Genesee County
Public Water Supply Program

A Case Study for the
Shared Municipal Services Technical Assistance Project of the
New York State Department of State and the
Albany Law School Government Law Center

November 2007

Prepared by
The Regional Institute
University at Buffalo, The State University of New York
The Genesee County Public Water Supply Program is an ongoing effort to create a countywide water supply and distribution system for Genesee County in Western New York. Since its beginning in the late 1990s, the project has been a collaborative effort between the county, public water authorities in three adjacent counties, and participating municipalities, making it an example of both countywide and regional infrastructure sharing. Instigated and propelled by concerns that water supply and water quality problems would endanger public health, economic development, and municipal fiscal conditions in Genesee County, the project has enjoyed widespread support from both the public and private sectors. Concerns that water improvements would enable rapid urban sprawl and compromise the county’s prime agricultural land resulted in an important complementary effort—the Genesee County Smart Growth Plan—to regulate access to the water system in rural areas.

1. Community Identifiers

1. For "lead" municipality (listed first) and each participating municipality, the name and type of municipality (e.g. County of Albany; City of Schenectady; Town of Hempstead; Village of Scotia; Colonie Central School District);

<table>
<thead>
<tr>
<th>Participating Municipality</th>
<th>Type of Municipality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Genesee</td>
<td>County</td>
</tr>
<tr>
<td>Batavia</td>
<td>City</td>
</tr>
<tr>
<td>Batavia</td>
<td>Town</td>
</tr>
<tr>
<td>Bergen</td>
<td>Town</td>
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<tr>
<td>Byron</td>
<td>Town</td>
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<tr>
<td>Darien</td>
<td>Town</td>
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<td>Le Roy</td>
<td>Town</td>
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<tr>
<td>Oakfield</td>
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<tr>
<td>Pavilion</td>
<td>Town</td>
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<tr>
<td>Pembroke</td>
<td>Town</td>
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<tr>
<td>Stafford</td>
<td>Town</td>
</tr>
<tr>
<td>Corfu</td>
<td>Village</td>
</tr>
<tr>
<td>Le Roy</td>
<td>Village</td>
</tr>
<tr>
<td>Oakfield</td>
<td>Village</td>
</tr>
</tbody>
</table>

2. Most recent U.S. Census population and land area of each participating municipality;

<table>
<thead>
<tr>
<th>Participating Municipality</th>
<th>2000 Census Population</th>
<th>Land Area (sq. miles)</th>
</tr>
</thead>
<tbody>
<tr>
<td>County of Genesee</td>
<td>60,370</td>
<td>494.1</td>
</tr>
<tr>
<td>City of Batavia</td>
<td>16,256</td>
<td>5.2</td>
</tr>
<tr>
<td>Town of Batavia</td>
<td>5,915</td>
<td>48.4</td>
</tr>
<tr>
<td>Town of Bergen</td>
<td>3,182</td>
<td>27.6</td>
</tr>
<tr>
<td>Town of Byron</td>
<td>2,493</td>
<td>32.2</td>
</tr>
<tr>
<td>Town of Darien</td>
<td>3,061</td>
<td>47.5</td>
</tr>
<tr>
<td>Town of Le Roy</td>
<td>7,790</td>
<td>42.2</td>
</tr>
<tr>
<td>Town of Oakfield</td>
<td>3,203</td>
<td>23.5</td>
</tr>
</tbody>
</table>
Town of Pavilion  
2,467  
35.6
Town of Pembroke  
4,530  
41.7
Town of Stafford  
2,409  
31.3
Village of Corfu  
795  
1.0
Village of Le Roy  
4,462  
2.7
Village of Oakfield  
1,805  
0.7

**Genesee County Jurisdictions**

Source: Regional Knowledge Network, University at Buffalo Regional Institute

3. Fiscal metrics for each participating municipality taken from the Comptroller’s local government data base for the most recent year available, including, but not limited to:

- Total taxable assessed and full value of real property;
- Total tax levy;
- Total debt outstanding;
- Total revenues, with total state aid shown separately;
- Total expenditures, with total debt service shown separately; and
- Total expenditures for the functional area involved (e.g. transportation, health, police, fire, etc.)

*SEE APPENDIX D*
4. People involved in the case study should be identified and interviewed. This should include, but not be limited to the chief elected official of the municipalities involved, department heads and appropriate employees, municipal attorneys or attorneys hired by the municipality(s), other local officials, representatives from advocacy groups and the media, and others who may have played a critical role. (Please include their contact information in Appendix A).

Jay A. Gsell, County Manager, Genesee County
James L. Vincent, Chairman, Genesee County Water Resources Agency
Timothy Hens, Superintendent of Highways, Genesee County
James Duval, Director of Planning, Genesee County

Archived articles from The Buffalo News, 1993-2007, contributed background and context for this case study, as did the planning and legal documents listed in Appendix B.

5. Outside agencies or individuals that provided technical assistance help should also be identified, and if appropriate, contacted to ascertain the nature and extent of assistance rendered. (Please include their contact information in Appendix A).

Philip Clark, President, Clark Patterson Associates
Steven Gould, Director of Engineering, Monroe County Water Authority

2. Background on the Issue Addressed

1. Provide a clear description of the issue being addressed, and where the impetus for the project came from. Include, if available, community discussion from newspaper articles, letters to the editor, correspondence with elected officials, etc.

Throughout the 1990s, communities in Genesee County grew increasingly concerned about their public water supplies and the potential repercussions that poor water quality and unreliable water sources might have on public health and economic development. Though located only twenty miles from Lakes Erie and Ontario, municipal wells and the Tonawanda Creek watershed had long been sufficient for the public water systems in the landlocked county. By the 1990s, however, a number of factors converged to make these traditional water arrangements unsustainable for many communities.

Pollution was a growing concern, especially in Oakfield—threatened by seepage from the Batavia Landfill Superfund site—and areas with significant agricultural runoff. In other places, economic development was both straining and being constrained by local water supplies, most notably in Corfu and Darien where the Darien Lake Theme Park was a key economic driver. Water limitations inhibited the theme park’s growth—two to three 70,000 gallon water tankers were supplementing the park’s supply on most summer days—as well as development at industrial parks and properties located near the county’s New York State Thruway exits. Aging infrastructure was also a concern in several places, including the City of Batavia, where a circa-1917 water filtration plant was in need of major renovations, and for small community systems that were increasingly unable to consistently deliver potable water.

These instigating factors, along with a very dry summer in 1991 that sparked water shortages across the county, generated discussions about alternatives to the existing water supply and distribution systems within the county. In 1993, the county legislature looked westward and commissioned the Erie County Water Authority (ECWA) to study the feasibility of furnishing western Genesee County with ECWA water from Lake Erie, a prospect of particular interest to the Darien Lake Theme Park and the New York State Thruway Authority, which was then importing water to a new Thruway rest stop in Pembroke because drilling for on-site wells had failed. In 1994, ECWA outlined a $30 million plan requiring the enlargement of water mains and a new pumping station in Erie County and 43.5 miles of new water lines in Genesee County. Opposition from communities on the eastern edge of Erie County, who feared water shortages of their own under an Erie-Genesee arrangement, put the plan on hold.
The need for change was given momentum in 1997 when the county's new comprehensive plan designated high-quality public water as the county's top priority, after which the county legislature commissioned a report to examine the county's future water needs. When the report—prepared by a consortium of engineers from the University at Buffalo, Syracuse University and Cornell University—was released in May 1998, it called for the development of a countywide water system. Though the report did not suggest a particular water source for the system, it outlined Lakes Erie and Ontario, as well as the expansion of systems in Batavia and Le Roy, as possibilities. By August 1998, the legislature's newly established Public Water Supply Task Force had reviewed the report and the feasibility of numerous options and unanimously recommended a countywide water system linked to the Monroe County Water Authority (MCWA), which would also play a leading role in financing and developing the system.

In December 1998, the county legislature created the Genesee County Water Resources Agency—a recommendation of the task force—to coordinate and oversee the project's components, including completion of an Environmental Impact Statement (EIS) and engineering studies (prepared by Clark Patterson Associates of Rochester), construction contracts, and agreements with the Monroe County Water Authority and municipalities interested in joining the system. When released in 1999, the EIS outlined a $54 million two-phase project and by May 2000, the formal agreement between the county and MCWA was approved. Over the following 2-3 years, the county and MCWA signed additional agreements with individual municipalities (1 city, 9 towns, 3 villages), as well two adjacent water authorities (in Erie and Livingston counties) and the Thruway Authority.

An important complement to the countywide water system from the beginning was concern over the prospect of uncontrolled sprawl if access to water was greatly expanded. These concerns were chiefly aired by the county's agricultural interests—representing a considerable share of the county's economic output—and the project's EIS highlighted the potential for sprawl as the primary environmental impact of the water system. Consequently, the Genesee County Smart Growth Plan was developed and adopted in May 2001. The plan designates “development areas” within the county, mainly around the city, villages and hamlets. Outside of those areas, hookups to the water system for non-agricultural uses are restricted.

2. What is the legal foundation? Were there any lawsuits involved in the issue being addressed, local resolutions passed or intergovernmental agreements entered into? (Copies of all legal documents should be obtained and listed on Appendix B – List of Legal Documents)

The complex legal underpinnings of the Genesee County Public Water Supply Program fell into place over a five year period, starting with a resolution by the county legislature to create the Genesee County Water Resources Agency in December 1998. The resolution vested the agency with the responsibility of coordinating the system's planning and design, advising the legislature, contracting for engineering and other services (within budgetary parameters set by the legislature), and assisting with the development of intermunicipal agreements, among other duties. Shortly after the Agency's creation, the final Environmental Impact Statement was completed (February 1999) and approved by the legislature (March 1999), forming the blueprint for the countywide system.

Before agreements to formalize the county’s partnership with its key partner—the Monroe County Water Authority—could be finalized, MCWA had to receive legal authority to operate in Genesee County. In May 1999, the county legislature approved sending a home rule request to the state legislature to amend the state laws establishing the MCWA. The necessary amendments were included in Chapter 579 of the Laws of 1999, altering the Monroe County Water Authority Act (Public Authorities Law, Article 5T5).

