

Varick Town Board
September 17, 2012

A joint special meeting of the Varick Town Board and the Fayette Town Board was held at the Varick Town Hall and called to order by Supervisor Robert Hayssen at 7:00 p.m. Present were Varick board members John Saeli, Peter McDonald and Robert Bauman, Fayette supervisor, Cindy Lorenzetti, and Fayette board members Jeff Trout, Donald Maybury and Duane Riegel and Varick Town Clerk, Donna Karlsen.

The boards reviewed the Fisher Associates billing and determined that a total of \$4,370 was billed for out of scope services performed and not paid for by Rural Development. The proportionate breakdown of this balance or \$1,844.48 for Varick and \$2,525.52 for Fayette were borrowed from each town's General Fund when the payments were made in full to Fisher Associates. Both town's have amended their Form E's and submitted these amounts to RD for reimbursement to pay back their General Fund loans for these amounts. The Town of Varick, did not receive reimbursement from RD at close out of their grant funds. Fayette currently has this listed on their draft Form E's number 13 to be paid to them.

In reviewing Fayette's Form Es, they explained that Fiscal Coordination and Fiscal Manager expense lines paid Stuart Brown bills. Bernie Donagan was paid for completing Bonding paperwork. Although the town of Fayette provided copies of their Form E's they did not have the Tabulation sheets to accompany them. Supervisor Hayssen was able to obtain a couple of the Tabulation sheets for their first couple of draws submitted to RD and questioned if the Town of Fayette had paid the ineligible amounts indicated on these Tabulation sheets, which received no funding from Rural Development. The ineligible amounts were thought to represent the Town of Varick's portion of Stuart Brown bills. The Town of Varick was no longer using Stuart Brown for Financial Services at that time and depending on the services these bill represented, should have been paid by the Town of Fayette. The Town of Fayette will look into payment of these ineligible costs and supply documentation to the Varick Board as to their payments.

It was noted that the Town of Varick still owes the Town of Fayette the agreed amount of \$8,188.31, which mostly comprises billings from Stuart Brown for preparation of the 2005 USDA Application, 2005 CDBG application, 2007 CDBG application, SMSI application, and the SEQR & NEPA completion and Environment Assessment & Appropriation. of Funds. The Town of Varick didn't receive copies of the distribution of funds for their records from the Small City Grant from either Stuart Brown or the Town of Fayette, as lead agent. The Town of Fayette did not have the copies for this meeting and without this paperwork it was not known by either board for sure if some of the Stuart Brown fees were not reimbursed from the Small City Grant funds. The Town of Fayette will provide these copies to the Town of Varick prior to the next joint meeting for their review. Mr. Hayssen did state that the Town of Varick was unaware of any outstanding bills pertaining to the above-mentioned applications until approximately September of 2011 when they were submitted by Fayette for payment. No funds were budgeted within the project funding when the new form E's budget for Water District No.

3 were developed and as the result the district is still not able to pay back this amount to Fayette at this time.

The Town of Fayette provided a copy of their draft Form E's no. 13 with the next draw request after the budget adjustments are approved by RD. They have submitted a bill from the County Engineer for \$19,335.83, Wish List Items for parts from Blair amounting to \$7,400.97 and the balance borrowed from General Fund for Fisher Associates for \$2,525.30. According to them the Stu Brown bills have all been paid in full through RD funding except for what they have determined to be Varick's share, or \$8,188.31, which is still owed to their General Fund where it was initially borrowed from and their most current billing which is waiting for consultation from Cindy Newcomb.

