

**MINUTES OF THE TOWN OF CHESHIRE WATER POLLUTION CONTROL
AUTHORITY REGULAR MEETING HELD ON WEDNESDAY, OCTOBER 28, 2015 AT
7:30 P.M. IN COUNCIL CHAMBERS, TOWN HALL, 85 SOUTH MAIN STREET,
CHESHIRE CT 06410.**

Present

John Perrotti, Vice Chairman; Matthew Bowman, Steve Carroll, Mark Kasinskas, Tom Scannell. Absent: Tim Pelton and Ken Cianci
Staff: Walter Gancarz, Town Engineer
Guest: Don Chelton, AECOM; Council Liaison David Schrumm

PLEDGE OF ALLEGIANCE

The Group Pledged Allegiance to the Flag

ROLL CALL

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

Chairman Perrotti read the emergency evacuation notice.

REGULAR MONTHLY MEETING

1. PUBLIC COMMUNICATIONS

2. APPLICATIONS

a. Feasibility Application - 146 Park Place

Mr. Perrotti explained this is for a failed subsurface sewer system, and the property owner wants to connect to the sewer line already in the area utilizing an E-1 ejector pump. He discussed this with Mr. Gancarz about whether there is a need for the approval process as this is standard.

There is an existing sewer in the area, and Mr. Gancarz said it is just an infill property failing septic system. The grades do not come close to making it in by gravity and an ejector pump is necessary. There is requirement for a sewer connection permit, street excavation permit, but WPCA approval is not required. The feasibility application should be withdrawn.

Mr. Gancarz informed the applicant, James Mach, to come into the Public Works Department and get the permits.

3. PROJECTS

a. AECOM Invoice #413768435 dated October 6, 2015 in the amount of \$60,455.82.

MOTION by Mr. Scannell; seconded by Mr. Bowman.

MOVED to approve AECOM Invoice #4137638435 dated October 6, 2015 in the amount of \$60,455.82.

Discussion

Mr. Gancarz stated the job has standard monthly tracking; there is no problem with this invoice; and he recommends approval. The staff has been tracking items which have been over throughout the process -- consultation, time attributed to PCBs, shop drawings, and potential change orders are well below, along with some other items. With the exception of the PCBs he thinks we are still tracking within budget.

VOTE The motion passed unanimously by those present.

- b. Carlin Contracting Co. pay estimate #23 dated September 30, 2015 in the amount of \$357,190.51.**

MOTION by Mr. Scannell; seconded by Mr. Bowman.

MOVED to approve Carlin Contracting Co. pay estimate #23 dated September 20, 2015 in the amount of \$357,190.51.

Discussion

Mr. Gancarz recommends approval, and advised the project is winding down quickly, and amounts are dropping dramatically. Electricians and painters are working on site, and no other major equipment, etc. is being delivered.

Mr. Chelton stated the last Carlin invoice will probably be submitted in Spring 2016.

VOTE The motion passed unanimously by those present.

- c. Carlin Contracting Co. Change Order #20 in the amount of \$15,226.06.**

MOTION by Mr. Scannell; seconded by Mr. Bowman.

MOVED to approve Carlin Contracting Co. Change Order #20 in the amount of \$15,226.06.

Discussion

This invoice was reviewed by Mr. Gancarz who recommends payment. There are four (4) items as part of this invoice -- repairs in the Operations Building, fittings on the effluent pump, dedication plaque, block retaining wall between the primary settling tanks and the sledge dewatering building to reduce erosion and facilitate being able to get around that area to mow lawns, etc.

VOTE The motion passed unanimously by those present.

d. Contingency status of WWTP upgrade, as of 10-22-15.

Mr. Gancarz reviewed the contingency status which has a balance of \$69,090. There was a drop last month to this month. It comes down to one particular item of installation of flashing on the Digester Building and Operations Building as part of the PCB remediation. Additional quotes will be obtained; the \$30,000 quote is high; and another contractor could do the work, or simpler flashing could be used. Hazard waste costs are already in the status report.

Mr. Chelton said interior and exterior flashing is still to be done.

There is \$44,000 being carried to finish this work and Mr. Gancarz said it is included in the estimated contingency.

4. SUPERINTENDENT'S REPORT

a. Update on Construction Progress.

5. TOWN ENGINEER'S REPORT

The Authority was informed by Mr. Gancarz that they are bringing everything on line. Supt. Dievert is ordering chemicals; he will start testing phosphorous removal; UV system is off-line for the season; the critical features in the influent pump station are done; the biggest thing is making all the connections into the SCADA system as different units are brought on-line. Next month they start filling the digesters; there is a plan for this to go slow and steady; the contractor has done much of the landscaping and cleanup; trailers will be removed the end of this week; and by the end of November the crews will not be in much force on the site. There is not a substantial completion certification at this point, but by Thanksgiving we can plan on it. The contractor has until November 18th for completion under the contract, and will be off site except for punch list items.