With MCWA’s powers extended to Genesee County, a Water System Construction/Operation Agreement was struck in May 2000 between the County and the Authority, outlining the responsibilities of each party in the water system’s development. In 2001, MCWA entered into agreements with three other public authorities to enhance the developing system and provide service to neighbors: the Erie County Water Authority agreed to sell water to MCWA to supply western parts
of Genesee County; the Livingston County Water and Sewer Authority agreed to have MCWA supply water for a portion of the Town of Caledonia through the Genesee County system; and the New York State Thruway Authority agreed to have MCWA supply its Pembroke rest stop.

The most critical—and complicated—legal aspect of the water system’s implementation was the development and approval of intermunicipal agreements with local governments. The City of Batavia, whose participation in the water system was deemed critical to the project’s success, signed an agreement in January 2000 to lease its existing water treatment and storage facilities to the county for a term of 40 years. As part of the agreement, the county offered to re-write its sales tax distribution formula to provide more revenues to the city, which had lost much of its retail base to shopping centers in the Town of Batavia. After a series of votes by the City Council to reverse and then un-reverse its agreement with the county, an amended agreement was finally reached in April 2001. The term of the agreement was shortened from 40 years to 10 years (with renewal clauses) after it was discovered that state law prohibited such agreements from lasting more than 10 years.

As of 2007, intermunicipal agreements have been struck with 9 of the county’s 13 towns and 3 of its 6 villages. The agreements vary widely, with some places (Town of Batavia and Town and Village of Oakfield) entering into wholesale agreements to purchase water from Genesee County and MCWA and then resell to local water customers through municipal infrastructure, and most others entering into retail agreements with MCWA. Agreements with the City of Batavia and Village of Le Roy outline operational, capital, and usage issues regarding the water supply and treatment infrastructure in those places and pre-existing agreements to serve neighboring municipalities.

The intermunicipal agreements with local governments also ensure the cooperation of local governments with the implementation of the county’s Smart Growth Plan—approved in May 2001—by requiring approval from the county on all new water hookups, with approval based on a property’s location within or outside a Smart Growth Area. The County, however, offers to delegate the approval process to a local government once a municipal comprehensive plan is in place and exhibits consistency with the Smart Growth Plan.

The lone lawsuit filed in connection with the water system came from three City Council members from Batavia and one county legislator—all opponents of the county system—who argued that agreements between the county and MCWA were not legally specific. The suit withered in June 2002, after nearly two years in the courts, when the State Court of Appeals refused to hear an appeal.

3. What were the arguments raised, both pro and con, in discussing the issue? Specifically look for policy, legal, fiscal, collective bargaining, political and emotional issues. Also, were there differences in organizational culture at play?

Policy/Governance

Pros

- **Economic Development:** An inadequate and uncertain water supply was viewed by proponents of the system as a key stumbling block to the county’s economic development efforts, particularly at the county’s industrial parks, Thruway exits, and at Darien Lake. Existing firms were also voicing concerns over the sustainability of their operations with an uncertain water supply.
- **Public Health/Safety:** Poor water quality in some communities and concerns over polluted well water were seen as significant short and long-term threats to public health. Supporters believed a countywide system drawing lake water would achieve a higher and more consistent level of water quality. Diversity of water supply—Lake Ontario, Lake Erie, and some remaining local sources—was also seen as a strategy for securing the water supply and ensuring access if one source were disrupted.
- **Efficiency:** By establishing a countywide distribution system that tapped the excess-capacity of neighboring water suppliers, public water would be delivered more efficiently and cost-effectively than with a dozen or more local
systems.

Cons

- **Local Control**: Opponents viewed a countywide system managed by MCWA as an abdication of local control and a threat to the county’s water security. Some feared that Monroe County might decide, someday, to simply turn off the tap and leave the county dry, or hike water rates with little say from the public or their elected representatives.
- **Public Health/Safety**: Concerns were aired about the quality of water in the MCWA system and especially the quality of water being piped long distances from Lakes Ontario and Erie.
- **Sprawl**: Many considered the system a threat to the county’s agricultural economy, believing it would raise land values to a point where farming would inevitably give way to residential and commercial development. These concerns lingered, despite the development of a Smart Growth Plan to restrict water hook-ups.

Fiscal

Pros

- **Unavoidable Investments**: Many communities, especially the City of Batavia, were in a position of having to commit significant resources in coming years to refurbish aging water systems—simply to maintain service at existing levels. If these investments must eventually be made, many argued, why not do it in a coordinated fashion that minimizes redundancies and enhances the countywide level of water service?
- **Ability to Pay**: Rather than having numerous small water systems struggling to pay for local improvements, proponents saw great potential benefits in leveraging the much greater financial capacities of Genesee County and MCWA to borrow money, service debt, and compete for grants.

Cons

- **Cost**: Many residents and public officials were uncomfortable with the project’s $50 million price tag, arguing that far less costly measures could be taken to shore up existing systems.
- **Potential for Unaccountability**: There was concern that such a large project managed in partnership between the county’s Water Resources Agency and MCWA would be susceptible to waste and corruption. These fears centered on MCWA’s status as a public-benefit corporation whose board is appointed by political leaders in Monroe County.

Legal and Labor

Pros

- **Legal Logistics**: Even without a county system, there were already a series of regional water arrangements, including the Town of Darien’s water supply agreement with Akron in Erie County and agreements between the City of Batavia and adjacent water districts. If improving water service required more regionalization, a system led by the county would provide a convenient and coordinated mechanism for entering into agreements with water suppliers and establishing a regional distribution network. In its agreements with MCWA, the County would provide the legal framework within which subsequent agreements between local governments and MCWA would function.

Cons

- **Worker Status**: The City of Batavia was concerned that its existing water system employees would be laid-off in a county takeover. In the agreement between the city and county, it was agreed that city workers would be maintained to operate the Batavia system.
- **Private Property Rights**: Opponents of the county’s Smart Growth Plan claimed that restricting hook-ups to the publicly financed water system would impinge on private property rights.

Political

Pros

- **Demand for Better Water**: Many communities were clamoring for a better public water supply or for the establishment of public water to replace existing private wells. These demands were often triggered by poor water
quality or occasional water shortages.

- **Long-term Solution:** With the greater predictability of Lakes Erie and Ontario as sources of water (compared to local wells and creeks), the countywide system offered to relieve local leaders from having to confront water problems indefinitely.

**Cons**

- **Inequitable Benefits:** As was noted by the 1998 legislative task force that recommended a countywide system, the benefits of the system would not accrue evenly. Communities facing immediate water supply and quality concerns would benefit the most (in the short run), while places that faced no immediate water concerns—or did not intend to tap into the system—would not experience a noticeable improvement. Nonetheless, all county taxpayers would beshouldering the county's financial contributions to the project.

- **Local Control:** Loss of local political accountability for the project was feared, stemming from the project's management by an unelected and out-of-county entity (MCWA). Some opponents proposed the establishment of a local public-benefit corporation as a way to ensure local control.

**Emotional**

**Pros**

- **Personal and Economic Interests:** For individuals, the health of family members, the convenience of a stable water supply, and economic opportunity were all important reasons to support a countywide system.

**Cons**

- **Rochester in Charge:** Among opponents, there appeared to be a basic level of distrust toward Monroe County that existed apart from the water issue itself. This may have represented general urban/rural tensions, or the perception that Monroe County was trying to expand its regional influence at the expense of its smaller neighbor.

4. Did the local news organizations (print, broadcast) take a position editorially? If so what was the position; and if not, why not?

The Batavia Daily News, Genesee County’s daily newspaper, reported extensively on the conception and development of the county water system. Although the paper was not editorially outspoken on the issue, its general position was that a countywide system was in the best interest of more people than keeping things as they were.

Shortly after the legislative task force released its study recommending a countywide system in May 1998, The Buffalo News printed an editorial hailing the concept as an important step forward for regionalism in Western New York. In the late 1990s, a number of conferences and reports on the subject of regionalism created a great deal of media and public interest in regionalism's potential to improve governance and revitalize the economy.

**3. The Proposal to Address the Issue**

1. Describe the specific proposal(s):

The Genesee County Public Water Supply Program, as outlined in the project’s February 1999 Final Environmental Impact Statement, is an effort to integrate Genesee County with the water systems of the Monroe County Water Authority (MCWA) and the Erie County Water Authority (ECWA), while providing for the long-term operation of the Village of Le Roy’s water treatment plant and the short-term operation of the City of Batavia’s water treatment plant. The system, financed and operated by the MCWA with oversight and assistance from the Genesee County Water Resources Agency, consists of the...
following phases:

**Phase I:** Involved the construction of over 30 miles of water mains within Genesee, Erie, and Monroe Counties, as well as three pump stations, three water storage tanks, and enhancements to the Batavia’s water treatment plant. This phase commenced in the spring of 2001 and was substantially complete by the end of 2003, costing $27 million.

**Phase II:** Commenced in 2003 when MCWA reached agreement with the Village of Le Roy to operate its water system and invest $5.5 million into upgrading pumping stations, storage tanks and water mains in the Village’s system. Projected to ultimately cost in the range of $30 million, phase II will also include additional water main construction and connections to the MCWA in Chili (Monroe County) to increase the flow of MCWA water into the County and provide alternative water supplies to Batavia, whose water treatment plant will ultimately be discontinued. More water from MCWA and the laying of additional mains will also allow the system to serve the few communities that have yet to join the system.

After approval by the county legislature in 1999 (with amendments in 2000) and the completion of agreements with MCWA, ECWA and the City of Batavia in 2000-01, construction on the system began in 2001. By the end of 2001, water supply agreements were in place with most of the current customers. The plan provided Genesee County’s municipalities with four options: (1) continue to use their existing water systems and allow the county to establish a connection; (2) enter into a wholesale purchasing agreement with Genesee County and MCWA and retain administrative, distribution, and maintenance responsibilities; (3) enter into a lease agreement with MCWA, whereby MCWA operates the local system and sells water on a retail basis to local customers; or (4) remain entirely independent of the countywide system.

