

VILLAGE *of* GOSHEN, NEW YORK

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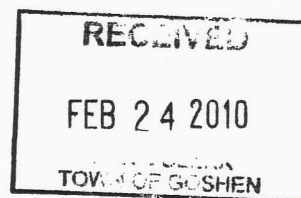
David A. Donovan, Esq.

JUSTICE

Thomas J. Cione, Esq.

Douglas Bloomfield, Supervisor
Town of Goshen Board Members
41 Webster Avenue
P.O. Box 217
Goshen, NY 10924

February 23, 2010



RE: *Village Sewer Service to the Arcadia Hills and Hambletonian Park Sewer Districts*

Dear Supervisor Bloomfield and Board Members:

I write on behalf of the Village Board in response to your items of correspondence dated February 2, 2010 and February 12, 2010.

We have reviewed the proposal advanced in your February 2, 2010 letter regarding a new billing methodology. It is clear that this proposed billing method would result in "out of Village" users, i.e. ratepayers in the Town sewer districts, paying significantly less than "in Village" users.¹ Please bear in mind that we have a legal obligation to provide service to in Village users. We have no obligation, legal or otherwise, to provide service to out of Village users. Should we elect to provide service to those outside of the geographic boundaries of the Village, we are obligated to act in the best interests of the Village residents whom we represent. Your proposal effectively asks the Village to subsidize the Town Districts.² Clearly this is not in the best interests of the in Village ratepayers. For this reason alone, and without even addressing the balance of your letter, we cannot entertain your proposal.

Your proposal is so far removed from anything that would form the basis for

¹ Among other things, you suggest that the Town pay the special assessment allocated to construction of the new waste water treatment plant at an **85% discount**.

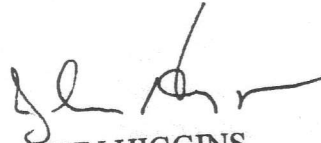
² At the same time you ask the Village to subsidize the Town, you make no proposal regarding your obligation—clearly spelled out in the existing agreements—to repair and/or replace each districts failed and failing infrastructure.

discussion we must respectfully decline your request to continue the meetings of the negotiating teams.³ In so doing, we note that representatives of the Town have in the past indicated on multiple occasions that if you cannot reach an agreement with the Village for the continued utilization of our waste water treatment plant, you would construct your own "regional" plant to serve the needs of Town residents. Under the circumstances, we concur with your analysis and suggest that you begin making plans for construction of this new plant at your earliest convenience. This will allow you to disconnect the Arcadia Hills and Hambletonian Park users and have them to convey their sewage to your new plant. In this interim period, and until your new plant is up and operational, we will continue to bill you in accordance with the existing agreements.

In connection with the request for arbitration contained within your correspondence of February 12, 2010, we believe the parties obligations under the existing contracts may best be adjudicated in a court of law.

The Village has utilized its' best efforts to attempt to resolve our differences amicably and through good faith negotiation. Unfortunately, it is now clear to us that we will not be able to bridge the gap that divides us through further discussion. Accordingly, we will proceed as outlined in our letter of January 26, 2010.

Very truly yours,



JOHN HIGGINS
MAYOR

Cc: Village of Goshen Board of Trustees
Margaret Strobl, Village Clerk
Joan Perez, Village Treasurer
David A. Donovan, Esq., Village Attorney

³ It is unclear what authority your negotiating team was given. Despite 6 meetings between the negotiating teams over a 5 month period, 4 of your 5 proposals were made for the first time in your letter of February 2, 2010.