

Minutes of a Special Meeting of the Town Board of the Town of Riverhead, held on January 12, 1978 at 8 P.M. at the Wading River Elementary School, Wading River, New York, on the matter of the amendment to its franchise and/or the granting of a new franchise expanding its territorial limits in the Wading River area of the Town of Riverhead to use the streets, highways and public places for the construction of water conduits, lines and mains, and to engage in the business of a water works corporation in that area.

Present:

Allen M. Smith, Supervisor  
George G. Young, Councilman  
Francis E. Menendez, Councilman  
John Lombardi, Councilman  
Antone J. Regula, Councilman

Also present:

David Fishbein, Town Attorney

PUBLIC HEARING - 8 P.M.

Town Clerk submitted Affidavits of Posting and Publishing Public Notice of Public Hearing to be held on Friday, January 12, 1978 at 8 P.M., at the Wading River Elementary School, North Wading River Road, Wading River, New York, on the matter regarding the amendment to its franchise and/or the granting of a new franchise expanding its territorial limits in the Wading River area - to use the streets, highways and public places for the construction of water conduits, lines and mains, and to engage in the business of a water works corporation in that area.

The Affidavits were ordered to be placed on file.

Thereupon Supervisor Smith opened the meeting at 8 P.M.

MRS. PENDZICK: I have a piece of correspondence to be read. This letter is dated December 18, 1977:

"Dear Mr. Smith and Members of the Town Board:

Members of the Beverly Hills Area Association and I are concerned with the matter of the proposal to grant the rights of the extension of the Water District in Wading River to Shorewood Water Corporation. Our concern is based upon the following unresolved questions:

1. In what way will the Town of Riverhead benefit from this proposed extension?
2. Will there be any payment made to the Town of Riverhead for these rights, if granted?
3. Are there any practical alternatives to the proposed plan?
4. Will the Shorewood Water Corporation be legally required to supply water to individuals and businesses in need of water supply that are in this Water District? And, if so, what price might those involved have to pay for an adequate water supply?
5. Will the residents of the existing and proposed Water District be supplied with adequate water within a definite period of time?
6. Could we, as residents of Tide Woods and Beverly Hills, be hooked up to the proposed water system at some definite time in the future should the need arise?

Until these questions are fully answered, we feel we must oppose an extension of the Water District at this time.

Sincerely, John Ottaviano , President of the Beverly Hills Area Association."

SUPERVISOR SMITH: Thank you, Mrs. Pendzick. Mr. Haugaard, would you, on behalf of the applicant, please explain for the citizens assembled exactly what your plans are?

MR. HAUGAARD: Thank you, Mr. Supervisor, members of the Board. The Shorewood Water Corporation is a

privately owned water corporation. It is engaged in the business of delivering water to homes and businesses for homes and property. It has operated in the Brookhaven area, the northeast Brookhaven area, for over seven years and is a long-established corporation.

At present, it is running its lines through the Brookhaven section of Wading River, and it had previously applied to operate in the portion of the Town of Riverhead and to an extent that that was granted, it now holds a franchise to operate along the Lighting right-of-way from the Brookhaven Town line to Wading River Manor Road and the boundary south.

This application is for two things. Given a certain area, the corporation wants the right to do business. That's the requirement. We need a license to engage in the water works business in the Town. The second part of the application is for the right to use the streets of the Town to run water lines. So, the street use and the right to do business are two elements of what we are calling the franchise that the corporation is requesting. Now, the area to be covered - that is where we are requesting to operate - is better probably described verbally. If you start, if you can conceive of this area as being an outlying pipeline running from the intersection of North Country Road and Brookhaven Town line along North Country Road, and continuing down North Country Road past the Congregational Church, up past the Catholic Church, then up here to Sally Wood's house, then down to Manor Road to the traffic light, then back along 25-A to the Town line. That's the basic area we are requesting a franchise for. However, under State Law, if we were to run mains along that line, we are forced by law, and of course by choice too, to serve anyone within a hundred and fifty feet of our line so that actually, the area is somewhat larger than that I described, and that additional area shown on this map is being the back line of the properties that are also fronted on North Country Road. In other words, we serve both sides of the street.

We had an extensive hearing on this entire subject once before in this school, and I see that most of the people that are here tonight were at that meeting so, I won't go into it. I will just explain what we are asking

for and what the primary objections raised that have been in the past are, and then, perhaps if anyone has any questions, we can get into that. The main question that has always seemed to be asked is what effect will this have on the density of population, and the answer is simply that the Town Board of the Town of Riverhead controls the density of population. In this area, we are zoned at 30,000 feet at the present time in our residential zone, and you can't build less than that. There were a couple of questions which I didn't get - all the questions in the Beverly Hills Association asked for answers to. I didn't jot them all down, and I don't know them all. Perhaps I can get them later.

