

**CATSKILL WATERSHED CORPORATION**

**Board of Directors Meeting**

**MINUTES**

**July 1, 2014 @ 1:00 p.m.**

**I. Call to Order**

**II. Pledge of Allegiance:** Led by Thomas Snow.

**III. Roll Call of Directors**

**Members Present:** Donald Brandow, Martin Donnelly, James Eisel, Jeffrey Graf (*New York City DEP*), Thomas Hynes, Innes Kasanof, Berndt Leifeld, Wayne Marshfield, Mark McCarthy, Tina Molé, Richard Parete, Thomas Snow (*New York State DEC*), and Michael Triolo.

**Members Excused:** Deborah Meyer DeWan and Robert Pelham.

**Staff Members Present:** Timothy Cox, Diane Galusha, Nate Hendricks, Leo LaBuda, James Martin, Jason Merwin, Barbara Puglisi, Alan L. Rosa, Philip Sireci, and Frieda Suess.

**Others Present:**

**IV. Review and Approval of June 3, 2014 Board Meeting Minutes**

A motion to approve the minutes from the June 3, 2014 board meeting was made by Mark McCarthy and seconded by Innes Kasanof.

**Voice Vote, carried unanimously**

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**V. Presentation of Communication**

**Finance Report**

A motion to approve the financial reports as of April 30, 2014 was made by Martin Donnelly and seconded by Jeff Graf.

**Voice Vote, carried unanimously**

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**Executive Director's Report**

The Executive Director's Report was presented as outlined in the board packet.

**Presentation of News Articles**

**Committee Schedule**

## Committee Meeting Minutes

### **VI. Public Discussion**

*Mariane Kiraly (Cornell Cooperative Extension of Delaware County) presented the final report on the Grass Bio-Energy Feasibility Study, partially funded by a grant from the CWC Catskill Fund for the Future Program. Copy of the final report is available at CWC offices.*

*The primary result noted by Ms. Kiraly is that the ash content from burning grass pellets was much higher than that created by burning wood pellets, requiring more frequent cleaning of stoves and higher maintenance costs. While grass bio-fuel may be competitive in the future, at this time studies will continue to find a more viable grass bio-fuel species and drying process.*

*Michael Triolo inquired if there were any noticeable differences in the ash content in the northern regions of the state from the watershed regions. Ms. Kiraly replied that there was no significant difference by region.*

*James Eisel inquired if you can burn grass pellets in a wood pellet stove. Ms. Kiraly stated that it was best to read the owner's manual that comes with the stove, as burning any material not recommended by the manufacturer could potentially void the warranty of the appliance. In addition, burning grass pellets would require a larger ash pan, or more frequent cleanings.*

*Ms. Kiraly also noted that NYSEDA has been pressed to invest in grass bio-fuel, and in response assisted in funding a USEPA project in North Carolina.*

### **VII. Presentation of Resolutions**

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#### **Septic Reimbursement Over \$20,000 – William Board - Tab 7**

A motion to approve Resolution No. 2508 was made by Innes Kasanof and seconded by Wayne Marshfield.

July 1, 2014

#### **RESOLUTION NO. 2508**

#### **BOARD APPROVAL OF SEPTIC CONSTRUCTION ESTIMATE OVER \$20,000: WILLIAM BOARD**

**WHEREAS**, pursuant to the Watershed Memorandum of Agreement and the Septic System Rehabilitation and Replacement Program Contracts with New York City Department of Environmental Protection, the Catskill Watershed Corporation (“CWC”) shall act as program manager for the Septic Program and implement the Septic Program consistent with the terms of said contracts; and

**WHEREAS**, pursuant to section 2:01:09 of the CWC Septic Rehabilitation and Replacement Program Rules Article 2A, if the total amount requested for reimbursement is more than Twenty Thousand Dollars (\$20,000) CWC staff shall forward the design with recommendation to the CWC Board for approval; and

**WHEREAS**, CWC staff has reviewed a construction quote submitted by a contractor for the septic system repair in the amount of Twenty-One Thousand Six Hundred Ninety Dollars and Sixteen Cents (\$21,690.16); and

**WHEREAS**, the contractor's quote for this system is more than Twenty Thousand Dollars (\$20,000); and

**WHEREAS**, the CWC staff have determined the contractor's quote of Twenty-One Thousand Six Hundred Ninety Dollars and Sixteen Cents (\$21,690.16) to be a reasonable cost for this system in accordance with our schedule of values; and

**WHEREAS**, the Septic Committee has reviewed the documentation and recommend approving the contractor's quote of Twenty-One Thousand Six Hundred Ninety Dollars and Sixteen Cents (\$21,690.16) as it is in substantial agreement with our schedule of values.

**NOW, THEREFORE LET IT BE RESOLVED**, that the CWC Board of Directors approves the eligible cost of this system for reimbursement to be the total not-to-exceed amount of Twenty-One Thousand Six Hundred Ninety Dollars and Sixteen Cents (\$21,690.16).

**William Board Backup**

Mr. Board's property is located in the Town of Delhi, Delaware County. Homeowner and CWC staff received a quote from a contractor in the amount of \$21,690.16. This system is for a four bedroom house. The major components for this system include a 1,250 gallon septic tank, 125 lineal feet of 4" gravity piping, one distribution box, 225 cubic yards of absorption fill material, 14 cubic yards of C-33 sand, one effluent filter, 396 square feet of Eljen in-drain units, 60 lineal feet of swale, and extensive restoration. The quote is within 10% of CWC Schedule of Values. The Septic Committee recommends that the Board of Directors approve reimbursement in an amount not to exceed \$21,690.16.

***Voice Vote, carried unanimously***

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**Septic Reimbursement Over \$20,000 – Valerie Kremos - Tab 8**

A motion to approve Resolution No. 2509 was made by Innes Kasanof and seconded by Wayne Marshfield.

July 1, 2014

**RESOLUTION NO. 2509**

**BOARD APPROVAL OF SEPTIC CONSTRUCTION ESTIMATE OVER \$20,000:  
VALERIE KREMOS**

**WHEREAS**, pursuant to the Watershed Memorandum of Agreement and the Septic System Rehabilitation and Replacement Program Contracts with New York City Department of Environmental Protection, the Catskill Watershed Corporation ("CWC") shall act as program manager for the Septic Program and implement the Septic Program consistent with the terms of said contracts; and

**WHEREAS**, pursuant to section 2:01:09 of the CWC Septic Rehabilitation and Replacement Program Rules Article 2A, if the total amount requested for reimbursement is more than Twenty Thousand Dollars (\$20,000) CWC staff shall forward the design with recommendation to the CWC Board for approval; and

**WHEREAS**, CWC staff has reviewed a construction quote submitted by a contractor for the septic system repair in the amount of Twenty-Nine Thousand Four Hundred Ten Dollars and Ninety-Three Cents (\$29,410.93); and

**WHEREAS**, the contractor's quote for this system is more than Twenty Thousand Dollars (\$20,000); and

**WHEREAS**, the CWC staff have determined the contractor's quote of Twenty-Nine Thousand Four Hundred Ten Dollars and Ninety-Three Cents (\$29,410.93) to be a reasonable cost for this system in accordance with our schedule of values; and

**WHEREAS**, the Septic Committee has reviewed the documentation and recommend approving the contractor's quote of Twenty-Nine Thousand Four Hundred Ten Dollars and Ninety-Three Cents (\$29,410.93) as it is in substantial agreement with our schedule of values.

**NOW, THEREFORE LET IT BE RESOLVED**, that the CWC Board of Directors approves the eligible cost of this system for reimbursement to be the total not-to-exceed amount of Twenty-Nine Thousand Four Hundred Ten Dollars and Ninety-Three Cents (\$29,410.93).

**Valerie Kremos Backup**

Ms. Kremos' property is located in the Town of Conesville, Schoharie County. Homeowner and CWC staff received a quote from a contractor in the amount of \$29,410.93. This system is for a three bedroom house. The major components for this system include a 1,000 gallon septic tank, 136 lineal feet of 4" gravity piping, one distribution box, 604 cubic yards of absorption fill material, one effluent filter, 275 lineal feet of absorption trench, 75 lineal feet of curtain drain, tree removal, and restoration. The quote is within 10% of CWC Schedule of Values. The Septic Committee recommends that the Board of Directors approve reimbursement in an amount not to exceed \$29,410.93.

***Voice Vote, carried unanimously***

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**Septic Reimbursement Over \$20,000 – Virginia Terry - Tab 9**

A motion to approve Resolution No. 2510 was made by Innes Kasanof and seconded by Wayne Marshfield.

July 1, 2014

**RESOLUTION NO. 2510**

**BOARD APPROVAL OF SEPTIC CONSTRUCTION ESTIMATE OVER \$20,000:  
VIRGINIA TERRY**

**WHEREAS**, pursuant to the Watershed Memorandum of Agreement and the Septic System Rehabilitation and Replacement Program Contracts with New York City Department of

Environmental Protection, the Catskill Watershed Corporation (“CWC”) shall act as program manager for the Septic Program and implement the Septic Program consistent with the terms of said contracts; and

**WHEREAS**, pursuant to section 2:01:09 of the CWC Septic Rehabilitation and Replacement Program Rules Article 2A, if the total amount requested for reimbursement is more than Thirty Thousand Dollars (\$30,000.00), the homeowner shall supply detailed quotes from three unrelated contractors, and CWC staff shall forward the design with recommendation to the CWC Board for approval; and

**WHEREAS**, CWC staff has reviewed three construction quotes, including the lowest quote for the septic system repair in the amount of Thirty-Five Thousand Four Hundred Dollars (\$35,400.00); and

**WHEREAS**, the contractor’s quote for this system is more than Thirty Thousand Dollars (\$30,000.00); and

**WHEREAS**, the CWC staff have determined the contractor’s quote of Thirty-Five Thousand Four Hundred Dollars (\$35,400.00) to be a reasonable cost for this system in accordance with our schedule of values; and

**WHEREAS**, the Septic Committee has reviewed the documentation and recommend approving the contractor’s quote of Thirty-Five Thousand Four Hundred Dollars (\$35,400.00) as it is in substantial agreement with our schedule of values.

**NOW, THEREFORE LET IT BE RESOLVED**, that the CWC Board of Directors approves the eligible cost of this system for reimbursement to be the total not-to-exceed amount of Thirty-Five Thousand Four Hundred Dollars (\$35,400.00).

**Virginia Terry Backup**

Ms. Terry’s property is located in the Town of Harpersfield, Delaware County. Homeowner and CWC staff received three quotes from unrelated contractors for \$37,400.00, \$37,200.00 and \$35,400.00. This system is for a six bedroom house. The major components for this system include a 2,000 gallon septic tank, one dosing chamber, 130 lineal feet of 4” gravity piping, one distribution box, 500 cubic yards of absorption fill material, 20 cubic yards of C-33 sand, one effluent filter, 576 square feet of Eljen in-drain units, 160 lineal feet of curtain drain, one cleanout, and extensive restoration. The lowest quote does not exceed CWC Schedule of Values. The Septic Committee recommends that the Board of Directors approve reimbursement in an amount not to exceed \$35,400.00.

***Voice Vote, carried unanimously***

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**Septic Reimbursement Over \$20,000 – Additional Cost – Edward Daley - Tab 10**

A motion to approve Resolution No. 2511 was made by Berndt Leifeld and seconded by Martin Donnelly.

July 1, 2014

**RESOLUTION NO. 2511**

**BOARD APPROVAL OF SEPTIC CONSTRUCTION ESTIMATE**  
**OVER \$20,000 – ADDITIONAL COSTS:**  
**EDWARD DALEY**

**WHEREAS**, pursuant to the Watershed Memorandum of Agreement and the Septic System Rehabilitation and Replacement Program Contracts with New York City Department of Environmental Protection, the Catskill Watershed Corporation (“CWC”) shall act as program manager for the Septic Program and implement the Septic Program consistent with the terms of said contracts; and

**WHEREAS**, pursuant to section 2:01:09 of the CWC Septic Rehabilitation and Replacement Program Rules Article 2A, if the total amount requested for reimbursement is more than Twenty Thousand Dollars (\$20,000) CWC staff shall forward the design with recommendation to the CWC Board for approval; and

**WHEREAS**, CWC Staff previously approved Septic Program reimbursement for Edward Daley in the amount of Nineteen Thousand Nine Hundred Fifty Dollars (\$19,950.00); and

**WHEREAS**, CWC staff has reviewed an additional construction invoice of costs incurred submitted by the contractor for the septic system repair in the amount of Five Hundred Dollars (\$500.00); and

**WHEREAS**, the total contractor’s invoices for this system is more than Twenty Thousand Dollars (\$20,000); and

**WHEREAS**, the CWC staff have determined the contractor’s total invoices of Twenty Thousand Four Hundred Fifty Dollars and Eighty-Five Cents (\$20,450.00) to be a reasonable cost for this system in accordance with our schedule of values; and

**WHEREAS**, the Septic Committee has reviewed the documentation and recommend approving the contractor’s total invoice of Twenty Thousand Four Hundred Fifty Dollars and Eighty-Five Cents (\$20,450.00) as it is in substantial agreement with our schedule of values.

**NOW, THEREFORE LET IT BE RESOLVED**, that the CWC Board of Directors approves the eligible cost of this system for reimbursement to be the total not-to-exceed amount of Twenty Thousand Four Hundred Fifty Dollars and Eighty-Five Cents (\$20,450.00).

