

**WATER POLLUTION CONTROL AUTHORITY
REGULAR MEETING MINUTES
THURSDAY, JUNE 6, 2013 – 7:00PM
NEW HARTFORD TOWN HALL – 530 MAIN STREET**

PRESENT: Chairman Robert Krzys, Steve Hanright, Kenneth Krohner, Michael LeClaire, Bill Michaud, David Rosengren; First Selectman Dan Jerram, Selectman Jack Casey; Jason Hofmann, The Water Planet; Julio Segarra, and associate, United Water.

ABSENT: Joe Nerney.

1. CALL TO ORDER:

Chairman Robert Krzys called the meeting to order at 7:02PM. Kenneth Krohner arrived to the meeting at 7:15PM. All regular members present were seated for the meeting. The proceedings were recorded digitally and copies are available at Town Hall.

2. APPROVAL OF MINUTES:

A. May 2, 2013 regular meeting.

MOTION Mr. Michaud, second Mr. LeClaire, to approve the minutes of the May 2, 2013 regular meeting as written; unanimously approved.

3. OPPORTUNITY FOR PUBLIC COMMENT:

A member of the audience questioned the flat sewer usage rate charged to approximately 5 customers who only have sewer connection, not water connection. Mr. Rosengren informed the Board of an email he had received from Blue Sky Foods which explained that they paid a flat water rate; they were charged this rate even for the winter during which they were closed using very little water. Mr. Krzys explained the billing process for sewer only users versus those on both sewer and water. Mr. Jerram explained that, for an average sewer and water customer, the sewer debt service portion of their bill came to approximately \$125 per quarter, over and above the usage charge; therefore, the current flat rate charged to these few users, based on 6250 gallons of usage, seemed rather low. In the interests of fairness, he suggested the Board might want to revisit the flat rate charged to sewer users to see if it should be increased.

Mr. Rosengren then stated that he believed that the debt service payments for the sewer treatment facility should be borne by the entire Town, as the size of the current plant was premised on commercial development that the Town did not come through on attracting. Mr. Casey concurred. Mr. Rosengren stated that the Board had fought to raise the Town's share of the debt service payment split, but it had been rejected by the Town's voters during the first referendum. He observed that, without the debt service payment, the financial situation of the Board would be entirely different. A member of the public expressed the opinion that the current system users were carrying all the weight of paying this debt; when and if commercial development did finally occur in Town, those new users will not have had to pay for the system. Mr. Rosengren suggested that concerned members of the public should go to Economic Development Commission (EDC) meetings and tell them to develop a plan for development in New Hartford. He stated that the EDC had not had a development plan for years, and in his opinion they needed a professional Town planner rather than volunteers driving this issue. Mr. Rosengren stated that the Town had \$4 million in reserves and could not pay \$50,000 for a professional planner. A member of the audience suggested that the Town use its surplus to assist in paying for the sewer treatment plant. Mr. Rosengren reiterated that concerned citizens should go to Board of Selectmen and Board of Finance meetings to share their concerns.

Mr. Jerram explained that he had been at the public meetings about the construction of the new plant, and he had been one of the few present who had said that the Town did not need a plant of this size. He stated that, with only 250 users, he had stated at that time that the Town really only needed a plant that could process 60,000 to 70,000 gallons; larger flows likely indicated an infiltration issue that needed to be addressed, which turned out to be the case. He noted that most of those now serving on the

WPCA Minutes - 060613

WPCA had not been in office at the time this decision was made, so they were not to blame for the construction of the new plant; they were doing the best they could now to address a difficult issue. Mr. Jerram explained that the high rates users were experiencing were largely due to costs associated with handling the debt from the construction of the sewer plant. He explained that the Town has actively tried to solicit grants to assist with sewer line expansion, and he had negotiated the present contract with Russ's Septic Service which brought in \$105,000 per year to the Board. Mr. Casey expressed the opinion that the plant should be receiving more septage to increase its income. Mr. LeClaire and Mr. Hofmann explained that, due to the strength of the septage the plant was now receiving from Russ's Septic Service, the plant was currently functioning at 80% capacity; therefore, accepting more sewage at this time was not advisable.

Mr. LeClaire stated that the real issue was that the customer base was way too small for such a large plant. Members discussed orders to connect being issued to abutters and the lack of economic development in Town. Mr. Jerram explained that, at the time the plant was designed, 40 to 50 new homes were being built in New Hartford every year; last year there were only two. At the time the plant was being discussed the economy was great, and those in favor of such a large plant believed that the great economy would continue and would drive additional commercial development in Town. However, in reality there was a significant economic collapse nationwide, which adversely affected commercial development everywhere. Mr. Rosengren stated that the Board had gone to the Board of Selectmen (BOS) and the Board of Finance (BOF) this past year and had requested they modify the debt service split to better reflect the fact that there was no commercial development in Town, and they had been turned down. He reiterated that concerned users should go to both the BOS and BOF and share with those boards their stories of how the high rates have affected them.

Mr. Jerram pointed out that a larger ratio had been voted on by the entire town during the first referendum, and it had failed. He explained that there were many in Town who believed that they should not have to pay anything for the treatment plant since they were not on the line and were never likely to be. Several members of the audience compared this logic to those who complain about paying taxes for schools although they have no children. Mr. Rosengren stated that certain Town costs, like schools, were borne by the entire Town because everyone has agreed education is a public good; he stated that the sewer treatment facility was a similar cost. Mr. Krohner pointed out that the size of the plant had been mandated by the State given the Town's projections for future growth. Mary Beth Greenwood addressed the Board to state that while what Mr. Jerram explained about the derivation of the debt service payment split was correct, the split presupposed an increased customer base as a result of increased commercial development in sewered areas of Town. She stated that the users were willing to pay their share; however, the current users should not be expected to carry the burden of the Town's inability to encourage economic development.

Mr. Casey stated that when and if commercial development does begin in New Hartford, non-users would benefit from those businesses being added to the grand list and thereby decreasing residential taxes. However, the current situation was reaching a point where the sewer rates were negatively affecting property values in the sewer service area. He pointed out that potential buyers make their decisions in part based on costs of such things as sewer and water. Mr. Krohner pointed out that, while expansion to areas like Cottage Street would help, it would really not greatly improve the Board's current situation. Mr. Jerram concurred, noting that such an expansion would bring more costs to the current users than the benefit it would bring in increased revenue. He noted that at the time of the sewer treatment plant expansion, the Board had distributed a flyer stating that it would not ask the Town for more money for debt service for sewer line extensions, stating that they would be fully funded by the user base.

Mr. Michaud stated that the answer to this issue would be to expand the user base so that operational costs are spread out over more users. However, the Board has no money available to invest in sewer line extensions to expand the user base. He expressed the opinion that the Town needed to state that it was in everyone's best interest to improve and expand the sewer and water system. Mr. Michaud stated that the current users could only be expected to pay so much. Mr. Jerram explained that the BOF had reviewed the numbers on this issue and found that adding Cottage Street to the line would only increase revenue by about \$1000 per user. However, even with grants, such an extension would

WPCA Minutes - 060613

add costs of approximately \$2000 per user per year. Mr. Jerram stated that that number would be even higher without a STEAP grant, which the Town did not receive this year. Mr. Michaud requested the opportunity to view those numbers as he believed there were inaccuracies.

Mr. Casey then expressed the opinion that perhaps the Town should consider selling the sewer treatment plant. Mr. Rosengren said that a committee had been created to explore this possibility a year ago, and to date nothing had been done. Mr. Jerram explained that that committee had spoken with the Metropolitan District Commission and various other parties; however, no one had expressed interest in buying the plant. He pointed out that the Board had discussed septage receiving for two years without ever actually implementing it. Mr. Jerram said that he himself had gone out to set up a septage receiving contract and within two months had done so, bringing in \$105,000 per year to the Board's revenues. Mr. Rosengren stated that that contract was now causing problems for neighbors abutting the treatment plant.

A member of the public then inquired about whether decisions on exemptions and deferrals of orders to connect would be made at this meeting and how residents would be notified of the Board's decision. Mr. Krzys stated the might be discussed tonight or at a subsequent special meeting; however, the Board would notify all affected residents in writing.

Another member of the audience then questioned whether benefit assessments would in fact be implemented. Mr. Krzys then explained the reasons for considering implementation of a benefit assessment as well as how it would potentially be implemented. He explained that the Board had deferred rendering a decision on this issue until more was known about financial variables such as the whether the USDA would defer the principal portion of the debt service another two years. Members of the audience then reiterated their belief in the unfairness of commercial developers gaining access to a sewer plant that the current system users will have been forced to largely pay for themselves. Mr. Rosengren again stated that the current users needed to go to BOS and BOF meetings to encourage them to focus on economic development. He reiterated that the Board went to both groups to request modifications of the debt service payment and was turned down. He stated that the Board had obtained the USDA grant that sizably reduced the Town's outstanding debt for the sewer treatment plant, yet it was still being held to the originally approved debt service split. He stated that those angry at this situation were coming to the wrong board meeting and should discuss this matter with the EDC, the BOS, and the BOF. Mr. Rosengren stated his opinion that users should express their frustrations by not paying their sewer and water bills.

Mr. Krzys and Mr. Jerram both explained that the Town had been in discussions with the USDA earlier that day regarding the possible deferral of the principal portion of their loan; the request was still under review. Mr. Jerram pointed out that the Town was currently using a STEAP grant to make much needed repairs to the sewer line near the post office, and they continually were searching for available grant funds. Mr. Casey pointed out that economic development would definitely never occur without sewer line access. Mr. Jerram pointed out that no significant growth had occurred in New Hartford along Route 44 for decades, even before the economic downturn. Now, given the burdens of high taxation and mandates in the State of Connecticut under its current leadership, the Town and the State at large were experiencing historic lows in terms of economic growth. If the Town obtained loans to construct sewer line extensions, they could potentially face significant additional debt payments and still have no guarantee of additional commercial development to help pay for it.

4. STATUS OF USDA CHANGE ORDER; REQUEST TO USDA FOR DEFERRAL OF PRINCIPAL PAYMENTS FOR YEARS THREE AND FOUR OF PLANT UPGRADE LOAN:

Mr. Krzys explained that the change order request had finally been approved by the USDA, and the request to defer the principal payments was still under review. A preconstruction meeting was going to be scheduled with the USDA, Nickerson Construction, and The Water Planet to review items on the change order list

5. OPERATOR REPORT – THE WATER PLANET – INCLUDING DOMESTIC SEPTAGE AND SLUDGE TRUCK ACCESS ISSUE:

Mr. Krzys explained that the Board had received complaints from the River Run Condominium Association regarding the sludge hauler's use of the River Run driveway as a turnaround for their tanker trucks. He stated that it was unsafe for trucks to back out onto Route 44, so the trucks had been using the River Run driveway instead to turnaround. With the new septage receiving contract recently implemented, there had been increased need for sludge removal, so this problem has been occurring more often. Mr. Krzys noted that property owners at River Run had also been registering complaints about the odors emanating from the treatment plant. Mr. Krzys said that Mr. Hofmann had been working with the sludge hauler to find an alternative, and the best one appeared to be having trucks pull in to the end of the paved area of the street and back into the gravel area where the Town had posted a "town property" sign; this would take slightly longer but it was possible.

Sue Nerney, President of the River Run Condominium Association addressed the Board to explain that use of the driveway had long been occurring, but had gotten worse recently, presumably with the increased need for sludge removal. She explained that they had attempted to explain to the drivers that they were trespassing on private property, and the drivers had gotten angry and yelled that they had permission to turn around this way; she stated that no such permission had ever been granted by the homeowners association. She said that they had even installed a sign to explain this was not permitted, and the drivers had knocked it down. Additionally, Ms. Nerney stated that the odor problem had worsened. She explained that people visiting the property frequently complained about the smell, and homeowners on the treatment plant side of River Run had to keep their windows closed during the summertime. She stated that it was inappropriate to talk about a benefit assessment when the quality of life for River Run residents has so significantly deteriorated. Mr. Michaud questioned whether there were odor problems before the treatment plant began receiving septage. Ms. Nerney stated that there had always been odor issues; however, the situation had worsened recently.

Mr. Krzys then explained the issues with how the septage receiving area of the new plant had been constructed and why this necessitated the workaround currently in place. He explained that the funds from the USDA change order that had finally been approved would be used in part to modify the septage receiving area which would then eliminate odor issues from that portion of the plant. Mr. Rosengren then stated he had spoken with Mr. Hofmann earlier about this issue and requested Mr. Hofmann explain to those present what they had discussed. Mr. Hofmann explained that odor issues were a two-part problem. Odor was caused first by the way in which the septage was now being received, whereby trucks were dumping the septage into an open manhole. This manhole had to be kept open throughout the day; however, now that the change order had been approved, modifications could be made allowing the septage to be pumped into a closed chamber underground without any open manholes. Mr. Hofmann then explained that the second way in which odor issues were created was due to the fact that the location where the Town's sewer lines entered the plant's screen and grit chamber were open to the air. He said that the only solution would be to fully enclose this area and install odor control mechanisms.

Regarding the tanker truck turnaround issue, Mr. Hofmann explained that he planned to have the drivers cut in close by the Town's sign and use the area to back into the plant, which would enable them to safely enter Route 44. He said that this was done today without problems; however, he felt it was only a short-term solution at best. Mr. Hofmann stated that, if the public parked in the Town's gravel area, then that would leave the tanker trucks no choice but to back out onto Route 44. He suggested putting in a chain link fence to prevent the public from accessing this area, and Mr. LeClaire suggested posting and enforcing a "No Parking" sign in the area.

Mr. Casey asked Mr. LeClaire whether they had odor issues at the treatment plant in Simsbury; Mr. LeClaire responded negatively. Mr. Casey said he had frequently been in the area and he agreed there was no odor. He questioned why Simsbury did not have odor issues, and Mr. LeClaire explained that it was due to engineering. He said that the most odorous location of a treatment plant was the pretreatment area Mr. Hofmann described where sewer water meets the air. Because the engineers who designed this plant left that area open and did not enclose it, that created part of the odor problem.

WPCA Minutes - 060613

Mr. Krzys asked Mr. Jerram if he could see about having the Town could put up the chain and signage as Mr. Hofmann had suggested.

Mr. Rosengren stated that the BOS should give the Board the needed funds to resolve the odor control situation. He suggested that those affected contact the Department of Energy and Environmental Protection to complain. He said that the DEEP responded to odor issues and they would levy fees against the Town until the problem was resolved. Mr. Rosengren stated that he had been general counsel for the City of New Haven's Water Pollution Control Authority for 20 years, and the odor situation would get worse as the weather got hotter. He stated that concerned residents needed to contact the DEEP; he suggested that they call him the next day as he was willing to donate his services pro bono to resolve this problem, even if it required suing the Town. Mr. Rosengren stated that the Town leadership appeared unable to recognize that issues with the sewer treatment plant were in fact a Town-wide problem that should be addressed by the entire Town. He stated that, if the odor problem continued, the Board should consider suspending receipt of septage from Russ's Septic Service; Mr. Casey concurred. Mr. Krzys pointed out that the Board had entered into a contractual agreement with Russ's Septic Service, and as such, the Board had certain obligations it was required to meet. Mr. Krzys stressed that this issue would be part of the discussions at the upcoming pre-construction meeting with Nickerson, and that the Board would then be able to give an estimated date when this portion of the odor problem could be resolved.

Mr. Hofmann stated that the plant continued to operate in compliance with its permit. They had processed 259,000 gallons of septage and removed 117,000 gallons of sludge. He stated that total flow for the month had been 2.6 million gallons, averaging 86,000 gallons per day. Mr. Hofmann stated he had attached to his report the approval letter from the USDA for the change order request, and Grant Weaver was in the process of arranging the preconstruction meeting.

6. OPERATOR REPORT – UNITED WATER:

Julio Segarra then reviewed his report for the previous month. Mr. Segarra detailed some issues with sensors and the electrical panel in the storage tank; he said that they were repaired and everything had been working satisfactorily since. He also highlighted some issues with the pump system by Steele Road that created low pressure issues several times per week. Mr. Segarra explained that the electrical wiring was set up such that if the power goes out, the system goes out and stays off. This had now been repaired so it will no longer happen, and a timer was installed so that the system would automatically reset itself. Mr. Krzys questioned whether any more low pressure complaints had been received since last month when work had been done in the center area. Mr. Segarra responded negatively.

Mr. Segarra then explained that he had worked with sewer treatment facilities as well and had found that a carbon filter or biofilter could assist in decreasing odor issues. Mr. Krzys suggested Mr. Segarra speak with Mr. Hofmann to review whether these suggestions might assist with the odor issues at the treatment plant.

7. SPECIFICATIONS FOR NEW SEWER CONNECTIONS:

Mr. Krzys explained that Mr. LeClaire and Mr. Rosengren had completed their review of the sewer connection specifications, and copies were distributed to all board members. Members discussed a part of the application form that requested demographic information of applicants. Mr. Jerram pointed out that the Town, as a part of its agreement with the USDA, was required to ensure all actions were conducted in compliance with federal civil rights laws. He suggested that this portion of the application might be necessary from that standpoint, and he offered to have the application reviewed by Mike Rendulic of the USDA to verify it was compliant.

MOTION Mr. Krohner, second Mr. Hanright, to adopt Specifications for Town of New Hartford General Requirements for Sewer Lateral Connections; unanimously approved.

MOTION Mr. Michaud, second Mr. LeClaire, to refer the application for permission to connect to the Town of New Hartford sewer system to First Selectman's office to have the permit application reviewed and approved by their contact at the United States Department of Agriculture; unanimously approved.

