

**EAST LYME WATER & SEWER COMMISSION
REGULAR MEETING
Tuesday, APRIL 28th, 2015
MINUTES**

The East Lyme Water & Sewer Commission held a Regular Meeting on Tuesday, April 28, 2015 at Town Hall, 108 Pennsylvania Avenue, Niantic, CT. Chairman Nickerson called the Regular Meeting to order at 6:51 PM immediately following the previously scheduled Public Hearing.

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

ALSO PRESENT: Kyle Haubert, PE with CLA Engineers representing the applicant
Joe Bragaw, Public Works Director
Brad Kargl, Municipal Utility Engineer
Attorney Edward O'Connell, Town Counsel
Anna Johnson, Finance Director

ABSENT: No One

FILED IN EAST LYME
CONNECTICUT
MAY 5 20 15 AT 10:00 AM PM
[Signature]
EAST LYME TOWN CLERK

1. Call to Order

Chairman Nickerson called the Regular Meeting of the East Lyme Water & Sewer Commission to order at 6:51 PM. The Pledge was previously observed.

2. Approval of Minutes

▪ **Regular Meeting Minutes – March 24, 2015**

Mr. Nickerson called for a motion or any discussion or corrections to the Regular Meeting Minutes of March 24, 2015.

Mr. Zoller asked that Mr. Kargl be added to the listing of those present on the front page.

****MOTION (1)**

Mr. DiGiovanna moved to approve the Regular Meeting Minutes of March 24, 2015 as amended.

Mr. Zoller seconded the motion.

Vote: 5 – 0 – 3. Motion passed.

Abstained: Mr. DiGiovanna, Ms. Russell, Mr. Zoller

3. Delegations

Mr. Nickerson called for anyone who wished to speak under Delegations.

There were no delegations.

4. Audit Report – Scott Bassett – McGladrey

Scott Bassett, principal with McGladrey explained how the water and sewer funds are set up and how during the auditing process they give opinions on the major asset funds. He said that ideally the sewer assessments come in and pay off the debt. The total current sewer assets are \$250,000. Repairs and maintenance could have a drain on the cash flow and at this time they do not have a replacement account.

Ms. Russell asked how he would classify the 'health' of the sewer assessment and sewer dept.

Mr. Bassett said that the sewer assessment is fine, the sewer dept. right now is at a \$25,000 loss and they want to try to turn that around.

Mr. Bragaw noted that they only have two more years paying back the Town and that we also have new projects coming on line so we are turning the corner in a good way.

Mr. Bassett said that they have \$5.3M outstanding in DWSRF and for all practical purposes – it was a good audit.

5. Consider Approval of Sewer Main Extension for 11 Industrial Park Road

Mr. Nickerson asked if they were ready to act on this as they had closed the public hearing.

****MOTION (2)**

Mr. Murphy moved to approve the construction of a sewer extension of the Town's existing sanitary sewer system for property known as 11 Industrial Park Road. The extension will begin at the northerly terminus of the existing sanitary sewer line in Industrial Park Road and run in a general northerly direction in and along Industrial Park Road a distance of approximately 340 feet to the property line of the premises known as 11 Industrial Park Road.

Mr. DiGiovanna seconded the motion.

Vote: 8 – 0 – 0. Motion passed.

6. Billing Adjustment Requests – Attachment A

Mr. Kargl said that he had provided them with copies of adjustments from the May 2014 billing period. The adjustments have already been made and the copies were for them to see. He said that he still has a few from the November 2014 period that are being processed.

7. Approval of Bills – from Attachment B

Mr. Nickerson called for a motion on the Regional Interconnection bills.

****MOTION (3)**

Mr. DiGiovanna moved to approve payment of the following Regional Interconnection bills: Tighe & Bond, Inv. #031593003 in the amount of \$1,358.37; and Tighe & Bond, inv. #041593037 in the amount of \$2,920.49.

Mr. Zoller seconded the motion.

Vote: 8 – 0 – 0. Motion passed.

Mr. Nickerson called for a motion on the remainder of the bills.

****MOTION (4)**

Mr. DiGiovanna moved to approve payment of the following bills: Security Upgrades – Utility Communications, Inv. #65681 in the amount of \$4,965.84; Shore/Manwaring Rd. Water Main – Anello Bros., LLC, Inv. dated 3/30/2015 in the amount of \$3,023.50 and Columbus Ave Bridge Water Main/Valves – Machnik Bros., Inv. #006613 in the amount of \$19,467.00.

Mr. Zoller seconded the motion.

Vote: 8 – 0 – 0. Motion passed.

8. Proposed Water and Sewer Budgets for FY 2016

Mr. Nickerson asked Mr. Bragaw to present these.

Mr. Bragaw recalled the special meeting that they had the previous week and said that the 8.1% increase for water over the current year's budget that would have meant an increase in the rates effective for November of this year has been updated due to projected revenue increases. The current projection would mean that they do not expect an increase in the water rates for November of this year, at this time.

Mr. Nickerson said that he thinks that they should have a 1% increase just as a cushion in case something happens; however he commended Mr. Bragaw for his work to get us here from where we were.

Ms. Russell asked about the last rate increase.

Mr. Bragaw said that they have raised it 5% each year for the past three years.

Ms. Russell said that she feel that we owe it to the ratepayers who have paid for all these years to give them a break.

Mr. Bond asked what 1% generates in dollars.

Mr. Bragaw said that it would generate around \$25,000 which would go into contingency.

Mr. Nickerson said that they could review this again in the fall and see where they are prior to setting any rates. This is just to complete a budget for them for the upcoming fiscal year.

Attorney O'Connell suggested that they approve the budget with the option of looking back at it in the fall prior to any rate determination.

