

**CWC GOVERNANCE COMMITTEE**  
**FEBRUARY 3, 2015**  
**MINUTES**

Present: Donald “Mike” Brandow, Thomas Hynes, Innes Kasanof, Wayne Marshfield, Tina Molé, Richard Parete, Michael Meyer (NYCDEP), Alan Rosa

Excused: Thomas Snow (NYSDEC)

Also Present: Tim Cox, Jim Martin

- I. Call to Order at 10:20 am
- II. Committee unanimously approved April, 2014 minutes upon motion of Tom Hynes and second by Wayne Marshfield.
- III. Review of 2014 Measuring Report

Tim Cox reviewed the 2014 Measuring Report with the Committee. Tim explained that on an annual basis, CWC must submit this report to the Authorities Budget Office (ABO). The report describes the mission of CWC and also activities of the past year measured against certain goals. Tim continued that he recommends CWC repeat that our mission is contained in the purposes of the organization as contained in our Certificate of Incorporation. Tim noted that ABO issued a letter in 2012 indicating that it did not agree with this decision, and CWC replied to that letter that we were bound and limited by the purposes that have guided CWC for over 15 years. For activities, Tim explained that CWC has in prior years used funding conditions in the Water Supply Permit and FAD. Tim concluded that the report would be included in the Board Book but would not be presented for approval by resolution.

Committee briefly discussed septic program explanation and that 244 property owners were reimbursed in 2014. Alan noted that CWC staff typically have many property owners for sign-ups, and construction observation. Committee asked Tim to research that number and include it in the report. Upon motion of Innes Kasanof and second by Robert Pelham, Committee unanimously recommended, with the one change to the Septic Program section, that the report be included in the March, 2015 Board Book and also submitted to the ABO.

- IV. ABO Policy Guidance regarding Loans and Grants  
Tim Cox reviewed recent guidance memos from the ABO. The most recent is a Best Practices for Authorities and doesn't raise any issues for CWC. Tim noted that CWC made itself subject to Open Meetings Law and Freedom of Information Law in our incorporation documents. Many of the ABO Best Practices relate to these two sunshine laws, and CWC is already complying with those laws and practices.

Tim explained that the second memo is based upon a NYS Attorney General opinion from November, 2014. In that opinion, the NYS Attorney General stated that industrial development agencies (IDA's) could not grant or lend money from their own funds. The NYS Attorney General also opined that IDA's could not form subsidiary corporations, including subsidiaries to provide grants or loans with their own funds. Tim continued that the ABO Executive Director then applied this decision to all state and local authorities and directed that all authorities were to stop providing grants and loans with their own funds.

Tim stated that he and Michael Sterthous, CWC's outside counsel, were reviewing the memo and Tim had prepared a 6 page legal opinion. Tim stated that the opinion didn't apply to CWC for a number of reasons, first that the grants and loans provided by CWC were not from unrestricted CWC funds, but rather were pursuant to the Watershed MOA and program contracts with NYCDEP. Tim explained that CWC did not have any unrestricted funds, and that all monies currently held by CWC are pursuant to agreements with NYCDEP. Tim also noted that administering these programs are included in our corporate purposes. Alan Rosa stated that the Watershed MOA was signed by the State of New York.

Tim continued that he expected that the ABO would reach out to all authorities who continued to report grants or loans, and ask for an explanation. Tim stated that at that time, he would convert his legal memo into a response to ABO explaining that CWC's grants and loans are legal, and are authorized by the Watershed MOA.

Several committee members asked about the impact of the ABO directives on local IDAs. Tim Cox responded that CWC didn't represent the IDAs, that he expected that the IDAs would be aware of the ABO directives, and if they provided grants or loans, the IDA would have to justify that practice. Tim provided copies of the NYS Attorney General opinion to several board members.

V. Next meeting to be scheduled as necessary

VI. Adjourned at 10:50 am