

**Town of New Hartford**  
**Water and Sewer Asset Evaluation Team**  
**August 2, 2016**

**MINUTES**

Committee Members Present: Dan Jerram, Bud Butler, Tom Hart, Kim Estep  
Others: Tim Dupuis and Joe Ridge – CDM Smith (engineering consultants); Selectman Laura Garay; Member of the Public Mary Beth Greenwood; Administrative Assistant Christine Hayward.

Committee Chairman First Selectman Dan Jerram called the meeting to order at 4:10 PM.

**Continue review of history of WPCA (notebooks prepared for team members)**

Chairman Jerram noted that member notebooks include a rough draft of the RFP that is being developed for the potential sale of the water company assets. The notebook also includes historical information that serves as a resource for committee members. He asked if anyone had any questions regarding any of the content in the notebooks. No questions were asked and Mr. Jerram suggested that they move right on to the next item on the agenda.

**Discussion with Consultants – CDM SMITH**

Mr. Jerram stated that CDM Smith had been engaged to assist in the development of the request for proposals regarding the potential sale of the water and/or sewer assets. CDM Smith has the experience to help guide the WPCA/Town throughout this process. CDM Smith has reviewed the assets and Mr. Dupuis noted that it is difficult to determine the worth of a good portion of the assets due to the subterranean location of the assets. They cannot be seen and therefore the condition is unknown. This leads to having a broad range of an estimate as to the value. There are different valuation methods that may be used by responders to the RFP. Public Utility Regulatory Authority (PURA) have guidelines regarding net book value.

Adding to the difficulty of determining a value is the fact that on the wastewater side, there isn't any potential for existing structures to be connected to the system easily. Potential buyers will determine what their potential profit will be and will bid based upon their own operation style and business plan.

Mr. Butler commented on some of the upcoming expenses that the WPCA is facing with respect to operations. He noted that the Water Supply Plan needs to be updated; a mandate that occurs every 10 years at a cost of approximately \$34,000. Recently, the WPCA was granted a one year reprieve from completion of that plan due to the Chairman making a written request to that effect due to the potential sale of the system. Mr. Butler noted that the water supply tanks need to be inspected every 5 years and that one of the tanks is due for the inspection and the one that has been inspected needs repairs that are estimated to cost \$25,000. Additionally, the wells need some repairs.

Mr. Butler informed the group that a waterline along Route 219 was recently repaired. It appears that this line had been “turned off” by a prior operations group and bypassed when a leak had developed and there weren’t any resources to pay for a repair. This line has been put back into service which may help to ease some of the issues with discolored water in the areas that should have been serviced by this line. WPCA Chairman Butler explained that a procedure known as “ice pigging” was recently performed on a section of waterline in the downtown area. 862 feet of pipe took one hour and 40 minutes to have this procedure done. There were positive results from this endeavor, with the pressures seeing an increase from 60 psi to start to 110 psi at the finish. This is a costly process. 862 feet were completed at a cost of \$4,000 and there are 65,000 feet of water mains. Mr. Butler summarized that the WPCA will be confronted with some extraordinary costs if a buyer does not come to fruition.

Committee Member Kim Estep asked if anyone had approached Ski Sundown to see if they might be interested in hooking up to the New Hartford water supply; she noted that they use a lot of water to run their snow making equipment. It was noted that there isn’t currently a pipe that goes in that area, but it was thought to be an interesting idea.

Mr. Ridge was asked if there seems to be any interest in private ownership of sewer systems. He replied that the interest level is low and that sewer systems are getting harder to dispose of. He noted that a lot of contract operations are now falling back onto the towns. Many sewer plants are now converting to de facto “pump stations” – and are joining with larger systems for operations. It was noted that there aren’t any recent sales of sewer systems in the state to use as examples.

There was general discussion regarding the sewer operations and Committee Member Kim Estep asked if there is any kind of insurance policy that can be purchased to draw upon in the event of a catastrophic failure. All agreed that this was an interesting question as no one knew if such a thing existed.

The outstanding debt for the water and sewer was briefly discussed; noting that the sewer debt is greater than the water debt.

Member Tom Hart questioned the expense of developing an RFP, and questioned how these costs could be paid for. Mr. Jerram noted that the Board of Selectmen had appropriated funding from the General Government budget with the approval of the Board of Finance to pay for the expenses of hiring CDM Smith to assist in this process.

Mr. Hart expressed his concern that the public needs to be more involved in the early stages of this process. He felt that there should be public input prior to releasing an RFP. The other members present disagreed. The belief was that the RFP needs to be released to see what interest there is and that information then needs to be reviewed and analyzed in order to present

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to the town.

Ms. Garay stated that it makes sense to go to RFP first because the town needs to be able to have answers to questions that the town will have regarding what the real value of the system is. This will give the information needed to review options.

The RFP will be reviewed by all members of the Committee with comments submitted to Bud Butler who will assemble them and have them ready for discussion at the next meeting.

Comments and edits are due to Mr. Butler by August 9, 2016. Mr. Butler reminded all that there will be no discussion of the RFP via e-mail. The next meeting will be held on Tuesday, August 23, 2016.

**MOTION:** by Bud Butler to adjourn at 5:45 PM; seconded by Tom Hart.

*Unanimous.*

*Respectfully Submitted,  
Christine Hayward, Administrative Assistant*