Executive Committee Meeting  
March 16, 2021

I. Call to Order  
Meeting called to order at 10:01 a.m. by Bud Gladstone via Zoom Call.

Members Present, via Zoom:  
Dave Cammer  
Karl Gockel  
Tom Hutson  
Richard Giles  
Bud Gladstone  
Fred Huneke  
Jeff Graff

Others Present, via Zoom:  
Ryan Naatz  
Amy Faulkner  
David Warne, NYC DEP

Bud asked for everyone to keep Jennifer Grossman and her family in their thoughts as she lost her father over the weekend.

II. Approval of Minutes  
Motion to approve the minutes of the February 16, 2021 meeting as presented.  
Motion:  Dave Cammer  
Second:  Fred Huneke  
Approved

III. Interim Executive Director’s Report – Ryan Naatz  
A. Operations/Programmatic Update  
Ryan provided the following updates to the group:
• 44 West Lease – Dave Warne joined for this discussion to discuss DEP’s position on the 44 West lease. DEP has a stream contract with SWCD and is currently facing similar challenges with obtaining additional information requested on the lease; this Stream Management Program is administered by John Schwartz’s group. That contract is also subject to the OEA review for invoices and payments and DEP has not received everything they have asked for in order to provide a complete picture of the arrangements under that lease. From DEP’s perspective, if SWCD submits charges that are not documented or verified, the payment for those expenses is withheld until such time that information is provided, in the same way that has occurred with the WAC contracts. That is all that Dave Warne is willing to share as anything more is confidential to discussions between DEP and SWCD directly. Dave added that he reached out to his colleagues within DEP to determine if WAC were to
proceed with the sublease of the space would all of those costs be deemed eligible; DEP could not provide that guarantee at this time simply because there is still some ambiguity around the structure of the lease and the space and are unsure of the details of the arrangement. Dave understands this puts WAC in an unfortunate position but given what is known they cannot provide that guarantee. Fred asked if DEP would be supportive of WAC moving; Dave responded that he wasn’t sure if that was something that DEP would take a position on one way or the other. WAC, as an independent organization, needs to make its own decisions about the space that it is occupying and as long as those are consistent with the requirements of the contract framework and with the business needs of the organization he is not sure DEP would take a position about one space or another, unless WAC was looking to move outside of the watershed – which DEP would likely take exception to. Fred stated that he feels that SWCD challenges WAC on everything they try to do, the Treadwell facility, the new facility in Hamden and that WAC should use this as an opportunity to make some great changes in WAC’s organization, structure, mission etc. to become a far better organization. Dave Cammer asked how much the price per square foot will affect the approval of reimbursement for OEA. Dave Warne said that is relevant to the review that OEA is performing and from a fiscal management point of view the City’s interest is assuring that the amounts being charged are reasonable. Dave Cammer pointed out that for a short term we may be bound to what SWCD is offering as a rate while we consider other spaces to compare rates. What assurance could DEP offer in the meantime while we look elsewhere? Dave responded that he doesn’t have the perfect solution to that. Ryan added that Larry Underwood indicated to him that he would be providing a fully executed copy of the parent lease to DEP and would be willing to share that with WAC as well. The SWCD lease with Bob Vitti expired at the end of February; Larry is meeting with Bob Vitti today to determine the lease terms with the intent of having it approved at the SWCD Board tomorrow. As Ryan understands it, the parent lease provided to WAC will include the cost per square foot that SWCD is paying to Vitti; Larry gave Ryan the assurance that he would provide all of the documents that WAC needs by the end of the week. Bud Gladstone feels WAC needs to avoid signing a long term lease and seriously look into the other options for lease. Karl added that we need to reduce the 90 day termination clause to a lesser term. Per the February motion of the Council, until SWCD provides all of the information we have requested, WAC will not consider signing any lease. Fred suggested WAC sign a maximum of a one year lease either with SWCD if the required documentation is received, or to lease directly with Bob Vitti and use that time to explore other spaces. Bud expressed his frustration with the resistance WAC has received from SWCD to provide the documentation it has requested. He has done a good amount of work on researching other space options and there are other viable options out there. WAC needs to be considering the long term future and can’t go through these types of games every few years with SWCD. The Committee consensus is that WAC should only sign a one year lease at this time contingent on receiving all of the information requested to date. If that is not provided timely, Ryan should move to negotiations with Bob Vitti directly. USDA used to lease with SWCD as well, but now they lease directly with Bob Vitti and that partnership has survived that. The contract with SWCD should not get comingled with the lease negotiations. WAC leases directly with Bob Vitti for fireproof storage space and also uses the garage, cold storage space for the WIRC in exchange for upgrading the space. The offered rate per square foot needs to be justified; Ryan will do some more work on this but added that it is difficult to find comparable spaces.
Comparing Class A space to the Walton Space, which is Class C at best is difficult. Moving to another space would require at least a year to complete even under the best of circumstances. The Council made a motion in February requesting 5 things, Ryan is requesting confirmation that the direction or support of that motion still stands and that he should continue down that path with SWCD. Richard asked if WAC would be able to satisfy OEA’s needs if we moved to a new space? Bud asked Dave Warne to confirm that if WAC has the parent lease and comparable rates, in Dave’s opinion would that be considered WAC conducting due diligence. Dave responded that comparable rates and all of the backup documentation requested to date would be necessary pieces to have to ensure OEA approval. Jeff added the guidance that OEA stated is that the rate WAC pays has to be reasonable and that is typically obtained by a market analysis or appraisal. He added WAC has to know the parent lease to know the sub lease and have explanation of the appropriateness of the difference and that the rate is comparable. Ryan asked DEP to confirm that for rent payments made to date those will not be classified as ineligible by OEA upon review; Jeff responded OEA may start to request but he cannot speak to what OEA may ask for. Karl added that he feels if all of the items requested are obtained WAC is standing on fairly firm ground to support our decisions. Ryan asked if this may be creating a situation where there is disparity between the WAC and the Stream Program amounts; if the Stream Program shows a lease for the amount of $10/square foot and then WAC submits a payment for $16/square foot, will that raise questions at OEA? Dave Warne responded potentially but he is not sure what the rate is with the Stream Program. Jeff added that if WAC has to explore other options for space that could take a while; does the one year provide adequate time to accomplish that? Karl posed the question of if WAC does a comparable rate analysis and determines that the rate provided in the lease from SWCD is within the ballpark of other rates; why would WAC need the parent lease or a breakdown of associated costs? If WAC chooses to lease from another place are we going to ask that landlord for a copy of his property taxes? Why would WAC need the current lease and the parent lease if we know the price is comparable? Dave Warne left the meeting at this time.

