

November 5, 2018

The regular meeting of the Varick Town Board was called to order by Supervisor Robert Hayssen at 7:00 p.m. Present at this meeting were Councilmen Ben Freier, Tom Fox, Eric Riegel, and Richard Peterson, Town Clerk, Donna Karlsen, Bookkeeper, Angela Testa, Attorney for the Town, Joe Midiri, Water Operator, Ben Karlsen and Planning Board member, Frankie Long. Also, present were Attorney Kim Nason from Phillips Lytle LLP, Michael Rauch Director of business development at BQEnergy, Earl Martin, Deer Haven Park and Michelle Herman. Absent: Highway Superintendent, Richard McCulloch

A motion by Richard Peterson, seconded by Tom Fox and so carried unanimously to open the public hearing on the 2019 Varick Preliminary Budget and the Special District Fund Budgets and Fire Protection Units at 7:00 p.m.

Mr. Hayssen asked for public comments and there were none.

A motion by Eric Riegel, seconded by Ben Freier, and so carried to close the public hearing on the 2019 Varick Preliminary Budget and the Special District Fund Budgets and Fire Protection Units at 7:03 p.m.

Privilege of the Floor: Attorney Kim Nason from Phillips Lytle LLP introduced a proposed project for a solar energy farm located on what was once depot property now owned by Earl Martin and discussed the potential path for rezoning text to address solar energy in the Town of Varick's Zoning Code. It was reported that BQEnergy is looking at leasing 100 acres from Earl Martin for renewable energy to produce up to a maximum of 20 megawatts of energy. Michael Rauch, director of business development from BQEnergy noted that the 100 acres would need to be subdivided into four lots due to guidelines limiting wattage produced on one parcel. The board reviewed the preliminary sketch and location of the proposed project which runs through the depot property along what is currently known as County Road 135. Mr. Rauch reported that although they are contemplating a project which reflects a capacity to support 20 megawatts of solar energy, he anticipates the project will be scaled down to 10 megawatts. Ms. Nason stated that the first step would be to have BQEnergy submit an application according to Section 601 of the town's zoning code to petition for a text amendment to address solar energy in the town of Varick Zoning Code. The Varick planning board would then develop text applicable to solar energy, present it to the town board for approval, who would then move to hold a public hearing for adoption through a local law. Ms. Nason suggested that a special use permit be developed which BQEnergy would then submit along with a completed SEQR form which would address environmental impact questions that the board might have regarding this project. It would be their goal to achieve a negative impact statement through the SEQR review. They will also be working with DEC. Mr. Rauch reviewed different options including working with the IDA and applying for a pilot and discussion of tax breaks based on the real Property law if available. Mr. Hayssen felt the county did not opt into tax breaks offered through the referenced real property law and noted the town can adopt to opt out as well. Mr. Rauch indicated the town residents would benefit from this project by accessing renewable energy at approximately a 10% cost savings, could recognize tax revenue and revenue through a pilot program. He can provide examples of pilots for the board to review. The board also would like to obtain contact information for communities they have done renewable energy projects in. Mr. Rauch spoke briefly about BQEnergy's business history and provided the

board with their website address. In summation, Ms. Nason reviewed the items that have been requested by the board from them:

1. Provide boards with examples of PILOT programs structured to address solar energy
2. Meet with the Planning board and provide examples of zoning for solar energy
3. Provide the boards with contact information of areas that have solar energy projects
4. Provide business history pertaining to BQEnergy

BQEnergy will meet with the Planning Board, review zoning revision pertaining to solar energy, forward this information to the Varick Town Board and then schedule a joint meeting with the Planning Board.

Abstract: A motion by Tom Fox, seconded by Eric Riegel and so carried unanimously to approve Abstract No. 11, General, Vouchers A0018-172 to A0018-194 in the amount of \$13,471.39, Highway, Vouchers DA018-081 to DA018-088 in the amount of \$2,293.55, Varick Water District No. 1, VW118-026 to VW118-027 in the amount of \$6,900.46, Seneca Lake Water District, Vouchers SWS18-078 to SWS18-085 in the amount of \$29,648.31, Varick Water District No. 3, Vouchers VW318-033 to VW318-036 in the amount of \$8,126.57, Varick Water District No. 4, VW418-039 to VW418-041 in the amount of \$1,866.27, Varick Sewer District No. 1, VS118-039 to VS118-040 in the amount of \$2,520, Varick Sewer District No. 2, Vouchers SSS18-041 to SSS18-042 in the amount of \$9,242.50.

