

**EAST LYME WATER & SEWER COMMISSION
SPECIAL MEETING MINUTES
Thursday, OCTOBER 8th, 2015**

Present: Mark Nickerson, Chairman, Steve DiGiovanna, Joe Mingo, Dave Murphy, Carol Russell, Roger Spencer, Dave Zoller

Also Present: Joe Bragaw, Public Works Director
Brad Kargl, Municipal Utility Engineer
Kevin Seery, Ex-Officio Board of Selectmen
Anna Johnson, Finance Director

FILED IN EAST LYME
CONNECTICUT
Oct 14 20 *15* AT *4:00* AM/PM
Cesley A. Blair
EAST LYME TOWN CLERK

Absent: Dave Bond, David Jacques

1. Call to Order

Chairman Nickerson called this Special Meeting of the East Lyme Water & Sewer Commission to order at 6:12 PM and led the assembly in the Pledge of Allegiance.

2. Park Place Sewer Extension Update

Mr. Kargl reported that staff has gone out and staked all of the lateral locations and that they were trying to work with the residents to put the laterals in places where they would want them, if at all possible. They also requested that the developer re-locate the sewer main further up the road by about 75 feet. They will see how this works out. The signed easements are expected any day now as they are with the attorney.

Mr. Bragaw said that they have also asked for an inspection fee from the developer.

3. Clarks Hollow Blow-off Installation

Mr. Kargl said that he is looking for the Commission to authorize spending of up to \$7000 from the capital projects budget to excavate the Williams Way end and put in a 2" blow-off as that area is currently difficult to clean out. He suggested that they could take it from the Shore Road remaining balance and transfer it to Water Main Improvements. He noted that he had provided them with the information on the \$52,000 left in the Shore Road project which is 100% complete and the Water Main Improvements which has \$2,300 in it. He said that this project most aligns with Water Main Improvements so it would be appropriate to put it there.

****MOTION (1)**

Mr. Murphy moved to approve up to \$7,000 from the Water Construction Account to pay for the installation of a 2-inch blow-off on the Williams Way water main in Clarks Hollow to improve the serviceability of the water main during flushing by the transfer of up to \$7,000 from Account #62-70-006-500-002 (Shore Road Water Main Extension) to Account #62-70-006-500-017 (Water Main Improvements).

Mr. DiGiovanna seconded the motion.

Vote: 7 – 0 – 0. Motion passed.

4. Discussion - Water and Sewer Rates

Mr. Nickerson said that Mr. Bragaw had prepared sheets on the revenues/expenditures for the water and sewer proposed rate increases necessary for the budget that had been adopted for the fiscal year. He suggested that they discuss each individually and that they start with the water side first.

▪ **Water Rates**

Mr. Bragaw reviewed the water packet starting where they are and noting that the current figures seem to be on track with projections. He noted that the department recently lost a long term person due to retirement and that they have done a great job getting on track, and that they have read every meter in Town for the upcoming billing period.

The trend has been more positive on the water side with the loss becoming less over the years. He said that he would propose a 1.25% rate increase which would put them where they need to be and help with regard to the new meter system. He added that it is hard to try to project water usage/billable water but does not think that it would be lower than what it is now. He said that they do not yet know what the revenues will be for the November billing and that he is still working on that component. He does feel that what has been projected is fairly close. He explained the graph noting that the revenues and expenditures are in much better alignment.

Mr. Bragaw also explained the suggested increases for the miscellaneous water charges noting that the attempt was to have the fees be more in line with what it actually costs to provide the service as they should not be losing money on the services.

Discussion amongst the Commissioners ensued regarding having a 1% increase rather than a 1.25% increase or perhaps a 1.5% increase in the event that the billing does not meet projections.

Mr. Spencer noted that there has been a 32% increase in the water rates just over the past 5 years and that they should consider that here.

Ms. Johnson said that if they did want to propose a 1.5% increase to be safe in light of the information still coming in on the November billing and the fact that they have to advertise the Public Hearing for the October 27, 2015 meeting date; that they while they could not increase the proposed increase that they could always reduce the proposed increase at the Public Hearing when they had more information.

Mr. Nickerson and Mr. Bragaw said that they could also hold a short Special Meeting on Thursday October 15, 2015 to change the percentage going to Public Hearing should it be absolutely necessary to do so.

****MOTION (2)**

Mr. DiGiovanna moved to propose for Public Hearing a 1.5% water rate increase and various miscellaneous charges as outlined and proposed.

Mr. Murphy seconded the motion.

Vote: 7 – 0 – 0. Motion passed.

