

**WATER POLLUTION CONTROL AUTHORITY
REGULAR MEETING MINUTES
THURSDAY, MARCH 6, 2014 – 7:00PM
ANN ANTOLINI SCHOOL LIBRARY – 30 ANTOLINI ROAD**

PRESENT: Chairman Bill Michaud, Denton Butler, Robert Fulton, Mary Beth Greenwood, Kenneth Krohner, Steve Hanright, Michael LeClaire; First Selectman Dan Jerram; Jason Hofmann, The Water Planet; Susan Suhanovsky and Steve Cerruto, Torrington Water Company.

ABSENT: None.

Chairman Bill Michaud called the meeting to order at 7:06PM. All regular members present were seated for the meeting. The proceedings were recorded digitally and copies are available at Town Hall.

1. APPROVAL OF MINUTES:

A. February 6, 2014 regular meeting.

Mr. LeClaire stated that in the motion made in agenda item #6, he was the second person who voted in opposition; his name should therefore be put in place of the blank space in the minutes.

MOTION Mr. Butler, second Mr. Krohner, to accept the minutes of the February 6, 2014 regular meeting as amended; unanimously approved.

2. OPPORTUNITY FOR PUBLIC COMMENT:

Maria Moore, Town Hill Road, addressed the Board as a system user with three questions. Ms. Moore noted that the Board was required to have a certain amount of users and nonusers; she questioned whether the same held true for the Board's membership on the WWTP debt refinancing committee. Ms. Moore suggested that Ms. Greenwood participate in the subcommittee as she was both a user and nonuser, as well as a Town business owner. Mr. Hanright noted that the membership of the WWTP subcommittee had always been 2 nonusers and 1 user, even before the recent membership change. Mr. Michaud also stated that the subcommittee is an advisory body and does not set policy; anything agreed to at the subcommittee had to be brought back to the WPCA at large for their approval.

Ms. Moore's second question was regarding ex officio members of the Board. Noting that there were now some nonmembers who were helping the Board in this capacity, she questioned what the necessary qualifications would be and how one got appointed. Roy Litchfield addressed the Board to state that while he was assisting with a study on behalf of the Board, he was not an ex officio member of the Board. Mr. Jerram stated that, as First Selectman, he was an ex officio member of all Town boards and commissions. Mr. Michaud concurred, stating that Mr. Jerram was the Board's only ex officio member; however, the Board welcomed the assistance of concerned citizens with special projects as they arose.

Ms. Moore then expressed concern that the Board was not capturing all income possible in the fact that there was a line item on the Town budget for payment of \$14,700 to Torrington Water Company for fire hydrants. She noted that all other Town fire companies were required to pay for their water. Susan Suhanovsky, president of Torrington Water Company, addressed the Board to explain that this payment was for fire protection for mains and hydrants, mostly mains, that passed through the Town of New Hartford. She noted that the towns their mains passed through paid for fire protection; however, this was offset by property taxes so the net effect was minimal. Ms. Suhanovsky stated that this did not pertain to the fire hydrants owned by the Board; this payment was for mains and hydrants that went down Whitbeck Road and nearby streets to get to Burlington. She explained that this pertained to the connections made as a result of the Mitral Corporation site's environmental cleanup. Mr. Michaud concurred, noting that the Board did charge for hydrants on their system; however, these hydrants were not.

3. MONTHLY REPORT – THE WATER PLANET.

Mr. Hofmann briefly reviewed his monthly report. He stated that permit compliance had been maintained over the month of February. Average daily flow decreased to 49,000 gallons per day, and 32,500 gallons of sludge had been removed for disposal. Mr. Hofmann said that in February they had processed 9 trucks of septage, which equaled 26,000 gallons.

Mr. Hofmann said that they had gotten an alarm call on February 11th for a jet pump failure, which usually indicated that wear rings were deteriorating. He explained that they were periodically checking on the wear rings and would ultimately replace them if necessary. Mr. Hofmann said that they currently had two spare wear rings, but he did not want the supply to go down to only one as they took several months to come in once ordered. He stated that the price for just the rings was \$5500; purchase and installation was approximately \$6800.

On February 14th, Mr. Hofmann stated that there was a communications failure alarm at both Prospect Street and Greenwoods pump stations; it happened again on February 20th. He explained that they had called out Aaron Associates to investigate the problem, and it was discovered that the telemetry equipment at the top of the Greenwoods building was damaged; the unit at Greenwoods was communicating only intermittently with Prospect Street. Mr. Hofmann said that they were getting an estimate for repairs, but he did not think it would be more than a few hundred dollars to repair. He explained that if an alarm went off at Greenwoods and the telemetry equipment was not working properly, they might not be aware of the problem as quickly as they should be.

MOTION Mr. Butler, second Mr. Krohner, to authorize Chairman Bill Michaud to act on behalf of the Board to approve up to \$7000 for repairs to both the wear rings and the Greenwoods pump station telemetry equipment; unanimously approved.

4. MONTHLY REPORT – TORRINGTON WATER COMPANY.

Susan Suhanovsky, President of Torrington Water Company (TWC), and Steve Cerruto, Vice President of Operations for Torrington Water Company addressed the Board. Mr. Cerruto distributed a monthly report at the meeting but offered to have it prepared ahead of time if the Board preferred.

Mr. Cerruto stated that there were no call-before-you-dig requests and all water quality tests were within normal limits. One customer had requested their meter be tested. Total system production from both treatment plants was 3,678,700 gallons with an average of 131,382 gallons per day. Maximum usage per day allowed was 450,000; therefore, the Town was well within its limits. Mr. Cerruto said that of that amount, 2,443,300 total gallons overall and 80,118 gallons per day came from Blackbridge Well.

Mr. Cerruto updated the Board on repairs that had been made to date. At Blackbridge Well, they had changed all locks to one master lock. The chemical feed pump wiring had been repaired and brought up to code. A new outlet had been installed and brought up to code. Their IT staff had looked at the chlorine analyzer to see if it could be repaired or if it would have to be replaced; it did need to be replaced, however TWC had a spare available for the Town to use. Mr. Cerruto stated that they installed the spare temporarily; however, the Town's pH analyzer was also not working properly and would need to be replaced. Since new units could be purchased that analyzed both chlorine and pH, they were getting price quotes for a new system for the Town. He explained that the backwash reclaim tank had also been cleaned out by Russ's Septic Service. Once this was done they found that the float system was disconnected, which meant that the system flushed more than it should which is why it overflowed. Mr. Cerruto explained that it was backflushing several times per day instead of just once. This had been repaired, and it was now working well.

WPCA Minutes - 030614

The dehumidifier at Blackbridge was now functional; it appeared to have not been working for a while as there was evidence of deterioration on metal surfaces. Mr. Cerruto said that they were having a technician from the company that installed the system come to visit the site and give an opinion regarding the deterioration to the metal. He explained that TWC's technician felt that it was cost-prohibitive to fully repair the dehumidifier. They were therefore getting estimates to replace the system and would use some of the money that had been appropriated by the Board. He explained that the next priority repair would be the air compressor. Mr. Cerruto said that they were obtaining estimates for repairs at Pine Meadow as well.

Mr. Butler stated that he, Mr. Jerram, and Mr. Krohner had walked through both plants with TWC prior to signing the agreement, and he had visited the plants again after TWC took over. Mr. Butler said that there was a visible improvement already in both plants, and TWC had cleaned them up immensely already.

The Board briefly discussed with Mr. Cerruto, Ms. Suhanovsky, and Mr. Jerram the issue of how to properly account for water that passes through the system but cannot be linked to a specific customer, such as that used at the wastewater treatment plant. Mr. Michaud noted that public facilities do receive a bill; however, the Board did not charge itself for the wastewater treatment plant. Ms. Suhanovsky questioned whether the Board wanted them to generate a bill or simply keep track of production. Mr. Michaud requested that they track production.

The Board agreed to designate Denton Butler as their point of contact for the Torrington Water Company.

5. BLUE RIDGE, LLC DEVELOPMENT.

Karl Nilsen addressed the Board on behalf of his client, Blue Ridge Development, LLC. Mr. Jerram suggested to the Board that, because of the size and complexity of the issues involved in Blue Ridge Development's proposal, the Town's boards and commissions should be represented by one overarching counsel on all issues related to this development. He recommended having this issue coordinated by the Land Use Office and the Town's land use attorneys Branse, Willis, and Knapp.

Mr. Jerram suggested a preliminary meeting between the Land Use Office, Mr. Nilsen, and Mark Branse. He said that Mr. Michaud should attend that meeting and report back to the Board at large. Members agreed with this proposal.

MOTION Mr. Butler, second Mr. Krohner, to accept the First Selectman's recommendation to have the Town's land use attorney and the Land Use Office represent both the Town and the Water Pollution Control Authority in preliminary discussions with Blue Ridge Development, LLC; unanimously approved.

Mr. Nilsen noted that the applicant in land use applications is often required to pay the Town's professional review fees; he expressed concern about having his client also pay for addressing WPCA concerns. Mr. Jerram stated that the Town would pay for this initial consultation in order to make sure all involved parties were aware of all the legal requirements for this type of application.

6. COLLECTIONS AND LIENS PROCESS.

Mr. Butler explained that he and Mr. Fulton had reviewed possible lien notices and lien procedures, and they developed a possible 7-step procedure for the Board to review. Mr. Butler said that he had had TWC review the document, and they had no issue with following it. He suggested that the Board should first adopt Torrington Water Company's Rules and Regulations, and he noted that the document the Board was reviewing contained language providing notice to New Hartford WPCA customers regarding the differences in the regulations for them versus TWC's other customers. Mr. Butler explained that the largest difference is that TWC as a private company is

WPCA Minutes - 030614

regulated by the Public Utilities Regulatory Authority; however, New Hartford's WPCA is regulated by Connecticut General Statutes.

Mr. Butler then reviewed the proposed steps in the collections and liens process, noting that sample letters were attached to the proposal document. Starting Day 31 from receipt of statement, any customer with any overdue bill of any amount would accrue a 1.5% interest charge. A late notice would be sent out by TWC as per the sample. This was in the nature of a "friendly reminder".

Any account overdue \$500 or more for 120 days or longer would be subject to lien placement per rules adopted by the WPCA at earlier meetings. Mr. Butler expressed the opinion that the period from day 31 to 120 days was a sufficient time period in which a customer could make arrangements to bring their account current. Therefore, a followup late notice would then be sent out with slightly stronger language warning of the possible filing of a lien.

The lien process would then begin as per Sections 7-258 and 7-239 of the Connecticut General Statutes, with another late notice sent to the delinquent customer. TWC would then advise the WPCA's clerk in New Hartford of the account's status. Any account that is not paid in full within two weeks of this last notice would then have a lien place on the property. Mr. Butler noted that arranging a payment plan would not prevent placement of a lien; only full restitution of the past due bill would prevent a lien from being filed. The Declaration of Lien would be filed and copies of the pertinent paperwork would be sent to the delinquent customer. Once the account had been brought current, the lien could be released.

Mr. Butler recommended that the Board adopt TWC's Rules and Regulations, their Estimated Meter Reading procedure, and their Tenant-Landlord Agreement. Ms. Greenwood questioned whether this process would result in any costs for the Board. Ms. Suhanovsky explained that they traditionally pass all costs associated with filing and removal liens on to the delinquent customer.

The Board then discussed how to address those accounts already considered delinquent, given that notice had been sent out several months ago to these property owners. Mr. Butler and Mr. Michaud concurred that these properties should be liened once all legal steps were followed; however, since several months had lapsed from the last notice, it would be courteous to send one final reminder to these properties first. Members agreed that since this new policy was going to be stricter than what was enforced in the past, it would be best to provide one last warning to those accounts already delinquent.

Ms. Suhanovsky pointed out that the Town can only lien property owners. She explained that TWC also does shut off service to tenants if they have an agreement in their lease that they are responsible for payment of the water bill. She stated that a shutoff notice often gets the attention of a delinquent customer, payment is often received in an effort to prevent shutoff. If the tenant does not have such an agreement in place, then they lien the property owner. Ms. Suhanovsky said that while this proposed policy was similar to TWC's, it did not include a shutoff notice. She suggested that the Board consider including a shutoff notice 10 days prior to shutoff, and also whether the Board wanted TWC to go to the customer's property for payment prior to shutoff. Ms. Greenwood questioned whether the property owner would be advised that service was being shut off for one of their tenants; Ms. Suhanovsky responded affirmatively.

The Board discussed including a shutoff notice between steps 5 and 6 on the proposed document, at 91 days from the date of the statement. Shutoff would occur within 10-15 days after that notice. This would be implemented for any level of delinquency. Ms. Suhanovsky assured the Board that TWC does make every effort to work with customers prior to reaching the point of shutting of service. She noted that TWC does charge a \$25 shut off and reconnect fee.

WPCA Minutes - 030614

MOTION Mr. Krohner, second Ms. Greenwood, to adopt the policy discussed on the document entitled "Lien Notices and Procedures" developed by Denton Butler and Robert Fulton.

Mr. Michaud suggested an amendment to this motion to add the following: "amended as follows: (1) insertion of an additional step between steps 5 & 6 to issue a shutoff notice at 91 days which would signal shutoff within 10-15 days subject to all pertinent WPCA shutoff and reconnection fees; and (2) those who are currently past due that are potentially at risk of shutoff notice or intent to lien will have their accounts treated as if today is 91st day past due". Both Mr. Krohner and Ms. Greenwood concurred with the proposed amendment.

Members voted unanimously to approve the proposed amendment to the motion on the floor. The Board members then voted on entire motion as follows:

MOTION Mr. Krohner, second Ms. Greenwood to adopt the policy discussed on the document entitled "Lien Notices and Procedures" developed by Denton Butler and Robert Fulton amended as follows: (1) insertion of an additional step between steps 5 & 6 to issue a shutoff notice at 91 days which would signal shutoff within 10-15 days subject to all pertinent WPCA shutoff and reconnection fees; and (2) those who are currently past due that are potentially at risk of shutoff notice or intent to lien will have their accounts treated as if today is 91st day past due; unanimously approved.

MOTION Mr. Krohner, second Mr. Butler, to adopt The Torrington Water Company's Rules and Regulations subject to provision as outlined in the special notice "To Our Customers"; unanimously approved.

7. WWTP DEBT ALLOCATION FRAMEWORK.

Mr. Michaud reminded the Board that the WWTP Debt Allocation subcommittee had asked its members to go back to their respective boards to discuss the possibility of a 25%-75% split of the WWTP debt repayment. At the February 2014, the WPCA had voted to reaffirm their original position that the split should be 19%-81%. Mr. Michaud explained that since that meeting, he had met with the First Selectman and had attempted to create a compromise plan that met the needs of the system's users while demonstrating the Board's good faith efforts to become self-sustaining to the Town at large. As a result, he had developed a document entitled "Proposed 5-Point Framework for Reallocation of WWTP Debt" dated March 6, 2014 which had been emailed to all Board members.

Mr. Michaud briefly explained his proposal. He suggested lowering the surcharge that users pay while using money from the Board's sinking fund such that the net effect to users would be a payment that approximates the 19% share of the debt, while still providing 25% to the Town over the next four years. Thereafter, the payment would be based on a sliding scale determined by how many new users were added to the system.

In exchange, the WPCA would request that the Board of Selectmen and the Board of Finance work to help the WPCA move forward on the Cottage Street sewer extension, the provide low-cost loan funding for installation of laterals to residents who are required to connect to the sewer line, and restructure the outstanding \$130,000 loan due from the Board to the Town. As a sign of the Board's intention to become solvent, they would set up a collections program; Mr. Michaud noted that this has now just been accomplished. Mr. Michaud asked members to review his proposal, and if they endorsed it, it could be brought back to the next subcommittee meeting.

Mr. Krohner questioned whether those who were given a loan for construction of a lateral would have a lien placed on their property until the loan was paid in full. Mr. Jerram stated that there would have to be a lien placed. If the property was sold, the loan would then be paid in full.

WPCA Minutes - 030614

Members generally approved of the proposal, and Mr. Jerram observed that Mr. Michaud's plan addressed many of the other Town boards' concerns.

Mr. Butler noted that the Town had formed a Clean and Wastewater Taskforce to evaluate whether the management of the Town's sewer and water systems should remain as is, become a fully municipally operated system, or be sold in such a way that the sale met the needs of users and nonusers alike. He observed that the work of this taskforce had not yet been completed, and he questioned whether an agreement such as Mr. Michaud proposed should be undertaken given that the taskforce had not yet fully explored the possibility of selling these assets. Mr. Jerram stated that at the present time the Town had not received any bona fide offers for purchase of these assets. He noted the system had attractive and unattractive features, and that could be a challenge to obtain an offer that exceeded the amount of debt currently outstanding. Mr. Fulton and Ms. Greenwood suggested that the issues Mr. Butler brought up could still be researched and addressed; however, in the meantime, the proposal Mr. Michaud developed would provide relief to users now. Mr. Butler stated that he respectfully disagreed.

Mr. Butler then questioned why Cottage Street was the first sewer line extension being discussed, not Pine Meadow. Mr. Michaud explained the process that the Board had gone through with Wright-Pierce in determining possible locations for sewer line extensions. The cost for Cottage Street extensions would be \$1.7 million. While Pine Meadow was also a priority, the cost would be \$4.1 million. The Board therefore moved forward with the lower cost option. Mr. Butler pointed out that aquifers were present in Pine Meadow, and it had been discussed with the State in 2008 that the Town's oldest houses and oldest septic systems were in Pine Meadow. Mr. Michaud said that he was amenable to amending item #2 in his proposal such that the location of the future line extension was more open-ended. He suggested changing the wording to "Make good faith effort to extend sewers in the sewer service area."

Mr. Jerram suggested that the Board would probably want to provide specific information regarding the amount of money required for items #3 and 4. Mr. Michaud said that he could get estimates from Wright-Pierce for the approximate cost to install laterals. With regard to restructuring the Town's loan, Mr. Butler said that other parties might want to know how the Board was going to ensure that they made good on their promise to repay this loan such that it would not again be restructured in the future. He suggested that perhaps the Board show good faith to the Town's other boards by using \$122,000 of their available funds along with \$8000 from their operating budget to pay back this loan right now such that it was one less loan outstanding. Mr. Jerram expressed concern that doing so would leave the Board with very tight cash flow. Mr. Butler noted that the Board was anticipating approximately \$179,000 in receivables and would likely see increased payments as a result of the collections policy they had just adopted. Ms. Greenwood questioned whether the Board was obligated to use the surcharge monies only for WWTP debt. Mr. Michaud concurred, noting that the surcharge funds could only be used for capital improvements; however, the loan from the Town was largely operating expenses and consulting fees. Mr. Jerram stated that, while the terms of the loan were not clear on this point, he doubted that the intention to require a lump sum one-time payment. He noted that a payment of \$130,000 was large for an operation that generated \$500,000 in revenue yearly. Mr. Jerram cautioned against making such a large payment that could possibly put the Board in the position of having to borrow from the Town again.

MOTION Mr. LeClaire, second Mr. Butler, to endorse the "Proposed 5-Point Framework for Reallocation of WWTP Debt" dated March 6, 2014 prepared by Bill Michaud and to forward it for review by the WWTP Debt Allocation Subcommittee with the change in item #2 as follows: "Make good faith effort to extend sewers in the sewer service area."; unanimously approved.

Maria Moore, Town Hill Road, observed that users have paid been overpaying on the WWTP debt for the past two years by paying the 61% share of the debt. She questioned whether the Town could therefore apply these overpayments to the \$130,000 loan due from the WPCA.

WPCA Minutes - 030614

8. MUNICIPAL LOAN MODIFICATION REQUEST.

Mr. Michaud informed the Commission that Mr. Jerram had sent a letter to the Board dated February 26, 2014 detailing a process by which the Board's loan repayment to the Town could be modified. Mr. Jerram then explained that in order to modify the \$130,000 loan repayment, the Board should make a formal request. He suggested a process by which this request should be made. Mr. Jerram suggested that the request be sent to the Board of Selectmen, who would then forward it to the Board of Finance for their review. After this, the proposal would go to Town Meeting. He recommended that the Board develop information that shows specifically what the Board was requesting and how the repayment schedule would work. Mr. Jerram suggested laying out a quarterly repayment schedule. He also noted that there were procedural and timing requirements that had to be met before such a proposal could go to Town Meeting.

MOTION Mr. LeClaire, second Mr. Krohner, to approve the proposal for requesting a loan modification as described by First Selectman Dan Jerram in his letter dated February 26, 2014 and to forward the loan modification request to the Board of Selectmen for their consideration; unanimously approved.

9. CUSTOMER CONCERNS.

A. 130 Reservoir Road, Unit 8:

Mr. Michaud said that he had just received information regarding this request, but he had not had time to evaluate it. He suggested that the Board send notice to TWC to put the account on hold until the relief request issue had been addressed.

The Board agreed to table this matter to the April meeting.

10. OTHER BUSINESS PROPER TO COME BEFORE THE BOARD.

A. Minutes of the WPCA.

Mr. Butler expressed concern that minutes were not being filed in a timely manner and that documents discussed during meetings did not appear to be attached to filed minutes. He recommended filing draft minutes at least so the Board could remain legally compliant.

MOTION Mr. Butler, second Mr. Krohner, to adjourn at 9:14 PM; unanimously approved.

Respectfully submitted,

Stacey M. Sefcik
Commission Clerk