

Memorandum

To: Bristol Town Board
From: Douglas Finch, Canandaigua Town Manager
Date: August 14, 2023

Subject: Proposed 2024 Budget and Water District Updates

I hope this message finds you well. I'm writing to provide you with a detailed overview of the proposed 2024 budget, along with important updates related to water rates and our ongoing water district agreements. This memorandum aims to provide clarity on key financial matters and upcoming challenges.

Page 2: Proposed 2024 Budget Attached, you will find the proposed 2024 budget, which maintains a flat tax rate of \$0.69 per thousand of assessed value. The budget worksheets on pages 2 to 5 offer a breakdown of the budget allocations.

Page 7: Water Treatment Plant Costs Of significant concern is a new cost imposed on us by the City of Canandaigua, which is increasing water rates for water treatment plant improvements. As a result, the Town of Canandaigua is expected to absorb a payment ranging from \$183,500 to \$250,000 over the next five years. This financial burden will inevitably be passed along to all water districts operated by the Town of Canandaigua.

Page 8-9: IUP and NYSDOH Requirements The Interim Use Permit (IUP) required by the New York State Department of Health (NYSDOH) is highlighted on pages 8 and 9. This permit necessitates specific actions to address the water treatment plant improvements mandated by the NYSDOH.

Pages 10: Projected Budget Calculations Page 10 features the projected budget calculations for 2024-2027, factoring in financing of \$350,000 over 20 years at a 5% interest rate. The resulting debt service payment of \$27,200 is incorporated into the overall budget. It's important to note that if the financing amount were to increase to \$500,000 under the same terms, the annual debt service payment would rise to \$39,600.

Pages 11-15: Preliminary Engineering Report (PER) Information Incorporated within the memo are pages 11 to 15, which provide detailed information from the Preliminary Engineering Report. This information underscores the importance of addressing the NYSDOH-mandated improvements.

Pages 16-21: Feds/State mandates Canandaigua Bristol Water District Pages 16 to 21 outline the mandates by US EPA and NYS DOH for the Canandaigua Bristol Water District. The anticipated major improvements, as mandated by the NYSDOH, will require careful consideration. Given this scenario, an increase in taxes is likely necessary, or alternative revenue sources must be identified.

Pages 22-32: Water Agreements The water agreements between the Towns of Canandaigua and Bristol are outlined in pages 22 to 32. These agreements serve as a foundational aspect of our collaboration and require ongoing attention.

I urge you to review these pages carefully as they provide a comprehensive understanding of the financial and regulatory challenges that lie ahead. Please feel free to reach out if you have any questions or require further clarification.

Canandaigua Bristol Water District

SW505 (Cdga Bristol Water District) (County: W0246)	2015	2016	2017	2018 Budgeted	2019 Budgeted	2020 Budget (est)	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Revenue										
Canandaigua Tax Levy \$	2,952	2,801	2,860	2,878	\$	3,254	\$ 3,588	\$ 3,582	\$ 4,414	\$ 5,855
Bristol Tax Levy										
Cdga Special Assessment \$	17,518	17,385	17,097	16,783	\$	17,712	\$ 17,765	\$ 17,578	\$ 17,578	\$ 17,578
Bristol Special Assessment \$	47,143	46,784	46,284	45,780	\$	43,813	\$ 43,384	\$ 43,010	\$ 43,384	\$ 43,758
interest and earnings							\$ 58	\$ 45		\$ 325
Grant for Water Proj (DayRd)							\$ 18,000	\$ -		
App. Fund Balance \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,589	\$ 6,514	\$ 10,068	\$ 826
	\$ 67,613	\$ 66,970	\$ 66,241	\$ 65,441	\$ 64,779	\$ 70,551	\$ 90,946	\$ 77,305	\$ 83,654	\$ 79,449
Expenditures										
debt service interest)	\$ 59,375	\$ 58,741	\$ 57,950	\$ 57,238	\$ 61,525	\$ 40,575	\$ 39,625	\$ 38,675	\$ 37,725	\$ 36,750
debt service (principal)										
contractual \$	8,298	8,229	8,291	8,203		20,000	20,000	20,000	20,000	25,000
TOB O&M to SW500										
TOB O&M to remain district										
district contr (\$0.20)(8340)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,919	\$ 1,919	\$ 1,919	\$ 2,545
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,402	\$ 3,510	\$ 3,510	\$ 4,829
	\$ 67,613	\$ 66,970	\$ 66,241	\$ 65,441	\$ 69,985	\$ 70,493	\$ 90,946	\$ 77,305	\$ 83,654	\$ 79,449
Estimated Fund Balance:										
Fund Bal Policy: 20%-35% (\$14,000 -\$24,500)			\$ 11,480	\$ 11,480		\$ 25,655	\$ 24,065	\$ 17,551	\$ 7,483	\$ 6,657
TAX RATE (Cdga & Bristol)										
Cdga Assessed Value:		\$ -	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.56	\$ 0.56	\$ 0.56	\$ 0.69	\$ 0.69
Bristol Assessed Value:		\$ 5,756,300	\$ 5,756,300	\$ 6,508,800	\$ 6,397,100	\$ 6,394,600	\$ 6,397,100	\$ 6,397,100	\$ 6,397,100	\$ 8,485,600
Cdga # of units:			\$ 95	\$ 95	\$ 95	\$ 95	\$ 95	\$ 94	\$ 94	\$ 94
Bristol # of units:						229	232	230	232	234
Cdga / Bristol Unit Rate:		unit special	\$ 176.66	\$ 186.44	\$ 186.96	\$ 187.00	\$ 187.00	\$ 187.00	\$ 187.00	\$ 187.00
Canandaigua Taxpayer:			\$ 616.48	\$ 645.81	\$ 657.63	\$ 658.03	\$ 657.88	\$ 657.88	\$ 680.37	\$ 715.08
Avg home/parcel TOC:							\$ 168,344.74	\$ 168,344.74	\$ 168,344.74	\$ 223,305.26
# of parcels TOC:							38	38	38	38
Cdga Increase / (Decrease):			\$ 592.48	\$ 621.81	\$ 630.78	\$ 631.11	\$ 631.00	\$ 631.00	\$ 647.25	\$ 668.84
Bristol Taxpayer:							\$ 113,594.35	\$ 114,004.42	\$ 115,513.48	\$ 156,284.75
Avg home/parcel TOB:							103	103	103	103
# of parcels TOB:										
Bristol Increase / (Decrease):			\$ 29.33	\$ 29.33	\$ 8.97	\$ 0.33	\$ (0.11)	\$ (0.11)	\$ 16.25	\$ 21.59



Town of Canandaigua, NY

My Budget Worksheet

Account Summary

For Fiscal: 2023 Period Ending: 08/31/2023

Defined Budgets

2021 2022 2023 2024
Total Budget Total Activity Total Budget YTD Activity 2022 Adopted 2023 Adopted 2024 Tentative

Fund: SW505 - CANANDAIGUA BRISTOL JOINT WATER DISTRICT

Revenue													
<u>SW505.1001.00000</u>	REAL PROPERTY TAXES.CANDG...	10,150.00	10,150.14	10,158.00	12,624.00	10,158.00	12,624.00	10,158.00	12,624.00	10,158.00	12,624.00	16,962.00	

Budget Detail	Description	Units	Price	Amount
Budget Code	BRISTOL TAX LEVY	0.00	0.00	-11,107.00
2024 Tentative	CANANDAIGUA TAX LEVY	0.00	0.00	-5,855.00

<u>SW505.1030.00000</u>	SPECIAL ASSESSMENT.CANDGA...	61,149.00	61,149.00	60,588.00	60,962.00	60,588.00	60,962.00	61,336.00
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Budget Notes	Description
Budget Code	based on a per unit charge of \$187.00 per unit
2021 Adopted	Based on a unit charge of \$187 per unit
2022 Adopted	94 units Town of Canandaigua 230 units Town of Bristol

Budget Detail	Description	Units	Price	Amount
Budget Code	BRISTOL SPECIAL ASSESSMENT	0.00	0.00	-43,758.00
2024 Tentative	CDGA SPECIAL ASSESSMENT	0.00	0.00	-17,578.00

<u>SW505.2401.00000</u>	INTEREST & EARNINGS.CANAN...	58.00	44.46	61.62	241.26	45.00	325.00	
<u>SW505.3991.00000</u>	STATE AID CAP PROJ	18,000.00	18,000.00	0.00	22,000.00	0.00		
<u>SW505.9000.00000</u>	APPROPRIATED FUND BALANCE..	7,589.00	0.00	9,088.51	10,068.00	9,089.00	10,068.00	
	Revenue Total:	96,946.00	89,343.60	79,896.13	95,827.26	79,880.00	83,654.00	79,449.00

Expense								
<u>SW505.8340.400.00000</u>	SERVICES & MAINTENANCE.CO...	32,000.00	22,930.30	15,792.13	20,500.00	13,201.00	20,500.00	10,325.00

Budget Detail	Description	Units	Price	Amount
Budget Code	ENGINEER DAY RD TANK	0.00	0.00	10,325.00
2024 Tentative	SERIAL BONDS BRISTOL.PRINCI...	20,000.00	20,000.00	20,000.00

<u>SW505.9710.600.00000</u>	SERIAL BONDS BRISTOL.PRINCI...	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	25,000.00
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My Budget Worksheet

For Fiscal: 2023 Period Ending: 08/31/2023
Defined Budgets

Budget Detail Budget Code 2024 Tentative	Description	2021		2022		2023		2024		
		Total Budget	Total Activity	Total Budget	Total Activity	Total Budget	YTD Activity	2022 Adopted	2023 Adopted	2024 Tentative
SW505.9710.700.00000	SERIAL BONDS BRISTOL.INTERE...	39,625.00	39,625.00	38,675.00	38,675.00	37,725.00	18,862.50	38,675.00	37,725.00	36,750.00
Budget Detail										
Budget Code										
2024 Tentative	DEC 15TH INTEREST		0.00	0.00	18,375.00					
2024 Tentative	JUNE 15TH INTEREST		0.00	0.00	18,375.00					
SW505.9903.900.00000	TRANSFER/WATER-MAINT.CA...	1,919.00	1,919.00	1,919.00	1,919.00	1,919.00	0.00	1,919.00	1,919.00	2,545.00
SW505.9903.901.00000	TRANSFER/WATER-MAINT...CA...	3,402.00	3,402.00	3,510.00	3,510.00	3,510.00	0.00	3,510.00	3,510.00	4,829.00
	Expense Total:	96,946.00	87,876.30	77,305.00	79,896.13	83,654.00	18,862.50	77,305.00	83,654.00	79,449.00
Fund: SW505 - CANANDAIGUA BRISTOL JOINT WATER DISTRICT Surp..		0.00	1,467.30	2,575.00	0.00	0.00	76,964.76	2,575.00	0.00	0.00
	Report Surplus (Deficit):	0.00	1,467.30	2,575.00	0.00	0.00	76,964.76	2,575.00	0.00	0.00

Group Summary

Defined Budgets

Account Typ...	2021		2022		2023		2024	
	Total Budget	Total Activity	Total Budget	Total Activity	Total Budget	YTD Activity	2023 Adopted	2024 Tentative
Fund: SW505 - CANANDAIGUA BRISTOL JOINT WATER DISTRICT								
Revenue	96,946.00	89,343.60	79,880.00	79,896.13	83,654.00	95,827.26	83,654.00	79,449.00
Expense	96,946.00	87,876.30	77,305.00	79,896.13	83,654.00	18,862.50	83,654.00	79,449.00
Fund: SW505 - CANANDAIGUA BRISTOL JOINT WATER DISTRICT Surp..	0.00	1,467.30	2,575.00	0.00	0.00	76,964.76	0.00	0.00
Report Surplus (Deficit):	0.00	1,467.30	2,575.00	0.00	0.00	76,964.76	0.00	0.00

Fund Summary

Defined Budgets

Fund	2021		2022		2023		2024	
	Total Budget	Total Activity	Total Budget	Total Activity	Total Budget	YTD Activity	2023 Adopted	2024 Tentative
SW505 - CANANDAIGUA BRISTOL JOINT WATER DISTRICT	0.00	1,467.30	2,575.00	0.00	0.00	76,964.76	0.00	0.00
Report Surplus (Deficit):	0.00	1,467.30	2,575.00	0.00	0.00	76,964.76	0.00	0.00

EXHIBIT A
**Calculation Worksheet for Determination of
 Town Wholesale Water Rate from the
 City of Canandaigua**

2023 BUDGET for
2024 RATE

I		Part A		Dept.
		Water Treatment Plant Expenditures		
1.		Operating Expense: WTP		
	8320-1	1a. Personnel		448,384
	8320-2	1b. Dept Equipment		22,500
	8320-3	1c. Equipment & Supplies		263,330
	8320-4	1d. Contractual Services		423,810
	8320-8	1e. FICA		34,590
1a+1b+1c+1d+1e		If. Sub Total- Operating Expense WTP		1,192,614
		1g. Fringe Benefits Allocation -WTP		204,750
		1h. Total Other Allocable Costs -Distribution		254,228
	1950-4	1i. Property Taxes (WTP only)		184,430
1f+1g+1h+1i		1j. Total Operating Expense-WTP		1,836,022
1j x Town %		70.2%	1k Water Treatment Plant Expenditures-Town Allocation	1,288,153
2.		Operating Expense -Distribution System (15%)		
	8340-1	2a. Personnel		442,490
	8340-2	2b. Dept Equipment		8,600
	8340-3	2c. Equipment & Supplies		179,924
	8340-4	2d. Contractual Services		75,933
	8340-8	2e. FICA		33,630
2a+2b+2c+2d+2e		2f. Sub Total- Operating Expense-Distribution		740,577
See A-2		2g. Fringe Benefits Allocation -Distribution		202,065
See A-2		2h. Total Other Allocable Costs -Distribution		157,877
		2i. Distribution Capital Plan Contribution		350,000
2f+2g+2h+2i		2j. Total- Operating Expense Distribution:		1,450,519
2j. X Towns % (Fixed)		15%	2k Water Distribution System -15% of Budget	217,578
3		Return on Investment (15%)		
	9901-906	3a. Return on Investment		290,000
3a x Town % (Fixed)		15%	3b. Water Treatment Plant Expenditures-Town Allocation	43,500
4.		Contingency (15%)		
(1k+2k) x Town % (Fixed)		15%	4a. Contingency 1. Town (15%)	225,860
1k+2k+3b+4a		Part A: Total Estimated Expenditures for Town		1,775,091
Part B.		Water Denominator		
		Prior 3 Year Average Consumption for Town per 1000 gallons		1,019,321
		Towns Wholesale Rate Determination		
Part A		Total Town Allocable Costs		1,775,091
Part B		Water Denominator (Town Consumption per 1000 gallons)		1,019,321
		Total Wholesale Water Rate (per 1000 gallons)		\$1.741

II		Part C	Rate	Capital Contribution	
				Total 2024 Contribution:	1,000,000
Consumption Percentage	18.35%	Town of Canandaigua			183,500
Consumption Percentage	47.65%	Town of Farmington			476,500
Consumption Percentage	4.16%	Town of Hopewell			41,600
	70.16%				701,600

**Drinking Water State Revolving Fund (DWSRF)
Intended Use Plan (IUP) Project Listing Form**

Preliminary Project Schedule And Cost Estimate
(Instructions on Back)

DOH Use Only

PWS I.D. No. _____
Project Tracking No. _____
Date Received: ____/____/____

Date Prepared: 6 / 16 / 2023

PROJECT INFORMATION

Name of Water System: Town of Bristol Water District No. 1
Municipality: Town of Bristol County: Ontario
Legislative Districts - Congressional: 27 NYS Senate: 55 NYS Assembly: 131
Project Description: Improvements at the Town's Day Road Tank to address elevated disinfection by-products.

