

CATSKILL WATERSHED CORPORATION

Board of Directors Meeting

MINUTES

August 2, 2011 @ 1:00 p.m.

I. Call to Order

II. Pledge of Allegiance: Led by James Eisel.

III. Roll Call of Directors

Members Present: Donald Brandow, Deborah Meyer DeWan, Paul R. Dibbell, Martin Donnelly, James Eisel, Michael Flaherty, Jeff Graf (*New York City DEP*), Thomas Hynes, Berndt Leifeld, Georgianna Lepke, Wayne Marshfield, Tina Molé, Richard Parete, and Leonard Utter

Members Excused: Thomas Snow (*New York State DEC*)

Staff Members Present: Timothy Cox, Nate Hendricks, Diane Galusha, Leo LaBuda, James Martin, Alan L. Rosa, Frieda Suess, and Michael Triolo

Others Present: Katherine Hudson (*Riverkeeper*), Michael Meyer (*New York City DEP*), and Thomas Stalter (*New York City DEP*).

IV. Review and Approval of July 5, 2011 Board Meeting Minutes

A motion to approve the minutes from the July 5, 2011 board meeting was made by Leonard Utter and seconded by Michael Flaherty.

Voice Vote, carried unanimously

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**V. Presentation of Communication**

**Finance Report**

A motion to approve the financial reports as of May 31, 2011 was made by James Eisel 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.

Alan Rosa noted a letter from Tim Cox that was presented to the Governance Committee in regards to Public Authorities Law. There is a concern that, under the Governance Law, the State of New York is classifying CWC as a Local Public Authority. CWC recognizes that we are a Local Authority, but we are not a Public Authority. This classification will cause a lot of problems with our programs. Under Public Authority Law, as Tim has written, just under our Septic Program alone, we would be required to do individual SEQRA requirements for each project, and meet SHPO requirements, so our ability to assist homeowners and businesses would put us out of business.

Alan continued that, what's ironic about this whole thing is that, CWC is one of the few Local Authorities that has given the State Comptroller the ability to audit us, and that's really what's driving this law. The City Comptroller and State Comptroller have the ability to audit us, and was asked for when the MOA was signed. If this classification would put us out of business, the State needs to take a look at this. We have tried several times to contact the ABO, and have received no response, and they continue to say that we are in violation. This is out of CWC staff hands now, and is purely political. The Board now needs to get involved and let the powers that be know that this is not going to work in the watershed and the CWC.

Georgianna Lepke stated that, if the Board is in agreement, there are two State representatives and one City representative on our Board, and we represent everyone else, and collectively we should request some type of meeting with the ABO to make sure they understand the impact. They were a partner in the MOA. She asked Alan what he needs them to do.

Alan responded that the Board should contact the State Senator and try to arrange a high level meeting.

James Eisel asked staff to find out which Representatives are on the ABO Senate Committee.

Georgianna stated that staff needs to get a letter together on behalf of the Board and State and City members (requesting a meeting). She noted that CWC is being caught up in a "catch-all", and the need is to get the right people to understand the impact that this will have, and then there will be a different response.

Alan clarified that he is being directed to get letters together on behalf of the CWC Board of Directors.

Deborah DeWan asked Tim if there were other agencies similar to ours regarding this law.

Alan answered that there are none that we are aware of.

James Eisel noted that once we step over the line into the Public Authority status, that's when we are in trouble.

Tim stated that they classified us as a Local Authority which comes with some paperwork in and of itself. The problem is that the law is poorly drafted, and some sections refer to Public Authorities, and ABO says we have to comply with that. What we have done at CWC is said that, if we agree that we are a Public Authority, what does that mean, and there's a parade of horrible out there. It starts with worrying about SHPO requirements on each and every septic that we do, and SHPO and SEQRA requirements on every loan that we do, and trickles on down through labor law and prevailing wage and all the way down through.

Tina Molé added that the problem is that CWC staff is not getting an answer from the ABO regarding these concerns.

Tim responded that CWC had one conference with the ABO last fall, where the ABO asked what would be the big deal for us on it, we explained all of this to them, and never heard back. He has sent e-mails referencing our prior letters, and never hear back, not one word.

Georgianna noted that considering this whole process enables over 9million people to have clean water without filtering and we have a record of how we are running the program (the

Septic Program in particular), and no one would want a failing system, if you get the right ears someone should be listening.

Tim noted that, though Tom Snow is not here today, he has also left messages with ABO identifying himself as the Governor's appointed representative to the CWC in hopes that would generate some call backs, and he hasn't been successful either.

Georgianna stated that she would think some voices to the Governor's office would be recognized.

In further business, Alan referred to charts that James Martin put together regarding differences in mileage costs with CWC owning the vehicles versus paying state rates to employees for using their private vehicles from January 1, 2010 through June 30, 2011. If CWC had to pay the IRS rate the cost would have been approximately \$64,346.54. By owning our own vehicles that cost actually comes down to \$29,073.16. This is basically a savings of over \$30,000.00. It doesn't take into account the cost of buying the vehicles. These costs do include insurance, though those costs are difficult to calculate because it's a blanket policy, so all insurances are included in that bill. Alan pointed out that CWC purchase two brand new cars, and with our trade, because we try to keep our cars for 5 years, those cars came to \$28,400.00. With adding that \$28,400 to the cost of usage and maintenance, there is still a savings, and that's just for the 18 months included in this chart, and we won't be buying any more cars for at least a year, maybe two years.

Georgie asked why this chart was presented, and Alan responded that he was questioned about it, so he put it out there so everyone could see the difference and why we were doing it this way. Alan then pointed to the next chart, which shows all of the lawyer fees paid over the same period of time, breaking them down by Firm and in a separate chart, breaking them down by CWC programs addressed by each Firm. The big expenses paid to Whiteman have been the Water Supply Permit, the pharmaceuticals, and the templates for the tax issues, which is still ongoing. The chart also shows the majority of Beebe's and Young Sommers' bills are for template work. Ganz is the lawyer used for all collections. Total legal expenses paid by CWC for the past 18 months are almost \$600,000.00. Lawyer fees for the Public Authorities Budget issue are \$26,000.00. Georgianna thanked Alan for having these charts made.

Presentation of News Articles

Committee Schedule

Committee Meeting Minutes

VI. Public Discussion

Deborah DeWan introduced Katherine Hudson, the new Watershed Program Director at Riverkeeper. Kate addressed the Board, thanking them for the opportunity to say hello. She stated that she began her position with Riverkeeper in March, and is very happy that she is based in Ulster County. Riverkeeper has been known as being in East of Hudson/Westchester County, and is trying to establish a presence in the West of Hudson region, where a tremendous amount of things that are important to Riverkeeper go on. Riverkeeper is signatory to the 1997 Watershed Memorandum of Agreement, and do continue to actively participate in talking to DEP on issues with respect to the watershed and their operations in the watershed. They have also been playing a very active role with respect to issues around the Lower Esopus and its impact on the Esopus of DEP's management of the Ashokan Reservoir. Riverkeeper has acquired office

space in the Hudson River Maritime Museum in Kingston in an effort to have a real presence in the West of Hudson watershed area. They look forward to having and continuing to have a collaborative relationship with the CWC and helping to support in any way that they can this Boards efforts to move the programs forward that have been set up in conjunction with the MOA, and to advocate for our concerns in relation to the FAD, which is under review right now, and which they are communicating with DEC, DOH and EPA on. Riverkeeper welcomes the opportunity to bring CWC's concerns to that forum. She also expressed their wish to be of assistance in any other way possible and hope CWC views them as they view us, in a partnership relationship, particularly in respect to economic development within our area. Georgie thanked Katherine for coming.

Diane Galusha noted the new art exhibit "Ever Flowing", photos by Colin D. Young, resident of Fleischmanns and Brooklyn. The show focuses on waterfalls, ponds, streams and reservoirs. The show will be on display through September 30.

VII. Presentation of Resolutions

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### **Septic Reimbursement Over \$20,000 – Charles Deck - Tab 7**

A motion to approve Resolution No. 1954 was made by Berndt Leifeld and seconded by James Eisel.

August 2, 2011

### **RESOLUTION NO. 1954**

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

**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 quotes from unrelated contractors, including the lowest quote for the septic system repair in the amount of Thirty-One Thousand One Hundred Twenty-One Dollars (\$31,121.00); 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-One Thousand One Hundred Twenty-One Dollars (\$31,121.00) 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-One Thousand One Hundred Twenty-One Dollars (\$31,121.00) 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-One Thousand One Hundred Twenty-One Dollars (\$31,121.00).

**Charles Deck Backup**

Mr. Deck's property is located in the Town of Neversink, Sullivan County. Homeowner and CWC staff received three quotes from unrelated contractors. The lowest quote was for \$31,121.00. This system is for a four bedroom house. The major components for this system include a 1,250 gallon septic tank, a pump chamber, 15 lineal feet of gravity piping, one distribution box, 440 cubic yards of fill material, 330 lineal feet of absorption trench, 200 lineal feet of curtain drain, and extensive restoration. The 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 \$31,121.00.

***Voice Vote, carried unanimously***

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Septic Reimbursement Over \$20,000 – Marta Dewitt - Tab 8

A motion to approve Resolution No. 1955 was made by Berndt Leifeld and seconded by James Eisel.

August 2, 2011

RESOLUTION NO. 1955

**BOARD APPROVAL OF SEPTIC CONSTRUCTION ESTIMATE OVER \$20,000:
MARTA DEWITT**

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 quotes from unrelated contractors, including the lowest quote for the septic system repair in the amount of Thirty-Seven Thousand Nine Hundred Eighty-Eight Dollars and Eighty Cents (\$37,988.80); 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-Seven Thousand Nine Hundred Eighty-Eight Dollars and Eighty Cents (\$37,988.80) 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-Seven Thousand Nine Hundred Eighty-Eight Dollars and Eighty Cents (\$37,988.80) 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-Seven Thousand Nine Hundred Eighty-Eight Dollars and Eighty Cents (\$37,988.80).

Marta Dewitt Backup

Ms. Dewitt's property is located in the Town of Conesville, Schoharie County. Homeowner and CWC staff received three quotes from unrelated contractors, the lowest quote in an amount of \$37,988.80. This system is for a four bedroom house. The major components for this system include a 1,250 gallon septic tank, a pump chamber, 55 lineal feet of gravity piping, 80 lineal feet of 2" forcemain, one distribution box, 800 cubic yards of absorption fill material, 500 lineal feet of absorption trench, 210 lineal feet of curtain drain, 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 \$37,988.80.

Voice Vote, carried unanimously

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A motion to approve Resolution No. 1956 was made by Berndt Leifeld and seconded by James Eisel.

August 2, 2011

**RESOLUTION NO. 1956**

**BOARD APPROVAL OF SEPTIC CONSTRUCTION ESTIMATE OVER \$20,000:  
DOUGLAS DOYLE**

**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 Two Hundred Twenty-Four Dollars and Seventy Cents (\$21,224.70); 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 Two Hundred Twenty-Four Dollars and Seventy Cents (\$21,224.70) 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 Two Hundred Twenty-Four Dollars and Seventy Cents (\$21,224.70) 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 Two Hundred Twenty-Four Dollars and Seventy Cents (\$21,224.70).

**Douglas Doyle Backup**

Mr. Doyle’s property is located in the Town of Gilboa, Schoharie County. Homeowner and CWC staff received a quote from a contractor in the amount of \$21,224.70. This system is for a three bedroom house. The major components for this system include a 1,000 gallon septic tank, 15 lineal feet of 4” gravity piping, 90 lineal feet of 2” forcemain, three peat modules, 115 lineal feet of curtain drain, 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 \$21,224.70.

