

**TOWN OF WINDSOR LOCKS
WATER POLLUTION CONTROL AUTHORITY
REGULAR MONTHLY MEETING
TUESDAY, APRIL 14, 2015**

MEMBERS PRESENT: Steven N. Wawruck, Jr., Jeffrey Ives, Robert Crochetiere, William Hamel and Gary Laurito

MEMBERS ABSENT: Denise Balboni, Dennis Gragnolati and Michael Russo
Dana Steele, Town Engineer, Ex Officio

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

CALL TO ORDER: At 5:34 p.m., Steven N. Wawruck, Jr. called the meeting to order.

MINUTES: March 10, 2015 Regular Monthly Meeting: William Hamel made a motion: **TO ACCEPT THE MINUTES OF THE MARCH 10, 2015 REGULAR MONTHLY MEETING** – Seconded by Gary Laurito. Without further discussion, the motion passed with 5 votes in favor and 0 votes opposed.

PUBLIC INPUT: None

FINANCIAL REPORTS:

- a. **March 2015 Cash Reports:** Gary Laurito made a motion: **TO ACCEPT THE FINANCIAL REPORTS INCLUDING THE QUARTERLY REPORT HANDED OUT TONIGHT** – Seconded by William Hamel. Without further discussion, the motion passed with 5 votes in favor and 0 votes opposed.
- b. **CD Investments – update and changes:** Please see item (a) under Financial Reports for the related motion.
- c. **Quarterly Reports:** Please see item (a) under Financial Reports for the related motion.
- d. **Delinquent Accounts – Atty. Storms update:** There was no discussion on this topic.

CORRESPONDENCE: None

OLD BUSINESS:

- a. **Clean Water Fund – Dexter’s and Halfway House Pump Stations update:** (Mr. Barry Bernabe, from Phoenix Advisors, LLC, was not feeling well and therefore was unable to make the meeting). Paul Dombrowski understood that the WPCA had expressed some interest in a concept that the Town’s financial advisor posed regarding a way to save some money early on during the construction phase of the project. Typically, there is interim financing, which runs through the course of construction, and then permanent financing, such as a permanent bond or a permanent note. Interim financing would cover the 80% that is not grant funded. The WPCA has the potential of using the Town’s financial group, Phoenix Advisors, to secure short-term financing for the project at an interest rate that is substantially lower than what the WPCA would pay through the state. The state would charge 2% interest while Phoenix Advisors could secure a 0.25% interest rate. The fees per year for the .25% interest rate would be about \$20,000. The WPCA would need to check the economics of the 2% versus the .25% plus \$20,000/year to see which one would cost less. Mr. Dombrowski agreed that it seems like an attractive situation at first glance. Mr. Wawruck asked if it jeopardizes the grant money. Mr. Dombrowski stated he had a long conversation with the state and confirmed with them that it does not jeopardize the grant money. In order to take the best economic advantage of this funding program, the WPCA should make sure the terms line up very well with the project. That really comes down to a scheduling and coordination issue between the short-term financing, the project and getting the state money converted from interim to permanent financing. The state did confirm that even though the WPCA may be providing their own interim funding it can still take grant monies through this program.

Mr. Wawruck mentioned that this .25% is basically bonded loans. Mr. Dombrowski stated that if the WPCA borrows money in addition to this project – its delta in cost on that \$20,000 per year is net zero because the WPCA is already making those efforts and incurring those costs. So there is no added cost if the WPCA is able to align them with other Town projects that the Town is borrowing for. Mr. Wawruck stated that the Town has about \$10M in school projects and road projects for this upcoming year. Mr. Laurito asked if the .25% interest is calculated on the outstanding balance or the total borrowing resolution. It is calculated on the balance. Mr. Dombrowski stated that it is important that everything is well documented when doing the transition from interim to permanent funding. There is a chance, the state would not commit, that any cost incurred through this process can be rolled into the loan and perhaps the grant. So the WPCA could get some monies for their expenditures associated with the short-term debt service. The Authority agreed with this course of action.

