

MINUTES OF THE MEETING OF THE TOWN BOARD
TOWN OF RICHLAND
1 BRIDGE STREET, PULASKI, NY

DATE: Tuesday, October 21, 2022

KIND OF MEETING: Special Town Board Meeting

PLACE: Supreme Court Trial Room, H. Douglas Barclay Courthouse Pulaski, NY

BOARD MEMBERS PRESENT: Supervisor Kern Yerdon
Councilman Robert North
Councilman Allen Goodsell
Councilwoman Sue Haynes
Councilwoman Donna Gilson

OTHERS IN ATTENDANCE: Attorney, Graham Seiter, Supervisor Clerk, Tammie Whaley, Water Supervisor, Ronald Novak, Deputy Town Clerk, Julie Peterson, Financial Consultant, Laird Petrie, please see attached for the remaining attendees.

CALL TO ORDER: Supervisor Yerdon called the meeting to order at 10:00 a.m. He informed all who were in attendance that this was a joint meeting for the two Town Boards. The Town Boards have both agreed that there will be no public comment at this meeting, it is for informational purposes only and that should anyone have questions, please attend a Regular Town Board Meeting. The Town of Richland has hired Laird Petrie as a financial consultant. Laird formerly worked for the State Comptrollers Office in Syracuse and performed audits on Towns and Villages. Water Supervisor, Ron Novak was introduced, he is a retired engineer for NYS DEC. Supervisor Yerdon took over as Town Supervisor in July when Supervisor Krupke retired. Supervisor Yerdon, Mr. Petrie, and Mr. Novak have been working very hard to establish the water rates.

The meeting was then turned over to Laird Petrie for his presentation. Mr. Petrie stated that when he started with the Town, one of the first things that was discussed was the water rates. The Town's water rates needed to be reviewed as our own rates were too low. Operations were being financed by EDU charges as opposed to water rates, this is not how special districts are supposed to work. Operations and maintenance costs should be financed by user charges. Special assessments are meant to take care of capital costs, the debt services, principal, and interest, and putting in the infrastructure. He then presented the numbers that were used to determine the new rates, which will be attached to these minutes. These numbers are actual figures, not estimates, and demonstrate the losses. The Town's EDU charges have been over

what they should have been because the EDUs are supplementing what the water rate should have been doing. The way to remedy this, to bring it back so the users of water are paying for the water, is to raise the rates, not the EDU. The Town decided to raise the rate for Town of Richland users to \$3.80, therefore, outside users should be paying more than Richland residents. Most Towns and Villages across NYS typically charge outside users at least 1-1.5 times more as they don't contribute to EDU's. Up to now outside users have been getting a good break on the cost per gallon because Richland residents have been subsidizing it with their EDU's.

Nola Gove questioned the high cost of health insurance for 2 employees. Supervisor Clerk, Tammie Whaley, clarified that the cost demonstrated was only for the 2 water operators that are employed and a former supervisor. 2022 insurance will go down a little as we have changed insurance companies and we have one less employee than 2021.

Mr. Petrie stated that there is a cost that is not reflected on the paperwork and will be going forward. Water rates should take care of your non debt related expenses plus there should be money put into a reserve fund to replace equipment. Mr. Novak states that until now there was a Capital Reserve fund for Water Districts 1,2, and 3, not for 5. There were no repair reserves for any of the four water districts. Mr. Petrie says we have now established these reserves, we can't change the past, and going forward things will be better, and everyone will benefit from this as we won't be incurring unnecessary debt.

Highway Supervisor for the Town of Sandy Creek, Mike Kastler asked for clarification on the operations and maintenance being paid by water usage rates as opposed to EDUs. Mr. Petrie explains that EDU is because your property benefits from the infrastructure of the water being there, if you choose to hook into the water then they should pay for the operations and maintenance of the system. This is how it is done throughout the State, there are some differences from time to time. Mr. Kastler feels that people that are not hooked into the water should still pay their fair share of O & M. Mr. Novak reminded Mr. Kastler that both municipalities have told the residents that in 30 years the EDU charge will go away as the debt will be paid. Mr. Kastler says it will never go away and compared the Water District to school taxes. Mr. Petrie does not feel they are same. Mr. Kastler asked if the cost to produce water of \$3.80 was for the entire system or just the Schoeller Well Field. Mr. Yerdon stated that it is for the entire system. Mr. Kastler feels that Sandy Creek should only have to pay for the usage costs from the location that they get their water from, and that all usage is accounted for through their meter. It was also questioned that now that they have determined that the cost is more than the \$3.80, then why is our inside user rate only \$3.80 where we are making a 0% profit? Mr. Novak said that Town of Richland residents will see an increase in 2023 as the bills had already gone out. Nola Gove does not feel that their numbers should double, she understands that costs have gone up, but does not see why costs should double based on the demonstrated cost analysis and that they had agreed to \$2 per 1,000 gallons. Mr. Novak informed them that as of 2021, the cost to produce water is \$4.95 per 1,000 gallons. The Town