8. ORDERS TO CONNECT; DEFERRALS; FINAL ORDERS; DEFERRAL ORDERS:

Mr. Krzys explained that notices were sent out to 35 possible abutters requiring connection to the sewer line; of those, 3 had been unclaimed and would need to be researched and re-sent. Of the 32 that were officially received, 15 had requested deferrals of the order to connect. Mr. Krzys stated that three had cited economic circumstances, of which one request had already been officially confirmed as valid. Three abutters claimed that they were more than 300 feet from the sewer line, but had not yet submitted maps that documented this assertion. Two had claimed that the Town had told them they would never be required to connect, one of which had some information that appeared to support this claim. Four said the topography of their property made connection financially infeasible, and one stated they had recently installed a new septic tank. Six had stated that they were not in fact direct abutters to the sewer line. Mr. Krzys explained that the Board could only require connection of those who directly abutted the sewer line. He stated that one person had stated that they were already connected and billed, and this was verified with Computil.

Mr. Krzys said that the Board's legal counsel had already drafted a sample order to connect and sample deferral order. The Board discussed the possibility of scheduling a special meeting on June 20th to further discuss the deferral requests.

9. BUDGET REPORT:

Mr. Michaud distributed copies of his report to the Board. He explained that the septage receiving contract provided a significant cushion, noting that a 1% rate increase roughly equated to an additional \$8,000. He stated that his projections assumed 15 new users connected to the sewer system as of the second quarter of next year, but did not include any connection of Cottage Street. The projections also assumed the current 61%/39% split of debt service payments as well as set-asides for water capital improvement projects and anticipated maintenance issues at the sewer treatment plant, the planning for which was required by the USDA. The projections also included the \$105,000 from the septage agreement with Russ's Septic Service and the increased costs associated with sludge removal. Mr. Michaud explained that he ran his projections with and without the \$130,000 general fund repayment to the Town and with and without the deferral of the principal portion of the USDA loan. With deferral of the principal portion of the USDA loan, the Board was in good shape and could potentially have a 0% rate increase while still having \$40,000 left over after all costs were paid. If the principal portion were not deferred, the Board would break even with a 1% rate increase. If the rate were 1% this year and 2% per year for the next four years thereafter, the Board would have approximately \$100,000 available after costs were paid. Mr. Michaud stated that, if the Town chose to forgive the \$130,000 repayment to the general fund, then the users could potentially see a rate reduction.

Mr. LeClaire asked whether renegotiation of sewer and water contracts had been factored into the projections. Mr. Michaud stated that they had been included; however, he did not want to go into detail on this issue citing pending negotiations. Mr. Michaud asked Mr. Jerram if he could speak with the BOF to add discussion of the general fund repayment to their next meeting agenda, and Mr. Jerram stated that he would do this. Mr. Jerram asked what would happen to the budget projections if the plant stopped receiving septage. Mr. Michaud stated that he could put this information together for the next meeting.

The Board briefly discussed the possibility of constructing a temporary enclosure for the influent area of the plant. Mr. LeClaire stated that this could potentially be done at a reasonable cost with a fiberglass structure with any money left over after the USDA change order. Mr. Michaud stated that he had asked Mr. Hofmann to provide to the Board a quote for this work so that the Board would be able to take action on this matter at the next meeting in as cost effective a manner as possible. He noted that this exact issue had been listed on the first change order request submitted to the USDA.

WPCA Minutes - 060613

10. REQUEST TO SUSPEND FLAT RATE SEWER PAYMENT FOR SPECIFIC CUSTOMER:

The Board again discussed the flat rate currently charged to sewer-only customers and agreed to research this issue further. Mr. Rosengren stated that he would send Mr. Michaud a copy of the email he had received from Computil regarding Blue Sky Foods.

11. OLD BUSINESS.

A. Fire Hydrants.

Mr. Krzys stated that the Fire Chief would be coming to next month's meeting.

B. New Electricity Provider.

Mr. Krohner stated that he had signed a contract with a new provider named Gulf Electric for a lower electrical rate of 7.2 cents per kilowatt, which was good until December 31. Mr. Krohner stated that he had already spoken with Lila Tuxbury in the Finance office. He noted that the Board had previously used Liberty Power with a rate of 8.4 cents per kilowatt.

12. NEW BUSINESS:

No business was discussed.

13. ADJOURNMENT:

MOTION Mr. LeClaire, second Mr. Krohner, to adjourn at 9:25PM; unanimously approved.

Respectfully submitted,

Stacey M. Sefcik
Commission Clerk