Paul Dombrowski left the meeting at 5:41 p.m.

b. Webster Bank update: Mrs. Kane handed out a sheet of information to the Authority regarding the different services that Webster Bank provides that the WPCA has been looking into. The services are as follows:

1. Credit card processing:

- i. Accepts Visa/MC/Discover online through Payment-Link and face-to-face in office. Requires two separate accounts – one for online payments and a separate one for face-to-face payments.
- ii. WPCA can charge a flat convenience fee for only online payments or payments made over the phone. The WPCA is not allowed to charge convenience fees for face-to-face payments accepted in office. Mrs. Kane was thinking of a \$3.50 convenience fee but the WPCA could charge more. It is recommended by the credit card company that any fee be less than \$5.00 per transaction.
- iii. Webster charges Interchange Plus .50% on gross card sales which means the WPCA will be charged a net 2% on gross card sales (.50% Webster fee plus the 1 to 1.5% credit card fee)
- iv. Technology for the face-to-face transactions would be at no cost. The equipment will have the EMV upgrade and be compliant with Apple Pay and Samsung Pay. It is expected to have 5+ years life expectancy.
- v. Both merchant accounts require a \$16.95 monthly Transarmor fee that covers transaction security, quarterly/yearly PCI compliance assessment and \$100K in breach protection.

2. IVR: Webster's automated phone-pay system:

- i. Webster hosts the recorded line that residents can get to by choosing a number on an automated voice system at the WPCA; it is a dedicated 800 number.
- ii. There is a one-time fee for the phone line and the script in English and Spanish.
- iii. There is a fee of \$0.11 per minute.

3. Webster's partnership with Vanco Services:

- i. Vanco Services goes out and collects payments residents made through their own bank's website via ACH
- ii. Currently, the bank issues a check when residents pay through their own bank's website. Checks may have incorrect account numbers that need to be researched. Since these checks are mailed without a return receipt, one must be printed upon receipt. These steps can be time consuming for the WPCF staff.
- iii. Fee is \$40-\$50/month plus a \$40 one time programming fee.
- iv. In July 2014, the WPCA received about 250 bank checks. Mrs. Kane will count how many bank checks were received by the WPCA over the past year to determine if it is cost effective to go with the service.

Mr. Wawruck suggested putting in bold print on the bill "if using bank service please enter the account number in order to streamline the processing of the check."

Residents often ask if we accept credit cards and call to see if they can make a payment over the phone. It does not only happen in July and January. The flat convenience rate will not always recoup what the WPCA will be charged by the credit card companies which will charge a percentage of the transaction. Mr. Crochetiere asked what the state statute is in regards to this. Mr. Wawruck suggested a \$300 credit payment would be very common. On a \$300 credit/debit card payment, the WPCA would be charged \$6.00 by the credit card company and Webster Bank if it was a net of 2%. Mr. Laurito asked if Mrs. Kane has a sample of the report the WPCA would get from Webster for people who are paying by credit card. It would be similar to the reports the WPCA currently receives for people who pay through the Town's website. First Data will only send dollar values by date and type of card. Mr. Laurito would be interested in knowing what kind of report is provided by Webster. The Authority would like to hold off on proceeding with accepting credit cards until more information is obtained. Mr. Laurito would be happy to talk to Webster Bank with Mrs. Kane as he may think of questions that Mrs. Kane would not even know to ask. Mr. Kuczarski stated that when he and Mrs. Kane met with Webster it was to get more information on fees but it is a grey area as it is not known how many transactions will be received. The .5% per transaction fee that Webster charges is in addition to the percentage charged by First Data; the net percentage would be about 2 to 2.5%. American Express and Discover are more expensive than MasterCard. This topic has been put on hold for now.

- c. **Phone System Upgrade – WPCA/ DPW:** The quotes Mr. Kuczarski has received from three different vendors were sent to the Authority in the packet before the meeting. The lowest quote came in from Landry Communications. The quote is for upgrading both WPCA and DPW. It would be a 2 day installation period. The question is whether to purchase it this year or next year. Mr. Laurito asked for Mr. Kuczarski to wait until the June meeting to allow the WPCA to view the year-to-date financial reports. The phone system is antiquated. Mr. Kuczarski will talk to Landry and let them know that a decision will be made the first couple of weeks in June.

