

# TOWN OF KIRKWOOD

---

## **Town Board**

Gordon E. Kniffen, Supervisor  
William J. Diffendorf, Councilman  
Lewis C. Grubham, Councilman  
Robert F. Weingartner, Councilman  
Linda J. Yonchuk, Councilwoman

## **Joseph A. Griffin Town Hall**

70 Crescent Drive  
Kirkwood, NY 13795  
(607) 775-1370  
Fax (607) 775-1372  
TDD (800) 662-1220  
[www.townofkirkwood.org](http://www.townofkirkwood.org)

December 2016

**Re: Binghamton-Johnson City Joint Sewage Board Matters (BJC)**

Dear Kirkwood Sewer Customer,

We are writing this letter to update you on recent BJC rate information charged to us as well as “capital refunds to users” and the Town Board’s intentions as to handling both related items.

As you are probably aware the Town utilizes the BJC Joint Sewage Plant facility to process waste and they bill us for this quarterly, which we then render billings to customers as a pass through. The challenge has always been to establish the Town sewer rent rates based on best available BJC cost estimates in advance in order to have the funds available to pay those quarterly bills. Historically the Town tries to set its rates in a stable fashion and where possible stay slightly ahead of the BJC rates without building up more than 6 – 9 months of reserves in advance.

As a re-fresher, the Town had raised the sewer rent charged to customers to \$5.75 per 100 cubic feet of usage effective September 1, 2013 in anticipation of dramatic cost increases BJC communicated to us for capital project costs which they indeed billed us. Two years later their costs had declined and the Town Board responded by lowering our rates to \$4.90 pending further information. In 2015 we learned the capital project funds had not been spent entirely and the Town was issued a sizable refund along with guidance that in a few years the projects would be implemented and the costs would be going back up dramatically. The quarterly bills to us were reduced as well for 2016 and the Town Board again responded by lowering the customer rate to \$4.65 effective May 1, 2016 which is where it stands today.

The Town received a letter from BJC this past November, after the 2017 special district budgets were reviewed and approved indicating an additional sizable refund was being scheduled for Kirkwood. We requested information about the estimated 2017 BJC cost rate to us and learned it would be approximately \$5.41 per 100 cubic feet. The Town Board evaluated the significant reserve levels that have been unexpectedly built up for potential customer refunds or further rate lowering, contrasted with the projection that indicates our rate will be 16% lower than BJC in 2017.

The sewer committee met and reviewed alternatives and decided to recommend the Town rate be held at the \$4.65 level through 2017 and then re-evaluate where we stand next November. Essentially this means lowering the current and expected sewer rent reserves over time by controlling our rates with a goal to keep ours more stable and avoid significant fluctuations. These sewer rent reserves and rents collected are restricted towards paying BJC invoices 100% and are not available for any other uses. We hope this information helps you better understand the background and intentions in these matters.

Sincerely,

*GORDON E. KNIFFEN*

GORDON E. KNIFFEN  
Town Supervisor