Mr. Chelton reported there are units declared substantially complete and taken over by the Town, such as the UV System. The best completion date is November 18th and the project will be declared substantially complete. There is a clause in the contract, when the dollar value gets to a certain point of less than 2% remaining, the project becomes substantially complete.

Regarding AECOM's number, Mr. Chelton commented on the June projection and financial update. If the job goes to the completion date, and it looks like it will, AECOM projects an adjustment of the same amount of money spent for the PCBs, \$110,000 to \$120,000 range. He has not gone back and looked at these numbers, but this is what was projected from June.

Mr. Gancarz said this is what is being carried in the contingency. The plant has gone off-line a few times; it went well like clock-work; crews arrived on site at 5 A.M.; they checked the gates; and the off-line time was about 4 hours.

This was a good time to do it, and Mr. Chelton said the flows are the lowest in 10 years.

According to Mr. Gancarz the plant looks nice and is back to normal.

Chairman Perrotti discussed the dedication ceremony which was well attended, well done, speakers did a great job, and Mr. Gancarz was singled out and recognized for his efforts by Town Manager Milone. He said Mr. Chelton spoke from the heart and commented on AECOM and his liking their work with Cheshire. His comments were much appreciated.

At the DEEP progress meeting, Mr. Gancarz advised that DEEP representatives stated the Cheshire ceremony was the best one they ever attended, it looked like a real team that enjoyed working together.

The Authority was informed by Mr. Gancarz that the court hearing on the lawsuit was scheduled for January 28, 2016...and it has been moved to December 14, 2015. There is the possibility of a conference prior to the hearing to discuss the settlement of the matter.

6. NEW BUSINESS

a. Proposed Sewer Use Fee for 2016.

NOTE: A public hearing will be scheduled for 7:30 p.n. on November 18, 2015.

The Authority members discussed the current sewer use fee of \$380 and possible 2016 fee of \$385.

Mr. Gancarz compiled two scenarios - for \$380 and \$385.

\$380 Fee - would result in a shortfall of \$10,800; \$385 fee would have a positive of \$31,072.

It was suggested by Mr. Bowman that the increase be \$10 for 2016, and no increase in 2017.

The calculations in the report are accurate and Mr. Gancarz explained how the system has always worked. The WPCA sets a flat rate for residents, and commercial customers are charged for potable water billed by RWA, and CCI is charged by what goes through the flow meters. The general premise was usage the same as the prior year, but this was a leap of faith. CCI flows went down significantly with a \$70,000 reduction in revenue. The suggestion is to get the water records first. The Town has 10 months or records now, with 11 months of data by the November WPCA meeting. The commercial number, 20,073,315 units, is the actual cubic feet of potable water and is an exact number. The CCI number will be close and based on 11 months of data in November. There will not be a rate set, and then going back afterwards hoping the water use is the same.

Mr. Gancarz pointed out that the Town's budget passed on April 14th, and the Council had their recommended rate, keeping the sewer use fee at \$380. The WPCA still sets the rate, but has the Council's recommendation to consider.

Mr. Gancarz has discussed the rate issue with Town Manager Milone. For the fiscal year ended June 30, 2015, the WPCD has a \$8,900 surplus, and this was in part due to not purchasing chemicals and fuel oil during construction. The fund balance should be about \$673,000, and this remains steady. Mr. Gancarz's preference is to collect as much as is being spent, and he would vote for a \$5 increase in the fee.

This is a minimal increase and Mr. Bowman commented on the Town getting some money from the State for back sewer usage in the next fiscal year. He does not see a deficit but a major surplus in 2017, and the Town should give residential customers some money back as they have been fronting the State flows over the years.

Mr. Carroll noted the WPCA takes in enough revenue to recover operating expenses, and there are debt payments made on the Town side. Whether there is a surplus or shortfall, the Town will benefit or make up the differences. There are transfers of surplus money out of the WPCA into the Town budget in prior years. Mr. Carroll is uncertain about having to increase the fee each year, and \$5 is a 1.3% increase, is reasonable, and in line with the Town budget.

Mr. Perrotti stated he could go with the \$385 fee. With a state of the art facility, funds will be needed to purchase equipment and train staff to maintain the plant. The Town will then get every bit of use, long term from the plant, and we should prepare for these long term costs.

It was stated by Mr. Gancarz that the CCI claim is about \$1.8 million

Regarding money coming from the State, Mr. Carroll said the Town Council will decide where this money goes.

If that money ever comes, Mr. Perrotti said there should be those conversations. But, the WPCA should look at what is assured right now, and he does not want to bank on the CCI money.

The \$8,900 surplus money goes back into the WPCD restricted fund and Mr. Gancarz said the public hearing is held next month, and the rate could be held at \$380.

Mr. Carroll and Mr. Perrotti consider the \$385 fee as reasonable.

In looking at the analysis, Mr. Gancarz pointed out that \$381.50 fee actually balances out the costs.

Councilor Schrumm responded to "what happens to the State money", and advised it would go into the debt reserve fund to help offset the debt service payments for the treatment plant.

Mr. Bowman reiterated his statement that there have been overcharges to resident users over the years due to the CCI flows. He believes some of the State money should be returned to users for fronting this bill over the years.

With rebating the sewer use fee, Mr. Schrumm said there would then be a tax increase for the plant's debt service. The Council's recommendation was no increase in the sewer use fee.

The analysis on the sewer use fee was cited by Mr. Gancarz. It shows a \$380 fee that has a shortfall of \$10,800, while a \$385 fee has revenue of \$31,072. There is a public hearing next month and the WPCA has information for this hearing. From 2007 when the fee was \$290 to 2015 fee of \$380 there has been a 33% increase over 9 years.

In that regard, Mr. Schrumm explained that some of that money was used to offset costs of the \$6 million denitrification expenses.

Without the current upgrade, Mr. Gancarz advised the notes on water control projects is about \$1.1 million annually.

There was a short discussion on the denitrification credits, and Mr. Chelton stated the Town is still getting these credits. It goes down each year because the nitrogen limit, the amount being put out, goes down. The surplus that can be sold decreases.

Mr. Gancarz said it is a commodity market. As more plants have equipment, more credits are available, and the price goes down. For the public hearing notice, he said there is flexibility for a \$385 use fee, which could be reduced back to \$380.

b. Commissioner's appointments for upcoming term.

The Authority members reviewed the member roster and appointment terms. It was noted that a person cannot serve on two boards or commissions, but can be liaison from a standing board/commission to a committee, i.e. The Beautification Committee. A board or committee member serves until their replacement is appointed.

Mr. Gancarz informed the Authority members that the energy rebate for the plant is \$204,000. Everything met the criteria and the check should be received by the end of the year from Eversource.

The Authority was advised by Mr. Schrumm that he expects this money will stay in the WPCA fund.

With the \$70,000 contingency and the rebate, Mr. Gancarz explained that there would be a way to pay for the \$140,000 for the second filter press equipment.

c. Letter from Chesprocott dated October 21, 2015.

The letter was reviewed, and Mr. Perrotti said everything was repaired except for 1688 South Main Street.

7. OLD BUSINESS

a. Approval of Minutes - Regular Meeting of September 23, 2015.

MOTION by Mr. Scannell; seconded by Mr. Bowman.

MOVED to approve the minutes of the Regular Meeting of September 23, 2015 subject to corrections, additions, deletions.

VOTE The motion passed unanimously by those present.

b. Letter from assessments from J. Schwartz, Murtha Cullina LLP dated October 16, 2015.

Mr. Carroll stated the letter indicates there is no burden on the property owners; no money is due; the WPCA does not have the power to release it. Murtha Cullina must write a 3rd caveat or release to do this legally, and it will come back to the Authority for approval of the caveat and filing it on the Town records.

It was explained by Mr. Gancarz that the water main extended up Mountain Road. When a water main is extended you can apportion all of the costs to abutters, whether they use it or not, i.e. \$100,000 cost with 10 abutters means each is charged \$10,000. The last sewer main extension that was done by the Town was different. For a \$100,000 cost with 10 lots...with the appraised property value of having a sewer versus septic system of only \$5,000...the assessment can only be \$5,000.

For the issue being discussed, there were two Mountain Road abutters, which were assessed to pay off the Mountain Road water main extension. Then, a private developer came in, put in Bardon Court and the water main extension at their cost, so there was no cost to the Town. Later on, the caveats appeared on those land records...they were also being assessed for the water main extension by the Town. The legal opinion is the Town did not pay for it, and cannot assess anyone for it.

Mr. Bowman explained that Attorney Fazzone wanted a recommendation from the WPCA that the caveats be removed.

It was recommended to the Authority by Mr. Gancarz that it vote to direct Murtha Cullina to draft the 3rd caveat in order for the WPCA to take action.

MOTION by Mr. Bowman; seconded by Mr. Perrotti.

MOVED that the Water Pollution Control Authority engage Attorney Schwartz from Murtha Cullina LLP to go through the proper process to create a third (3rd) caveat to remove the first (1st) and second (2nd) caveats in order for the WPCA to take action on this matter.

VOTE The motion passed unanimously by those present.

THE NEXT MEETING OF THE WPCA IS SCHEDULED FOR WEDNESDAY, NOVEMBER 18, 2015, WITH A PUBLIC HEARING AT 7:30 P.M. FOLLOWED BY THE REGULAR MEETING.

8. ADJOURNMENT

MOTION by Mr. Bowman; seconded by Mr. Scannell.

MOVED to adjourn the meeting at 8:30 p.m.

VOTE The motion passed unanimously by those present.

Attest:

Marilyn W. Milton, Clerk