****MOTION (5)**

Mr. DiGiovanna moved to accept the FY15/16 water department budget as proposed (\$2,723,127.00) with the option of looking back at it in the fall to review where they are prior to making a rate determination.

Mr. Zoller seconded the motion.

Vote: 8 – 0 – 0. Motion passed.

Mr. Bragaw reviewed the sewer budget for FY 15/16 and noted the proposed 2.5% sewer rate increase for the fall which is down from the three previous years which had increases of 8% each. He noted that on the sewer side that there is always the potential for something to break down, however they are anticipating greater revenues.

****MOTION (6)**

Mr. Murphy moved to accept the FY15/16 sewer department budget as proposed (\$2,102,079.00) with the option of looking back at it in the fall to review where they are prior to making a rate determination.

Mr. DiGiovanna seconded the motion.

Vote: 8 – 0 – 0. Motion passed.

9. Water Project Updates

▪ **Regional Interconnection**

Mr. Kargl reported that the contractor from Ohio has come out to finish up the Butlertown Road tank work and they should see the final invoice of around \$34,000 soon. This will close out Contracts 1 and 2. There are a few items left on Contract 3.

Mr. Nickerson asked when we reverse flows with new London.

Mr. Kargl said that by contract they can start as soon as May 16th.

Mr. Nickerson said that they have not had a ribbon cutting and said that they should have one – possibly in June at the water tank site.

▪ **Columbus Avenue Bridge Water Main**

Mr. Kargl reported that everything has been submitted to Amtrak and the work is in the process of being coordinated between Machnik and Amtrak.

▪ **Sunrise Trail/Orchards Subdivision Water Main Connection**

Mr. Kargl recalled that he met with Carrier who is working with their engineer to provide an 8" water main to tie into Sunrise Trail (approximately 13 customers). This will allow them to eliminate the old Sunrise Trail booster station. He added that the developer is also considering giving a piece of property at the top of the hill (where the cell tower is leaving) to the Town.

- **Gateway**

Mr. Kargl reported that it looks like they will make their May first opening. While the station is operational – they are not fully ready to accept it and will have a bridge/interim agreement as there are some punch list items.

Attorney O'Connell said that the bridge agreement would not be binding on the Town and that it is an administrative item at this time.

- **Dean Road/Lovers Lane Water Extension Feasibility**

Mr. Kargl said that he left this on the agenda although the numbers are somewhat staggering.

Mr. Bond and Mr. Nickerson said that it is too expensive at this point in time and that they want to try to do projects that will pay for themselves as they are already in a crunch and are trying to get on track.

Mr. Murphy asked for some further information from staff on this.

10. Finance Director Reports

Ms. Johnson explained that in their packets she had provided them with a report and asked if they had any questions.

There were no questions.

11. Communications

- **See Communications Log**

There were no comments on the log.

12. Chairman's Report

Mr. Nickerson noted that the Old Lyme project is still in a holding pattern.

13. Staff Updates

- **Water Department Monthly Reports**

Ms. Russell said that .017 is the official Federal fluoride standard as it has recently been lowered.

Mr. Kargl said that there cannot be just one number and that there has to be a range that they can fall within.

- **Sewer Department Monthly Reports**

There were no comments.

14. ADJOURNMENT

Mr. Nickerson called for a motion to adjourn.

****MOTION (7)**

Mr. DiGiovanna moved to adjourn the April 28, 2015 Regular Meeting of the East Lyme Water & Sewer Commission at 8:33 PM.

Mr. Mingo seconded the motion.

Vote: 8 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary

TOWN OF EAST LYME



WATER DEPARTMENT

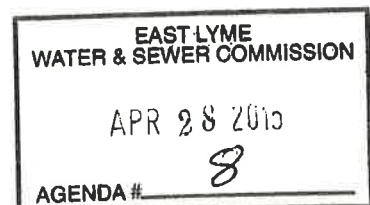
PROPOSED

FY 15-16 BUDGET

W&S Meeting - April 28, 2015 at 7pm at the Town Hall

Highlights

1. The proposed budget is \$2,723,127 which is an 8.1% increase (or \$203,212) over the \$2,519,915 FY 14-15 budget.
2. Three proposed budget lines; interconnection, new meters & contingency are \$103,982 or 4.1% of the increase. The remaining items are a \$99,230 or 3.9% increase over the existing budget
3. Due to projected revenue increases, we are expecting **no increase** in the water rates effective in November of this year.
4. We are able to achieve this due to greater revenues than what we projected and assuming an increase in water usage of 4% over the coming fiscal year. We are comfortable that our revenue projections and water increase assumptions are conservative.
5. This assumes that the Commission would look to raise the annual fire sprinkler charge from \$150 to \$200 this fall.



TOWN OF EAST LYME



SEWER DEPARTMENT

PROPOSED

FY 15-16 BUDGET

W&S Meeting - April 28, 2015 at 7pm at the Town Hall

Highlights

1. The proposed budget is \$2,102,079 which is an 8.2% increase (or \$159,346) over the \$1,942,732 FY 14-15 budget.
2. Three changes that were made since the 4/21/15 meeting is that we added additional funds to Maintenance of Vehicles (\$1,500), Payback to the Sewer Assessment Fund (\$15,000) and to the contingency account (\$15,670). It is very important to keep a healthy contingency fund for the Sewer Dept because of all of the unexpected repairs that can come up throughout the year.
3. Due to projected revenue increases, we are proposing a 2.5% sewer rate increase effective in November of this year. This is down from three consecutive years of 8% increases.
4. We are able to achieve this due to greater revenues than what we projected and assuming an increase in sewer flows of 2.5% over the coming fiscal year. We are comfortable that our revenue projections and sewer flow assumptions are reasonable.