If an engineering report has not been provided with this form, please attach a narrative description including details with respect to the issues the project will be solving as related to the priority ranking system (see Attachment 1 in the IUP available at www.health.ny.gov/environmental/water)

Population served by water system: 2,136 Population served by Project: 2,136

This is a (choose one): New project listing

Update to a project currently listed in the DWSRF IUP

DWSRF project tracking number (if existing project): 19158

Are there other funding sources anticipated for the project? Yes No

If yes, attach details about the funding, including source, amount, and letter of confirmation

CONTACT INFORMATION

Borrower: Town of Bristol Consulting Engineer: MRB Group
Contact Name, Title: Bob Green, Supervisor Contact Name: Gregory Hotaling, PE
Address: 6740 County Road 32 Address: 145 Culver Road
Canandaigua, NY 14424 Rochester, NY 14620
Phone #: 585-229-2400 Phone #: 585-381-9250
E-mail Address: supervisor@townofbristol.org E-mail Address: ghotaling@mrbgroupp.com

If seeking funding under the Bipartisan Infrastructure Law (BIL), check appropriate box:

General Supplemental Lead Service Line Replacement Emerging Contaminants

PROJECT SCHEDULE

1. Submit Engineering Report (T) TARGET OR (A) ACTUAL
(A) 1/2022
(Date)
2. Submit Plans & Specifications for Regulatory Review (T) 12/2023
(Date)
3. Start Construction (Notice to Proceed) (I) 04/2024
(Date)
4. Construction Substantial Completion (T) 07/2024
(Date)

DATES

(T) TARGET OR (A) ACTUAL

(A) 1/2022
(Date)

(T) 12/2023
(Date)

(I) 04/2024
(Date)

(T) 07/2024
(Date)

Project Cost Estimate

Construction Costs \$ 146,500
Engineering Fees \$ 22,000
Other Expenses \$ 7,350
Equipment Costs \$
Land Acquisition \$
Contingencies 15 % \$ 22,000

Subtotal Project Costs \$ 197,850

Deduct other funding sources (RD, CDBG, etc.) \$ 0.00

Add Est. Issuance Costs \$ 5,935.50 (approximately 3% of project costs)

Total Amount to Finance \$ 203,785.50

E-mail completed form to:
design@health.ny.gov

New York State Department of Health
Bureau of Water Supply Protection

INSTRUCTIONS

LISTING FORM, DWSRF PROJECT SCHEDULE AND COST ESTIMATE

This form is used to gather preliminary schedule and cost information about your project. It will help us to determine project eligibility and a target date for providing your DWSRF financing. New York State Department of Health (DOH) staff may call you to verify this information and to develop a more detailed schedule for completion of all activities needed for a complete financing application. You should confer with your engineer and financial advisor regarding the schedule and cost estimate. Please contact DOH at (518) 402-7650 or design@health.ny.gov for assistance regarding this Listing Form.

PROJECT INFORMATION This section of the form should include the **Name of the Water System**, **Name of the Municipality** serviced by the water system, and the **County** and **Legislative Districts** in which the project is located. A general **Project Description/Project Identification** and the **Location** of the project should also be included (e.g., Upgrade the Smith Road water treatment plant in the Village of Waterburgh). If an engineering report has not been provided with this form, please attach a narrative description including details with respect to the issues the project will be solving as related to the priority ranking system (see Attachment 1 in the IUP). The applicant should provide information regarding the **Population Served by the Water System** and the **Population Served by the Project**.

Indicate if this is a new project IUP listing or if it is an update to a project currently listed in the DWSRF Intended Use Plan (IUP). If the project is currently listed in the IUP, then **provide the current DWSRF project tracking number** and provide updated project information, contact information, project schedule, and project cost estimates on this Listing Form.

Indicate if **other funding sources** (i.e., Rural Development, Housing and Urban Development, etc.) are available for the project. If other sources of funding are available please attach a separate sheet with details about the funding source, funding amount, type of funding (i.e., grant, low interest loan), and date the funding was granted (letter of confirmation).

CONTACT INFORMATION

DOH will be using the contact information provided on the Listing Form to identify the borrower, the consulting engineer, and other key project contacts (if applicable). Individuals listed on this portion of the Listing Form may be contacted directly by DOH staff to answer technical questions.

PROJECT COST ESTIMATE

The accuracy of project costs will vary depending on the stage of project development. Please use the best available estimate when completing the form. Cost estimates should be provided for **Construction Costs**, **Engineering Fees** (planning, design, and construction phase), **Other Expenses** (legal expenses, bond counsel costs, force account costs, fiscal expenses, interest during construction, and miscellaneous expenses), **Equipment Costs**, **Land Acquisition Costs**, and **Contingencies** (up to 30% generally acceptable). **Financial assistance anticipated from other Funding Sources** (Rural Utilities, Housing and Urban Development, etc.) should be subtracted from the **Subtotal Project Costs** of the above listed cost estimates. The **Estimated Issuance Cost** (approximately 3% of project costs) should be added to the subtotal to determine **Total Amount to Finance**. If certain cost elements are unknown and cannot be reasonably estimated, please indicate on the form. Estimates for all expenses will eventually be needed so that sufficient monies for the project are included in the IUP.

PROJECT SCHEDULE

1 & 2. Provide the date (targeted or actual) for submission of an approvable **Engineering Report and Plans & Specifications** for regulatory review.

3 & 4. Provide the date (targeted or actual) for **Start of Construction** (Notice to Proceed issuance) and **Construction Substantial Completion**.

Although the construction schedule may be very tentative when you complete the Listing Form, it is important to set target dates as they indicate when DWSRF financing will be needed.

(District) (County: WO246)	2015	2016	2017	2018 Budgeted	2019 Budgeted	2020 Budget (est)	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027
anandaigua Tax Levy	\$ 2,952	\$ 2,801	\$ 2,860	\$ 2,878	\$ 3,254	\$ 3,576	\$ 3,588	\$ 3,582	\$ 4,414	\$ 5,855	\$ 9,876	\$ 17,465	\$
Bristol Tax Levy						\$ 6,342	\$ 6,562	\$ 6,576	\$ 8,210	\$ 11,107	\$ 18,736	\$ 33,131	\$
Special Assessment	\$ 17,518	\$ 17,385	\$ 17,097	\$ 16,783	\$ 17,712	\$ 17,761	\$ 17,765	\$ 17,578	\$ 17,578	\$ 17,578	\$ 17,578	\$ 17,578	\$
Special Assessment	\$ 47,143	\$ 46,784	\$ 46,284	\$ 45,780	\$ 43,813	\$ 42,814	\$ 43,384	\$ 43,010	\$ 43,384	\$ 43,758	\$ 43,758	\$ 43,758	\$
Interest and earnings						\$ 58	\$ 58	\$ 45		\$ 325	\$ 300	\$ 300	\$
Water Proj (DayRd)							\$ 18,000			\$ 826			\$
App. Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,589	\$ 6,514	\$ 10,068	\$ 79,449	\$ -	\$ -	\$
	\$ 67,613	\$ 66,970	\$ 66,241	\$ 65,441	\$ 64,779	\$ 70,551	\$ 90,946	\$ 77,305	\$ 83,654	\$ 79,449	\$ 90,248	\$ 112,231	\$
debt service interest)	\$ 59,375	\$ 58,741	\$ 57,950	\$ 57,238	\$ 61,525	\$ 40,575	\$ 39,625	\$ 38,675	\$ 37,725	\$ 36,750	\$ 35,750	\$ 34,750	\$
debt service (principal)						\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 25,000	\$ 35,000	\$ 55,000	\$
contractual	\$ 8,238	\$ 8,229	\$ 8,291	\$ 8,203		\$ 5,000	\$ 26,000	\$ 13,201	\$ 20,500	\$ 10,325	\$ 12,500	\$ 15,000	\$
/.30 to SW500[9903]					\$ 1,953	\$ 1,918	\$ 1,919	\$ 1,919	\$ 1,919	\$ 2,545	\$ 2,500	\$ 2,500	\$
TOB O&M to SW500					\$ 3,123	\$ 3,000	\$ 3,402	\$ 3,510	\$ 3,510	\$ 4,829	\$ 4,900	\$ 5,000	\$
to remain district					\$ 2,083								
contr (50.20)[8340]					\$ 1,302								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$
	\$ 67,613	\$ 66,970	\$ 66,241	\$ 65,441	\$ 69,985	\$ 70,493	\$ 90,946	\$ 77,305	\$ 83,654	\$ 79,449	\$ 90,650	\$ 112,250	\$
		\$ 11,480	\$ 11,480	\$ 11,480		\$ 25,655	\$ 24,065	\$ 17,551	\$ 7,483	\$ 6,657			
% (\$14,000-\$24,500)		\$ -	\$ -	\$ 0.50	\$ 0.50	\$ 0.56	\$ 0.56	\$ 0.56	\$ 0.69	\$ 0.69	\$ 1.13	\$ 1.94	\$
ldga Assessed Value:		\$ -	\$ -	\$ 5,756,300	\$ 6,508,800	\$ 6,394,600	\$ 6,397,100	\$ 6,397,100	\$ 6,397,100	\$ 8,485,600	\$ 8,740,168	\$ 9,002,373	\$
ristol Assessed Value:						\$ 11,341,141	\$ 11,700,218	\$ 11,742,455	\$ 11,897,888	\$ 16,097,329	\$ 16,580,249	\$ 17,077,656	\$
Cdga # of units:				\$ 95	\$ 95	\$ 95	\$ 95	\$ 94	\$ 94	\$ 94	\$ 94	\$ 94	\$
Bristol # of units:						\$ 229	\$ 232	\$ 230	\$ 232	\$ 234	\$ 234	\$ 234	\$
ia / Bristol Unit Rate:			unit special	\$ 176.66	\$ 186.44	\$ 186.96	\$ 187.00	\$ 187.00	\$ 187.00	\$ 187.00	\$ 187.00	\$ 187.00	\$
nandaigua Taxpayer:		\$ 616.48	\$ 616.48	\$ 645.81	\$ 645.81	\$ 657.63	\$ 658.03	\$ 657.88	\$ 680.37	\$ 715.08	\$ 820.90	\$ 1,020.59	\$
g home/parcel TOC:						\$ -	\$ -	\$ -	\$ 168,344.74	\$ 223,305.26	\$ 230,004.42	\$ 236,904.55	\$
# of parcels TOC:				\$ 29.33	\$ 29.33	\$ 11.82	\$ 0.41	\$ (0.15)	\$ 22.49	\$ 34.71	\$ 105.82	\$ 199.69	\$
increase / (Decrease):				\$ 621.81	\$ 621.81	\$ 630.78	\$ 631.11	\$ 631.00	\$ 647.25	\$ 668.84	\$ 742.90	\$ 882.66	\$
Bristol Taxpayer:		\$ 592.48	\$ 592.48	\$ 621.81	\$ 621.81	\$ 630.78	\$ 631.11	\$ 631.00	\$ 647.25	\$ 668.84	\$ 742.90	\$ 882.66	\$
g home/parcel TOB:						\$ -	\$ 113,594.35	\$ 114,004.42	\$ 115,513.48	\$ 156,284.75	\$ 160,973.29	\$ 165,802.49	\$
# of parcels TOB:							\$ 103	\$ 103	\$ 103	\$ 103	\$ 103	\$ 103	\$
increase / (Decrease):				\$ 29.33	\$ 29.33	\$ 8.97	\$ 0.33	\$ (0.11)	\$ 16.25	\$ 21.59	\$ 74.06	\$ 139.76	\$

