

**EAST LYME WATER & SEWER COMMISSION
REGULAR MEETING
Tuesday, FEBRUARY 23rd, 2010
MINUTES**

The East Lyme Water & Sewer Commission held a Regular Meeting on Tuesday, February 23, 2010 at the East Lyme Town Hall, 108 Pennsylvania Avenue, Niantic CT. Chairman Formica called the Regular Meeting to order at 8:45 PM after the previously scheduled Public Hearing.

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

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

ABSENT: Dave Bond, Dave Zoller

1. Call to Order

Chairman Formica called the Regular Meeting of the East Lyme Water & Sewer Commission to order at 8:45 PM after the previously scheduled Public Hearing. He asked Ms. Cahill to lead the assembly in the Pledge of Allegiance with him.

2. Approval of Minutes

◇ **Regular Meeting Minutes – January 19, 2010**

Mr. Formica called for a motion or any discussion or corrections to the Regular Meeting Minutes of January 19, 2010.

****MOTION (1)**

Mr. DiGiovanna moved to approve the Regular Meeting Minutes of January 19, 2010 as presented.

Mr. Spencer seconded the motion.

Vote: 7 – 0 – 0. Motion passed.

3. Delegations

Mr. Formica called for anyone who wished to speak under delegations.

There were no delegations.

4. Consider Adoption of Sanitary Sewer Benefit Resolution for Sewer Main Extension No. 6

Mr. Formica said that they had just closed the Public Hearing and called for discussion on this item.

Mr. Mingo said that he was prepared to make a motion to adopt the Sewer Benefit Resolution as presented.

Ms. Russell noted that she had previously asked why they were doing this now rather than at an earlier point in time and that she has since obtained additional information on that. As the people were occupying the units the Town had to wait on the assessment until they accepted the system that was put in and it was not finally accepted until 2009 and that triggered this process.

Attorney O'Connell said that was correct as they could not assess benefits for a piece of line that they did not own as they had no ownership interest or right to it. The people were connected at the early stage due to sanitary issues.

Ms. Russell noted that liens on the properties would not occur until the actual assessments were made.

Mr. Formica noted the workforce units and the economic times and said that he had the amortization schedules for the 15 year period and that during the highest period it would be \$85 per month towards the assessment and that it decreases to \$50 per month over time. He said that if 40% of the units are workforce that he would propose for consideration and discussion that those be interest free.

Ms. Cahill proposed that they instead move the 15 year payment to 20 years as it once was.

Mr. Giannattasio and Mr. Kargl noted that extending the payment time would not have a diverse effect on the operations.

Attorney O'Connell said that it is black letter law with regard to the benefit assessments as to how it is calculated which is as a property with sewers and the same property without sewers. It does not depend upon the type of units or of the people who own it. He said that it would require some investigation regarding the value of the property for workforce (40 years) and if that is something that affects the value with regard to the benefit assessment.

Mr. Spencer said that the benefit assessment would not be any different for the units. His question is with regard to the interest rate and if they would be setting precedent.

Mr. Formica said interest free or some other percentage versus the 5%.

Mr. Mingo said that this is a can of worms as a homeowner at large who finds themselves in dire straits will want the same break. The workforce units are no different than the regular units except that the people purchasing them get a break on the price as they are deemed workforce. If they are going to make a change then it should be for everybody or nobody – not just for workforce or someone who claims to not be able to pay. He said that they are a public utility and that he would not have a problem with them extending the payment time out to 30 years.

Ms. Cahill said that she would go for the 20 or 30 years to pay it off.

Mr. Murphy said that while he agrees that it is a nice idea that he would have to agree with Mr. Mingo that it would be a can of worms as the people who are already paying who run up on hard times will look for the break and that would create an issue.

Ms. Russell suggested that they tie it to a deed restriction.

(Mr. Nickerson arrived at this time (9:05 PM) from another meeting and joined the meeting)

Mr. Formica suggested a 20 year term to pay it off.

Mr. DiGiovanna said that he recalled the 20 year period and asked if there is a more current lending rate than the 5%.

Attorney O'Connell said that municipalities usually charge based on the amount of the bond at the time borrowed so that it comes out paying for itself at the end. He noted that they could decrease the interest rate without having to hold another public hearing although they could not increase it beyond the 5% without a public hearing. He said that municipalities typically charge a percent over prime for the borrowing costs.

Mr. Mingo said that they are not a social agency – they are a public utility and to make a change would be ludicrous. If the Board of Selectmen wants to give something to these people, then they can do a tax abatement to all of these types of units – say for perhaps something up to five (5) years.

Ms. Cahill said that she would support a 25 year term to pay it off and the 1% over prime for an interest rate.

Mr. Formica asked if the consensus of the Commissioners was to keep the affordable units and the regular units the same and to lengthen the time to pay it off and keep that the same for everyone.

The consensus of the members was to extend the term to pay the assessment off to 25 years and to have that be the same for everyone. They also agreed to reduce the 5% interest to 3.5% interest. Mr. Formica noted that would basically halve the per year payment on the assessment.

Mr. Spencer asked Attorney O'Connell if this was based solely on the sewer benefit assessment to the property and not to who is in that space. Attorney O'Connell said yes.

****MOTION (2)**

Mr. Mingo moved to adopt the Sanitary Sewer benefit Resolution for Sewer Main Extension No. 6 as presented with the following interest amendment (from 5%) to 3.5% and to amend the number of installments from 'fifteen (15) substantially equal annual installments' to twenty-five (25) substantially equal annual installments.

Ms. Cahill seconded the motion

Vote: 7 – 0 – 0. Motion passed.

5. Approval of Bills – from Attachment A

Mr. Formica called for a motion on the Darrow Pond bill.

****MOTION (3)**

Mr. DiGiovanna moved to approve payment of the following Darrow Pond bill: ALTA Environmental Corp – Invoice #5877 in the amount of \$5882.75.

Ms. Cahill seconded the motion.

Vote: 7 – 0 – 0. Motion passed.

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

****MOTION (4)**

Mr. Mingo moved to approve payment of the following Regional Interconnection bills: Geolnsight, Inc. – Invoice #21850 (Dec) in the amount of \$3500.00; Geolnsight, Inc. – Invoice #21968 (Jan) in the amount of \$3500.00 and Geolnsight, Inc. – Invoice #21967 in the amount of \$5134.50.

Mr. DiGiovanna seconded the motion.

Vote: 7 – 0 – 0. Motion passed.

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

****MOTION (5)**

Mr. DiGiovanna moved to approve payment of the following Chlorination – Treatment Upgrades bills: Maguire Group - Invoice #15 in the amount of \$4806.10; C.H. Nickerson & Co., Inc. – Payment Appl. #2 in the amount of \$25,056.25 and FedEx – Invoice No. 9-492-31744 in the amount of 25.04.

Ms. Cahill seconded the motion.

Vote: 7 – 0 – 0. Motion passed.

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

****MOTION (6)**

Mr. Mingo moved to approve payment of the following Replacement Well 3B bills: Maguire Group - Invoice #16 in the amount of \$3,250.00 and Industrial Corrosion Services – Invoice #10009 in the amount of \$6,885.00.

Mr. Spencer seconded the motion.

Vote: 7 – 0 – 0. Motion passed.

Mr. Formica called for a motion on the Replacement Well 2A bills.

****MOTION (7)**

Mr. DiGiovanna moved to approve payment of the following Replacement Well 2A bills: Pettini Contracting Corp. – Payment App #0004 in the amount of \$3,562.50 and Maguire Group – Invoice #36 in the amount of \$3,300.00.

Ms. Cahill seconded the motion.

Vote: 7 – 0 – 0. Motion passed.

Mr. Formica called for a motion on the Crossley Court Sewer Extension bill.

****MOTION (8)**

Mr. DiGiovanna moved to approve payment of the following Crossley Court Sewer Extension bill: Columbia Environmental Drilling – Invoice #2068 in the amount of \$1,320.00.

Ms. Cahill seconded the motion.

Vote: 7 – 0 – 0. Motion passed.

6. Water Supply Improvement Project Updates

• Regional Interconnection – Draft Hydraulic Model Proposal

Mr. Kargl recapped for the Commissioners the draft hydraulic model proposal. He also noted that the New London WPCA has designated a committee to work with East Lyme on the negotiation of an agreement. With assistance from Chris Clark, MTUA, the Thames River Water Supply Regional Agreement is being used as a starting point to help develop a preliminary draft of the East Lyme/New London agreement.

• System-wide Chlorine Disinfection Project

Mr. Kargl reported that this process has started and that they will need to provide further public information on this project as it goes forward.

• Replacement Well 3B – Oldcastle Precast Building Quotation

Mr. Kargl said that Oldcastle provided the Well 1A and 2A buildings and that he has requested a quote from them for one for Well 3B. As there is a 12-week lead time required from the time the work is authorized to the time the building is delivered, he asked that they please authorize the Chairman to execute a purchase order on this.

****MOTION (9)**

Mr. DiGiovanna moved to authorize the Chairman to execute a purchase order of the precast building for Well 3B in the amount of \$43,287.00 from Oldcastle Precast as indicated in their quotation contract dated February 2, 2010.

Mr. Murphy seconded the motion.

Vote: 7 – 0 – 0. Motion passed.

Mr. Kargl asked that the Commission authorize the Chairman to execute a purchase order up to \$18,000 for the WAJA field instrumentation for Well 3B as Maguire Group will be finalizing the specifications for the instrumentation and they are expecting a price quote from WAJA prior to the next meeting.

****MOTION (10)**

Mr. Murphy moved to authorize the Chairman to execute a purchase order in an amount of up to \$18,000 for the WAJA field instrumentation for Well 3B, subject to staff review of the final specifications.

Mr. DiGiovanna seconded the motion.

Vote: 7 – 0 – 0. Motion passed.

◆ Well 2A – Substantial Completion Certification

Mr. Kargl asked that the Commission authorize the Chairman to execute the Certificate of Substantial Completion for the general construction work at Well 2A performed by Pettini Contracting. He noted that they had a very short punch list of items that will be completed by Pettini Contracting.

****MOTION (11)**

Mr. DiGiovanna moved to authorize the Chairman to execute the Certificate of Substantial Completion for the General Construction Work at Well 2A performed by Pettini Contracting effective November 18, 2009 (date to signify the start of the one year warranty period).

Ms. Cahill seconded the motion.
Vote: 7 – 0 – 0. Motion passed.

◆ **Proposed Streamflow Regulations**

Mr. Kargl noted that a copy of East Lyme's written testimony had been included in the agenda package and that a verbal testimony was also provided at the February 4, 2010 Public Hearing of the DEP.

7. Future Supplemental Sewer Benefit Assessments

Mr. Kargl noted that they had the Draft of this in their packets – known as Schedule A which has four (4) properties and includes the AHEPA project.

****MOTION (12)**

Mr. DiGiovanna moved to authorize the Chairman to sign the notice of Public Hearing for the Schedule A Supplemental Resolution and Sewer Assessment.

Mr. Murphy seconded the motion.

Vote: 7 – 0 – 0. Motion passed.

8. Communications

◇ **See Correspondence Log**

There was no discussion.

9. Chairman's Report

Mr. Formica asked that they add item 9.a. to the agenda – Discussion on the purchase of vehicle for the Sewer Department.

****MOTION (13)**

Mr. DiGiovanna moved to add item 9. a. to the agenda – Discussion on the purchase of vehicle for the Sewer Department.

Mr. Murphy seconded the motion.

Vote: 7 – 0 – 0. Motion passed.

◆ **Discussion on the purchase of vehicle for the Sewer Department**

Mr. Giannattasio said that this was for a new pick-up/utility van for the Water & Sewer department. It would come in at \$40,000 plus interest and paid out over five (5) years.

Ms. Cahill asked why they need it.

Mr. Giannattasio said that the existing one is a 1998 and that this is the first in a plan to update the vehicle force and to pay for them during the years that they would be using them.

Mr. Mingo said that it would provide them with a usable vehicle.

Mr. DiGiovanna asked if the Town is in the position to buy other vehicles.

Mr. Giannattasio said that they are hitching on with the Town's \$610,000 vehicle acquisition program.

****MOTION (14)**

Ms. Russell moved that it be resolved to approve an allocation in the amount of \$43,300 for the purpose of acquiring by way of lease or purchase a vehicle as evidenced by an agreement for the acquisition of the vehicle by lease or purchase or a combination thereof, for a total price of \$40,000 plus interest at the rate of 3.21% per annum, payable in annual installments of \$8,647 over a period of five (5) years. The Chairman is authorized, in the name and on behalf of the Town, to execute and deliver any documents that may be required in connection with said transaction.

Mr. DiGiovanna seconded the motion.

Vote: 7 – 0 – 0. Motion passed.

10. Staff Updates

a. Water Department Monthly Report

Mr. Kargl noted the year to date figures for 2009.

b. Sewer Department Monthly Report

There was no discussion.

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

There was no discussion.

e. Crossley Court Sewer Extension

There was no discussion.

f. Other

There was none.

11. Executive Session – Sewer Benefit Assessment Appeal

Mr. Formica called for a motion.

****MOTION (15)**

Mr. Murphy moved to enter into Executive Session to discuss the Sewer Benefit Assessment Appeal at 9:45 PM inviting Mr. Kargl, Mr. Giannattasio, Attorney O'Connell, and Mark Nickerson to join them.

Mr. Mingo seconded the motion.

Vote: 7 – 0 – 0. Motion passed.

****MOTION (16)**

Mr. DiGiovanna moved to return to Regular Session at 10:00 PM with no action taken in Executive Session.

Mr. Murphy seconded the motion.

Vote: 7 – 0 – 0. Motion passed.

12. New Business

Mr. Mingo said that he would like to credit Mary Cahill with being the 'Statesman' and feels that the people at the beach will greatly miss her as they have lost their 'voice'. Anyone who volunteers their time for so many years is a treasure and he said that he will personally miss her greatly.

Ms. Russell thanked her for the brief opportunity that she has been able to work with her and said that there was so much more that she wished she could have learned from her.

Ms. Cahill said that she will miss all of them and that she credits Bruce Brailey with her actually joining the Commission some 29 years ago. She said that there are three (3) things that she is most proud of that she was involved with during her tenure on the Commission – first – the sewers and getting them in; second the pumping stations that all of the beaches worked together on getting in place so that they would have nice buildings instead of fences and; third – the most important '1 in 10' which provided relief on water bills. She thanked them and said that she feels that she is leaving them with a good Chairman and that they are in good hands. She said that while she would like to continue and her mind is still sharp, that at her age, the rest of her was just not keeping up with her mind and it was 'time'. She said that she would be back from time to time.

Mr. DiGiovanna thanked her for her many years of service.

Mr. Formica thanked Ms. Cahill for her many years of service and her vast knowledge and said that she would be missed.

13. ADJOURNMENT

Mr. Formica called for a motion to adjourn.

****MOTION (17)**

Mr. DiGiovanna moved to adjourn the February 23, 2010 Regular Meeting of the East Lyme Water & Sewer Commission at 10:08 PM.

Ms. Cahill seconded the motion.

Vote: 7 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary