

**SPECIAL MEETING Tuesday, APRIL 7th, 2009  
EAST LYME WATER & SEWER COMMISSION  
MINUTES**

The East Lyme Water & Sewer Commission held a Special Meeting on Tuesday, April 7, 2009 at the East Lyme Town Hall, 108 Pennsylvania Avenue, Niantic CT. Chairman Formica called the Special Meeting to order at 5:40 PM.

**PRESENT:** Paul Formica, Chairman, Mary Cahill, Steve DiGiovanna,  
David Zoller, Joe Mingo, Dave Bond, Dave Murphy, Carol  
Russell

**ALSO PRESENT:** Attorney Edward O'Connell, Town Counsel  
Attorney Mark Zamarka, Town Counsel  
Brad Kargl, Municipal Utility Engineer  
Michael Giannattasio, Director of Public Works  
Anna Johnson, Finance Director  
Mike Poola, Water Utility Superintendent  
Rick Pape, Sewer Utility Superintendent

**ABSENT:** Roger Spencer

**1. Call to Order**

Chairman Formica called the Special Meeting of the Water & Sewer Commission to order at 5:40 PM. The Pledge was observed.

**2. Boston Post Road Sewer Benefit Assessments**

Mr. Kargl passed out drafts of the Sewer Benefit Resolution Sewer Main Extension No. 5 noting that Attorney O'Connell was present to review it with them.

Attorney O'Connell said that Attorney Zamarka has worked on this with Town staff and that it is an 'opt-in' resolution as it is done at the expense of parties other than the Town. The CPI calculation is the same as that used at Pine Grove – by utilizing 2007 dates the amount for an assessable unit is set at a flat rate of \$12,066.00 per unit. Page 3 delineates what and how an 'assessable unit' is defined. He noted that attached and detached condominium units were classified differently as they had previously discussed and voted on.

Under the 'opt-in' system, they establish the assessments now and people 'opt-in' rather than have it be mandatory. He noted that on Page 4 they could find the multipliers for the commercial property assessment formula.

Mr. Mingo said that he recalled that they had discussed revising Rule f.19 regarding sloping lots on Page 7 as they are not providing grinder pumps and are not maintaining them and that they would be the sole responsibility of the homeowner.

Attorney O'Connell said that was correct and suggested that Rule f.19 be revised to read: *'Sloping lots. Whenever a negative slope from the existing street sewer line makes a gravity connection to an existing detached single family dwelling impossible, the property owner will provide suitable ejectors at their cost.'*

The Commissioners agreed with the revision to Rule f.19.

Attorney O'Connell continued that on Page 10 Item No. 6 reminds them that it is an 'opt-in' system. The person can pay all at once or in 15 equal installments. All have an April 1, 2009 starting date and he noted that they might need to amend that depending upon when they hold the Public Hearing. Updates have been made to reflect the current rates.

Mr. Murphy asked about the 5% interest.

Attorney O'Connell said that it is a standard rate.

Ms. Russell asked about using the 2006 assessment which may be high by today's standard. Attorney O'Connell said that 'it is what it is' and that the appeal time on that valuation has passed and that at some point they have to call it a baseline of equal applicability. He added that the assessment stays at the 2006 figure regardless of when people opt-in.

Mr. Kargl noted the single family and two family residences that are in the CA zone and that due to this, they are calculated at the CA rate. He asked Attorney O'Connell about past practice of adjusting them to the 1.5 times rate and suggested that they do that. It was also noted that the 911 Center and School building on Boston Post Road are hooked in.

He lastly noted that anything on the list with a '1' indicates that no lateral is available and he suggested that those properties; (they are showing roughly six of them) be removed from the list.

The Commissioners agreed that the properties with no lateral should be removed from the list.

Mr. Kargl said that he thought it possible to have this ready for Public Hearing at their April 28, 2009 meeting.

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

**Mr. Mingo moved to send the 'Sanitary Sewer Benefit Resolution for Sewer Main Extension No. 5' - Boston Post Road Extension to Public Hearing on April 28, 2009 at 7 PM.**

**Mr. DiGiovanna seconded the motion.**

**Vote: 8 – 0 – 0. Motion passed.**

(Note: A brief break was taken here and Attorney O'Connell and Attorney Zamarka left the meeting)

**3. Proposed Water and Sewer Budgets for FY 2010**

Mr. Giannattasio said that he would give an overview of the Water & Sewer budgets and explained their current position. He said that Mike Poola, Water Utility Superintendent and Rick Pape, Sewer Utility Superintendent were also present and would be happy to answer any questions that they might have.

Mr. Giannattasio began with the **proposed Water budget for 2010** noting that he has kept most items level due to the economy. They are proposing a new meter system and have replaced around 400 meters so far of the roughly 6500 meters in the system. He said that they are hoping for some new customers from 38 Hope Street, the Orchards and possibly the AHEPA addition. They are also forecasting revenues from the new meter system as they will be able to recoup what they are losing with old and tired/inefficient meters. The new meters also will not require meter readers as it will all be done electronically from the office. The old meters that are in homes are inefficient and lose their ability (slow down) to correctly record the number of gallons of water that are used. With the new meters, it is believed that they will be collecting money for the actual number of gallons used.

Mr. Kargl said that they feel that they are losing from 20% to 30% of the gallons of water pumped, in the system due to the meters losing their efficiency. This means that they are not being paid for all of the gallons of water that are being used.

Mr. Giannattasio said that they estimate that they are losing money on 504,910 gallons of water and that if they recouped even half of it with the new meters that they would realize \$70,000 yearly over the cost of the new meters - \$181,000 yearly (the meters are figured at \$300 per meter, the pay-off on them – over 10 years).

He explained that the Water budget shortfall is \$139,000 or 5% of revenue – by recouping even one half of the lost gallons in billing, they would get \$250,000; less the cost per year of the meters - \$181,000 for a net profit of \$70,000 thus reducing the \$139,000 shortfall to 69,000.

Ms. Cahill asked if this is proven and if it truly needs to be done.

Mr. Giannattasio said that they will bench test random meters from the 6225 to find out what the real numbers are.

Ms. Cahill asked why under 'salaries' some increases are at 0% and others (for Utility Eng., PW Dir. Etc.) are at 20% - what accounts for this.

Mr. Giannattasio explained that the COLA was given back.

Ms. Cahill said that still did not explain the 20% increase difference.

Mr. Giannattasio explained that there is also \$12,000 extra for a Part time Engineer – one day per week for Water, in that line item and that they would also see another \$12,000 in the Sewer budget for that same person for one day per week for Sewer, to help them with the projects. The position is shared with the Town which finances the other three days for this person. The other people in that line item are the partial salaries that are paid for him and Ms. Johnson.

Mr. Zoller asked how long it would take for the company to change out all of the meters to the new ones. Mr. Kargl said that he thinks that it could be done in six months time.

Mr. Zoller asked about the anticipated savings from this as they would not have the need to have workers going out to each water customers' home to read the meter twice per year.

Mr. Giannattasio said that he thought that it would mean that they would not need to hire a new person in the future.

Mr. Kargl explained that the radio control system reads constantly and that they could bill as often as they want. They could bill quarterly for instance, rather than twice per year. The system is also capable of telling them how much water is being used at the various times.

Mr. Murphy said that when they are asking for water conservation that with the new system, they could see who is actually using the most water and when they are using it.

Mr. Murphy asked about the cost of the O & M building repairs and which budget that would fall under – the current one or the new one.

Mr. Giannattasio said that when he was told that the masonry block wall repair would cost around \$25,000 that he asked Ken Biega (the O & G Project Manager) to take a look at it and to provide them with some other bids. They would like to have this fixed before 2010. Most of the expenses that have so far been incurred were being paid by the \$70,000 insurance payment. The rest would be coming from capital.

Ms. Russell asked about the leak testing that they were doing.

Mr. Poola said that they have completed the leak survey of the whole Town and came up with 18 leaks – 13 of them were on the customer side and all of those people have been notified of the leaks and the necessity of fixing them; so far 6 of them have been fixed. There were 5 leaks on the Town side and they have also been fixed. It was estimated that all of the leaks combined would account for 25M gallons of water lost per year. The cost of the leak detection testing was \$20,000.

Mr. Giannattasio lastly suggested that they could raise the per gallon charge by 12¢ per 1,000 gallons and that it would cost each residential ratepayer some \$6 to \$7 more per year and that would cover the approx, \$70,000 revenue shortfall left after the installation of the new meters. He asked that they think about this.

Mr. Giannattasio then reviewed the **proposed Sewer Budget for 2010**.

Mr. Mingo asked about the late payments and how many people are late.

Mr. Giannattasio said that there are about 1,000 customers.

Mr. Mingo said that he thinks that it is unfair for ratepayers who pay on time to have to cover for those who do not.

Mr. Giannattasio said that there is a 1.5% late fee charged per month that they are late.

Mr. Mingo asked if the New London increase in sewage treatment is justifiable.

Mr. Giannattasio said that they do not own any shares in the plant and that they have a signed agreement with New London.

Mr. Murphy asked if they have a right to negotiate any of this with New London.

Ms. Cahill recalled that it was a battle when they were first negotiating with New London in the beginning regarding the sewage treatment.

Mr. Giannattasio noted that the same math would need to be applied on the Sewer side with regard to a rate increase to offset the deficit. He said that 129 of the water customers are not sewage customers.

Mr. Bond asked about the metering of those customers.

Mr. Giannattasio said that all customers use the same meters as sewage use is charged by the number of gallons of water used.

Mr. Formica said that he met recently with General Martin regarding the Camp Rell land with the two old wells on it and that the land acquisition description will be re-written with the land being subdivided as the portion near the Cove is being retained by the State and Camp Rell as they want access to the Cove.

Mr. Formica then thanked Mr. Poola and Mr. Pape for attending the meeting and for all of their hard work.

Mr. Mingo noted that he had recently attended a water scarcity seminar and that one speaker wanted to ban all outside water use and to ban pools and fish ponds – the issue being that water will become very scarce in our future. He said that he would like to see if they could get one of the speakers to come and speak to them as the seminar was interesting.

#### **4. ADJOURNMENT**

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

Mr. Mingo moved to adjourn the April 7, 2008 Special Meeting of the East Lyme Water & Sewer Commission at 8:25 PM.

Mr. Bond seconded the motion.

Vote: 8 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,  
Recording Secretary