

EAST LYME BOARD OF FINANCE  
REGULAR MEETING MINUTES  
Wednesday, NOVEMBER 10th, 2021

Nov. 16, 20 21 AT 10:03 AM/PM  
EAST LYME TOWN CLERK

FILED

**Members in Attendance:** Camille Alberti, Chairperson  
Ann Cicchiello, Vice-Chairperson  
John Birmingham  
Peter DeRosa  
Anne Santoro  
Richard Steel

**Also In Attendance:** Mark Nickerson, First Selectman  
Joe Bragaw, Director of Public Works  
Jeff Newton, Superintendent of Schools  
Anna Johnson, Finance Director

**Absent:** No One

**A. Call Regular Meeting to Order**

Chairman Alberti called this Regular Meeting of the East Lyme Board of Finance to order at 7:02 PM.

**B. Pledge of Allegiance**

Ms. Alberti led the assembly in the Pledge of Allegiance.

**C. Delegations**

Ms. Alberti called for delegations.

Carol Russell, 4 Bramble Bush Drive said that she is also a member of the Water & Sewer Commission and that she came to speak in favor of the ARP dollars request for the Well 5 reconstruction. She urged them to vote in favor of the project and read a statement of support into the record. (Attached to Minutes)

**D. Minutes**

▪ **Regular Meeting – October 13, 2021**

Ms. Alberti called for a motion for approval or any changes to the Board of Finance Regular Meeting Minutes of October 13, 2021.

Mr. Steel asked for the following changes to Page 5 under Board Comments where he is speaking: ... He found it disconcerting that they were told to submit questions that they would receive answers to prior to the meeting ... and in the end of the paragraph: He was disappointed that the contractor could not guarantee the architect's alternative to the roof replacement.

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

Ms. Cicchiello moved to approve the Regular Meeting Minutes of October 13, 2021 as amended.

Ms. Santoro seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

**E. Reports**

▪ **Board of Education**

Mr. Newton reported that they are working through all of the things that have occurred with the kids coming back into the schools. There will be a budget workshop next week that they can attend and in December they will hold another where they will discuss the money side of the budget. The baseball field is in progress and they expect to have the players back on the field next spring. He noted that this was not funded with any ARP dollars. Lastly, he said that he hopes that they can make the budget workshops.

▪ **First Selectman**

Mr. Nickerson reported that the Public Safety Building is nearing completion and that they are going through the punch list items now and they are very close to a CO. The furniture will be coming into the building from three (3) different areas. The Holiday Stroll will be held after Thanksgiving and the Light Parade will be on December 11, 2021 with a Jingle 5K run.

He thanked everyone for their service to the Town of East Lyme; he noted that they do have some great people joining them and that there are also some who are moving to other Boards and Commissions. They have all collectively left the Town better than they found it

▪ **Finance Director**

Ms. Johnson noted that she had provided them with a letter from the Town Attorney regarding the ARP requests that are on the agenda this evening. She said that they have all been deemed appropriate for ARP funds. She synopsised the status of the receipt and current allocation of the ARP funds. With respect to the reports, she noted that there were no surprises in the first quarter. While they have not received any of the BOE tuition; they are doing well on the revenue side. She said that she would check with Ms. Stevens on the tuition.

With regard to the expenditures she noted that the Assistant Building Officials are tracking a bit high as are the Zoning Recording Secretary, Niantic Fire Dept, PT Fire Marshal and Animal Control areas.

In a very early review projection of the budget she said that they could potentially return \$800,000 to the unassigned fund balance.

Ms. Alberti noted that they came up from 7% to 14% which is remarkable. She asked Ms. Johnson if they should stop when they hit the 15%.

Ms. Johnson suggested that when they hit that percentage that they could be in an arena where they could fund some projects with some of those funds rather than bonding or expensing to the budget.

Ms. Cicchiello asked about the auditors.

Ms. Johnson said that they will be in later this month.

Ms. Santoro asked if she feels that the audit will be completed on time.

Ms. Johnson said that she expects so.

**F. New Business**

**a. Approve 2022 Regular Meeting Schedule**

Ms. Alberti called for a motion on the Regular Meeting Schedule for 2022.

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

Mr. Birmingham moved to approve the Board of Finance Regular Meeting Schedule for 2022 as presented.

Mr. DeRosa seconded the motion.

Vote: 4 – 0 – 2. Motion passed.

For: Mr. Birmingham, Mr. DeRosa, Ms. Santoro, Mr. Steel

Abstained: Ms. Alberti, Ms. Cicchiello

**G. Old Business**

**a. Special Appropriation - \$1,014,000 American Rescue Plan Funds**

- \$920,000 Water & Sewer – Well 5 Reconstruction
- \$ 30,000 Niantic Main Street
- \$ 4,000 Care & Share \*\*\*(removed from request)
- \$ 60,000 East Lyme Town Clerk – Digitize Records

Mr. Nickerson said that they could strike the \$4000 for Care & Share from this appropriation as when it was not approved in the previous month someone stepped up and wrote them a check for the freezer. He said that they would present other request(s) at a later date.

(Note: New total of Special Appropriation: 1,010,000)

- \$920,000 Water & Sewer – Well 5 Reconstruction

Ms. Alberti said that Mr. Bragaw was here this evening to present the information on this. (Attached next)

# JB- ARP - W/S Wells BOF MTG - 11-10-21

I am here on behalf of the Water & Sewer Commission

## IMPACT OF WATER & SEWER ON EL RESIDENTS

- there are approx. 6,800 water accounts in Town
- There are approx. 8,500 households so by deduction, the water dept serves approx. 80% of the Town
- For sewers, there are approx. 3,500 sewer accounts in Town or about 41% of the town

## FUNDING CRITERIA

- We have reviewed the funding criteria from the Feds for American Rescue Plan projects and one of the eligible uses is clearly for improving water and sewer infrastructure.
- I understand that our Town has to make the decisions in the best of our constituents; however, our next-door neighbor, Waterford already allocated all of their funds back in August and around \$2.5M of their approx. \$5.5M total ARP (45%) went to their utility Commission for assorted utility projects
- Additionally, water and sewer projects always follow strict accounting and prevailing wage requirements so we can be assured that we will meet Federal government wage and reporting requirements

## WATER & SEWER COMMISSION PROCESS W/ REGARDS TO ARP

- At the 8/24/21 W&S mtg, the W&S Comm requested that staff put together a priority list of projects that we felt would be eligible and applicable for Am Rescue funds
- Staff put this list together and presented it at our 9/28/21 W&S meeting. I copy of the four projects that were presented was included in the letter from the Utility Engineer Ben North to the BOS. It is my understanding that BOF members have this letter.
- The W&S Comm unanimously voted at their 9/28/21 W&S Comm Mtg to send the #1 priority to the Town for funding as part of the Am Rescue Funds.

## MERITS OF OUR PROPOSED PROJECT

- We have 6 wells in Town but only one is north of Boston Post Rd (see map)
- Well (#5) is located off of Upper Pattagansett Rd at the SE corner of Pattagansett Lake
- Well 5 has the lowest levels of sodium in any of our town wells
- That well should be able to pump 700k gallons/day per permit but at this time is only pumping about 125k gallons/day (or about 18% of capacity)

- The Town averages between 1.7 & 2.3M gallons/day depending on the season so if we can redevelop this well it could provide between 30-41% of the Town's entire water needs but currently is only supplying between 7-10% of the Town's needs
- Why is the well producing such a low yield
  - Over time wells lose their yield. We have attempted multiple times in the last 10 years at "surging" the well to help bring the yield back but at this time it has reached the end of its useful life
  - The only way at this point to bring it back is to redrill a new well in close proximity to the Well 5 treatment building

### WHAT THE PROJECT INVOLVES

• Drilling the new well	\$150k
• Filter Rehab	\$400k
• Sandblast & Paint Piping & Vessels	\$100k
• Bldg Maint & Improvements	\$50k
• SCADA & Instrumentation Upgrades	\$100k
• 15% Cont.	\$120k
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Total Request	\$920k

### WHY APPROVE NOW

- We have a permit with the CTDEEP to drill the new well that expires in March of 2022
- Costs are escalating exponentially so the longer we wait to issue purchase orders, the more this project will cost
- Even when we have the go ahead, we will need time to line up contractors and order materials and supplies, so if we don't get approval in the next month or so the project will most likely have to be put off until late Fall 2022 as we can't bring this well down in the high season (May-October)

### OTHER FINAL DETAILS

- If this is not approved as part of ARP funds, the W&S Comm will still need to move forward with this project, and we may have to significantly raise water rates to be able to pay for it
- Water Dept Engineering staff will general contract the project to save money
- We will follow the Town purchasing policy to implement this project

In conclusion, I hope the BOF votes to approve this project so that we can get going on this project right away

Ms. Alberti thanked Mr. Bragaw for the information and noted for the record that the Board of Finance did not dispute the validity of this project.