There is one more positive advantage to this, and that is in the fire protection aspect. The corporation will place at the direction of the Board of Fire Commissioners in the Wading River District, hydrants wherever they will help. These fire hydrants do have an advantageous effect on the insurance rates that we pay. The Fire District itself, however, pays for the rental of the fire hydrants, and to that extent there is a minor expense on the taxpayer's part from the area affected. The company, as I say, is a private corporation. It pays nothing specifically for the use of the roads, but it does pay real property taxes on the value of its franchise, so to that extent it does compensate, whatever compensation is necessary for that. The corporation, of course, does all the road work, puts the water mains down and repaves the road that is torn up to the specifications of the Town. They post a bond for that. I think the single, biggest thing that you should think about in considering this whole proposition is the fact that this company has been doing this for years. They have been in business for a long time. They are expanding their operations. So, if there are any questions --

SUPERVISOR SMITH: Mr. Haugaard, why don't you have a seat and we will see what the citizens assembled here wish to say.

Yes, sir. Would you kindly give your name and address to the Stenographer.

MR. JOSEPH GILL: This is more directed to the Town Board. Say I owned a parcel of land that butts against

the new Water District. Would you consider lowering the zoning requirement now that I have City water? It's 30,000 square feet.

SUPERVISOR SMITH: You don't rezone a particular parcel. That would be contrary to zoning concepts. I don't know that there is any rezoning considered anywhere in the Wading River area, at least by the present Town Board, other than quite possibly an upzoning in the other direction. It does, as we mentioned at the past hearing, have some effect upon the Suffolk County Planning Department and the Suffolk County Health Department rules with reference to what the minimum acreage is. I believe that where water is supplied, those regulations would permit a half acre, which is 20,000 square feet, but you wouldn't get below that.

MR. JOSEPH GILL: There is no way I could appeal the zoning?

SUPERVISOR SMITH: Yes, you could appeal the zoning. The only place that I see that this proposal of Shorewood could have the kind of effect that appears to be bothering you, is on the south side of 25-A.

Is there anyone else?

MR. CARL FRANZ: The question came up again on the fact that the Shorewood Water Corporation would install hydrants along the proposed route. Back on the 14th of June 1977, I wrote a letter to Allen Smith indicating that at that particular time that there were four particular possible plans for the establishment of a Hydrant Tax District for supporting the hydrants for this particular proposed route. The first one would be to place hydrants only at the location of the school and bill the school directly for that, which would lower the insurance rate. If we established the Hydrant District around the proposed path of construction within a thousand feet of the water mains, we would have to establish an assessed valuation of that particular district and any time an extension of this particular Hydrant District occurred, we would have to again find out the new assessed valuation for that particular geographic area, and increase the assessed value, which

would decrease the tax rate to this residence. Now, the only people that would benefit by this Hydrant District would be people within a thousand feet of the water route. Two, anyone outside of that particular area, would not be getting any benefit from a reduced fire insurance rate, due to the hydrants. Another way of doing it, which would allow the Shorewood Water Company the right to expand the Hydrant District without having to recreate another assessed valuation area, would be to establish the Riverhead portion of Wading River-Shoreham School District; since that assessed valuation is already known, it would allow them to expand the water mains and the Hydrant District to encompass the whole geographic area without the cost of reassessment taking place. The fourth option would be to establish the entire Riverhead portion of the Wading River Fire District as a Hydrant District, which would spread that tax for the hydrant throughout the entire Fire District. Those are the four alternatives.

Since Shorewood Water has been in existence on the Brookhaven portion of the Fire District, the initial rate for the hydrants were \$55 per hydrant and they installed eighteen. At the present time, that particular rate has increased. I don't know the exact number. Since that particular time, which was back in July of 1977, when the original franchise was implemented, I don't know what this increased cost would be at this particular time but, I think all these factors should be taken into account before a Hydrant District is set up. Certainly, hydrants in the area would be a benefit from the standpoint of fire protection, but having hydrants in that would tax people without the benefit of the reduced fire insurance rate would not be, and limiting the Water Company to a specific geographic area and having to go through the cost of reassessing a new area every time they expanded the Water Main District is an expensive proposition. I think it should also be noted that they can put additional hydrants in at their discretion, and have done so when they have expanded the water main route.

MR. HAUGAARD: The rate is \$70 per hydrant. It is temporarily fixed at \$70. In Brookhaven, cost is .25¢ per house.

MR. CARL FRANZ: The difference in the assessed

valuation in the Brookhaven Town portion of the district is \$26 million total assessed valuation for the Riverhead Town portion of the Fire District versus \$8 million of the entire Wading River-Riverhead portion.

MR. HAUGAARD: As you know, the question of how to set up your boundaries is up to the Fire Commissioners. Shorewood is making this service available. We are not forcing anyone to take it. We are providing a service.

SUPERVISOR SMITH: Is there anyone else who would choose to address the Town Board on this proposal?

MR. NORMAN LEVINE: When the Supervisor replied to Mr. Gill, he made some reference to south of 25-A. Is that the area which would be affected by this Water District?

SUPERVISOR SMITH: Mr. Levine, if there is a potential for a downzoning, if you will, that is the area in which I submit to you there is a potential. It is not that I consider the same a possibility. In fact, at the joint Board meeting we were quite frankly considering going the other way with a substantial portion of the residential property to the south of 25-A. But there is a potential at that location that is enhanced by the presence of a Water District or water service of any sort.

Are there any other questions, comments of any sort?

