

**WATER POLLUTION CONTROL AUTHORITY
SPECIAL MEETING MINUTES
THURSDAY, OCTOBER 24, 2013 – 7:00PM
NEW HARTFORD TOWN HALL – 530 MAIN STREET**

PRESENT: Chairman Robert Krzys, Steve Hanright, Kenneth Krohner, Michael LeClaire, Bill Michaud, David Rosengren.

ABSENT: Joe Nerney.

Chairman Robert Krzys called the meeting to order at 7:00PM. All regular members present were seated for the meeting. The proceedings were recorded digitally and copies are available at Town Hall.

1. OPPORTUNITY FOR PUBLIC COMMENT:

No business was discussed as no one was present who expressed a desire to speak.

2. REPORT OF WPCA SUBCOMMITTEE MEMBERS AS TO USDA DEBT; POSITION OF WPCA WITH RESPECT TO CONSENSUS REACHED AT THE JOINT MEETING WITH THE BOARD OF FINANCE, BOARD OF SELECTMEN, AND WPCA HELD OCTOBER 21, 2013.

Mr. Krzys explained that he, Mr. Michaud, and Mr. Rosengren were present at the October 21st subcommittee meeting. That meeting resulted in a tentative plan that was endorsed by all three selectmen as well as three members of the Board of Finance (BOF). Mr. Krzys explained that the BOF was also taking this plan back to their full board for their review at the next regular meeting. Mr. Michaud noted that while the discussions touched on the allocations of the savings from the USDA grant, most of the discussions focused on the percentages of the USDA loan payment allocated to existing users, new users from sewer line extensions and economic development, and the Town as a whole. He said that it appeared that all present at the subcommittee meeting agreed that existing users should be responsible only for the 19% as stated in the original informational flyer, and payment of the 42% originally anticipated as coming from sewer line extensions and economic development should therefore shift to the Town as a whole. Mr. Michaud explained that there was discussion and agreement with the idea of having any future new users contribute to the debt repayment via benefit assessments or connection fees, thereby reducing the portion of the 42% paid by the Town.

Mr. Michaud stated that he had done some calculations based on this proposal. He explained that, if the existing users paid 19% and the Town as a whole paid the rest of the loan payment, then the Town's total payment would be \$159,570, and the WPCA's share would be \$37,430. Mr. Michaud observed that, prior to the Town receiving USDA grant funds, the Town's anticipated 39% share of the debt service payment had been \$160,100. Therefore, as a result of the savings the Town received from the USDA grant, the next effect of this new subcommittee proposal was that the Town would have a nearly identical payment to that which it would have had had the plan detailed on the original flyer worked as intended. Taxpayers would therefore see no different in their annual tax rates arising from this proposal when compared to the plan originally detailed on the flyer. He noted that, if the existing users got full credit for the USDA loan the Board had obtained, then the existing users would have already paid their total share of the debt service payment.

Mr. LeClaire verified that the portion currently expected to be paid by the existing users is \$120,000, and under the new proposal, this would decrease to \$37,430; he expressed approval of this plan noting that it provided considerable relief to existing users. Mr. Rosengren reiterated that the Town would not be paying anything more than that which they had agreed to on the original flyer distributed by the Town. He also noted that it had been discussed at the subcommittee meeting that the existing user base should be given a credit for those two initial years where they had paid approximately \$77,000, which was greater than the 19% share. Mr. Krzys concurred, stating that there had been a discussion that the existing user base somehow had to recapture excess funds paid in years 1 and 2 of the loan term; however, the details had not been worked out. Mr. Krzys suggested that the credit could potentially take the form of reducing the total amount due from the WPCA to repay a previous loan made by the Town to the Board.

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Mr. Krzys also explained that there had been consensus at the joint meeting that this proposal would not be required go to Town Meeting or a referendum. This proposal would be included in the annual Town budget, which was the subject of referendum every year. The budget referendum would then in effect include a referendum on this proposal. The Board briefly discussed the ability of Town residents to veto specific lines of the Town budget.

MOTION Mr. Rosengren, second Mr. Krohner, to adopt the following resolution:

“Acknowledging that a case can be made for future annual payments of zero percent by the existing user base for the last 28 years of the USDA loan, and also acknowledging that the crux of this problem and therefore the solution to the problem lies with future sewer line extensions, nevertheless the Water Pollution Control Authority supports the consensus of the joint subcommittee that the allocation of the existing debt service of the USDA loan should be allocated 19% to the existing users.”

The motion was unanimously approved.

Mr. Rosengren thanked Mr. Michaud for his tremendous efforts compiling information and analyzing the Board's financial data, as well as Mr. Krzys for his leadership on this issue. He expressed the belief that the Board needed to emphasize in its discussions with other Town boards that there is a larger issue of concern to the entire Town, and that the solution to that larger issue is expansion of the user base and increased economic development. He noted that New Hartford had the second highest user rates in the entire state, and he stated that the entire Town needed to step up and work together with the Board on addressing this larger issue. Mr. Michaud concurred, stating that while this proposal was a good start, it was not a long-term solution.

Mr. Krzys also thanked Mr. Michaud for all of his work on this issue. He then thanked Ben Witte of the Board of Finance for his efforts on behalf of the WPCA at the joint meeting.

3. DISCUSSION OF ONE-MONTH EXTENSION OF UNITED WATER OPERATOR CONTRACT:

Mr. Krzys informed the Board that the operator contract with United Water was terminated as of December 7, 2013; however, United Water had offered a 90-day extension. He explained that he was recommending a one-month extension to January 7, 2013 due to the fact that the next quarterly meter reading was scheduled to take place at the end of December. Mr. Krzys expressed concern that having a new operator handle the meter reading so soon after taking over would cause confusion. He noted that an operator-only bid had been received from VRI, and an operator and billing bid had been received from Torrington Water Company. Mr. Krzys stated that he had also received a bid for billing only from Computil, the company currently responsible for the Board's billing. Mr. Krzys explained that the terms of the one month extension would be identical to those of the original contract, with the exception that rates would be linked to the Consumer Price Index.

MOTION Mr. Rosengren, second Mr. LeClaire, to approve a one-month extension of the United Water operator contract as per the terms detailed by Chairman Robert Krzys; unanimously approved.

4. ADJOURNMENT:

MOTION Mr. LeClaire, second Mr. Krohner, to adjourn at 7:28PM; unanimously approved.

Respectfully submitted,

**Stacey M. Sefcik
Commission Clerk**