

MEETING, TOWN OF GENOA WATER COMMITTEE

December 1, 2008

A Public Meeting of the Town of Genoa Water Committee, Cayuga County, State of New York was held at the Town Hall, 1000 Bartnick Road, Genoa NY on December 1, 2008 at 7:00 p.m.

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| Present: | Cheryl Shields, Water Committee | Don Potter |
| | Michael Piechuta, Water Committee | Hans Pecher |
| | Mark Osterhoudt, Water Committee | Sue Becker |
| | Tom Hamilton, Water Committee | Suzanne O'Hara |
| | Brenda Tyrrell, Water Clerk | Dorothy Barger |
| | Mark Conner, Town Water Dept. | Steve Knapp |
| | Guy Krogh, Town Attorney | Anton Parseghian |
| | Stuart Underwood, Town Supervisor | Louis DeLap |
| | Peggy Bradley, Town Council Member | |
| | Dale Sellen, Town Council Member | |
| | Sue Moss, Town Clerk | |

Guy Krogh, the Town of Genoa attorney, attended the meeting to answer questions posed to him by Cheryl Shields via email.

- Incorporating "Special Contracts" (outside users) into the water district is a good move legally, financially and politically. Legally, it is better to treat all similarly situated landowners equally. Financially, it is easier and cheaper to manage a uniform system and uniformity promotes effective and accurate user fees. Politically, treating all users fairly and equally can only be a good thing.

- As to landlocked land, the question is whether the land proposed to be included in the district is benefitted by the district. With water, the answer is usually yes. However, charging full rates for vacant land can be viewed as unfair. The consolidation process can be used to reformulate the benefit formula to charge a reduced rate to vacant land.

- With regard to large-lot users (businesses/farms), if the whole parcel is benefitted then the whole parcel can be charged. By law, an Agriculture District may only be charged for the homestead area (usually 1 acre or 1 EDU-Equivalent Dwelling Unit). The farm may not be charged for all its acreage.

- NYSEG and the phone company are charged as they benefit by the ability to control fires. Many utilities have been challenging these fees based upon a 2005 Court of Appeals ruling involving a garbage/refuse district. Many municipalities ignore utilities and avoid the hassle. But, it is permissible, as long as the applicable rate is fairly based.

- A written contract between the Water District and outside users should absolutely be required. Normally outside users do not pay a tax-equivalency payment, just a higher water rate – such as 1.5 times the in-user rate.

- There absolutely should be a Capital Reserve Fund. The best way to fund a Reserve is to have a portion of an annual O&M fee (the taxable water benefit rate) simply be a maintenance fee dedicated to long-term maintenance and replacement/obsolescence.

To begin the consolidation process, an engineering firm must be hired. Their fee is usually \$8,000-\$10,000. This fee can be paid with a grant. A good grant writer will need to be found. One way is to look at similar projects that were successful in obtaining grants and find out who the grant writer was. A map plan report is needed and must be done by a New York State certified engineer.

The Water District is to be run by the Town Board unless a Public Works Commission is created. This is unlikely because the Town of Genoa is so small.

This whole process will take time. Mickey Piechuta asked if this plan will go forward or, as in the past, will it be discontinued. Cheryl reiterated that the Town Water District is, at this time, legal.

As far as a time line goes, this process can take anywhere from 6 to 9 months. It was also noted that the New York State Comptroller can deny this consolidation.

Guy Krogh told the Board Members that Rural Agriculture grants are easier to obtain as an emergency grant after the fact because you then know how much money is needed.