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January 26, 2015

Jeffery Graf
Chief, Watershed Lands and Community Planning
NYC Department of Environmental Protection
Bureau of Water Supply
71 Smith Avenue
Kingston, NY 12401

Re: City-Funded Flood Buyout Program, Flood Hazard Mitigation Program

Dear Mr. Graf:

On behalf of the Board of Trustees of the Village of Margaretville, we offer the following comments regarding two programs proposed by NYCDEP as a result of the devastating storms which impacted your watershed and our homes. Our comments are related to the following paragraph of the 1997 Watershed Memorandum of Agreement (MOA).

Article 1, Paragraph 6, of the 1997 MOA states, "That the Parties recognize that the goals of drinking water protection and economic vitality within Watershed communities are not inconsistent and it is the intention of the Parties to enter into a new era of partnership to cooperate in the development and implementation of a Watershed protection program that maintains and enhances the quality of the New York City drinking water supply system and the economic vitality and social character of the Watershed communities."

All parties that were signatories to the MOA recognized the monumental hydraulic and civil engineering achievement that was undertaken by the Bureau of Water Supply to provide a rapidly growing City with drinking water, however, they also identified with the creation of a partnership comprised of the remnants of watershed communities affected by the development of such a water supply system. The basis of this partnership was cooperation in the maintenance and enhancement of the quality of the NYC water supply while simultaneously maintaining the economic vitality and social character of all Watershed communities.

With respect to some programs that have been brought forth by the Bureau of Water Supply, in particular the City-Funded Flood Buyout Program and Flood Hazard Mitigation Program in relation to the above mentioned paragraph of the MOA, the Village of Margaretville feels that such programs not only lack imagination as compared

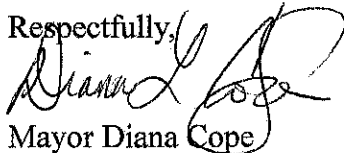
to the minds that designed, and built the original water supply system, but have completely eroded the foundation of the partnership created by the MOA. Programs such as these are completely one sided in favor of the best interest of the City by accommodating the enhancement and quality of the City's drinking water supply, but harming the vitality of the municipalities in which the programs are implemented, particularly their tax base.

For example, any properties that are acquired under the proposed City-Funded Flood Buyout Program are burdened in perpetuity by a Conservation Easement gifted to the NYSDEC upon such lands, to the extent that the tax revenue generated from the buyout parcel is limited to a tax rate associated with the land classification as rural vacant lands. This is further compounded by the fact that the parcel remains forever classified as open space, limiting the development potential of the parcel while providing a water quality benefit to the City at the detriment of the local municipality. The limitation of development potential erodes the tax base by limiting real property tax revenue. Local officials know that commercial, industrial, business and residential tax properties generate more real property tax revenue than lands that are classified as rural vacant lands or conservation lands.

The Village Board of Margaretville firmly believes that the current proposed NYCDEP flood buyout program will in fact deplete local populations and the municipal property tax revenue. We strongly suggest that the NYCDEP seek to revise Article 17, page 3 (17:00:04) of the City-Funded Hazard Mitigation Program to coincide with mission of the NYSDEC Bureau of Flood Protection and Dam Safety, and make flood control projects such as flood walls, berms, levees, stream dredging and channelization projects eligible for funding.

Using more flood control projects (instead of just moving everyone out of the way) could serve to protect the water supply (by reducing flood damage you also reduce flood debris in the water) and help to maintain the vitality and character of that community, AND help the community score better with the Community Insurance Rating System for the NFIP, which would embody the intention of the MOA and help rebuild our relationship.

Respectfully,



Mayor Diana Cope
Trustee John Van Benschoten
Trustee Dave Budin
Trustee Iris Mead
Trustee John Hubbell

cc: Governor Andrew Cuomo
Congressman Chris Gibson
Senator James Seward

Assemblyman Peter Lopez
Joseph Martens, Commissioner DEC
Jim Eisel, Chairman Delaware County Board of Supervisors
Carl Stuendel, Chairman Coalition of Watershed Towns
Alan Rosa, Director Catskill Watershed Corporation
Marjorie Miller, Supervisor Town of Middletown
Richard Sanford, Editor Catskill Mountain News