

BOARD OF COMMISSIONERS

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GREAT NECK
WATER POLLUTION CONTROL DISTRICT



236 EAST SHORE ROAD
GREAT NECK, NEW YORK 11023

TEL: (516) 482-0238

FAX: (516) 482-8713

August 13, 2008

Mr. Richard S. Finkel, Town Attorney
Town of North Hempstead
220 Plandome Road
Manhasset, NY 11030

Dear Mr. Finkel:

The Great Neck Water Pollution District is in receipt of your letter dated August 12, 2008 regarding the District's request that the Town authorize the bonding for the expansion and upgrade of our facility for the combined plant upgrade.

There are many inaccuracies in your letter.

The District submitted the application for bonding on Friday, August 8th. In this application, was a detailed cost estimate and Design Report from the District's design engineers, WFC/CH2M Hill. It is unclear why this submission does not satisfy your request. It is far more inclusive than the cost estimates that the Town Board accepted and approved for the last two wastewater treatment facilities that the Town has bonded.

Nevertheless, enclosed you will find a copy of the Design Report, which has been sealed by the District's engineer – a step not usually taken until a later stage of the design.

Your letter is incorrect. The District has never stated nor implied that it does not wish to expand the District. To the contrary, the District is the only party to this negotiation to have stated openly and unequivocally that it is prepared to expand the District to include all the current residents of the Village Water Pollution Control Department.

To date, the Village has not been willing to so commit, nor has the Town been clear about its intentions.

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The statement that the District does not wish to enter into an inter-municipal agreement (IMA) with the Village is completely false. The District submitted a draft IMA to the Village on April 14, 2008, to which we received no response. After multiple follow ups, the Village refused to issue written comment on the language in the District's draft IMA. The Village and District met on July 3, 2008 and agreed to have Stephen Limmer, Esq. draft another IMA. We received the newly drafted IMA on July 15, 2008. This IMA, while touching on many of the topics that were discussed by the Village and the District at the July 3, 2008 meeting, also included many items which were not acceptable, nor discussed at that meeting. These items were not equitable to the District's taxpayers, and may not conform to the standards of the New York State Comptroller's Office. The District has a fiduciary responsibility to its taxpayers and remains committed to the belief that the District residents should not subsidize the Village.

The District recently discussed this issue with staff members of both the NYS Comptroller's Office and the NYS Department of State (DOS). The State Comptroller's office commented on the complexity of such an agreement, due to the differences in Village Law and Special District Law. Our approach of a simple contractual agreement to treat the Village effluent follows the recommendation of the DOS, as the best course to meet the deadlines of the NYSDEC Consent Order, while allowing time for the Village to decommission their plant and restructure and eliminate their debt. The first step, the contract for treatment, should be much easier to complete and approve. The District presented this information at the Town's Sewer Advisory Board Meeting on July 17th, after having discussed it with Mayor Kreitzman a few days earlier. Subsequently, it was presented in depth at our August 6th public hearing.

The New York State Environmental Facilities Corporation (NYSEFC) has indicated to both the Village and the District that an IMA is necessary prior to the District receiving any financing for the project. What also is at stake is:

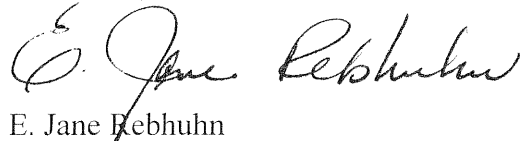
- Zero percent short term financing for the entire project from the NYSEFC
- The District's ability to apply to the NYSDEC for new funding to replace the \$18Million that had been awarded for diversion.
- The possibility of a new grant through the New York State Energy Research and Development Agency (NYSERDA) for alternative energy generation utilizing methane gas.

Failure to secure a commitment from the Village immediately will substantially raise costs of this project and put all taxpayers in jeopardy.

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As always, please feel free to contact the District if further information is needed.

Very truly yours,



E. Jane Rebhuhn
Chairperson

Enclosures

Cc: w/o sealed Design Report
Board of Commissioners
✓ Hon. Jon Kaiman, Supervisor TONH
✓ Hon. Ralph Kreitzman - Village of Great Neck
✓ Hon. Jean Celender, VOGNP
✓ Hon. J. Leonard Samansky, VOSR
✓ Hon. Robert Stern – VOT
✓ Hon. Susan Lopatkin – VOK
✓ Christopher G. Senior, Deputy Supervisor, TONH
✓ Robert Smith, Bond Counsel, TONH
✓ Kevin Kelly, Director of Intermunicipal Coordination, TONH
Donald J. Kavanagh, Jr., ESQ. - District Counsel
Stephen Limmer, Village Counsel
Great Neck Record
Great Neck News