

**CONSOLIDATION AGREEMENT
OF
QUEENSBURY CONSOLIDATED WATER DISTRICT
AND
QUEENSBURY CONSOLIDATED WATER DISTRICT EXTENSION**

THIS AGREEMENT is entered into by the Town of Queensbury, a New York municipal corporation with its offices at 742 Bay Road, Queensbury, New York.

WHEREAS, New York General Municipal Law Article 17-A authorizes water and sewer districts to consolidate into combined districts if such combination “shall be conducive to the public health, welfare, and convenience and be of special benefit to the lands of the districts”; and

WHEREAS, the Queensbury Consolidated Water District (“QCWD”) was duly established by the Town Board and has been expanded by several extensions over the past 30 years; and

WHEREAS, occasionally, individual property owners outside the QCWD but with Town water supply in the immediate vicinity have wished to receive water from the District and have been purchasing water under contract with the Town as out-of-district users; and

WHEREAS, by Final Order dated March 7th, 2016, the Town Board has established the Queensbury Consolidated Water District Extension No.: 51 to the QCWD to serve the proposed Maurice Combs Subdivision on 636 Corinth Road (“QCWDX”); and

WHEREAS, water mains and fire hydrants and other capital improvements are planned to be constructed to serve the parcels within the QCWDX, provided Developer receives all Town approvals for variances related to the proposed subdivision, and the Town has sufficient water capacity to provide water to the parcels within the QCWDX; and

WHEREAS, the Town Water Superintendent has studied whether it would be to the mutual benefit, and in the best interests of the customers each serves, to combine the QCWD and the QCWDX into one District, and determined that such a combination would create greater

operating efficiencies, provide better service to the public each serves, and generate cost savings by avoiding duplication in administrative services; and

WHEREAS, New York General Municipal Law Article 17-A requires endorsement of a Consolidation Agreement to commence proceedings to consolidate Districts, and the purpose of this Agreement is to comply with this requirement;

NOW, THEREFORE, in consideration of the foregoing recitals, the Town Board sets forth the following terms and conditions for the consolidation:

1. Name of Each District to be Consolidated:

The two Districts to be consolidated are the Queensbury Consolidated Water District and the Queensbury Consolidated Water District Extension No.: 51.

2. Name of Proposed Consolidated District:

The name of the proposed consolidated District would be Queensbury Consolidated Water District (the “Consolidated District”).

3. Rights, Duties and Obligations of Proposed Consolidated District:

All of the rights, duties and obligations of each of the separate Districts under existing contracts or agreements, including but not limited to those relating to personnel matters, provision of water and payment of outstanding obligations, shall become the rights, duties and obligations of the Consolidated District as of the effective date specified in paragraph (12) below. The QCWD currently has \$1,346,500 in outstanding bonds and/or bond anticipation notes; the QCWDX has no outstanding indebtedness. The properties in the QCWDX. The O&M rates charged to property owners within the existing Districts are the same.

4. Territorial Boundaries of Proposed Consolidated District:

The boundaries of the Consolidated District shall be the combined jurisdictional boundaries of the QCWD and the QCWDX. A description of the property within the QCWD is shown on the map(s) set forth in Exhibit A and a description of the property

within the QCWDX is set forth in Exhibit B. All Exhibits are incorporated herein and made a part hereof by this reference.

5. Type and/or Class of Proposed Consolidated District:

The Consolidated District shall be a Water District.

6. Governmental Organization of Proposed District Insofar as it Concerns Elected and Appointed Officials and Public Employees, Along With Transitional Plan and Schedule for Elections and Appointments of Officials:

The consolidation will have no effect on elected or appointed officials or public employees and, therefore, no transitional plan or schedule for elections or appointments of officials is needed. Employees involved with the operation and management of each of the existing Districts are currently employees of the Town of Queensbury and shall continue to be employees of the Town after consolidation.

7. Fiscal Estimate of Cost of and Savings Which May Be Realized from Consolidation:

The consolidation of these two Districts will result in moneys being saved and long term costs lowered. A savings can be expected in preparing and maintaining one budget instead of two. Administration hours by the Department Manager, Senior Account Clerk, Accounting Department personnel, Town Supervisor and Town Board will be reduced. Specific cost savings include eliminating the need to perform a financial audit on two Districts rather than one. Annual administrative cost savings are estimated to be approximately \$2,400. The costs of maintenance and repair will be spread over a larger user base. All of these savings will result in lower cost to property owners in the Consolidated District.

8. Each District's Assets, Including Real and Personal Property, and their Fair Value:

The fair value of the assets of the QCWD is approximately \$32,778,865 (Financial Report dated December 31, 2014).

The newly-created QCWDX has no assets.

9 Each District's Liabilities and Indebtedness, Bonded and Otherwise, and their Fair Value:

The QCWD currently has \$1,346,500 in long term indebtedness, including outstanding bonds and/or bond anticipation notes. The newly-created QCWDX has no liabilities or indebtedness.

10. Terms for Disposition of Existing Assets, Liabilities and Indebtedness of each District, Either Jointly, Separately or in Certain Defined Proportions:

Upon consolidation, the funds of the two existing Districts will be joined into one. Real and personal property currently owned by each of the existing Districts will become the property of the Consolidated District. Any pre-consolidation debts duly incurred and agreements entered into by QCWD or QCWDX shall continue to be honored by the Consolidated District and satisfied according to their terms.

11. Terms for the Common Administration and Uniform Enforcement of Local Laws, Ordinances, Resolutions, Orders and the Like, Within the Proposed Consolidated District, Consistent With §769 of the Act:

Local Laws, Ordinances, Resolutions and Orders affecting the Consolidated District will continue to be administered and enforced by the Town of Queensbury Water Superintendent and/or the Town's Code Enforcement Officer. All properties included in the Consolidated District shall pay an annual ad valorem tax based on property assessment. Annual charges for the cost of operation and maintenance costs for the water treatment plant and water distribution system shall be based on each property's metered water consumption and shall be billed quarterly.

(12) Effective Date of Proposed Consolidation:

The proposed consolidation shall take effect upon adoption of approval of a final version of this Agreement by the Town Board after compliance with the requirements of GML Article 17-A.

(13) Time(s) and Place(s) for Public Hearing(s) on Proposed Consolidation Agreement:

The Town Board shall meet at the Queensbury Activities Center, 742 Bay Road, Queensbury on Monday, April 18th, 2016 at 7:00 p.m. to hear public comments on this proposed Consolidation Agreement.

(14) Entire Agreement:

This Agreement contains the full and complete terms for consolidation of the QCWD and the QCWDX. There are no other verbal or written agreements or understandings which shall modify or affect the terms of this Agreement in any manner whatsoever. Any modifications or waivers to or of this Agreement shall be in writing and signed by the Town Supervisor.

IN WITNESS WHEREOF, to signify the Town Board's approval of all of the terms and conditions hereof, the Town Supervisor has signed this Agreement as of April 18th, 2016.

TOWN OF QUEENSBURY

BY: _____
JOHN F. STROUGH, Supervisor

EXHIBIT B

Queensbury Consolidated Water District Extension Property

All that certain tract or parcel of land situate in the Town of Queensbury, County of Warren, State of New York being more fully described as follows:

Beginning at An iron rod found in the west bounds of Corinth Road, County Road 28, said point being the southeast corner of lands of Maurice H. Combs, and the northeast corner of lands of Jeanne M. Moss, running thence along the south bounds of lands of Combs and the north bounds of Moss and lands of Kathy Naatz North 77 degrees 29 minutes 09 seconds West, 1048.66 feet to an iron rod found, said point being the southwest corner of lands of Combs, the southeast corner of lands of William A. and Cheryl M. Havernen and the south corner of lands of John J. Layden, thence North 35 degrees 41 minutes 30 seconds East, 417.40 feet along the west bounds of lands of Combs and the east bounds of Layden, lands of Richard J. and Kimberlee A. Koke and lands of Barbara H. Jones to the northwest corner of lands of Combs and the southwest corner of lands of Anne L. Paolano, thence South 77 degrees 04 minutes 45 seconds East, 1067.25 feet along the north line of lands of Combs and the south bounds of lands of Paolano, lands of Robert and Lynn Russell, lands of Joseph E. and Michelle C. Giogianni, lands of Gary F. and Wendy L. Sisti and lands of John A. and Candice A. Morabito to a concrete monument found in the west bounds of Corinth Road, said point being the northeast corner of lands of Combs, thence along the west bounds of Corinth Road South 38 degrees 26 minutes 21 seconds West, 418.23 feet the point of beginning. Containing 9.24 Acres of land.

Excepting the easterly 20.08 Acres of lands of Maurice Combs lying within the existing Town of Queensbury Consolidated Water District.