MR. RICHARD LARSEN: One of the problems associated with the extension of the Water District, once you have extended one extension, there seems to be a question that limits how far you can extend these districts. There is a large amount of very prime residential land to the east, along Sound Avenue behind the Carrerer area. Hundreds of acres of prime residential land, which would be very nicely developed, if in fact they should think about downzoning. If one can contemplate downzoning to the south, then one can contemplate downzoning to the east, and it's the number of extensions I think that we're all concerned about.

SUPERVISOR SMITH: I hope you understand what Mr. Larsen was saying. In other words, if this extension,

although it would not come into contact with that vacant land, would enhance the economic feasibility of a water main section to the east at some future date, and there is vacant land to the east of you that would quite possibly be subject to this kind of development pressure.

MR. GORDON DANBY: The last time the subject came up I, and other people, opposed it on the ground that I think in line in the recent discussions of the concern for the ultimate impact on population density in the feeling that water alone without accompanying sewage is a time bomb. There is a tendency to say if you can get water and not worry about the sewage for 25 years, to take what you can get now. If that was simply a lecture, okay, but I think most of us realize, given the nature of Long Island, eventually we would ruin our water supply. There would be nothing but a desert or slum. So, with the concern for the area south of 25-A primarily as it's being alluded to, and further east we have a natural pass just east of William Floyd and once that pass is breached, this area will end up like what lies from Rocky Point to Port Jefferson and I don't think that is good, and I don't think it benefits anyone economically. It won't help any part of Riverhead - - I think Riverhead will benefit not to say we shouldn't but if it's left to itself it will happen, and so I made that argument and I'm still terribly concerned about the farmland but if it's to be preserved not because there is anything wrong with houses. Having said all that, that was a general argument and it was decided differently, so I can't use that argument on the extension other than I think it is alluded to by the last two speakers. I did use it for two reasons: One, I know Mr. Reid personally. Secondly, I realized in a detailed sense for safety, many people benefit from private water. I can't deny this.

Now, that general philosophical argument was decided, so I don't have any opinion now other than the urge, and I think this discussion confirms how we must now decide as much as possible how the planning of this area is going to go, and inevitably it will move there - - all of Riverhead, and whether that ends up being a vote for the extension of the Water District, I don't have enough information to know.

SUPERVISOR SMITH: I think before we go much further - - Bill, we didn't clear up the map. You have given us a map here. I know that the Tuthill's Funeral Home has proposed and are under construction on the south side of the highway - -

MR. HAUGAARD: Let me explain the map. This map was given to us today and it is not entirely accurate. It does not show that portion of the application running along Route 25-A between the lights and the Town line. That portion is in the application we presented, but our engineer who just got this to us today made a mistake. If you look at it on the other areas, you see the lots that would be - - to which we would be required to give service if the owner of those lots wants it - - if we run a line, if and when.

I do want to say one thing and we said it on our initial application. We are asking for permission to do these things. We are not guaranteeing that they will be done at any given time. This is a private operation. It will expand its operations within the franchised area to the extent that there is a demand for the service, and it can make money delivering the water.

Second, to the extent that it must expand. This is not a promise that within one year we're going to fill all lines within the streets. Maybe you don't want that promise but, anyway, it's not a promise that we will do that. We do want to service the area encompassed by North Country Road, Wading River Manor Road and back along 25-A, both sides of the streets.

SUPERVISOR SMITH: Bill, what is the depth into the farm south of the highway?

MR. HAUGAARD: It depends on the ownership. It is our understanding that we must serve all parts of any parcel, any part of which is within 150 feet of our line. Therefore, if you do have, in single ownership for example, a 100-acre parcel south of 25-A, it is my understanding of the regulation that we would have to serve that entire parcel.

SUPERVISOR SMITH: In other words, if Bill Nohejl

owns Imperial Sod and Imperial Sod comes up to the road, you run all the way back to where - -

MR. HAUGAARD: Unless you subdivide it before we get going. That is what we are required to do by law. However, the zoning regulations are up to you. In connection with the zoning, it is really a Town Board matter. The area that we are now serving in the Wading River section of Brookhaven Town is a prime residential area, and that is all our water and it certainly is a prime area.

SUPERVISOR SMITH: Just ask me the questions and I will ask them to Mr. Haugaard.

MR. JOSEPH F. SHANIHAN: How far north of 25-A, as I understand it North Country Road, you would be going a hundred and fifty feet of?

MR. HAUGAARD: To all lots within a hundred and fifty feet. We are asking for permission to give service, and we must give service if we put the line in.

MR. JOSEPH F. SHANIHAN: Do you have a plan to go any further north?

MR. HAUGAARD: Not now.

MR. JOSEPH F. SHANIHAN: I see this is just to do what you want to put in right now. You want to get a trunk line in that area.

MR. HAUGAARD: We have a feeling for the area. We feel there is a certain demand in the area, the downtown area of Wading River. However, this is a private company. We are not financed by the Government. We have to look to profits to finance our expansions. We would love to serve everyone. This is what it is.

SUPERVISOR SMITH: Let me clarify something in my own mind, if you will. Bill, if you could come here a moment. You are proposing a line down North Country Road. Yet, Extension No. 2 as shown on this map includes this parcel up in here. Do you propose to service that parcel?

MR. HAUGAARD: We are asking for a franchise in

the area shown within this heavy map.

SUPERVISOR SMITH: So, Mr. Reid, so the record is correct here, it is not that we are simply running a main on North Country up to a point where the Wading River Manor Road comes in, but you are proposing more accurately to run lines westerly from that point into the subdivisions that are shown between that line and River-head boundary, the westerly boundary of the - -

MR. REID: Mr. Supervisor, we propose, in due course, to install water mains not only on the North Country Road, the Wading River Manor Road or Route 25-A, but all the streets within the boundaries of those areas. All of them, in due course, meaning when we have sufficient number of customers to warrant the extension of those things and within, may I add, the extensions of mains governed by our rules and regulations under the Public Service Commission of State of New York. We must extend mains on public streets. I think they require 75 feet. You asked us to go a hundred and fifty feet. We are quite willing to do that. We must extend them within those areas, whether we like it or not. Obviously, we like it.

SUPERVISOR SMITH: Thank you, Mr. Reid.

Mr. Peretta?

MR. MIKE PERETTA: Basically, how much of this franchise has the Town been granting to the Shoreham Water Company?

SUPERVISOR SMITH: To this point?

MR. MIKE PERETTA: Yes.

SUPERVISOR SMITH: I think it was stipulated at the last meeting and is confirmed by the grants that they have a right to run the line down LILCO right-of-way to Wading River Manorville Road and southerly on the Wading River Manorville Road to the southerly entrance to the shopping center. I mean the westerly entrance.

MR. MIKE PERETTA: It seems to me that Shorewood is

now looking to extend and branch out in the different parts of the area. Are they looking for a guarantee of this territory for future rights? Is this what they're looking for? I don't get it. If they get the authority to proceed further, are they going to hold to that certain point before they proceed any further, instead of saying, "We are going to do this block and that block and stop there"? Can anyone guarantee the rights to proceed further? Is this what it amounts to?

SUPERVISOR SMITH: I think they are looking for an exclusive franchise of this area.

MR. REID: We didn't ask for an exclusive franchise. We don't have one in our area. We are not asking for an exclusive here, sir.

MR. MIKE PERETTA: Has any of this been constructed yet?

MR. REID: Yes, we have expended about \$40,000 by extending our main along the LILCO right-of-way from Randall Road in Shoreham to Gateway Drive. We didn't start that construction until we received our written easement from the Long Island Lighting Company. We received that on the 9th of December. We started work on the 8th of December. We stopped because of the time of year.

SUPERVISOR SMITH: Is that easement available, sir, for examination? We would like to have a copy of that.

MR. REID: Yes, sir, it is.

MR. KEN MOHRING: I would like to ask, since we have the second extension and we may have a third and fourth, are we going to end up with a well in Wading River, and, if so, is it going to affect the water level of those who aren't serviced by the Water District?

MR. REID: To the best of my knowledge and ability, we will never install a well in this area, because the quality of water here is nowhere near as good as the quality of water in Shoreham. Specifically, the iron and manganese content is much higher than it is in

Shoreham and we don't want to drill any wells in this area for that reason.

MR. ROGER ADRAGNA: Is south of 25-A zoned Business from Tuthill's Funeral Home right down to the traffic light?

SUPERVISOR SMITH: That is my recollection, that there is a strip about 500 feet there.

MR. ROGER ADRAGNA: What is in the Town Master Plan for development along that strip? Is it to just let it go?

SUPERVISOR SMITH: The Master Plan I can't give you.

MR. ROGER ADRAGNA: Are we going to have something like Rocky Point?

SUPERVISOR SMITH: I don't think you're going to have Rocky Point again, because of some of the site plan reviews, and some of the other things. If what you are suggesting - -

MR. ROGER ADRAGNA: I mean business next to business, right down the strip.

SUPERVISOR SMITH: The current plans of the Town of Riverhead as it exists on that location calls for a strip that extends from the Town line easterly to the Boy Scout property, I believe, and there was some discussion amending that zoning and restricting that back towards the intersection of Wading River Manor Road but it has not gone to hearing.

MR. ROGER ADRAGNA: Since the last hearing, we had Mr. Tuthill stand up and tell us he was bringing business into Town and it would be good for Wading River. All it is good for is the Tuthill family. We have a bank that is going up, and we have another business. Mr. Gull is moving down the street, I believe, right? That is what I'm interested in. Businesses are going to start mushrooming up in that area.

SUPERVISOR SMITH: Under the current zoning

scheme, that is correct. If your criticism is of the zoning scheme, we can hold additional hearings, to restrict some of the businesses there, but it really doesn't affect Mr. Reid.

MR. ROGER ADRAGNA: The other question, the reason we are here tonight, is because of the meeting back in July. The shopping center was interested in getting the water. I'd like to know what status that is at.

SUPERVISOR SMITH: There was a substantial amount of testimony in reference to the shopping center at the last hearing and Mr. Adragna is interested in what the status of that particular hookup is.

MR. REID: The shopping center has withdrawn from the proposal to extend water to serve them.