will undertake 9 projects in 2023-2024 to improve, mostly just the Schoeller Well Fields, to the tune of approximately \$550,000 to increase the reliability of the system. 41% of the water usage is the Town of Sandy Creek. Superintendent Kastler mentioned that there were 2 joint water projects with the Town of Sandy Creek and that they were lead agency on both projects, therefore they incurred all costs of personnel for the administration. His biggest concern, with the understanding that the system has grown, and costs have gone up, is that he promised his residents water at an affordable rate and now he has to explain this to them. He was taught that water should not be your profit maker because it is not guaranteed revenue. O & M on a January tax bill charged to a customer, per tax parcel, makes everyone pay the cost across the water district. Nola Gove feels this rate is ridiculous. Mr. Petrie asked her how she would feel if you were a Town of Richland resident and an outside Town that you provide water to was paying less than you? She feels that they are an outside user, but the Towns are a team and have worked together so these districts could move forward, they should get a break. Councilwoman Gilson states that they did get a break, when our Town residents were paying \$2.50 and they were only paying \$2, we subsidized water to Sandy Creek for quite a while. So, their residents did get a break and ours did not. Mr. Kastler said that the Towns sat together to come up with the rates when our District 5 was created and that was the number that they came up with. He understands that costs of everything is going up but feels that it is sad that the rates need to be raised 125% in one fiscal year. He does not feel that anything is in dire need to be done to improve your side of the operation, the supply, to increase it this much, all at once. He knows that we have used ARPA funds to help our water district get up to where it needs to be to be operational and sees that we are not far off on our numbers but does not think that its fair that we are basing our rate per 1,000 to produce water for the entire district is being passed on to Sandy Creek that only uses the Schoeller Well Fields. There has been discussion of using some of the remaining project money, if there is any, to replace a pump at Schoeller at a cost of \$22,000. Sandy Creek has a large, vested interest in Schoeller. The work that has been done would have had to be done whether Sandy Creek had joined or not. Councilwoman Gilson states that when this was started almost 20 years ago, that we had no idea that the system would grow to this size. Over the course of time, as things have changed, and grown, there was more users, and more wear and tear on the system that was not anticipated in the beginning. If it was just the Town of Richland residents, we wouldn't have that kind of wear and tear, so some responsibility needs to fall on Sandy Creek. Mr. Kastler states that as each project was added, the cost of improving our system was built into the project. Sandy Creek board members asked if they should anticipate another increase in 2023. Supervisor Yerdon does not have that answer at this time. He thanked everyone for coming and for their input. ***A motion was made by Councilwoman Gilson and seconded by Councilman Goodsell to adjourn the meeting at 10:53.***

