

JOINT CONSOLIDATION AGREEMENT

This Agreement made and entered into this day of July, - 2020, by and between WATER DISTRICT NO. 7 OF THE TOWN OF NORTH CASTLE, having its principal place of business at Town Hall, 15 Bedford Road, Armonk, New York 10504 (hereinafter designated as "WD7") and WATER DISTRICT NO. 4 OF THE TOWN OF NORTH CASTLE, having its principal place of business at Town Hall, 15 Bedford Road, Armonk, New York 10504 (hereinafter designated as "WD4").

W I T N E S S E T H:

WHEREAS, WD7 and WD4 are both operating water districts in the Town of North Castle established pursuant to Town Law of the State of New York and overseen by Boards of Water District Commissioners and servicing defined contiguous areas in the Armonk hamlet of North Castle; and

WHEREAS, WD4 is a fully operational water district having production wells, water sources and a IM gallon water tank for capacity and fire protection purposes, and WD7 is viewed as a satellite district servicing a much smaller area of the hamlet, having no water wells nor water tank and which purchases its total water supply from WD4; and

WHEREAS, the Superintendent of the Water Districts of the Town of North Castle has proposed the consolidation of WD7 and WD4 by effecting the merger of WD7 into WD4 having advanced the following reasons in support of his proposal:

1. A reduction of Westchester County Health Department fees and inspections along with required sampling and monitoring expenses.

2. WD7 has no entry point for master metering purposes. It is an interconnection of two dead-end mains in WD4. A consolidated district will function more efficiently.

3. There will be a reduction in regulatory filings and reporting, and the annual permit fee for WD7 will be eliminated.

4. The water rate for WD7 will be reduced to that of WD4, and the separate annual Operation and Maintenance Budget of WD7 will be eliminated and absorbed into the budget for WD4.

NOW, THEREFORE, in consideration of the mutual covenants of the parties and for other good and valuable consideration, the receipt of which is hereby acknowledged by each of the parties hereto, it is mutually covenanted and agreed to by and between the parties as follows:

1. The Effective Date of the consolidation for all purposes shall be January 1, 2021.
2. As of the Effective Date, there shall be no debt in either district.
3. WD7 assets consist of the following:
 - a. Fund Balance \$114,192.00 (as of 12/31/2019)
 - b. Approximately one mile of water distribution mains including 8 fire hydrants. There exists 30 service connections in the district.

In addition, there exists a small percentage share (0.20%) in equipment and 8 vehicles which serve all the Town's water and sewer districts. All WD7 assets shall become assets of WD4 on the Effective Date.

4. WD4 assets which WD7 district participants will, after the Effective Date, benefit from, include the following:

- a. Fund Balance \$1,187,552.00 (as of 12/31/2019).
- b. Approximately 8 miles of water distribution mains including 82 fire hydrants. There exists 429 service connections in the district.
- c. Real property - School Street wells. The pump house near Old Mt. Kisco Road, the water tank parcel and the booster station/pump house on the water tank parcel. The Whippoorwill Ridge parcel where 2 wells are located. The IBM wells and pump house. An easement for a 12" main interconnecting between Whippoorwill Hills and Main Street.

In addition, there exists a parts inventory of spare pumps and a 15% share in equipment and 8 vehicles which serve all the Town's water and sewer districts.

5. Current water rates for each district are currently as follows:

WD7 - 3.50 per/1000 gal.

WD4 - 3.00 per/1000 gal.

On the Effective Date, the applicable water rate for WD4 as consolidated shall be 3.00 per/1000 gal. subject to future adjustment.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly signed and executed as of the day and year first written above.

WATER DISTRICT NO. 7
OF THE TOWN OF NORTH CASTLE

By: _____
Michael J. Schiliro, Chairman
Board of Water Commissioners

WATER DISTRICT NO. 4
OF THE TOWN OF NORTH CASTLE

By: _____
Michael J. Schiliro, Chairman
Board of Water Commissioners

STATE OF NEW YORK)
) SS.:
COUNTY OF WESTCHESTER)

On the - day of July in the year 2020 before me, the undersigned personally appeared MICHAEL J. SCHILIRO, Chairman of the Boards of Water District 4 and 7 Commissioners of the Town of North Castle, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

NOTICE OF PROPOSED JOINT CONSOLIDATION AGREEMENT
WATER DISTRICT NO. 7 and WATER DISTRICT NO. 4
OF THE TOWN OF NORTH CASTLE

Notice is Hereby Given that the Town Board of the Town of North Castle has adopted a resolution endorsing the consolidation of Water District No. 7 and Water District No. 4 of the Town of North Castle to be effective as of January 1, 2021.

A copy of the proposed Joint Consolidation Agreement is available for public inspection and review during the hours of 8:00 a.m. and 4:00 p.m., Monday through Friday in the Town Clerk's Office, 15 Bedford Road, Armonk, NY 10504 and on the Town's website www.NorthCastleNY.com.

BY ORDER OF THE TOWN BOARD



Alison Simon
Town Clerk

Dated: June 27, 2020
Armonk, New York