

**EAST LYME WATER & SEWER COMMISSION  
SPECIAL MEETING MINUTES  
Thursday, OCTOBER 20th, 2016**

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

**Also Present:** Joe Bragaw, Public Works Director  
Brad Kargl, Municipal Utility Engineer  
Attorney Edward O'Connell, Attorney Mark Zamarka, Town Counsel

**Absent:** Dave Zoller

**1. Call to Order**

Chairman Nickerson called this Special Meeting of the East Lyme Water & Sewer Commission to order at 6:00 PM and led the assembly in the Pledge of Allegiance.

**2. Payment to New London for Treatment**

Mr. Bragaw explained that they received invoices from New London for treatment costs at half year intervals. The most recent invoice that they received was dated in August 2016 for \$359,169.40. Traditionally at this time of the fiscal year they do not have a lot of funds in their account as they do not bill until November. After that time they will receive the revenue from the billing period and will have enough in assets to pay off the invoice. He asked that rather than stall payment to New London until late November that they borrow from the sewer assessment fund account so that they can pay the invoice as they have the finances available there. They would then return that borrowed money to the sewer assessment fund account once they receive revenue from the first billing cycle of this fiscal year.

**\*\*MOTION (1)**

Mr. Murphy moved to authorize a short duration cash flow loan from the Sewer Assessment Fund to Sewer Operations in the amount of \$359,169.46 in order to pay the New London Sewer Treatment Invoice in a timely manner. This will be paid back to the Sewer Assessment Fund in the month of November as we begin to receive semi-annual payments.

Mr. DiGiovanna seconded the motion.

Mr. Bond said that he wanted to be sure that they return the funds and asked if they should make another motion to return the funds as soon as they received them from the billing revenue.

Mr. Bragaw said that this one motion would take care of that and that Ms. Johnson would be watching to make sure that the borrowed funds are returned.

**Vote: 8 - 0 - 0. Motion passed.**

**3. Proposed Water and Sewer Rates and Related Regulations**

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 noting that they had projected in April that they would need a 2.5% increase. However the prison numbers and usage is down significantly and is now tracking at a 44.3% decrease in billing income. He said that they are now proposing a 5% increase. (Copy attached)

FILED

Oct 25 2016 AT 10:00 AM/PM  
Ann Murphy  
EAST LYME TOWN CLERK

While there is the potential to recoup some \$20,000 to \$30,000 with the school meter issues that are in the process of being rectified, they are still facing a considerable loss. He reviewed the \$86,225 in reductions to the current budget that he had made in order to have it work with the unanticipated decreased revenue from the prisons. He also suggested that they look at having a 'tiered' rate system for the following year with one rate for the winter months and another for the summer months. He also explained that there is a 'gap' between what is produced and what is billed/used and that this can in some aspect be attributed to meters not working properly or slowing down, and slow leaks – among other issues.

Mr. Mingo suggested that they look into an economic impact reimbursement from the State due to the prison closing.

Ms. Russell asked if they know what the 'gap' number is.

Mr. Bragaw and Mr. Kargl said that while 15% is an average number – we are higher – at roughly 22% and it could be as high as 35%.

Mr. Kargl said that they are having a company check for leaks as they have had in the past to see if they can curb some of this loss.

Mr. Bond said that while they do that – the answer is not in that methodology – because as the meters age and slow down – we will continuously lose unless they are changed out and the newer meters are put in. They also need to be able to do quarterly billing and the new meters would allow for that. He said that unless they invest in the new meters that the problem with the 'gap' will persist.

Mr. Jacques suggested that perhaps they could do an assessment to the ratepayer for the new meter to move it along.

Mr. Bond suggested a \$5 charge for meter repair and replacement on each billing.

Mr. Mingo said that the new meters should be bonded over 20 years and paid out over the 20 years so that those who are using them are the ones who are paying for them.

Mr. Nickerson suggested that they contact someone now and get moving on this as it is not about to get better and the new technology will allow for quarterly billing and will also capture what we are losing on the 'slow' meters. It would also detect leaks immediately so that they can be taken care of right away.