Respectfully submitted by:
Julie Peterson
Deputy Town Clerk

ANALYSIS OF SUFFICIENCY OF WATER RATES

		ACTUAL RESULTS			
		2019	2020	2021	AVERAGE
NON-DEBT EXPENSES					
SW19104	Unallocated Insurance, Contr Expnd	\$17,214	\$17,884	\$19,164	\$18,087
SW19504	Taxes & Assess On Munic Prop, Contr Expnd	\$0	\$2,699	\$6,736	\$3,145
SW19904	Contingent Account	\$0	\$0	\$0	\$0
SW83101	Water Administration, Pers Serv	\$24,771	\$26,051	\$29,447	\$26,757
SW83102	Water Administration, Equip & Cap Outlay	\$0	\$0	\$0	\$0
SW83104	Water Administration, Contr Expnd (Other)	\$12,661	\$2,987	\$4,039	\$6,563
SW831042	Water Administration, Contr Expnd (Legal)	\$238	\$94	\$0	\$111
SW831044	Water Administration, Contr Expnd (Rent)	\$971	\$971	\$1,000	\$981
SW83201	Source Supply Pwr & Pump, Pers Serv	\$95,213	\$184,520	\$189,278	\$156,337
SW83202	Source Supply Pwr & Pump, Equip & Cap Outlay	\$0	\$38,071	\$6,310	\$14,794
SW83204	Source Supply Pwr & Pump, Contr Expnd (Other)	\$57,424	\$72,305	\$107,898	\$79,209
SW832041	Source Supply Pwr & Pump, Contr Expnd (Utilities)	\$85,753	\$32,894	\$42,991	\$53,879
SW832042	Source Supply Pwr & Pump, Contr Expnd (Legal)	\$0	\$288	\$0	\$122
SW832043	Source Supply Pwr & Pump, Contr Expnd (Fuel)	\$4,755	\$4,641	\$7,876	\$5,757
SW832044	Source Supply Pwr & Pump, Contr Expnd (Resale Parts)				
SW83302	Water Purification, Equipment & Cap Outlay	\$0	\$0	\$0	\$0
SW83304	Water Purification, Contr Expnd (salt)	\$1,631	\$6,292	\$4,276	\$4,066
SW83402	Water Trans & Distrib, Equipment & Capital Outlay				
SW83404	Water Trans & Distrib, Contr Expnd	\$135,726	\$127,006	\$129,490	\$130,741
SW90108	State Retirement, Empl Bnfts	\$28,192	\$28,848	\$34,535	\$30,525
SW90308	Social Security, Empl Bnfts	\$14,982	\$15,926	\$16,528	\$15,812
SW90508	Unemployment Insurance, Empl Bnfts	\$1,100	\$1,214	\$1,450	\$1,254
SW90558	Disability Insurance, Empl Bnfts	\$48	\$48	\$36	\$44
SW90608	Hospital & Medical (dental) Ins, Empl Bnft	\$46,030	\$47,475	\$53,785	\$49,097
	TOTAL NON-DEBT EXPENSES	\$526,708	\$610,214	\$654,838	\$597,280
NON EDU REVENUES					
SW2140	Metered Water Sales	\$179,744	\$173,008	\$178,949	\$177,233
SW12141	Water Salesman	\$2,826	\$8,797	\$3,710	\$5,111
SW2142	Unmetered Water Sales	\$66,374	\$31,254	\$122,274	\$73,301
SW2144	Water Service Charge - Orwell				
SW2189	Other Home & Community Services Income (Brennan contract)	\$177,339	\$177,339	\$177,339	\$177,339
SW2401	Interest And Earnings	\$7,444	\$4,577	\$3,070	\$5,030
SW2401R	Interest And Earnings - Reserves				
SW2665	Sales Of Equipment	\$13,224	\$23,832	\$60,735	\$32,597
SW2680	Insurance Recoveries	\$3,561	\$2,768	\$6,690	\$4,340
SW2770	Unclassified (specify)	\$51,970	\$4,806	\$1,768	\$19,515
	TOTAL NON-EDU REVENUES	\$502,482	\$426,379	\$554,534	\$494,465
	NON EDU REVENUES NEEDED TO FINANCE WATER OPERATIONS	(\$24,226)	(\$183,835)	(\$100,304)	(\$102,815)
DEBT SRVICE EXPENDITURES					
SW97306	Debt Principal, Bond Anticipation Notes	\$375,927	\$378,207	\$380,487	\$378,207
SW97856	Debt Principal, Installment Purchase	\$0	\$0	\$46,491	\$15,497
SW97897	Other Debt, Interest (Joint Loan)	\$0	\$0	\$4,104	\$1,368
	TOTAL DEBT EXPENSES	\$375,927	\$378,207	\$431,082	\$395,072
SW1030	Special Assessments (EDUs)	\$592,826	\$579,755	\$592,577	\$588,386
	O&M EXPENSES FINANCED BY EDUs	\$216,899	\$201,548	\$161,495	\$193,314

**ACTUAL WATER RATE PER THOUSAND GALLONS
TOWN OF RICHLAND - 2021**

EXPENDITURES (COSTS)

WATER DISTRICT	ONE	TWO	THREE	FIVE	TOTALS
GENERAL GOVERNMENT SUPPORT	\$ 11,914.01	\$ 8,028.99	\$ 3,626.00	\$ 2,331.02	\$ 25,900.02
HOME & COMMUNITY SUPPORT	\$ 209,366.39	\$ 105,252.57	\$ 47,578.81	\$ 25,996.33	\$ 388,194.10
EMPLOYEE BENEFITS	\$ 48,958.78	\$ 32,937.34	\$ 14,876.16	\$ 9,561.89	\$ 106,334.17
TOTAL PER DISTRICT	\$ 270,239.18	\$ 146,218.90	\$ 66,080.97	\$ 37,889.24	\$ 520,428.29

TOTAL WATER PUMPED (2021)	118,060,000	GAL
TOTAL WATER BILLED (2021)	105,073,400	GAL
PERCENT WATER UNBILLED	11.0%	
TOTAL COST PER THOUSAND GALLONS	\$ 4.95	