MR. ROGER ADRAGNA: May I ask why? That was very influential in getting Shorewood in here.

MR. REID: It's a rather involved question and it involved the extension granting to us of the easement by the Long Island Lighting Company. The Long Island Lighting Company had given us a verbal permission to use their easement a long time ago, and that is the basis of my coming here. Eventually they did grant us the written easement, but it was subject to new rules and regulations by the Public Service Commission governing the use of that easement, which were completely unknown to us, and I think the Lighting Company at the time we discussed the matter with them. As a result of these rules and regulations, I brought this to the attention of the shopping center people and said that those requirements were forced upon us, but we would have to pass those costs along to them. They considered the matter at some length and eventually declined to accept those costs.

MR. ROGER ADRAGNA: The shopping center is back where it was, they have to get their own water?

SUPERVISOR SMITH: Any more questions?

MR. BILL NOHEJL: Didn't I notice recent construction through the Lighting Company easement on the Brookhaven

side?

MR. REID: We had actually installed our water main from Randall Road to Gateway Drive at the beginning of the extension that we were granted by the Town Board last year. We are operating under that rule.

MR. BILL NOHEJL: With this new Water District that you want to form, does any of it pertain to going eminent domain over private property?

MR. REID: We have never in the 70 years we have been in existence used that. We don't have any reason to.

MR. BILL NOHEJL: Could this be one of the conditions put into the franchise that no private property be condemned for the water main?

SUPERVISOR SMITH: You're asking us, Bill, to consider that when and if a franchise is granted.

MR. KEN MOHRING: I find it very hard to understand how we can get all of this water from outside the district from one place and feed many, many individuals. However, if that is the case and they can do that, the thing is that we are just talking about oral agreements. What happens ten years from now if he wants to put a well right in the middle of Wading River and robs the area not served to areas that are served, and what happens to people who have their wells in and find out that there is no water?

SUPERVISOR SMITH: Mr. Mohring would like to know how you might be suggesting that if there were a franchise granted, or an extension of the existing franchise, that what would the condition be if there would be no well.

MR. REID: Mr. Supervisor, may I bring to your attention, and the citizens here, that there are other agencies involved in this. One is the New York State of Environmental Conservation. No one may drill a well larger than two inches in diameter without the permission of the State. That includes us. We must get

permission from the State and there are provisions for public hearings on those matters if others are affected by that. That is one of the purposes of this requirement, so that anyone who might be affected in any way is to protect the supply of water to all the citizens of an area.

SUPERVISOR SMITH: Are there other persons with questions?

MR. JACK MURTHA: One thing that puzzles me is that all these areas that is going to be served by this Water District, there is still no time limit as to when people could expect water.

SUPERVISOR SMITH: Mr. Murtha's question, for those of you who didn't hear it, concerns a timetable, or let's call it a predictability factor for when you might be able to obtain water from this particular concern. Do you have any answers for that, Mr. Reid?

MR. REID: The answer, Mr. Supervisor, is when the citizens in the area want water and are willing to assist in the cost. We have so far along this line expended, my partner and I, about \$40,000. We have one customer. There is a limit as to how much we can do. The limit is I can't guarantee to you if you wanted water when you would get it in there.

MR. JACK MURTHA: There is the possibility that once the franchise is granted, I could never have water?

MR. REID: No, sir, this is not an exclusive.

MR. JACK MURTHA: If my well goes dry in six years and you have the franchise for the area that would service me, there is not a Chinaman's chance that another Water Company would service me.

MR. REID: You could put another well in.

SUPERVISOR SMITH: Is there anyone else with questions?

MR. JIM RYAN: Mr. Smith and the Board, you know our position, the residents of Benjamin Street. That has

not changed. It's been alluded to, the strict zoning of 25-A commercial development has started there. It's going to continue. The problem is - and I think the fear is - at what rate once a water main is in, and perhaps at a faster rate than the Zoning Board could control it, not stop it obviously, but, better control it, and I think the fear exists here of the potential of garden apartments, condominiums just to the south of 25-A and what can be done to take care of those fears.

SUPERVISOR SMITH: Thank you.

Is there anyone else?

MR. GORDON HYGOM: I would like to know where your wells are at the present time, what properties you own in Brookhaven and Riverhead, where you intend to put wells in the future.

MR. REID: Our wells are situated one within the Shoreham on Briarcliff Road, two others outside the Village of Shoreham, but also on Briarcliff, near North Country Road, and the fourth is in Leisure Village in Ridge. We intend to install an additional well in Ridge this year, and an additional well somewhere in the north end of the system. Each of those two wells we hope to install will have a capacity of a thousand gallons per minute.

SUPERVISOR SMITH: Anyone else?

MR. JOSEPH GILL: I have neighbors whose wells are susceptible to lightning. With the water system there, how susceptible is it, and how about power failures?

MR. REID: In the 70 years we have been in business, we have never lost service because of lightning. We don't anticipate that. We have stand-by equipment. We have two wells, one equipped with a diesel engine, one with a gas engine. We have never lost service through lightning in storms, hurricanes, to the best of my knowledge, in 70 years. Last winter we did lose service for a few hours to one customer in one hundred. Our record is better than most other companies.

