

REGIONAL WATER STAKEHOLDERS MEETING
Tuesday, MAY 25th, 2010
NETT HALL - CAMP RELL
Smith Street, Niantic, CT
2:00 PM

Town of East Lyme First Selectman Paul M. Formica held a Regional Water Stakeholders Meeting on Tuesday, May 25, 2010 at Camp Rell in Nett Hall, Smith Street, Niantic, CT. First Selectman Formica called the meeting to order shortly after 2 PM.

Colonel Jerry Lukowsky welcomed everyone on behalf of General Martin to what is soon to be permanently called 'Camp Niantic'. He said that they are all interested in the water regionalization project as there are currently two military facilities projects under construction here at Camp Niantic and another one in Middletown, CT as well as others throughout the State which are helping to put people back to work. He said that there are a lot of State and local officials and legislators present this afternoon and without further delay, he introduced First Selectman, Paul Formica.

1. Opening Remarks – Paul M. Formica, First Selectman, East Lyme

Paul Formica, East Lyme First Selectman thanked everyone for coming to think through this water crisis that they are all facing. He said that this is something that everyone in the room has a stake in and that he has been working on since 2007 when he came into office. The perception is that the problem is not immediate as we turn the tap on and the water is there. He recalled that in his first year in office that they were faced with a 'water crisis' during the summer. While East Lyme has plenty of water, it cannot draw from some wells when the stream flow levels fall below the DEP standards. He predicted that there would be a 10M gallon per day water shortfall by the year 2040 so the need to work together to develop new sources is now. East Lyme has spent millions of dollars on this with new wells but it is clear that a regional approach is what will need to happen so that they can combine resources for the common good. East Lyme has an abundance of water 10 months of the year, with peak demand being during the summer months when the population nearly doubles.

The Southeastern Connecticut Council of Governments 20 member Town leaders have given their time and support to this concept and they have also benefitted from the services of Chris Clark of the Mohegan Tribe. It is his approach with the Thames Basin Project that has devised the movement of water from East Lyme to New London and back again. He said that he contacted General Martin who is also interested as this has not only direct but regional and military benefits and; he has received a \$300,000 federal grant through Senator Courtney. The Public health and safety are at risk and they are all 'stakeholders' in this crisis and they need to think differently, act differently and work together to maintain viable economies so that their people and businesses will not suffer. He then explained the agenda for the meeting and introduced Brad Kargl, East Lyme Municipal Utility Engineer to present East Lyme's current and future water supply overview.

2. East Lyme's Current and Future Water Supply Overview

Brad Kargl, Municipal Utility Engineer for East Lyme provided everyone with the statistics of the East Lyme water system. The East Lyme Town population goes from 18,000 to 30,000 during the peak summer period. The peak water demand that they experienced was in July of 2008 with 3.5 million gallons per day with an available supply of 2.37 million gallons per day. The water customer base numbers 6400 with 64% Residential, 18% State, 14% Commercial/Industrial and 4% Municipal Government. The East Lyme water infrastructure is comprised of seven (7) active water supply wells; four (4) greensand filtration plants for the removal of manganese; two (2) water storage tanks holding a total of 2.8M gallons of water; ten (10) water booster stations and approximately 102 miles of water main. He noted the locations of the water supply resources and that a chlorination system will be in place during this summer. 2009 was a good water year as it was very wet. He explained water demand

compared to available supply projected through 2020 and the East Lyme – New London project infrastructure needs with an estimated cost of \$10.9M on the East Lyme side.

Mr. Kargl then introduced Joseph Lanzafame, Director of Public Utilities in New London to present the New London overview.

3. New London's Current and Future Water Supply Overview

Joseph Lanzafame, Director of Public Utilities in New London said that the New London water system serves the City of New London and the Town of Waterford; a population of 43,000 with a daily water demand of 5.94 million gallons per day from an available supply of 6.40 million gallons per day. The water comes from surface water reservoirs in a protected watershed located in the Towns of Waterford, Montville and Salem, which currently are 97% full. The distribution reservoir is Lake Konomoc where water is produced at the treatment plant there and delivered through a system of 210 miles of pipe, three (3) pump stations and six (6) water storage tanks. The supply is adequate to meet daily and peak water demands however; the 'margin of safety' is less than the Connecticut water supply planning requirement which is 15%. ('Margin of safety' is defined as the unit-less ratio of available water supply to water demand.) They have a 7% 'margin of safety' and have ample treatment capacity but not ample water to treat. They are about a half million gallons short of the 'margin of safety'. In order to get to this goal they have begun infrastructure improvements to increase available supply and in planning for future independent enhancements to the available supply they have concluded that exploring a mutually beneficial project with East Lyme through the proposed water system interconnection is a desirable component of New London's long-term water supply planning. They expect that this will cost some \$5M and have invested \$3M already.