▪ **Sewer Rates**

Mr. Bragaw explained that this is set up in the same way as the water is. He noted that the sewer side is doing very well. He said that they would see that he is proposing a 2.5% increase which is less than what the increases have been. He added that they are carrying money to cover past issues and that he feels that the 2.5% is fine. He recalled that they have had some larger increases in the past and that it has helped them.

Mr. Mingo said that he is concerned that they have dollars for infrastructure and that they should be looking for a 3% increase instead.

Mr. Bragaw noted the graph that he had created and the fact that they have been closing the gap and better managing themselves.

Mr. Nickerson said that he would like to give people a break and that now is the time to do it as they have great management and things are under control.

Mr. Spencer noted that there has been a 36% increase in the sewer rates just over the past 5 years and that should be considered here.

Mr. Bragaw said that he would ideally like to keep it at a 2.5% increase or less.

****MOTION (3)**

**Mr. DiGiovanna moved to propose for Public Hearing a 2.5% sewer usage rate increase.
Mr. Zoller seconded the motion.**

Mr. Murphy said that he would publish the increase at 3%.

Mr. Zoller said that there is a \$25,000 contingency in the budget and that 2.5% is good.

Mr. Nickerson said that he would agree with Mr. Zoller that they have the contingency and that 2.5% is good. Further they have good management and things are under control.
He called for a vote on the motion.

**Vote: 6 – 1 – 0. Motion passed.
Against: Mr. Murphy**

5. Adjournment

****MOTION (4)**

Mr. Mingo moved to adjourn this Special Meeting of the East Lyme Water & Sewer Commission at 7:41 PM.

Mr. Spencer seconded the motion.

Vote: 7 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary

Proposed rates

**TOWN OF EAST LYME
WATER AND SEWER COMMISSION
NOTICE OF ADOPTION OF WATER RATES**

NOTICE IS HEREBY GIVEN that on October 27, 2015, the East Lyme Water and Sewer Commission approved the following revised schedule of rates and charges for connection to and use of the East Lyme water system. The revised water rates and charges are as follows:

SCHEDULE I – RATES FOR USAGE based on meter readings at six month intervals.

	<u>Rate</u>
<u>Minimum charge</u> per six month period, for usage up to a maximum of 3,500 gallons per six month period (Based on 1.25% increase)	\$50.00
<u>3,501 gallons</u> , to 50,000 gallons per six month period	\$4.05/1,000 gallons
<u>3,501 gallons</u> , to 675,000 gallons per six month period	\$4.47/1,000 gallons
<u>3,501 gallons</u> to over 675,000 gallons per six month period	\$4.88/1,000 gallons

SCHEDULE II – MISCELLANEOUS WATER CHARGES

Application for Connection Permit

Class 'A'- Residential	\$100.00
Class 'B'- Multi Family and Commercial	\$200.00
Class 'C'- Industrial	\$500.00
Demolition/Disconnect-Any Class	\$50.00

ANNUAL PRIVATE HYDRANT CHARGE \$200.00

ANNUAL FIRE SPRINKLER CHARGE \$200.00

METER CHARGES (FLAT RATE)

Meter Deposits

5/8-3/4"	\$70.00
1"	\$93.00
1 1/2"	\$140.00
2"	\$187.00
3"	\$280.00

Frozen Meter Repair (normal working hours)	\$75.00
Frozen Meter Repair (after normal working hours)	\$120.00
Install/Disconnect Meter (normal working hours)	No Charge
Install/Disconnect Meter (after normal working hours)	\$120.00
Meter Test (accurate within 2%)	\$75.00
Meter Test (meter error > 2%)	No Charge

SALE OF WATER DEPT. STOCKED MATERIALS

Cost, incl.
shipping, plus
12% admin. fee

INSPECTION SERVICES

During Normal Working Hours
After Normal Working Hours

\$65.00/hour
\$97.50/hour

TURN ON/SHUT OFF (FLAT RATE)

During Normal Dept. Working Hours
After Normal Dept. Working Hours
Seasonal Customer Turn On/Off > 1 per year
Turn On (after shut off for nonpayment of water bill,
during normal working hours)

No Charge
\$120.00
\$100.00
\$75.00

CONNECTION CHARGES

All services

\$2,500.00 min
(actual cost)

The revised rates and charges shall be effective on November 1, 2015. Rates for usage shall be payable at six months intervals. All other rates shall be payable at the time services are rendered.

Dated at East Lyme, Connecticut on this 27th day of October, 2015

EAST LYME WATER AND SEWER COMMISSION

By _____
Mark Nickerson, W&S Commission Chair

East Lyme Water and Sewer Commission

Analysis of Proposed Water Rates (1.25% increase)

Six Month Billing Period

10/8/2015

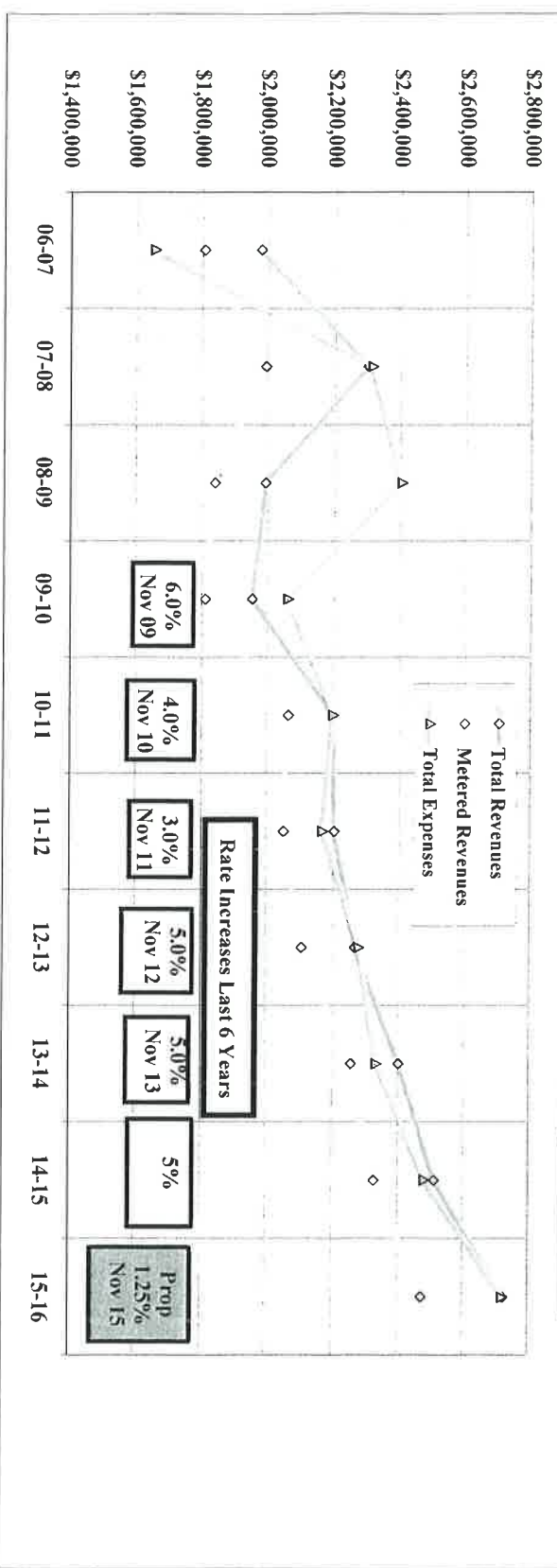
Use Category	Gallons	Existing Rates (per 1000 gal)	Charge	Rev. Rates (1.25% Incr.) (per 1000 gal)	Charge	Difference
1 Low User	3,500	\$49.59		\$50.21		
10,000 gal/6 mn	10,000	\$4.00	\$73.23	\$4.05	\$76.54	\$3.31
2 Medium User	3,500	\$49.59		\$50.21		
50,000 gal/6 mn	50,000	\$4.00	\$233.23	\$4.05	\$238.54	\$5.31
3 High User	3,500	\$49.59		\$50.21		
150,000 gal/6 mn	150,000	\$4.41	\$693.30	\$4.47	\$704.35	\$11.06
4 Very High User	3,500	\$49.59		\$50.21		
1,000,000 gal/6 mn	1,000,000	\$4.82	\$4,850.36	\$4.88	\$4,913.38	\$63.02

EL Water Department - 10 Year Revenue & Expenditure Analysis



Fiscal Year	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	Projected 15-16
Metered Revenues	\$ 1,808,014 12.24%	\$ 1,995,754 10.38%	\$ 1,840,967 -7.76%	\$ 1,812,993 -1.52%	\$ 2,066,579 13.99%	\$ 2,053,674 -0.62%	\$ 2,108,734 2.68%	\$ 2,259,018 7.13%	\$ 2,329,660 3.13%	\$ 2,472,317 6.12%
Total Revenues	\$ 1,980,663 9.17%	\$ 2,302,030 16.23%	\$ 1,995,726 -13.31%	\$ 1,956,125 -1.98%	\$ 2,198,911 12.41%	\$ 2,204,831 0.27%	\$ 2,268,140 2.87%	\$ 2,402,013 5.90%	\$ 2,511,369 4.55%	\$ 2,723,127 8.43%
Total Expenses	\$ 1,658,651 -13.04%	\$ 2,316,096 39.64%	\$ 2,406,535 3.90%	\$ 2,065,615 -14.17%	\$ 2,202,003 6.60%	\$ 2,170,977 -1.41%	\$ 2,281,692 5.10%	\$ 2,336,732 2.41%	\$ 2,482,525 6.24%	\$ 2,723,127 9.69%
Rev-Exp =	\$ (322,013)	\$ 14,066	\$ 410,809	\$ 109,490	\$ 3,092	\$ (33,854)	\$ 13,552	\$ (65,281)	\$ (28,844)	\$ -