Ms. Santoro asked about the SCADA \$100,000 instrumentation.  
Mr. Bragaw said that it works with and helps the overall system.

Ms. Cicchiello asked what 'surging a well' meant.

Mr. Bragaw explained that it costs around \$25,000 and clears out the magnesium and other elements which then usually brings the delivery rate back up.

Ms. Cicchiello asked if they do this work should the rate go back up to 720,000.

Mr. Bragaw said that it should and that it has the lowest sodium.

- **\$30,000 Niantic Main Street**

Mr. Nickerson said that they are looking to do another 'Charrette' Study to update what was done 25 years ago as the items on that list have pretty much been accomplished. The new study would update them further.

Ms. Cicchiello asked what the Charrette is.

Mr. Nickerson said that it is community input from all areas on what 'Niantic' should work towards, etc.

Mr. Steel recalled that the previous Charrette study had included both the Flanders and Niantic ends of the Town. He asked if this study would also do that.

Mr. Nickerson said yes and explained that the Flanders area of the Town would be a 'travel' area and not one where you would walk from one place to another. You would have to travel by car.

- **\$4,000 Care & Share (removed)**

This item was removed – other items would be presented at a later time.

- **\$60,000 East Lyme Town Clerk – Digitize Land Records**

Mr. Nickerson said that this was to further move this process along and digitize records back to 1927.

**\*\*MOTION (3)**

Ms. Cicchiello moved to approve a special appropriation in the amount of \$1,010,000 for the items captioned above with the source of funds being America Rescue Funds.

Mr. Birmingham seconded the motion.

Ms. Cicchiello said that she wanted to explain that she had requested that Town Counsel provide an opinion on the appropriateness of the items for the funds. (See attached from Counsel)

She suggested that in going forward that they should have the confirmation vetted through the Attorney prior to any presentations to the Boards and Commissions.

**Vote: 5 – 0 – 1. Motion passed.**

**Abstained: Ms. Alberti**

## **H. Public Discussion**

Ms. Alberti called for Public Discussion.

There was none.

## **I. Board Comments**

Ms. Alberti called for comments from the Board.

Mr. Steel said that if the Undesignated Fund Balance exceeds 15%, he would suggest they target it to invest in open space.

Ms. Alberti congratulated Ms. Cicchiello and Ms. Santoro on their election to the Board of Selectmen. She thanked everyone and said that it has been a pleasure that she has enjoyed for the past nine years. The Board of Finance will be in good hands. She said that it is not easy serving a Town of 19,000 but you do the best that you can.

Ms. Santoro said that it has been an eventful four (4) years working through Covid and other issues. She thanked her fellow board members and Mr. Nickerson and Ms. Johnson for their hard work as well as the Recording Secretary for the detailed information that they require. She wished everyone well.

Ms. Cicchiello 'dittoed' what her fellow board members had said and added that she learned a lot and valued the friendships that she had made and the discussions which were lively at times. She said that she hopes that people stay involved in the Town.

Mr. Birmingham said that every year brings something different. He thanked Mr. Nickerson, Ms. Johnson and the Recording Secretary for all of their hard work.

Mr. Steel thanked his fellow members for their mentorship, the Town officials for the working relationships which have all been very helpful to him as a newer member of the Board. Lastly, we have an incredible recording secretary.

Mr. DeRosa said good luck to Mr. Nickerson and the two (2) Ann's – Ms. Cicchiello and Ms. Santoro.

## **J. Adjournment**

Ms. Alberti called for a motion to adjourn.

### **\*\*MOTION (4)**

Ms. Cicchiello moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 8:04 PM

Ms. Santoro seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,  
Recording Secretary

November 10, 2021

To: East Lyme Board of Finance

Fr: Carol Russell, member EL Water & Sewer Commission

Re: Support for American Rescue Fund Appropriation to Reconstruct Well #5

I am here to express my strong support for the requested appropriation of \$920,000 in American Rescue Plan funds for the reconstruction of Well #5.

The vote by the Water & Sewer Commission to submit this request to the Town was unanimous. When this request was tabled without a hearing on the merits at the last Board of Finance meeting the disappointment and concern by me and my fellow Commission members was profound.

It is encouraging that this item has been resubmitted to the Finance Board by the Board of Selectmen and is now once again on your agenda. I urge you to listen to the merits of this request which Joe Bragaw, the Director of Public Works, is prepared to present here tonight on behalf of the Commission.

