

STATE OF NEW YORK

6247--A

2025-2026 Regular Sessions

IN SENATE

March 7, 2025

Introduced by Sen. SKOUFIS -- read twice and ordered printed, and when printed to be committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to ratify and confirm the creation of water district no. 14 of the town of Monroe and to authorize the issuance of bonds or notes by the town of Monroe to finance certain inter-fund borrowings by water district no. 14 from such town's general fund

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Legislative findings. It is hereby found and determined
2 that the Town of Monroe, Orange County, New York, hereinafter known as
3 the town, spent General Fund money in the amount of \$577,539 to make
4 improvements to the former water system owned and operated by Orchard
5 Hill Water Company prior to the establishment of Water District No. 14
6 in accordance with the provisions of Article 12-A of the town law. In
7 2013, the town spent general fund money in the amount of \$144,523 to pay
8 for the construction of a new water well, improvements to the pump house
9 and other system improvements. In the years that followed, the town
10 spent general fund money in the amount of \$433,016 to replace water
11 mains and make other system improvements, including tank rehabilitation.
12 The expenditure of such funds by the town board prior to the district's
13 establishment as described above was in violation of the provisions of
14 section 165.10 of the local finance law. Further, the town failed to
15 repay to the moneys advanced from the general fund to make improvements
16 to the former water system by the close of the fiscal year in which the
17 advance was made with reasonable interest in accordance with section 9-a
18 of the general municipal law.

19 Lastly, bond resolutions were not adopted by the town board at the
20 times such funds were paid and as a result the town is prohibited from
21 financing such costs with bonds or notes. The specific actions taken by

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 the town in furtherance of establishment of Water District No. 14 and
2 the construction and financing of improvements therein are more fully
3 described as follows:

4 Upon the death of the owners of the Orchard Hill Water Company, the
5 water system fell into disrepair leading to the enactment of a Boil
6 Water Notice on May 10, 2011 for the residents of the water system. The
7 land of the Orchard Hill Water Company fell into receivership. Residents
8 of the water system petitioned the town to assume operation of the water
9 system and to form a water district. The town board adopted an Order
10 Calling a Public Hearing and held said Public Hearing on December 17,
11 2012. The town's petition to be named as a temporary operator of the
12 system was approved by the Public Service Commission on June 17, 2013.
13 The town submitted an application to the state comptroller for the
14 approval of the establishment of Water District No. 14 and the
15 construction of improvements required by the Department of Health to
16 operate the system. Various discussions between representatives of the
17 state comptroller and the town followed regarding the application
18 submitted by the town. The town decided to amend the scope of the
19 improvements to be undertaken to reduce the impact to the residents
20 served by the former Orchard Hill Water Company resulting in
21 construction of a new water well, improvements to the pump house and
22 other system improvements. The land owned by the Orchard Hill Water
23 Company remained in receivership following the death of the owners and
24 the town withdrew its application submitted to the state comptroller
25 because the town did not own the property. The town ultimately took
26 ownership of the land in 2019.

27 In 2019, the town's engineer prepared a map, plan and report for Water
28 District No. 14. On July 1, 2019, the town board held a public hearing
29 with respect to Water District No. 14 and adopted an Order Following
30 Public Hearing. The town filed said order with the county clerk; howev-
31 er, the town board did not obtain the permission of the state comp-
32 troller for the establishment of the district in violation of section
33 209-f of the town law.

34 The town has operated Water District No. 14 as a de-facto water
35 district in violation of the provisions of articles 12 and 12-A of the
36 town law since 2013. In addition to using general fund money to pay the
37 costs of the initial improvements described herein, the town has spent
38 general fund money to replace water mains on account of breaks and other
39 system improvements, including tank rehabilitation, to provide for a
40 properly functioning water system. The town has been assessing resi-
41 dents of Water District No. 14 for operation and maintenance expenses of
42 the water system in accordance with the schedule enacted by the public
43 service commission. The town has not assessed residents for capital
44 improvements to the system and as result none of the general fund money
45 paid by the town has been repaid. As of December 31, 2024, the total
46 amount of the initial payment by the town that remains outstanding is
47 \$577,539.

48 The failure of the town board to adopt a bond resolution prior to the
49 expenditure of such money for the water system improvements was contrary
50 to the provisions of section 165.10 of the local finance law.

51 § 2. Water district established. Notwithstanding the defects
52 described in section 1 of this act, the establishment of Water District
53 No. 14 is hereby legalized, validated, ratified and confirmed. Said
54 water district established pursuant to this act shall be funded, oper-
55 ated, expanded and otherwise controlled in accordance with the
56 provisions of articles 12 and 12-A of the town law and the provisions of

1 this act. To the extent that the provisions of this act shall in any
2 way be in conflict with articles 12 and 12-A of the town law, the
3 provisions of this act shall be controlling. The imposition of any
4 special assessments by the town upon the properties previously served by
5 the Orchard Hill Water Company are hereby validated.

6 § 3. Bonds authorized. The town is authorized to issue bonds or notes
7 in the principal amount of \$577,539 on behalf of Water District No. 14
8 for the purpose of reimbursing the general fund of the town from which
9 moneys have been temporarily diverted since 2013 to pay certain of the
10 costs incurred in the improvement of the water system acquired by the
11 town in accordance with mandate of the public service commission,
12 notwithstanding the provisions of section 165.10 of the local finance
13 law which, provide, in effect that a bond resolution shall have first
14 adopted before any such temporary diversion of funds shall have been so
15 made and notwithstanding section 9-a of the general municipal law which
16 requires money advanced to be repaid to the fund from which they were
17 advanced not later than the close of the fiscal year in which the
18 advance was made with reasonable interest. The period of probable
19 usefulness for such improvements is forty (40) years from the date of
20 the initial improvements, which occurred in 2013. In anticipation of
21 such bonds, bond anticipation notes are hereby authorized.

22 § 4. Obligations. Except as provided herein, any obligations issued
23 pursuant to this act shall be issued in accordance with the local
24 finance law.

25 § 5. Severability. If any clause, sentence, subdivision, paragraph,
26 section, or part of this act be adjudged by any court of competent
27 jurisdiction to be invalid, judgment shall not affect, impair, or inval-
28 idate the remainder thereof, but shall be confined in its operation to
29 the clause, sentence, subdivision, paragraph, section, or part thereof
30 directly involved in the controversy in which such judgment shall have
31 been rendered.

32 § 6. This act shall take effect immediately.