Motion to approve entering into a one year lease contingent on the receipt of all of the documentation requested per the Council motion on February 25, 2021, with the exception of #3 the comparative market analysis. If that documentation is not received timely the Council will be unable to consider leasing the space from DC SWCD and the Committee supports Ryan reaching out to negotiate a lease directly with Bob Vitti.

Motion: Dave Cammer
Second: Richard Giles
Approved

• Ryan updated the Committee on the status of payment requests: #6e was received allowing WAC to get caught up payments; #7e was submitted to Jeff last week and Jeff submitted it to the Bureau yesterday; #7c, although for $0, is in the final stages and should be submitted by the end of next week. This gets payment through the term 12/21/2021 submitted. Staff are making progress on getting caught up. WAC is still awaiting the approval for the CAT 403 budget realignment #2 in order to continue to remit payment requests on that contract. That approval is also necessary to complete the administrative component of the CAT 487 FY 22 budget. Bud asked if there was a timeframe for putting Ag projects out to bid this year. Ryan responded that cash flow remains an issue, and he doesn’t feel confident at this moment to put bids out. Jeff added that the due to/due from needs to be calculated and cleaned up.
before any significant additional expenses can be incurred.

- Josh Gorman and Rob Birdsall joined the meeting to update the Committee on the work they have been doing on the five year review of the CAT 450 contract and endowment. This is an internal DEP process but Josh and Rob have been assisting Duncan Schmitt by providing the requested information. The goal is to ensure there are sufficient funds necessary to operate the Program in perpetuity. The contract states that a five year review is to be completed in 2021 by DEP, and a 10 year review to be completed by a third-party. Rob and Josh have been working to gather all of the data; the deadline for submission is the end of this month. This update will provide a few initial findings and act as an analysis of the Unfunded Stewardship Obligations white paper projections that was completed in 2011. The structure of the CAT 450 contract itself is a 20 year contract with annual deposits into the endowment from 2016 to 2036 so that in 2036 DEP will have completed their obligations.

IV. Chair’s Report – Bud Gladstone

A. Update on Meeting with Paul Rush

- Bud and Fred met with Paul Rush to ensure open lines of communication between WAC and DEP and work on rebuilding the relationship that has been fractured over time. Fred added that he got the impression that DEP is very appreciative that WAC is working on improving the relationship and opening those lines of communication. Fred and Bud will be meeting with the Commissioner on April 13, 2021, via Zoom.

B. Executive Director Job Description

- Bud reported that Amy will distribute the current Executive Director position description to the Committee. Committee members should begin to review and develop questions/comments for future discussion. If/when YPTC is on board providing assistance to WAC they will review and suggest modifications to the Finance Director position description which may result in modifications to the Executive Director position as well. All modifications will be approved via the normal process.

V. DEP Report – Jeff Graff

- Nothing additional to report.

VI. Adjournment

Motion to adjourn at 12:00 noon.

Motion: Tom Hutson
Second: Dave Cammer
Approved