

**Public Hearing on Water District #2
August 23rd, 2022
5:00 p.m. Keene Community Center Pavilion**

BOARD MEMBERS PRESENT: Joseph P. Wilson, Jr., Town Supervisor, Robert Biesemeyer, Deputy Supervisor, Teresa Cheetham-Palen, Council Member, David Deyo, Council Member, Jennifer Whitney, Council Member

TOWN OFFICIALS PRESENT: Savana Li, Water Superintendent, Kimberly Smith, Town Clerk

MEMBERS OF THE PUBLIC PRESENT: Paul Martin, Margaret Sheldon, RG Titsworth, Paul Vincent, Russell and Judith Smith, William Ferebee, Mike and Joanne Whitney, Larry House, Tom Hickey, Elizabeth Davidson(Derr), Laurence Shopmaker, Angela Smith, Stacey Martin, Paul Davis, Chris and Sheila Blaicher, Lissa Goldstein (It should be noted that these are residents that either signed in or were witnessed to be there)

Supervisor Wilson welcomed the residents that were in attendance at 5:00 p.m. and asked Ms. Smith, Town Clerk, to read the Public Hearing Notice.

Ms. Smith read the following:

NOTICE OF PUBLIC HEARING

Water District No. 2 of the Town of Keene, Essex County, New York

NOTICE IS HEREBY GIVEN that the Town Board of the Town of Keene, Essex County, New York, will meet at the Town Pavilion, Church Street in Keene, New York, in said Town, on August 23rd, 2022, at 5:00 o'clock P.M., Prevailing Time, for the purpose of conducting a public hearing upon a certain map, plan and report, including an estimate of cost, in relation to the proposed increase and improvement of the facilities of Water District No. 2, in the Town of Keene, (the "Water District"), consisting of construction of a new well field control building at the site of the existing well field control building, including original equipment, machinery, apparatus, appurtenances and incidental improvements and expenses in connection therewith, together with development of a new water source, construction of a new well, abandonment of existing well, and acquisition and installation of water meters in connection therewith, at a maximum estimated cost of \$5,029,607.20.

The capital project described above has been determined to be an "Unlisted Action" pursuant to the regulations promulgated under the State Environmental Quality Review Act ("SEQRA") which it has been determined will not result in any significant

adverse environmental impact. Copies of the map plan and report and SEQRA documentation are available in the office of the Town Clerk, where they may be inspected during regular office hours.

At said public hearing said Town Board will hear all persons interested in the subject matter thereof.

Dated: Keene, New York,
July 28th, 2022

BY ORDER OF THE TOWN BOARD OF THE TOWN OF
KEENE, ESSEX COUNTY, NEW YORK

/s/: Kimberly E. Smith, Town Clerk

Ms. Smith advised the Town Board that the notice had been published in the following locations:

- The Sun Community News
- Adirondack Daily Enterprise
- Town Clerk's sign board
- Town Website (www.townofkeeneny.com)

Supervisor Wilson explained that they were there to answer any public questions in regards to the project for Water District #2. He explained that following all public questions and answers, there would be a Special Town Board meeting to vote on approving the Bond. The meeting was going to be to approve the Bond, not to spend the five million dollars. They need to borrow the appropriate amount of money for the project, start the project, before they can apply for grants or low interest loans. They have to start the project and have funding in place before they can apply for any loans. He wanted to make sure that it was clear that it will not be a vote to "spend" five million dollars, it is a vote for them to take out a Bond that gives them up to five million dollars that they can borrow. They need to start the project before they can apply for grants and loans. The final amount that they end up borrowing will really depend on what kind of grant and loan packages they can qualify for. It is impossible to say right now how much it will change rates in the district because they don't know what they will end up with in grants, which is basically a gift of money to the water district project. They don't have to pay grants back and then any loans or low interest loans which help them afford it. He asked if any Board Members wanted to speak before opening it up to the public. No Board Member spoke at that time. Supervisor Wilson asked the members from the public if anyone had any questions.

Paul Martin, resident, spoke about the history of the wells in Keene Valley. One well being in gravel and the other being in a ledge. The ledge well was never a good back up because it drew off the cavity of the other one. In regards to well #1 in the Keene Valley Water District, because it was a sand gravel well, they had to put a screen on it. He discussed the possibility of the screen being built up with minerals from over the years. He also discussed that meters were installed in Keene Valley years ago for a grant and they were never intended to be used for billing purposes but rather to detect leaks. He stated that the current water billing process that is used now, with residential versus

commercial, is what he would like to see continue for the future and to not do water usage billing.

