

**EAST LYME WATER & SEWER COMMISSION  
REGULAR MEETING  
Tuesday, APRIL 27th, 2010  
MINUTES**

The East Lyme Water & Sewer Commission held a Regular Meeting on Tuesday, April 27, 2010 at the East Lyme Town Hall, 108 Pennsylvania Avenue, Niantic CT. Chairman Formica called the Regular Meeting to order at 7:25 PM after the previously scheduled Public Hearing.

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

**ALSO PRESENT:** Scott Bassett, McGladrey, Pullen Accountants  
Attorney Edward O'Connell, Town Counsel  
Brad Kargl, Municipal Utility Engineer  
Michael Giannattasio, Director of Public Works  
Anna Johnson, Finance Director  
Don Iannicelli, Geo-Insight  
Chris Clark, Mohegan Tribe

**ABSENT:** No One

**1. Call to Order**

Chairman Formica called the Regular Meeting of the East Lyme Water & Sewer Commission to order at 7:25 PM after the previously scheduled Public Hearing. The Pledge had been previously observed.

**2. Approval of Minutes**

◇ **Regular Meeting Minutes – March 23, 2010**

Mr. Formica called for a motion or any discussion or corrections to the Regular Meeting Minutes of March 23, 2010.

Mr. Zoller asked that on Page 3 in the fifth paragraph down that Mr. Russell be changed to read: Ms. Russell.

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

**Mr. DiGiovanna moved to approve the Regular Meeting Minutes of March 23, 2010 as amended.**

**Mr. Spencer seconded the motion.**

**Vote: 7 – 0 – 2. Motion passed.**

**Abstained: Mr. Bond, Mr. Zoller**

◇ **Special Meeting Minutes – April 8, 2010**

Mr. Formica called for a motion or any discussion or corrections to the Special Meeting Minutes of April 8, 2010.

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

**Mr. DiGiovanna moved to approve the Special Meeting Minutes of April 8, 2010 as presented.**

**Mr. Zoller seconded the motion.**

**Vote: 7 – 0 – 2. Motion passed.**

**Abstained: Mr. Bond, Mr. Jasper**

### 3. Delegations

Mr. Formica called for anyone who wished to speak under Delegations.  
There were no delegations.

### 4. Consider Adoption of Supplemental Sewer Assessments

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

**Mr. DiGiovanna moved to approve the Supplemental Sewer Assessments Resolution as presented.**

**Mr. Zoller seconded the motion.**

**Vote: 9 – 0 – 0. Motion passed.**

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

**Mr. Murphy moved to add here: Consideration of the Smith Request – 3 Burnap Rd. and Consideration of the Spinelli Request – 33 Marshfield Rd.**

**Mr. DiGiovanna seconded the motion.**

**Vote: 9 – 0 – 0. Motion passed.**

#### **◆ Consideration of the Smith Request – 3 Burnap Rd.**

Mr. Kargl said that he thinks that this request is fairly reasonable.

Mr. Formica said that Mr. Smith is requesting \$2,550.00 in relief and asked if that was correct.  
Mr. Kargl said it was.

Ms. Russell asked if there was any precedent for this.

Mr. Kargl said that it has been done before but that this type of item is few and far between.

Mr. Zoller said that he is not sure that precedent is in line here as Attorney O'Connell has cited the ordinance regarding the assessment process, to them.

Mr. Spencer said that this is an item that they would have bid out.

Mr. Kargl and Mr. Giannattasio agreed that they would have bid this out.

Mr. DiGiovanna said that this is a property that was split after the fact and noted that if a commercial venture came in after the fact that they would not pay for it and said that he is not sure about this due to that fact. He said that in the future that they should provide multiple bids.

Mr. Formica asked Mr. Kargl if the applicant came to them before doing this.

Mr. Kargl said that yes, they did as they have to pull a permit from them.

Mr. Formica suggested that they write up a procedure for this type of event.

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

**Mr. Mingo moved that they cut a check to Mr. Smith of 3 Burnap Road, Niantic, CT in the amount of \$2,550.00 for sewer work, from the Sewer Benefit Assessment Account.**

**Mr. Zoller seconded the motion.**

**Vote: 9 – 0 – 0. Motion passed.**

#### **◆ Consideration of the Spinelli Request – 33 Marshfield Rd.**

Mr. Kargl said that there was no lateral here and that they had a lot subdivided to create a second lot without a lateral.

Mr. DiGiovanna noted that if the large rock was between the property line and the road that it was not for them to decide as if it was in the front yard they would disallow it. He also noted that regarding the letter that the rock may have been cut for the water line.

Mr. Zoller said that it appeared that what they were asking for also included paving and he did not think that would be something that they would be paying for.

Mr. Mingo said that he did not think that they could make a determination here without more information and someone going out to the property to review the request.

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

**Mr. Mingo moved that they table discussion on this item to allow Mr. Kargl the time to go out to the property and assess the situation and provide them with more information regarding the sewer request.**

**Mr. Bond seconded the motion.**

**Vote: 9 – 0 – 0. Motion passed.**

**5. Approval of Bills – from Attachment A**

Mr. Formica called for a motion on the Regional Interconnection bills.

**\*\*MOTION (7)**

**Mr. DiGiovanna moved to approve payment of the following Regional Interconnection bills: Waller, Smith & Palmer PC, Inv. #44737 in the amount of \$4,260.00; Waller, Smith & Palmer PC, Inv. #44931 in the amount of \$3,075.00 and City of New London Invoice Letter dated 4/12/10 in the amount of \$150.00.**

**Mr. Zoller seconded the motion.**

**Vote: 9 – 0 – 0. Motion passed.**

Mr. Formica called for a motion on the Chlorination – Treatment Upgrades bills.

**\*\*MOTION (8)**

**Mr. DiGiovanna moved to approve payment of the following Chlorination – Treatment Upgrades bills: Maguire Group - Invoice #17 in the amount of \$4824 and C.H. Nickerson & Co., Inc. – Payment Appl. #2 in the amount of \$139,635.75.**

**Mr. Mingo seconded the motion.**

Mr. DiGiovanna asked if Nickerson is on schedule.

Mr. Kargl said that they would be substantially completed on time.

**Vote: 9 – 0 – 0. Motion passed.**

Mr. Formica called for a motion on the Replacement Well 3B bills.

**\*\*MOTION (9)**

**Mr. Spencer moved to approve payment of the following Replacement Well 3B bills: Maguire Group - Invoice #18 in the amount of \$3,250.00 and Ti-Sales, Inc. Invoice #00240463 in the amount of \$503.94.**

**Mr. Bond seconded the motion.**

Mr. Bond said that he thought that they are being gouged on the price of some of the materials and cited a 1" PVC bulkhead fitting at \$44. He suggested that they double check on prices for this item as he could get it from a plumbing supply house for \$8.

Mr. Kargl said that he would check as they routinely do business with Ti-Sales.

**Vote: 9 – 0 – 0. Motion passed.**

Mr. Formica called for a motion on the Phase 1 ESA Review, Wells 1 and 6.

**\*\*MOTION (10)**

**Mr. DiGiovanna moved to approve payment of the following Fuss & O'Neill Phase 1 ESA Review Wells 1 and 6 bill from Invoice #0139855 in the amount of \$1,572.25.**

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**Ms. Russell seconded the motion.**

Mr. Mingo asked if the Fuss & O'Neill monies would be reimbursable.  
Mr. Kargl said that he could not be sure on it and that he is looking into it.

**Vote: 9 – 0 – 0. Motion passed.**

## **6. Water Supply Improvement Project Updates**

Mr. Kargl said that he had provided them with a project update listing in their packets.

- **Regional Interconnection**

Mr. Kargl reported that they have a revised project presentation package for the Military Department.

Mr. Iannicelli passed out the presentation to the Commissioners and said that it is a working document that they can feel free to make comments on.

Mr. Formica said that the next step in the process is to hold a major stakeholders meeting and that he has set one up for 2 PM on May 25, 2010. He has invited all who would have an interest in seeing this line completed in addition to those who would benefit from it. They are all invited to attend.

- **System-wide Chlorine Disinfection**

Mr. Kargl reported that most of the concrete work has been completed at each of the well sites and that following the curing process; the tanks would be installed along with piping, pumps and controls. He also noted that the \$454,000 amount was intended to include \$72,600 for the WAJA Controls and that due to time factors they pulled WAJA's piece out of the proposal request and issued a PO directly to WAJA to initiate the work. The combined price is less than the \$454,000 authorized.

