

## STATE SEPTIC SYSTEM REPLACEMENT PROGRAM

### COUNTY PARTICIPATION AGREEMENT

This agreement is dated as of March 1, 2018, and is between the New York State Environmental Facilities Corporation (the "Corporation") and the county of Putnam (the "County").

This agreement establishes the terms and conditions under which the County may seek disbursements from the State Septic System Replacement Fund to reimburse Property Owners in an amount up to 50% of the Eligible Costs of Septic System Projects, up to a maximum of \$10,000 per project.

Accordingly, the Corporation and the County agree as follows:

#### 1. Definitions

"Act" means the Clean Water Infrastructure Act of 2017 (L. 2017, c. 57, Part T), which establishes the State Septic System Replacement Fund administered by the Corporation.

"Cesspool" means a drywell that receives untreated sanitary waste containing human excreta, which sometimes has an open bottom and/or perforated sides.

"Department" means the State Department of Environmental Conservation.

"Eligible Cost" includes design, repair, rehabilitation and installation costs, and costs of the septic system, septic system components, or enhanced treatment technologies, but shall not include costs associated with routine maintenance such as the pump out of a septic tank.

"Fund" means the State Septic System Replacement Fund created by the Clean Water Infrastructure Act of 2017 and codified in section 1285-u of the Public Authorities Law.

"Participating County" means a county that notifies the Corporation that it seeks authority to administer a septic system replacement program within its municipal boundaries and agrees to abide by the Program's goals, guidelines, eligibility requirements and reimbursement procedures and provide information to Property Owners regarding program parameters including eligibility criteria.

"Program" means the septic system replacement program authorized by the Act and supported by monies from the Fund to provide grants to Property Owners for their Septic System Projects, in accordance with the Act and this agreement.

"Program Outline" means the Department's State Septic System Replacement Fund Program Outline, dated February 8, 2018.

"Priority Geographic Area" means an area designated by the State Department of Environmental Conservation in accordance with the Act, in which eligible Septic System Projects are located.

"Property Owner" means the owner of a parcel of land located in a Priority Geographic Area and served by a Septic System.

"Septic System" means a system that provides for the treatment and/or disposition of the combination of human and sanitary waste with water not exceeding one thousand gallons per day, serving a single parcel of land, including residences and small businesses.

"Septic System Project" means the replacement of a cesspool with a septic system, the installation, replacement or upgrade of a septic system or septic system components, or installation of enhanced treatment technologies, including an advanced nitrogen removal system, to significantly and quantifiably reduce environmental and/or public health impacts associated with effluent from a cesspool or septic system to groundwater used as drinking water, or a threatened or an impaired waterbody.

"Small business" means any business which is resident in this state, independently owned and operated, not dominant in its field, and employing not more than 100 individuals.

"State" means the State of New York.

## **1. The Program**

1.1 General roles and responsibilities. (a) The Corporation shall make disbursements from the Fund to the County to support the Program, in accordance with the Act and the procedure stated in section 2.1, up to a maximum aggregate amount of \$75,000.

(b) The County shall be a Participating County under the Program. Using Fund monies, the County shall provide grants to Property Owners in an amount of up to 50% of the Eligible Costs of an eligible Septic System Project, up to a maximum amount of \$10,000 per project. The grants shall be provided on a reimbursement basis, upon completion of an eligible Septic System Project by a Property Owner.

1.2 Grant Process. (a) Using the form prescribed by the Corporation, the County shall notify Property Owners that they may qualify for a grant from the Program for a Septic System Project.

(b) The County shall accept from Property Owners Program grant applications in the form prescribed by the Corporation.

(c) The County shall review and evaluate each grant application in accordance with the Septic Inspection and Repair Protocols contained in section 6 of the Department's Program Outline and the Program eligibility criteria contained in section 7 of the Department's Program Outline. After reviewing each grant application and determining whether to award a grant, the County, using the form of award letter prescribed by the Corporation, shall notify each Property Owner whose Septic System Project has been selected to receive a grant from the Program, and the maximum amount of the grant. To accept the grant, the Property Owner must sign the award letter and return it to the County.

(d) The County shall notify each Property Owner whose Septic System Project has not been selected to receive a grant from the Fund.

(e) The County shall reimburse the Property Owner up to the amount of the Property Owner's grant award, upon the Property Owner's completion of the Septic System Project and submission of a reimbursement request in the form prescribed by the Corporation, along with any applicable design approval for the Septic System Project, contractor's invoice or invoices for Eligible Costs and any proof of payment to contractor.

(f) If the County determines that the Property Owner's reimbursement request seeks reimbursement for costs that are not Eligible Costs or that the Property Owner has not properly documented the costs, the County shall deduct the ineligible or undocumented costs from the amount of the reimbursement request and shall reimburse the Property Owner only for the properly documents Eligible Costs.

(g) In connection with the payment of reimbursement to a Property Owner, the County shall ensure that each Septic System Project has been completed according to the plans and specifications approved by the County or other local government entity having jurisdiction. If installation and construction deviate substantially from the approved plans, the County shall withhold payment to the Property Owner as appropriate.

(h) Upon the request of a Property Owner, using the form prescribed by the Corporation for the assignment of the reimbursement payment, the County may provide the reimbursement payment directly to the Property Owner's Septic System Project contractor.

