

**EAST LYME WATER & SEWER COMMISSION  
SPECIAL MEETING  
Tuesday, OCTOBER 13th, 2009  
MINUTES**

The East Lyme Water & Sewer Commission held a Special Meeting on Tuesday, October 13, 2009 at the East Lyme Town Hall, 108 Pennsylvania Avenue, Niantic CT. Chairman Formica called the Special Meeting to order at 6:00 PM.

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

**ALSO PRESENT:** Attorney Edward O'Connell, Town Counsel  
Brad Kargl, Municipal Utility Engineer  
Michael Giannattasio, Director of Public Works  
Anna Johnson, Finance Director

**ABSENT:** No One

**1. Call to Order**

Chairman Formica called the Special Meeting of the East Lyme Water & Sewer Commission to order at 5:00 PM and led the assembly in the Pledge of Allegiance.

**2. Approval of Bills**

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

**Mr. DiGiovanna moved approval of payment on the following Consent Calendar Items: Darrow Pond – Spencer Beers, Inc. Invoice #11904 in the amount of \$500; United Rentals – Invoice #82556427-002 in the amount of \$2,575.80.**

**Mr. Murphy seconded the motion.**

Mr. Zoller asked what the monthly rental protection was for.

Mr. Kargl explained that it was in the event that there were problems with the equipment sitting where it is and because it is required that they carry it.

**Vote: 9 – 0 – 0. Motion passed.**

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

**Mr. Murphy moved approval of payment on the following Darrow Pond Item: Siemens – Invoice #4584377 in the amount of \$33,114.00.**

**Mr. DiGiovanna seconded the motion.**

Mr. Zoller asked what this was for.

Mr. Kargl said that it is the final payment.

**Vote: 9 – 0 – 0. Motion passed.**

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

**Mr. DiGiovanna moved approval of payment on the following Regional Interconnection Items: Geolnsight Inc. – Invoice #21191 in the amount of \$12,183.13; City of New London – billing dated 9/11/09 in the amount of \$870.00.**

**Mr. Murphy seconded the motion.**

Mr. Mingo said that he believes that this should come out of the general fund.

Mr. Murphy asked why they are paying legal fees for New London.

Mr. Kargl said that the fees were incurred in the process of obtaining the agreement on their water supply plan.

Mr. Mingo asked if New London's plan is a draft plan.

Mr. Kargl said yes and added that it has not yet been approved which is why it is not readily available.

Ms. Russell asked about the attorney fees regarding the New London attorney speaking to them and why we were paying for it.

Mr. Mingo asked if it was accepted practice that we would pay for it.

Attorney O'Connell said yes.

Mr. Formica added that it is done at our direction and with our knowledge.

**Vote: 8 – 1 – 0. Motion passed.**

**Against: Mr. Mingo**

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

**Mr. DiGiovanna moved approval of payment on the following Well 3B item: Stonkus Hydraulics – Invoice #090260 in the amount of \$3,200.00.**

**Mr. Zoller seconded the motion.**

**Vote: 9 – 0 – 0. Motion passed.**

### **3. Proposed Rates for Water and Sewer**

Mr. Giannattasio said that Mr. Zoller, Ms. Cahill and Mr. Mingo comprise the rates subcommittee and that he and Mr. Kargl sat in on discussion with them. He synopsised the proposed rate increases – on the Water side they are looking for a 6% increase along with cost savings in the budget – such as the new meter program and the lock box for payments and posting. Chemical and electric costs have also gone down. He said that the last time the rates were increased was three years ago and that he would suggest reviewing them annually and would expect that there would be a small rate increase again next year as this increase just allows them to 'get by'.

On the Sewer side he said that the increase was 8% and they had added some designations under the permit applications for a sewer connection. He noted that the un-metered, per 6 month period rate increase should be changed from \$125.00 to \$135.00 rather than to the \$140.00. He said that this increase is also modest and that there would also be some budget cost savings in order to meet their budget.

Mr. DiGiovanna asked about the high-end users on the sewer side.

Mr. Giannattasio and Mr. Kargl said that the ordinance regulates that.

Mr. DiGiovanna asked if they would suggest a higher increase.

Mr. Giannattasio said that he would suggest that the rates be reviewed each year.

Mr. Mingo said that he thought that the meters were being bonded.

Mr. Giannattasio said that they are and added that they are not being rolled out as quickly as they had wanted due to the towers and problems with transmission that have to be worked out.

Mr. Mingo said that there are around 1500 of the 6500 water customers who are seasonal or low users – who – with the new meters would be paying more as they have old meters and the new ones would be more accurate and they could recoup some of the loss. He suggested that they get new meters in one of the first rounds.

Ms. Russell suggested that with conservation in mind that the medium user could be charged more and another layer could be added in that fee block for the medium user.

Ms. Cahill said that she has heard people cite rates in other Towns and she does not think that they should base their rates on what the Towns around them are doing. What those Towns do and how they budget should not concern us as we operate quite differently.

Mr. Formica polled the members on how they feel regarding the proposed rates.

Mr. DiGiovanna said that knowing that they will be reviewed next year that he would support this proposal.

Mr. Murphy asked if the rates for frozen meters, etc actually covers our costs to perform the services.

Mr. Giannattasio said yes.

Mr. Murphy said that he has frequently spoken about them having an infrastructure maintenance plan and with that in mind, he would rather see them charge more now.

Ms. Cahill said that she had different ideas of lowering the rate increases however now that she had heard from Mr. Giannattasio and Mr. Kargl, she said that she would go along with the fees as proposed.

Mr. Spencer said that it seems that they had this discussion three years ago and had they revisited the rates each year, they would have been okay now. He said that he would leave the rate increases as proposed and presented and review the rates each year as they have previously discussed they would do.

Ms. Russell said that she thinks that they should add another layer between the low and higher user for the medium user as that would not only generate more revenue but encourage conservation. She asked when they thought quarterly billing would be put into place.

Mr. Giannattasio said that it is about two years out and that they would have to have at least 50% of the new meters installed into the system in order to do it.

Mr. Mingo said that he wants the \$35 flat fee to be increased to a \$40 flat fee as that would bring them in another \$60,000.

Mr. Bond said that he would go with what has been presented for now as long as they re-visit it each year as they have said. He said that he also thinks that they are running a business and since the residential customers are the bulk of the users (around 6000 of the 6800 users) that they should be the ones who bear the largest increase and not the high end users.

Mr. Zoller said that the price for oil and chemicals has dropped and the meter program is not as aggressive as they had hoped it would be as they have things to work out with it. In looking at what Mr. Mingo has proposed for the increase to the flat fee, he said that it averages out to an 11% to 14% increase and that six months ago they were talking about a 4%-5% increase.

**\*\*MOTION (5)**

**Mr. Mingo moved to approve the proposed Water and Sewer rate increases with two changes: the minimum charge per six month period for usage up to a maximum of 3500 gallons per six month period will increase from \$35 to \$40 and on the sewer rates the un-metered, per six (6) month period will increase from \$125.00 to \$135.00 (not \$140.00).**

**Mr. DiGiovanna seconded the motion.**

Mr. Spencer said that he thought that the rate increase should not exceed 10% and that he does not think that it is fair to take such a large increase when they did not review the rates each year as they said that they would. This is a large increase and he thinks that it is going to hit everyone, especially in this economy.

**Vote: 7 – 2 – 0. Motion passed.**

**Against: Ms. Cahill, Mr. Spencer**

#### **4. ADJOURNMENT**

Mr. Formica called for a motion to adjourn.

#### **\*\*MOTION (6)**

**Mr. DiGiovanna moved to adjourn the October 13, 2009 Special Meeting of the East Lyme Water & Sewer Commission at 7:10 PM.**

**Mr. Murphy seconded the motion.**

**Vote: 9 – 0 – 0. Motion passed.**

Respectfully submitted,

Karen Zmitruk,  
Recording Secretary