To fund the project’s significant capital components, a range of financial methods have been used as of 2007. The most important financial element has been the MCWA, which has borrowed $22 million to support the project. The principal and interest on those bonds are being paid primarily through a $0.60 per 1,000 gallon surcharge on the water bills of water system customers and supplemented by county appropriations. (In April 2007, a refinancing deal was reached on the MCWA bonds, saving the county $100,000 per year). Besides MCWA bonds, several grants have been used to pay for construction, including a $3 million Pipelines for Jobs grant from the state’s Environmental Facilities Corporation, a $400,000 Small Cities grant for water line reconstruction in the Town of Pembroke, and grants from the New York State Thruway Authority, the state Department of Environmental Conservation, and the U.S. Environmental Protection Agency.

From the outset, the county was eager to have as many governments sign up with the county system as possible to increase the financial viability of the entire system. As a result, the county worked with municipalities to build agreements that made financial sense to both sides—especially for places that already had viable water systems. For those local governments, the county agreed to assume all debts related to their water systems. In the Village of Le Roy, the county agreed to forego the $0.60 per 1,000 gallon surcharge in recognition of recent municipal upgrades to the system, and promised—along with MCWA—to spend millions more on further upgrades.

In the City of Batavia, negotiations over the city’s participation in the water system were protracted and tense. After a January 2000 agreement sat in limbo for more than a year (with 5-4 City Council majorities voting alternately for and against the agreement), a revised deal was approved in April 2001. The city agreed to lease its water system to the county, giving the countywide system access to the water supply, with the city purchasing water from the county on a wholesale basis. In return, the county pledged $5 million over ten years to upgrade the city’s water facilities, annual rent payments, a payment to purchase city water equipment and records, and agreed that the city would be supplied by its own water sources (rather than MCWA water) for as long as it was cost-effective. The county also hired the city and its water department to operate and maintain the city’s water infrastructure. An agreement to revise the county’s sales tax distribution formula, giving the city a fixed share of county sales tax proceeds, was also a critical part of the City-County arrangement. In addition to supplying the city, the county now uses the Batavia facilities to supply the Town of Batavia, the Town and Village of Oakfield, and parts of Pembroke. Over the next 15-20 years, the aging Batavia facilities are likely to be decommissioned, after which the city and the affected communities will be supplied with MCWA water.

2. Describe who was in favor of the proposal and why.

**Genesee County Legislature:** The legislature was strongly supportive of the countywide water system throughout its development, starting with the 1998 recommendation of a unified system by a legislative task force. Legislators moved the
project forward through 1999, 2000 and 2001 with the necessary resolutions and appropriations of funding for engineering and other preliminary work. In most cases, votes on the water system were nearly unanimous in its favor, with the exception of a lone legislator from Oakfield. The reasons for the legislature’s support are perhaps best stated in the county’s 1997 comprehensive plan, which stressed the importance of high-quality public water to the county’s future. From the legislature’s countywide vantage-point, the unified system made sense as a long-term strategic investment.

Economic Development and Business Interests: At a public hearing in September 1999, representatives of the Batavia Development Corporation (an arm of city government), the Genesee Chamber of Commerce, and the Cornell Cooperative Extension of Genesee County spoke out in favor of a countywide water system and urged the city to join it, citing the importance of clean and reliable water for existing and future businesses.

Most Local Governments: At a public hearing in April 2000—after the City of Batavia had reversed its decision to join the countywide system—the Genesee Association of Municipalities urged the city to reconsider, citing the water quality benefits to rural towns and small villages, as well as the fiscal benefits to the city. A representative from the Village of Oakfield, which had arguably the most to gain from the county water system (replacing a local water supply rife with pollution concerns), also urged the city to join the county system.

Batavia City Council (partial): In January 2000, the City Council voted 7-2 to join the countywide water system. Supporters saw the deal—involving the lease of the city water system to the county—as fiscally beneficial to the city, since it came with a revised county sales tax formula (more money for Batavia), annual rental fees from the county, and county funding for necessary upgrades to the city's water facilities. In April 2000, however, three Council members who had voted for the agreement switched their votes, giving opponents a 5-4 majority to terminate the deal. A month later, one of the vote-switchers changed their mind again, paving the way for a 5-4 vote to rejoin the county water system. (Note: The City of Batavia has a council-manager form of government and, thus, does not have a mayor).

3. Describe who was opposed to the proposal and why.

Batavia City Council (partial): The 5-member coalition that terminated the city-county water deal in April 2000 (which was reversed a month later), cited loss of local control as the basis for their opposition. In addition, they questioned the legality of the city-county contract, contrary to the opinions of the attorneys for the two entities. After the May 2000 reversal, the 3 remaining opponents on the City Council joined the project’s lone opponent in the county legislature and filed suit claiming that the County-MCWA and City-County contracts were illegal. In the case of the City-County contract, they specifically charged that approval required a 6-3 supermajority, rather than the simple majority it received. The case was dismissed in June 2002.

Scrutiny of the city-county contract did, however, lead to changes. When it was found that the proposed intermunicipal lease agreement could only last for 10 years according to state law, the existing proposal of a 40 years deal was reduced to 10 years with a renewal clause. Additionally, the county emphasized language within the agreement that gives the city control over its source of water (city sources vs. MCWA).

4. Summarize the policy, legal, fiscal, collective bargaining, political and emotional results expected from adoption of the proposal. Were changes expected in organizational culture?

Policy/Governance

- With the introduction of water from MCWA and ECWA, and the expanded distribution of water from Batavia’s water system, water service in the county would achieve a higher quality and consistency than with multiple aging systems, thereby preserving public health and safety.
- With a more reliable water supply and the extension of water mains to focal points of existing or desired economic activity, the economic development strategies of the county and local governments would be bolstered.
By integrating the new water system with a smart growth plan, the county would achieve the economic development benefits of an improved water system without the potential negative side effects of uncontrolled development in agricultural areas.

**Fiscal**

- By tapping into existing water supplies in neighboring counties and streamlining the distribution of water within Genesee County, greater cost and service efficiencies would be achieved than would be the case with other options (e.g. the county constructing its own Lake Ontario supply and treatment system, or continuing into the future with multiple aging water systems).
- By leveraging the financial capacities of MCWA and the county government to raise the necessary capital funding, local governments would be spared the ordeal of assembling resources for inevitable upgrades to their local systems. By spreading the cost of the system across a wide pool of customers, a countywide system would provide extensive upgrades to water service without crippling local budgets or causing excessively high water rates in certain municipalities.

**Legal**

- Tapping into the modern water systems of MCWA and ECWA, and upgrading existing treatment systems in Batavia and Le Roy, would ensure that water quality across the county meets federal and state health regulations.
- The numerous intermunicipal agreements would provide a smooth transition to an integrated water system by clearly outlining the responsibilities of the parties involved and establishing conditions under which all sides of the agreements benefit from the existence of a countywide system. They would also resolve potential labor questions.

**Political/Emotional**

- A successful countywide water system would provide a key example of public officials addressing a critical public issue with a solution that is both visionary and pragmatic. It would alleviate immediate concerns while eyeing long-term growth and quality-of-life.
- A countywide water system would be an important stepping stone for regional solutions to a wide range of issues. If a complicated, $50+ million countywide program can be successfully implemented, it can pave the way for far simpler—but no less important—forms of regional cooperation.
- High-quality water service would diminish initial fears about the loss of local control.

5. Describe what steps were taken, and what agreements were reached, to be able to measure results of enacting the proposal against the expectations.

- The intermunicipal agreements clearly outline the responsibility of Genesee County and MCWA to distribute water and operate and maintain water infrastructure to the satisfaction of local governments and customers. If water service is unsatisfactory, local governments can claim a breach in the agreements. Such breaches, then, would signal unmet expectations.
- Annual Water Quality Reports, as required by law, would keep track of any concerns regarding water quality.
- A water supply agreement signed between Genesee County and MCWA in August 2001 set minimum (300,000 gallons per day) and maximum (600,000 gallons per day) limits on the infusion of MCWA water into county water mains to maintain water quality. The limits were set to ensure that water does not become stagnant in the new water lines.

4. What Was Actually Done

1. Describe if the proposal(s) was adopted, modified (how) and then adopted, or rejected.

The adoption of the Genesee County Public Water Supply Program was a multi-layered process. It started with the County Legislature’s acceptance of a task force recommendation for a unified system working with the Monroe County Water
Once the Legislature and its newly established Water Resources Agency had committed to the project (with input from MCWA and local governments), it had to pursue agreements with numerous parties to make the project real, starting with the City of Batavia and MCWA—the two key water sources for the system (MCWA would later enter into agreement with the Erie County Water Authority to supply western parts of the county). The lease agreement between the city and county was negotiated throughout 2000 and early 2001, until the Batavia City Council finally affirmed an agreement that included several concessions by the county to achieve city participation (including more detailed language on funding for capital upgrades, reducing the agreement from 40 years to 10 years, giving the city control in deciding the source of its water, and seeking the city’s advice in appointing member to the Water Resources Agency).

While negotiations with individual municipalities may have evolved over time—especially with the City of Batavia—they were a natural part of an effort to achieve broad acceptance of, and participation in, the ultimate goal—a countywide water system. With Phase I and parts of Phase II complete, that goal has largely been achieved through work still remains.

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2. Obtain copies, and describe any local resolutions, contracts, shared service agreements, memoranda and any other legal actions that may have been taken. (List these documents on Appendix B – List of Legal Documents)

See attached and section 2.2

3. Provide an analysis of how the proposal’s implementation results stacked up against the expectations. If the proposal has not been in operation long enough to determine outcomes, provide the set of expectations and the progress to date in meeting the expectations.

As of 2007, no participants in the Genesee County Public Water Supply Program have withdrawn from the system or challenged its level of service. If continued participation in the program is a measure of whether or not the original expectations have been met, it would appear successful.

A truly quantifiable analysis of whether or not the system has met expectations for water quality and efficiency has not been performed—nor are there plans to perform such an analysis. Some simple measures that might be done by the county or MCWA to assess results include comparisons of the number of water quality advisories from periods before and after the completion of Phase I, and an analysis of per capita operating costs for the fragmented local systems (before) and the unified county system (after). As Phase II is only partially complete and other municipalities are likely to join the system in the future—including the towns of Alabama and Bethany, and the villages of Alexander and Elba—it may be too soon for a complex analysis.

4. Meet with one or more of the municipal attorneys involved in the drafting of documents described in #2 above to develop the legal “checklist” for this type of case.

- Determine whether the proposed shared municipal service is permissible according to Article 5G of the New York State General Municipal Law
- Examine existing municipal labor contracts to determine whether the proposed shared service would be in compliance
- Verify that the service provider can legally operate and take required actions within the proposed shared service territory (especially when the provider is a public benefit corporation)
- Ensure that the proposed shared service contract is in compliance with existing service contracts, especially for services originating in another community (e.g., water or sewer)
- Develop a legal mechanism that enables municipal partners to withdraw from the project.
- Craft a detailed enforcement mechanism through the intermunicipal agreement to protect each municipality in the event that other municipal partners do not—or cannot—pay their share of the costs.

## 5. Summarize the Lessons Learned

1. Identify and discuss what the factors were that contributed to the ultimate success or failure of the project. Of particular importance are any impediments that were identified, and how they were overcome.

   - **Critical and Common Needs**
     In the case of the Genesee County Public Water Supply Program, necessity was certainly the mother of invention. Water is one of the most fundamental public services and almost every community in Genesee County was facing an immediate or looming predicament with their water service—be it the need to truck water to Darien Lake Theme Park, the Superfund site near Oakfield’s wells, the multi-million dollar upgrades to aging systems in Batavia and Le Roy, or concerns over agricultural pollution affecting rural systems. In each case, public health, municipal fiscal health, and fear of stifled economic development converged to make a radical, regional solution possible.

   - **Strong Coordinating Force**
     From organizing the task forces that recommended a unified county system, to approving necessary resolutions, to appropriating money for preliminary work, to negotiating workable agreements with project partners, the county legislature was the force that kept the project moving forward. Although some local governments and residents were leery about losing local control, the county’s competent and steady management of the program seemed to assuage fears of a power grab, especially with its willingness to work with locals to ensure win-win outcomes. The county’s natural position as an umbrella organization for the communities involved—with all of them represented in the county legislature—was likely important in maximizing cooperation.

   - **Grasping the “Big Picture”**
     From the beginning, it was clear that the countywide water system was about more than just water. It was about making necessary, long-term investments to ensure public health and the entire county’s economic viability. By adding a Smart Growth Plan to manage access to the water system, county leader’s acknowledged the role that basic infrastructure plays in shaping communities for better or worse. In successfully framing the unified water system as something intricately connected to almost all aspects of the county’s future, proponents were able to raise the public discourse to a level that was difficult for parochial attitudes to undermine.

   - **Flexibility**
     The end goal was a countywide water system with as much participation from local governments as possible to ensure its fiscal viability. In getting there, the county was willing to negotiate with interested parties to make sure that both the municipalities and the entire system would benefit. For communities with viable water systems, the county assumed their water-related debt; for the City of Batavia, the county rewrote its sales tax distribution plan and allowed the city to determine its source of water. The process of establishing the multiple agreements required patience, but it produced a viable system that the county and the municipalities could live with.

   - **The Payoff of Thinking Bigger**
     If the county’s municipalities had decided to pursue necessary water service upgrades through their numerous separate systems, each would be in the position of trying to garner sufficient funding without breaking the local budget or overburdening local ratepayers. By combining the local upgrades into an integrated countywide system, the county was able to interest adjacent water systems with excess capacity, leverage MCWA’s borrowing power to finance much of the project, compete for large grants, and spread the cost over a large pool of customers. Thinking bigger made financing the county’s numerous water improvements much easier.
2. Discuss the expectations for results. How long until measurable results would be achieved?

By the end of Phase I (late 2003), new water mains were carrying water from Monroe County, Erie County, Batavia, and Le Roy to customers of the countywide water system. For participants that already had viable water systems, there was little or no change in water service or quality. In places where water quality and quantity had been issues, the system resulted in improvements to water service. Due to significant improvements to basic infrastructure, the longevity of the county’s water network has been enhanced—something the average water customer would be hard-pressed to notice.

The County’s Smart Growth Plan, an important complement to the water system, has been tested and appears to be making a difference. In June 2006, the Genesee County Water Hookup Administrative Review Committee—the body charged with reviewing hookup applications for their adherence to the plan—rejected a hookup application for a single family home in a predominately agricultural area in Pavilion, ruling that the property was outside the designated growth area and was spurred by the presence of the water system. The decision (which was the first rejection of a hookup application) was then appealed to the County Planning Board, which upheld the Committee’s ruling.

3. Identify what specific forms of technical assistance were provided, or where technical assistance could have been helpful but was not available.

Clark Patterson Associates (CPA) of Rochester was the lead engineering consultant, providing substantial advisement to the county on the project’s physical components. CPA staff also spent a great deal of time working with the Genesee County Water Resources Agency to discuss the project with local leaders and residents, which proved critical to bringing local governments into the fold. The Monroe County Water Authority—which operates the system—also lent their substantial expertise with water systems and the related legal arrangements to ensure that plans and legal agreements were viable and complete.

4. Any helpful hints for others considering such a project?

- Don’t be afraid to look for obvious solutions beyond your borders. When legislative task forces began searching for water supply options for Genesee County in the late 1990s, the possibility of piping Lake Ontario water to a new treatment plant in the county was considered. When they learned that Monroe and Erie Counties had excess capacity, it became clear that they were obvious parts of a solution and that working with neighbors was both necessary and desirable.
- Find creative ways to make everyone a winner. On a big utility project like a water system, the more customers the better. But, early on, it was clear that the Genesee County system would not benefit everyone in the county evenly (in terms of water service), though it was still imperative that as many municipalities join as possible. To make this happen, the county found creative ways to make joining the system worth the while for all of its participants, including the assumption of existing debt for places with viable systems, promises of necessary capital upgrades and, in the case of Batavia, a revised sales tax formula offering the city more general revenue.

5. How did the process followed in this project stack up against the “Ten Step Program For Shared Service Arrangements” in Appendix C?

1. **Define problem and affected parties**
   A series of water problems throughout the 1990s and concerns about future water supplies led the county to define a high-quality water supply as a top priority in its 1997 comprehensive plan.

2. **Identify solutions and potential partners**

3. **List and allocate financial impacts**
4. **Confirm legal authority**

5. **Plan the Project**

   A legislative task force, assisted by engineers at regional universities, studied the county’s short and long-term water needs and recommended (in May 1998) a unified county water system, listing Monroe County, Erie County and existing systems in Batavia and Le Roy as potential sources for the system, with costs ranging from $36 to $45 million. Shortly thereafter, the legislature’s Public Water Supply Task Force unanimously recommended a unified system, with the Monroe County Water Authority as a key water supplier, as well as an operational and financial partner. Clark Patterson Associates of Rochester responded to an RFP to review engineering and financial options, resulting in the project’s Final Environmental Impact Statement of February 1999. Later in 1999, the territory of the MCWA was expanded, through state law, allowing it to function within Genesee County and the proposed water system.

6. **Collaborate with affected parties**

7. **Negotiate the agreement**

8. **Prepare agreement**

    Having decided to pursue a countywide system—and having received general interest in the idea from several local governments—the county legislature and the newly created Water Resources Agency started the complicated process of developing the agreements that would undergird the system. Agreements were first entered with the City of Batavia (later revised) and the MCWA, with other agreements with water suppliers (ECWA) and municipalities falling into place over a 2-3 year period.

9. **Implement the agreement**

    The completion of Phase I in 2003 assured service from the countywide system for the participating municipalities. Phase II improvements—which began with upgrades to Le Roy’s system and will include better connections to the MCWA network—will help to bolster the system’s reliability, allow it to provide service to the few non-participating locales, and phase out operations at Batavia’s aging treatment plan.

10. **Evaluate the project**

    The Water Resources Agency has monitored the system’s progress throughout its development, with input from MCWA and the participating municipalities. As a key recommendation of the county’s comprehensive plan, the water system has also been monitored by the utilities focus group that reports to the legislature on the implementation status of the plan’s stated priorities.

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6. **Provide a Contact Person for Follow-up (at both the lead municipality and the academic institution)**

Municipal Contact:
Jay A. Gsell
Genesee County Manager
7 Main Street
Batavia, NY 14020
Phone: 585-344-2550x2204
E-mail: comanager@co.genesee.ny.us

Academic Institution Contact:
Peter A. Lombardi
Policy Analyst
The Regional Institute
University at Buffalo
The State University of New York
Beck Hall
Buffalo, NY 14214-8010
## Contact Information

Please include all the following information for the municipal and project contacts.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Mailing Address</th>
<th>Phone</th>
<th>Fax</th>
<th>Email</th>
</tr>
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<tbody>
<tr>
<td>Jay A. Gsell</td>
<td>County Manager</td>
<td>7 Main St.</td>
<td>585-344-2550x2204</td>
<td><a href="mailto:comanager@co.genesee.ny.us">comanager@co.genesee.ny.us</a></td>
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<td></td>
<td>Genesee County</td>
<td>Batavia, NY 14020</td>
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<tr>
<td>James L. Vincent</td>
<td>Chairman, Genesee Co. L-Brooke Farms</td>
<td>7275 Batavia Byron Rd.</td>
<td>585-548-2474</td>
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<td></td>
<td>Water Resources Agency</td>
<td>Byron, NY 14422</td>
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<tr>
<td>Timothy Hens</td>
<td>Highway Superintendent</td>
<td>153 Cedar St.</td>
<td>585-344-8508</td>
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<td><a href="mailto:highway@co.genesee.ny.us">highway@co.genesee.ny.us</a></td>
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<td>Genesee County</td>
<td>Batavia, NY 14020</td>
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<tr>
<td>James Duval</td>
<td>Planning Director</td>
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<td>585-344-2580</td>
<td></td>
<td><a href="mailto:planning@co.genesee.ny.us">planning@co.genesee.ny.us</a></td>
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<tr>
<td></td>
<td>Genesee County</td>
<td>County Building #2</td>
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<td>Batavia, NY 14020</td>
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<tr>
<td>Philip Clark</td>
<td>President</td>
<td>186 N. Water St.</td>
<td>585-454-7600</td>
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<tr>
<td></td>
<td>Clark Patterson Associates</td>
<td>Rochester, NY 14604</td>
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<tr>
<td>Steven Gould</td>
<td>Director of Engineering</td>
<td>475 Norris Dr.</td>
<td>585-442-2000</td>
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<tr>
<td></td>
<td>Monroe Co. Water Authority</td>
<td>Rochester, NY 14610</td>
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Please list all documents that are relevant to the Case Study.

December 1998: Resolution to create the Genesee County Water Resources Agency (passed by Genesee County Legislature)

February 1999: Final Environmental Impact Statement, Genesee County Public Water Supply Program (approved by Genesee County Legislature in March 1999)

July 1999: Amendments to New York State Public Authorities Law, Article 5T5—Monroe County Water Authority Act (Chapter 579 of the Laws of 1999, passed by Assembly and Senate and signed by the Governor, expanded the operating geography of the Monroe County Water authority to include Genesee County)

January 2000: Intermunicipal Agreement between the City of Batavia and the County of Genesee (amended April 2001)

May 2000: Water System Construction/Operation Agreement between the County of Genesee and the Monroe County Water Authority (intermunicipal agreement passed by Genesee County Legislature, followed by a Wholesale Water Supply Agreement, August 2001; Temperance Hill Facility Lease Agreement, September 2002; and a Supplemental Agreement, October 2003) THIS DOCUMENT ATTACHED AS APPENDIX B2

February 2001: Bulk Sale Agreement between Erie County Water Authority and Monroe County Water Authority

May 2001: Genesee County Smart Growth Plan (approved by county legislature; provides the process for approving or rejecting applications for new water hook-ups)

Genesee County Water Supply Agreement between Genesee County and:
Batavia, town (March 2000)
Bergen, town (November 2001)
Corfu, village (August 2002)
Darien, town (December 2001)
Le Roy, town (June 2001)
Le Roy, village (October 2003)
Oakfield, town (March 2001)
Oakfield, village (March 2001)
Pavilion, town (August 2001)
Pembroke, town (October 2001)
Stafford, town (November 2001)

Monroe County Water Authority agreements with:
Batavia, town (August 2001)
Bergen, town (December 1990)
Byron, town (May 2000)
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<td>Pembroke, town</td>
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<td>Stafford, town</td>
<td>September 2001</td>
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<td>Erie County Water Authority</td>
<td>February 2001</td>
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<tr>
<td>Livingston County Water and Sewer Authority</td>
<td>November 2001</td>
</tr>
<tr>
<td>New York State Thruway Authority</td>
<td>September 2001</td>
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</tbody>
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WATER SYSTEM CONSTRUCTION/OPERATION AGREEMENT
BETWEEN THE COUNTY OF GENESEE AND
THE MONROE COUNTY WATER AUTHORITY

THIS AGREEMENT is made as of the 24th day of May, 2000 between the COUNTY OF GENESEE, a New York municipality with offices at County Building No. 1, Main and Court Streets, Batavia, New York 14020 (the "County") and the MONROE COUNTY WATER AUTHORITY, a public benefit corporation of the State of New York, with offices at 475 Norris Drive, Rochester, New York 14610 (the "Authority").

RECITALS

A. The County has, by resolution of the County Legislature, created the Genesee County Water Resources Agency (the "Agency") and empowered it to advise the County in matters pertaining to this contract and other water matters as determined from time to time. A true and correct copy of such resolution is attached hereto as Exhibit A.

B. The County, in cooperation with the existing municipal water purveyors located therein, proposes to develop, acquire and construct (or have acquired and constructed) a coordinated, comprehensive and integrated public water transmission system for the County (the "Water System") to alleviate existing health concerns, replace aging infrastructure and accommodate Smart Growth in designated development areas.

C. The County further proposes that the Water System be, or come to be, substantially supplied, financed, owned and operated by the Authority in consideration of the County’s agreement to pay to the Authority a fee for its services in connection therewith.

D. To that end, the Act has been amended to permit the Authority to supply, finance, own and operate the Water System. Further amendment of the Act in connection with the project contemplated by this Agreement has been proposed as described in Section 8b.

E. Further to that end, at the request of the County, the Authority intends to enter into the necessary implementing agreements with certain municipalities and other area water suppliers/systems within the County following execution and delivery of this Agreement.

F. This Agreement is entered into by the County and the Authority to set forth their respective rights and obligations in connection with the development, acquisition, construction, equipping, ownership and operation of the Water System.

G. The Authority is authorized to enter into this Agreement pursuant to the Act and a resolution of the Members of the Authority duly adopted at a regularly scheduled board meeting of such Members on May 24, 2000. A true and correct copy of such resolution is attached hereto as Exhibit B.
H. The County is authorized to enter into this Agreement pursuant to the Act as amended by Chapter 579 of the laws of 1999 and a resolution of the County Legislature duly adopted at a duly called and properly noticed meeting of such body held on May 10, 2000. A true and correct copy of such resolution is attached hereto as Exhibit C.

NOW, THEREFORE, in consideration of the mutual covenants of the parties herein contained, the parties hereto agree as follows:

PROVISIONS

1. **Recitals Incorporated.** The foregoing recitals are intended by the parties, and shall be deemed, to be incorporated into and part of this Agreement.

2. **Definitions.** As used in this Agreement, in addition to the terms defined herein, all capitalized terms defined in Appendix A to this Agreement shall have their ascribed meanings.

3. **Construction.**

   a. The County will develop and, subject to approval of the Authority as provided below, design and prepare the bid packages for construction of the Water System as described in the February 1999 Genesee County Water Supply System DEIS/FEIS and any supplements thereto, true and correct copies of which are attached hereto as Exhibit D (the “FEIS”). Notwithstanding the foregoing, design of the Water System, the plans and specifications thereof, and the bid packages for the construction thereof shall all be subject to the Authority’s prior written approval, which approval shall not unreasonably be withheld or delayed. The Authority shall promptly review the County’s design specifications and bid packages when submitted by the County for such approval.

   b. Upon the Effective Date, the Authority shall permit, acquire, construct (or have constructed), equip and make ready for operation the Subject Water Properties, unless mutually agreed otherwise. The foregoing obligations of the Authority are subject to any delays, stops or moratoriums caused by any Force Majeure Event. Notwithstanding the foregoing, the award of construction bids shall be subject to the County’s prior written approval, which approval shall not unreasonably be withheld or delayed. The County shall promptly review the bids when submitted by the Authority for such approval.

   c. The best estimates, approximations and descriptions of the locations, scope, length and size and costs of the Subject Water Properties made by the County as of the date hereof and the construction phases and timetable contemplated by the County are set forth in narrative form on Exhibit E and in map form on Exhibit F, each provided by the County, but are subject to the completion of final engineering studies, surveys, plans, and specifications thereof and modifications by the Authority as a result thereof. The Authority shall advise the County of all modifications or changes to the plans and specifications.

   d. The expenses incurred by (i) the County in connection with the development and design of the Water System and (ii) the Authority in connection with the design (if
any), permitting, inspection, acquisition, construction or equipping of the Subject Water Properties, shall all be included in the Costs of the Subject Water Properties for all purposes of this Agreement.

e. The timing and phases of construction of the Subject Water Properties shall be agreed to and incorporated into updated Exhibits E or F, as the case may be, as amended by mutual agreement of the parties. From and after the Effective Date, the Authority will prepare and forward to the County each month (or as otherwise mutually agreed) one or more reports (in form and substance as the parties shall mutually agree) summarizing the schedule and budgeting status of the permitting, inspection, acquisition, construction and equipping of the Subject Water Properties.

4. Payment of the Costs of the Water Properties

a. It is intended by the parties that the Costs of the Subject Water Properties shall be financed by the Authority through the issuance of Authority Obligations.

b. From the proceeds of Authority Obligations, the Authority shall cause: (i) itself and the County to be reimbursed for their respective costs included in the Costs of the Subject Water Properties, and (ii) payments to be made to contractors for work performed on the Subject Water Properties on invoices and bills for payment duly approved by the Authority.

c. Legal title to the Subject Water Properties shall be and remain with the Authority as provided in the Act.

d. The Authority shall maintain and operate the Subject Water Properties as part of its Water Properties. As such, the Authority’s rates and charges for retail or wholesale customers, as the case may be, shall apply in accordance with the Act, the Indenture and the Authority Rules. With respect to those components of the Subject Water Properties that may be located within a local existing municipal water purveyor, if such purveyors are retail or wholesale customers of the Authority, or if the Authority reasonably expects them to become retail or wholesale customers within approximately 15 years, the Authority shall, if so requested, and subject to the execution and delivery of a mutually satisfactory lease agreement, lease such portion(s) of the Subject Water Properties to the respective municipalities for their operation and maintenance, at their risk and expense, and at no cost to the Authority.

e. If for any reason no Authority Obligations ever issue under or pursuant to this Agreement, the County shall pay directly or reimburse the Authority for the Costs of the Subject Water Properties actually incurred by the Authority.

5. Issuance of Authority Obligations. It shall be the obligation and responsibility of the Authority to make all arrangements for the issuance of the Authority Obligations to defray the Costs of the Subject Water Properties. Prior to issuance, the Authority will consult with, and obtain the approval or consent of, the County with respect to the amount (consistent with Section 4a hereof), timing of issuance, terms and conditions, market timing, credit enhancement and maturity of the Authority Obligations. The County’s approval shall not unreasonably be with-
held or delayed. The County will cooperate with the Authority in the supplying of information deemed necessary by the Authority and its advisers with respect to the County in connection with any Preliminary Official Statement or Official Statement prepared and distributed in connection with the issuance of the Authority Obligations. Excess proceeds of the Authority Obligations upon completion of construction, if any, shall, at the option of the County, be used either to redeem Authority Obligations or to construct additional Subject Water Properties.

The Authority will issue additional Authority Obligations by way of refunding Authority Obligations issued to finance the Costs of the Subject Water Properties, but only upon the request, subject to the approval or consent of, and at the expense and for the benefit of the County.

6. Service Fee Payable by the County. In consideration of the Authority’s undertakings set forth in this Agreement, the County agrees to pay the Authority a service fee (the “Service Fee”) as, when and in the amount provided for herein. The obligations of the County to make the payments of the Service Fee shall be absolute and unconditional without offset or deduction of any kind or nature whatsoever for any cause whatsoever.

a. The amount of the Service Fee payable by the County to the Authority shall be the sum of: (i) the total principal, sinking fund installments and interest due and payable with respect to Authority Obligations in accordance with the original schedule therefore on the date of issuance (or refunding) on each Interest Payment or Principal Payment Date; plus (ii) any amount due, principal, interest and premium, with respect to Authority Obligations on any redemption after the commencement of operation of the Subject Water Properties; plus (iii) the Trustees or paying agent's fees or expenses with respect to the Authority Obligations; less (iv) the amount of any grants received by the Authority in respect of the Subject Water Properties; and less (v) the amount of interest, if any, earned thereon while being held by the Trustee pending an Interest Payment Date or a Principal Payment Date.

b. The principal amount of the Authority Obligations for the purposes of the payment of the Service Fee shall be made on the basis of the gross proceeds thereof, including amounts utilized to fund any reserves required by the terms of such Authority Obligations, without deduction of any discount or underwriter’s expenses upon issuance. The interest payment on the Authority Obligations which is included in the Service Fee calculation will take into account and shall give credit for any capitalized interest included in the principal amount of the Bonds and which is applicable to the payment of interest on the Authority Obligations during any construction period.

c. Subject to the above provisions, the Service Fee shall be payable by the County to the Authority for any period during which Authority Obligations are outstanding in accordance with their original terms and interest rates until paid in full in accordance with such original terms and based on the schedule hereinafter provided for: On the day twenty (20) calendar days prior to each Interest Payment Date the interest portion of the Service Fee amount due on such Interest Payment Date; and on the day twenty (20) calendar days prior to each Principal Payment Date the principal portion of the Service Fee amount due on such Principal Payment Date. Such charges for Trustee or paying agent fees, expenses or other charges (“Surcharges”), if
any, are unrelated to interest or principal on Authority Obligations and, as contemplated by Section 6e of this Agreement, will be billed by the Authority to the County on a current basis with payment to be made in a timely manner to permit the Authority to meet its payment obligations therefor.

d. Within 60 days of issuance (or refunding, as the case may be) of Authority Obligations (including refunding Authority Obligations), the Authority shall prepare a schedule showing (i) the total principal amount of such Obligations on the date of issuance thereof; (ii) the schedule of amounts and dates of payment of principal or sinking fund installments; and (iii) a schedule of amounts of interest (including accrued interest at closing) payable and the due dates thereof. Such Schedule shall be attached to the originals of this Agreement, and will form the basis for the determination of the Service Fee hereunder.

e. Payments by the County to the Authority hereunder shall be made without notice on the date when due, except in the case of Surcharges, in which case the Authority shall notify the County of the amounts and dates when due.

7. **Title to the Subject Water Properties.** Legal title to the Subject Water Properties shall be and remain with the Authority as provided in the Act.

8. **Conditions Precedent to the Effective Date.** The occurrence of the Effective Date shall be subject to the satisfaction (or waiver by both of the parties) of each of the conditions precedent set forth below:

a. The Act shall be amended such that the Authority shall have the right, power and authority to perform the obligations on its part contemplated by the Agreement. Such amendment shall not, in the judgment of the Authority, prevent it from complying with the terms of Section 4d hereof concerning rates and charges or the Authority Rules.

b. The Act shall be further amended (i) to provide that the Authority shall have powers of eminent domain in the County consistent (but not greater) in scope with its existing such powers in accordance with Section 1096(5) of the Act, and (ii) to clarify that the Costs of the Subject Water Properties shall be paid solely by the County.

c. The County of Monroe shall have approved by resolution the issuance of Authority Obligations in connection with the Subject Water Properties.

d. The Indenture shall be amended to exclude from the debt service coverage calculation required by the rate covenant contained in Section 706 thereof the amounts to be received by the Authority from the County hereunder, it being acknowledged and agreed by the County that it shall be responsible for any costs incurred by the Authority in negotiating for and obtaining such amendment, including the costs of obtaining the consents, if necessary, of the holders of the Authority’s outstanding bonds.

e. The Authority or the County shall have obtained the relevant interests in land (as used in the definition of the “Cost of the Subject Water Properties”).
f. The Authority Obligations will have been issued and the net proceeds thereof will be available to pay for the Costs of the Subject Water Properties.

g. The final Permits shall have been obtained, and the same shall be in full force and effect.

h. The Authority shall have passed a resolution of intent to bond the Costs of the Subject Water Properties.

i. The representations and warranties of the parties shall be true and correct and as of the Effective Date with same force and effect as if made on such date.

j. There shall have been no Change in Law and no unwaived Force Majeure.

The County and the Authority each agree to cooperate each with the other and use their respective best efforts, individually and cooperatively, to satisfy each of the foregoing conditions precedent in such manner as will achieve the Effective Date as soon as reasonably practicable, it being acknowledged and agreed that any costs or expenses incurred by the Authority to that end shall be included in the Costs of the Subject Water Properties. Upon satisfaction and/or written waiver of these conditions, each party will certify in writing to the other that all conditions have been met or waived under this provision and the Effective Date will be established upon mutual agreement between the parties.

9. **Warranties.** Each of the parties hereto warrants to the other party hereto that: (a) each such party is, respectively, duly authorized to enter into, execute and deliver this Agreement pursuant to law and in accordance with all duly adopted resolutions, authorizations, and governmental and regulatory approvals, no other approvals being necessary therefor; and (b) this Agreement and the obligations and agreements herein contained are the legally binding agree-
ments and obligations of each such party, respectively, enforceable against each such party, respectively, in accordance with their terms; and (c) this Agreement, as so executed and delivered, does not and will not violate or breach any legal requirement or restriction, any charter or by-law, or any ordinance, indenture or agreement which is binding on each such party, respectively, or is binding on each such party’s properties, respectively; and (d) in that connection, each party hereto believes that it has complied with the SEQR Act.

10. **Bidding of Construction Contracts.** The Authority will construct the Subject Water Properties and shall award bids therefor in accordance with all applicable provisions of law.

11. **The Authority Shall Not be the Agent of the County.** The Authority shall not be the Agent for the County for any purpose pursuant to the terms of this Agreement, including with respect to the design, development, acquisition, construction, equipping, operations or maintenance of the Subject Water Properties. The Authority will operate, manage, maintain, replace and repair the Subject Water Properties at its own cost and expense, except as and to the extent otherwise provided in one or more of the Municipal Contracts.
12. **Indemnity.**

a. The Authority hereby agrees to defend, indemnify and save harmless the County, its officers, official agents, and employees from any and all claims, liabilities and judgments of any person (including employees of the Authority), firms, corporations, or associations, for, but only with respect to, injury to persons, including death, or physical damage to property, to the extent such injury or damage arises out of the Authority’s activities, if any, in connection with the installation or construction of the Subject Water Properties or the Authority’s control, supervision, inspection, acceptance, operation, management, repair or maintenance thereof. This indemnity shall survive the termination of this Agreement. This indemnity is not intended to otherwise modify the obligations of the County elsewhere herein contained.

b. In addition to the payment of or reimbursement for the Costs of the Subject Water Properties, including claims for extra work, additions to contracts and attorneys’ fees, the County will defend and indemnify and save harmless the Authority, including its members, officers, agents, and employees from any monetary liabilities or judgments (other than for (i) those matters referred to in the immediately preceding paragraph and (ii) to the extent caused by the willful or grossly negligent acts or omissions of the Authority) caused by or arising out of, directly or indirectly, the development, planning and design of the Subject Water Properties; and this indemnity shall survive the termination of this Agreement notwithstanding any contrary provisions of this Agreement.

13. **Replacements, Additions, and Betterments to the Subject Water Properties.** The Authority may, in its sole discretion and at its own cost and expense, make replacements, additions, betterments and improvements to the Subject Water Properties after the Completion Date when economically feasible in order to provide an adequate supply of water to customers of the Authority. Such replacements, additions, betterments, and improvements may be installed at such locations as the Authority may determine and may be connected and interconnected with the Subject Water Properties or the Water Properties in such manner as the Authority shall determine. Legal title to such replacements, additions, betterments, and improvements made by the Authority at its own cost and expense shall be and shall remain in the Authority as provided in the Act. If any such changes change the locations or areas within the County that are served by the Authority, the changes will not be undertaken without the County’s approval, which approval shall not unreasonably be withheld or delayed. If the changes do not change the locations or areas of the County served, no such approval is required.

14. [Intentionally omitted]

15. **Customer Connection to the Subject Water Properties.** Provided that the relevant Municipal Contract is then in full force and effect, the Authority shall connect to the Subject Water Properties those customers within the County who shall make complete and proper application to the Authority for the service of water, directly or indirectly, from the Subject Water Properties from and after the Completion Date. Complete and proper application by the customer shall include proof of approval of hook-up to the Subject Water Properties on the part of the County or its municipal designee. The County and/or its municipal designee shall have approval of all new service connections and extensions of service areas. The furnishing of water
and the performance of services by the Authority to all its customers shall be in accordance with and governed in all respects by (i) this Agreement, (ii) the Authority Rules, as the same may be amended from time to time, and (iii) the Municipal Contracts.

16. **Exemption from Real Property Taxes and Assessments.** Pursuant to the provisions of Section 1105 of the Public Authorities Law, the Authority shall not be required to pay any taxes or assessments of any kind or nature (including any pure waters, special districts or other levies, charges, taxes or assessments) upon the Subject Water Properties.

17. **Removal or Abandonment of Subject Water Properties.** Consistent with the Indenture, the Authority may remove, disconnect, or abandon any portion of the Subject Water Properties on the condition that the Authority shall have certified to the County that such removal, disconnection, or abandonment does not impair the integrity of the Subject Water Properties or have an adverse impact on the use of the Subject Water Properties as intended by this Agreement and is not contrary to the County’s obligations under this Agreement.

18. **Interconnection with Other Facilities.** The County agrees that the Authority may, without reducing, abating or altering the obligations of the County hereunder, and without the necessity of paying the County any transmission, rental or other fees in respect thereof, utilize the Subject Water Properties and make any interconnections thereto, to serve areas outside and beyond the areas served by the Subject Water Properties so long as such interconnections do not impair the integrity of the Subject Water Properties or have an adverse impact on the use of the Subject Water Properties as intended by this Agreement or be contrary to or inconsistent with the FEIS or any other applicable SEQR Act documents.

19. **Administration of this Agreement.** Administration of this Agreement and the making of any determinations or decisions or the sending or any notices on behalf of the County and the Authority hereunder, respectively, is delegated by the County to the Chairman of the County Legislature and is delegated by the Authority to its Executive Director or such other delegate as the parties may designate for the purpose (a “Designated Representative”) by written notice.

20. **Obligations of the County.**

   a. The County shall not develop, or cause to be developed, new or additional water supply capacities, or enhance, improve or modify existing water production facilities to produce additional new water within the County, except for (i) the “Phase I Maintenance Enhancements” to the City of Batavia water treatment plant that are described in the FEIS, or (ii) such other continuing or required maintenance enhancements that are cost-effective and necessary to maintain compliance with current federal and state standards and requirements.

   b. With respect to the City of Batavia water treatment plant and/or water production system, an agreement has been entered into by and between the County and the City of Batavia, dated January 20, 2000 (the “City/County Agreement”), a true and correct copy of which is attached hereto as Exhibit G. This Agreement shall not be construed by either party
hereby to alter, modify, suspend or terminate any terms or conditions of the City/County Agreement.

c. The County may continue to use the current water supply sources to supply the City of Batavia and/or portions of all of the Towns of Batavia, Elba, Oakfield, Pembroke, Alexander, Bethany (and any Villages therein) as long as such sources/treatment facilities are viable, cost-effective, and in compliance with applicable state and federal standards and regulations, and the terms and conditions of this Agreement.

d. [Intentionally omitted]

e. The County shall not compete against the Authority for the contracting of water services with any individuals, companies, water districts, agencies, or municipalities within the County. The parties acknowledge and agree that the City/County Agreement does not constitute a breach by the County of this Section 20e.

f. The County shall not sell, or make available for sale, water anywhere outside the County, without the express prior written consent of the Authority.

g. When so required, the County shall acquire such interests in land (as used in the definition of Costs of the Subject Water Properties) as are required to lay and construct the Subject Water Properties and any replacements, additions, betterments and improvements to the Subject Water Properties that may be made pursuant to Section 13 hereof. To that end, the County agrees, whenever necessary or appropriate, both before and after the Completion Date, to exercise its powers of eminent domain in accordance with the provisions of the New York Eminent Domain Procedure Law, and consent to construction of the Subject Water Properties within any highway right of way over which the County has jurisdiction.

h. The County shall use its best efforts to cause the further amendments to the Act referred to in Section 8b to be adopted.

21. **Term of This Agreement.** This Agreement shall remain in effect until all outstanding Authority Obligations (including Authority Obligations issued by way of refunding such Authority Obligations), and the full Service Fee owing hereunder (including any Service Fee in respect of refunding Authority Obligations) are paid or adequate provision for the payment thereof is made. No termination or expiration of this Agreement will affect the provisions relative to the title, use and operation of the Subject Water Properties.

22. **Notices.** Any notices given pursuant to this Agreement will be deemed to have been given if by certified mail, return receipt requested, if:

To the County: County of Genesee
County Building No. 1
Batavia, New York 14020
Attn: Chairman of the County Legislature
23. Captions for References Only. The captions of the several sections of this Agreement have been prepared for convenience only and shall not control or affect the meaning of or to be taken as an interpretation of any provision of this Agreement.

24. Severability. If any clause, provision, subsection, section or Article of this Agreement shall be ruled invalid by any court or competent jurisdiction, then the parties shall:

a. Promptly meet and negotiate a substitute for each clause, provision, section or Article which shall, to the greatest extent legally permissible, effect the intent of the parties therein;

b. If necessary or desirable to accomplish item (a) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of this Agreement; and

c. Negotiate such changes in, substitution for or addition to the remaining provisions of this Agreement as may be necessary in addition to and in conjunction with items (a) and (b) above to effect the intent of the parties in the invalid provision.

The invalidity of such clause, provision, subsection, section or Article shall not be construed or interpreted to frustrate the intent of the parties in making this Agreement and the remaining provisions shall be interpreted and construed to favor enforcement of the Agreement as a whole so long as it does not materially alter the rights and obligations of the parties as originally intended.

25. Entire Agreement. Except insofar as it explicitly refers to other agreements, this Agreement (including the appendices, exhibits, and schedules hereto, which are incorporated herein with the same effect as if they had been set forth at length in the body of this Agreement) constitutes the entire understanding of the parties with respect to its subject matter, shall be amended only in writing and shall be governed by the laws of the State of New York.
IN WITNESS WHEREOF, this Agreement has been duly executed by each of the parties hereto by their respective duly authorized officers as of the date and year first above written.

COUNTY OF GENESEE

By: [Signature]
Roger Tuitshauser, Chairman
Genesee County Legislature

MONROE COUNTY WATER AUTHORITY

By: [Signature]
John Stanwix, Executive Director
State of New York)  
County of Genesee)  

On this 19th day of May, 2000, before me came Roger Trifshauer, to me personally known, who being by me duly sworn, did depose and say that he resides in the City of Batavia; that he is the Chairman of the Legislature of the County of Genesee; that he knows the seal of said County; that the seal affixed to said instrument is such seal; that it was so affixed by order of the said County; and that he signed his name thereto by like order.

[Signature]
Notary Public

[License Information]

State of New York)  
County of Monroe)  

On this 24th day of May, 2000, before me came John Stanwix, to me personally known, who being by me duly sworn, did depose and say that he resides in Monroe County; that he is the Executive Director of the Monroe County Water Authority; that he knows the seal of said Authority; that the seal affixed to said instrument is such seal; that it was so affixed by order of the said Authority; and that he signed his name thereto by like order.

[Signature]
Notary Public

[License Information]
RESOLUTION NO. 495  GENESEE COUNTY WATER RESOURCES AGENCY -
CREATION OF

Legislator Rudolph offered the following resolution:

WHEREAS, The Genesee County Legislature did, by Resolution No. 181 of the Year 1997, create a Water Supply Task Force for the purpose of assisting the County Legislature in the planning of future water improvements for the County of Genesee, and

WHEREAS, The Task Force has completed its duties as set forth in said Resolution and has recommended to the County Legislature that a more formal body now be created to continue the function of assisting the County Legislature in the implementation of water improvements for the County, and

WHEREAS, Section 251 of the County Law specifically authorizes the creation of a County agency with power and duties as allowed by Article 5-A of the County Law and as determined and delegated by the County Legislature, and

WHEREAS, The Genesee County Legislature has reviewed the accomplishments and recommendations of the Water Supply Task Force and concurs with the recommendation of the creation of a county agency for these purposes. Now, therefore, Be it

RESOLVED, That the Genesee County Legislature does, pursuant to Section 251 of the County Law, create the Genesee County Water Resources Agency with the powers and duties as hereinafter set forth, and Be it further

RESOLVED, That the Genesee County Water Resources Agency shall consist of nine (9) members, each appointed for terms of three (3) years by the Genesee County Legislature with the initial terms of some members of the Agency for a shorter duration so as to achieve a staggering of terms. All members of the Agency shall be residents of the County of Genesee, and no more than three County Legislators may be members of the Agency at any time, and Be it further

RESOLVED, That the Genesee County Water Resources Agency shall have the following power and duties effective January 1, 1999:

1. To assemble data relating to the water resources available to the County, both within and without its boundaries.
2. To assist in the planning and design of coordinated water resource and transmission projects within the county of Genesee and make recommendations in connection with such projects.
3. To recommend and assist in the development of intermunicipal agreements and grant applications for water supply and transmission pursuant to Article 5-G of the General Municipal Law.
4. To contract for engineering and related technical services within the annual budgetary appropriation provided to the Agency by the County and if requested, to provide said services to municipalities within the County pursuant to contract with said municipalities.
5. To contract for other necessary services to carry out its functions within the annual
Authorize the Executive Director to execute a Construction/Operation Agreement with Genesee County.

Moved By: C. O. Benoy
Seconded By: D. Milton
Vote: Passed Unanimously

I, JENNIE GUY, duly appointed and qualified Secretary of the Monroe County Water Authority do hereby CERTIFY that the foregoing resolution was adopted at a meeting duly called and held in the office of the Authority, a quorum being present on the 24th day of May, 2000, and that said copy is a true, correct and compared copy of the original resolution so adopted and that the same has not been revoked or rescinded.

WITNESSETH, my hand and seal this 24th day of May, 2000.

Jennie Guy, Secretary to the Authority
RESOLUTION NO. 167  INTERMUNICIPAL AGREEMENT BETWEEN GENESEE COUNTY AND MONROE COUNTY WATER AUTHORITY - APPROVAL OF

Legislator Welsh offered the following resolution:

WHEREAS, The Genesee County Legislature acting with a recommendation from the Genesee County Water Resources Agency has committed to a countywide water project for the purposes of drinking water quality stabilization and enhancement, expanded economic development and job creation opportunities and environmental conditions’ problem solving, and

WHEREAS, The Monroe County Water Authority has agreed that they will substantially supply, finance, own and operate the water system in Genesee County in consideration of the County’s payment of a fee for services in connection therewith, and

WHEREAS, this joint municipal cooperation will provide potable water to portions of Genesee County as included in the Environmental Impact Statement dated February 1999 (the Plan), and

WHEREAS, Terms of the Agreement have been negotiated between the Monroe County Water Authority and County of Genesee. Now, therefore Be it

RESOLVED, That the Chairman of the Genesee County Legislature is hereby authorized and directed to execute the intermunicipal agreement between the County of Genesee and Monroe County Water Authority for the integrated public water system for Genesee County.

Budget Impact Statement: Aside from County’s anticipated annual contribution of $500,000 to general County project, costs of debt service incurred by MCWA to finance transmission mains will be paid for by Enterprise Fund revenues and grants.

Legislator Rudolph seconded the resolution which was adopted by 116 votes. Legislator Betters (12) no.

State of New York
County of Genesee  ss.
I hereby certify that the foregoing is a true and correct transcript of a resolution duly adopted by the Genesee County Legislature on the 10th day of May, 2000
Dated, Batavia, N.Y.
May 11th 2000

Carolyn P. Pratt
Clerk of the Genesee County Legislature
FINAL

ENVIRONMENTAL IMPACT STATEMENT

GENESEE COUNTY

PUBLIC WATER SUPPLY PROGRAM

GENESEE COUNTY, NEW YORK

Applicant: GENESEE COUNTY
Geneese County Legislature
County Building #1
Main and Court
Batavia, NY 14020-3199

Prepared By: Clark Patterson Associates
186 North Water Street
Rochester, NY 14604

FEBRUARY 1999
EXHIBIT E

PROJECT NARRATIVE
Executive Summary

Genesee County has developed a county-wide strategy to provide reliable sources of high quality water well into the foreseeable future. The strategy involves the coordination and integration of County resources with the regional water supply systems of the Monroe County Water Authority (MCWA) and the Erie County Water Authority (ECWA) along with continued long term use of the Village of Le Roy water treatment plant and short-term use of the City of Batavia water treatment plant (with “maintenance enhancements”). The new county-wide system will initially supply the Town of Bergen, Town of Byron, City and Town of Batavia, Town of Darien, Town of Le Roy, Town of Pembroke, Town of Stafford, Village/Town of Oakfield, Town of Caledonia (Livingston County) and will provide supplemental service to Village of Le Roy, Town of Pavilion, and the Village of Corfu. Connections to Six Flags Darien Lakes Theme Park from the Corfu system will also be made to accommodate new projected water demands as a result of Park expansions. Phase II connections to the MCWA in Chili (Monroe County) will allow for the discontinued use of the City of Batavia water treatment facilities.

Phase I of the County’s water supply strategy involves the construction of approximately 34 miles of water main in Genesee, Monroe, and Erie Counties along with three pump stations, one water storage tank, and the relocation of an existing storage tank. Please refer to Figure 1 at the end of this report.

Phase II of the project will include an additional connection to the MCWA system in Chili, as well as system extensions in Genesee County to the Village of Elba, Village of Alexander, Town of Bethany and Town of Alabama and possible “interconnection” of system transmission lines. The additional connection to MCWA in the Town of Chili is anticipated in approximately fifteen years depending upon grant funding. The other extensions will be dependent upon need and funding and are expected to occur in the next five to 15 years.

The system will:

- Initially maintain/optimize the City of Batavia water treatment plant and replace aging “downtown” water storage tank. Phase II of the program will provide a second supply source for Batavia and LeRoy (by the additional connection to the Monroe County Water Authority) to enable their entire (or partial) supply to be from Monroe County Water Authority as desired/appropriate.

- Provide Batavia water to the Village/Town of Oakfield and eliminate the existing municipal well supply in close proximity to a federally designated Superfund waste site.

- Provide public water to designated economic development areas including:
  - the three NYS Thruway interchanges;
  - Six Flags Darien Lake Theme Park;
  - existing municipal industrial areas.
- Provide MCWA water supply to the “Limerock” hazardous waste spill site areas and supplemental MCWA water supply to the Village of LeRoy.

- Provide public water supply to the three school districts (Byron-Bergen, Pavilion, and Pembroke) currently on poor well systems.

- Provide improvements in water quality, especially in the Town of Bergen, Town of Byron, Town of Darien, Town of LeRoy, Village and Town of Oakfield, Town of Pavilion, the Town of Pembroke, and the Town of Stafford.

- Provide enhanced system reliability through financial, operational and managerial assets of the MCWA.

- Provide enhanced economic development opportunities in designated areas through the availability of reliable public water.

The primary environmental impact relevant to the project is related to potential growth in agricultural/rural areas along the newly installed transmission mains. While economic development is viewed as a project benefit, balancing economic development and land protection is necessary, critical, and provided for. Agriculture is important to Genesee County, not only in forming a significant part of the economic base of the County but also as essential to the image and character of the County. The County has retained a consultant to assist in the development of an “Agricultural Land Protection/Smart Growth” plan, which will be used to direct development toward appropriate areas and away from inappropriate areas.

The estimated cost of Phase I is $28 million to be generally financed by the MCWA. Genesee County has received a variety of grants for this initial phase which total approximately $4.5 million. They also anticipate an additional $1.5-$2.0 million in grant funding. Phase II of this project is estimated to cost an additional $27 million.

The proposed 2000 water rates are tentatively $3.40/1,000 gallons (retail), $2.00/1,000 gallons (wholesale), and $2.65/1,000 gallons (supplemental supply). Rates for areas supplied by ECWA are approximately $0.80/1,000 gallons higher.
EXHIBIT F

PROJECT MAP
GENESEE COUNTY WATER SUPPLY PROGRAM

Genesee County has developed a County-wide Water Program to provide sufficient quantities of high quality water well into the foreseeable future. The strategy involves the coordination and extension of water supply systems of the Monroe County Water Authority (MCWA) and the Erie County Water Authority (ECWA) along with continued use of the Village of Le Roy water treatment plant and City of Batavia water treatment plant. The County-wide system will initially supply the Town of Bergen, Town of Byron, City and Town of Batavia, Town of Darien, Town of Le Roy, Town of Pembroke, Town of Stafford, Village/Town of Oakfield, along with a supplemental water supply source for the Village of Le Roy, Town of Pavilion, and the Village of Corfu. Connections to Six Flags Darien Lakes Theme Park, combined supplies from the Corfu and Erie County systems will also be made to accommodate projected water demands as a result of Park expansions.

Phase I of the County Water Program involves the construction of approximately 45 miles of water main in Genesee, Monroe, and Erie Counties along with three pump stations, one water storage tank, and the relocation of an existing storage tank. Please refer to the Figure on the back of this information sheet.

Phase II of the project will include an additional connection to the MCWA system, as well as system extensions in Genesee County to the Village/Town of Elba, Village/Town of Alexander, Town of Bethany and Town of Alabama. Phase II implementation is dependent upon need and funding and are expected to occur in the next five to 15 years.

The estimated cost of Phase I is $31 million to be generally financed by the MCWA. Genesee County has received a variety of grants for this initial phase which currently total approximately $4.9 million. The County also anticipates receiving an additional $1.5-$2.0 million in grant funding through the HUD Small Cities program. Phase II of this project is estimated to cost an additional $24± million.

The proposed year 2000 water rates are approximately $3.45/1,000 gallons (retail), $2.05/1,000 gallons (wholesale), and $2.75/1,000 gallons (supplemental supply). ECWA water rates will be an additional $.20-$2.25/1,000 gallons. Water rates (not including debt service $.60/1,000 gallons) are anticipated to increase 1-2% annually.

Individual Service Connections

The users along the proposed Phase I (shown in red on map) routes will have three options for connection:

1. Service installed to the right-of-way. The property owner will be responsible for: • the cost and arranging for connection from right-of-way to interior plumbing (approximately $10 per linear foot of pipe installed); • meter and account set-up charges ($90 fee); and • quarterly water charges as described above.

2. Service installed to the right-of-way, but delayed use of the system. If use occurs within one year of the service installation, the property owner will be responsible for: • connection from right-of-way to house and • annual debt charges (approximately $50 per year) from the time when the transmission main is available to when service is desired.

3. No participation in the program: The property owner will be responsible for: • nominal annual fee (±$10/year); • release indicating desire to not participate permanently attachment to property. If future connection is desired, property owner will also be responsible for: • all back debt charges (approximately $50/year); • installation of main to right-of-way (approximately $1,000); • right-of-way to interior plumbing; and • meter and account set-up charges ($90 fee).
AGREEMENT

This Agreement made this 20th day of January 2000 by and between the City of Batavia a municipality in the County of Genesee and State of New York with offices at 10 West Main Street, Batavia, New York 14020 hereinafter referred to as the “City” and County of Genesee, with offices at County Building No. 1, Main and Court Streets, Batavia, New York 14020, and/or an assignee with the authority to own, lease, and/or operate a municipal water system or systems and/or to supply municipal water produced by others; hereinafter referred to as the “County”.

WHEREAS, the County and the City have agreed to work together long term to enhance economic development within all of Genesee County, consistent with Smart Growth and associated countywide sales tax revenues, and for the City to share equitably such countywide economic development revenues; and

WHEREAS, the County established the Genesee County Water Resources Agency by County Resolution No.495 of 1999 consisting of nine members appointed by the County and for purposes of guiding the water supply decisions and actions by the County relative to all aspects of the proposed countywide, coordinated, comprehensive and integrated water supply system; and

WHEREAS, the creation of a countywide, coordinated, comprehensive, and integrated
Appendix C: THE TEN STEP PROGRAM FOR SHARED SERVICE ARRANGEMENTS

1. Define problem and affected parties

   Focus on the problem to be solved, working with experts, constituents and others with knowledge who can help devise options

2. Identify solutions and potential partners

   Create options that can help solve the problem
   Identify the potential partners who can help solve the problem

3. List and allocate financial impacts

   Determine cost
   Determine tax and debt limitations
   Identify methods for financing, including potential federal/state aid
   Assess impact on tax rate

4. Confirm legal authority

   Check state statutes, including General Municipal Law articles 5-G and 14-G, as well as Town, Village, County and other related laws, and seek legislative authority if necessary
   Adopt appropriate local authority

5. Plan the project

   Document the need for services, determine costs and financing, prepare impact statements for constituents and on other services, develop plan for implementation and assessment

6. Collaborate with affected parties

   Discuss plans with constituents, non profits, businesses, local organizations such as Chamber of Commerce, other governmental agencies, unions
   Agree on roles of affected parties and how to assess impact, effectiveness and success

7. Negotiate the Agreement

   Identify necessary terms to be included
   Identify facilitator to assist negotiations
   Finalize terms
8. Prepare Agreement

Whether written or oral, formal or informal, an agreement specifying the terms of agreement should be memorialized in some manner, especially regarding parties, nature of agreement, level of service, limits on service, charges/financing arrangements, organizational control and responsibilities, reporting, personnel matters, duration, termination, amendment, evaluation, continuation.

9. Implement the Agreement

Initiate the programmatic elements of the project
Communicate as warranted with the town constituents
Document all aspects of the project for transparency and assessment

10. Evaluate the Project

Examine the implementation to ensure proper function using objective factors
Convene regular meetings to assess and share information
Prepare formal evaluation reports to ensure goals and processes satisfied
### Appendix D

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<th>Participating Municipality</th>
<th>Assessed Value</th>
<th>Full Valuation of Taxable Real Property</th>
<th>Taxes and Assessments</th>
<th>Other Tax Items</th>
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<th>Total Revenues</th>
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