Jeffrey Ives revisited the reason why the WPCA is looking into accepting credit cards through Webster Bank. It was initiated due to residents' requests. The question is whether the service is worth what it will cost. Mr. Wawruck suggested talking to Peter in the tax office to see what he has for numbers in order to gauge what the WPCA may expect in numbers. The tax department's system has been in effect for three to four years. How much has it grown since the first year? The tax department offers online payment and viewing of tax bills. Mr. Wawruck asked how many residents request paying by credit card and if the WPCF staff has taken down the names of those who are requesting it. Are they inquiring here because they pay by credit card with the tax department? Mr. Laurito's concern about accepting credit cards is that the WPCA bases the budget on projected revenue. The WPCA cannot build credit card fees into the budget to allow for the recovery of the cost of service. Therefore, the WPCA may have to build something else into the budget to handle the loss that might occur from accepting credit cards. Mr. Laurito is curious to know how many of those people who want to pay by credit card would be willing to pay, for example, an extra \$25. It would either be that or everyone will have to pay through an increase in sewer user rates.

NEW BUSINESS: Mr. Kuczarski previously informed the Authority about leaks caused by failing caulking in the outer perimeter walls of the belt filter press room. The preliminary quote he received to do that work is higher than what was budgeted. There is \$12,000 in the budget right now to do the work. Mr. Kuczarski needs an additional \$6,000. There is \$6,000 budgeted to replace a stainless steel sink upstairs in the belt filter press room. Mr. Kuczarski would like to put the purchase of the sink on hold in order to fix the caulking which is much more important. Currently whenever the belt filter press room is washed down, the water pours down into the rooms below where chemicals are stored. William Hamel made a motion: **TO TRANSFER \$6,000 FROM FISCAL YEAR 2014-2015 CAPITAL ACCOUNT 761-7615 VALVES/ISOLATOR/ SINK TO FISCAL YEAR 2014-2015 CAPITAL ACCOUNT 761-7315 BFP CAULKING** – Seconded by Robert Crochetiere. Without further discussion, the motion passed with 5 votes in favor and 0 votes opposed.

Steven N. Wawruck, Jr. left the meeting at 6:20 p.m.. Jeffrey Ives took over leading the meeting.

OLD BUSINESS:

- d. **FY 15/16 Draft Budget Discussion:** The current proposal is for a 1.9% overall budget increase. The projected rate increased by about 3.9% going from \$5.26 to \$5.46/1000 gallons. For a typical

residential user that would be about a \$15 increase for the year. Fee collections from entrance fees and delinquent accounts have not met expectations. The second stage of Chamberlain Crossing, for about 30 units, is expected to open soon so that would increase the projected entrance fees. The projected entrance fees also do not include the assisted living facility on Old County Road. \$50,000 is built into the budget to replenish the reserve. It could be lowered to \$40,000 if the WPCA wants to lower the projected rate. Woodard & Curran recommended a three year average to determine the water consumption figure used in the projected rate calculation. However, there is an industry wide trend towards water conservation which is causing a reduction in the total consumption billed. The WPCA projected 355,000 thousand gallons in water consumption for the current year but the WPCA only billed 343,000 thousand gallons. If the WPCA goes by the three year average, the water consumption only drops down to 353,000 thousand gallons. Mr. Kuczarski suggests using a two year average which will bring the projected usage down to 348,000 thousand gallons. He just wants to make sure the WPCA generates enough revenue. After this upcoming year, Mr. Kuczarski would go back to using a three year average to calculate the projected rate. Mr. Hamel is not in favor of reducing the amount that is going into the reserve as it is a safeguard against large rate increases. The reserve funds must be able to cover any costs that come with unexpected equipment failures. Mr. Laurito suggested, if Mr. Kuczarski is comfortable with the anticipated excess entrance fees that are not included in the projected revenue, those excess entrance fees could go into the reserves instead of building a full \$50,000 into the budget. Mr. Hamel would like the full \$50,000 plus the excess entrance fees to go into the reserves. Mr. Kuczarski fixed the water calculation error that Mr. Gragnolati brought up at the last meeting. The prior projected capital budget included a \$6,500 item to repair some heavy duty cast iron piping. Mr. Kuczarski increased this line item to \$13,500 based on the figure of the first quote he received for the project. He is waiting on two other quotes that he anticipates will come in lower. Mr. Kuczarski also added one additional capital project. Currently, a failed scum system is being replaced at the Plant. It should be up and running by the end of this week or next week. Mr. Kuczarski thinks it would be smart to plan on replacing the other existing scum system next year due to its age.

ADJOURNMENT: At 6:31 p.m., with no other business to discuss, Gary Laurito made a motion: **TO ADJOURN THE MEETING** – Seconded by William Hamel. Without further discussion, the motion passed with 4 votes in favor and 0 votes opposed.

Respectfully submitted,

Heather Kane
Recording Secretary