The Town of Varick has closed out the project with Rural Development and supplied the Town of Fayette Board members with a copy of their final Form E. Varick also provided a copy of their end of project balance sheet showing bills that were paid by RD in this final Form E payment, bills that have been paid, but did not receive project funding and were paid from either Varick Water District No. 3 or money borrowed from Varick's General Fund as follows:

Village of Waterloo (Repair Broken Water Line, Route 336)	\$1,110.41
Nicholson Trucking (Clean up water main break Rt. 336)	\$ 175.00
John Sensenig (Repair of ditch for water flow, flooding his field)	\$ 780.00
Municipal Solutions	\$ 9,375.02
Syracuse Constructors	\$29,648.60
Town of Fayette	\$ 8,188.31
Varick General Fund (Surveying Cost)	\$ 5,039.18
Seneca County Engineering	<u>\$14,121.67</u>
Total	\$68,438.19

Money Received From Rural Development toward bills above:

Municipal Solutions:	\$ 8,882.30
Syracuse Constructors	\$29,648.60
Seneca County	\$14,121.67
Interest: (to be used towards General Fund Reimbursement)	<u>\$ 4,250.56</u>
Total	56,903.13

Funds needed to balance Varick Water District No. 3 Capital Project: \$11,535.06 (total is without wish list items)

Wish List: Items paid for by both towns according to percentages but not reimbursed by Rural Development:

		<u>Fayette</u>	<u>Varick</u>
Blair Supply	1175073	\$5,824.00	\$4,253.48
Blair Supply	1175860	\$1,052.98	\$ 776.32
Blair Supply	1179159	\$ 216.72	\$ 158.28

Blair Supply	1179731	\$ 297.28	<u>\$ 217.10</u>
Total:			\$5,405.18

Grand Total with Wish List: \$16,940.24

Bills incurred as the result of Syracuse Constructors lawsuit:

Hancock Estabrook	\$3405.00	\$1,437.18
Hancock Estabrook	\$ 838.70	\$ 354.00
Hancock Estabrook	\$3504.30	<u>\$1,479.09</u>
Total		\$3,270.27

A discussion was held regarding a bill from Surk’s and Helstrom that were paid by the county and may become debts to both districts in the future. We also presented the bills from Nicholson Trucking for \$175 which was for the clean up of the water main break on Route 336 and John Sensenig’s bill for \$780 which is for the repair of the ditch that was causing drainage problems in his fields. These two bills were paid in full by the Town of Varick. Fayette agreed to reimburse their percentage of these bills or \$101.14 and \$450.78, respectively. It was noted that both towns have already paid the Village of Waterloo their portions of Waterloo’s bill for the repair of the broken water line on Route 336. Mr. Hayssen reported that these bills were forwarded in their entirety to Syracuse Constructors for reimbursement, and was then told by Hancock Estabrook, our attorney, that we should not be sending correspondence to Syracuse Constructors on behalf of the towns.

Mr. Hayssen reviewed Varick’s final Form E and reported that after all eligible amounts were paid, the town had \$4,250.56 left in their RD budget which was moved to the “interest” expense line to be claimed and will be spent to pay the ineligible amounts that have already been barrowed from either the General Fund or Water District No. 3. Bills to be paid from this are Municipal Solutions, Fisher Associates and Blair Supply invoices. It is estimated that in order to make the project financially whole, the town of Varick needs to find approximately \$16,940.24. This amount does not include the bills paid to Hancock Estabrook.

The Estabrook bills for Varick have been paid from Water District No. 3 and from General Fund for Fayette. According to Steve Ricci these bills do need to be paid from the corresponding water districts and Fayette will need to reimburse these amounts from Fayette Water District No. 5 back to their General Fund.

According to the information supplied at this time, the Town of Fayette shows the only outstanding bill that remains to be claimed is the final billing from Stuart Brown. They are still showing a fund balance of \$8,136.84 remaining in their draft Form E No. 13. Fayette did not speak of any specified amounts due to other funds or provide a dollar amount owing at this time other than what has been submitted for RD payment. Mr. Hayssen stated that the Town of Fayette does not want to return any funds back to RD so prior to them submitting their final Form E for approval to RD, the town’s are to have another meeting to make sure all funds are spent.

Mr. Hayssen estimated that about \$48,000 needs to be borrowed in order for both towns to pay back funds that have been borrowed. Whatever this amount turns out to be should then be assessed proportionately according to the Fayette 57.7922078% and Varick's \$42.2077922%.

In reviewing the money owed to the county for Engineering services for both towns, it was determined that if the County forgave these amounts, it would come close to making the project accounts whole. Supervisor Lorenzetti stated that the county was willing to wipe their entire fee and they were not interested in keeping the pipe, and reported that Mr. Hayssen was not agreeable to this. Mr. Hayssen provided a copy of an email dated February 23, 2012 stating that the county would be able to forgive \$9,382.50 for engineering services, but would still have to charge for the inspector's services or \$24,075. Mr. Hayssen stated that this was what he responded as not being acceptable and has spoken to no one at the County regarding this issue since that date. After some discussion, it was decided that Mr. Hayssen was not in attendance at the meeting where the county agreed to wipe their entire bill and when Fayette was asked for something in writing stating this agreement, Mr. Trout did not have anything to provide, other than their word. Getting something in writing from the County as to this agreement will need to be pursued. It was also noted that Frank Fischer has not returned any of Wendy Marsh's phone calls.

Mr. Hayssen met with Peter Nicholotta from MRB Engineering and reviewed Syracuse Constructors' punch list. They did look at two hydrants and a valve in the ditch line that needs to be moved. There are other hydrants that need to be addressed and it was reported that Roy Gates agreed to put in culvert pipe in order to access some of the hydrants, but this was never done and it is important that if this work is done that the valve pipes don't get covered. They did a spot check of items on the punch list and found most of the items taken care of. Syracuse Constructors still have to address the DOT punch list and it was suggested that air release valves are added to this list. The boards spoke briefly of Larry Colton's letter regarding air in his lines due to the lack of air release valves and Mr. Hayssen is looking into the cost of installing a meter pit with an air release valve.

The boards discussed the extensions made to the water line by Jason McCormick. It was felt that these extensions and costs were not explained sufficiently by Jason prior to them being added and brought to the boards for signatures. Mr. Hayssen did agree that he suggested the extension of the water line down Yale Farm Road and explained that it was for the purpose of connecting the town hall as it sits on a cement slab and connecting from 96 would have been very difficult. He then went on to explain that he used some of the 835' of piping that he saved from shortening Varick's line elsewhere. There should have been no additional cost for doing this, and still resulted in a savings to the district. Mr. Hayssen proceeded to review other areas in Jason's engineering plans that should have been altered in order to save the districts money.

The boards reviewed the circumstances pertaining to the extension of the line from Rick Conley's to his brother Kevin Conley's house and the additional cost to do this to both districts.

The town of Fayette will be using their remaining 12" pipe to extend their district, but is unsure who will be completing the necessary work and picking up the additional cost in parts. Jason McCormick, who has left the county, had agreed to have Water District No. 1 complete this work and supply the necessary parts at no charge. Mr. Hayssen expressed his concern regarding Seneca County Water District No. 1 lack of financial stability and used this as an example as to why this is so.

Mr. Hayssen indicated that the left over 12" pipe should be considered an asset to both projects and should be sold to offset the deficiency in funds. It was reported that the project had approximately 1,500 feet left over pipe, which results in about 633' of pipe due to the Town of Varick. Town of Fayette did not agree with selling their portion of the pipe and intends on using it to extend their district to outside users. At this time the Town of Varick intends to sell the pipe to offset expenses not covered by RD funding to lessen the tax burden to the tax payers in Varick Water District No. 3. The Town of Fayette knows of another municipality who might be interested in the pipe and will provide that information to Mr. Hayssen.

Mr. McDonald questioned if there were to be any users to support the town of Fayette's extension and to prevent another dead head in the line which will ultimately result in more flushing and an increase in water loss expense. Fayette reported that there is no development along this extension. Mr. McDonald suggested that we begin metering the water used to flush the lines and bill the districts accordingly.

Mr. Hayssen provided a print out prepared by the Village of Waterloo showing the difference between the amount of water used according to the master meter and the actual water used by the residents. The difference between these two figures reflects water loss for the two towns. The outstanding water bill from the County for this water metered by the master meter was discussed. The Town of Fayette stated that in a meeting held in December 2011, Lee Davidson agreed the districts did not need to pay for the water used to get the districts water quality up to standard. They were unable to provide anything in writing regarding this agreement from Seneca County No. 1. This agreement needs to be put in writing and submitted to both towns and an accurate bill submitted by Seneca County Water District No. 1 for payment.

It was determined that Jim Bromka can estimate the usage of water during a fire and the expense incurred was discussed by the boards with no ready solution as to how to recover the costs.

Concern was expressed over the county not doing what they are supposed to be doing in order to provide good water quality to these districts. Mr. Hayssen had Tom Scoles from the Seneca County Health Department test the water in several place on September 14 and found the water to be of good quality in all locations on that date.

The boards reviewed the number of residents hooked into the system and discussed different incentives to get people to connect. It was determined that the economy and need will drive people to connect and it may just take some time to get everyone on board.

An inventory of left over parts was completed by Ben Karlsen and Bill Trout. It was agreed to leave the parts where they are currently stored, with both towns having access to them. A running inventory is to be maintained.

Mr. Hayssen reminded the Town of Fayette that according to John Yells, their Cayuga Lake Water District owes Seneca Lake Water District 12 angle valves and 2 meter pits.

A discussion took place regarding the corner horns and although some contractors do use them, the towns don't need so many on hand and Mr. Hayssen will get a price on returning them if possible.

Mr. Trout will contact the Village of Waterloo to see what their contractual price is for doing the meter reading and billing for Fayette Water District No. 5 and Varick Water District No. 3.

A motion by Peter McDonald, seconded by Robert Bauman and so carried to enter into executive session to address legal action pertaining to both Fayette Water District No. 5 and Varick Water District No. 3 at 9:50 p.m.

A motion by Peter McDonald, seconded by Robert Bauman and so carried to come out of executive session at 10:05

The as-builts were discussed and no one has copies of them. Mr. Hayssen stated that John Yells thought he had given someone some sheets of paper that he had done regarding this line, but couldn't remember who. The as-builts are the responsibility of the engineer and the clerk of the works. It was suggested that MRB might complete these as part of their service if we are unable to obtain them from the county.

The town of Fayette needs to pull their final Form E together and get the final billing from Stuart Brown. Prior to them submitting this to Rural Development, another meeting between the two towns will be held.

Prior to the Town of Fayette's board leaving, Mr. Hayssen addressed the fluoride issue in Water District No. 1 and reported that the fluoride machine is down and needs to be repaired according to state law. The question arises is if the towns want to continue putting fluoride in this water and if not, a resolution needs to be sent to the county supporting that this practice be discontinued. The following resolution was offered by the Town of Varick:

Be It Resolved, that the Varick Town Board goes on record that they want to discontinue the use of Fluoride in Seneca County Water District No. 1, and

Be It Further Resolved that the Varick Town Board would like this to be discussed at the next Seneca County Public Works Committee meeting.

Motion: Peter McDonald
Seconded by: Robert Bauman
So Carried Unanimously

The town of Fayette chose to address this issue at their next scheduled regular board meeting.

Mr. McDonald will be attending a five-town assessment annual board meeting to review Mrs. Morgan's 2013 budget and discuss other business that may come before the boards.

South Seneca Ambulance Emergency Medical Service Agreement was handed out for the board's review. A brief discussion was held, and further review and discussion will be held the budget workshop.

A motion by Peter McDonald, seconded by Robert Bauman and so carried unanimously to pay Municipal Solutions.

It was decided to contact In-Motion Hosting to retrieve our old website and Peter was going to try to secure a domain name of varickny.org for 10 years, if unable to get .com back.

It was reported that the planning board has two vacancies that will need to be filled. Mr. McDonald spoke to Ann Morgan regarding the assessed value on in ground geo-thermal heating service and said there are no current assessment comparisons on these and at this time these systems are not being added to the assessed values of homes.

A motion to adjourn by John Saeli, seconded by Peter McDonald and so carried unanimously at 10:55 p.m.

Respectfully submitted,

Donna Karlsen
Varick Town Clerk