

**TOWN OF KIRKWOOD
PUBLIC HEARING**

November 24, 2020

A public hearing on the 2021 Sewer and Water Districts Budgets was held on November 24, 2020 at 6:00 PM at the Joseph A. Griffin Town Hall with Supervisor Gordon Kniffen presiding.

Present: Supervisor Gordon Kniffen
Councilman Robert Weingartner
Councilman Lewis Grubham
Councilwoman Katie Legg
Councilman William Diffendorf, Jr.

Also Present: Kelley Diffendorf, Town Clerk
John A. Finch, Jr., Commissioner of Public Works
James Smith, Budget Officer

Jim Smith distributed a handout to the Board and all that were present showing discussion points and highlights from the official Water and Sewer budget spreadsheet. All of these reports and handouts are on file in the Town Clerk's office.

Jim Smith said sewer rent component is always very significant, we are looking at a cost of as much as \$2,067,920 to BJC (Binghamton-Johnson City joint sewage agreement) for next year. The Town of Kirkwood rate continues to rise because we are trying to catch up with the BJC rate as that fund balance depletes. Their highest increase was from 2019 to 2020, when they jumped it up to approximately \$7.64 per 100 cubic feet. We were at \$6.15 and I'm proposing to get it up to \$7.25 per 100 cubic feet, which would still be under what we think it could be, but we are still working off the refund. Chuck Shager has been the most forthcoming with data, and using some projections he has modeled it to look like they seemed to be cresting. But we don't have anything in writing from BJC, so we don't know what that number is going to be.

I have projected where I think we are going to finish with our sewer fund balance at the end of this year, that's at \$1,083,400. That's a big chunk of money but we also have bills coming in in February for retroactive billing for engineering allowances. That will help boost that balance up a little more to \$1,241,350. Those are the cumulative back bills for BJC taking away the engineering loses back in 2017, hopefully to be remedied going forward. The projected sewer rent now is \$1,868,830 with a projected cost of \$2,067,920 bringing the project fund balance down to \$1,042,260. I want to point out that you don't want to get that really low, we want to keep at least a 3 month reserve of that for each quarter bill, since BJC bills us quarterly. That number is approaching \$525,000. Hopefully within 2-3 years we are in step with their rate and won't have any reason to raise rates at that point. Hopefully they really have leveled off.

Jim Smith responded to Councilman Diffendorf saying, Frito Lay's retroactive billing is our money when they reimburse us for money we laid out on their behalf for a period of time that BJC did not choose to recognize the engineering allowances. We funded that out of fund balance reserves and billed them to get reimbursed for that.

Jim Smith said we started talking back in October about equipment/capital items. The total cost budgeted for 2021 water is \$218,000 and \$60,000 for sewer. I was going to have the reserves on water pay for \$96,000. Quotes came in for Well #1 and #3 air stripper work at \$177,000 versus the guesstimated amount of \$40,000 that I had inserted as a place holder pending new information. Jim Smith continued saying John Finch intends to look closer at the situation to see if perhaps one well is more of a priority and the other can be postponed. But for that size number I was inclined not to change the water rate to the unit holders but take more money out of reserves if it really had to be done. John Finch said it took them many months to come back with a quote, and finally replied to Al Glover when he said we need it for our budget purposes. Jim Smith said since it's such a big amount of money other quotes would be sought. John Finch said both air strippers have never been touched since they were installed. John Finch explained how an air stripper works and takes the trichloroethylene (TCE) out of the water. They have been there for over 30 years without any maintenance on them and they

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are starting to leak in spots. The price of \$177,000 is to go through the entire air stripper and rebuild everything so they are like new again, inside and out. That doesn't include anything below but we maintain and replace the blowers and air filters regularly. I believe Well #1 is the worst. That price probably includes them doing them both one after another. It takes 6-8 weeks so I'd have to coordinate with them, maybe doing one this coming year and one the following year. John Finch responded to Councilman Diffendorf saying that the job would go out to bid and Well #3 is the big well. The TCE levels have gone up a little bit in Well #1 and staying level in Well #3, but they both are staying below the allowed limits. The Health Department did not recommend getting rid of the air strippers if the TCE levels stayed low without them just in case the levels started rising again. We can evaluate it in the spring, put it out to bid and see what the Board thinks. Jim Smith said he is inclined to transfer funds from reserves to cover this if needed. There is currently \$438,000 in reserves so that would be a big chunk out of that.

John Finch responded to Councilman Grubham saying, I'm going to wait on any well building improvements right now due to the price increase on all materials because of Covid. We will check pricing again in the spring. Jim Smith said anything that was put in the 2020 budget that wasn't utilized, I would take the difference and put it over in reserves, and set it aside until the items are used.

John Finch said the City Line Booster station still needs work on cutting pipes and replacing pipes and valves to eliminate a section that goes out through the wall. The products are now sky high due to Covid so we need to get that done the sooner the better. We need it for emergencies.

John Finch said the detention tank insulation needs repair as well. Al Glover noticed there's condensation and it's becoming unattached to the tank, with potential freezing. We had a price of \$64,000 but that would have to go out to bid too. If we had to wait we could, it's getting bad but it's not completely falling off, unless it gets worse over the winter. John Finch also mentioned the meter replacement job is still being plugged away at but Covid did slow us down. By the 4th year we should have them all in.

Jim Smith said the fund balance component is grand totals for Water and Sewer, with water at \$502,000 and Sewer at \$1,504,950. The Sewer includes all that sewer rent that is dedicated to the BJC cost. The rest is broken down by operation and maintenance. If we are fortunate enough to not use the contingency the Water total would be \$433,140 and the Sewer total would be \$1,298,757. But it is there for unexpected issues that occur throughout the year.

John Finch responded to Councilman Grubham saying, we do camera scoping every other year and on the opposite years we use the budgeted money for repairs that we find during the year.

Jim Smith explained the County Assessment Costs on the ledger saying it relates to if there is any kind of assessment agreements, protests, or appeals that all parties, including our Assessor, agree on a reduction. I keep those in the ledger so we aren't hit with a big back assessment bill.

Jim Smith gave a brief overview on how the fund balance began in 2013 and how it's been used over the years.

Supervisor Kniffen opened the hearing to public comment. Hearing none he ordered the hearing closed at 6:33 PM.

Respectfully submitted,

Kelley M. Diffendorf
Town Clerk

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