum No.1" dated November 13, 2020; and 5) Various resolutions for Phases 1 and 2.

Green Mountain Pipeline Services (contractor) was awarded the Phase 1 contract for a total amount of \$5,132,780.00, which was later adjusted to \$6,521,544.69 through subsequent resolutions. A total of 24 payment requisitions were reviewed, and we found that many of the AIA certificates were not signed or sealed, the contractor listed on certified payrolls the same employee under two different labor rates on the same day on several of the payment requisitions, based on the AIA Certificates, and the contractor and Westmoreland (subcontractor) charged NYC labor rates instead of Westchester County labor rates. The rates contributed to an increase in total labor billing for cost-plus basis work. The contract (General Conditions, Section 112.b) allows labor for cost-plus basis work to be billed as the base rate plus fringe benefits (capped at 40% of the base rate). Based on invoices with sufficient backup, the full fringe benefits were charged, exceeding the 40% allowance. The contract (Contract Clarification Procedures, Section 1.5 & General Conditions, Section 112) requires any proposed MAW or CO to be submitted as a request with sufficient materials (description of work, staff, hours, etc.) for approval by the Village. Of the 20 MAW and CO charges, 7 provided backup for review. Only one (1) payment requisition provided sufficient backup and approval for labor rates associated with weekend work. Of the 20 MAW and CO charges, 3 payment requisitions included sufficient backup to perform a cost analysis of billed rates compared to the approved contract terms. Based on the analysis, \$12,760.76 was overbilled on Phase 1. Additionally, approximately \$325,763.02 billed as MAW and CO was not formally approved by the Village Board of Trustees.

Green Mountain was also awarded the Phase 2 contract for a total amount of \$3,500,000.00, which was later adjusted to \$4,120,000.00 through subsequent resolutions. A total of 18 payment requisitions were reviewed. Many of the comments from Phase 1, including incorrect labor rates, insufficient backup for MAW and CO, missing signatures on

AIA forms, and crews billed under two separate labor categories on a single day, are consistent throughout Phase 2. Additionally, overhead and profit were inconsistently applied. The contract (Contract Clarification Procedures, Section 1.5 & General Conditions, Section 112) requires any proposed MAW or CO to be submitted as a request with sufficient materials (description of work, staff, hours, etc.) for approval by the Village. Of the 23 MAW and CO charges, 6 provided backup for review. None of the payment requisitions included approval of the work and prices. Of the 23 MAW and CO charges, 4 payment requisitions included sufficient backup to perform a cost analysis of billed rates compared to the approved contract terms. Based on the analysis, \$128,804.96 was overbilled on Phase 2. Also, approximately \$134,048.81 was billed as MAW and CO was not formally approved by the Village Board of Trustees.

In conclusion, the review indicates significant variances between contract terms and submitted invoices, particularly in MAW and CO charges. MAW exceeded the original allowance by more than double in Phases 1 and 2. Both phases show inconsistent application of contractual limits on fringe benefits and overhead/profit. Backup documentation for many requisitions was incomplete or insufficient to validate costs. Attached are tables evidencing what was set forth above for your convenience. At this time, the Village asks that these discrepancies are rectified to properly reflect the terms of the contract and resolutions of the Board of Trustees. If you would like to discuss further, please advise.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Steven Pambianchi', with a long horizontal flourish extending to the right.

Steven Pambianchi, Esq.