5 April 2022

Ms. Sharon Lawyer, Lead Loan Specialist
USDA Rural Development
108 Holiday Way
Schoharie, NY 12157

Re: Preliminary Engineering Report Review
Bristol Water District #1 Water System Disinfection By-Product Removal Project
Town of Bristol, New York

Dear Sharon:

Attached is my review of the Preliminary Engineering Report for the above listed project. The review was performed in accordance with RUS Bulletin 1780-2. Please forward the attached review to the Town and recommend that they discuss it with their engineer.

There are comments that must be addressed (listed in the review) prior to final approval. Please have the Town or their engineer respond.

If you have any questions, or if the Town or their engineer wishes to discuss this review, please contact me at (315) 477-6427 or e-mail me at john.helgren@usda.gov.

Sincerely,

John T. Helgren, P.E.
State Engineer

Cc (via email):
Town (via AO)
Engineer – MRB Group
CPD – Brenda Smith
SE – Jessica Divens

John T. Helgren, PE
Rural Development • New York State Office
441 South Salina Street, Suite 357 Syracuse, New York 13202
Web: <http://www.rd.usda.gov/ny> Email: john.helgren@usda.gov
Tel. (315) 477 6427 Fax (855) 477 8536 TYY (315) 477 6447

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Preliminary Engineering Report Review USDA – Rural Development

Applicant: Town of Bristol, New York

Project: Bristol Water District #1 Water System Disinfection By-Product Removal Project

Date Reviewed: 5 April 2022

Engineer: MRB Group

Document(s) Reviewed: Preliminary Engineering Report for the Bristol Water District #1
Water System Disinfection By-Product Removal September 2021
Revised January 2022

Project Planning: The Town of Bristol is located in Ontario County, New York. The problem is that the water district has been in violation for eight of the last nine reporting quarters for Trihalomethanes (THMs) and have been issued a notice of violation by the NYSDOH. The proposed project is to install a spray aeration THM removal system in the Day Road Tank to prevent accumulation of the harmful THMs in the tank and prevent conveyance of the THMs into the distribution system. The Town would like to provide reliable water service to these residents and comply with NYS standards.

Existing Facilities: Currently, the Town of Canandaigua Consolidated Water District supplies treated water from the City to Bristol Water District #1 via the Canandaigua-Bristol Water District through the Pierce Park Pump Station located on Goodale Road near the Hamlet of Cheshire. The Town of Canandaigua also provides water to the Towns of Farmington, Hopewell, Gorham and East Bloomfield. The Bristol Water District #1 service area consists of 79 EDUs, including 39 residential connections and 7 commercial/industrial connections. Based on the latest consumption data, the service area's total annual use was approximately 1.82M gallons, with an average daily use of 4,987 GPD. The estimated flow per residential EDU is 54 GPD and the sum of commercial, business, and industrial EDUs flow is 2,170 GPD. The district's watermains are primarily 8" and 12" PVC and are in good condition. The Day Road water storage tank is glass lined steel and has a volume of 125,000 gallons. According to the 2020 Annual Water Quality Report, approximately 870,000 gallons were used to flush water mains due to stage two DBP levels that exceeded EPA limits, to flush fire hydrants, and to fight fires. The Water Filtration Plant is located in the City of Canandaigua and sources its water from Canandaigua Lake.

Comments:

1. Is a map of the system(s) available, showing the Day Tank location within the overall system(s), including the flushing hydrant locations?
2. Does the Day Road tank provide water storage or benefits to more than the Town of Bristol Water District No.1? If so, who and how?

John T. Helgren, PE
Rural Development • New York State Office
441 South Salina Street, Suite 357 Syracuse, New York 13202
Web: <http://www.rd.usda.gov/ny> Email: john.helgren@ny.usda.gov
Tel. (315) 477 6427 Fax (855) 477 8536 TYY (315) 477 6447

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3. The average water usage per residential connection at 54 GPD seems low. Please confirm this is based on actual metering.

Need for Project: The PER indicates that based on the latest test results conducted by the Town from 2017 to 2021, the average THM level was 81 ug/L, which is above the Maximum Containment Level (MCL) of 80 ug/L. This is an MCL violation of the Code of Federal Regulations (CFR 141.64) and requires public notice to be provided to all customers on a quarterly basis for as long as the violation persists. The high levels of THMs are likely due to a by-product of drinking water chlorination. Consuming drinking water with high levels of THMs over many years can cause physiological problems related to the liver, kidneys, or central nervous system, and an increased risk of cancer. Included in the PER is three letters from the NYDOH dated December 1, 2017, November 30, 2018, and September 12, 2019, stating that Bristol Water District #1 was in violation of CFR 141.64 and that SSC Section 5-1.52 Table 13 requires the Public Notification to be issued to all the system's customers. The 2017 and 2018 letters also required the Town to investigate options and propose actions to reduce the disinfection byproducts formed in the system and submit an action proposal. The primary purpose of the proposed project is to reduce THMs in the water distribution system; completion of the project will alleviate the health concerns of these residents. I concur that this documents the health and sanitary needs of the project to qualify the community in obtaining priority scoring and/or lower interest rates for USDA financing, in accordance with 1780.13(b)(1).

Comments:

4. Please confirm with the DOH the NOV remains current and that the DOH endorses the PER to address the NOV.

Alternatives Considered: The following alternatives were detailed in the report:

- Null Alternative- Do Nothing. Capital Cost: \$0. This alternative is not feasible because it does not address the violation for THMs or a plan to remediate the problem required by the NYSDOH. This option will not be explored or discussed further.
- Alternative 1- IXOM GridBee™ System. Capital Cost: \$198,000. This alternative consists of a floating spray aeration system that sites within the existing tank and ventilation system mounted to the tank ceiling. This system does not require any infrastructure changes, allows the tank to stay in service during installation, and does not require regular maintenance. This system is designed to achieve 50-60% reduction of THM levels in untreated water entering the tank during peak THM season. This alternative is a feasible solution to reduce THMs in the water system and ensure compliance with NYSDOH limits.
- Alternative 2- PAX TRS™ System. Capital Cost: \$265,000. This alternative consists of a Powervent® active ventilation system, a floating surface aerator, a PAX water mixer, and an integrated control panel. This system can be installed while keeping the tank in service, however extra precaution would be needed to remove any metal shavings that fall into the tank and a diver and/or raft would be needed if installed with a full tank. This system is designed to achieve 50% reduction of THM levels entering the tank during peak THM season. This alternative is a feasible solution to reduce THMs in the water system and ensure compliance with NYSDOH limits.

Selection of an Alternative: The engineer has chosen Alternative 1 based on cost effectiveness, ease of installation, and a higher reduction of THMs for the untreated water entering the tank. This alternative consists of a floating spray aeration system that sits within the existing tank and ventilation system mounted to the tank ceiling. The spray aerator consists of a submersible pump with a low center of gravity, ceiling suspended pendulum weights, and an adjustable intake hose. As THMs enter the tank, the self-adjusting intake hose ensure that the entire water column is being treated. The floating spray aeration system volatilizes THMs into the tank headspace and then the tank-mounted ventilation blower allows the THMs to leave the tank. This system is designed to achieve 50-60% THM reduction in untreated water entering the tank, when starting THM levels exceed 60 ug/L, and temperatures exceed 60 degrees Fahrenheit. The GridBee™ system requires no infrastructure changes and allows the tank to remain in service during installation and does not require regular maintenance. Additionally, automated flushing hydrants will be installed to ensure optimal water quality from the tank to the distribution system. A chlorine analyzer will also continuously monitor free and residual chlorine in the system to reduce routine maintenance time, allow for programmable alerts and real-time results.

Comments:

5. Please confirm if the O&M cost for each alternative are the same. If not, then a Life Cycle Cost Analysis (LCCA) should be done.
6. Please confirm if there are any other issues in the water system that should be addressed by a capital improvements project.

Proposed Project: The total estimated construction cost of the system is \$198,000 which includes \$146,500 (74%) for construction, \$29,350 (15%) for Engineering/Legal/Administration Costs, and \$22,000 (11%) for contingency. The estimated annual commodity charge (cost to purchase water and O&M) is \$939.16 per year per EDU based on assumed financing terms and rates. The estimate is based on 2022 construction costs and looks reasonable. The engineer notes there are no specific short lived asset costs (SLA) for the system, which I agree is expected for this type of system.

Comments:

7. Please clarify the total annual O&M costs. On page 15 of the PER the annual O&M cost per EDU as \$255.51 (\$190.40 + \$65.11), or a total of \$20,185 for 79 EDUs, with the project adding \$2,500. But the Form A given in the PER states that O&M is \$298,000 for the system.

Evaluation of Recommended Alternative: Multiple options were looked at and discussed, and option 1 was chosen based on cost effectiveness, ease of installation and higher reduction of THMs in the untreated water entering the tank. I concur that this option is the best method to reduce THM levels in the system to meet NYSDOH standards and remedy the current public health concerns. This choice seems reasonable, is in accordance with sound engineering practices, and meets Rural Development design policies.

Modesty of Size, Design, and Cost: The design was sized to provide maximum THM reduction in the untreated water entering the tank. This is reasonable in size. The project represents a modest approach to correct the existing water supply problems.

Recommendations: Financing this project is recommended, however clarification must be given to the above items, prior to final approval.

John T. Helgren, PE
State Engineer



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 2
290 BROADWAY
NEW YORK, NY 10007-1866

April 24, 2023

Via Electronic Mail To: supervisor@townofbristol.org

Robert Green, Supervisor
Bristol Town Offices
6470 County Rd 32
Canandaigua, NY 14424

Re: In the Matter of: Bristol Water District #1 (PWS ID: NY3430041)
Administrative Order, Docket No. SDWA-02-2023-8048

Dear Supervisor Green:

Enclosed you will find an Administrative Order ("AO"). Among other things, the AO finds that the Town of Bristol owns and/or operates a public water system as defined by the Safe Drinking Water Act ("SDWA") and 40 C.F.R. Part 141.2, and is, therefore, subject to its requirements. The Environmental Protection Agency ("EPA") also finds that the Town's public water system failed to comply with the requirements of the Stage 2 Disinfectants and Disinfectant Byproducts Rule ("Stage 2 DBPR") by exceeding the maximum contaminant level ("MCL") for Total Trihalomethanes ("TTHM") as required by 40 C.F.R. Part 141 Subpart V.

While I expect your full compliance with this matter, I must advise that the violation of an AO may subject the violator to an administratively assessed civil penalty not to exceed \$43,678, or a court-imposed penalty not to exceed \$62,689 per day of violation.

I would like to extend an invitation to have our staff meet to review the AO, answer any questions on how to respond to the AO and provide the technical assistance you may need. If you have any questions regarding this matter, please contact Nicole Foley Kraft, Supervisor, Safe Drinking Water Act Section at (212) 637-3093 or kraft.nicole@epa.gov.

Sincerely,

Dore LaPosta, Director
Enforcement and Compliance Assurance Division

Enclosure

cc: James Fletcher, Designated Operator (jfletcher@townofcanandaigua.org)
Tina Hunt, NYSDOH (tina.hunt@health.ny.gov)
Michael Vaccaro, NYSDOH Geneva District Office, (michael.vaccaro@health.ny.gov)

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION II
290 BROADWAY
NEW YORK, NY 10007-1866**

IN THE MATTER OF:

Town of Bristol
Bristol Water District #1
6470 County Rd 32
Canandaigua, NY 14424

PWS ID No. NY3430041

Respondent.

Proceedings pursuant to Section 1414(g) of the
Safe Drinking Water Act, 42 U.S.C. Section
300g-3(g)

ADMINISTRATIVE ORDER

Docket No.

SDWA-02-2023-8048

I. STATUTORY AUTHORITY

The following FINDINGS are made and ORDER issued under the authority vested in the Administrator of the United States Environmental Protection Agency (“USEPA” or “EPA”) by Section 1414(g) of the Safe Drinking Water Act (“SDWA”), 42 U.S.C. Section 300g-3(g) (“the Act”), and duly delegated to the Director of the Enforcement and Compliance Assurance Division of Region 2.

II. FINDINGS

1. The Town of Bristol (hereinafter “Respondent”) owns and/or operates the Bristol Water District #1 “public water system,” within the meaning of Section 1401(4) of the SDWA, 42 U.S.C. §300f(4), and 40 C.F.R. §141.2, located in Canandaigua, New York.
2. Respondent is a “supplier of water” within the meaning of Section 1401(5) of the SDWA, 42 U.S.C. §300f(5), and 40 C.F.R. §141.2.
3. Respondent is a “person” within the meaning of Section 1401(12) of the SDWA, 42 U.S.C. §300f(12), and is subject to an Administrative Order (“AO”) issued under Section 1414(g)(1) of the SDWA, 42 U.S.C. §300g-3(g)(1).
4. Respondent’s public water system provides piped water for human consumption and regularly serves a population of at least 25 individuals year-round, and is therefore a “community water

system” as defined by Section 1401(15) of the SDWA, 42 U.S.C. §300f(15), and 40 C.F.R. §141.2. Respondent is therefore, subject to the requirements of Part B of the SDWA, 42 U.S.C. §300g et seq., and its implementing regulations.

5. On January 4, 2006, EPA promulgated the Stage 2 Disinfectants and Disinfection Byproducts Rule (“Stage 2 DBPR”), regulated under 40 C.F.R. Part 141, Subparts U and V, to provide for increased public health protection against the potential risks for cancer and reproductive developmental health effects associated with disinfection byproducts (“DBPs”). The Stage 2 DBPR introduces a new method for calculating compliance with the maximum contaminant levels (“MCL”) for total trihalomethanes (“TTHM”) and haloacetic acids (“HAA5”), referred to as the locational running annual average (“LRAA”).
6. The New York State Department of Health (“NYSDOH”) administers the Public Water Supply Supervision Program in New York pursuant to Section 1413 of the SDWA. The approval of primary enforcement authority from EPA to the NYSDOH was effective as of September 9, 1977. However, the NYSDOH has not yet obtained primary enforcement responsibility for the Stage 2 DBPR. Therefore, as of the date of this Order, the USEPA has primary responsibility for enforcement of the Stage 2 DBPR.
7. Based on information in the Safe Drinking Water Information System, Respondent utilizes a purchased surface water source and serves approximately 203 people, therefore, was required to begin complying with the compliance monitoring provisions of the Stage 2 DBPR beginning October 1, 2013.
8. Pursuant to 40 C.F.R. §141.621(a), Respondent is required to monitor for TTHM and HAA5. Specifically, the system is required to take individual TTHM and HAA5 samples (instead of a dual sample set) annually at the locations with the highest TTHM and HAA5 concentrations, respectively, or one location with a dual sample set per monitoring period if the highest TTHM and HAA5 concentrations occur at the same location and month. Pursuant to 40 C.F.R. §141.605 and §141.622, respectively, Respondent must identify sampling locations in its Initial Distribution System Evaluation Report and/or Subpart V Monitoring Plan.
9. Pursuant to 40 C.F.R. §141.625, systems required to routinely monitor annually must increase monitoring to dual sample sets once per quarter at all monitoring locations if a TTHM sample exceeds 0.080 mg/L or a HAA5 sample exceeds 0.060 mg/L at any location. A system may return to routine monitoring once the system has conducted increased monitoring for at least 4 consecutive quarters and the LRAA for every monitoring location is less than or equal to 0.060 mg/L for TTHM and less than or equal to 0.045 mg/L for HAA5
10. Pursuant to 40 C.F.R. §141.64(b)(2) and §141.620(d), Respondent must calculate LRAAs for TTHM and HAA5 using monitoring results collected and determine whether each LRAA exceeds the MCL. If Respondent fails to complete four consecutive quarters of monitoring, Respondent must calculate compliance with the MCL based on the average of the data available from the most recent four quarters.

11. Pursuant to 40 C.F.R. §141.629(a), systems are required to report to the State within ten (10) days following the end of any quarter in which monitoring is required. The information to be reported includes the location, date and result of each sample taken during the monitoring period.
12. Based on information provided to EPA by NYSDOH, Respondent violated the MCL for TTHMs during the 1st Quarter 2021, 4th Quarter 2021, 1st Quarter of 2022, 2nd Quarter 2022, 3rd Quarter 2022, and 4th Quarter 2022 and is therefore in violation of 40 C.F.R. §141.64(b).
13. EPA is issuing this Administrative Order to establish an enforceable schedule for Respondent to comply with the MCL requirements of 40 C.F.R. Part 141, Subpart V and the SDWA.

III. ORDER

Based on the foregoing FINDINGS, and pursuant to the authority of Section 1414(g) of the SDWA, EPA hereby ORDERS:

14. Within forty-five (45) days of the effective date of this Order, Respondent must submit a corrective action plan to achieve compliance with the MCL for TTHM. The corrective action plan must include a schedule for implementing the plan as well as interim measures to mitigate risk to consumers while the plan is being implemented.
15. Within forty-five (45) days of the effective date of this Order, Respondent must submit a list of all public water systems that Respondent sells water to or purchases water from, a copy of its approved Stage 2 DBPR monitoring plan, and copies of any operational evaluation reports prepared pursuant to 40 C.F.R. §141.626.
16. Within forty-five (45) days of the effective date of this Order, Respondent must submit to EPA copies of TTHM and HAA5 monitoring results for quarterly monitoring conducted from January 2020 through April 2023.
17. Within forty-five (45) days of the effective date of this Order, Respondent must submit documentation that all public notice requirements specified in 40 C.F.R. Part 141, Subpart Q have been completed for the 2021 and 2022 TTHM MCL violations and in the event of additional violations, continue to repeat quarterly until the violation has been resolved.
18. Respondent must continue to conduct monitoring for TTHM and HAA5 in accordance with 40 C.F.R. §141.621(a) and its approved monitoring plan. Samples shall be analyzed in accordance with 40 C.F.R. §141.621(b). Respondent must calculate the LRAAs for TTHM and HAA5 using monitoring results collected, in accordance with 40 C.F.R. §141.620(d). Specifically, Respondent must calculate compliance with the MCL based on the available data from the most recent four quarters.
19. In addition to routine reporting to the Geneva District Office, Respondent shall submit to EPA the results of the TTHM and HAA5 monitoring required by Paragraph 18 by the 10th of the

month following the end of the calendar quarter in which samples were collected in accordance with 40 C.F.R. §141.629. Respondent shall report quarterly to EPA until directed otherwise.

20. Respondent shall remain in compliance with all applicable requirements of the Stage 2 DBPR, including the TTHM and HAA5 monitoring requirements (40 C.F.R. §141.621), compliance determination requirements (40 C.F.R. §141.620), and reporting requirements (40 C.F.R. §141.629).

IV. GENERAL PROVISIONS

21. All notices, reports, or other submissions by Respondent shall contain the following certification:

“I certify, under penalty of law, that the information contained in or accompanying this submission is true, accurate and complete based upon representations as to accuracy and completeness made to me either orally or through submission of documentation by appropriate personnel with responsibility for the matters contained herein.”

22. All submissions and communication related to this Order shall be sent electronically to the following:

Nicole Foley Kraft, Supervisor
Safe Drinking Water Act Compliance Section
U.S. Environmental Protection Agency
kraft.nicole@epa.gov

and

Tina Hunt, Assistant Director
Bureau of Water Supply Protection
Center for Environmental Health
New York State Department of Health
bpwsp@health.ny.gov

and

Michael Vaccaro, Director
NYSDOH Geneva District Office
michael.vaccaro@health.ny.gov

23. Notwithstanding Respondent’s compliance with any requirement of this Order, Respondent’s failure to comply with all of the requirements of the Act and Part 141 may subject Respondent to additional enforcement action, including but not limited to judicial, administrative and equitable actions.

24. This Administrative Order shall not prohibit, prevent, or otherwise preclude EPA from taking whatever action it deems appropriate to enforce the Act in any manner and shall not prohibit, prevent, or otherwise preclude EPA from using this Order in subsequent administrative or judicial proceedings. Nothing in this Order shall constitute a waiver, suspension or modification of the requirements of the Act, or the rules and regulations promulgated there under which remain in full force and effect. Issuance of this Order is not an election by EPA to forgo any civil or criminal action otherwise authorized under the Law.
25. The Respondent may be subject to an administrative civil penalty of up to \$43,678 pursuant to Section 1414(g)(3)(B) of the Act, 42 U.S.C. §300g-3(g)(3)(B) or a civil penalty assessed by an appropriate United States District Court that exceeds \$43,678 pursuant to Section 1414(g)(3)(C) of the Act, 42 U.S.C. §300g-3(g)(3)(C). A violation of any term of this Order may also subject the Respondent to a judicial civil penalty of up to \$62,689 per day of violation pursuant to Section 1414(b) of the Act, 42 U.S.C. §300g-3(b).
26. Respondent may seek federal judicial review of the Order pursuant to Section 1448(a) of the Act, 42 U.S.C. §300j-7(a).
27. This Order does not relieve Respondent of any responsibilities or liabilities established pursuant to any applicable federal, State or local law.
28. This Administrative Order shall take effect upon the signature of the Director, Enforcement and Compliance Assurance Division.

ORDERED, this 24th day of April, 2023.

Dore LaPosta, Director
Enforcement and Compliance Assurance Division
United States Environmental Protection Agency
Region 2
290 Broadway
New York, NY 10007-1866

IN THE MATTER OF:
Bristol Water District #1 Water District
PWS ID: NY3430041
Docket Number: SDWA-02-2023-8048

INTERMUNICIPAL COOPERATION AGREEMENT

This Intermunicipal Cooperation Agreement dated as of Feb 8th, 2006⁷ (the "Agreement") is made between the **Town of Canandaigua**, on behalf of the Canandaigua-Bristol Water District, hereinafter "Canandaigua", a Municipal Corporation, established under the laws of the State of New York, located in the County of Ontario and State of New York, with the principal place of business at 5440 Routes 5 & 20 West, Canandaigua, NY 14424, and the **Town of Bristol**, on behalf of the Bristol Water District No. 1, hereinafter "Bristol", a Municipal Corporation, established under the laws of the State of New York, located in the County of Ontario and State of New York, with the principal place of business at 6740 County Road #32, Canandaigua, NY 14424, and

WHEREAS, Canandaigua and Bristol, hereinafter collectively the "Towns", have been actively pursuing the construction of a joint water project to serve certain residents of the Towns that have experienced poor water quality and deficient water quantity; and

WHEREAS, the joint water project includes portions of Canandaigua and Bristol and necessarily required that a new water district be formed in Bristol to be known as the "Bristol Water District No. 1", hereinafter the "district", and that a new water district be formed in Canandaigua to be known as the "Canandaigua-Bristol Water District", hereinafter the "district", and

WHEREAS, it is the intent of the Towns that there shall be full and complete cooperation between the Towns by and through the respective districts, and by and through the Town Boards, in respect to the acquisition, construction, and operation of the joint water project; and

WHEREAS, this Agreement is being entered into by the Towns pursuant to Article 5-G of the General Municipal Law, in furtherance of intermunicipal cooperation whereby the Towns intend to clearly set forth the respective rights and obligations of each Town through their districts, including the financing of the construction of the aforesaid joint water project, and other improvements that may be required in the future;

NOW, THEREFORE, in consideration of the mutual covenants and terms set forth herein, the Towns agree on behalf of their respective districts, as follows:

ARTICLE I CONSTRUCTION AND FINANCING OF THE JOINT WATER PROJECT

The Towns agree to pay for the cost of the construction of the joint water project, as set forth in a map, plan and report, prepared by MRB Group, as revised in October of 2006 and being MRB Group project no. 030177, entitled "Engineering Report: Canandaigua-Bristol Joint Water Project, Canandaigua-Bristol Water District in the Town of Canandaigua and Bristol Water District No. 1 in the Town of Bristol," hereinafter referred to as the "Engineering Report".

The construction and acquisition of the joint water project, including pipes and all associated appurtenances and incidental equipment are more specifically identified in the Engineering Report and the same is incorporated as if set forth fully herein.

The costs of the construction of the joint water project, including the annual debt service on any bonds issued to finance the same, or on any loan entered into, and the cost of operation and maintenance, shall be apportioned annually between the Towns to insure that the annual estimated cost to the typical property within the joint water project, and the annual estimated cost to the typical one or two family home, will be \$802.00. The apportionment set forth herein shall be determined annually at a joint meeting of the Towns to be held not later than October 15th of each year.

Any bonds issued to finance the joint water project shall be the joint and several obligations of the Towns, hereinafter "obligations", provided that the maximum liability of each Town shall not exceed its proportionate share of the costs of the joint water project as set forth in the Engineering Report, or as otherwise determined by the Towns from time to time. The obligations shall be repaid by special assessments collected from those properties within the joint water project. Bristol and Canandaigua agree to assess the special districts herein identified, as necessary, to collect each Town's proportionate share of the debt service, operation, and maintenance.

The Towns agree that either or both Towns, and/or their agents or representatives, may make application for grants and loans to pay for the capital costs of the water distribution system, if any. The Towns agree to jointly receive and administer all grants and loans, if any.

Canandaigua and Bristol agree to acquire lands and/or rights of way within their boundaries in order to construct the water distribution system, if necessary. Canandaigua and Bristol agree that all rights granted to either Town will also be conferred upon the other Town.

The Town Boards of the Towns shall make all necessary purchases of materials and equipment necessary to fulfill the purposes of the joint water project and shall make such contracts as are necessary from time to time. The Towns elect to delegate the right of purchase to the Water Superintendent of the Canandaigua-Bristol Water District. Bristol shall obtain from the City of Canandaigua any approvals necessary for Bristol to purchase water from the City of Canandaigua.

ARTICLE II OWNERSHIP OF IMPROVEMENTS

Canandaigua will own all the water infrastructure improvements located within its boundaries, and Bristol will own all the water infrastructure improvements located within its boundaries. Neither Town shall interfere with the operation, maintenance and enjoyment of the joint water project by the other and neither Town shall perform any act that shall interfere with the operation, maintenance and enjoyment of the joint water project by the other Town.

ARTICLE III ADMINISTRATION

The Towns agree that the Canandaigua-Bristol Water District shall be responsible for the operation and maintenance of the joint water project except as otherwise contracted by separate agreement. The Towns agree that the Town of Canandaigua shall be primarily charged with the day-to-day administration of the joint water project including the billing, receipt of payments, and the like. Each town, however, agrees that employees of the Towns will be permitted to perform repairs and maintenance as needed from time to time. The cost of such repairs and maintenance within the joint water project shall be borne proportionately by all properties in the same proportion as debt service is allocated.

The expense of the maintenance of the joint water project and the expense of the interest on, and amortization of, indebtedness which has been or shall be incurred for capital improvements or other purposes of the joint water project authorized pursuant to Local Finance Law shall be apportioned and assessed upon the full valuation of real property within the joint water project in accordance with the apportionment methodology described previously herein. The Canandaigua-Bristol Water District shall annually prepare detailed estimates in writing of the anticipated revenues and expenditures for the joint water project for the purpose of determining the amount of money required to meet the expense of the indebtedness of the joint water project and the expense of maintaining the same for the fiscal year commencing on the first day of January next succeeding. The Canandaigua-Bristol Water District shall provide to Bristol all figures needed for Bristol to prepare its assessment roll for the district. The allocation of debt service shall be apportioned between the districts, but each Town may at its discretion, add additional fees or administrative charges in order to defray expenses solely incurred by its respective district. Each October, the Canandaigua-Bristol Water District shall prepare an invoice listing the charges for complying with the requirements of this section. Said invoice shall be submitted to Bristol for payment of its proportionate amount within thirty (30) days of receipt thereof. The Canandaigua-Bristol Water District shall prepare all quarterly water invoices for the entire joint water project.

Each district shall cause unpaid water charges imposed on behalf of each district to be enforced and levied by the County of Ontario as provided by law.

Each Town shall adopt, from time to time, ordinances, rules and regulations for the operation of its special district and the use of the joint water project therein, and enforce compliance with such ordinances, rules and regulations. Each Town agrees to adopt ordinances, rules and regulations that provide, at the minimum, the same rules and regulations as adopted by the other Town. Each Town agrees to enforce compliance with such ordinances, rules and regulations, and, moreover, agrees to do so upon notification from the other Town of a violation.

All Permits for connection into the joint water project shall be issued by the Canandaigua-Bristol Water District. The Canandaigua-Bristol Water District will perform all necessary inspections of water laterals connecting to the joint water project.

ARTICLE IV OPERATIONAL CONTROL

Bristol agrees that any future extension of the Bristol Water District No.1 shall be subject to approval from Canandaigua. Such approval may not be unreasonably withheld.

Canandaigua and Bristol agree that any future extension of the Canandaigua-Bristol Water District shall be subject to approval from Bristol. Such approval may not be unreasonably withheld.

Each Town, its employees or representatives shall, at any time, be able to inspect all components of the water infrastructure within the joint water project, and in the event of an emergency, or in order to insure the continued service of the joint water project, each Town may take all reasonable steps for such purposes.

**ARTICLE V
RESPONSIBILITY FOR DAMAGES AND CLAIMS**

In the event any liability is assessed against either of the parties to this Agreement by any third-party arising out of the operation, repair, maintenance or construction of the water System, each district shall be liable for its own defense and payment of such claims.

**ARTICLE VI
ADDITIONAL ASSURANCES**

The parties agree to enter into such additional agreements as may become necessary to fully effectuate the provisions of this Agreement and to provide for the mutual protection of all parties hereto.

**ARTICLE VII
MERGER CLAUSE AND MODIFICATIONS**

This agreement contains the entire agreement between the Towns, and any agreements hereafter made between the Towns shall be ineffective to change this Agreement, unless such Agreement is signed by the authorized representatives of each Town.

**ARTICLE VIII
COMPLIANCE WITH LAWS**

The parties shall comply with all Federal, State and Local Statutes, rules, regulations, orders and ordinances applicable to the performance of this Agreement.

**ARTICLE IX
TERM OF AGREEMENT**

The term of this Agreement shall be the term of the Obligations issued by the Towns for the infrastructure improvements and in no instance longer than permitted by law. The Towns may continue or renew this agreement and contract to provide for the continuous operation of the joint water project notwithstanding the automatic expiration contained herein.

**ARTICLE X
ARBITRATION**

Any controversy, claim, or cause of action arising out of or relating to this contract, or the breach of this Agreement, may be submitted to, and decided by arbitration, which arbitration shall be conducted in the County of Ontario and be administered by the American Arbitration Association in accordance with its then current commercial arbitration rules (or in accordance with such other procedures, if any, as the parties to this Agreement may mutually agree upon in writing). The decision in such arbitration shall not be final, non-appealable and binding on the parties unless agreed to by the Towns. In the event that any controversy, claim or cause of action arising out of or in relation to this contract is brought in any court by any party to this agreement, all costs and expenses (including, without limitation, reasonable attorney's fees and disbursements) paid or incurred by the prevailing party in such action shall be paid by the other party to the action.

IN WITNESS WHEREOF, each party has caused this Agreement to be signed by it's duly authorized officer on the day first above written.

TOWN OF CANANDAIGUA, on behalf of
the Canandaigua-Bristol Water District

By: Lloyd F. Kinnear
Lloyd F. Kinnear, Town Supervisor

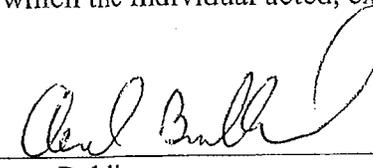
TOWN OF BRISTOL on behalf of the
Bristol Water District No. 1

By: Wayne F. Houseman
Wayne F. Houseman
Town Supervisor

STATE OF NEW YORK)
COUNTY OF ONTARIO) SS.

On the 8 day of February in the year 2007, before me, the undersigned personally appeared Lloyd F. Kinnear personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

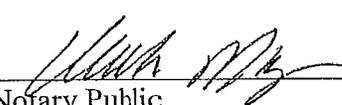
DEREK G. BROCKLEBANK
Notary Public, State of New York
Ontario County Reg. #02BR6003344
Commission Expires 03/02/20 10



Notary Public

STATE OF NEW YORK)
COUNTY OF ONTARIO) SS.

On the 31 day of Dec in the year 2006, before me, the undersigned personally appeared Wayne F. Houseman personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

WILLIAM R. KENYON
Notary Public, State of New York
Ontario County 01KE7239425
My Commission Expires 5/2/10

1

INTERMUNICIPAL COOPERATION AGREEMENT

This Intermunicipal Cooperation Agreement dated as of Nov 21, 2006 (the "Agreement") is made between the **Town of Canandaigua**, on behalf of the Canandaigua-Bristol Water District, hereinafter "Canandaigua", a Municipal Corporation, established under the laws of the State of New York, located in the County of Ontario and State of New York, with the principal place of business at 5440 Routes 5 & 20 West, Canandaigua, NY 14424, and the **Town of Bristol**, on behalf of the Bristol Water District No. 1, hereinafter "Bristol", a Municipal Corporation, established under the laws of the State of New York, located in the County of Ontario and State of New York, with the principal place of business at 6740 County Road #32, Canandaigua, NY 14424, and

WHEREAS, Canandaigua and Bristol, hereinafter collectively the "Towns", have been actively pursuing the construction of a joint water project to serve certain residents of the Towns that have experienced poor water quality and deficient water quantity; and

WHEREAS, the joint water project includes portions of Canandaigua and Bristol and necessarily required that a new water district be formed in Bristol to be known as the "Bristol Water District No. 1", hereinafter the "district", and that a new water district be formed in Canandaigua to be known as the "Canandaigua-Bristol Water District", hereinafter the "district", and

WHEREAS, it is the intent of the Towns that there shall be full and complete cooperation between the Towns by and through the respective districts, and by and through the Town Boards, in respect to the acquisition, construction, and operation of the joint water project; and

WHEREAS, this Agreement is being entered into by the Towns pursuant to Article 5-G of the General Municipal Law, in furtherance of intermunicipal cooperation whereby the Towns intend to clearly set forth the respective rights and obligations of each Town through their districts, including the financing of the construction of the aforesaid joint water project, and other improvements that may be required in the future;

NOW, THEREFORE, in consideration of the mutual covenants and terms set forth herein, the Towns agree on behalf of their respective districts, as follows:

**ARTICLE I
CONSTRUCTION AND FINANCING OF
THE JOINT WATER PROJECT**

The Towns agree to pay for the cost of the construction of the joint water project, as set forth in a map, plan and report, prepared by MRB Group, as revised in October of 2006 and being MRB Group project no. 030177, entitled "Engineering Report: Canandaigua-Bristol Joint Water Project, Canandaigua-Bristol Water District in the Town of Canandaigua and Bristol Water District No. 1 in the Town of Bristol," hereinafter referred to as the "Engineering Report".

The construction and acquisition of the joint water project, including pipes and all associated appurtenances and incidental equipment are more specifically identified in the Engineering Report and the same is incorporated as if set forth fully herein.

The costs of the construction of the joint water project, including the annual debt service on any bonds issued to finance the same, or on any loan entered into, and the cost of operation and maintenance, shall be apportioned annually between the Towns to insure that the annual estimated cost to the typical property within the joint water project, and the annual estimated cost to the typical one or two family home, will be \$802.00. The apportionment set forth herein shall be determined annually at a joint meeting of the Towns to be held not later than November of each year.

Any bonds issued to finance the joint water project shall be the joint and several obligations of the Towns, hereinafter "obligations", provided that the maximum liability of each Town shall not exceed its proportionate share of the costs of the joint water project as set forth in the Engineering Report, or as otherwise determined by the Towns from time to time. The obligations shall be repaid by special assessments collected from those properties within the joint water project. Bristol and Canandaigua agree to assess the special districts herein identified, as necessary, to collect each Town's proportionate share of the debt service, operation, and maintenance.

The Towns agree that either or both Towns, and/or their agents or representatives, may make application for grants and loans to pay for the capital costs of the water distribution system, if any. The Towns agree to jointly receive and administer all grants and loans, if any.

Canandaigua and Bristol agree to acquire lands and/or rights of way within their boundaries in order to construct the water distribution system, if necessary. Canandaigua and Bristol agree that all rights granted to either Town will also be conferred upon the other Town.

The Town Boards of the Towns shall make all necessary purchases of materials and equipment necessary to fulfill the purposes of the joint water project and shall make such contracts as are necessary from time to time. The Towns elect to delegate the right of purchase to the Water Superintendent of the Canandaigua-Bristol Water District. Bristol shall obtain from the City of Canandaigua any approvals necessary for Bristol to purchase water from the City of Canandaigua.

ARTICLE II OWNERSHIP OF IMPROVEMENTS

Canandaigua will own all the water infrastructure improvements located within its boundaries, and Bristol will own all the water infrastructure improvements located within its boundaries. Neither Town shall interfere with the operation, maintenance and enjoyment of the joint water project by the other and neither Town shall perform any act that shall interfere with the operation, maintenance and enjoyment of the joint water project by the other Town.

ARTICLE III ADMINISTRATION

The Towns agree that the Canandaigua-Bristol Water District shall be responsible for the operation and maintenance of the joint water project except as otherwise contracted by separate agreement. Each town, however, agrees that employees of the Towns will be permitted to perform repairs and maintenance as needed from time to time. The cost of such repairs and maintenance within the joint water project shall be borne proportionately by all properties in the same proportion as debt service is allocated.

The expense of the maintenance of the joint water project and the expense of the interest on, and amortization of, indebtedness which has been or shall be incurred for capital improvements or other purposes of the joint water project authorized pursuant to Local Finance Law shall be apportioned and assessed upon the full valuation of real property within the joint water project in accordance with the apportionment methodology described previously herein. The Canandaigua-Bristol Water District shall annually prepare detailed estimates in writing of the anticipated revenues and expenditures for the joint water project for the purpose of determining the amount of money required to meet the expense of the indebtedness of the joint water project and the expense of maintaining the same for the fiscal year commencing on the first day of January next succeeding. The Canandaigua-Bristol Water District shall provide to Bristol all figures needed for Bristol to prepare its assessment roll for the district. The allocation of debt service shall be apportioned between the districts, but each Town may at its discretion, add additional fees or administrative charges in order to defray expenses solely incurred by its respective district. Each January, the Canandaigua-Bristol Water District shall prepare an invoice listing the charges for complying with the requirements of this section. Said invoice shall be submitted to Bristol for payment of its proportionate amount within thirty (30) days of receipt thereof. The Canandaigua-Bristol Water District shall prepare all quarterly water invoices for the entire joint water project.

Each district shall cause unpaid water charges imposed on behalf of each district to be enforced and levied by the County of Ontario as provided by law.

Each Town shall adopt, from time to time, ordinances, rules and regulations for the operation of its special district and the use of the joint water project therein, and enforce compliance with such ordinances, rules and regulations. Each Town agrees to adopt ordinances, rules and regulations that provide, at the minimum, the same rules and regulations as adopted by the other Town. Each Town agrees to enforce compliance with such ordinances, rules and regulations, and, moreover, agrees to do so upon notification from the other Town of a violation.

All Permits for connection into the joint water project shall be issued by the Canandaigua-Bristol Water District. The Canandaigua-Bristol Water District will perform all necessary inspections of water laterals connecting to the joint water project.

ARTICLE IV OPERATIONAL CONTROL

Bristol agrees that any future extension of the Bristol Water District No.1 shall be subject to approval from Canandaigua. Such approval may not be unreasonably withheld.

Canandaigua and Bristol agree that any future extension of the Canandaigua-Bristol Water District shall be subject to approval from Bristol. Such approval may not be unreasonably withheld.

Each Town, its employees or representatives shall, at any time, be able to inspect all components of the water infrastructure within the joint water project, and in the event of an emergency, or in order to insure the continued service of the joint water project, each Town may take all reasonable steps for such purposes.

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RESPONSIBILITY FOR DAMAGES AND CLAIMS**

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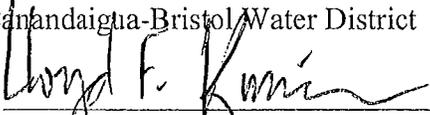
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ARBITRATION**

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IN WITNESS WHEREOF, each party has caused this Agreement to be signed by it's duly authorized officer on the day first above written.

TOWN OF CANANDAIGUA, on behalf of
the Canandaigua-Bristol Water District

By: 
Lloyd F. Kinnear, Town Supervisor

TOWN OF BRISTOL on behalf of the
Bristol Water District No. 1

By: 
Wayne R. Houseman
Town Supervisor