Mr. Bragaw reviewed the proposed rates and 5% rate increase for the water side noting that 81% of the customers use under 40,000 gallons. They are proposing a charge of \$75 for one composite turn off and turn on of service. He noted that in comparison to other Towns that we are on the lower end of the rate structure for water.

Ms. Russell said that she wants them to have a serious discussion on what the Town pays for hydrant fees as it is much lower than it was many years ago.

Mr. Nickerson said that if they raise the hydrant fees more than the 5% each year that he has to increase taxes to pay for them. The ratepayers and the tax payers are all from the same group of people.

Mr. Bragaw said that it is at 17% this year and that it increases by 5% each year.

#### ▪ Sewer Rates

Mr. Bragaw reviewed the sewer packet noting that they had projected in April that they would need a 1.5% increase. However a lot of the issues that plague the water side also affect the sewer side. The sewer side is also losing with the prison decline and they are down by 38% on flows from the prisons. He said that they are now proposing an 8% increase. (Copy attached)

Mr. Bragaw explained the \$135,106 in cuts that he had made to the current fiscal year budget in order for it to work in light of the reduction in revenue due to the reduced flows and billing from the prison decline.

Mr. Bragaw said that he would have liked to do a tiered billing system however, due to their Sewer Use Charges Resolution that was not possible at this time. He said that Attorney O'Connell would explain this.

Attorney O'Connell said that due to the regulations on the sewer use charges resolution – they are prohibited from changing to a tier system unless they decide to change their resolution. The resolution that they operate under stated that they have to bill on the 'actual gallons of water used'. It also states that they are to be billed semi-annually.

Mr. Bragaw noted the changes in charges that he had made – noting that the inspection fees had increased a bit so that they are recovering their costs. He lastly noted that in comparison to other Towns that they are on the higher side for sewer rates.

Mr. Murphy asked Attorney O'Connell if it would involve a lot of work to update their sewer resolution.

Attorney O'Connell said that they would have to meet and review the changes that they would want to make. He added that they would need to incorporate the quarterly readings if that is something that they want to do in the future.

#### **4. Adjournment**

Mr. Nickerson called for a motion to adjourn.

#### **\*\*MOTION (2)**

**Mr. Murphy moved to adjourn this Special Meeting of the East Lyme Water & Sewer Commission at 7:20 PM.**

**Mr. Spencer seconded the motion.**

**Vote: 8 – 0 – 0. Motion passed.**

Respectfully submitted,

Karen Zmitruk,  
Recording Secretary

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

NOTICE IS HEREBY GIVEN of a public hearing to be held by the East Lyme Water and Sewer Commission at the East Lyme Town Hall on Tuesday October 25, 2016 to consider proposed revisions to rates and charges for connection to and the use of the East Lyme water system. The water rate public hearing will commence immediately after the conclusion of a public hearing to be held on said date at said place regarding the sewer rates. The proposed 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	\$57.85
<u>3,501 gallons</u> , to 40,000 gallons per six month period	\$4.26/1,000 gallons
<u>3,501 gallons</u> , to 675,000 gallons per six month period	\$4.70/1,000 gallons
<u>3,501 gallons</u> to 2,500,000 gallons per six month period	\$5.13/1.000 gallons
<u>3,501 gallons</u> to over 2,500,000 gallons per six month period	\$5.65/1.000 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)	 \$100.00
Frozen Meter Repair (after normal working hours)	\$150.00
Install/Disconnect Meter (normal working hours)	\$100.00

*Water proposed*

*Attachment W&S Spec. Mtg. 10/20/16*

①

Install/Disconnect Meter (after normal working hours)  
All Meter Tests

\$150.00  
\$75.00

SALE OF WATER DEPT. STOCKED MATERIALS

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

INSPECTION SERVICES

During Normal Working Hours  
After Normal Working Hours

\$70.00/hour  
\$105.00/hour

TURN ON/SHUT OFF (FLAT RATE)

During Normal Dept. Working Hours (includes turn on & off and  
Charged at the time of the turn on)  
After Normal Dept. Working Hours

\$75.00  
\$120.00

CONNECTION CHARGES

All services

\$2,500.00 min  
(actual cost)

These proposed rates and charges would be effective on November 1, 2016. Rates for usage shall be payable at six months 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 and other interested persons are invited to attend and be heard.