**Edward Daley Backup**

Mr. Daley’s property is located in the Town of Andes, Delaware County. CWC staff previously approved reimbursement for this project at \$19,950.00. During construction the engineer slightly modified the absorption field, requiring the contractor to cut an additional seven trees and brush. CWC staff received a quote from the contractor for the additional work in the amount of \$500.00. This quote does not exceed CWC Schedule of Values. The Septic Committee recommends that the Board approves an additional reimbursement of \$500.00, for total reimbursement not to exceed \$20,450.05.

**Voice Vote, carried unanimously**

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**Septic Reimbursement Over \$20,000 – Additional Cost – Freida Parrillo - Tab 11**

A motion to approve Resolution No. 2512 was made by Berndt Leifeld and seconded by Martin Donnelly.

July 1, 2014

**RESOLUTION NO. 2512**

**BOARD APPROVAL OF ADDITIONAL FUNDS FOR SEPTIC CONSTRUCTION  
OVER \$20,000:  
FREIDA PARRILLO**

**WHEREAS**, pursuant to the Watershed Memorandum of Agreement and the Septic System Rehabilitation and Replacement Program Contracts with New York City Department of Environmental Protection, the Catskill Watershed Corporation (“CWC”) shall act as program manager for the Septic Program and implement the Septic Program consistent with the terms of said contracts; and

**WHEREAS**, pursuant to section 2:01:09 of the CWC Septic Rehabilitation and Replacement Program Rules Article 2A, if the total amount requested for reimbursement is more than Twenty Thousand Dollars (\$20,000) CWC staff shall forward the design with recommendation to the CWC Board for approval; and

**WHEREAS**, by Resolution Number 2498, the CWC Board approved reimbursement to Freida Parrillo in an amount not to exceed Twenty-Nine Thousand Nine Hundred Ten Dollars (\$29,910.00); and

**WHEREAS**, CWC previously provided reimbursement to the homeowner for a septic tank replacement in the amount of Two Thousand Seven Hundred Seventy Dollars (\$2,770.00) and that reimbursement was not included in Resolution Number 2498; and

**WHEREAS**, the total contractor’s invoices for this system is more than Twenty Thousand Dollars (\$20,000); and

**WHEREAS**, CWC staff have determined the total reasonable cost of the additional work according to CWC Schedule of Values to be Two Thousand Seven Hundred Seventy Dollars (\$2,770.00); and

**WHEREAS**, CWC staff have determined that Thirty-Two Thousand Six Hundred Eighty Dollars (\$32,680.00) is a reasonable cost for this system in accordance with our schedule of values; and

**WHEREAS**, the Septic Committee has reviewed the documentation and recommend approving total reimbursement of Thirty-Two Thousand Six Hundred Eighty Dollars (\$32,680.00) as it is in substantial agreement with our schedule of values.

**NOW, THEREFORE LET IT BE RESOLVED**, that the CWC Board of Directors approves the eligible cost of this system for reimbursement to be the total not-to-exceed amount of Thirty-Two Thousand Six Hundred Eighty Dollars (\$32,680.00).

**Freida Parrillo Backup**

Ms. Parrillo’s property is located in the Town of Stamford, Delaware County. CWC Board of Directors previously approved reimbursement for this project at \$29,910.00. The homeowner was previously reimbursed for septic tank replacement in the amount of \$2,770.00. The Septic Committee recommends that the Board approves an additional reimbursement of \$2,770.00, for total reimbursement not to exceed \$32,680.00.

**Voice Vote, carried unanimously**

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**CWMP III Consultant contract – Lamont Engineers – Study Phase - Tab 12**

A motion to approve Resolution No. 2513 was made by Tina Molé and seconded by Jeff Graf.

July 1, 2014

**RESOLUTION NO. 2513**

**COMMUNITY WASTEWATER MANAGEMENT PROGRAM III**  
**CONSULTANT SERVICES FOR STUDY PHASE**

**WHEREAS**, by Resolution Number 2242, on January 8, 2013 the Catskill Watershed Corporation (“CWC”) Board of Directors authorized the President to execute the Community Wastewater Management Program III (“CWMP III”) Contract with New York City Department of Environmental Protection (“NYCDEP”); and

**WHEREAS**, the CWMP III Contract provides Twenty Nine Million Five Hundred Thousand Dollars (\$29,500,000) to fund the design and construction of community septic systems, and/or the creation of septic maintenance districts, or design and construction of a new wastewater treatment plant only upon NYCDEP approval, in consultation with CWC, if community septic systems or septic maintenance districts are not practicable due to site conditions, and there is a demonstratable water quality problem due to failing septic systems, in up to five communities listed in paragraph 122(c) of the 1997 New York City Watershed Memorandum of Agreement (“Watershed MOA”); and

**WHEREAS**, the Towns of Shandaken, Conesville, Denning, Neversink, and Middletown will be offered to participate in the CWMP III for the respective Hamlets of Shandaken, West Conesville, Claryville, Halcottsville, and Middletown; and

**WHEREAS**, pursuant to Section 2.01 (E) of the CWMP III Contract, CWC is authorized to retain a consultant to, in part, develop a program master plan that identifies a technically and economically feasible project for each of the Participating Communities for which, considered together, the costs do not exceed the available allocation for the program; and

**WHEREAS**, pursuant to Section 2.01(E)(2) of the Community Wastewater Management Program III Contract, the final written agreement with the consultant(s) shall be developed by CWC together with NYCDEP; and



**WHEREAS**, the CWMP III Study Phase costs are funded by CWC Administration and are not funded by the Block Grants allocated for CWMP III Participating Communities; and

**WHEREAS**, CWC has received proposals and scope of services from Lamont Engineers, P.C. to complete Study Phase Engineering Services for the Watershed MOA identified communities of Shandaken, West Conesville, Claryville, Halcottsville, and Middletown; and

**WHEREAS**, CWC staff recommends the approval of contract(s) with Lamont Engineers, P.C. for a not-to-exceed amount of Two Hundred Thirteen Thousand Nine Hundred Fifty-Five Dollars (\$213,955) representing proposed Study Phase costs (Attachment A) in the amount of Forty Thousand One Hundred Thirty-Five Dollars (\$40,135) for Shandaken, Forty-Three Thousand Four Hundred Ten Dollars (\$43,410) for West Conesville, Fifty Thousand One Hundred Nineteen Dollars (\$50,119) for Claryville, Thirty-Nine Thousand One Hundred Fifty-Four Dollars (\$39,154) for Halcottsville, and Forty-One Thousand One Hundred Thirty-Seven Dollars (\$41,137) for New Kingston; and

**WHEREAS**, the CWC Wastewater/Stormwater Committee has reviewed CWC staff recommendation and recommends that the CWC Board of Directors approve contract(s) with Lamont Engineers, P.C. in an amount not to exceed Two Hundred Thirteen Thousand Nine Hundred Fifty-Five Dollars (\$213,955) for Study Phase Engineering Services for CWMP III.

**NOW, THEREFORE LET BE IT BE RESOLVED**, that the CWC Board of Directors authorizes the President and/or Executive Director to execute a contract(s) with Lamont Engineers, P.C. in an amount not to exceed Two Hundred Thirteen Thousand Nine Hundred Fifty-Five Dollars (\$213,955) for Study Phase Engineering Services for Community Wastewater Management Program III.

**NOW, THEREFORE BE IT FURTHER RESOLVED**, authorization to enter into the contract(s) by the CWC Board of Directors constitutes a preliminary decision under the Watershed MOA and the decision will become final without any further action by the Board unless an objection is timely filed with the Watershed Protection and Partnership Council.

## Attachment A

### Summary

Study Phase Task #	Task #	Task	Shardston	West Conestoga	Claryville	Halvatsville	New Kingston	Total
2.2.2.A, 2.2.2.B & 2.2.2.C	1	Identify and evaluate alternate uses of assets	\$4,000	\$4,000	\$4,000	\$0	\$4,000	\$20,000
2.2.2.D	2	Management of Subcontract for geotechnical testing <sup>1</sup>		\$0	\$0	\$0	\$0	\$0
2.2.2.E	3	Cost estimate to design & construct infrastructure along proposed routes	\$800	\$800	\$800	\$800	\$800	\$6,400
2.2.2.F	4	Develop and evaluate alternate routes & alternative work areas	\$800	\$800	\$800	\$800	\$800	\$6,400
2.2.2.G	5	Prepare a map showing location of each proposed service area	\$0	\$0	\$0	\$0	\$0	\$0
2.2.2.H	6	Questionnaire and flow-down property owners	\$4,700	\$4,700	\$4,700	\$4,700	\$4,700	\$37,600
2.2.1	7	Overall plan with other projects	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$44,800
2.2.3.A & 2.2.4	8	Study Phase Letter Report	\$0	\$0	\$0	\$0	\$0	\$0
2.2.1.A & 2.2.E	9	Project Management & Schedule	\$4,474	\$4,474	\$4,474	\$4,474	\$4,474	\$35,772
		<b>Subtotal<sup>2</sup></b>	<b>\$28,172</b>	<b>\$28,172</b>	<b>\$28,172</b>	<b>\$28,172</b>	<b>\$28,172</b>	<b>\$224,448</b>
	10	Other	\$0	\$0	\$0	\$0	\$0	\$0
2.2.3.A & 2.2.3.1	11	Contingency (2 Public Meetings)	\$4,178	\$4,178	\$4,178	\$4,178	\$4,178	\$33,424
		<b>Total</b>	<b>\$36,348</b>	<b>\$36,348</b>	<b>\$36,348</b>	<b>\$36,348</b>	<b>\$36,348</b>	<b>\$291,872</b>
		Return Client Discount <sup>3</sup>	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$80,000
		<b>Total (Not to Exceed)<sup>4</sup></b>	<b>\$26,348</b>	<b>\$26,348</b>	<b>\$26,348</b>	<b>\$26,348</b>	<b>\$26,348</b>	<b>\$211,872</b>

Allowances	Shardston	West Conestoga	Claryville	Halvatsville	New Kingston	Total
<b>Geotechnical Testing</b>						
Stage 1 Testing	\$3,814	\$3,814	\$3,814	\$3,814	\$3,814	\$30,512
Stage 2 Testing	\$2,014	\$4,230	\$0	\$4,900	\$4,930	\$39,312
Stage 3 Testing <sup>5</sup>	\$7,050	\$7,050	\$0	\$7,050	\$7,050	\$56,400
Soil Boring	\$1,050	\$8,050	\$8,050	\$3,600	\$8,050	\$64,400
Write-Up / Map Preparation	\$0	\$0	\$0	\$3,550	\$8,550	\$68,400
<b>Total Geotechnical Testing</b>	<b>\$21,970</b>	<b>\$23,144</b>	<b>\$11,864</b>	<b>\$23,062</b>	<b>\$28,022</b>	<b>\$224,700</b>
Mapping	\$6,798	\$9,050	\$12,193	\$7,850	\$8,893	\$69,574
<b>Total Allowance</b>	<b>\$30,668</b>	<b>\$32,194</b>	<b>\$24,057</b>	<b>\$30,912</b>	<b>\$36,915</b>	<b>\$294,274</b>

<sup>1</sup> See Geotechnical Testing Allowances.

<sup>2</sup> Our proposed fee includes a **steep reduction** compared to the average costs of prior CWMP studies since we did extensive work during preparation of the proposal; however, we will provide the same high quality work and effort as provided on the past CWMPs.

<sup>3</sup> We are pleased to offer this additional discount for a valued return client.

<sup>4</sup> Fee is negotiable. Also, if the proposed accelerated schedule is not accepted, Lamont reserves the right to negotiate our fee.

<sup>5</sup> Stage 2 and Stage 3 Testing is recommended to be completed during the Pro-Construction Phase.



Voice Vote, carried unanimously

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### Approval of Forced Place Insurance Policy – Tab 13

*Jim Martin explained that this coverage is required when a borrower does not keep required insurance on a property that is security for a CFF loan in a loan default.*

A motion to approve Resolution No. 2514 was made by James Eisel and seconded by Mark McCarthy.

July 1, 2014

**RESOLUTION NO. 2514**

**CWC INSURANCE PREMIUM**

**WHEREAS**, the Board of Directors must approve an expense greater than Ten Thousand Dollars (\$10,000.00); and

**WHEREAS**, the Finance Department received a Thirteen Thousand Two Hundred Seventy-Five Dollars (\$13,275.00) premium for Forced Place (General Liability & Property) Insurance.

**NOW, THEREFORE BE IT RESOLVED**, the Board of Director's approves the Executive Director to pay the insurance premium of Thirteen Thousand Two Hundred Seventy-Five Dollars (\$13,275.00).

**Voice Vote, carried unanimously**

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**Public Education Grant Appeal – NYCH20 - Tab 14**

A motion to approve Resolution No. 2515 was made by Tina Molé and seconded by Wayne Marshfield.

June 3, 2014

**RESOLUTION NO. 2515**

**RESOLUTION FOR BOARD REVIEW OF  
PUBLIC EDUCATION GRANT APPEAL – NYC H20**

**WHEREAS**, the 1997 New York City Watershed Memorandum of Agreement established the Catskill Watershed Corporation (CWC) for a Public Information and Education Program, including funding for grants to schools and non-profit organizations for watershed educational programs and projects; and

**WHEREAS**, pursuant to the CWC Public Education Program rules, the Public Education Advisory Group (PEAG) must evaluate grant requests and issue funding recommendations to the CWC Board of Directors; and

**WHEREAS**, the CWC Board of Directors, on May 6, 2014 approved funding of twenty-seven Public Education Program grants recommended by PEAG; and

**WHEREAS**, PEAG did not recommend funding to NYC H20; and

**WHEREAS**, the CWC Public Education Program Rules contain a provision allowing unsuccessful grant applicants to appeal to the CWC Board of Directors the decision to not award funding; and

**WHEREAS**, pursuant to the CWC Public Education Program Rules, the CWC Board of Directors must act upon an appeal at the next regularly scheduled Board meeting that occurs at least fifteen (15) days after CWC's receipt of an appeal; and

**WHEREAS**, NYCH20 has appealed the CWC Board's denial of funding by letter received by CWC on May 12, 2014, and

**WHEREAS**, the CWC Board heard from the applicant on June 3 and voted to request PEAG to reconsider the proposal; and

**WHEREAS**, PEAG has reviewed the proposal and has voted to recommend that the NYCH20 project be funded at the requested amount of \$9,996;

**NOW THEREFORE BE IT RESOLVED**, that the CWC Board of Directors makes the following determination:

Deny Appeal

Approve Appeal

**BACKGROUND: NYCH20 Education Grant Appeal**

NYCH20, a non-profit organization based in New York City, applied to CWC for a Round 17 Watershed Education Grant. The proposal was not recommended for funding by the Public Education Advisory Group and thus was not among the 24 regular education grants approved by the CWC Board on May 6.

The applicant appealed the decision, and that appeal was heard by the CWC Board June 3, after which the Board requested that PEAG reconsider the proposal. On June 4, twelve members of PEAG (there is one vacancy) were sent the grant application, appeal letter and a printed copy of the argument made by NYCH20 before the Board on June 3.

In emailed balloting, PEAG voted 9 for, 2 against, 1 recusal, to fund the NYC H20 proposal. Most wanted it stipulated that NYC DEP be involved in determining content of the field trip lessons.

**Voice Vote, carried unanimously**

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A motion to approve Resolution No. 2516 was made by Thomas Snow and seconded by Thomas Hynes. *Director Marshfield abstained due to his employment by one of the partners, Delaware County Electric Cooperative, within the Delaware County Broadband Initiative.*

July 1, 2014

**RESOLUTION NO. 2516**

**APPROVAL OF DELAWARE COUNTY BROADBAND INITIATIVE**  
**CATSKILLS STUDY GRANT**  
**BROADBAND EXTENTION TO UNSERVED AND UNDER SERVED**  
**IN DELAWARE COUNTY**

**WHEREAS**, the Catskill Watershed Corporation (CWC) is a not-for-profit local development corporation whose purpose is, in part, to act in the public interest by promoting increased employment and encouraging environmentally sound development within the West of Hudson Watershed (WOH); and

**WHEREAS**, to foster the goals of environmentally sound development and increased employment the CWC will from time to time enter into demonstration projects and alliances with other organizations with similar goals that can be replicated throughout the WOH with funding from the Catskill Fund for the Future (CFF); and

**WHEREAS**, the CWC Economic Development Committee has recognized the need to extend broadband internet service to as much of the watershed area as practical to foster economic development, improve educational opportunities and improve the quality of life; and

**WHEREAS**, the Margaretville Telephone Company (MTC) has successfully implemented and maintained Direct Subscriber Lines (DSL) and Cable broadband service in over 90% of its service area; and

**WHEREAS**, the deployment of broadband service in un-served and underserved areas has the potential to increase adult employment, improve educational opportunities and improve the quality of life in the watershed community; and

**WHEREAS**, on August 4, 2009, by Resolution Number 1575, the CWC Board of Directors approved an alliance with MTC and M-ARK Project in an amount up to Two Hundred Fifty Thousand Dollars (\$250,000.00) for expansion of broadband internet service to un-served and underserved areas of Schoharie and Delaware Counties; and

**WHEREAS**, on April 6, 2010, by Resolution Number 1721, the CWC Board of Directors under the Catskills Studies Funding Program approved Twenty-Four Thousand Seven Hundred Fifty Dollars (\$24,750.00) to fund environmental, market development feasibility and engineering studies by MTC Cable for the extension of broadband services to the un-served Schoharie County Towns of Gilboa and Conesville, the purpose of which is to improve job opportunities and local employment while protecting the environment; and

**WHEREAS**, on September 3, 2013, by Resolution Number 2372, the CWC Board of Directors, under the Catskills Studies Funding Program, approved MTC's request for a letter of support

from the CWC for the MTC Wireless Broadband Project and matching funds from CWC to strengthen their application in the amount of Ten Thousand Dollars (\$10,000.00); and

**WHEREAS**, CFF Program Rules, Chapter 1:14 provides for the Catskills Studies Funding Program whereby a governmental entity or the CWC may apply for funding for feasibility studies, environmental studies, market development studies, industry development studies, or other studies that have a purpose of enhancing watershed protection and/or expanding, creating, or improving the prospects of environmentally sound economic development activities within the West of Hudson Watershed; and

**WHEREAS**, MTC, in partnership with the Delhi Telephone Company (DTC) and the Delaware County Electric Cooperative (DCEC), have formed the Delaware County Broadband Initiative (DCBI), who are submitting a New York State Consolidated Funding Application for additional grant funding to continue the broadband expansion efforts in the Delaware County Region; and

**WHEREAS**, DCBI has requested funding from New York State in the amount of Three Hundred Twenty Thousand Five Hundred Twenty Dollars (\$320,520.00), and also proposed that MTC would provide an additional Two Hundred Sixty-Eight Thousand Dollars (\$268,000.00) for the MTC Wireless Broadband Project; and

**WHEREAS**, DCBI requested a letter of support from the CWC for the DCBI Broadband Project for the un-served and underserved residences and businesses in Delaware County and matching funds from CWC to strengthen their application in the amount of Twenty-Five Thousand Dollars (\$25,000.00); and

**WHEREAS**, the Executive Director, pursuant to the CFF Program Contract and the CFF Program rules, has evaluated and determined that this alliance meets the criteria for a qualified economic development project; and

**WHEREAS**, pursuant to the CFF Program rules only the CWC Board of Directors may make an award from the CFF.

**NOW, THEREFORE BE IT RESOLVED**, the CWC Board authorizes the President and/or the Executive Director to execute a contract in an amount up to Twenty-Five Thousand Dollars (\$25,000.00) with the DBCI on the condition that DCBI is awarded funds from the New York State Consolidated Funding Application to serve un-served and underserved areas of Delaware County.

**NOW, THEREFORE BE IT FURTHER RESOLVED**, the CWC staff is authorized and directed to issue a letter informing the Delaware County Broadband Initiative of its intention to provide matching funds for the expansion of broadband service to un-served and underserved areas in the watershed towns on the condition of the awarding of the aforementioned New York State Consolidated Funding Application Grant and subject to compliance with all applicable provisions of the New York City Watershed regulations as well as other applicable laws, rules and regulations, completion of the necessary documents, and the right of objection, and staff is directed to develop an agreement and other documentation necessary to effectuate this partnership.

**NOW, THEREFORE BE IT FURTHER RESOLVED**, that upon said approval of documentation CWC is authorized to disburse proceeds thereof in accordance with the documents.

