

Meeting notes of the Jerusalem Town Board, Village of Penn Yan Trustees and Municipal Utilities Board held on January 25, 2010 at 1:30 P.M. at the Village Hall, Elm Street, Penn Yan. PRESENT were: Supervisor Jones, Councilman Stewart, Town Engineer Ackart, Town Clerk McMichael.

Excused: Councilpersons Folts, Parson, Simmons.

Village Trustees: Doug Marchionda, Jr., Willie Allison, Nancy L. Taylor, Bob Church, Bob Hoban, Rich Stewart, Treasurer Shawna Wilber.

Village MUB: Dan Banach, R. Bruce LeClaire, David Payne, Jerry Nissen, Richard Osgood, Brent Bodine, Robert Elliott, Secretary Karen Fox.

Guests: Bob Morse, Milo Councilman Arnie Sorensen

Mayor Marchionda presided. The meeting was opened with the pledge to the Flag.

Mayor Marchionda thanked everyone for attending this meeting. Given the recent law suit regarding the Sewer District Ext. #2 contract between the Village and the Town of Jerusalem, the Mayor stated our focus will be on the future in hopes of moving forward on this matter and improving communications between the Village and the Town.

While the attendees agreed they want to see discussions continue among the parties, several Village representatives voiced their disappointment that Jerusalem did not have a quorum of Town Board members present. The meeting proceeded with the intention that all members try to attend future meetings.

Supervisor Jones requested the discussion materials be in writing to eliminate further potential misconceptions during these discussions. Mr. French disagreed stating that meeting face to face is the way it used to be done and this is just dialogue. The Village and Jerusalem have not met face to face since November 29, 2005, because of the active lawsuit which prevented these discussions until last week when it went to court. There is still one item pending related to the 31% of the sewer plant expenses being paid by Jerusalem to the Village.

Mr. French then presented (verbally) the following. Note: This was made without copy and is not intended to be a transcript:

Mr. French presented an overview of the various contracts, noting they can be difficult to understand. He pointed out the contract

signed in 1967 included the 205,000 gallon/day ceiling that permeates through the current 2002 contract.

1966 Sewer District formed. Jerusalem would send sewage to Penn Yan for treatment.

1967 Contract signed. Terms included:

205,000 gallons/day ceiling with 1.5% penalty on overage.
2%/month penalty for non-payment
Town pays 1.5 times Village residential rate

Jerusalem was to start their infrastructure and then the contract would be tweaked as we went forward.

1970 Contract - terms carried forward.

1975 Contract - terms carried forward.

In 1995, Department of Health environmental issues needed to be dealt with. The Town undertook various obligations to ensure the sewage plant was compliant.

1995 Contract - The maximum flow of 205,000 gallons/day is computed on a monthly average basis. Penn Yan agreed to a minimum \$150,000 payment and the Jerusalem rate of 1.5 times the Village residential rate was removed. Jerusalem's share was based on a calculated percent to be reconciled at year end. Mr. French stated sometimes the two parties met or maybe not. The 1995 contract was based on a percent to be paid by Jerusalem for their use of the sewage plant and what components would be put together to come up with commonality.

At this time, Jerusalem was also looking to expand sewer services to East Bluff Drive. The 2002 contract was appended to the 1995 contract for East Bluff Drive Sewer #2. The Village agreed to treat an extra 60,000 gallons of sewage at a cost of \$61,000.

Mr. French explained by specifying the predetermined ceiling, the parties would not have to continually renegotiate our contract.

This was the end of the summarization of Mr. French's presentation.

Supervisor Jones stated while he desired to open negotiations with the Village regarding the addendum for Sewer #2, the Village saw no reason to open negotiations. In 1996, legislation placed a 5-year statute on intermunicipal agreements. Therefore, with approval by the Jerusalem Town Board, Jerusalem ceased payment of the Sewer #2 contract in 2007 when the 5-year contract term expired.

Mr. French noted the contract terms in question were not just part of the 1995 and 2002 contracts, but dated back to 1967. He asked if anyone felt he misrepresented anything as he tried to simplify the terms of these contracts in his presentation. He pointed out numerous Village representatives sitting in this meeting today were also players in these contracts over the years as compared to the number of Jerusalem representatives that have changed over this time period.

When the question was posed asking where we go from here, it was the consensus of the group that neither party wants to incur further legal expenses. We are all here to take care of our constituents as cost effectively as possible. Mr. French suggested the Jerusalem members talk among themselves given the information received today and offered to speak with any Board member who was not able to attend today to provide them with the facts as presented. Supervisor Jones was asked to make the tape of the meeting available to the Board members. Supervisor Jones again assured everyone that all actions taken by Jerusalem related to this matter had been authorized by the Town Board.

Trustee Hoban spoke on the matter, noting that each district is a legal entity. He distributed a handout of the 2008-2009 budget to actual expenses showing how the Jerusalem sewage treatment bill is calculated.

Supervisor Jones personally delivered a check to the Village in the amount of \$150,466.51 as payment to cover the Sewer #2 judgment.

Clerk/Treasurer Wilber stated she is able to provide an explanation of the calculations used in these contracts and understands where the numbers come from. She provided information to the Town's Financial Consultant shortly after assuming her position with the Village and did not have this understanding at that time.

Jerusalem representatives were queried as to their opinion of the validity of Mr. French's presentation and generally indicated that the historical retrospection was useful. Supervisor Jones stated he was not familiar with the 1967, 1970 and 1975 contracts.

KPSW Clerk Carrie Wheeler and Clerk/Treasurer Wilber will be the conduit to schedule future meetings.

The meeting was adjourned at 2:45 P.M.

Sheila McMichael, Town Clerk