

**Town of New Hartford**  
**Water and Wastewater Asset Evaluation Team**  
**August 24, 2017**

**Minutes**

**Present:** Committee members: First Selectman Dan Jerram, Denton (Bud) Butler, Kim Estep, Tom Hart, Joe Toro.

**Others present:** Laura Garay, Kelly O'Dell, Michelle Tardif, Richard Tardif; Republican American Reporter Kathryn Boughton, Administrative Assistant Christine Hayward.

Chairman Jerram called the meeting to order at 7:05 PM.

It was noted that approval of minutes of past meetings had not been listed on the agenda; committee members agreed to adding this to the agenda.

**MOTION:** by Butler to approve the minutes of the meeting dated October 5, 2016; seconded by Hart.

*Unanimous.*

**Public Comment:**

No one wished to address the Committee at this time. Chairman Jerram noted that public comment would not be restricted to this point of the meeting; he would entertain comment throughout the meeting.

**Review /Discussion and possible action re: Revised Request for Proposal (RFP)for the purchase, operation and maintenance of drinking water and/or wastewater assets :**

Chairman Jerram noted that several months had lapsed between meetings of this subcommittee. He stated that the prolonged budget process had interfered with him reconvening a meeting of this group. He also noted that this break allowed for proceeding with an abundance of caution and care prior to release of the Request for Proposal.

Jerram reviewed the charge of the committee:

- 1.) To gain a working knowledge of all town owned water and sewer assets ( noting that each member was given a notebook of information at the first meeting of this group)
- 2.) Review and/or modify the proposed RFP for sale of said assets and make a recommendation to the Board of Selectmen pertaining to the release of said RFP. ( this is the point that this committee is at)
- 3.) Review all submitted proposals obtained from the release of the RFP for the sale of said assets (Jerram noted that 'we are not there yet')
- 4.) Make a final recommendation to the Board of Selectmen pertaining to the sale of said assets (Jerram noted this is the final step of this committee – but it does not mean that there will be a

positive recommendation, the committee may decide it is not in the best interest of the town to proceed; )

Mr. Jerram reminded all that there was concern expressed at the last meeting regarding clearly stating within the RFP that the primary use of the water system in New Hartford is to provide New Hartford customers with drinking water. This has been added.

Another concern that has been mentioned was whether or not there was a proper transfer of Rights of Ways that existed when two water companies that served New Hartford in the past (Village Water Company and New Hartford Water company) merged into one water company. A discussion with the town attorney resulted in him stating that he did not recommend reviewing this matter at this point in time due to the expense involved in conducting that type of research. He stated that until there is a credible deal that the Town might wish to consider, it does not make economic sense to do that type of investigation at this time.

Mr. Toro questioned whether there had been an answer provided to the question of “is it allowable to sell with the debt?” Jerram replied that the bond/debt is at the “full faith and credit of the town.” It is Tax Exempt debt and it is not able to be transferred. However, that does not mean that a sale cannot occur. There are other avenues that could be taken to retire the debt. He further stated that it would not seem likely that any negotiation for sale would begin unless an offer was at least equal to or greater than the debt. He also noted that the USDA personnel had stated that they would not even begin to investigate what might transpire with respect to the grant that was used to offset the expense of the Wastewater Treatment Plant; they would not do that type of research unless there was an offer on the table to consider.

**MOTION:** by Butler to submit the current Request for Proposal for The Purchase, operation and maintenance of drinking water and/or wastewater assets and the purchase and sales agreement to the Board of Selectmen and recommend consideration for release; seconded by Hart.

Discussion occurred concerning proceeding with the release of the RFP. Members agreed that it is very difficult to know what the assets would be worth to someone unless they know what someone is willing to pay. Mr. Toro stated that “we need to get it out there so we can see what comes back.” Mr. Jerram stated that the group needs to keep in mind that the group is not the entity that will approve the sale; this would be something that the townspeople decide on. Toro asked if it would be a referendum or a town meeting vote. Jerram replied that the subcommittee would need to weigh in on that to see which would be the preferred route.

Mr. Butler reviewed financial information with the group, informing them that the WPCA had closed the fiscal year with a \$79,000 deficit in revenue. He attributed this to the loss of a major commercial client and the fact that there are approximately 23 vacancies within the service area; therefore no usage attributed to those addresses.

Mr. Jerram stated that the WPCA has been operating mostly as a “break even” operation; but lately it is getting more difficult for invoices to be paid in a timely fashion. Mr. Butler added that the WPCA has put all the wheels in motion that were discussed by the Board of Finance a few years back. They have implemented a strong collections program, they have placed liens on properties and they have caught up with people who had benefitted from connected service without paying for the service. The WPCA is still not able to accrue enough funds to have a maintenance program. Jerram remarked that the WPCA is “one repair away from asking for a loan from the town.” He noted that all bills have been paid to date; the WPCA is not delinquent in any of its obligations to the town at this point in time. However, there are maintenance items that need to be addressed by the WPCA and the Selectmen have been discussing that they might be willing to consider relief to the WPCA by offering them the opportunity to not pay the town their portion of the debt service and use those funds to pay for maintenance.

Mr. Butler also informed the group that the WPCA is taking an additional step to assist with increasing their revenues. They will be introducing a change to their regulations. The change will require that those who abut a sewer line are required to connect. This will be addressed at a public hearing being held on August 31, 2017.

Discussion also occurred as to evaluating other options that might ease the financial burden of the WPCA. Mr. Toro wondered if there would be consideration of a shared community expense for the Wastewater Treatment Plant. The committee members felt that this was not the time to discuss that option; the consensus was that going forward with the RFP to see what kind of response was received is the focus at this time. If there is not a great response or the responses are not worth putting forward for consideration of a sale; then it can be stated that the WPCA has investigated all possible alternatives for providing relief for the users and it would be time to look at shared community expense.

Member Hart expressed his desire to hold an additional public informational meeting to alert residents that the potential sale of assets is still being considered. His concern is that there has been a lengthy time period of inactivity and people need to become re-engaged in the process.

Member Estep disagreed, stating that she felt it is necessary to release the RFP so that there is additional data to present to the public. She felt that a meeting after receiving RFPs would be more beneficial as there would be more information to share.

Member Hart remarked that he felt there may be an influx of Federal monies being released for infrastructure improvements and perhaps it would be best to wait and see if there was a possibility of getting additional funding. Mr. Butler replied that he did not feel that was a possibility, he said that would be “waiting for the ship that may never come in.” Ms. Estep agreed, adding that she believed the possibility of federal funding being appropriated to Connecticut for infrastructure improvements was extremely slim; citing the most recent American Recovery Reinvestment Act recipients as an example of where the funds go. Mr. Jerram stated that even if there was funding available, it doesn’t seem likely

that the town would be willing to assume more debt for the water and wastewater systems seeing that the systems are already struggling in large part due to the debt already incurred.

Mr. Hart stated that he does not want to see this potential sale become politicized. Jerram agreed that he would not want a serious proposal to be diminished due to politics. Ms. Estep stated that she felt the subcommittee was able to act responsibly to see that it is not about politics. It was noted that the final decision will be made by the people. The timeframe was discussed and it was clear that proposals would follow the election. It is anticipated that the Board of Selectmen will review the RFP at the regularly scheduled September 26, 2017 meeting. A release date would most likely be about a week later, followed by a 6 week period where interested bidders would have time to do some research. This would bring the due date somewhere in Mid –November.

Member of the Public Michele Tardif asked if the WPCA would still be pursuing the idea of additional connections now or would that wait until after the bids were received and reviewed. Mr. Butler replied that the WPCA is moving forward with requiring abutters to connect. Ms. Tardif replied that she was happy to hear that as she is a customer and has been paying her bill for over 10 years and she was pleased that the WPCA is looking at ways to provide some relief to those who have been dealing with this issue for many years.

She asked if anyone knew how much it would cost each taxpayer per household if everyone in town had to pay the same amount toward the debt service. No one had the answer to that question at the time. Mr. Toro opined that if the WPCA could be relieved of \$67,000 per year of debt service, it would be a move in the right direction. He would like every taxpayer to know what the number would be if the debt were shared equally.

Ms. Tardif also asked “who would get the benefit of a profit” if the system is sold and a profit is made. She asked if users would see any kind of reimbursement for what they paid into. All members agreed that the question was a good one. Butler stated that PURA regulated companies that might be interested in purchasing the system have a process that they need to follow with respect to asset value and that it was unlikely that there would be a large profit from a sale.

The group agreed that it was time to vote on the motion that remained on the floor.

*Unanimous.*

**MOTION:** by Butler to adjourn at 8:25 PM; seconded by Estep.

*Unanimous.*

*Respectfully Submitted,  
Christine Hayward, Administrative Assistant*