You will see from his presentation that the reconstruction of Well #5 -

- Not only is a project with merit but is, in fact, a critical need; and
- Without the American Rescue Plan funding Water & Sewer will be unable financially to proceed with this vital project during the current fiscal year; and
- This project has technical requirements that are time sensitive and the window of opportunity to proceed in the current fiscal year is closing fast; and
- Should this vital project have to be delayed until next Fall the \$920,000 price tag will no longer be sufficient to cover costs (due to inflationary pressures and supply issues); and
- Should Water & Sewer be denied access to Rescue funds, we would be forced to look for other ways to fund this project, most likely requiring bonding which would, of course, add interest payments to the cost.

To conclude, water is an essential utility with residential, commercial, and municipal customers. We are trying to maintain stability with our rate increases and avoid spikes. Well #5 was constructed in 1994 and wells typically last 20 to 30 years. The clock is ticking. It is significant that the guidance from the US Treasury Department specifies Rescue funds may be used for water or sewer infrastructure investments. Our town water utility needs this helping hand.

*Submitted by C. Russell 11/10/21*



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November 9, 2021

VIA EMAIL

Ms. Anna Johnson  
Finance Director  
Town of East Lyme  
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Re: Special Appropriations of American Rescue Plan Funds

Dear Ms. Johnson:

On behalf of a member of the Board of Finance, you have requested our opinion regarding whether certain appropriations recommended by the Board of Selectmen on October 6, 2021 meet the eligibility requirements of the Coronavirus Fiscal Recovery Fund established under the American Rescue Plan Act of 2021 (ARPA).

On July 23, 2021 and July 27, 2021 we issued opinions that prior appropriations recommended by the Board of Selectmen met the eligibility requirements of the ARPA. Those opinions are attached for your reference. Please consider this letter a supplement to them.

For the reasons that follow, it is our opinion that the following appropriations meet the eligibility requirements of ARPA:

1. \$920,000 – Water and Sewer- Well 5 Reconstruction
2. \$30,000 – Niantic Main Street
3. \$4,000 – Care and Share
4. \$60,000 – Digitizing Town Land Records

The U.S. Treasury Department issued an Interim Final Rule (IFR) on May 17, 2021 which establishes guidelines for how the funds may be used. The Treasury has issued an update that until it adopts a final rule, the IFR will remain binding and effective. "Therefore a municipality should continue to rely on the guidelines in the IFR and funds used in a manner consistent with the IFR will not be subject to recoupment."

WSP  
Nov. 9, 2021

This opinion relies on the guidance established in the IFR.

**Appropriation Item 1 – The Well 5 Reconstruction falls under the permissible use of funds to make necessary improvements in water infrastructure.** Investments in water, sewer and broadband infrastructure projects are specifically permissible under ARPA. The IFR provides that, "by permitting funds to be used for water and sewer infrastructure needs, Congress recognized the critical role that clean drinking water ... play[s] in protecting public health and the IFR provides these governments with wide latitude to identify investments in water and sewer infrastructure that are of the highest priority for their own communities." The proposed well reconstruction is a permissive use of ARPA funds.

**Appropriation Item 2 – The Niantic Main Street Charette Study falls under the permissible use of funds to respond to the negative impacts of COVID-19 including aid to small businesses, non-profits or aid to impacted industries such as tourism, travel and hospitality.** Niantic Main Street is a local non-profit dedicated to supporting economic vitality and civic engagement in the Town of East Lyme. According to its written request for ARPA funds, it has suffered significant obstacles in achieving its fundraising goals due to COVID-19. In addition to its support to the community, Niantic Main Street also funds a website to promote the town, local events and local businesses.

The IFR lists both non-profits and aid to local businesses as intended recipients of ARPA funds. "Small businesses ... play a key role in supporting overall economic recovery as they are responsible for two-thirds of our new jobs" and "non-profits which provide vital services to communities, have similarly faced economic and financial challenges due to the pandemic."

The funds requested by Niantic Main Street are an appropriate use of ARPA funds.

**Appropriation Item 3 – The appropriation for Care and Share falls under the permissible use of funds in promoting public health and the negative economic impacts of COVID-19 under ARPA.** The IFR guidelines specifically list non-profits promoting food assistance as authorized recipients of ARPA funds.

**Appropriation Item 4 – The Digitization of the Town's Land Records falls under the ARPA funds permissive use in promoting public health.** The Treasury Department has ruled that ARPA funds may be used for capital improvements in public facilities and public buildings to meet pandemic operational needs. Digitizing the land records at Town Hall will protect both the general public and Town Hall staff from the spread of COVID-19 by making the land records available to the public online and is a permissible use of ARPA funds.

From Attorney  
Attachment -

2

BOF

11/10/21

(75.2)