

**MINUTES OF THE TOWN OF CHESHIRE WATER POLLUTION CONTROL
AUTHORITY PUBLIC HEARING, HELD ON WEDNESDAY, DECEMBER 12, 2018 AT
7:00 P.M. IN COUNCIL CHAMBERS, 84 SOUTH MAIN STREET, CHESHIRE CT
06410.**

Present

John Perrotti, Chairman; Aboud Abdelghani, Tom Scannell, James Sima, James Urbano, Zack Wellburn.

Absent: Steve Carroll

Staff: Town Engineer Walter Gancarz

PUBLIC HEARING SUBJECT MATTER
PROPOSED SEWER RATES FOR 2018-2019

Chairman Perrotti called the public hearing to order at 7:00 p.m.

1. PLEDGE OF ALLEGIANCE

The Group Pledged Allegiance to the Flag.

2. ROLL CALL

The clerk called the roll and a quorum was determined to be present.

2. EXPLANATION OF HEARING PROCEDURE AND AGENDA

Chairman Perrotti explained the procedure for a WPCA public hearing.

3. READING OF LEGAL NOTICE

Chairman Perrotti read the legal notice.

4. PRESENTATION ON HEARING SUBJECT

Town Engineer Gancarz distributed the 2019 rate projections analysis for review with the Authority members. A copy of the analysis is attached to these minutes. He explained that when the Council adopted the budget for WPCA 2018 it included a revenue of \$3,829,427.

Review of Sewer Rates – Mr. Gancarz prepared an analysis of rates from \$400 to \$415 for residential users, and reviewed the information with the Authority members.

\$400 annual sewer rate – 4903 residential users; 151 senior users at set rate (\$320 to \$380); commercial users and CCI; estimated revenue \$3,829,427.

\$405 annual sewer rate – Estimated revenue \$3,829,427.

\$410 annual sewer rate – Estimated revenue \$3,829,427.

\$415 annual sewer rate – Estimated revenue \$3,829,427.

The break even SFH fee is \$413.78; Commercial Break Even Rate is \$4.12 pcf.

Residential has a flat rate; Senior Citizens (+65 years old) and disabled residents can have their rates frozen; 151 households have frozen rates. The commercial/industrial usage is based on RWA records; those with minimum flow will have the same flat residential rate; CCI (prison) is charged off its sewer meter.

Water usage for the current year for commercial and industrial users was 5% lower than last year. This has a direct impact on revenue generation. Every \$5.00 of residential flat rate is \$42,000 of revenue. The revenue shortfall has resulted in the need to meet the appropriate amount of revenue. Using \$400, \$405, \$410 rates there will be a revenue shortfall. With a \$415 user rate there will be a small surplus of about \$10,000.

It was pointed out by Mr. Gancarz that a required amount of revenue must be generated. The residential rate is fixed; a number must be determined to generate the required revenue; the commercial and industrial 5% reduced flow impacted revenue in the last year.

Mr. Sima clarified that there was a change in the commercial rates last year, and it was significant. People should understand this going forward.

Chairman Perrotti noted that the commercial/industrial adjustment was for parody purposes because the residential flat rate payers were overpaying their share of use.

The Town has a new treatment plant which has operational costs. Mr. Perrotti said the WPCA has an obligation to fund the plant. The set number is a break even number. For the public hearing, Mr. Perrotti explained that the WPCA can lower the proposed rate but cannot increase this rate.

Mr. Urbano agreed with the minimum \$413 rate, but likes the \$415 to give a cushion in the fund. He commented on the possible lower commercial revenue, and no revenue guarantee on the commercial end.

Mr. Sima commented on holding the \$400 rate last year. The plant is finished; lots of the cost was incurred by everyone in town; as the plant is running with additional costs, there are people who do not use sewers. If the sewer user rates are not raised it gets passed onto the people who do not use the sewer system on a regular basis. With a cost of "x dollars" to operate the plant, there must be "x dollars" to fund it.

Mr. Wellman agrees with the \$413 cost per user to run the plant, and supports the \$415 user rate which would generate some extra revenue. This might be enough revenue so there is no increase next year.

Mr. Abdelghani stated the Authority should try to avoid another increase next year, and should increase the rate this year. \$15 is a high increase, and he would support going higher. He asked about the proposal to divide the payment into two (2) payments over six (6) months.

It was restated by Mr. Perrotti that WPCA cannot increase the rate higher than the proposed \$415. The issue of dividing the payment was discussed with the Tax Department, which did not support this idea.

Mr. Scannell wants to see the rate set at \$415. He noted many things will be happening in the future which are unknown at this time. \$415 is a reasonable and fair rate, and he supports it.

5. QUESTIONS AT THE DISCRETION OF THE CHAIR.
None.

6. PROPONENTS AND OPPONENTS STATEMENTS ALTERNATELY EXPRESSED.
None.

7. REBUTTAL AT THE DISCRETION OF THE CHAIR.
None.

8. ADJOURNMENT

Chairman Perrotti closed the public hearing at 7:16 p.m.

Attest:

MARILYN W. MILTON, CLERK