- **Replacement Well 3B – General Construction Work Proposals**

Mr. Kargl reported that this should be on-line for the Fourth of July weekend as the plan is to meet the 2010 peak demands.

- **Stream Augmentation**

Mr. Kargl said that Geo-Insight has come up with a plan to augment the stream flow of the Pattagansett River by pumping water from Well 5 (upstream) into the Pattagansett River to maintain a flow greater than 2cgs at the Rte. 1 and Industrial Park Rd gauges (downstream) which would allow them to pump Well 6 at full capacity. This idea was presented to the DEP and they are very enthusiastic about this strategy. Because there is no budget for this work, he said that he has included the \$125,000 in the capital budget for this project.

Mr. Iannicelli noted that the DEP is very aware of this project and finds it to be moving in the right direction.

- **Report to DPH – Memorandum of Understanding**

Mr. Kargl said that a report was submitted to the DPH on April 15, 2010 on the short and long term initiatives to our water supply capacity. A copy of the report was included in their packets.

## **7. Water & Sewer Budgets – FY2010-2011**

Mr. Formica said that Scott Bassett of McGladrey Pullen, the Town's accountants was present to give them an overview on the Water & Sewer budgets.

Mr. Giannattasio recalled that the last time that they were left with audit notes regarding the capital and the segregation of duties regarding billables and receipts in the office and having an allowance for uncollectible amounts.

Scott Bassett, Audit partner with McGladrey Pullen said that the Water & Sewer funds are part of the audit process and that they look at the check and balance controls in place. He said that other Towns have taken the sewer fund and called it an operating fund so that it better matches the budget. He said that they have \$12M in the sewer benefit assessment fund and that he would suggest leaving it as a special revenue fund and to take the enterprise fund and change it to the modified accrual basis of accounting.

Mr. Mingo said that he is in favor of bonding capital projects.

Mr. DiGiovanna asked what type of increases they would be entertaining based on the budgets that they are presenting.

Mr. Giannattasio said that they would need 1.25% more on the sewer side and 1.75% more on the water side. He cautioned that they would probably want to double those figures as they would want some flexibility should the numbers change over the billing period.

Mr. Formica asked Mr. Bassett how they would change their method of accounting.

Mr. Bassett said that the fund would go from an enterprise fund to a special revenue fund and that there really is not a lot of work that would have to be done as it is easy to change in the system.

Mr. Mingo said that he was under the assumption that as an enterprise fund that they did not have to turn the money they had left over to the Town and that was why it was done in that manner.

Mr. Bassett said that the special revenue fund also allow for that – what is left stays in the fund. This would make the budget process somewhat more transparent.

Mr. Bond asked if this change would help Mr. Kargl.

Mr. Kargl said that it would probably help Mr. Giannattasio more.

Attorney O'Connell asked Mr. Bassett what type of resolution he was asking the Commission to adopt.

Mr. Bassett said that it is a fairly straight forward change – they would be going from a full accrual basis of accounting to a modified accrual basis of accounting. He added that they could also make it effective for the current budget year and have it be effective as of July 1, 2009.

**\*\*MOTION (11)**

**Mr. Zoller moved that they go from the full accrual basis of accounting to the modified accrual basis of accounting effective July 1, 2009.**

**Mr. DiGiovanna seconded the motion.**

**Vote: 9 – 0 – 0. Motion passed.**

Mr. Giannattasio went over the Sewer budget and noted that they had further reduced it by reducing the overtime on weekends. He said that with the auto dialers they can speak with each other. If they are to double the 1.25% the increase would be 2.5%

Mr. Mingo asked what that translates to in terms of dollars and cents to the ratepayers.

Mr. Giannattasio said that for the sewer side that it is around \$3.00 more per billing period.

Mr. Formica suggested that they do 3%.

Mr. DiGiovanna asked if they were looking at 3.5% to 4%.

Mr. Giannattasio said that the increase on the water side would be 3.5% minimum and that they would discuss that next.

Ms. Russell asked about the delinquencies and the amount.

Mr. Giannattasio said that they are not that large on the water side as with the water they can shut it off and they have a good collection process and rate of collection.

Mr. Murphy said that he would rather present a budget showing an increase without showing the percentages.

Mr. Formica suggested that they put a footnote at the bottom stating that it represents a percentage increase for additional revenue.

Mr. Giannattasio noted that the new rate increase that went into effect in October of last year is just going to hit people next week with the new billing. He suggested that they hold a public hearing in late August or early September for another rate increase.

Ms. Russell said that she thinks that it is budget season now and that people would expect an increase now because they are in budget season.

Mr. Mingo said that he agrees with Mr. Giannattasio as they are the people who see the ratepayers when they get the bills and come in to pay them or to speak with them about the rates.

Mr. Formica said that a footnote on the bottom of the budget stating that a future revenue increase is needed would be enough.

Ms. Johnson said that she would recommend that they present the budget as a balanced budget instead.

Mr. Mingo said that if they have a dry summer then the usage would go up so the income would also go up and they might not need as much of an increase.

Mr. Giannattasio suggested increasing at a rate of 5% and then they could lower it later depending upon what happens with the usage and anything else.

Mr. Mingo said that he has listened to this for a half hour now and if they just put that additional revenue is required and do not say what, it could come from where ever – usage, reductions, grants, etc. – there is no need for them to go there now.

Mr. Giannattasio said that he would make it higher – 3.25% and that based on the rates for metered use – the revenues would be approximately \$52,000.

Mr. Zoller noted that they need \$20,800 to balance the budget.

**\*\*MOTION (12)**

**Mr. Murphy moved to approve the Sewer Department Operating Budget for FY 2011 with additional revenue required in the amount of 3.25%.**

**Mr. DiGiovanna seconded the motion.**

**Vote: 9 – 0 – 0. Motion passed.**

Mr. Giannattasio said that they would need a 3.5% increase on the water side.

Mr. Formica asked about 4% and what that would bring.

Mr. Giannattasio said that would bring in \$88,000 in revenues.

Mr. Zoller said that they are \$42,000 short and with approximately \$46,000 to the good, they could add to depreciation.

Mr. Mingo suggested that the radio read meter system that they want to put into the households should be a bonded item. He said that they could also possibly get drinking water fund dollars for this project.

**\*\*MOTION (13)**

**Mr. Murphy moved to approve the Water Department Operating Budget for FY 2011 with additional revenue required in the amount of 4%.**

**Mr. Mingo seconded the motion.**

**Vote: 9 – 0 – 0. Motion passed.**

## **8. Fuss & O'Neill Draft Proposal – Groundwater Investigation and Trust Fund Application**

Mr. Kargl said that there is a draft proposal that they have in their packets for this advance warning monitoring system. He suggested that they look at trying to fit it into their capital projects and that they could discuss it at their next meeting when they discuss the capital projects.

Mr. Formica noted that the Town has a Capital Improvement Plan subcommittee that meets and prioritizes items and puts forth a plan and suggested that they could set up a subcommittee for this purpose also for their capital items.

## **9. Communications**

### **◇ See Correspondence Log**

There was no discussion.

## **10. Chairman's Report**

Mr. Formica said that he had nothing further to report.

## **11. Staff Updates**

### **a. Water Department Monthly Report**

Mr. Kargl noted that there was record rainfall of 8.8" on March 30 and that it amounted to over 16" for the month.

### **b. Sewer Department Monthly Report**

Mr. Kargl noted the sewer flows during the storm event.

### **c. Saunder's Point Sewer Extension**

Mr. Kargl noted that the DEP is reviewing the scope of work on this.

### **d. Tri-town Wastewater Capacity Study**

Mr. Kargl said that this is a joint effort between East Lyme, Waterford & New London. They are waiting for DEP approval to be eligible for grant funding.

### **e. Crossley Court Sewer Extension**

Mr. Kargl reported that they are close to going out to bid on this.

### **f. Other**

There was none.

## **12. New Business**

There was none.

## **13. ADJOURNMENT**

Mr. Formica called for a motion to adjourn.

### **\*\*MOTION (14)**

**Mr. DiGiovanna moved to adjourn the April 27, 2010 Regular Meeting of the East Lyme Water & Sewer Commission at 9:45 PM.**

**Mr. Mingo seconded the motion.**

**Vote: 9 – 0 – 0. Motion passed.**

Respectfully submitted,

Karen Zmitruk,  
Recording Secretary