



**VILLAGE OF LYONS**  
**76 WILLIAM STREET**  
**LYONS, NEW YORK 14489-1586**  
**315-946-4531**  
**TDD 1-800-662-1220**

August 12, 2010

Andrew DeWolf  
7 Sisson Street  
Lyons, N.Y. 14489

RE: Your letter July 30, 2010

Your letter questions many problems before the Village Board. Some have answers and some are works in progress. I will try to hit the highlights as I see them.

Paragraph 1 and 2 – We are pleased that you are now able to understand the problems that we have been addressing for many years with our aging infrastructure. We all know the problems, our job is finding solutions and enough dollars to solve these issues. From your review of the information sent to you, it is evident the Board works to find the best solutions possible.

Paragraph 3 – If you will review the five year Financial Data Comparison submitted, you will see that the Water Fund began having deficits in 2003 which have been carried through the present time. Deficit was reduced in 2008 due to revenue received from the sale of Junius Ponds. In 2004 the sewer fund moved to a deficit position and remained in the red to date. In 2004 and 2005 previous boards appropriated non-existent fund balance of \$80,000 each year to balance the fund. The projected additional fund deficits in the 2010-2011 budget are based on the need to realize \$619,427 water rents and \$592,530 sewer rents. If you will review your copy of this budget you will see these figures as estimated revenues. The July billing for water is \$130,867.25 and sewer is \$146,473.29. Multiply \$130,867 x 4 qtrs. = \$523,468 (an approximate \$100,000 shortfall. Multiply \$146,473 x 4 qtrs. = \$585,892 (an approximate \$7,000 shortfall).

Paragraph 4 – Review the five year Financial Data and you will see that water fund expenses have decreased from 2003 - \$695,736 to \$650,227 in 2008. Year ending May 31, 2010 the expense is \$614,426. Water rent totals are also included in the five year data. In 2003 the revenue received was \$553,148. This past year revenues equaled \$556,122.95. Follow the 5 year report and you will see that peak revenues were collected in 2007 due to rate increases passed in 2006.

Last paragraph – Repairs made at the Water Plant do not address water loss as this is not where there is loss of water. Deficits have remained stable since 2003 in both the water and sewer funds. The funds have not significantly added increased deficit. We have tried each year to balance appropriations with revenues. And as we all know the loss of Parker-Hannifin revenue has given us less funding to continue

balancing these funds. Thus, in September 2009 I requested a water and sewer rate study to give us direction as to rates and future recommendations. As you know we are now in the process of reviewing that document and making a determination as to our best options for the future.

The questions you have regarding corrective action cannot be addressed at this time because there are many recommendations to be reviewed and put into action. And I believe that it is obvious that any solution the Board comes up with will cost money. Replacement of infrastructure, meters, water line leakage and repair are not free. As you know from the FOILED items we are constantly monitoring grants available, case in point Elmer St. CDBG was submitted 3 times before funded.

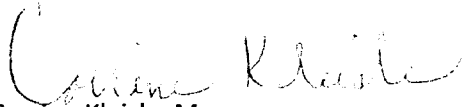
We are presently making inquiries regarding meter replacement methods and use of grants available to assist with a replacement program. Look at the ARRA application sent to you and you will see that the Village is active in every need of the Village looking for assistance and help.

Debt – Please review the 2010-2011 budget and five year report and you will see that our debt is stable and has not substantially increased in many years.

It is important that you know that through actions of the Village, the south side of the Village now has water lines that have been replaced. New lines have been put in place from Shuler to Franklin Streets. Route 31 has lines that are significantly newer and are not in need of replacement at this time.

I will be happy to meet with you anytime and try to address any concerns you have.

Sincerely,

A handwritten signature in cursive script that reads "Corrine Kleisle".

Corrine Kleisle, Mayor

c/

August 20, 2010

Mayor Corrine Kleisle  
Lyons Village Board of Trustees  
76 William St  
Lyons, NY 14489

Dear Madame Mayor and Board of Trustees;

In regards to the reply letter from Mayor Kleisle dated August 12, mailed August 18, and received August 19, 2010:

Your letter affirms my letter and explains the financial data aspect of the problems in much better detail. Thank you for your response. In your letter you further explained the financial details, but did not elaborate upon the causes of the problems that have placed us in such dire circumstances. Additionally, your letter discusses how the board has attempted to obtain grants from every level of state and federal government, with poor results. Your response to my questions then was insufficient; please review my previous letter regarding the final paragraph. What priority have you placed on this problem? Are we going to just wait for Federal and State funds, which are difficult to come by? Are we prioritizing other plans and placing the water and sewer problems towards the top of your lists? Do we have plans to borrow funds to replace water lines and sewer lines? Are we willing and planning to put other priorities on hold and solve this issue? The water and sewer department, along with maintenance of roads, provision for fire, police, and EMS, are among the main reasons a village exists to serve its residents.

From your letter and your public statements in the official records, may I deduce that the causes of the massive water losses and deficits are from one of three areas? 1.) Aged infrastructure IE Pipes and pumps which are leaking all over the village, worsening from 2003 to present. 2.) Defective Water Meters that are not metering water fairly across the village, therefore allowing a smaller segment of users to pay for the rest of the village. 3.) Per the "Brown Study", none of the massive water losses mentioned calculated the losses of the water plant and recapturing those losses?

Your public statements in the August 3 minutes mention that to date the village has found and repaired 25 leaks within the village. Can you explain your statements better? From what date are you explaining the 25 leaks? How did we locate them? When did we locate them? According to the Brown Study and the yearly water reports, we continue losing 190,000 to 200,000 gallons of water per day? Per your letter and public statements, you and the board have been aware since 2004 of the massive water loss and continued "stable deficits" in the financial accounts, but made the findings officially public in July? Review of the minutes show the board briefly discussed small items regarding water/sewer problems since 2008, but never in the detail released since July. Please explain?

Regarding replacement of water meters within the village; the village charges a water meter maintenance fee to all users of water in the village. The fee should cover all of the costs of the water meter replacements as that was its intent, am I correct? Please explain. Additionally, what methods has the village used since you've been in office in 2004 to detect defective water meters, repair and replace them? Are we monitoring accounts for abnormal flows, either under or over normal for their accounts? Do we have a company, or our own equipment, with capability to detect and repair leaks in the water lines or water meters?

In your final paragraph, you remind me that the village has replaced the water lines in the block from Shuler to Franklin Streets, and that Route 31 lines are new and not in need of replacement. Please explain further. Was this an area of continuous leaks? How do we know this? Has replacing these lines decreased the amount of water loss we are experiencing? If so please send data that you are collecting to support your explanation. Also, when we replaced those lines, did we also replace all of the water meters in those areas? Please explain.

In reply to your final sentence regarding a face to face meeting. I sincerely thank you for your offer, and will consider it in the future once I have a better understanding of all aspects of this water and sewer problem and solutions. As your office and board are well aware, I have limited availability, before 8 am and after 7pm at night. I prefer to continue this discussion in writing regardless, so there can be no confusion as to what was said, and to promote honesty, respect, and civility during our time together resolving these problems.

Thank you very much for your continued cooperation and responses;

Sincerely;

A handwritten signature in black ink, appearing to read 'Andrew DeWolf', with a date '8/20/10' written to its right.

Village Taxpayer and Resident  
Andrew DeWolf  
7 Sisson St  
Lyons, NY 14489