Highway: Mr. Freier reported for Mr. McCulloch in his absence the paving scheduled for this year keeps being rescheduled by the paving company and asked that the funds to be spent on this year's projects be rolled over to the 2019 budget for him to complete this work, if necessary, in 2019. Mr. Hayssen stated this could be done.

Judge: Judge Hogue submitted a letter to Supervisor Hayssen notifying the court that their records or docket or cause same to be examined and enter into the minutes of it proceedings the fact that the board has duly examined them according to Section 2019-a of the Uniform Justice Court Act. Subsequent to the audit or examination, a report must be sent to the Internal Audit Services Unit with a board's resolution noting that the records have been examined. Mr. Freier and Mr. Riegel both agreed to complete this process and report back to the board.

Supervisor's Report: A motion by Richard Peterson, seconded by Eric Riegel and so carried unanimously to approve the Supervisor's Report.

Mr. Hayssen reported that the State Comptrollers office will be completing a procedure audit of the town and will be meeting with him, the town clerk and bookkeeper on Thursday, November 8th to begin the process.

Preliminary Budget: Mrs. Testa reported that she received the 2019 budget for the Fayette Fire Department that will need to be updated in the 2019 preliminary budget in the amount of \$88,426. Mr. Hayssen reminded the board the town had no control over this figure. He also brought to the board's attention that he added a budget line in the amount of \$1,000 for the Edith B. Ford Memorial Library in response to their presentation to the board in August. Mrs. Testa also reported that there is an increase in health insurance cost for 2019 and Mr. Hayssen recommended that funds from the contingency line be appropriated to cover that cost increase.

A motion by Richard Peterson seconded by Ben Freier and so carried unanimously to move the 2019 Town of Varick Preliminary Budget and the Special District Fund Budgets and Fire Protection Units with amended figure of \$88,426 for the Fayette Fire Department to the adopted as the 2019 Town of Varick adopted budgets and Fire Protection Units.

Code Enforcement Officer: A written report was submitted and will be filed with these minutes.

Water Operator's Report: October 2018

- Checked Chlorine residuals weekly for each district
- Got daily readings for each district
- Did Monthly Bac T's for all 4 districts
- Did Monthly report and submitted to health department
- Did yearly maintenance on hydrants
- Inspected new water hookup
- Flushed dead ends as needed to help bring chlorine levels up
- Spoke to and helped assist multiple homeowners preparing to connect into Varick's water mains
- Changed meters
- Marked out Dig Safes as requested
- Looked into the purchase of a new water truck
- Fixed water leak on East Lake Rd. (Village of Waterloo Repair)
- Had yearly inspection of all water districts with health dept
- Fixed Sewer leak on East Lake Rd
- Flushed water in Var 4 to help do a chlorine burnout for Seneca Falls
- Did maintenance on work truck
- Talked with Jim Bromka at Village of Waterloo water plant about loss of water 75-100 thousand gallons during 3 breaks due to power outage
- Installed and tapped a new water service
- Turned off water services to seasonal customers

Varick Water District No. 1: Nothing to Report

Seneca Lake Water: The Village of Water submitted a bill for the repair of three water leaks in Seneca Lake Water District that occurred on October 3, 2018 in the amount of \$4,379.22. After conversations held between Jim Bromka, the town clerk, town supervisor and water operator, Mr. Bromka acknowledged that a piece of their equipment, which at some point was wired backward, did not work properly to prevent a hammer in the water main. Mr. Bromka reported that the pumps were running at the time of a power surge that day and without that piece of equipment working properly it caused a hammer effect that stressed the main causing hydrant bolts to break and a hole in the main line. Mr. Bromka estimated approximately 1,000 gallons of water per minute, with an approximate 100,000 gallons of water loss was experienced before the location of the breaks were identified by the village. One of the repairs the village completed and backfilled was not done correctly and the water leak continued. Prior to the backfilling the continuing leak was pointed out to the village by two Varick residents, Mr. Young and Mr. Stuck, who were on site at the time of the repair. Ben Karlsen, who was out of town when the breaks occurred, reported that he

received a call from Mr. Young to inform him of his concern. Mr. Karlsen notified the village of the continuing leak and that he discovered the bolts had not been tightened properly when the village made the repair. This was also witnessed by Mr. Young and Mr. Stuck as well as a video and pictures taken by the water operator at the time of the town's repair. This leak continued for almost a week with the water surfacing and a repair being done.

The board expressed their appreciation for the Village of Waterloo's water department's quick response in addressing the water main breaks. It was reported that the town contracts with the Village to provide service on an on-call basis. The board recognized that the breaks occurred at weak points in the main and was willing to accept 50% of the costs for the repairs, but also recognized that based on the information provided by Mr. Bromka, the malfunction of the village's equipment caused the hammer in the water main which resulted in the breaks. The board also concluded that any cost related to repairing the water main again, where the bolts were left loose will be deducted from the villages bill. The board also received the water bill from the Village of Waterloo for October which included the gallons of water loss resulting from this break and will reduce this bill by 100,000 gallons as estimated by Jim Bromka. The board noted that this did not include the gallons of water loss resulting from the failure to repair one of the leaks correctly, but again acknowledged the quick response by the village to address the water leaks.

A motion by Tom Fox, seconded by Ben Freier and so carried unanimously to reduce the Village of Waterloo's bill dated October 3, 2018 for the three repairs 50% less the full costs to the town for further repair to the water main which wasn't completed properly and to reduce the gallons of water used the month of October 2018 by 100,000 gallons as estimated by Jim Bromka.

Mr. Hayssen reported that he received an email from Samuel Priem, Seneca County Commissioner of Public Works wanting to resolve the disputed money owed to Seneca Lake Water District. He noted in his email that the latest meter readings indicate that the amount due the district is over the \$71,000 as originally discussed and was questioning if Seneca Lake Water would be agreeable to accepting the county's offer of \$107,000 for payment in full. Mr. Hayssen responded to his email by reviewing figures that were presented originally to John Sheppard reflecting a more accurate accounting of the water purchased by the county in the amount of \$139,000. Mr. Hayssen offered to split the difference between the \$107,000 amount to \$139,000 or approximately \$30,000 difference He offered \$122,000 by adding the \$15,000 difference, with no strings attached and asked for the boards support. Mr. Priem also suggested that the water rate be decreased with this settlement, but the board was not in favor of doing this at this time but said they would review it at the annual meeting.

A motion by Eric Riegel, seconded by Ben Freier and so carried unanimously to support Supervisor's Hayssen's settlement amount of \$122,000 from Seneca County Water District No. 1 for water purchased from the defined period of December 31, 2015 through June 30, 2017.

Varick Water District No. 3: Nothing to report.

Varick Water District No. 4: Sarah Wright from Seneca Falls Water Department emailed a "Water Department Public Notice" notifying the towns that they are temporally discontinuing Chloramines as of October 23, 2018 as the disinfectant treatment process for water supply due to the continued and unusual temperature of Cayuga Lake and found it necessary to use Free Chlorine

in order to perform a chlorine burnout of the lines. As a result, Fayette and Varick water districts are having to flush their lines to bring the free chlorine to an acceptable level.

Fayette and Varick's water districts worked together on this process, permitting Fayette to flush their lines until the free chlorine had reached an acceptable level where the Varick and Fayette lines connect. Once this was achieved, Varick began flushing until the free chlorine level was acceptable at the end of Varick Water District 4's line. All this water was metered and documented by Fayette Water District No. 5 as well as Varick Water District 4 so that it can be used to reduce Fayette's bill from Seneca Falls accordingly.

As of October 31st, Varick Water District No. 4 has flushed 54,800 gallons of water which should be used to reduce Fayette's bill from Seneca Falls Water Department. It was suggested that 54,800 gallons in turn be reduced from the October billing from Fayette to water district No. 4.

A motion by Ben Freier, seconded by Richard Peterson and so carried unanimously to reduce the October 2018 water bill from the Town of Fayette \$169.88 which reflects the flushing cost of 54,800 gallons of water as of October 31, 2018 resulting from Seneca Falls Water Department discontinuing Chloramines and continuing with Free Chlorine on October 23, 2018.

Yale Farm Road Water: Mr. Hayssen reported that he did a door-to-door survey of the residents of Yale Farm Road from East Lake Road to the railroad tracks seeking their interest in obtaining municipal water if a transmission line was installed. He reported 9 homes were interested, 1 no and no one was home at six of the residents he stopped at. He also reported that he sent a letter to Senator Pam Helming's office seeking funding for this proposed project and received a response back stating she recently secured a \$50,000 in support of a water infrastructure for the Town of Varick (DASNY grant) and attached a preliminary application to be completed. The email received did note that these grants can take anywhere from 18 to 36 months from submitting the application to receiving the funds. Mr. Hayssen stated the funds to run this transmission line which is phase one of a complete project to bring water to Secor Road to supply Varick Water District No. 3, could be drawn from Seneca Lake Water District fund balance. The question was raised as to who those funds belong to; Seneca Lake Water District or the Town of Varick. Mr. Hayssen feels the funds belong to the town of Varick, however Mr. Peterson believes the funds belong to the Seneca Lake Water District and should be used to benefit those district users and suggested forming a water district and applying for funding. It was noted that without forming a district or extending Seneca Lake Water District formally, no costs related to the installation of the transmission line can be collected from those homeowners along Yale Farm Road unless they connect into the line and sign an agreement specifying charges to be collected. Mr. Riegel was not in favor of appropriating funds from Seneca Lake Water District to benefit one project when other water projects did not receive the same benefit and used Water District No. 4 as an example stating the residents are responsible for the costs and debt service associated with the building of that water line. Mr. Fox wanted the survey to be completed and questioned Mrs. Long, who is a resident in Seneca Lake Water District,

her opinion of using Seneca Lake Water District funds to run an transmission line up Yale Farm Road. Mrs. Long felt the funds should be used to benefit Seneca Lake Water District users. Examples to use these funds were for maintenance of the line, lower water rates, or paying down the debt service. Mr. Freier was in favor of proceeding with the transmission line. Mr. Hayssen reported that Mr. Somerville, who has submitted a request to sub-divide farm land into seven

building lots on Yale Farm Road is very interested in obtaining water for this property. After further review and discussion, no action was taken at this time.

Varick Sewer District No. 1: Nothing to report.

Varick Sewer District No. 2: Ben Karlsen reported he received a call from Mr. Jones who lives at 4831 East Lake Road on Sunday, October 28th reporting a sewer main break. He tried to reach Mr. Kolbeck, the sewer maintainer, but Mr. Kolbeck was unavailable, and Yaws informed him they don't do sewer repairs. Mr. Karlsen reported that he went to the scene and found sewer water squirting up from the ground. He, with the assistance of Nicholson Trucking, was able to make the repair that day. Mr. Hayssen also stopped, inspected the break and approved of the repair.

Town Clerk Report: A motion by Eric Riegel, seconded by Ben Freier and so carried unanimously to approve the Town Clerk's Report: Supervisor; \$297.50, NYS Ag & Markets; \$23, State Health Department; \$22.50, Total Disbursements: \$343.

Personnel: Nothing to report.

Assessor: Nothing to report.

Planning Board: David Bollech provided a letter with pictures attached to the town clerk for the board stating he attended a Planning Board meeting encouraging them to address vacation rental regulations. He did recognize the board has had a higher priority leading to code revision concerning solid waste disposal, which he agreed needed immediate action. In addition to regulating vacation rentals, he would like to have a noise ordinance implemented. Mr. Hayssen presented and had read to the board a letter he received from Ken and Joyce Sanford with property at 4652 Locust Lane, requesting an ordinance be developed pertaining to vacation rentals as well.

The Planning Board will meet with BQEnergy to begin working on zoning pertaining to solar energy and the benefits to the town. They will also work on text for zoning pertaining to vacation rentals, noise ordinance and docks and moorings.

Minutes: A motion by Eric Riegel, seconded by Ben Freier and so carried unanimously to approve the minutes of October 2, 2018.

New Business, Old Business, Correspondence: Mr. Hayssen provided an Agreement for Water Supply Services for and on the behalf of the Town of Varick from the Village of Waterloo to attorney Midiri for his review and recommendation.

A motion by Ben Freier, second by Richard Peterson and so carried unanimously to adjourn the meeting at 10:05 p.m.

Respectfully submitted,
Donna Karlsen, Varick Town Clerk