**NOW, THEREFORE BE IT FURTHER RESOLVED**, pursuant to Resolution Number 349, the above monies will be accounted for out of the Delaware County portion of the CFF.

**NOW, THEREFORE BE IT FURTHER RESOLVED**, approval of this partnership by the Board constitutes a preliminary decision under the 1997 Watershed Memorandum of Agreement and the decision will become final without any further action by the Board unless an objection is timely filed with the Watershed Protection and Partnership Council.

### **QEDP Evaluation and CWC Staff Recommendation**

**Purpose: To review the CWC Alliance with the Margaretville Telephone Company and M-ARK**

The Executive Director of the CWC makes the following evaluation concerning an alliance with Margaretville Telephone Company and M-ARK, to be located in the Towns of Conesville, Gilboa, and Roxbury, NY. Evaluation is based on the Evaluation Criteria established in the Catskill Fund for the Future Program Rules, approved by the CWC Board of Directors.

1. Based on due inquiry to the NYSDEC, the NYCDEP and to the best of CWC's knowledge, the properties and infrastructure owned by Margaretville Telephone Company in the NYC West of Hudson are presently in compliance with all applicable environmental statutes and regulations.
2. Based on due inquiry to the NYSDEC, the NYCDEP and to the best of CWC's knowledge, the properties and infrastructure owned by Margaretville Telephone Company in the NYC West of Hudson Watershed is not subject to any enforcement actions by any regulatory agency.
3. (a) To the best of CWC's knowledge, the project is consistent with historic land use patterns, available infrastructure and sensitivity to the need for water quality protection.
  - (i) The Margaretville Telephone Company is applying for a grant from the Rural Utilities Service to expand broadband internet to un-served and underserved portions of the towns of Conesville, Gilboa, and Roxbury, NY.
  - (ii) The project is located in the Towns of Conesville, Gilboa, and Roxbury, NY.
  - (iii) The project will not utilize any sewage system.
  - (iv) The project appears to present no threat to water quality.
  - (v) The project appears to generate no materials with the potential to degrade water quality that are not pretreated prior to release.
  - (vi) Based on NYCDEP the project is not in the 60 day travel time.
  - (vii) There is no impact on Federal or State wetlands.
- (b) The project maintains the character of the Towns of Conesville, Gilboa, and Roxbury.
  - (i) The project is consistent with current zoning.
  - (ii) The project is compatible with surrounding land uses.
  - (iii) The project will not generate excessive traffic.
  - (iv) The project as described is of such magnitude that it does not appear likely to promote secondary growth and therefore requires no additional review of land use plans or infrastructure.

4. The project is consistent with the West of Hudson Economic Development Study, which has been completed.
5. Not applicable.

**Voice Vote, 12 aye, 1 abstained, carried**

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**Support for License Approval and Operation of a Casino in Town of Wawarsing - Tab 16**

A motion to approve Resolution No. 2517 was made by James Eisel and seconded by Berndt Leifeld. *Directors Jeffrey Graf (NYCDEP) and Thomas Snow (NYSDEC) abstained due to their employment by regulatory agencies; and for Thomas Snow, to ensure continued neutrality in New York State review of applications under the Upstate New York Gaming Act.*

July 1, 2014

**RESOLUTION NO. 2517**  
**CWC SUPPORT OF THE TOWN OF WAWARSING FOR**  
**LICENSE APPROVAL AND OPERATION OF A CASINO AT THE**  
**FORMER NEVELE GRANDE HOTEL AND COUNTRY CLUB**

**WHEREAS**, the Catskill Watershed Corporation (CWC) is a not-for-profit local development corporation whose members are the forty-one towns that are partially or wholly within the portion of the New York City Watershed west of the Hudson River (West of Hudson Watershed) and that are signatories to the 1997 New York City Watershed Memorandum of Agreement; and

**WHEREAS**, a purpose of CWC is relieving and reducing adult unemployment, and promoting and providing additional and maximum adult employment in the West of Hudson Watershed; and

**WHEREAS**, an additional purpose of CWC under its Certificate of Incorporation is encouraging the development of, or retention of, commerce and industry in the West of Hudson Watershed; and

**WHEREAS**, CWC administers the Catskill Fund for the Future, a revolving loan fund for qualified economic development projects in the forty-one towns wholly or partially in the West of Hudson Watershed; and

**WHEREAS**, tourism is a vital economic component of the Catskill Region economy, accounting for fifteen percent of all private payroll in the West of Hudson Watershed; and

**WHEREAS**, the Upstate New York Gaming Economic Development Act of 2013 (Chapters 174 and 175 of the Laws of 2013) (hereinafter "Gaming Act") was enacted on July 30, 2013; and

**WHEREAS**, on November 5, 2013 voters in New York State approved a Constitutional Amendment to authorize up to seven casinos in New York State for the legislated purposes of promoting job growth, increasing aid to schools, and permitting local governments to lower property taxes through revenues generated; and



**WHEREAS**, pursuant to the Gaming Act, four (4) casinos are to be sited within three (3) regions of the State; and

**WHEREAS**, one of the regions identified in the Gaming Act is the Catskill/Hudson Valley Region, which includes Ulster County; and

**WHEREAS**, the Gaming Act also created the New York Gambling Facility Location Board to review and evaluate the applications submitted to make selections of proposed projects eligible to apply for a commercial gaming license in New York State; and

**WHEREAS**, as a condition of filing, each applicant must demonstrate local and community support to the New York Gaming Facility Location Board's satisfaction; and

**WHEREAS**, the present site of the former Nevele Grande Hotel and Country Club (Nevele Site) was formerly a major employer providing direct and indirect economic benefits to the Town of Wawarsing and surrounding region but currently in poor condition and vacant; and

**WHEREAS**, by Resolution Number 11 of 2012, the Town Board of Wawarsing unanimously supported the placement of a casino at the Nevele Site as it would create thousands of direct and indirect jobs and provide an economic stimulus to the region; and

**WHEREAS**, by Resolution Number 144 of 2014, the Ulster County Legislature unanimously approved and supported locating a gaming casino at the Nevele Site; and

**WHEREAS**, by Resolution 22712-15, the Board of the Village of Ellenville voted unanimously to support the revitalization of the Nevele site through the construction of a casino by Nevele Investors, LLC; and

**WHEREAS**, casinos could enhance the tourism economy in both the Catskills and the West of Hudson Watershed; and

**WHEREAS**, CWC Catskill Fund for the Future provided grants and loans to numerous businesses in the West of Hudson Watershed that will benefit from tourism generated by the proposed casino; and

**WHEREAS**, the CWC Board approved loans from the Catskill Fund for the Future to five businesses with total loan balances of Nine Hundred Thirty-Five Thousand Seven Hundred Seventy Five Dollars (\$935,775.00) that are partially or wholly dependent upon tourism in the Town of Wawarsing; and

**WHEREAS**, the license approval and operation of a casino at the Nevele Site in the Town of Wawarsing will positively impact the ability of those borrowers to make principal and interest payments to CWC, thereby increasing the amount of funds available to CWC to loan to other businesses in the West of Hudson Watershed; and

**WHEREAS**, by Resolution 24 of 2014, the Town Board of the Town of Wawarsing unanimously requested that the CWC Board of Directors support the placement of a casino at the Nevele Site in the Town of Wawarsing; and

**WHEREAS**, the CWC Economic Development Committee recommends that the CWC Board of Directors support the Town of Wawarsing in their effort for the placement and license approval and operation of a casino at the former Nevele Grande Hotel and Country Club in the Town of Wawarsing.

**NOW THEREFORE BE IT RESOLVED**, that the CWC Board of Directors supports the Town of Wawarsing in their effort for the placement and license approval and operation of a casino at the former Nevele Grande Hotel and Country Club in the Town of Wawarsing.

**NOW THEREFORE BE IT FURTHER RESOLVED**, that a copy of this resolution be provided to Governor Andrew Cuomo, New York State Gambling Facility Location Board, New York City Department of Environmental Protection Commissioner, and the Town of Wawarsing.

**Voice Vote, 11 aye, 2 abstained, carried**

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A motion to enter into Executive Session with Alan L. Rosa, Timothy Cox, Barbara Puglisi, Jason Merwin, and Phil Sireci to discuss CFF delinquent loans and new loan applicant financials was made by James Eisel and seconded by Thomas Snow.

**Voice Vote, carried unanimously**

A motion to resume the regular meeting was made by Innes Kasanof and seconded by Richard Parete.

**Voice Vote, carried unanimously**

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**CFF REDI Fund Loan Modification – Freskeeto Frozen Foods, Inc. – Release of Signatory – Tab 17**

A motion to approve Resolution No. 2518 was made by Tina Molé and seconded by Berndt Leifeld.

July 1, 2014

**RESOLUTION NO. 2518**

**APPROVAL OF RELEASE OF  
GARY DICKMAN FROM LOAN WITH SCOTT DICKMAN AND GARY DICKMAN**

**WHEREAS**, the Catskill Watershed Corporation (“CWC”) established the REDI Fund Loan Program for the purpose of providing low interest loans to qualified economic development projects in the West of Hudson Watershed to be administered by the CWC in accordance with the Catskill Fund for the Future (“CFF”) Program Rules; and

**WHEREAS**, on June 2, 2009, pursuant to Resolution Number 1531, the Board of Directors approved a loan to Scott Dickman and Gary Dickman for Two Hundred Twenty-Five Thousand

Dollars (\$225,000.00), for a term of fifteen (15) years, with an interest rate of four percent (4.0%), adjustable every five years to the CWC rate in effect at that time, to be amortized in one hundred eighty (180) equal monthly payments, such that the outstanding principal is fully paid on the one hundred and eightieth (180<sup>th</sup>) payment date, to purchase inventory and for working capital involving Freskeeto Frozen Foods, Inc. in Ellenville, NY; and

**WHEREAS**, Gary Dickman has requested that Scott Dickman buy out his shares of ownership in their partnership in the amount of One Hundred Thousand Dollars (\$100,000.00) to be paid over a ten year period; and

**WHEREAS**, Gary Dickman has requested that Scott Dickman purchase his ownership in their real property in the amount of Eighty-Five Thousand Dollars (\$85,000.00) over a term of ten years with a interest rate of three and one hundredth percent (3.1%); and

**WHEREAS**, Scott Dickman will become the sole owner of Fresketo Frozen Foods, Inc.; and

**WHEREAS**, Scott Dickman and Gary Dickman have requested the re-execution of loan documents removing Gary Dickman from responsibility for repayment of the loan and allow Scott Dickman to be solely responsible for the loan; and

**WHEREAS**, Scott Dickman and Gary Dickman have also requested Gary Dickman's collateral assignment of life insurance be removed and allow Scott to maintain a single collateral assignment; and

**WHEREAS**, pursuant to CFF Program Rules, these are material changes that must be approved by the CWC Board of Directors.

**NOW, THEREFORE BE IT RESOLVED**, the CWC Board determines that Gary Dickman be removed from loan documents and to re-execute the loan documents with Scott Dickman.

**NOW, THEREFORE BE IT FURTHER RESOLVED**, the CWC Board determines CWC will release the collateral assignment of life insurance on Gary Dickman.

**NOW, THEREFORE BE IT FURTHER RESOLVED**, the CWC staff is authorized and directed to issue a letter informing Scott Dickman and Gary Dickman of the approved request, and complete the necessary documents to effectuate this release.

**NOW, THEREFORE BE IT FURTHER RESOLVED**, the CWC staff is authorized and directed to begin the process of executing new loan documents with Scott Dickman.

**Voice Vote, carried unanimously**

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**CFF REDI Fund Loan Modification – Margaretville Car Wash, LLC – Replacement of Life Insurance Assignment – Tab 18**

A motion to approve Resolution No. 2519 was made by Richard Parete and seconded by Wayne Marshfield.

July 1, 2014

**RESOLUTION NO. 2519**

**APPROVAL OF REPLACEMENT OF LIFE INSURANCE ASSIGNMENT ON LOAN  
WITH MARGARETVILLE CARWASH, LLC**

**WHEREAS**, the Catskill Watershed Corporation (“CWC”) established the REDI Fund Loan Program for the purpose of providing low interest loans to qualified economic development projects in the West of Hudson Watershed to be administered by the CWC in accordance with the Catskill Fund for the Future (“CFF”) Program Rules; and

**WHEREAS**, on August 28, 2007, pursuant to Resolution Number 1201, the Board of Directors approved a loan to Margaretville Carwash, LLC for One Hundred Fifty-Two Thousand Dollars (\$152,000.00), for a term of ten (10) years, at a rate of five and one- eighth percent (5.125%), adjustable every five years to the CWC rate in effect at that time; to be amortized in equal monthly payments, such that the outstanding principal is fully paid on the last payment date; for the purchase of an automatic car-wash system for the business located at 248 Fair Street, Margaretville, New York; and

**WHEREAS**, on April 22, 2008, pursuant to Resolution Number 1320, the Board of Directors approved a modification and extension such that an additional Ten Thousand Dollar (\$10,000) loan to Margaretville Carwash LLC. be granted, and that the term of the entire original loan be extended from ten years to fifteen years, at a rate of five and one-eighth percent (5.125%), adjustable every five years to the CWC rate in effect at that time; and that principal payments be delayed until sixty (60) days after the new equipment is installed and running, so as to provide additional funds for installation, including electrical and plumbing costs, and those costs related to down time during transition to the new automatic car-wash system; and

**WHEREAS**, the current principal balance on the loan as of June 1, 2014 is One Hundred Twenty-Nine Thousand Two Hundred Fifty-Three Dollars and Ninety-Four Cents (\$129,253.94); and

**WHEREAS**, as a condition of the loan, Frank Busciglio and Richard Busciglio signed personal guarantees on the loan; and

**WHEREAS**, as a condition of the loan, Richard Busciglio has a collateral assignment of life insurance as additional collateral on the loan; and

**WHEREAS**, Richard Busciglio is no longer involved in the management of the business; and

**WHEREAS**, Frank Busciglio has set up a family trust leaving Margaretville Car Wash to his children, Leonard Busciglio and Anna Maria Tentnowski; and

**WHEREAS**, Frank Busciglio has requested that Richard Busciglio’s collateral assignment of life insurance be replaced with a collateral assignment of life insurance in the amount of the remaining principal balance on Anna Maria Tentnowski , his daughter and bookkeeper of the business; and

**WHEREAS**, pursuant to CFF Program Rules, release and replacement of life insurance assignment is a material change that must be approved by the CWC Board of Directors.

**NOW, THEREFORE BE IT RESOLVED**, the CWC Board determines CWC will release the collateral assignment of life insurance on Richard Busciglio following the execution of a new collateral assignment of life insurance on Anna Maria Tentnowski.

**NOW, THEREFORE BE IT FURTHER RESOLVED**, the CWC staff is authorized and directed to issue a letter informing Frank Busciglio of the approved request, and complete the necessary documents, and other documentation necessary to effectuate this replacements.

**NOW, THEREFORE BE IT FURTHER RESOLVED**, the CWC staff is authorized and directed to process a release of collateral assignment following the execution of a new collateral assignment as provided herein.

**Voice Vote, carried unanimously**

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A motion to waive Rule 14 was made by Michael Brandow and seconded by Thomas Hynes.

**Voice Vote, carried unanimously**

**Handout Resolution – CFF REDI Loan - Margaretville Lodging, LLC Material Change**

A motion to approve Resolution No. 2520 was made by Innes Kasanof and seconded by Richard Parete.

July 1, 2014

**RESOLUTION NO. 2520**

**APPROVAL OF THE MARGARETVILLE LODGING LLC  
MATERIAL CHANGE**

**WHEREAS**, the Catskill Watershed Corporation (“CWC”) established the REDI Fund Loan Program for the purpose of providing low interest loans to qualified economic development projects in the West of Hudson Watershed to be administered by the CWC in accordance with the Catskill Fund for the Future (“CFF”) Program Rules; and

**WHEREAS**, on May 28, 2002, pursuant to Resolution Number 506, the CWC Board of Directors approved a loan in the amount of Two Hundred Forty Thousand Dollars (\$240,000.00) for a term of fifteen (15) years, at a rate of three and three eighths percent (3.375%), to be amortized in equal monthly payments such that the outstanding principal is fully paid on the last payment date, for the purchase of the property located at 42480 State Highway 28, in Margaretville, NY (Margaretville Motel), including business and property, and renovations; and

**WHEREAS**, on September 4, 2012, pursuant to Resolution Number 2171, the CWC Board of Directors approved a loan to Margaretville Lodging LLC in the amount of Two Hundred Sixty Thousand Dollars (\$260,000.00) for a term of fifteen (15) years, at a rate of four percent (4.0%), adjustable every five years to the CWC rate in effect at that time, to be amortized in equal monthly payments, such that the outstanding principal is fully paid on the last payment date, for

the consolidation and refinance of the current CWC mortgage and a second mortgage on Margaretville Motel, and for soft costs associated with running the business; and

**WHEREAS**, Margaretville Lodging LLC requests that CWC provide a release of the mortgage against the Margaretville Motel property, with a current full assessed value of Four Hundred Twenty-Four Thousand Four Hundred Dollars (\$424,400.00), and substitute with a mortgage on unencumbered property owned by Walnut Street LLC, County Hwy 38, in the Town of Middletown, Section/Block/Lot 285.-2-62, that has a full assessed value of Three Hundred Four Thousand Two Hundred Dollars (\$304,200.00); and

**WHEREAS**, pursuant to the CFF Program rules the CWC Staff has reviewed the request from Margaretville Lodging LLC; and

**WHEREAS**, the CWC Loan Committee has reviewed and processed this request, and submitted the request to the Board of Directors, attached hereto; and

**WHEREAS**, pursuant to the CFF Program rules only the CWC Board of Directors may make a material change to an approved loan.

**NOW, THEREFORE BE IT RESOLVED**, the CWC Board approves the release of mortgage with regard to the collateralized property known as Margaretville Motel, and replace it with an unencumbered property owned by Walnut Street LLC, located at County Hwy 38, Margaretville, Tax Map #: 285.-2-62.

**NOW, THEREFORE BE IT FURTHER RESOLVED**, the CWC staff is authorized and directed to issue a letter informing Margaretville Lodging LLC of the approved request, and to complete the necessary documents, and any other documentation necessary to effectuate this mortgage release.

**NOW, THEREFORE BE IT FURTHER RESOLVED**, that upon said approval of loan documentation CWC is authorized to execute the mortgage release on said request.

### **Background**

CWC has received a request from Peter Molnar, on behalf of Margaretville Lodging, LLC, to release our current mortgage on the property located at 42480 NYS Route 28, in Margaretville known as Margaretville Motel. It has a current assessed value of \$424,400.00. Mr. Molnar requests that CWC agree to a mortgage on unencumbered property owned by Walnut Street LLC, County Hwy 38, Margaretville, Tax Map #: 285.-2-62, assessed value of \$304,200.00. The Motel consists of 2.29 acres of land with a 10 unit Motel. The Walnut Street Property consists of 24.98 acres and has the Verizon Cell Tower on it. Although the cell tower is owned separately by MTC North, LLC, it is included in the assessed value of the land.

Margaretville Lodging, LLC is in the process of obtaining financing of \$6,800,000.00, including a \$1,300,000.00 grant award from the New York State Southern Tier Economic Development Council, to construct a 62 room Best Western at the current site of the motel. The funding institutions are not willing to subordinate to CWC, as we are currently in first position on the motel property. CWC closed the first loan with Margaretville Lodging, LLC in 2002 and modified this loan to refinance debt in 2012. Margaretville Lodging, LLC has an excellent payment history and their current loan balance is \$241,552.09.

In 2006, CWC was asked to participate in the Best Western project, and it was determined that the risk of this debt was more than CWC was willing to take. On September 26, 2006, CWC Board approved Resolution Number 1065, agreeing to subordinate the CWC mortgage to third position during the construction period only, and on the condition that the mortgage would be satisfied by the permanent financing after the construction period.

**Voice Vote, *carried unanimously***

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**VIII. Announcements from the Chair: None**

**IX. Board Member Discussion: None**

A motion to adjourn was made by Michael Brandow and seconded by Thomas Hynes.

**Voice Vote, *carried unanimously***

**X. Adjournment: @ 1:52 p.m.**