Supervisor Wilson addressed Mr. Martin's concerns by explaining that Layne Christensen and the Department of Health both assisted with trying to recondition well #1 but they were unable to meet the DOH standards for redundancy.

Mr. Martin asked if Layne Christensen had used their own pump.

Supervisor Wilson affirmed that and stated that they did 3 days of testing and they could not reach the daily draw. Well number one cannot be put back into service, but the Water District has to have two wells.

Mr. Martin asked if they currently have a backup well, and Supervisor Wilson stated that they do not.

Supervisor Wilson spoke in regards to water metering. In order to apply for some grants the Town has to install water meters. They have discussed the possibility of doing "block billing" for water usage. The more water that a resident uses, the higher their bill would be. Using that type of billing system would make it fair for everyone, all residents as well as commercial users. In addition, the meters will help to quickly and accurately detect and locate leaks.

Ms. Cheetham-Palen explained that they would be able to get a better idea of how much water was being used.

Mr. Martin stated that they know how much water is used every day.

Ms. Cheetham-Palen stated that she means how much usage per residence, not the total volume.

Mr. Deyo asked Supervisor Wilson if he plans to spend five million dollars? He stated that he wants to make it clear that they are not. The meeting today was that they are looking to spend up to that. That is their moon shot.

Supervisor Wilson stated that they are looking to borrow that amount and any spending gets approved along the way.

Mr. Deyo asked if they only get one million dollars from a grant or state funds, does that mean that they are looking to borrow four million dollars to get to the five? He stated that it was not his understanding that they were going to do that.

Supervisor Wilson explained that the outcome is going to depend on what they qualify for in grants and low interest loans and they are going to have to see. If a higher percentage comes back in grants, then more of the project would get taken care of.

Mr. Deyo stated that the five million dollar number was generated from the AES engineering report. He stated that he met with Supervisor Wilson in the office and discussed the fact that parts of that were obsolete. He wanted to assure the residents that if they don't get five million dollars in grants, that they are not going to turn around and put the debt on the users.

Supervisor Wilson stated that they can't do that. The ratepayers can't support that.

Mr. Deyo wanted to be sure that the minutes state that and that he will not vote to have the tax payers in Keene Valley pay for four million dollars of debt.

Supervisor Wilson agreed and said that it is not reasonable for a district of their size. They are in the classic bind.

Mr. Deyo explained that a lot of the residents are questioning that. Is their water bill going to go from \$700 to \$4,000?

Jennifer Whitney explained that part of the project outlined a Welcome Center and that it is not part of the proposed plan. They will not be doing any funding at all for that.

Supervisor Wilson agreed and stated that the proposal was done at a time when Senator Little had mentioned grant funding for a visitor center. He stated that they are not planning on expanding the Water District at this time. They need to take care of what they have before they determine adding to it.

Stacey Martin, resident, agreed with that not being included. She stated that there is a Visitors Center 12.4 miles up the road. There does not need to be a Welcome Center in Keene now or in the future.

Angela Smith, resident, spoke in regards to the new fields at Keene Central School and the fact that they are using heavy chemicals on it. She was concerned for the children and also by the fact that it is close to the water system.

Mr. Deyo stated that he had spoken to the school administration and that it was a company from Saratoga that was doing the fertilizing for them. He stated that when they use the chemicals, they wear a full hazmat suit, but that after 24 hours it dissipates and is not a health concern.

Angela Smith asked if the school was in compliance with what they were allowed to do in regards to the water system.

Mr. Deyo stated that he had confirmed that they are in compliance and there is no danger to the students or to the water system.

Savana Li, Water Superintendent, spoke and stated that there is 200 feet of protection for the well and there is a lot of clay in that area.

Supervisor Wilson clarified that the water system was part of the Town's control, but that the School Board is who decides and is responsible for the usage of the chemicals. He recommended to contact the School Board to discuss the concerns with them going green and trying to use less chemicals. The Town Board does not oversee the School Board.

Elizabeth Davidson (Derr), resident, spoke and asked about the Town's eligibility for grants. She stated that in the past, the tax base limited the eligibility.

Supervisor Wilson confirmed that Keene Valley is not considered to be a hardship community. He also explained that the state has infused more money into the water and wastewater grants since Covid.

Ms. Davidson asked what will happen if the Town does not qualify for any grants?

Supervisor Wilson explained that the Town has to drill a well and connect it to the pump house. That is mandatory.

Mr. Deyo spoke and stated that they are not spending five million dollars. The AES Report has those figures in it, but before any money gets spent the Town Board has to approve it. Each step will need to be approved by the Town Board.