Dated at East Lyme, Connecticut on this 14th day of October, 2016

EAST LYME WATER AND SEWER COMMISSION

By   
Mark Nickerson, W&S Commission Chair

Attachment W&S Spec. Mtg. Water proposed 10/20/16

East Lyme Water and Sewer Commission

Analysis of Proposed Water Rates (5% Increase)

Six Month Billing Period  
10/20/2016

Use Category	Gallons	Existing Rates (per 1000 gal)	Charge	Rev. Rates (5% Incr.) <sup>(1)</sup> (per 1000 gal)	Charge	Difference
1 Low User	3,500	\$50.33		\$57.85		
10,000 gal/6 mn	10,000	\$4.06	\$76.72	\$4.26	\$85.54	\$8.82
2 Medium User	3,500	\$50.33		\$57.85		
40,000 gal/6 mn	40,000	\$4.06	\$198.52	\$4.26	\$213.34	\$14.82
3 High User	3,500	\$50.33		\$57.85		
150,000 gal/6 mn	150,000	\$4.48	\$706.65	\$4.70	\$746.40	\$39.75
4 Very High User	3,500	\$50.33		\$57.85		
1,000,000 gal/6 mn	1,000,000	\$4.89	\$4,923.22	\$5.13	\$5,169.90	\$246.68

(1) Includes an additional \$5 fee for the min charge

Attachment was Spec. MES. 10/20/16  
Water proposed

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

NOTICE IS HEREBY GIVEN of a public hearing to be held by the East Lyme Water and Sewer Commission at the East Lyme Town Hall on Tuesday October 25, 2016 to consider proposed revisions to the rates and charges for connection to and the use of the East Lyme sewerage system. The sewer rate public hearing will commence at 6:30PM. The proposed sewer 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	\$36.85
<u>3,501 gallons</u> , to 2,500,000 gallons per six month period	\$7.67/1,000 gallons
<u>3,501 gallons</u> , to over 2,500,000 gallons per six month period	\$7.81/1,000 gallons
Unmetered, per six 6 month period	\$201.70

**SCHEDULE II – MISCELLANEOUS SEWER 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
Sale of Stocked Material	Cost, incl. shipping, plus 12% admin fee
Inspection Services	
During Normal Working Hours	\$70.00/hour
After Normal Working Hours	\$105.00/hour

These proposed rates and charges would be effective on November 1, 2016. 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 and other interested persons are invited to attend and be heard.

Dated at East Lyme, Connecticut on this 14th day of October 2016

EAST LYME WATER AND SEWER COMMISSION

By Mark Nickerson  
Mark Nickerson, W&S Commission Chair

*Sewer proposed*

*Attachment*

*W&S Spec. Mtg. 10/20/16*

East Lyme Water and Sewer Commission

Analysis of Proposed Sewer Rates (8% Increase)  
Six Month Billing Period  
10/20/2016

	Use Category	Gallons	Existing Rate (per 1000 gal)	Charge per 6 mo.	Rev. Rate (8% Incr.) (per 1000 gal)	Charge per 6 mo.	Difference per 6 mo.
1	Low User				\$ 36.85		
	10,000 gal/6 mn	10,000	\$7.10	\$71.00	\$7.67	\$86.71	\$15.71
2	Medium User				\$ 36.85		
	40,000 gal/6 mn	40,000	\$7.10	\$284.00	\$7.67	\$316.81	\$32.81
3	High User				\$ 36.85		
	150,000 gal/6 mn	150,000	\$7.10	\$1,065.00	\$7.67	\$1,160.51	\$95.50
4	Very High User				\$ 36.85		
	1,000,000 gal/6 mn	1,000,000	\$6.93	\$6,930.00	\$7.67	\$7,680.01	\$750.01

Attachment Weg Spec. mts. 10/20/16

Sewer proposed