

IN THE FLOW

A Publication of the Gloversville Board of Water Commissioners

Welcome to our first newsletter, **IN THE FLOW**. The newsletter will be published periodically to keep our valued customers updated on what is happening in the Water Department. The Board of Water Commissioners feel very strongly about keeping our valued customers educated and informed.

The Gloversville Water Department and its Board of Water Commissioners was established in May of 1875, twenty years before Gloversville was incorporated into a city. The Water Board has been autonomous since its inception and always had the interest of the taxpayers as their priority.

The Gloversville Water Department's budget for 2011 will be \$2,420,852.25. For the second year in a row, there will be no water rate increase in 2011. The Board of Water Commissioners has prided itself on cutting expenses, as the Board's policy is purchase only what is needed and at the same time cut waste. In the last several years, this department has lived by that policy and it shows. Our annual expenses have decreased over the last 5 years an average of 3.11%, when paired with our overall revenue decline of 1.57%, shows a net decrease of 1.54% overall. Our budgeted metered revenue for 2011 has decreased by \$100,000 due to a projected decrease in consumption for 2011. One of the major areas the Water Board, along with our employees have cut expenses is with our department's health insurance cost. By moving the employees into a new health insurance plan, the Water Department saved \$229,000 in 2010 and in 2011 will save an estimated \$167,000.

The Board, over the past few years has begun to make improvements in the department to make operations become more efficient. They have updated equipment as it is needed. Original water valves inside the water filtration plant, which was built in 1939, are getting replaced. Six filter beds inside the plant are scheduled to be replaced over the next few years. In the spring of 2011 much needed exterior work at the plant will commence. We currently produce 1.7 million gallons of water a day at our Water Filtration Plant on Norboro Rd.

We have done a complete upgrade to our billing system, including the new statements of which many residents have already received. Due to the expense of the specialized forms that the department had been using for years, we decided to go to a regular statement which is printed on regular copy paper. This will save the department an estimated \$4,000 per year. Also our department has implemented a Credit Card program by which the Water Department customers can either pay their bill online or over the phone with a credit card or they can make a payment directly from their checking account. This service costs nothing to the Water Department however the bank does charge a convenience fee to the customer. The fee currently is \$7.40 for credit card payments and \$2.50 for payment using your checking account.

A 25 kw Hydro Turbine has been installed in the Rice Watershed at Rice Reservoir. The raw water entering Rice Reservoir from our Jackson Summit Watershed will pass through the turbine and generate power which will be sent to our Filtration Plant. The turbine will not only generate enough power to power our water Filtration Plant, but it will generate excess power, which in turn will be sold back to National Grid.

We will be cutting costs and generating revenue at the same time. The turbine should go online in early 2011 as we wait for a Conduit Exemption License to be issued by the Federal Regulating Commission. Pay back on this project is projected at 3 ½ years.

An automated meter reading project to replace the meters that we presently have installed in homes and businesses is slated to begin in 2011 as well. The meters we currently have are close to 30 years old. Parts to repair these meters are becoming increasingly difficult to find. Automatic Meter Reading is the technology of automatically collecting consumption and diagnostic data from the water meter and transferring that data to a central database for billing, troubleshooting and analyzing. This advance saves us the expense of periodic trips to each physical location to acquire the meter reading. Obtaining the meter reading will be done by driving through each neighborhood and receiving the information via a radio frequency that emits from the water meter. This project will take us an estimated 3 years to complete and we will be relying on our Reserve Account for complete in house financing. Estimated cost of this project is 1.2 million dollars.

A fire hydrant replacement program started 3 years ago. Fire hydrants that are outdated and we can no longer obtain parts for, are being replaced with a more modern hydrant.

As of this moment, the financial situation for the Gloversville Water Department is very sound. Water rates are staying the same for the second year in a row due to our projected Unreserved Fund Balance and its relationship to our 2011 budget. In the future we hope to keep expenses down to a reasonable level, while monitoring consumption, trends and revenue sources. If you should ever have any questions or concerns, please feel to contact our office at 773-4520, or stop into our office at City Hall, 3 Frontage Rd.

Board of Water Commissioners:

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