

**Town of New Hartford
Water and Wastewater Asset Evaluation Team
Special Meeting
Tuesday, January 21, 2020**

Minutes

Present: First Selectman/Chairman Dan Jerram; Members Denton (Bud) Butler, Kim Estep, Tom Hart; Members of the Public Mary Beth Greenwood, David ROsengren; Member of the Press Kathryn Boughton (Republican – American – in at 6:45 pm); Administrative Assistant Christine Hayward.

Chairman Jerram called the meeting to order at 6:40 PM.

Approval of Minutes:

MOTION: by Butler to amend the minutes to reflect the proper date of the meeting on the heading of pages 2 and 3 to show that the meeting was January 6, not January 2; and to change the exit time of attendee Polly Pobuda to reflect that she exited at 7:00 PM rather than 6:00 PM; seconded by Jerram.

AYE: Jerram, Butler, Estep

Abstain: Hart

Minutes approved as amended.

Discussion regarding recent presentation to the Board of Selectmen:

Adjustments to public presentation:

First Selectman Jerram stated that he thought that the presentation made by the Asset Evaluation Team to the Board of Selectmen the other night went fairly well. He stated that a similar exercise was presented to the Water Pollution Control Authority. Comments regarding the presentation included the fact that it is lacking in history of the financial difficulties faced by this Board. Also, there needs to be a clear definition of what exactly is being sold. The assets need to be listed for the public to gain an understanding of what the system includes. The public also needs to know what the WPCA is paying for the operators of the systems. Mr. Jerram stated that the vast majority of the residents in town do not know anything about water and sewer operations – they don't live it, so they don't know about it. Jerram also noted that the presentations need to be careful of information overload – noting that attendees at informational meetings will "glaze over" if the information is in a format where too much is presented at once.

Member Hart stated that there should be information placed on a screen where people can see it visually and then ask questions about it.

Jerram agreed that the key is to 'simplify' the process. Butler commented that it is not a topic that can be discussed in a quick manner because of the complexity of the issue.

Mr. Jerram stated that there needs to be confirmation of the anticipated rate relief that will benefit the users. He exclaimed that this is an extremely important part of the education that needs to occur. Aquarion currently has water rates of \$5.66/thousand gallons whereas New

Hartford residents are paying \$8.00/thousand gallons. This needs to be highlighted and explained so that those who fear that the rates are going to increase can see that this will not happen due to the fact that New Hartford rates are already higher than what Aquarion charges. It was also noted that there will be tax revenue once Aquarion owns the system.

Mr. Butler distributed a draft of a mailer that he had designed. He stated that it is of the utmost urgency to get the information in front of the people ASAP. The committee reviewed the mailer and offered suggestions for revisions. Ms. Estep opined that the mailer should begin with information that answers the question “why.” There should be a statement that the WPCA cannot afford to pay its bills any longer and the Town cannot afford to take on that burden. She stated that the residents need to know that the Asset Evaluation Team was created by the Board of Selectmen to research the best way to retain financial solvency. Mr. Jerram added that public needs to know that the situation has become untenable – the gap between revenue received and expenses incurred is widening. Selling the assets is a way to have a partner that can provide rates that reduce the burden to our users. He added that maintaining independence has not been in the best interest of the users; adding that there are professionals who are better at owning water and sewer systems than we are. Member Hart asked why this issue is not treated the same way as other community systems – i.e. roads and schools. Mr. Butler stated that the option of it being a community expense was not one of the options that had been recommended back during the time the initial task force was formed to investigate operations options. They looked at three choices: bringing it back as a municipal entity “in house,” continuing “as is” –using contracted operators, or possible sale or lease of the systems – there was no charge to look at it as a community expense. Mr. Jerram noted that the existing ordinance (which he noted that some have termed as illegal – but until it is formally challenged it is local rule) does not allow for the community to support the operations; therefore this is not really an option at this time. Butler stated that if there are people who believe that this should be community supported, let them come forward with a plan and a solution. This group has spent three years gathering facts and researching the matter and he would hope that anyone who says the community should take this on has spent an equal amount of effort doing the research to show what would need to be done and the impact it would have on taxation.

Jerram reiterated his earlier statement that the fact that Aquarion’s rates are 30% lower than New Hartford’s current rates is something that the users need to be reminded of. Butler added that in the “What if the sale is not approved” scenario, the financial impact to the users is not something that they can handle. The rate payers would need the assistance of the Town to pay for their expenses. Ms. Estep stated that there is a whole segment of the population of the town who has no understanding of what the rates are and they don’t really care because they are not personally effected by them. However, if it came to be that the town became responsible for all of the expenses related to the water and sewer systems, she doubts they

would welcome that as they have no benefit from paying those expenses. Mr. Jerram repeated that there are those that do believe that the community should take this on. Ms. Estep remarked that if the town were to take on that responsibility, there would need to be increased taxation. She further stated that it is different than taking on responsibility for schools and roads because everyone has access to use the schools and the roads whereas that is not the case for the sewer and water systems. Jerram replied that she was correct in that statement, adding that even if someone currently had a home with no children in the local schools, the schools are available to the next person who may purchase that home. They would have access to the schools if they chose to do so. The same cannot be said for someone who purchases a home that is not anywhere near a water or a sewer line. They do not have access to those utilities.

Member Butler stated that he had read a newspaper article that recounted that there was discussion at the recent Board of Finance meeting regarding the work of the Asset Evaluation Team and a comment was made that “the Board of Finance was in the dark” regarding the work that has been done by the Asset Evaluation Team. Butler stated it was never the intent of the AET to exclude the BOF from this matter. He noted that the AET was formed by the Board of Selectmen and they have followed the charge as it was given to them. They have just recently completed their research, following the receipt of the response from the USDA regarding the disposition of the request for relief from grant repayment. They met with the Board of Selectmen to get their opinion as to whether or not there was sufficient information to begin public presentations. The AET has always planned to go the Board of Finance and present their findings. Butler asked if any outreach had been done to the BOF to see when they might want to hear a presentation. Administrative Hayward replied that she had sent notice to the Chair of the Board of Finance indicating that the AET would be willing to attend the February 11, 2020, BOF meeting. The chair had replied that she would check with her Board members and there has been no further communication received. Butler expressed his disappointment that this offer had not been immediately embraced.

First Selectman Jerram stated that there is time to get to the Board of Finance, noting that the Board of Finance does not need to take action regarding the matter until after the Board of Selectmen have formally voted to move the initiative forward to BOF and Planning and Zoning for consideration prior to the BOS calling for a referendum.

Discussion of Dates and Locations for presentations:

The AET discussed preparation of a power point presentation. Mr. Butler offered to take the lead on that and hopes to have a draft for review by the AET within a week. The AET discussed additional meeting dates and came up with a tentative schedule of meetings. They plan to meet on January 30 at 6:30 to review/modify a power point presentation. Public presentations tentatively scheduled for February 20, March 5 and March 19. Locations would be at New

Hartford Elementary, Antolini School and Town Hall. The AET will also plan to present to the Planning and Zoning Commission and the Board of Finance.

MOTION: by Butler to adjourn at 8:15 PM; seconded by Estep.

Unanimous

Respectfully Submitted,

Christine Hayward, Administrative Assistant

ATTACHMENTS:

DRAFT mailer