EL Water Department - Analysis of Revenues vs. Expenditures



Proposed Rates

**TOWN OF EAST LYME
WATER AND SEWER COMMISSION
NOTICE OF ADOPTION OF SEWER RATES**

NOTICE IS HEREBY GIVEN that on October 27, 2015, the East Lyme Water and Sewer Commission approved the following revised schedule of rates and charges for connection to and use of the East Lyme sewerage system:

	<u>Rate</u>
Application for Connection Permit	
Class 'A'- Residential	\$100.00
Class 'B'- Multi Family and Commercial	\$200.00
Class 'C'- Industrial	\$500.00
Demolition/Disconnect-Any Class	\$50.00
Sale of Stocked Material	Cost, incl. shipping, plus 12% admin fee
Inspection Services	
During Normal Working Hours	\$65.00/hour
After Normal Working Hours	\$97.50/hour
Usage, based on metered water readings at billing intervals	
	(Based on a 2.5% increase)
Metered	\$7.10/1,000 gallons
Unmetered, per six 6 month period	\$177.50

These revised rates and charges shall be effective on November 1, 2014. Rates for usage shall be payable at six month intervals. All other rates shall be payable at the time services are rendered.

The owners of properties against which the revised rates and charges are to be levied are hereby notified that any appeals from the revised rates and charges must be taken within twenty-one days after the date this notice was filed with the East Lyme Town Clerk on October 31, 2014.

Dated at East Lyme, Connecticut on this 27th day of October 2015

EAST LYME WATER AND SEWER COMMISSION

By _____
Mark Nickerson, W&S Commission Chair

East Lyme Water and Sewer Commission

Analysis of Proposed Sewer Rates (2.5% Increase)
Six Month Billing Period
10/8/2015

	Use Category	Gallons	Existing Rate (per 1000 gal)	Charge	Rev. Rate (2.5% Incr.) (per 1000 gal)	Charge	Difference
1	Low User						
	10,000 gal/6 mn	10,000	\$6.93	\$69.30	\$7.10	\$71.03	\$1.73
2	Medium User						
	50,000 gal/6 mn	50,000	\$6.93	\$346.50	\$7.10	\$355.16	\$8.66
3	High User						
	150,000 gal/6 mn	150,000	\$6.93	\$1,039.50	\$7.10	\$1,065.49	\$25.99
4	Very High User						
	1,000,000 gal/6 mn	1,000,000	\$6.93	\$6,930.00	\$7.10	\$7,103.25	\$173.25

EL Sewer Department - 10 Year Revenue & Expenditure Analysis

Fiscal Year	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16
Metered Revenues	\$ 1,286,472 13.43%	\$ 1,411,304 9.70%	\$ 1,389,618 -1.54%	\$ 1,409,208 1.41%	\$ 1,531,393 8.67%	\$ 1,548,208 1.10%	\$ 1,600,526 3.38%	\$ 1,717,316 7.30%	\$ 1,873,693 9.11%	\$ 2,009,795 7.26%
Total Revenues	\$ 1,319,168 13.33%	\$ 1,458,515 10.56%	\$ 1,472,584 0.96%	\$ 1,457,669 -1.01%	\$ 1,777,280 21.93%	\$ 1,713,544 -3.59%	\$ 1,680,086 -1.95%	\$ 1,820,553 8.36%	\$ 1,944,463 6.81%	\$ 2,102,079 8.11%
Total Expenses	\$ 1,231,684 2.21%	\$ 1,484,248 20.51%	\$ 2,050,820 38.17%	\$ 1,460,093 -28.80%	\$ 1,555,371 6.53%	\$ 1,812,843 16.55%	\$ 2,051,905 13.19%	\$ 2,001,277 -2.47%	\$ 1,935,061 -3.31%	\$ 2,102,079 8.63%
Rev-Exp =	\$ (87,484)	\$ 25,733	\$ 578,236	\$ 2,424	\$ (221,909)	\$ 99,299	\$ 371,819	\$ 180,724	\$ (9,402)	\$ -

EL Sewer Department - Analysis of Revenues vs. Expenditures