## **2. Payment by the Corporation to the County from the Fund**

2.1 To access the Fund, the County shall submit to the Corporation no more than once per calendar month a disbursement request in the form prescribed by the Corporation, along with required supporting documentation, including the certification of the amount described in

section 2.2. Upon verification by the Corporation of the disbursement request, the Corporation shall disburse to the County monies from the Fund, as provided in section 2.2.

2.2 Each disbursement by the Corporation to the County will be in an amount certified by the County to the Corporation as the aggregate amount of the reimbursement requests submitted to the County for Eligible Costs incurred by Property Owners for their completed Septic System Projects during the relevant period.

### **3. Records, Reporting, Accounting, and Auditing**

3.1 Records. The County shall maintain official project files for all Septic System Project documents and records related to grants awarded and paid to Property Owners under the Program. The County shall make the project files available to the Corporation or the Department for review upon reasonable notice by the Corporation. The Corporation or the Department may review such files on a sample basis in conjunction with on-site visits scheduled as part of an annual review, or otherwise to monitor the management of Fund monies.

3.2 Reporting. The County shall provide an annual report to the Corporation and the Department by April first of each year, providing details about the County's actual use of monies from the Fund in the Program.

3.3 Accounting. (a) The County shall maintain project accounts in accordance with generally accepted government accounting standards.

(b) The County shall establish and maintain fiscal controls and accounting procedures sufficient to assure proper accounting during appropriate accounting periods, for payments received from the Fund, grants made by the County, and fund balances at the beginning and end of the accounting period. The County shall maintain financial management policies and procedures to assure adequate control of all monies flowing into and out of the Program. The accounting policies and procedures must include account structure, operating procedures, financial reporting, and internal control and cash management procedures specific to the operation of the Program.

### **4. Compliance and Sanctions**

4.1 (a) If the Corporation determines that the County has not complied with the terms of this agreement or any requirement of the Act, the Corporation will notify the County in writing of the noncompliance and the corrective action necessary.

(b) The County shall take the required corrective action or submit to the Corporation within 60 days a plan that will lead to compliance. If within 60 days of receipt of the written notice of noncompliance the County fails to either take the indicated corrective action or to

submit a plan that will lead to compliance, the Corporation may withhold further payments from the Fund to the County until the County has taken acceptable actions to come into compliance.

4.2 Once the County has taken the indicated corrective action or has submitted a plan that will lead to compliance, any payments withheld by the Corporation will be released and regular monthly payments may recommence.

4.3 If the County fails to take the necessary corrective action or to submit a plan deemed acceptable by the Corporation within 6 months of receipt of the original written notice of noncompliance, any withheld payments or funds otherwise available to the County under the Program may be de-obligated and reallocated to other Participating Counties.

**5. General provisions**

5.1 New York state law governs this agreement.

5.2 This agreement's term begins on the date stated in the introductory clause and ends at 5 p.m. on December 31, 2022.

5.3 The parties may amend this agreement only by the parties' written agreement that identifies itself as an amendment to this agreement.

5.4 Any notice or other communication required by this agreement must be in writing and must be delivered personally or sent by certified or registered mail, or by overnight courier, postage prepaid, to the following addresses:

<b>The Corporation</b>	<b>The County</b>
<p>Environmental Facilities Corporation 625 Broadway Albany, New York 12207-2997 Attn: Dep. Director of Corporate Operations E-Mail Address: Maureen.McGrath@efc.ny.gov</p> <p>A copy of the notice or communication must also be delivered to the attention of the Corporation's General Counsel.</p>	<p>Name: Michael Nesheiwat, MD Commissioner of Health</p> <p>Address: Putnam County Health Department, 1 Geneva Road Brewster, New York 10509</p> <p>Phone No.: 845-808-1390 ext. 43178</p> <p>E-Mail Address: michael.nesheiwat@putnamcountyny.gov</p>

A notice is considered as having been given: (1) on the day of personal delivery, or (2) two days after the date of mailing.

5.5 Neither the State nor the Corporation shall have any liability under this agreement to any contractor or any other person or entity.

5.6 This agreement and its exhibits constitute the entire agreement of the parties with respect to the subject matter of this agreement.

5.7 This agreement may be signed in counterparts, each one of which is considered an original, but all of which constitute one and the same instrument.

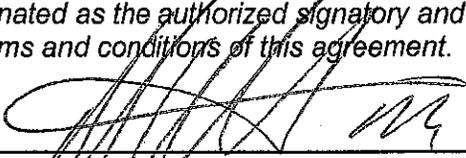
5.8 The County represents that the County has duly approved and authorized the execution and delivery of this agreement for purposes of participating in, and providing grants to Property Owners under the Program.

Each party is signing this agreement on the date stated in the introductory clause.

**COUNTY OF PUTNAM**

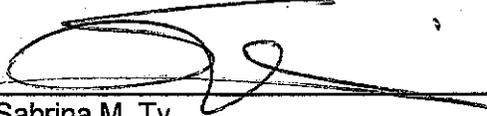
*I certify that I am authorized to sign this agreement and that I have been duly and formally delegated or designated as the authorized signatory and have the authority to agree to all of the terms and conditions of this agreement.*

By: \_\_\_\_\_

  
Michael Nesheiwat, MD  
Commissioner of Health

**NEW YORK STATE ENVIRONMENTAL  
FACILITIES CORPORATION**

By: \_\_\_\_\_

  
Sabrina M. Ty  
President and CEO