**Voice Vote, carried unanimously**

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Septic Reimbursement Over \$20,000 – Andrew Eberhardt - Tab 10

A motion to approve Resolution No. 1957 was made by Berndt Leifeld and seconded by James Eisel.

August 2, 2011

RESOLUTION NO. 1957

**BOARD APPROVAL OF SEPTIC CONSTRUCTION ESTIMATE OVER \$20,000:
ANDREW EBERHARDT**

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 three construction quotes submitted by contractors for the septic system repair, the lowest quote being in the amount of Twenty-Seven Thousand Eight Hundred Twenty-Five Dollars (\$27,825.00); 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-Seven Thousand Eight Hundred Twenty-Five Dollars (\$27,825.00) 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 Twenty-Seven Thousand Eight Hundred Twenty-Five Dollars (\$27,825.00) 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-Seven Thousand Eight Hundred Twenty-Five Dollars (\$27,825.00).

Andrew Eberhardt Backup

Mr. Eberhardt’s property is located in the Town of Olive, Ulster County. Homeowner and CWC staff received three quotes from unrelated contractors, with the lowest quote in the amount of \$27,825.00. This system is for a four bedroom house. The major components for this system include 25 lineal feet of 4” gravity piping, distribution box, 580 cubic yards of absorption fill material, 110 cubic yards of random fill material, 371 lineal feet of absorption trench, 65 lineal feet of curtain drain, temporary access, and extensive restoration. The lowest 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 \$27,825.00.

Voice Vote, carried unanimously

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**Septic Reimbursement Over \$20,000 – Mary MacNaught - Tab 11**

A motion to approve Resolution No. 1958 was made by Berndt Leifeld and seconded by James Eisel.

August 2, 2011

**RESOLUTION NO. 1958**

**BOARD APPROVAL OF SEPTIC CONSTRUCTION ESTIMATE OVER \$20,000:  
MARY MACNAUGHT**

**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 Dollars (\$21,000.00); 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 Dollars (\$21,000.00) 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 Twenty-One Thousand Dollars (\$21,000.00) 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-One Thousand Dollars (\$21,000.00).

**Mary MacNaught Backup**

Ms. MacNaught’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 \$21,000.00. This system is for a three bedroom house. The major components for this system include a 1,000 gallon septic tank, 75 lineal feet of 4” gravity piping, 55 lineal feet of curtain drain, 25 lineal feet of 2” forcemain, three peat modules, temporary access road, 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 \$21,000.00.

**Voice Vote, carried unanimously**

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Septic Reimbursement Over \$20,000 – Albert Smith - Tab 12

A motion to approve Resolution No. 1959 was made by Berndt Leifeld and seconded by James Eisel.

August 2, 2011

RESOLUTION NO. 1959

**BOARD APPROVAL OF SEPTIC CONSTRUCTION ESTIMATE OVER \$20,000:
ALBERT SMITH**

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-Eight Thousand Ninety-Five Dollars (\$28,095.00); 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-Eight Thousand Ninety-Five Dollars (\$28,095.00) 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 Twenty-Eight Thousand Ninety-Five Dollars (\$28,095.00) 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-Eight Thousand Ninety-Five Dollars (\$28,095.00).

Albert Smith Backup

Mr. Smith's property is located in the Town of Neversink, Sullivan County. Homeowner and CWC staff received a quote from a contractor in the amount of \$28,095.00. This system is for a three bedroom house. The major components for this system include a 1,000 gallon septic tank, 135 lineal feet of 4" gravity piping, two distribution boxes, 160 cubic yards of absorption fill material, 18'x22' sand filter, 180 lineal feet of absorption trench, 300 lineal feet of curtain drain, man hole, tree removal and extensive restoration. The quote is does not exceed CWC Schedule of Values. The Septic Committee recommends that the Board of Directors approve reimbursement in an amount not to exceed \$28,095.00.

Voice Vote, carried unanimously

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**Septic Reimbursement Over \$20,000 – Richard Zimmerman - Tab 13**

A motion to approve Resolution No. 1960 was made by Berndt Leifeld and seconded by James Eisel.

August 2, 2011

**RESOLUTION NO. 1960**

**BOARD APPROVAL OF SEPTIC CONSTRUCTION ESTIMATE OVER \$20,000:  
RICHARD ZIMMERMAN**

**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-Five Thousand Five Hundred Dollars (\$25,500.00); 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-Five Thousand Five Hundred Dollars (\$25,500.00) 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 Twenty-Five Thousand Five Hundred Dollars (\$25,500.00) 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-Five Thousand Five Hundred Dollars (\$25,500.00).

**Richard Zimmerman Backup**

Mr. Zimmerman's property is located in the Town of Middletown, Delaware County. Homeowner and CWC staff received a quote from a contractor in the amount of \$25,500.00. This system is for a four bedroom house. The major components for this system include a siphon chamber, 50 lineal feet of 4" gravity piping, distribution box, 370 cubic yards of absorption fill material, 330 lineal feet of absorption trench, 125 lineal feet of curtain drain, 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 \$25,500.00.

***Voice Vote, carried unanimously***

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Septic Reimbursement Over \$20,000 – Additional Costs – Charlotte Clark - Tab 13A

A motion to waive Rule 14 was made by Martin Donnelly and seconded by James Eisel.

Voice Vote, carried unanimously

A motion to approve Resolution No. 1961 was made by Leonard Utter and seconded by Deborah DeWan.

August 2, 2011

RESOLUTION NO. 1961

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

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 1798, the CWC Board approved reimbursement to Charlotte Clark in an amount not to exceed Twenty-Two Thousand Three Hundred Thirty-Eight Dollars and Forty Cents (\$22,338.40); and

WHEREAS, CWC staff has reviewed an additional construction invoice of costs incurred submitted by the homeowner for tree removal in the amount of Five Thousand Dollars (\$5,000.00); 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 One Thousand Six Hundred Dollars (\$1,600.00); and

WHEREAS, CWC staff have determined that Twenty-Three Thousand Nine Hundred Thirty-Eight Dollars (\$23,938.00) 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 Twenty-Three Thousand Nine Hundred Thirty-Eight Dollars (\$23,938.00) 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-Three Thousand Nine Hundred Thirty-Eight Dollars (\$23,938.00).

Charlotte Clark Backup

Ms. Clark’s property is located in the Town of Olive, Ulster County. CWC Board of Directors previously approved reimbursement for this project at \$22,338.00. The homeowner, without consulting CWC, contracted to remove trees from the septic system area, and submitted an invoice in the amount of \$5,000.00. A reasonable and just cost for the additional work CWC Schedule of Values is \$1,600.00. The Septic Committee recommends that the Board approves an additional reimbursement of \$1,600.00, for total reimbursement not to exceed \$23,938.00.

Voice Vote, carried unanimously

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**Septic Reimbursement Over \$20,000 – Additional Costs – David Hartwell - Tab 14**

A motion to approve Resolution No. 1962 was made by Tina Molé and seconded by Deborah DeWan.

August 2, 2011

**RESOLUTION NO. 1962**

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

**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 approved Septic Program reimbursement for David Hartwell in the amount of Nineteen Thousand Nine Hundred Ninety-Five Dollars (\$19,995.00); 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 Four Thousand Three Hundred Sixty-Three Dollars (\$4,363.00); 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-Four Thousand Three Hundred Fifty-Eight Dollars (\$24,358.00) 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-Four Thousand Three Hundred Fifty-Eight Dollars (\$24,358.00) 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-Four Thousand Three Hundred Fifty-Eight Dollars (\$24,358.00).

**David Hartwell Backup**

Mr. Hartwell's property is located in the Town of Olive, Ulster County. CWC Board of Directors previously approved reimbursement for this project at \$19,995.00. During construction a groundwater issue developed. The engineer requested using low profile tanks for the septic tank and pump station to minimize the tank depths. In addition, the engineer requested that the contractor install a drain to alleviate the flooding in the area of the septic tank and pump station. A reasonable and just cost for the low profile tanks, 200 lineal feet of drain, temporary access, and restoration according to CWC Schedule of Values is \$4,363.00. The Septic Committee recommends that the Board approves an additional reimbursement of \$4,363.00, for total reimbursement not to exceed \$24,358.00.

**Voice Vote, carried unanimously**

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Septic Reimbursement Over \$20,000 – Additional Costs – Suzanne Taylor - Tab 15

A motion to approve Resolution No. 1963 was made by Tina Molé and seconded by Deborah DeWan.

August 2, 2011

RESOLUTION NO. 1963

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

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 approved Septic Program reimbursement for Suzanne Taylor in the amount of Seventeen Thousand Nine Hundred Twenty-Two Dollars (\$17,922.00) representing sixty percent (60%) of eligible costs; and

WHEREAS, CWC staff has reviewed an additional construction invoice of costs incurred submitted by the property owner for the septic system repair in the amount of Four Thousand Four Hundred Eighty-Eight Dollars (\$4,488.00); and

WHEREAS, the eligible amount of reimbursement for the additional costs incurred is Two Thousand Six Hundred Ninety-Three Dollars (\$2,693.00), sixty percent (60%) of the invoice; and

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

WHEREAS, the CWC staff have determined the contractor's total invoices of Twenty Thousand Six Hundred Fifteen Dollars (\$20,615.00) 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 Six Hundred Fifteen Dollars (\$20,615.00) 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 Six Hundred Fifteen Dollars (\$20,615.00).

Suzanne Taylor Backup

Ms. Taylor's property is located in the Town of Shandaken, Ulster County. The property is located in the hamlet of Phoenicia and consists of a restaurant and two apartments in the same building. The property experienced a septic failure after flooding this past spring. As a result, the Ulster County Health Department ordered the restaurant to immediately close on March 11, 2011.

CWC Staff previously approved Septic Program reimbursement, as a managed repair, in the amount of \$17,922.00, representing 60% of eligible costs. Ms Taylor is eligible for 60% reimbursement of eligible costs because the building is not her primary residence. The replacement septic system is designed for a flow of under 1,000 gallons per day. To ensure that the system does not exceed this limit, one of the apartments can no longer be used and her engineer monitors her water meter to verify flow of less than 1000 gallons per day. Those water meter readings are also required to be and are reported to the Ulster County Health Department. Her engineer noted that kitchen staff, including pot washers, have been retrained in water usage and many fixtures have been replaced with low flow

alternatives. NYCDEP Construction approval for this system requires that it be abandoned if a municipal sewer system becomes available.

During construction NYC DEP corroborated with the design engineer to extend the basal area, remove some additional existing materials, and place rip-rap to armor plate the side that is most vulnerable to flooding. A reasonable and just cost for the additional work according to CWC Schedule of Values is \$4,488.00. The eligible cost (60% reimbursement) is \$2,693.00. The Septic Committee recommends that the Board approves an additional reimbursement of \$2,693.00, for total reimbursement not to exceed \$20,615.00.

Voice Vote, carried unanimously

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**Septic Reimbursement Over \$20,000 – Additional Costs – Mable West - Tab 16**

A motion to approve Resolution No. 1964 was made by Tina Molé and seconded by Deborah DeWan.

August 2, 2011

**RESOLUTION NO. 1964**

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

**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 1897, the CWC Board approved reimbursement to Mable West in an amount not to exceed Twenty-One Thousand Dollars (\$21,000.00); 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 One Thousand Five Hundred Dollars (\$1,500.00); and

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

**WHEREAS**, the CWC have determined the contractor's total invoices of Twenty-Two Thousand Five Hundred Dollars (\$22,500.00) 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 total contractor's invoice of Twenty-Two Thousand Five Hundred Dollars (\$22,500.00) 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-Two Thousand Five Hundred Dollars (\$22,500.00).

**Mable West Backup**

Ms. West's property is located in the Town of Middletown, Delaware County. CWC Board of Directors previously approved reimbursement for this project at \$21,000.00. During construction rock was encountered and the design engineer requested that some select materials be used to back fill around the septic tank and the gravity piping from the house to the septic tank. A reasonable and just cost for the additional work according to CWC Schedule of Values is \$1,500.00. The Septic Committee recommends that the Board approves an additional reimbursement of \$1,500.00, for total reimbursement not to exceed \$22,500.00.

*Voice Vote, carried unanimously*

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Board Policies and Procedures Amendments - Tab 17

A motion to approve Resolution No. 1965 was made by James Eisel and seconded by Martin Donnelly.

August 2, 2011

RESOLUTION NO. 1965

BOARD POLICIES AND PROCEDURES AMENDMENT

WHEREAS, Board, Personnel and Fiscal Policies and Procedures are necessary for the orderly conduct of the Catskill Watershed Corporation (CWC) and its business affairs; and

WHEREAS, the Executive Director has reviewed CWC Board Policies and Procedures and recommends certain changes for consistency; and

WHEREAS, the CWC Policy Committee has reviewed and recommends the adoption of the attached proposed amendments to the CWC Board Policies and Procedures.

NOW, THEREFORE BE IT RESOLVED, that the CWC Board Policies and Procedures be revised pursuant to the attached recommendation and that such policies and procedures shall be further amended from time to time based upon experience and information and as the CWC deems necessary.

Voice Vote, carried unanimously

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**Whiteman, Osterman & Hanna Contract Amendment - Tab 18**

A motion to approve Resolution No. 1966 was made by James Eisel and seconded by Leonard Utter.

August 2, 2011

**RESOLUTION NO. 1966**

**APPROVAL OF LEGAL SERVICES CONTRACT  
WITH WHITEMAN, OSTERMAN & HANNA**

**WHEREAS**, pursuant to the Catskill Watershed Corporation (“CWC”) procurement policy personal service contracts likely to exceed Twenty-Five Thousand Dollars (\$25,000), shall be made on a competitive basis unless specifically exempted by the procurement policies; and

**WHEREAS**, by Resolution Number 1844, the CWC Board of Directors approved entering into a contract for legal services with Whiteman, Osterman & Hanna for a period of one year and up to Seventy-Five Thousand Dollars (\$75,000.00), and that pursuant to CWC Fiscal Policies 3-10.06-4, the CWC Board waive the requirement that the contract be bid competitively because of the unique experience provided by Whiteman, Osterman & Hanna; and

**WHEREAS**, the contract amount is expected to be exceeded due to additional matters of representation in the current year, including development of templates for the new Tax Litigation Avoidance Program, assistance to Belleayre Regional Advisory Group, and Public Authority Law compliance issues; and

**WHEREAS**, the CWC Policy Committee recommends that the not-to-exceed amount be increased by One Hundred Thousand Dollars (\$100,000.00) to a maximum not-to-exceed contract amount of One Hundred Seventy-Five Thousand Dollars (\$175,000.00).

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Directors approves the firm of Whiteman, Osterman & Hanna as external legal firm for the CWC for a term of one year, commencing on January 1, 2011 and terminating on December 31, 2011, for an amount not to exceed One Hundred Seventy-Five Thousand Dollars (\$175,000.00).

*Voice Vote, carried unanimously*

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Future Stormwater – Tillack (LET LLC) – Tab 19

A motion to approve Resolution No. 1967 was made by Berndt Leifeld and seconded by Paul Dibbell.

August 2, 2011

RESOLUTION NO. 1967

BOARD REVIEW OF L E T (DG) LLC
FUTURE STORMWATER PROGRAM
APPLICATION FOR REIMBURSEMENT

WHEREAS, the 1997 New York City Watershed Memorandum of Agreement (Watershed MOA”) paragraph 128 directs the Catskill Watershed Corporation (CWC) to establish a program to pay for the reasonable and proper cost to design, implement, permit, construct and maintain new stormwater measures pursuant to stormwater pollution prevention plans required by the 18-39(b)(3) and 18-39(e) of the watershed regulations; and

WHEREAS, Section 145 (ii) of the Watershed MOA and the West of Hudson Future Stormwater Program Rules provides for payment of eligible project cost for small business, (50% by NYC and 50% by CWC); and

WHEREAS, L E T (DG) LLC has applied for reimbursement of eligible design and implementation costs associated with construction of the Dollar General located in the Village of Margaretville in the amount of Seventy-Nine Thousand Nine Hundred Forty-One Dollars and Twenty-Five Cents (\$79,941.25) for the design and implementation of an eligible project; and

WHEREAS, the CWC share of stormwater funding is 50% of the eligible costs for this project because L E T (DG) LLC is a small business under Watershed MOA Paragraph 145; and

WHEREAS, the Program Rules require that the CWC Board shall review and approve each application, with attached documentation and staff recommendations; and

WHEREAS, CWC staff have reviewed the application of L E T (DG) and recommend reimbursement of eligible costs equal a not-to-exceed amount of Thirty-Nine Thousand Nine Hundred Seventy Dollars and Sixty-Three Cents (\$39,970.63), represent 50% of the total eligible cost; and

WHEREAS, the CWC Wastewater Committee recommended that the application be approved by the CWC Board.

NOW, THEREFORE, LET IT BE RESOLVED, that the CWC Board of Directors has reviewed the attached application, staff recommendation and supporting documentation and approves reimbursement in a total not-to-exceed amount of Thirty-Nine Thousand Nine Hundred Seventy Dollars and Sixty-Three Cents (\$39,970.63).

Future Stormwater Program Application
L E T (DG) LLC (Margaretville Dollar General Store)

L E T (DG) LLC was required to comply with the Watershed Rules and Regulations enforced by the NYCDEP for the Dollar General Store built in the Village of Margaretville, Delaware County. NYCDEP required a Stormwater Pollution Prevention Plan (SWPPP) as the project disturbed under one acre of land within 100 feet of a watercourse, requiring a SWPPP under the Watershed Rules and Regulations. New York State regulations did not require a SWPPP. The NYCDEP SWPPP approval was issued on July 1, 2009 and the NYCDEP SWPPP construction certification was issued on December 29, 2010.

