

**EAST LYME WATER & SEWER COMMISSION  
SPECIAL MEETING MINUTES  
Monday, APRIL 6th, 2017**

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

**Also Present:** Joe Bragaw, Public Works Director  
Brad Kargl, Municipal Utility Engineer  
Anna Johnson, Finance Director  
Kevin Seery, Deputy First Selectman

**FILED**

APR 11 2017 AT 10:00 AM/PM

**Absent:** Roger Spencer

Karen Yulish, ATC  
EAST LYME TOWN CLERK

**1. Call to Order**

Chairman Nickerson 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 2018 and the effect of the water meter replacement program on the budget**

Mr. Nickerson said that they would review the drafts of the Water & Sewer operating budgets for FY 2018. They would begin with the Water side first. Mr. Bragaw is present and has prepared the drafts and would present them.

▪ **Water Budget Proposed - FY-2018**

Mr. Bragaw explained the draft information that he had prepared noting that it is showing a potential 6% operating expense increase at this time. He said that they should keep in mind that they had to cut \$86,225 from the FY 16-17 budget due to declining revenues from the prisons.

He noted the following:

- The proposed budget is 1% more than this years adopted budget.
- The bond principal line item includes \$18,922 for the first payment of the engineering work for the new Well 1A Treatment project.
- They dropped the new meter line from \$60,000 to \$12,500 as they were gearing up to replace all the meters. The \$12,500 would replace any meters (50) that would be needed in the meantime and it will lower the total amount that they have to replace on the bond.
- A new line item of \$80,500 will be an annual payment to pay the principal and interest for bonding the meter replacement project. This would allow them to move to radio reads with a flex-net system.
- As the Town re-negotiated the electric supply contract, they are expecting to see a 10% decrease in electricity costs starting in December of 2017.
- There are no new vehicles proposed in this budget.
- They are still proposing a healthy contingency of \$25,000.
- Per Ms. Johnson's recommendation they budgeted an 11.9% increase to health, 21.8% increase to pension, 10% increase to workmen's comp and 3% increase to property insurance.
- With regard to revenue – the Town hydrant fee was increased by 10%
- A new \$75 turn on/off fee was created last November for all seasonal turn off/on's – estimated to bring in some revenue.

Mr. Bragaw explained the new water meter option noting that they would be re-capturing 3% of the flows that are now being lost. They would be looking for DWSRF funding as that would be at 2%. Mr. Mingo said that they should look for grants to offset the cost of the meter project.

Mr. Bond suggested with regard to the new meters and the installation that the meter companies may know if there are any grants out there for new meter efficiencies.

Mr. DiGiovanna asked about the \$30,000 re-occurring cost for the Flex-Net system.  
Mr. Bragaw said that was to run the system software

Mr. DiGiovanna asked if they are having issues with delinquent accounts.  
Mr. Bragaw said that they have noticed them a number of times and that they will shut them off the Wednesday after Easter.

Ms. Russell asked about the contribution from the sewer operating side for the meters.  
Mr. Bragaw said that there would be one as the water meters are the 'cash register' for the sewer department.

(Note: 7 PM – Mr. Nickerson left to attend another meeting and Mr. Seery took over the chairing of the meeting.)

▪ **Sewer Budget Draft – FY 2018**

Mr. Bragaw explained that he had done the same with this draft information as he had with the Water side. He noted that the proposed budget for FY 2018 is 1.16% less than the current budget. He asked that they keep in mind that he had to cut \$135,106 from the current budget due to declining revenues from the prisons.

He noted the following:

- No new vehicles are proposed in this budget.
- Per Ms. Johnson's recommendation they budgeted an 11.9% increase to health, 21.8% increase to pension, 10% increase to workmen's comp and 3% increase to property insurance.
- The utilities line item dropped significantly from last year's proposed budget due to the following: with the less flows, less electricity is used; they have done a lot of maintenance on the motors and pumps so they are running more efficiently and the Town re-negotiated the electricity supply contract so they are expecting to see a 10% reduction in those costs commencing December 1, 2017.
- They were able to reduce chemicals by \$30,000 as they were finally able to get Point O Woods to upgrade their chemical system which dropped our need for bioxide at Bridebrook.
- They created a new line item of \$80,500 which will be the annual payment to water for providing, maintaining and reading all the sewer meters and preparing the bills for the department. Combined with the same amount from water this should allow the water department to move forward with the meter replacement project.
- They are proposing to double the payback to the sewer assessment fund from \$12,500 in the current budget to \$25,000 in next year's budget.
- With regard to revenue – they are proposing to increase the permit fees.

He explained that even with an operating budget decrease of 1.16% that they may be looking at a rate increase of around 6% based on declining flows and revenues. He did note that with the reduced prison flows that there is a corresponding reduction in the billing from New London.

Mr. Murphy asked what percentage of the approved budget the \$135,106 was cut from.  
Mr. Bragaw said that 6.3% was cut from the overall budget. He added that he was able to do this without having to cut employees.

He said that they were not discussing rate increases at this time as that is something that they do in October. Many things can change between now and then. With the proposed budgets he said that he thinks that they could move forward with the new meter program.

Ms. Russell asked how many pump stations there are.

Mr. Bragaw said that there are 22 pump stations, 3500 sewer customers and 6500 water customers. He added that with the new meters that they could bill quarterly which would further help with their budgeting process which is difficult at best with the two times per year billing.

### **3. Adjournment**

Mr. Seery called for a motion to adjourn.

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

**Mr. DiGiovanna moved to adjourn this Special Meeting of the East Lyme Water & Sewer Commission at 7:30 PM.**

**Mr. Zoller seconded the motion.**

**Vote: 8 – 0 – 0. Motion passed.**

Respectfully submitted,

Karen Zmitruk,  
Recording Secretary