DISTRICT INFORMATION

WATER DISTRICT	ONE	TWO	THREE	FIVE	TOTALS
TOTAL EDU's	511.64	685.82	331.11	205.5	1734.07
COST PER EDU	\$ 309.70	\$ 298.98	\$ 465.42	\$ 400.00	
BRENNANS BEACH CONTRACT	\$ 177,339.00				\$ 177,339.00
REAL PROPERTY TAXES	\$ 335,792.40	\$ 206,569.90	\$ 154,105.00	\$ 73,449.50	\$ 769,916.80
TOTAL DEBT SERVICE	\$ 253,273.75	\$ 166,171.48	\$ 7,083.32	\$ 4,553.56	\$ 431,082.11
OTHER			\$ 129,490.15	\$ 4,920.20	\$ 134,410.35
UNUSED EDU MONEY FOR DEBT	\$ 259,857.65	\$ 40,398.42	\$ 17,531.53	\$ 63,975.74	\$ 381,763.34

REVENUES

WATER DISTRICT	ONE	TWO	THREE	FIVE	TOTALS
METERED SALES	\$ 69,619.70	\$ 81,372.70	\$ 27,217.55	\$ 738.60	\$ 178,948.55
UNMETERED SALES	\$ 15,000.00	\$ 71,915.05	\$ 35,358.89		\$ 122,273.94
CO. RT. 41 SALESMAN		\$ 3,710.00			\$ 3,710.00
TOTAL USE OF MONEY & PROPERTY	\$ 1,425.00	\$ 1,006.13	\$ 404.93	\$ 234.12	\$ 3,070.18
TOTAL SALE OF PROPERTY	\$ 63,811.72	\$ 2,073.76	\$ 936.54	\$ 602.05	\$ 67,424.07
MISCELLANEOUS LOCAL SOURCES	\$ 823.00	\$ 542.50	\$ 245.00	\$ 157.50	\$ 1,768.00
TOTAL PER DISTRICT	\$ 150,679.42	\$ 160,620.14	\$ 64,162.91	\$ 1,732.27	\$ 377,194.74

PERCENT UNUSED EDU MONEY FOR DEBT REQUIRED TO BALANCE BUDGET	37.52%	TOTAL COST - TOTAL REVENUE
AMOUNT OF UNUSED EDU MONEY FOR DEBT REQUIRED TO BALANCE BUDGET	\$ 143,233.55	UNUSED EDU MONEY FOR DEBT

TOTAL OF ALL REMAINING MONEY \$ 238,529.79

MEETING ATTENDANCE SIGN-IN

Meeting Date 10/21/22

Committee/Board Town Board Special mtg. w/ T/O Sandy Creek to discuss water Rates

Please PRINT your name and address clearly to assure the correct spelling in the minutes of this meeting.

NAME

ADDRESS

<u>NAME</u>	<u>ADDRESS</u>
<u>Jenny Blawie</u>	<u>Richmond / Pulaski</u>
<u>Jill Mattison</u>	<u>Sandy Creek</u>
<u>Mamie E. Henson</u>	<u>Pulaski</u>
<u>Wm C. Cook</u>	<u>Sandy Creek</u>
<u>Debi Aurelio</u>	<u>Sandy Creek</u>
<u>Mike & Sue Fahay</u>	<u>Sandy Creek</u>
<u>Tammy Miller</u>	<u>Sandy Creek</u>
<u>Brittany Williams</u>	<u>Sandy Creek</u>
<u>MICHAEL KASTNER</u>	<u>T/O SANDY CREEK</u>
<u>ERIC PAPPA</u>	<u>T/O SANDY CREEK</u>
<u>John Wood JR</u>	<u>T/O SANDY CREEK</u>
<u>Cheryl Verdor</u>	<u>Sandy Creek</u>
<u>Ron Fisher</u>	<u>Sandy Creek</u>
<u>Jene Haynes</u>	<u>Rich</u>
<u>Bob North</u>	<u>"</u>
<u>Diana Thousand</u>	<u>Sandy Creek</u>
<u>Chuck Thousand</u>	<u>Sandy Creek</u>
<u>Scott Glancy</u>	<u>SSO</u>
<u>Glenn Paulowitz</u>	<u>Richland</u>
<u>PATRICK BROWN</u>	<u>SANDY CREEK</u>
<u>Rob Brown</u>	<u>Sandy Creek</u>
<u>Ruth E. Schuppel</u>	<u>Sandy Creek</u>
<u>Dustin Clark</u>	<u>R&L</u>
<u>Brett McVoy</u>	<u>B&L</u>
<u>Terese Small Hillis</u>	<u>396 Atkinson Rd Pulask</u>
<u>Michelle Wheeler</u>	<u>708 Rainbow Sh Pulask</u>

MEETING ATTENDANCE SIGN-IN

Meeting Date

10/21/22

Committee/Board

Town Board Special Meeting w/ T/O Sandy Creek to discuss water rates

Please PRINT your name and address clearly to assure the correct spelling in the minutes of this meeting.

NAME

ADDRESS

Ron Schuler

135 Elms Rd Sandy Creek

Norma Newman

77 Wigham Dr.

Tamara Whaley

Julie Petersen