4. Regional Perspective – Chris Clark, Mohegan Tribal Utility Authority

Chris Clark of the Mohegan Tribe thanked everyone for coming and said that he would bring a regional context to this. He thanked Paul Formica for having the insight and for moving this project forward. He said that he wanted to make it clear that there are two (2) separate and distinct projects here that stand alone. East Lyme has water for most of the year and Lake Konomoc will be the storage area for its' water when necessary. New London is seeking to access deeper areas. He said that his involvement with this project came about through his involvement with the Thames Project where the two (2) Tribes and Groton, Montville, Norwich and communities west of the Thames River tap into the City of Groton's water supply. Through this involvement and dialogue the Tribe offered his involvement with this project due to the success of the Thames River Project. The Southeastern Connecticut project is moving slowly in a positive direction and working through all of the political components of it. Everyone agrees that a 'go it alone' approach is not economically viable and may not provide the necessary resources. This interconnection provides for the integration of diversity and enhances flexibility of water systems.

With the Thames project they put a response system in place for communities to be able to help one another if or when it became necessary. Water could be shuttled through the system to the area that was in need of it. All communities have recognized the importance of water to the expansion of their commercial activities. Another component of importance in this area is that of the Military. They are very active in this region and are expanding and this takes aspects of this project farther than just regional short term demands – these are long-term necessities. This project provides the ability to move a great deal of water in a short period of time. He said that the communities are also similar in usage with some 6M gallons per day. Groton uses some 12M gallons per day. This also allows them to look at the larger grid network to other neighboring Towns.

Mr. Formica said that Don Iannicelli of Geolnsight, Inc. has been working on the technical aspect of this project with Chris Clark. He said that this project cannot be done alone and invited public comments, questions and support.

5. Regional Water Supply Needs – Open Forum

Barry Weiner, Chairman of the New London Water & Water Pollution Control Authority said that he has been working with Paul on this project and that when it comes to regionalization that New London is committed to not just 'talk the talk' but prepared to 'walk the walk' on this project which means working together combining resources, finances, grants and other means for a win-win situation for both communities.

Mr. Formica thanked the Connecticut National Guard for the use of the facility noting that they are key regional partners in this project and have pledged their support.

Bob Ross, Salem First Selectman said that his Office has 11 tasks on its' list of priorities and that number 10 on the list is to oversee regional diversification. That said, they need to address this problem and move it out to the public. He thanked Mr. Formica for his insight and diligence in starting this project and moving it forward into the public sector.

Nicholas Mullane, II, North Stonington First Selectman said that he has a big interest in water and gets strength for his Town from the region and for the region to remain viable they need this type of project. They need water to stretch the existing economic development and to be able to add to it. He said that he has a \$200,000 STEAP Grant to explore water possibilities in his area. He commended Mr. Formica for taking the lead and said that he thinks that this project is a novel one that will allow Southeastern Connecticut the ability to continue to grow.

Robert Congdon, Preston First Selectman said that he has been working with this for a long time and noted that the three (3) utilities (in Preston) are here to stay and that they need to be partners in the solution to the water problem. He said that the DEP, DPH, State and local governments have all thanked Mr. Formica for his leadership and dedication to this project and that all of the pieces are coming together.

Joe Mingo, East Lyme Water & Sewer Commission member said that he does not think that the people in Southeastern Connecticut realize how fortunate they are. National Geographic, in a special edition, did a study of water around the world and we are very fortunate here. The only problem in East Lyme with the water is the fish and once that problem is solved they will be in pretty good shape and the envy of the country.

Mr. Formica thanked Denise Ruzicka of the DEP for working with them.

Denise Ruzicka of the DEP thanked Mr. Formica and said that they are trying to streamline the efforts and that they have in place the opportunity for a permit to exchange up to 1M gallons of water per day. She hopes that will be a beginning. She said that when she speaks with people in other parts of the State that she always uses Southeastern Connecticut as the regional example of how everyone should work together and the efforts that everyone puts in. She said that she enjoys working with the people in this region of the State as they all share a strong bond and commitment to working together.

Laurie Matthews of the DPH said that she recalled when the Drinking Water Section of the department saw getting water under the Thames River as an issue and – that has been done. She said that she also enjoys this part of the State as it is a very cohesive group. She cited the Council of Governments and Jim Butler who heads it and said that the 20 Towns all work together as a team. She said that they need to seek sustainable solutions to this problem and that sustainable solutions to her means many, many years out and not just short term. This is what they are presenting here. She thanked Mr. Formica for inviting the Health Department to this important meeting and pledged her support.

Jim Fogarty, Chairman of the Southeastern Connecticut Water Authority and a Selectman in Salem congratulated East Lyme, New London and Chris Clark for working together and moving this project forward. He said that these people came up with novel ideas on how to move water in order to solve more than just their own problems. He added that Nick Mullane does have a major new aquifer to explore and some State monies to do the exploration however; even if they were to get all new sources, it probably would not solve the problem many years out if they do nothing else. He said that the

Southeastern Connecticut Water Authority praises this creative approach, supports this project and will continue to work with them on it.

Mr. Formica said that East Lyme and New London have put their money on the line and that General Martin has indicated his willingness to put some money on the line here. He has also asked the Department of Corrections for some as they are a major user of the system. He said that he has also asked the next legislative session to work on this.

Ed Jutilla, State Representative said that regarding the funding that the State does have difficult times coming up but the public health and safety are important issues and this, as a regional project is an attractive project for funding and that he stands ready to help. He said to Mr. Formica that funding is a major obstacle and asked if there were any other obstacles that he saw.

Mr. Formica said that East Lyme and New London have to come together on an agreement and that he thinks that they have two willing partners who need to talk and get to putting it all together. He said that Don Iannicelli of Geolnsight, Inc. has been working on the structural costs and has been working on what the cost will be to the ratepayer and has indicated that it would be a low dollar amount. He additionally said that he has heard that project bids are coming in lower. He noted that the Department of Corrections would need to come up with something.

Colonel Jerry Lukowsky of the National Guard said that he could attest to the bids coming in some 40% to 50% lower as they have experienced that with the projects that are in progress now that had gone out to bid at an earlier time. \$10M projects are coming in at around \$6M today.

Andrea Stillman, State Representative said that with regard to funding that with Federal funding it is becoming more and more challenging to fund appropriations projects. Mr. Formica said that he would like a commitment that they would bring it to the table.

Peter Simmons from DECD, State Community Development applauded the regional direction that this project has taken. He said that they have partners on the Federal level to help out with funding and they would present this to them. He said that this should also be on the SECTER priority projects listing to qualify for EDA funding. He also said that he heard that there are two (2) separate projects here – one for \$10M and one for \$6M – he urged them to prioritize which can move forward as this would help with funding.

John Markowitz of SECTER welcomed the DECD to this regional process and thanked them for their support. He said that they hopefully are ready to start on the first of July with the project. He additionally recalled to them a major water issue in Boston recently where the people were boiling water before they could use it. He said that type of problem serves as justification of the need for this type of project. He pledged their support for this project.

An unidentified woman from the audience said that sometimes there are funding source complications as they require everything to be in place ahead of time and sometimes the permitting of the project is cumbersome. She asked for an understanding of this.

Ed Jutilla said that he does understand what she is asking and that he has received funding in pieces and that it has worked out. He asked Mr. Formica for a time frame on this project.

Mr. Formica said that he would like to dig the ditch for the pipe next spring. Mr. Jutilla asked how long from that time to completion and if it could be funded in separate pieces. Chris Clark said that there is a 12 month construction time frame and that it does not lend itself to spreading out funding.

Jeff Nelson from the Governor's Office said that he was there on behalf of the Office and that they pledge their support to this important project and commend the regionalization efforts.

Laurie Matthews of the DPH said that the State has \$32M in funding available and that they have received \$142M in project funding requests. This project stands at the edge of getting some funding and she urged the people interested to speak at the Public Hearing so that they won't be dropped off the list. She suggested that they look very carefully at the State priority use system for points as that is what makes them better eligible for funding.

6. Closing Remarks

Mr. Formica thanked the Colonel Lukowsky and the National Guard for the use of this state of the art facility and everyone for coming and pledging their time and support to this regional project.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary