

TOWN OF STILLWATER
WATER DISTRICT NO. 6

PROPOSED JOINT CONSOLIDATION AGREEMENT

1. PURPOSE. The public purpose for the consolidation of existing and contiguous Town Water Districts 1, 3, 4 and 4 Extension 1 is to provide a long-term, safe, reliable and economical water supply to customers within those districts.

METHOD. A new Town Water District (“WD#6”) is to be comprised of the existing infrastructure, users and boundaries of the current Town Water Districts 1, 3, 4 and 4 Extension 1 (“WD#1, 3, 4 & 4 ext. 1”). However, the consolidated water district will be supplied water via a transmission line to be installed which connects the existing Saratoga County Water Authority (“SCWA”) system along Cordero Boulevard to the existing Town infrastructure within the current Water District #3 and Water District #4. The new transmission will be financed as a town-wide capital improvement.

2. AUTHORITY. Article 17-A of the General Municipal Law of the State of New York (“GML Art 17-A”) and specifically Sections 750 through 793 thereof, effective March 21, 2010, authorizes the consolidation of special districts within a town and amends relevant provisions of the Town Law (§§ 57, 81, 195 and 209-q), the Local Finance Law (§24) and the Municipal Home Rule Law (“MHRL”) (§33-a) to facilitate such consolidations. The Town of Stillwater specifically invokes its authority under the New York State Constitution, MHRL Article 10 and §792 of the GML to supersede any relevant but inconsistent provisions of either state or local laws.

3. Pursuant to GML §752, the names of each local government entity to be consolidated are: Town of Stillwater Water District # 1, Town of Stillwater Water District # 3, Town of Stillwater Water District # 4 and Town of Stillwater Water District #4 Extension 1.

4. The name of the proposed consolidated local government entity is Town of Stillwater Water District # 6.

5. The rights, duties and obligations of the proposed consolidated local government entity are the same as those that currently exist in Town Water Districts 1, 3, 4 and 4 Extension 1, as more specifically described in the attached Engineer's Map, Plan and Report of The Chazen Companies dated March 25, 2013, as amended ("MRP"), the contents of which are specifically incorporated into this Proposed Joint Consolidation Agreement for Water District # 6 are those afforded special districts under the New York State Town Law and GML Article 17-A.
6. The territorial boundaries of the proposed consolidated local government entity are the same as currently exist on the contiguous exterior of current Water Districts 1, 3, 4 and 4 Extension 1 with the contiguous interior boundaries removed, as described and depicted in the attached MPR and attached Workshop #4 Presentation ("PP") dated April 9, 2013 both of which are incorporated herein. The proposed boundaries of WD#6 are generally described as being East of George Thompson Road, North of NYS Route 67, West of US Route 4 and South of Saratoga County Route 76.
7. The type and/or class of the proposed consolidated local government entity is a "Special District" as that term is defined in Article 12 & 12A of the NYS Town Law for the supply of water to end users.
8. The governmental organization of the proposed consolidated local government entity is that of a Special District within a Town as provided in the NYS Town Law. Specifically, the Town Board of the Town of Stillwater currently functions as the Commissioners of Town Water Districts # 1, 3, 4 and 4 Extension 1 and will continue to function as Commissioners of the consolidated Water District # 6 without a special election therefore after the consolidation is complete.
9. A detailed fiscal estimate of the cost of savings which may be realized from consolidation is contained in the attached MPR and PP attached hereto and incorporated herein. In general, the cost of the new water transmission line and consolidation of existing districts is estimated to total \$6.75 million but because it will be financed as a town-wide capital improvement, end users within the existing Water Districts # 1, 3, 4 and 4 Extension 1 will see estimated annual savings of \$284, \$338, \$338 and an increase of \$369.20, respectively.

10. Each entity's assets are detailed in the attached and incorporated MPR and PP and consist of water transmission and distribution infrastructure and equipment but no real property.

11. Each entity's liabilities and indebtedness are set forth in the attached and incorporated MPR and PP and consist of no debt in Water District # 1, \$1,035,600 in bond principal and interest in Water District # 3 and \$1,171,900 in bond principal and interest in Water District # 4.

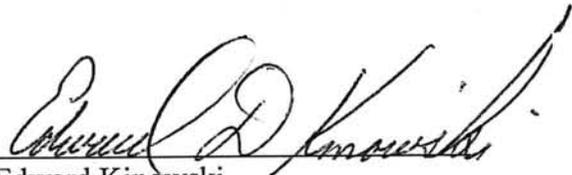
12. The terms for disposition of existing assets, liabilities and indebtedness of each local government entity is that they will stay in place as is with the users of the existing water districts. Existing debt within the individual districts will remain the responsibility of its respective users prior to consolidation. Future improvements to the consolidated district will be financed via joint indebtedness paid for on a benefit basis issued by the Town of Stillwater.

13. The terms for the common administration and uniform enforcement of local laws and the like within the proposed consolidated local government entity, are those rules and regulations promulgated by the Saratoga County Water Authority and the Town of Stillwater, and enforced by the Town of Stillwater Highway Superintendent pursuant to the Stillwater Town Code and State and County Health Department Regulations consistent with GML §769, all local laws, ordinances, rules or regulations currently in effect for the component Special Districts on the effective date of consolidation shall remain in full force and effect until repealed or amended. The Town of Stillwater Town Board will adopt such new local laws, ordinances, rules and regulations as necessary to redress conflicts or ambiguities in existing laws and the like for the common administration and uniform governance of the consolidated Water District # 6.

14. The effective date of the proposed consolidation will be immediately upon the adoption of the Proposed Joint Consolidation Agreement by Resolution of the Stillwater Town Board and in conformity with GML §756, which is estimated to be voted on at the June 20, 2013 Town Board meeting.

15. The time and place for the Public Hearing on the Proposed Joint Consolidated Agreement pursuant to GML §754 will be as noticed by resolution of the Stillwater Town Board and is expected to be conducted on June 20, 2013 at 7:00 p.m. at the (new) Stillwater Town Hall located at 881 Hudson Avenue, Stillwater, New York 12170.

Proposed by the members of the Town of Stillwater Town Board, acting as the Commissioners of Town Water Districts # 1, 3, 4 and 4 Extension 1, on this 2nd day of May, 2013.

A handwritten signature in black ink, appearing to read "Edward Kinowski", written over a horizontal line.

Edward Kinowski
Town Supervisor