

**EAST LYME WATER AND SEWER COMMISSION
OCTOBER 24, 2017
PUBLIC HEARING ON SEWER RATES**

Present: Kevin Seery, Acting Chairman, Steve DiGiovanna, Dave Jacques, Joe Mingo, Dave Murphy, Carol Russell, Roger Spencer and Dave Zoller

Also Present: Joe Bragaw, Public Works Director
Brad Kargl, Municipal Utility Engineer
Anna Johnson, Finance Director
Mark Zamarka, Town Counsel

1. Call to Order. Acting Chairman Seery called the October 24, 2017 Public Hearing on Sewer Rates to order at 6:40 p.m.

Mr. Seery reported the proposed water rates will be a 5% increase. Neighboring towns water rates were checked on and it was felt our rates are lower than neighboring towns. See attached talking points from Mr. Bragaw.

Mr. Seery called for comments from the public.

Wes Firman of 178 Boston Post Road asked where are the cuts to the Water and Sewer Department coming from? Mr. Bragaw replied we are four months into the year and have delayed programs to help reduce rates.

John Drabik of 18 Drabik Road stated four years ago we looked into Lake Kanomic. We were required to hire two engineers. He asked how many engineers do we have at the present time? He felt the blue collar workers are doing a good job, but felt upper management needs to be cut.

Mr. Seery stated the only full time engineer the town has is Brad Kargle. We also have Bill Sheer 25% of the time. He is working on our water supply report. A consultant would be much more. We are barely keeping up with the projects we have.

John Drabik felt there is a management problem. Many people are moving out of town. The increase is unfair.

**MOTION (1): Mr. DiGiovanna moved to close the Public Hearing on Sewer Rates at 6:50 p.m.
Seconded by Mr. Zoller. (8-0) Unanimous.**

FILED

Respectfully submitted,

Oct 26 2017 AT 12:05 AM (PM)
Karen Gallo, ATC
EAST LYME TOWN CLERK

Frances Gheri, Substitute Recording Secretary



PUBLIC HEARING ON SEWER RATES

**October 24, 2017
6:30 PM at the EL Town Hall**

PROPOSED FY 17-18 SEWER RATES



Prepared for the W&S Commission Rate Hearing on 10/24/17

By Joe Bragaw, Director of Public Works

TALKING POINTS

1. The operating budget (revenue and expenditures) is approved in April and any proposed changes to rate structure are voted on at the October W&S meeting. Any new rates become effective as of November 1st.
2. At the April 2017 W&S meeting, the FY 17-18 sewer budget was approved with a 1.16% decrease over the adopted FY 16/17 budget. At that time, we had the following assumptions;
 - a. We indicated to the W&S Commission that even with a 1.16% decrease in our operating budget; we may be looking at a rate increase of around 6% for most customers and a 10% increase to our top tier (over 2,500,000 gallons used over a 6 month period). These increases in rates were projected based on declining flows and revenues from our biggest customer, the state prisons.
 - b. We assumed flat water usage. The November 2017 billing was 12.76% less than the November 2016 billing. There was no way for us to predict a 12.76% decrease as this was mainly driven by a wet May thru early summer.
 - c. The prison and town metered flows make up 96% of sewer revenues, so if those revenues are down it has a major impact on our departmental cash flow and budget.
 - d. Our system is well over 20 years old without a major upgrade to date. Because of this, maintenance costs consume a sizable amount of our budget but they are necessary to keeping the system operational.
3. The largest water customer in our system, the State prisons has seen metered sewer flows drop by a significant amount of the last few years. Over the last two years, the revenue from the prisons has gone from \$638k in FY15-16 to \$431k in FY 16-17 as their prison population has decreased. This drop of over \$207k in the last two years is putting significant pressure on the rest of our operating budget. We are seeing savings in the costs we have to pay for less flows (i.e. less electric and NL and Waterford treatment costs) and that is why we were able to reduce the operating budget by 1.16% this year even though we had increases in contractual and benefits costs.
4. We have been trying to save money anywhere we can and so far this year we are doing pretty well, so at this time we are proposing only a 3% rate increase instead of the 6% rate increase we predicted back in April. To get to the 3% rate increase, we will need to further cut the existing operating budget by \$63k to balance projected revenue with expenditures. This will be difficult to do but is necessary to help contain rising rate costs for our customers. If we had the same rate increase for all customers and didn't cut the existing budget, it would take an 11.6% rate increase across the board to balance the budget. Last November we created a top tier user (over 2,500,000 gallons per 6 months) and we are proposing to increase this top tier by 10%.
5. Besides sewer usage, we are proposing 5% rate increases to the application fees and 5% rate increases to all service fees that are tied to increases we have in labor and benefits.

East Lyme Water and Sewer Commission

Analysis of Proposed Sewer Rates (Prop 3% Rate Increase for all but highest users) Six Month Billing Period 10/24/2017

	Use Category	Gallons	Existing Rate (per 1000 gal)	Charge per 6 mo.	Prop. Rate (3% Inc.) (per 1000 gal)	Charge per 6 mo.	Difference per 6 mo.
1	Low User						
	10,000 gal/6 mn	10,000	\$7.67	\$76.70	\$7.90	\$79.00	\$2.30
2	Medium User						
	40,000 gal/6 mn	40,000	\$7.67	\$306.80	\$7.90	\$316.00	\$9.20
3	High User						
	150,000 gal/6 mn	150,000	\$7.67	\$1,150.50	\$7.90	\$1,185.02	\$34.52
4	Very High User						
	1,000,000 gal/6 mn	1,000,000	\$7.67	\$7,670.00	\$7.90	\$7,900.10	\$230.10
5	Highest User				(Prop 10% rate inc)		
	2,500,000 gal/6 mn	2,500,000	\$7.81	\$19,525.00	\$8.59	\$21,477.50	\$1,952.50

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

NOTICE IS HEREBY GIVEN that on October 25, 2016 the East Lyme Water and Sewer Commission approved the following revised schedule of 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.

Rate

Up to 2,500,000 gallons per six-month period	\$7.67/1,000 gallons
2,500,000 gallons and over 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 revised 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 hereby notified that any appeals from the revised rates and charges must be taken within twenty-one days after the date of this notice was filed with the East Lyme Town Clerk on November 8, 2016.

Dated at East Lyme, Connecticut on this 4th day of November 2016

EAST LYME WATER AND SEWER COMMISSION

Mark Nickerson, W&S Commission Chair

**TOWN OF EAST LYME
WATER AND SEWER COMMISSION
NOTICE OF PROPOSED 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 24, 2017 at 6:30PM to consider proposed revisions to the rates and charges for connection to and the use of the East Lyme sewerage system. 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>
Up to 2,500,000 gallons per six-month period	\$7.90/1,000 gallons
2,500,000 gallons and over per six-month period	\$8.59/1,000 gallons
Unmetered, per six 6 month period	\$208.00

SCHEDULE II – MISCELLANEOUS SEWER CHARGES

Application for Connection Permit	
Class 'A'- Residential	\$105.00
Class 'B'- Multi Family and Commercial	\$210.00
Class 'C'- Industrial	\$525.00
Demolition/Disconnect-Any Class	\$55.00
Sale of Stocked Material	Cost, incl. shipping, plus 12% admin fee
Inspection Services	
During Normal Working Hours	\$73.50/hour
After Normal Working Hours	\$110.00/hour

These proposed rates and charges would become effective on November 1, 2017 if approved. 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 proposed 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 11th day of October 2017

EAST LYME WATER AND SEWER COMMISSION

Mark Nickerson, W&S Commission Chair

PUBLISHER'S CERTIFICATE

State of Connecticut
County of New London, ss New London

Personally appeared before the undersigned, a Notary Public within and for said County and State, Sharon Foret, Legal Advertising Clerk, of The Day Publishing Company Classifieds dept, a newspaper published at New London, County of New London, state of Connecticut who being duly sworn, states on oath, that the Order of Notice in the case of

24580 TOWN OF EAST LYME WATER AND SEWER COMMISSION NOTICE O

A true copy of which is hereunto annexed, was published in said newspaper in its issue(s) of

10/13/2017

Cust: EAST LYME TOWN/SEWER DEPT
Ad #: d00745365

Sharon Foret

Subscribed and sworn to before me

This Wednesday, October 18, 2017

Notary Public

My commission expires

Maryellen Solinsky
5/31/19

TOWN OF EAST LYME WATER AND SEWER COMMISSION NOTICE OF PROPOSED 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 24, 2017 at 6:30PM to consider proposed revisions to the rates and charges for connection to and the use of the East Lyme sewerage system. The proposed sewer rates and charges are as follows:

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

	Rate
Up to 2,500,000 gallons per six-month period	\$7.90/1,000 gallons
2,500,000 gallons and over per six-month period	\$8.59/1,000 gallons
Unmetered, per six 6 month period	\$208.00

SCHEDULE II - MISCELLANEOUS SEWER CHARGES

Application for Connection Permit	
Class 'A'- Residential	\$105.00
Class 'B'- Multi Family and Commercial	\$210.00
Class 'C'- Industrial	\$525.00
Demolition/Disconnect-Any Class	\$55.00
Sale of Stocked Material	Cost, incl. shipping, plus 12% admin fee
Inspection Services	
During Normal Working Hours	\$73.50/hour
After Normal Working Hours	\$110.00/hour

These proposed rates and charges would become effective on November 1, 2017 if approved. 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 proposed 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 12th day of October 2017

EAST LYME WATER AND SEWER COMMISSION
Mark Nickerson, W&S Commission Chair