MR. JOSEPH F. SHANIHAN: I would like to make my

sentiment known on this matter. I came down here for a selfish reason. I have a well with a water softener and on the other side the water in my section at best is horrendous. I had to have it tested. To have a well come down my block would be terrific. If for some reason this does affect portions of Wading River that are undeveloped, well, my own sentiments are when I die I will live in Valhalla. But right now in Wading River if they're going to put a shopping center there, they're going to put a shopping center there, and I can't see people getting bent out of shape about the businesses coming up. The world is growing all the time. What are you going to do with the people? If I want to build a business in Wading River and, a lot of people don't want it because they don't want to see out their bedroom window my shop, I think that is ridiculous. Now, the people that just want to live inside their own little domes, and not have to look out and not see the world, they are ridiculous. I would just love to see a water main come down my block.

SUPERVISOR SMITH: Mr. Peretta, you have your hand up again?

MR. MIKE PERETTA: I already forgot what I was going to say. Mr. Reid, if I understand correctly, said that the franchise was not exclusive. Does he mean that if the Town were to put up a water system later on, it's all right for the Town to go ahead and do it?

SUPERVISOR SMITH: I believe that's what he said, I think.

MR. MIKE PERETTA: I heard him say if you want your own water, you can go ahead and put your own water in. If the Town wishes to further its plan and put up a water system, it is permissible?

MR. REID: Yes.

MR. MIKE PERETTA: Is this going to be decided tonight or at a future date?

SUPERVISOR SMITH: As one member of the Board, I'm not prepared to vote on it this evening.

MR. KEN MOHRING: I'm trying to figure out from the

plan, I'm sure it's the northeast boundary line. It is basically in an area that has a lot of open land. Was that business decision based on some sort of interest or guaranteed future benefit because of this open land and because of the probability that it will be downzoned?

SUPERVISOR SMITH: Northeast?

MR. KEN MOHRING: If you want to call it the northern boundary - - it's an open land whereas it would seem if you brought it down on the west side, one could service that area. Are we being set up for a downzoning? The question was asked before. I would like something from the Town Board which says, "No, we are not being set up for a downzoning."

SUPERVISOR SMITH: I'm prepared as one member of the Town Board to tell you that I'm not prepared to vote for a reduction in the square footage requirements for housing in this area. If I get run over by a truck on the way home, all right, and they appoint Bill Haugaard Supervisor, that may change the complexion of the Board. That is what you deal with in zoning matters. My particular opinion is not chiseled in stone.

MR. KEN MOHRING: The Town Board does agree that one area on the westerly side is heavily populated, and on the easterly part is not populated.

SUPERVISOR SMITH: I recognize that fact, yes, sir.

Miss Woods, can we give the young lady's fingers a break? We will resume in ten minutes.

(Whereupon a brief recess was taken.)

SUPERVISOR SMITH: We will resume the meeting.

~~DEAN ALEXANDER~~  
(UNIDENTIFIED SPEAKER): We are in the process of constructing a new funeral home here for the community of Wading River. I find it frightening to myself that business has such a bad connotation in today's world. We all need it, but nobody wants it in their community. We are building what I feel to be a very nice building,

and I hope it will improve the community as opposed to being a detriment to it. I would like to give my support to Mr. Reid, and I intend to use his services, and I think it would be beneficial to all the community and to myself.

SUPERVISOR SMITH: Thank you.

MR. JACK MURTHA: I would like to have the Town Board consider that if this extension of the franchise is granted that at some point in time anyone that needs water will be able to be supplied without the expense of running a main down, let's say two or three thousand feet down the block before they could hook up to their property. I think there may come a time when water is not that plentiful, and if people are in a situation where there aren't twelve or fourteen houses and each one on the block needs water, and someone at say the end of the block happens to be the only one on the street that needs water, I think somewhere along the line this Water Company should be required whether it be three or five years, to supply water to a reasonable proximity to the people's homes. Not that someone just has to move out of town because their well has gone bad and there is no way they can get water.

SUPERVISOR SMITH: Mr. Murtha is suggesting that the Board consider some form of guarantee of service to any of the parcels shown within the franchise area. Is there anyone else?

MR. JOSEPH F. SHANIHAN: Will the bringing of water mains insure the erection of fire hydrants?

MR. HAUGAARD: The answer is yes if the Fire Commissioners want them.

MR. JOSEPH F. SHANIHAN: That is another point to ponder. A lot of people in Wading River probably find themselves in a worse insurance classification for home owners coverage simply because if their house catches on fire, if the fire truck happens to get a flat tire, evidently the house is going to burn to the ground. This is an important factor to consider that we would have fire hydrants.

MR. JOE <sup>BAER</sup>~~BAYER~~: I'm following up on perhaps a question that Mr. Murtha brought up. I think it was

mentioned early something with regard to rather than having 75 feet of free main for each service, a hundred and fifty feet, I think Mr. Reid mentioned that was that part of the first extension.

SUPERVISOR SMITH: Mr. Reid has described the differences between the Public Service Commission rules and what was granted by the Town Board on prior requests. The Public Service Commission wanted 75 feet and what we granted you was a hundred and fifty feet.

Is there anyone else? If not, I will close the meeting.

MR. ROGER ADRAGNA: I just want to state again, we came down here last July because the shopping center was in an unsettled state as to whether it was going to go up or not. The owner of the shopping center said he wouldn't build it unless he had street water. Street water was offered by Shorewood and Mr. Reid said he had a verbal agreement with LILCO and that verbal agreement has cost money and it has been passed on to the shopping center, and the shopping center is not cashing in on it. They are not going to pay that extra money. I just find the whole thing has almost been a joke pulled on us, because one business wanted street water, Shorewood is in now and they have the extension they were asking for, and the shopping center never got the water. It never went through there.

SUPERVISOR SMITH: You have stated your position. Dr. Menendez has passed a note to me as to whether we would want to consider as a group assembled a very informal and non-binding, I point out, show of hands with reference to the proposal that is put before this community. Is it the pleasure of the group that such a show of hands, both for and against the proposition, be made, or ---

MR. KEN MOHRING: There were certain guarantees one would accept most things or something, but it depends on what we determine - -

SUPERVISOR SMITH: It appears that the consensus is not to do that.

MR. MIKE PERETTA: As far as I'm concerned, I don't wish to give them anything to go any further. In the future date, if they want to extend, let them come to the Town Board and ask for permission.

SUPERVISOR SMITH: Mr. Franz, you have a question?

MR. CARL FRANZ: If this particular proposed extension is approved, would it in fact be a profitable operation for the Water Corporation at the present time based on the present number of customers who have indicated hook-ups, or, would it require the formation of a Hydrant District within the extension to make it profitable?

MR. REID: At the present time, as I indicated earlier, my partner and I have expended \$40,000 last month. We have one customer. I think that is an indication that it is far from profitable. The reason we are here tonight is to serve two additional customers who have requested service. They are the Suffolk County Federal Savings & Loan Association and Tuthill Funeral Home, which is constructing a new business on 25-A. Each have indicated to us that they would like water service and have each indicated that they will pay a portion of extending the mains, a small portion of that cost. Even with those, we are still far from a profitable venture. The hydrant adds a very small amount, because how much money can you make on \$70 a year. You are talking about fifty to sixty thousand dollars of investment. It's going to take a lot of hydrants to make that profitable. They will help, but it will be far from making it a profitable venture. My partner and I have been making a real gamble to spend our money, not the taxpayers' money, to bring this service to the community.

In addition to laying out our money, we are going to have to pay real estate taxes on the property we install. So, we are going to bring money along with us, and we don't cost the taxpayers of this Town any money. We are not an exclusive service, but we are bringing our service to the community in the form of water which is palatable, safe, clean, without iron, low iron count, and which is far better than is available in Wading River now, and we are bringing fire protection to the community and the only cost to the

community is to rent those fire hydrants for a very small amount.

SUPERVISOR SMITH: Thank you, Mr. Reid.

MR. RICHARD LARSEN: I would like to just try to say something about what ~~Frank~~<sup>GEORGE</sup> Young had said at the last meeting, and if I misquote you, please feel free to correct me. I think there is a very important point that Mr. Young tried to make the last time, and that was that water is a commodity the community needs and the number of sources available is very important. What precipitated the possibility of having an alternate water source was a shopping center. Whether that be still the force for the water system, I think that the cost of water systems later on in the future would be extremely difficult. If you read the papers, you see what's going on in the Shirley-Mastic area, and you can realize that in the Shirley-Mastic area those people are really in deep trouble. I think that any advantages we can take by having private companies will be useful. We have problems in other small sections in Wading River and in Wildwood and I think we should not lose sight of what he said, and I would like to bring that to your attention again.

SUPERVISOR SMITH: Thank you.

MR. BILL NOHEJL: I'm not against the Water District, but what puzzles me, it seems to be an if-if-if deal. Why not set up a plan stating that we are going to put a water main into such-and-such an area and then get it done, and then extend it. If it's feasible, we'll go down North Wading River Road - - Why not take a certain location, get it done with, then proceed into that area. Say, for instance, if you do half, get it done and then move to the other half. Not just by going to one place where it is lucrative, pass over into another place and then into another place that is lucrative.

MR. REID: You are talking about the expense in this area and I have to guess the number of feet and roads involved probably is somewhere between half a million and a million dollars. The Public Service Commission of the State of New York regulates Shorewood Water Corporation. They have said to me that they will not allow the cost of

the water main coming to Wading River to be included in our rates. They will not allow us to earn any money on that forty to sixty thousand dollars that we are laying out, because that would pass the cost of that on to the customers in Shoreham. But I don't have enough customers in Wading River to support it. Now, you are asking me to expend upwards to a million dollars without any customers. I can't afford to do that.

MR. HAUGAARD: One of your speakers has suggested that you put in a condition similar to the condition in the initial franchise requiring service. I just, for the record, would like to say, if you do, I hope that it is a reasonable requirement, and I feel that the 150 feet that you required before meets that criteria. Don't come back and tell us a thousand feet, or something like that. Mr. Peretta and Mr. Nohejl asked why don't we do it and then come back and back. Let me just say how we happened to get into the second hearing, basically because the minute we got the franchise, first, it turned out that the people who were most interested in being immediately connected were outside the range. That is the funeral home and the bank on the corner, and the people on my own street. As the Town Board will recall that when the funeral home asked us, we immediately put in for another hearing to go down Dogwood, and it was when the people on Overhill Road indicated to us that they wanted it too, and we came to you and said we are just going to be getting a lot of little applications. We say the most reasonable area in which we think we can operate over the next few years and expand, is the area we show. Any more we have to do after this area, we have to come back again. We are back here tonight because we wound up with such a limited area the first time we came, that is why we are here.

MR. BILL NOHEJL: I didn't mean that. Say the shopping center is over here and the funeral home - - the main comes in as is supplied, people on the side roads want water, and the surrounding area, supply them. Now, supposing you supplied the funeral home and the bank. Well, those are two customers. Then you shoot way down to North Wading River Road, there might be a lucrative customer down there, and you're by-passing people in between now that might want water.

MR. HAUGAARD: Generally speaking, the household customers are the most lucrative and we are definitely looking for customers on the route. The incentives are all for us to fill up, not to run along lines to a business customer.

MR. BILL NOHEJL: There might be a development, say down in that area where there might be 15 or 20 houses, so naturally that would be a lucrative area.

SUPERVISOR SMITH: I think we have got it.

MR. GORDON DANBY: Does this mean that the area within that solid black line would all be serviced?

SUPERVISOR SMITH: That is what I tried to clear up before, Gordon, that that is Mr. Reid's answer to the inquiry we made before. The map is of poor quality, but I guess it's Overhill Road, Dogwood to its most northerly terminus, Gully Road, Francis Leonard Road.

(Discussion off the record.)

MR. GORDON DANBY: I came here somewhat confused, and I'm even more confused. Again, sincerely without any reflection on the Water Company, I think it should be studied in the context of where the community is going. It is unfortunate that personal references to business and my comments did not reflect upon the businesses that are coming. Obviously there is always change and growth. But, I really feel that this conversation, unless I'm particularly stupid, tells me that we had better stop and put together the pieces very fast.

MR. MIKE PERETTA: I'm a Town water disciple. I do know one thing, that we have three Water Companies in the Wading River area that are not worth a dime. Eventually, maybe seven or eight years from now, the Town is going to be buying these water systems over. You have Coram, Westhampton and Centereach which are privately owned companies, and they're looking for Town water, and Gordon Heights has just received a Federal grant for a new water system, because they had a fire and couldn't deliver the water. In Centereach, the firemen couldn't get the water to the hydrants. In Westhampton they had

the same cases where the people were deprived of water.

SUPERVISOR SMITH: Noted.

Your name, sir?

MR. GORDON HYGOM: Mr. Reid mentioned that the reason for this extension was for the bank and the funeral parlor. It seems to me that both of these properties bordered Brookhaven where you already have your line.

MR. HAUGAARD: The funeral home and the bank are in the Town of Riverhead on the Brookhaven Town line. Since we have a franchise, we could probably give them a faucet on the line there, but we couldn't charge them because we couldn't do business there without a franchise.

SUPERVISOR SMITH: Mr. Reid, do you in fact have a line on the south side of 25-A on the Town line?

MR. REID: No, sir. Mr. Haugaard refers to the fact that we have a franchise to come in on the Lighting Company right-of-way, which is adjacent to the bank, contiguous to the bank property. We could serve the bank without asking further permission. Theoretically, if we got permission from the bank, we could extend our lines and serve the funeral parlor also, but this would be a pretty shady deal, and we don't do business that way. To answer the general discussion why are we asking for a larger area? We don't want to come back every time to the Town Board and ask for a hearing as expensive as this is to everyone, the Town and to us, to serve every two customers. We would like a reasonable area in which to operate without that expense which must be passed on to our customers in one way or another, as you, too, have to pass the cost on to your customers, unnecessarily, we feel. We think this is a reasonable area in which to request permission to serve the people of the community without the necessity for everybody spending all their time and money to come back for hearings, which essentially are getting down to the point of asking for a road opening permit, which we feel is frankly ridiculous for everyone.

SUPERVISOR SMITH: Thank you.

MR. KEN MOHRING: Since Mr. Reid is under the direction of the P.S.C., I'd like to remind him that the stockholders of LILCO had a very, very good year and because of LILCO's mismanagement of building of the plant over here, everybody's rates are growing at a fantastic rate.

SUPERVISOR SMITH: The analogy is noted. I don't know whether it applies.

Does anyone else want to be the last speaker of the evening? All right, no one else wants to speak, so we'll close the hearing.

For those of you present, I thank you for coming out and especially the Civic Association members. I think one of the things we have said in this Board is we should do this more often, and I think it's an agreement of the five of us that we will be back during this year for another Special Town Board meeting that is not oriented towards Mr. Reid or his problems. Although, if you choose to discuss it again at that time, it will be open, but, a general session in Wading River for those who don't regularly come into Town and attend our Town Board meeting.

Thank you for coming.

(At 9:30 the meeting was closed.)

IJP;rm

Rosemary Morellino for:

Irene J. Pendzick, Town Clerk

*Irene J. Pendzick*