Supervisor Wilson stated that they are trying to get as much grant support as possible.

Chris Blaicher, resident, spoke and asked if the well can be reconditioned. He also asked why it would cost \$400,000 to figure out where to drill a well and/or \$200,000 to do the drilling.

Supervisor Wilson explained that when they did the last well, they didn't gamble. They drilled a full well and it ended up being a production well on the first shot.

Mr. Blaicher asked if the report shows where they would put the next well?

Supervisor Wilson stated that it was something that they will need to decide. Do they gamble again and hope that they get a production well on the first try or do they do the test wells? That's the question.

Mr. Blaicher asked the diameter of the test wells in relation to the diameter of a production well.

Supervisor Wilson responded and stated that the test wells are six inches in diameter and a full well is eight to ten inches in diameter. He stated that the hydrology report states the best places for the test wells and the production well.

Mr. Biesemeyer stated that it is not that big of a gamble. The report states the best place. He explained that the Town was trying to get the maximum amount of Bonding. The first thing would be to get a redundant well that is mandated by the Department of Health. Then, if they receive free money, they will do the other things. If they do not get grants, they will not do the upgrades. Hopefully they will get another sand and gravel well with redundancy that meets the Department of Health standards. The well can't be next to the working well. There are guidelines on where the placement can be.

Mr. Blaicher agreed and stated that there is a code of influence of the other well if they are placed too close together.

RG Titsworth, resident, spoke and asked if they could dig either of the current non-functioning wells deeper to see if the production would be better?

Supervisor Wilson responded and said that the well was about 150 feet deep and that they have already looked at every option with both of the wells.

Mr. Biesemeyer clarified that they have to have two wells with redundant production and not just the one.

Supervisor Wilson stated that they have to decommission the two old wells. They have already investigated all options with them. The old wells cannot be used.

Mr. Biesemeyer stated that he knows they do not meet the standards as they are but asked if they could jack up the production. It would be nice if they could.

Supervisor Wilson stated that it is not an option.

Mr. Biesemeyer asked to have Layne Christensen verify the wells again.

Laurence Shopmaker, resident, spoke and asked that if the Bond is for \$5.3 million and they have to start the project to apply for funding, where will the off ramp be? How much needs to be spent?

Teresa Cheetham-Palen explained that they need to do the well and have it approved by the Department of Health.

Supervisor Wilson agreed and stated that they need a production well and that the cost of that would be roughly \$400,000 or a little bit more.

Mr. Biesemeyer disagreed and stated that they do not know those numbers and that they need someone from AES (Engineering firm) there to answer questions.

Mr. Shopmaker spoke and asked if the AES Report showed \$5.3 million?

Mr. Deyo explained that \$5.3 million was the moon shot. If they could get everything they could possibly get, it would be \$5.3 million.

Mr. Shopmaker asked if he meant all the bells and whistles?

Ms. Cheetham-Palen explained that they put everything in there. It helps with getting grants to show everything that is needed. They need to meet criteria for the grants.

Mr. Biesemeyer gave an example saying that there may be environmental issues that may help them qualify for them.

Supervisor Wilson stated that what Teresa was saying is that \$5 million isn't a small amount. It is advantageous to show that the project costs \$5.3 million compared to if it were \$800,000. If they were taking out a Bond for \$800,000, they would not qualify for a grant. The decision will be whether to go for the test wells or the production well. How they make out with the grant money versus the loan amount is a factor. When they discuss the options, it will be at a public meeting in which the Board will vote at.

Mr. Biesemeyer asked who was involved in the grant/loan application process?

Supervisor Wilson responded that Community Resources of Essex County was assisting with both Federal and State applications and he was working on discussing some of the charges with AES.

Mr. Ferebee stated that he used to work for EFC, and that he knows EFC would want to know if they were under order of consent?

Supervisor Wilson read from a letter that he had received from NYS Department of Health: "The purpose of this letter is to request an official update on your progress in addressing the Subpart 5-1 New York State Sanitary Code violation that we issued to the Town of Keene on June 12, 2017. The reason this violation was issued is because the Keene Valley WD wells cannot provide the maximum day demand with the largest well out of service. Failure to resolve this violation will result in enforcement action and possible fines."

Mr. Ferebee asked that if the letter was from 2017, why were they just addressing it now?

Supervisor Wilson responded and stated that they did some smaller upgrades in the plan with the leak repair. They did a well in 2019. But this year, they are out of patience. Last year, they did not do a thing because of Covid, but this year the heat is on again for them to make progress. To answer Mr. Ferebee question, there is a consent order and they are in violation which does help them in their scoring.

