

**EAST LYME WATER & SEWER COMMISSION
SPECIAL MEETING MINUTES
Tuesday, APRIL 15th, 2014**

Present: Paul Formica, Chairman, Steve DiGiovanna, Dave Zoller, Joe Mingo, Carol Russell, Roger Spencer

Also Present: Joe Bragaw, Public Works Director
Brad Kargl, Municipal Utility Engineer
Rick Pape, Sewer Superintendent
Mike Poola, Water Superintendent
Anna Johnson, Finance Director

Absent: Dave Bond, Dave Murphy

FILED IN EAST LYME
CONNECTICUT
April 21, 2014 AT 10:00 AM/PM
Blaine D. Jones ATC
EAST LYME TOWN CLERK

1. Call to Order

Chairman Formica called this Special Meeting of the East Lyme Water & Sewer Commission to order at 6:05 PM and led the assembly in the Pledge of Allegiance.

2. Review of Draft Water & Sewer Operating Budgets for FY 2015

Mr. Formica said that they would review the drafts of the Water & Sewer operating budgets for FY 2015 and that they would begin with the Sewer side first. He said that Mr. Bragaw had prepared the drafts and would present them.

▪ **Sewer Budget Draft - FY-2015**

Mr. Bragaw explained the draft information that he had prepared noting that he had taken the costs over the years directly from the MCSJ financial program listing so that he had actual figures rather than just putting something together. He noted that the sewer treatment plant rates (charged by New London) have been going up and that the increases started in the FY 2009-2010 cycle.

Mr. Mingo said that this probably happened when they brought in Veolia.

Mr. Bragaw said that the treatment plant rates are the issue in most instances for the increase in the budget outside of normal contractual salaries. The other factor is the age of the equipment, which is something that they have discussed. He said that the on-staff mechanic who is new should help matters by being able to take care of a lot of problems that they have had to call in outside services for in the past. It is too early to tell what the real savings will be at this time although it is anticipated that there will be real cost savings to having this person for this position as the biggest area that things are going up in, is maintenance. Next are the fuel costs which have been on the rise as well as electricity. He said that the treatment costs have been underfunded for the past five years.

Mr. Formica noted that they have been borrowing the treatment money from the assessment fund and paying some of it back however they have to set up a plan to pay it back – such as a 20 year time plan.

Mr. Bragaw said that the information presented represents a realistic budget – if they go for an 8% increase like they did last year on the sewer side, they would have a \$211,000 shortfall. They need a 15% increase to evenly fund the draft budget.

Mr. Zoller said that when they go to Public Hearing on the rate increases in the fall and if they are going to present a 15% increase – they will need to explain that \$250,000 - \$350,000 is for the New

London treatment plant charges. He asked that they get good information on why the rates have been increased so much to New London and why.

Mr. DiGiovanna asked if it is the goal of the New London plant to expand the available capacity and if that is so – wouldn't that also raise the prices paid to them.

Mr. Kargl said yes. He added that in reference to Mr. Zoller's comments on the rates that our percentage of total flow is 3% higher than what we thought so our flow is up and it translates to larger numbers. It was 10 years ago that Fuss & O'Neill did the study and things were okay then. Now they may need to take a look at if there is in-flow and where it is and how much there is as that would increase the percentage of total flow.

Mr. Formica asked if the mechanic could do some of that work.

Mr. Pape said that they usually do it but he has not had the people to do it – it is scheduled maintenance and with a mechanic now, he can put a person out there to start on places that they know may have an issue as they do know where those areas are.

Mr. Formica said that this is a draft and asked that they think about it for their next meeting.

Ms. Russell said that there was an article in The Day about Waterford complaining about the short notice that was given to them regarding an increase from New London of 5%. She asked if that affects us also.

Mr. Bragaw said that has already been factored into the draft budget.

Ms. Russell asked if the maintenance figures are pro-active or re-active based.

Mr. Bragaw said that they are pro-active.

▪ **Water Budget Draft – FY 2015**

Mr. Bragaw said that he had done the same thing with this budget as he had with the sewer draft budget. He said that for the most part this budget is on target and they will finish within the budget. The big expense has been the electricity which is due to the very cold winter that they have had as they keep the buildings at 45°. Also, the normal number of breaks for the year is six to seven and they have had more this year due to the extreme cold. He said that this budget should finish this current year with \$11,000 to the positive.

Mr. Formica said that they are trying to work something out regarding the interconnection to be able to pass water for the off days to New London and to get it back on the weekends – this would be a good way to test the new system. He also said that they are still eligible for the DWSRF funding for the new water meters and that Mr. Scheer is currently working on this project.

Mr. Bragaw explained the 'Facility Dude' software program that can track things that are done for maintenance and that will provide them with the information on what they are saving. He noted that they own the program software and that it is very beneficial for planning and determining where they stand.

Mr. Formica noted that Mr. Bragaw's and Mr. Scheer's salaries are in the budgets at 25% and that Ms. Johnson's salary is in the budgets at 40% (20% in water and 20% in sewer). Peter, an engineer with public works also has part of his salary in these budgets and he is currently working on some water projects. Mr. Scheer is also doing some research on the feasibility of being able to offer insurance for water breaks for water customers. There are some 6500 water customers and if they were to charge \$100/year for the insurance, they are looking to see if this would work. They would have to hire an outside company at an already locked in price, to do the repairs and they would have to be able to react quickly.

Mr. Formica said that he also would like to look into running a water line to the Darrow's Ridge subdivision as they now have the regional interconnection there. He said that they would have to look into the cost of this as it would have to be split amongst the homeowners, but it might offer them a better option.

Mr. Mingo asked that they prepare estimates of the impact that the various percentage rate increases would have on the ratepayers – for both budgets.

3. Adjournment

****MOTION (1)**

Mr. DiGiovanna moved to adjourn this Special Meeting of the East Lyme Water & Sewer Commission at 7:42 PM.

Mr. Zoller seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary