

**WATER POLLUTION CONTROL AUTHORITY
REGULAR MONTHLY MEETING
TUESDAY, APRIL 12, 2011**

MEMBERS PRESENT: Steven N. Wawruck, Jr., Jeffrey Ives, Denise Balboni, Kevin Brace, Joseph Calsetta, Dennis DeMaine, and Gary Laurito

MEMBERS ABSENT: John McSweegan
Dana Steele, Town Engineer, Ex Officio

ALSO PRESENT: Scott C. Lappen, Director of Public Works, Ex Officio
Gary Kuczarski, Superintendent
Heather Kane, Recording Secretary

CALL TO ORDER: Steven N. Wawruck, Jr. called the meeting to order at 5:30 p.m.

MINUTES: Gary Laurito made a motion: **TO ACCEPT THE MINUTES FROM THE FEBRUARY 8, 2011 REGULAR MONTHLY MEETING AS PRESENTED** - Seconded by Joseph Calsetta. Without further discussion, the motion to approve the minutes passed 6 – 0, with one abstention for Jeffrey Ives.

Steven N. Wawruck, Jr. requested a motion be made to add Bickford Health Care Center to the agenda. Kevin Brace made a motion: **TO ADD BICKFORD HEALTH CARE CENTER TO THE AGENDA AS ITEM B UNDER OLD BUSINESS** – Seconded by Joseph Calsetta. Without further discussion, the motion passed unanimously.

PUBLIC INPUT: None.

FINANCIAL REPORTS:

- a. **February 2011 Cash Reports:**
- b. **March 2011 Cash Reports:**
- c. **CD Investment – update and changes:**

Gary Laurito made a motion: **TO ACCEPT THE FINANCIAL REPORTS OTHER THAN WHAT WAS RECEIVED TONIGHT** – Seconded by Joseph Calsetta. Steven N. Wawruck, Jr. stated that the motion includes all financial reports except for the March 2011 CD report. Without further discussion, the motion passed unanimously.

- d. **Atty. Chadwick's Quarterly Update – Delinquent Accounts:**

CORRESPONDENCE: Gary Kuczarski stated that he was just notified yesterday that the DEP has granted the WPCF permission to remove the IFAS media from the racks that were removed from the tanks in 2010.

Steven N. Wawruck, Jr. requested a motion be made to add to the agenda an e-mail from Atty. Scott Chadwick. Joseph Calsetta made a motion: **TO ADD THE E-MAIL FROM ATTY. SCOTT CHADWICK TO THE AGENDA AS ITEM C UNDER CORRESPONDENCE** – Seconded by Dennis DeMaine. Without further discussion, the motion passed unanimously.

- a. **Ahlstrom – Removal of Pump House:** Ahlstrom is requesting that the WPCA remove the pump house that is located right next to Main Street. Masonry has been falling off of it making it a safety concern. This pump house has been abandoned for about the last 20 years. Removal of the pump house would most likely require the pumping out of the ground water that is currently in the wells of the pump house, removing the structure on top, drilling holes in the foundation, filling the holes with sand, cutting the foundation and wet well to make it grade, and repaving the parking lot. The WPCF does not use this pump house at all. Ahlstrom, though, has their parking indicators located on the building and may at minimum store a barricade inside. This is the only abandoned pump house in Town.

The new pump station is located off the back of Ahlstrom's parking lot. The sewer line circumnavigates the old pump station. The Town probably has some easement rights on the property as the sewer lines do run through it.

Ahlstrom did approach the WPCF about the building a couple of years ago in an informal manner. At that time it never came before the Authority.

Gary Kuczarski does not know how much it would cost. Scott Lappen suggested that the Board authorize Mr. Kuczarski to research what it would cost. Mr. Kuczarski believes Ahlstrom is looking to have the pump house removed as soon as possible. Steven N. Wawruck, Jr. suggested discussing it further during the budget item on the agenda.

- b. **Tighe & Bond – Facilities Plan Status Report:** Back when the Facilities Plan started, the WPCA appropriated \$100,000.00. The State had not finalized their paperwork at that time, but the WPCA did not want to lose the window of opportunity to do the inflow and infiltration study during a wet spring. Tighe & Bond drew up a separate agreement for the sewer system evaluation study with the WPCA totaling \$113,182.00. On January 13, 2004, the WPCA approved the transfer of \$13,182.00 to cover the difference. There was a delay between when the project started and when the State came out with the rules and regulations pertaining to the grant. The WPCA officially funded \$113,182.00; the total local share of the project per agreement came to \$123,210.00. The WPCF is looking for an additional appropriation of \$10,028.00. Gary Laurito made a motion: **TO FUND UP TO \$10,028.00 ADDITIONAL FROM THE CONTINGENCY RESERVE** – Seconded by Denise Balboni. The contingency fund currently only has \$5,585.58. Gary Kuczarski stated that the WPCF typically overspends in some accounts and then balances the accounts at the end of the year. Steven N. Wawruck, Jr. asked what the dates were on the past due Tighe & Bond invoices for \$2,925.00 and \$4,075.50 respectively. Mr. Kuczarski stated that he would need to look that up. Gary Laurito withdrew the motion until the WPCA can get further information. Denise Balboni withdrew the second.

When Mr. Frederick Mueller did a Facilities Plan presentation for WPCA a few months ago, he reminded the WPCA that they still needed to do the Public Participation part of the Facilities Plan project. The Authority believes that the WPCA would need to go to Planning & Zoning first to get their approval before holding a Public Hearing on the matter of adopting the Sewer Service Area Map. Gary Kuczarski will talk to Mr. Mueller to confirm how they should approach it.

- c. **Atty. Scott Chadwick – Retainer Fee:** A copy of an e-mail Atty. Scott Chadwick sent to Steven N. Wawruck, Jr. regarding a retainer fee was passed out at the meeting. Steven N. Wawruck, Jr. confirmed that the retainer fee of \$4,800.00 noted in the e-mail would be the amount going forward starting with next fiscal year and that it is an annual amount to be paid on a quarterly basis. The retainer fee was dropped at some point but is resurfacing now due to an increase in activities surrounding the delinquent accounts. The draft budget handed out tonight does not include any allocation for this retainer fee though there is already a line item for legal fees that covers the cost related to foreclosures. The WPCA would just need to increase the amount allocated to that line item not only for the retainer fee but also to cover the increased legal activity towards delinquent accounts. The \$2,500.00 allocated to cover costs relating to foreclosures has not been enough the past two years. The current year-to-date expenditure under legal fees is \$7100.00. This is offset by a revenue account that is credited when the WPCF receives payment from the resident. Steven N. Wawruck, Jr. would like to discuss this further during next month's budget discussion in order to completely understand what is coming in as revenue versus what is being expended under legal fees. Gary Laurito made a motion: **TO ACCEPT THE ATTORNEY'S PROPOSAL FOR THE UPCOMING YEAR 2011-2012** – Seconded by Jeffrey Ives. Without further discussion, the motion passed unanimously.

OLD BUSINESS:

- a. **Webster Bank – online payments & lockbox:** Heather Kane informed the Authority that the WPCF staff had a meeting with representatives from Webster Bank last week to initiate the implementation of online payments for the WPCA. The WPCF staff has another meeting set up tomorrow for the implementation of lockbox. The Town has not yet decided to go with Webster Bank for this coming fiscal year. Therefore, the WPCF will open up a checking account at Webster for payments to go into and then funds will be wired from Webster Bank to Bank of America. Barbara Bertrand, Finance Director for the Town, has stated that Webster Bank lockbox is less expensive than the same service through Bank of America. Mrs. Kane will continue to have weekly phone conferences with the implementation team at Webster. The plan is to go live with the online payments July 1st.
- b. **Bickford Health Care Center (BHCC):** Steven N. Wawruck, Jr. requested an update on BHCC since they attended the meeting in February. Bickford's management did provide the WPCF with a photocopy of a plan. Gary Kuczarski also received the actual plans dating back to 1995 from the building department. These plans show the flow from the dishwashers go in the opposite direction away from the grease trap. The only item the plan shows tied into the grease trap right now is the three-bay pot sink. A copy of the fax Gary Kuczarski sent to Michele Carney from Somerset Health Care Management Group was handed out at the meeting. Within this fax, Mr. Kuczarski informed Ms. Carney that BHCC needs to identify where the plumbing is going in the kitchen and recommended they hire a plumber to come in with different dyes to test the lines. In addition, BHCC needs to determine what the capacity is of their current grease trap. WPCF would like to be there when BHCC has the tank pumped out so that they can take measurements. The WPCF has been trying to facilitate how this can be accomplished though there has been very little communication generated on Bickford's end. The right way to do it is to have the tank pumped out right to the bottom, then place a dye in a drain and physically see the dye come into the tank. If the tank starts to fill up, Bickford should put a pump in the tank and pump it out, then put dye down another drain and continue to do it to each drain until it has been determined if each drain is attached to the grease trap. There is a deadline imposed by DEP but it is expected there will be a lot of people throughout the state that will not be able to meet the deadline. Mr. Kuczarski stated that the WPCF is willing to work with BHCC to achieve a solution that will have the least financial impact on them.

NEW BUSINESS:

- a. **FY 2011-2012 Budget Discussion:** A draft of the FY 2011-2012 budget was handed out at the meeting. Gary Kuczarski went over each item on the draft budget which reflects a 0.48% increase at this time.
 - Salaries - the 1.63% increase is basically due to the 104.1% increase in the sewer inspector's position. This number reflects the increase in work due to the projects being done on South Center, Pleasant and Olive.
 - Fringe Benefits – increase reflects new figure received from finance.
 - Audit fee - increased per finance.
 - Capital Projects went up 12.77%.
 - Chemicals – Polymer went up slightly. The sodium hypochlorite went up 37.3%. WPCA was paying \$0.9692/gal; for FY 2011-2012 it went up to \$1.331/gal. The WPCF is looking at increasing the size of the chlorine storage tank. Currently, the WPCF can take in 1500 gallon loads as they have a 2000 gallon tank. If they go to a 3000 gallon minimum load, the price goes from \$1.331 down to \$0.81 per gallon. The sodium hypochlorite is delivered by a tanker truck. There is a shelf life on the load as it does deteriorate. The WPCF uses a steady enough amount though that the shelf life shouldn't affect the load. Gary Kuczarski estimates that the WPCF could save \$11,000 a year if they change to receiving 3000 gallon loads. The WPCF still needs to look at the cost of a new tank. Gary Kuczarski proposes installing the bigger tank where the current tank is stored. The current tank is about 10 years old and the life expectancy of these tanks is right around 10 years. Mr. Kuczarski would like to replace it.

- Contingency - the same. The funds transferred out of contingency need to be added to the spreadsheet for the previous three years.
- Electricity – down 14%. The increase in electricity at Old County Road is due to an increase in activity. There is a lot of grease coming into that pump station.
- Fuel Oil / Natural Gas – The WPCF is going on a lower firm rate with Yankee Gas. The Facility will therefore be staying on gas. Gary Kuczarski dropped fuel oil down 25% and is looking to drop it even further for FY 2012-2013. Natural Gas went down from 1.3/ccf to .7665/ccf due to the new rate.
- Insurance – increased per figure provide by the Finance Dept.
- Legal Fees – increase to \$7500.00 to cover retainer fee and increase in number of delinquent accounts reaching foreclosure.
- Nitrogen Credit Exchange – decreased to \$6685 from \$11,000. Gary Kuczarski is hoping to get it down even further next year. This was previously paid through capitals.
- Safety Training - drops to \$2750.00. Typically WPCF does not do all the training every year.
- Sewer Line Maintenance - decreased since the WPCF does not have to do a complete root control this year. There is just one section that needs to be done.
- Vehicles - increased 62% because WPCA needs rear tires for the VAC-CON. The WPCF priced those out to be \$2400.00 for four tires.

The rate sheet – projecting a need to still take money (\$133,000.00) from the reserve to keep the rate basically the same as this year. The projected rate increases just a penny from \$4.05 to \$4.06 as the rate needs to be an even number in order for it to be divided into two equal installments.

Steven N. Wawruck, Jr. looked for other areas to go to instead of the reserve in order to keep the rate down. Even though there hasn't been a big change in interest rates, the decrease of 40% in the projected interest on investments seems too large of a decrease to Mr. Wawruck and Denise Balboni.

The Operating Fund Balance has a certain amount of money in it. That is where an estimated \$133,000 is coming out of and \$50,000 is added into for the rate calculation. The WPCA would like to see the \$50,000 eliminated from the rate calculation and therefore lower the usage of the operating fund balance. If the WPCA is to be self-sustaining and self-sufficient, the Authority needs to find a way to stop taking out of the fund balance more money than it is putting into it. The initial vision for this fund balance was that it would fund upcoming capital expenditures. This is not happening. The WPCA has to keep fund balance up in order to keep a good bond rating so that it can borrow money. The goal would be to no longer pull from the reserve but instead to have measurable growth each year in the fund balance.

Gary Laurito suggested increasing the rate to something like \$4.10, allocating the extra funds for future projects. Mr. Laurito feels that this would be less of an impact than having a greater increase in any one year.

Jeffrey Ives would like to see a couple of examples of what raising the rate would do to the average bill. Currently, the minimum bill is \$129.74. The Authority wants to know the number of accounts that receive a minimum bill.

The bad debt rate is based on the total amount that remains unpaid at the end of the fiscal year. It used to be 5% but is now 7%. Steven N. Wawruck, Jr. suggested that another way to offset the use of the fund balance would be to get more aggressive in collections. The Town collects 97.5% of tax bills making the municipality's bad debt rate 2.5% - which is very good. People don't understand that the Sewer Bill rates the same as property tax; people are more inclined to pay property tax first. Steven N. Wawruck, Jr. mentioned that maybe there could be cross utilization

between the Tax Department and the WPCA so that funds aren't spent going after the same property. Mr. Wawruck stated that he is looking at different angles just for discussion purposes.

Future capital projects –The plant is aging and coming to a point where a lot of projects are coming up that need to be done. The operators got together and prioritized a list of upcoming capital projects. The draft budget handed out tonight does not include these future capital projects and purchases. The estimated capital for FY 2011-2012 is \$88,000 and it still requires pulling from the reserves. If the Authority takes on one big project like Dexter's at an estimated \$750,000, the rate is going to greatly increase. Therefore, should the WPCA look at grouping all the projects together and bonding it, taking out a loan for a certain amount of years which can then be placed in the operating budget as another debt service.

The WPCF would not be able to do all these capital projects at once. It would work well if the WPCA could get a loan that provides a 5 year window to draw on it. Currently, Gary Kuczarski does not know how to break up these projects per year because that would require involving engineers and there is a cost to that.

Kevin Brace left the meeting at 6:49 p.m.

Jeffrey Ives thinks the WPCA will have to borrow money to fund the list of future capital projects. There is no other way. Large capital projects need to be bonded out but they last a long while - about 20 years. If the WPCA decides to bond the capital projects, then the WPCA can add that amount to debt services and change the rate accordingly. There will always be some other capital items that will come up that are obviously not on the list but hopefully it will be a small expenditure. The previously funded project was \$2M and the WPCA is paying \$103,000 per year for 20 years. This current list of future projects and purchases is about \$2M so the WPCA can roughly see how much of an increase it would be to our operating expenditures. Steven N. Wawruck, Jr. and Jeffrey Ives mentioned that such a plan would require the WPCA to take from the Operating Fund Balance to pay for interest on the debt. Gary Kuczarski is planning on talking to Dave Garand at the Windham WPCA. Mr. Garand is knowledgeable on municipal funding. Jeffrey Ives would like to look at a couple of scenarios to see what an increase in debt does to the use of the fund balance.

At 6:58 p.m. there being no other business to discuss, Joseph Calsetta made a motion: **TO ADJOURN THE MEETING** -- Seconded by Dennis DeMaine. The motion passed unanimously.

Respectfully submitted,

Heather Kane
Recording Secretary