CWC Stormwater/Wastewater Committee recommends funding approval on the following costs:

Total Eligible Costs	\$79,941.25
NYCDEP 50% Share	\$39,970.63

Recommended CWC funding 50% of eligible SWPPP costs \$39,970.63

L E T (DG) LLC is also eligible to apply to NYCDEP to seek reimbursement for up to 50% of these costs. An application for reimbursement to NYCDEP has already been submitted.

Voice Vote, carried unanimously

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**TLAP Contract – Tab 20**

A motion to approve Resolution No. 1968 was made by Tina Molé and seconded by Michael Flaherty.

August 2, 2011

**RESOLUTION NO. 1968**

**APPROVAL OF TAX LITIGATION AVOIDANCE PROGRAM AGREEMENT**

**WHEREAS**, the Catskill Watershed Corporation (“CWC”) is a not-for-profit corporation established, in part, to administer Watershed Protection and Partnership Programs as more fully described herein; and

**WHEREAS**, on January 21, 1997, the City of New York (“City”), CWC, the Coalition of Watershed Towns (“CWT”), the State of New York, the United States Environmental Protection Agency, certain watershed counties, towns and villages, and certain environmental groups entered into a Memorandum of Agreement regarding the watershed protection program (“the Watershed MOA”); and

**WHEREAS**, among the programs the Parties agreed to in the Watershed MOA is a program for DEP to acquire land in the Watershed for protection, subject to the terms of the Watershed MOA and of the water supply permit issued by DEC on January 21, 1997 (“1997 Water Supply Permit”). Pursuant to the Watershed MOA, the City allocated Two Hundred Fifty Million Dollars (\$250,000,000) to the Land Acquisition Program (“LAP”) in 1997, and an additional Fifty Million Dollars (\$50,000,000) to the LAP between 2002 and 2008.

**WHEREAS**, as required by the July 2007 Filtration Avoidance Determination (“2007 FAD”), the City is committed to allocating an additional Two Hundred Forty-One Million Dollars (\$241,000,000) to the LAP.

**WHEREAS**, by Resolution 1845, the CWC Board approved an Agreement among CWC, City, CWT, Delaware County, Town of Hamden, Town of Roxbury, Catskill Center for Conservation and Development, New York Public Interest Research Group, Open Space Institute, Trust for Public Land, and Riverkeeper (“West of Hudson Watershed Stakeholders”) concerning DEP’s Continuation of its Land Acquisition Program, dated December 27, 2010 (“2010 LAP Agreement”), in which the parties agreed, among other things, to the terms of the continuation of the LAP which are memorialized in the 2010 Water Supply Permit, issued by DEC on December 24, 2010; and

**WHEREAS**, CWC and City recognize that disputes can and do arise between the City and Watershed counties, towns, and villages (“Watershed Municipalities”) concerning the valuation of reservoirs, dams, wastewater treatment plants and, to the extent subject to taxation, sewer lines owned by the City in the watershed (together, “Unique Properties”); and

**WHEREAS**, the City and the West of Hudson Watershed Stakeholders agreed to the terms for a Property Tax Litigation Avoidance Program (“TLAP”) to seek to avoid the costs and risks of litigation between the City and local property tax and assessing authorities in the watershed concerning the valuation of Unique Properties. The terms of the TLAP are described in detail in the Tax Litigation Avoidance Program Description, dated December 10, 2010 (“TLAP Description”), which is attached as Exhibit 6 to the 2010 LAP Agreement; and

**WHEREAS**, the 2010 LAP Agreement and TLAP Description (Section VIII.9) also provides that if, under specified circumstances, an assessing authority is successful in litigation involving an assessment undertaken under TLAP, the City will reimburse the

assessing authority a specified percentage of eligible attorneys' fees, expert fees, and litigation costs; and

**WHEREAS**, CWC Land Committee recommends that the CWC Board of Directors approve the TLAP Agreement in the form attached hereto as **Exhibit A**.

**NOW, THEREFORE, BE IT RESOLVED**, the CWC Board of Directors approves the Tax Litigation Avoidance Program Agreement in the form attached hereto as **Exhibit A**.

**NOW, THEREFORE BE IT FURTHER RESOLVED**, that the President of CWC be, and hereby is, authorized to execute the Tax Litigation Avoidance Program Agreement in the form attached hereto as **Exhibit A** and all such other instruments, and to perform all such other acts, as may be necessary or desirable in order to carry into effect the Tax Litigation Avoidance Program on the terms and conditions set forth in the Tax Litigation Avoidance Program Agreement and consistent with all such other agreements, contracts, policies and/or procedures to which CWC is bound.

*Voice Vote, carried unanimously*

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CFF Program Rule Change – Material Change – Tab 21

A motion to approve Resolution No. 1969 was made by Martin Donnelly and seconded by James Eisel.

August 2, 2011

RESOLUTION NO. 1969

**AMENDMENT OF THE CATSKILL FUND FOR THE FUTURE
PROGRAM RULES – DEFINITION OF MATERIAL CHANGE AND NON-
MATERIAL CHANGE AND HOSPITAL HEALTHCARE MAXIMUM LOAN**

WHEREAS, pursuant to the New York City Watershed Memorandum of Agreement (Watershed MOA) and a Program Contract with New York City Department of Environmental Protection, the Catskill Watershed Corporation (CWC) shall administer the Catskill Fund for the Future (CFF); and

WHEREAS, the CWC has adopted program rules consistent with the Watershed MOA and the CFF Program Contract to administer this program; and

WHEREAS, pursuant to the MOA, the CFF shall be used to make loans and grants to Qualified Economic Development Projects (QEDP's); and

WHEREAS, pursuant to the Watershed MOA, QEDP is defined as economic development studies, grants and loans for projects which encourage environmentally

sound development and which encourage the goals of watershed protection and job growth in the West of Hudson Watershed communities; and

WHEREAS, the Economic Development Committee has reviewed Catskill Fund for the Future Program Rules definitions and Chapter 1:15:03 Loan Amounts, Catskills Hospital/Health Care Industry Loan Program; and

WHEREAS, the Economic Development Committee recommends an addition to the Catskills Fund for the Future Rules by including Chapter 1:02:04 Changes Requiring CWC Board Approval and 1:15:03 Loan Amounts, Catskills Hospital/Health Care Industry Loan Program by increasing the maximum loan amount with conditions as described in **Attachment A**.

NOW, THEREFORE BE IT RESOLVED, that the CWC Board of Directors consistent with the terms of the MOA and the Program Contract, the West of Hudson Economic Development Study and the Economic Development Committee recommendation amends the CWC Program Rules governing the Catskill Fund for the Future in accordance with **Attachment A** hereto.

Voice Vote, carried unanimously

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A motion to enter into Executive Session with Alan L. Rosa, Timothy Cox, Barbara Puglisi, Phil Sireci, and Michael Triolo to discuss CFF delinquent loans and new loan applicant financials was made by Richard Parete and seconded by Jeff Graf.

***Voice Vote, carried unanimously***

A motion to resume the regular meeting was made by James Eisel and seconded by Martin Donnelly.

***Voice Vote, carried unanimously***

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CFF REDI Loan – KMP Realty Holdings, LLC – Tab 22

A motion to approve Resolution No. 1970 was made by Richard Parete and seconded by Berndt Leifeld.

August 2, 2011

RESOLUTION NO. 1970
APPROVAL OF KMP REALTY HOLDINGS, LLC AND SHELDON HILL, INC.
BUSINESS LOAN

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, KMP Realty Holdings, LLC has applied for a Two Hundred Seventy Thousand Dollars and No Cents (\$270,000.00) loan 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 purchase of the building know as Sheldon Hill Forestry Supplies, located at 3094 NYS Route 28, Shokan, NY, to complement and expand his Peak Trading business; and

WHEREAS, Sheldon Hill, Inc., has applied for a Two Hundred Twenty-Five Thousand Dollars and No Cents (\$225,000.00) loan for a term of ten (10) 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 purchase of the business and inventory of Sheldon Hill Forestry Supplies, located at 3094 NYS Route 28, Shokan, NY, to complement and expand his Peak Trading business; and

WHEREAS, pursuant to the CFF Program rules the CWC Staff has reviewed a completed CWC Loan application for KMP Realty Holdings, LLC and Sheldon Hill, Inc.; and

WHEREAS, pursuant to the CFF Program rules the CWC Loan Committee has reviewed an underwriting report for KMP Realty Holdings, LLC and Sheldon Hill, Inc.; and

WHEREAS, the CWC Loan Committee has recommended approval of the CWC Loan application from KMP Realty Holdings, LLC and Sheldon Hill, Inc.; and

WHEREAS, the CWC staff has reviewed and processed this application, and submitted a loan application report to the Board of Directors, attached hereto; and

WHEREAS, the Executive Director, pursuant to the CFF Program rules, has evaluated and determined that this loan meets the criteria for a qualified economic development project, said recommendation is attached hereto and made a part hereof; and

WHEREAS, pursuant to the CFF Program Contract a condition of CFF loans (and grants) is that the recipient shall comply with all applicable provisions of the New York City Watershed regulations, as well as other applicable laws, rules and regulations; and

WHEREAS, prior to closing on this loan, all applicable approvals will have been received by the applicant; and

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

NOW, THEREFORE BE IT RESOLVED, the CWC Board determines that KMP Realty Holdings LLC application meets the CWC CFF qualified economic development criteria and approves of the loan application in the amount of Two Hundred Seventy Thousand Dollars And No Cents (\$270,000.00) 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.

NOW, THEREFORE BE IT RESOLVED, the CWC Board determines that Sheldon Hill Inc. application meets the CWC CFF qualified economic development criteria and approves of the loan application in the amount of Two Hundred Twenty-Five Thousand Dollars And No Cents (\$225,000.00) for a term of ten (10) 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.

NOW, THEREFORE BE IT FURTHER RESOLVED, the CWC staff is authorized and directed to issue a commitment letter informing the borrower of its intention to issue the loan 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, the right of objection and staff is directed to develop the loan agreement, promissory notes and other documentation necessary to effectuate this loan in a form agreed upon by NYSEFC.

NOW, THEREFORE BE IT FURTHER RESOLVED, that upon said approval of loan documentation CWC, in conjunction with NYSEFC, is authorized to close on said loan and NYSEFC is authorized to disburse proceeds thereof in accordance with the loan documents.

NOW, THEREFORE BE IT FURTHER RESOLVED, approval of an application by the Board constitutes a preliminary decision under the MOA. 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 Loan Application of KMP Realty Holdings, LLC and Sheldon Hill, Inc.

The Executive Director of the CWC makes the following evaluation concerning a REDI Fund Loan to KMP Realty Holdings, LLC and Sheldon Hill, Inc., located in the Town of Shokan, NY. Evaluation is based on the Evaluation Criteria established in the Catskill Fund for the Future Program Rules, approved on August 22, 2001 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 property at 3094 NYS Route 28, Olive, NY, to be purchased by KMP

Realty Holdings, LLC and Sheldon Hill Inc., is 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 property at 3094 NYS Route 28, Olive, NY, to be purchased by KMP Realty Holdings, LLC and Sheldon Hill, Inc., 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) KMP Realty Holdings, LLC and Sheldon Hill, Inc., to purchase the building, business and inventory to compliment and expand Peak Trading Co.
 - (ii) The project is located in the Town of Olive.
 - (iii) The project will utilize the current septic 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 Town of Olive.
 - (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 not 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, carried unanimously

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**CFF REDI Loan – JenLid, LLC - Subordination – Tab 23**

A motion to approve Resolution No. 1971 was made by Tina Molé and seconded by Thomas Hynes.

August 2, 2011

**RESOLUTION NO. 1971**  
**APPROVAL OF JENLID, LLC**  
**MATERIAL CHANGE IN LOAN TERMS**

**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**, by Resolution Number 1882, the CWC Board approved a REDI Loan to JenLid, LLC in the amount of Two Hundred Twenty-Eight Thousand Dollars And No Cents (\$228,000.00) 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 one hundred and seventy-nine equal monthly payments and payment one hundred eighty (180) being a balloon payment, such that the outstanding principal is fully paid on the last payment date, for the renovation of 10860 County Highway 18, South Kortright, NY, known as The Hidden Inn; and

**WHEREAS**, as a condition for the loan CWC, due its larger dollar exposure, requested a first mortgage lien on 10860, County Highway 18, South Kortright, NY and Delaware County Economic Development retained a subordinate position; and

**WHEREAS**, CWC extended a mortgage to JenLid, LLC on May, 3, 2011; and

**WHEREAS**, Delaware County Economic Development has agreed to increase the size of their mortgage to Two Hundred Thirty Thousand Dollars and No Cents (\$230,000.00) for renovation cost overruns provided that CWC agrees to a pari passu lien position; and

**WHEREAS**, the CWC staff has reviewed and processed this request, and submitted a memo report to the Board of Directors, attached hereto; and

**WHEREAS**, pursuant to the CFF Program Contract a condition of CFF loans (and grants) is that the recipient shall comply with all applicable provisions of the New York City Watershed regulations, as well as other applicable laws, rules and regulations; and

**WHEREAS**, prior to closing on this loan, all applicable approvals have been received by the applicant; and

**WHEREAS**, pursuant to the CFF Program rules only the CWC Board of Directors may approve a material change in terms to an existing mortgage

**NOW, THEREFORE BE IT RESOLVED**, the CWC Board determines that the JenLid, LLC loan meets the CWC CFF qualified economic development criteria and approves a pari-passu lien position on 10860 County Highway 18, South Kortright, NY, with Delaware County Economic Development.

**NOW, THEREFORE BE IT FURTHER RESOLVED**, the CWC staff is authorized and directed to issue a letter informing the borrower of its intention to enter into an inter-creditor agreement with Delaware County Economic Development and staff is directed to develop the documentation necessary to effectuate this agreement in a form agreed upon by Hodgson Russ LLP.

**Voice Vote, carried unanimously**

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CFF REDI Loan – West Mountain Properties, LLC - Subordination - Tab 24

A motion to approve Resolution No. 1972 was made by Wayne Marshfield and seconded by James Eisel.

August 2, 2011

RESOLUTION NO. 1972
APPROVAL OF WEST MOUNTAIN PROPERTIES, LLC
LOAN SUBORDINATION

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, by Resolution Number 1797, the CWC Board of Directors approved a CFF REDI-Loan to West Mountain Properties, LLC in the amount of One Hundred Eighty-Seven Thousand Dollar (\$187,000.00) for a term of fifteen (15) years, at a rate of four percent (4.00%), 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; to help cover renovation costs on a new building to house an existing gas station/convenience store, as well as a new bank, located at 105 Main Street in the Village of Hobart; and

WHEREAS, West Mountain Properties, LLC is current in its CFF REDI-Loan obligation; and

WHEREAS, West Mountain Properties, LLC requested an additional Eighty-Five Thousand Dollar (\$85,000.00) subordination from CWC in order to provide additional funds for use as alternative investment capital, improve corporate liquidity and consolidate/modify its current loan with NBT Bank; and

WHEREAS, pursuant to the CFF Program Rules, the CWC Staff has reviewed a completed subordination request from West Mountain Properties, LLC; and

WHEREAS, pursuant to the CFF Program Rules, the CWC Loan Committee has reviewed an underwriting report for West Mountain Properties, LLC; and

WHEREAS, the CWC Loan Committee has recommended approval of the subordination request from West Mountain Properties, LLC; and

WHEREAS, the CWC Staff has reviewed and processed this request and submitted a report to the CWC Board of Directors, attached hereto; and

WHEREAS, pursuant to the CFF Program Contract, a condition of CFF Loans (and Grants) is that the recipient shall comply with all applicable provisions of the New York City Watershed Regulations, as well as other applicable laws, rules and regulations; and

WHEREAS, prior to granting this subordination, all applicable approvals will have been received by the applicant; and

WHEREAS, pursuant to the CFF Program Rules, only the CWC Board of Directors may approve a subordination request.

NOW, THEREFORE, BE IT RESOLVED, the CWC Board of Directors hereby approve the West Mountain Properties, LLC subordination request and approve an additional lien in the amount of Eighty-Five Thousand Dollars (\$85,000.00), superior to CWC's equipment, accounts receivable and inventory lien positions, to be used as alternative investment capital, improve corporate liquidity, and consolidate/modify its current loan with NBT Bank.

NOW, THEREFORE, BE IT FURTHER RESOLVED, the CWC Staff is authorized and directed to inform the borrower, in writing, of the CWC Board's intention to grant the subordination, 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; the right of objection; and staff is directed to develop the Subordination Agreement and other documentation necessary to effectuate this subordination.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that upon said approval of loan documentation, CWC is authorized to issue said subordination.

Voice Vote, carried unanimously

VIII. Announcements from the Chair: None

IX. Board Member Discussion:

Martin Donnelly noted an article forwarded by Diane Galusha. Alan explained that Belleayre was named as #3 out of the top 10 favorite eastern resorts out of over 100 locations on the east coast in an article published in Snow East Magazine.

A motion to adjourn was made by James Eisel and seconded by Michael Flaherty.

Voice Vote, carried unanimously

X. Adjournment: @ 1:45 p.m.