Mike Whitney, resident, asked how much the fine is?

Supervisor Wilson stated that they have not received any fines as of yet, as long as they keep making progress. But if they didn't move forward tonight, they might.

Mr. Deyo stated that he was okay to approve the steps tonight to get the ball rolling and to pay the attorney to get the Bond done. Any expenses would come in front of the Board and residents will have the opportunity to hear about them and ask questions prior to approvals.

Mr. Martin asked if they intended to extend the pipeline to the airport?

The Town Board members explained that was not happening. It was removed from the plan.

Mr. Martin asked if grants were determined according to the assessments in Keene? He stated that they would say that they are wealthy when they are not.

Supervisor Wilson stated that last time, they only used the assessments that were in the water district, not the whole town.

Stacey Martin clarified that they plan to spend \$400,000 on the well, it would be drawn on the Bond, and then the Town is applying for grants and borrowing money if needed? She also asked about the meters and what they would be used for.

Mr. Deyo explained that the meters were to be used to detect leaks. He stated that if they do not get grant money to move forward, that they were not getting meters.

Mr. Biesemeyer asked for the worst case scenario. He wanted to know what it would cost the residents.

Supervisor Wilson asked Mr. Ferebee if the DEC is tending to make meters required for districts.

Mr. Ferebee stated that when he did the Bond for Keene Valley, they were required to install meters but were not required to use them for billing purposes.

Ms. Li stated that she was told that the DEC will be mandating that meters need to be put in and that they must be used.

Mr. Deyo asked in what way did they need to be used?

Ms. Li stated that they can be used to detect leaks, which would show up in the control system, and they could be used for the block system of billing. Ms. Li gave an example

of block billing by stating that it would be “X” amount of money for a set usage and then an additional charge for the next block of usage.

Mr. Blaicher asked if the meters can be used remotely.

Ms. Li answered and said yes. Mr. Blaicher asked her how that would work. Would it be through the phone lines? Ms. Li stated that she was not positive but that perhaps it would be through the phone lines.

Supervisor Wilson stated that they need to start the process in order to apply for grants, loans, and funding so that when they get the money it is used right away. They do not want to grant funds and have them sit there.

Mr. Ferebee stated that regardless of whether they use the meters or not, the district still needs to collect enough money to run. Whether resident 1 or resident 5 pay the same amount or different amounts, there is still “x” amount of money to collect.

Supervisor Wilson stated that it is a low density population but the project cost is high. It is a small rural district with a small number of customers in it.

RG Titsworth asked how many users there are in the district?

Supervisor Wilson answered and told him that there were approximately 230.

Mr. Titsworth stated that since the Keene Central School was in the Keene Valley Water District, but serviced families in both districts, that maybe they should combine the two districts. (Keene and Keene Valley into one)

Mr. Biesemeyer responded and said that could only happen if it was a town-wide water district.

Supervisor Wilson stated that it was possible to do so because of the distance and the elevation between the districts as well as the established boundaries in place.

Mr. Biesemeyer stated that a town-wide water district is a possibility but that’s not something that the Board would intend to do.

Mr. Titsworth asked about the ability to opt out of a water district.

Mr. Martin stated that in 2038 Mr. Titsworth won’t have to pay anything because that is when the current Bond ends.

Mr. Titsworth asked about having everyone join into the water districts and share the cost.

Paul Vincent, resident, stated that he is not paying for Keene Valley debt.

Supervisor Wilson stated that the cost to establish one water district is not something they would consider doing.

Jennifer Whitney explained that Mr. Titsworth was not asking to physically combine the two water districts with piping, but to combine the costs and divide them amongst the two districts.

Mr. Ferebee clarified that it was not the intention of the Town Board to carry water out to Marcy Field, they are not planning to do any engineering for that.

Supervisor Wilson stated no, that they will be drilling a well, connecting it to the pump house and then moving one step at a time.

Mr. Blaicher stated that he had a question for the Water Superintendent. How bad is the mechanical situation in the pump house?

Ms. Li responded that it is not great at all. If the power goes out, she receives a call. That means that every time that the power flickers, which happens there often, that she receives a call to respond.

Mr. Martin stated that NYSEG controls the power and the only thing they can do to prevent that is to use the generator.

Ms. Li explained that these power flickers do not even last long enough for the generator to kick on.

Supervisor Wilson asked if there were any further questions in regards to Water District #2 and the public hearing?

With no further questions and all persons desiring to be heard, having been heard, the Public Hearing was terminated at 6:05 p.m.

Respectfully submitted,

Kimberly Smith
Town Clerk