

**EAST LYME WATER & SEWER COMMISSION
PUBLIC HEARING II
Tuesday, SEPTEMBER 28th, 2010
MINUTES**

The East Lyme Water & Sewer Commission held a Public Hearing on September 28, 2010 at Town Hall, 108 Pennsylvania Avenue, Niantic, Connecticut to hear comments regarding proposed revisions to rates and charges for connection to and the use of the East Lyme Water System. (The proposed revised water rates and charges are attached at the end of the minutes).

PRESENT: Paul Formica, Chairman, Steve DiGiovanna, Dave Zoller, John Jasper, Dave Murphy, Joe Mingo, Roger Spencer, Dave Bond

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

ABSENT: Carol Russell

Pledge of Allegiance

The Pledge was previously observed.

Public Hearing I

◆ **Proposed Revisions to rates and charges for connection to and the use of the East Lyme Water System**

Chairman Formica opened this Public Hearing after the previously scheduled Public Hearing on the Sewer rates and called it to order at 7:16 PM. He noted that the notice had been published in the local newspaper, The Day on September 8, 2010 and then read the notice of rates and noted that the published notice is also a part of the hearing record.

He then said that Mr. Giannattasio and Mr. Kargl had prepared an informational presentation regarding the proposed rates and the reasons and asked that they present it.

Mr. Giannattasio explained the proposed rate increases citing escalating regulatory requirements, the effects of inflation, increasing labor costs and increased chemical treatment costs as reasons for the increase. The proposed increase of 4% will be coupled with cost savings programs that they will institute within the department as they are 8.7% short of what is needed for FY2011. 90% of the revenue comes from the rate payer usage accounts. The remaining 10% comes from fees and charges from interest, late charges, inspections, permit fees and leases. It is an incline block rate system meant to encourage conservation so residential homes can clearly stay within the 50,000 gallon block range. The rates for both water and sewer are based on costs to operate and serve the ratepayers. He said that while he does agree that regular rate increases do add up – there is no profit motive involved in the rates. If passed, the new rates would become effective November 1, 2010 for the May 2011 billing. He recalled that they have also recommended that the rates be reviewed annually.

Mr. Kargl reviewed the rate increase differences in the chart per the 6 month billing period (low user, medium user, high user, very high user). He said that they have also changed some of the flat rate meter charges for after hour's services. They looked at the actual costs for overtime contractually and based the new fees on that actual cost.

Mr. Formica asked if there were any members of the public who wished to comment –

Karen Rak, 28 Black Point Road noted that in the April Minutes when they were discussing the proposed new budget that Mr. Murphy had said that they should show one without an increase. She said that she thinks that it is better to show a budget with the increase percentages.

Mr. Murphy explained that the only reason why he had said that was because people confused it when it was first put in and they thought that they were getting hit twice. Also – if the estimate was different from the end figure, people wondered why it was presented that way.

Mr. Zoller added that they are five months smarter now than they were in April.

Ms. Rak said that she did not mean to imply that they were being deceptive – and that she feels that it is nice to have some sort of heads up.

Mr. Formica asked if there were any other comments -
Hearing none –

Mr. Formica closed this Public Hearing at 7:29 PM.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary