

**EAST LYME WATER & SEWER COMMISSION
PUBLIC HEARING II
Tuesday, OCTOBER 27th, 2009
MINUTES**

The East Lyme Water & Sewer Commission held a Public Hearing on October 27, 2009 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, Mary Cahill,
Dave Murphy, Joe Mingo, Carol Russell, 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: Roger Spencer

Pledge of Allegiance

The Pledge was 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 the Public Hearing after the previously scheduled Public Hearing on the Sewer rates and called it to order at 7:31 PM. He noted that the notice had been published in the local newspaper, The Day on October 16, 2009 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 a PowerPoint presentation regarding the proposed rates and the reasons and asked that they present it.

Mr. Giannattasio presented the PowerPoint presentation on 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 will be coupled with cost savings programs that they will institute within the department to help keep the increase down. 90% of the revenue comes from the rate payer usage accounts and they hope to implement quarterly billing within two years time along with new meters which will more accurately reflect usage. The remaining 10% comes from fees and charges from interest, late charges, inspections, permit fees and leases. If passed, the new rates would become effective November 1, 2009 for the May 2010 billing. They are also recommending that the rates be reviewed annually and that there be an additional rate increase for November 2011. (Copy of PowerPoint presentation attached)

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

Jim Gallagher, 5 Luce Avenue said that he has a question that has to do with the low-flow statement that he read in the newspaper and the insufficient use of water by the people. He said that he wants to know what part of the 5% is due to that. And, if it is then he suggests that there is a management problem in the use of the water and that the people should not be penalized for conserving.

Mr. Giannattasio addressed the low-flow issue and how it impacts revenue (less use = less revenue) and added that conversation on this issue is certainly something that they encourage. He explained that this year they had a lot of wet weather and that a lot of the water usage is in the irrigation of crops and that was not the case this year as it was not necessary to do as much irrigating due to all of the rain that they have had. He said that they feel that as they upgrade their meters that the people who use the water will be paying for what they use and this should help the situation as the older meters lose their efficiency and everyone ends up paying for that in increased rates.

Ms. Cahill said that she has been on this Commission for 28 years and that she is a ratepayer and that she is also on the rate subcommittee. She said that she has been very vocal on the rate increases and that she did not feel that there should be one this year. She told Mr. Giannattasio and Mr. Kargl that if they could convince her that it was absolutely necessary that she would agree to one. And – they were very compelling with their information and presentation and so she agreed that there was no place else to go for the money. She said that she has always been on the side of the ratepayers.

Mr. Formica asked if there were any other comments -
Hearing none –
He called for a motion to close the Public Hearing -

****MOTION (1)**

Mr. Murphy moved that this Public Hearing be closed.

Mr. DiGiovanna seconded the motion.

Vote: 8 – 0 – 0. Motion passed.

Mr. Formica closed this Public Hearing at 7:48 PM.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary