WATER POLLUTION CONTROL AUTHORITY

The City of Ansonia
253 Main Street
Ansonia, Connecticut 06401
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MINUTES OF THE SPECIAL MEETING

JANUARY 8, 2014

The meeting opened at 6:58PM with the Pledge of Allegiance. The chairman asked for the roll to be called. There were six members present, therefore there was a quorum.

PRESENT: N. Parente

C. Durante

A. Limauro

M. D'Alessio

A. Geruntho

C. Stowe

ALSO IN ATTENDANCE

Attorney John Androski

Rita St. Jacques

Brian Capozzi

Joseph Maffeo UIC

Sindhu Natarjan UIC

Mark Phillips United Water

Bill Ames United Water

MOTION to accept the minutes from the previous meeting made by C. Durante and seconded by M. D'Alessio. All were in favor and the motion passed.

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The Chairman asked if there was anyone in the audience who wished to speak. No one answered and the Chairman asked two more times if there was anyone who wished to speak. Again, no one answered and the public session was closed at 7:01PM.

Sewer Administrator's report: See copy attached.

Discussion was held on attachment 3 – WPCA EXPENDITURE SUMMARY

On attachment 2b, Due to – From, Chairman Parente asked what the two columns represented. R. Bshara explained that they are the monthly breakdowns which show what has been spent and how much is left in those line items.

On attachment 3c Monthly Medical Insurance Deductibles Chairman Parente asked what the difference is between the columns for Employee Share versus WPCA Share. R. Bshara explained that employee share is taken out of the employee's bi-weekly paycheck and the WPCA puts in the balance.

C Stowe questioned why M. Androski is listed as an employee. Per Attorney Androski's contract with the WPCA, M. Androski is paid $1.00 per year as an employee in order to be able to partake in the City's insurance plan. She pays for the monthly premiums, but at the City's rate.

On item #4Grand Ratebook Balance Sheets R. St. Jacques explained that although the balance report shows only a 72.77% collection rate for the Special Project this is actually good. By State Law any monies paid on an account must be applied to the oldest bill. There has been a great deal of money collected and paid on the old bills which means that the newer bills will be paid off sooner. There are only 4 accounts left from 2003.

#9. Update on non-payment issue for 222 ½ N. State St. The property owner has not been paying her sewer fees because she claims that her road is not an approved road and is not serviced by the City. Although her road is not plowed or taken care of by the City, she does in fact have sewer service. Over the years the home owner has made periodic payments but the checks have not been cashed due to the notes that she puts on the checks saying that the account is paid in full. If the WPCA cashes the check with that note on it, it means that the department is agreeing that the account is paid in full. At this point the property owner owes over $4,000.00. Chairman Parente asked if we would foreclose for $4,000.00 and R. St. Jacques stated that at this point something needs to be done. Although the property is heavily liened, the property owner is not paying.

M. D'Alessio said that the house faces N. State St. and if the property owner brings the rubbish to the curb on N. State St., it will be picked up.

C. Stowe said that before the election the issue was on the land use table and had not been resolved. F. D'Amico, the City engineer, said that a title search was done and it is not an

accepted road. It's between 100 and 150 feet long and not wide enough for fire or refuse truck to travel. The house is on a rear lot and there is a house in front of it.

Attorney Androski suggested that the Clark and Pierson maps we obtained should be consulted.

#11 The checking accounts need to be updated now that a new Commission is in place. At least two people need to be added to the accounts but three would be better. Currently, Mayor Cassetti, J. Nicolari, R. Bshara, and E. Lynch are signers. Typically the Chairman and Vice-Chairman would also be signers. We should have a third person. C. Durante has already gone to the bank and given his information

#12. Update on 31 Benz St. This property is not hooked up to the sewer system but should be. B. Capozzi had done a premise visit to determine whether the property curb line is 100 ft. or less to the manhole and found that it is. The property owner was notified that according to the City of Ansonia Charter the property needs to be hooked into the sewer system. The property is currently for sale and the property owner has requested that the Commission defer the hook-up until the property is sold since there are plans to demolish the existing structure and build 3 new houses. At that time the developer will hook all the houses into the sewer system. After more discussion B. Capozzi was asked to send a letter to the property owner advising her that as long as she continues to pay both of the sewer bills, when the property is sold the developer will be responsible for hooking into the sewer line. The Commission requests a letter from Mrs. Harrison stating her intentions to sell the property to a developer who will raze the existing structure and build three new houses. At that time the developer will be responsible for hooking the houses into the sewer system.

MOTION to accept the Sewer Administrator's report made by C. Durante and seconded by C. Stowe. All were in favor and the motion passed.

MOTION to adopt the calendar for the 2014 WPCA meeting schedule made by C. Durante and seconded by M. D'Alessio. All were in favor and the motion passed.

UIC Report: Joe Maffeo of UIC said that an application has been made for Benz Street Estates for property at 56 Benz St. for a sewer connection permit.

UIC continues to work with the DEEP on the Ansonia-Derby Interconnect Project. The DEEP strongly suggests that e Ansonia and Derby regionalize their operations. A study needs to be done to determine the feasibility of the interconnection. This study would be funded through a State grant to be procured by Derby. Presently Derby processes 1.7 to 1.8 m gal of effluent each day which is similar to Ansonia. Ansonia now has spare capacity which Derby can use. Derby has the option of building a new plant or pumping to Ansonia. If the effluent is pumped to Ansonia, construction would be needed to build holding tanks. The construction would be paid for by Derby through a State grant. C. Durante asked if the plant is capable of handling Derby flow in peak periods. Joe said that it is but that holding tanks would be required. There is also a

concern that in heavy rain periods Ansonia would not be able to handle the over flow from Derby. Joe stated that he is sure Ansonia has the capacity. This would be part of the investigation in the study.

Attorney Androski commented that the previous administration in Derby was not in favor of the interconnection. At this time it is not known whether the new administration would be in favor.

Chairman Parente stated that two studies were done a few years ago on infiltration flow. As a result of those studies Ansonia was able to reduce the amount of infiltration which produces spare capacity for Derby to use.

UIC is also involved with the Route 8 on ramp construction on the corner of Division and Westfield Av. This project has been going on for at least 11 months and so far VRPA has not accomplished anything.

UIC performed a meter reading with Brian Capozzi at 59 Pulaski Hwy. on October 8, 2013. Chairman Parente questioned why the meter had to be read and Mr. Maffeo explained that there are two types of wells in Ansonia, flat and metered. Flat rate well payers pay a flat fee not tied to usage. Metered rate well users pay according to the amount of their usage. There are about 30 metered wells in Ansonia. Sometimes people can't read their meters or there is a problem with the meter so UIC has been sent out.

At this time the Chairman suggested we go out of order from the agenda and allow the representatives of United Water to speak.

Mark Phillips and Bill Ames gave an overview of the services Clean Water provides. Presently they are under contract to run plants in Newtown, Killingly and Stonington, Connecticut. Clean Water is also in a 40 year contract with the City of Bayonne, New Jersey where they assumed responsibility of the plant. It has saved Bayonne money and gave them capital to pay off loans. There is money built in to aid infrastructure. In the case of Bayonne they were able to pay off 150M of their debts.

N. Parente asked how many years a contract runs. Clean Water said that the contract is usually five years with two five year options.

C. Stowe asked how Clean Water was able to fund Bayonne. The answer was that it was done with private funding in a joint venture with KKR, who brought in equity.

C. Stowe asked how Clean Water gets paid back. Mr. Ames stated that Clean Water gets paid every year. There is a rate structure in place to pay back the loan.

R. Bshara asked what effect the rate payers would encounter with the 40M payback. Mr. Ames explained that rates of payback are agreed to beforehand and the WPCA would set the rate at a rate which would be able to satisfy the payback.

Mr. Ames was asked what would happen if Clean Water were to go bankrupt. He replied that there were provisions in the contract for that but did not elaborate.

Chairman Parente inquired how Clean Water collected money. Mr. Ames explained that Clean Water does not collect money from ratepayers. The WPCA would continue to collect the money and in turn pay Clean Water.

Chairman Parente asked if Clean Water handles administrative issues and Mr. Ames replied that Clean Water only runs the plant and does maintenance, as well as pays bills. Employees currently employed by the WPCA would become employees of Clean Water and thus would continue to run the plant. Chairman Parente also asked what happens if there is a breakdown. Mr. Ames said that Clean Water would pay because there is maintenance money built in.

Chairman Parente thanked the gentleman from Clean Water for their presentation. A copy of the Clean Water handout is attached to the minutes on file with the Town and City Clerk.

MOTION made to take a 5 minute break by C. Durante and seconded by M. D'Alessio. All were in favor and the motion passed.

MOTION to go back on record made by C. Durante and seconded by M. D'alessio. All were in favor and the motion passed.

Receive and Pay All Bills.

At this time Chairman Parente asked to defer this action until later in the meeting as there were questions to be discussed.

Superintendent's Report. (See attached). We have decreased the amount of nitrogen discharged from last year. If the cost of a credit remains the same from the State the WPCA should see a larger check this year.

The vac truck is ready for delivery and waiting for payment. Chairman Parente asked why the vac truck is not in the budget and Brian explained that the truck is not coming out of the budget, it was part of the bond.

Work has been completed on the Dells Rd. pump station and it was a big undertaking. Jackson street pump station is next. and work will begin in the next fiscal year.

There is work continuing on the Bartholomew Av. pump station with an alarm issue.

MOTION to accept report as written made by C. Durante and seconded by M. D'Alessio. All were in favor and the motion passed.

Atty. Androski update. The commissioners had some questions concerning items included on Atty. Androski's invoice. Atty. Androski provided answers to the questions. Mr. Parente thanked Attorney Androski for his many years of working with the WPCA but explained that at this time his services are no longer needed. Attorney Androski said that there are some issues that need to be addressed such as insurance and severance pay and Chairman Parente said that he or Mayor Cassetti will gladly meet with Attorney Androski to discuss. Chairman Parente said that the three bills submitted by Attorney Androski dated October2, 2013, November 6, 2013 and January 7, 2014 will be paid upon receipt of all files held in the Androski Law Firm offices and pertaining to the WPCA. This is to include all accounts which had been referred to Attorney Androski for collection. All records are to be forwarded to the WPCA office located at 253 Main St. within thirty days. The WPCA office will contact the Finance Department to set up COBRA insurance.

Secretary Turschmann is to send a letter to Attorney Androski addressing the stipulations.

In addition, as part of receive and pay all bills, Chairman Parente inquired about the bill for GHGRC. Chairman Parente wondered why originally the bill was directly submitted by GHGRC, but at some point became part of Attorney Androski's invoice and he then paid GHGRC. Chairman Parente inquired what services were provided by GHGRC and Attorney Androski said that when the new plant was in the planning and construction phase, GHGRC was instrumental in obtaining financing at the State level. Chairman Parente asked if there was a time when the relationship between GHGRC and the WPCA ended and Attorney Androski said he believes it ended in April 2013. After some discussion it was decided that there was no longer a need for GHGRC's services.

MOTION to terminate the relationship between the WPCA and GHGRC made by C. Durante and seconded by A. Geruntho. All were in favor and the motion passed.

Secretary Turschmann will send a letter to GHGRC terminating their relationship with the WPCA and thanking them for their service.

MOTION to go into Executive Session made by C. Durante and seconded by M. D'Alessio. All were in favor and the motion passed. In addition to the members of the Commission, R. St. Jacques and B. Capozzi were included in the session.

MOTION to go back to regular meeting made by C. Durante and seconded by M. D'Alessio. All were in favor and the motion passed.

UPDATE Rich Bshara: Rich explained to the members what he has been doing for the WPCA. Rich gets a weekly pay /stipend from the WPCA. He told the members he does quite a bit with the financial aspect of the WPCA. He works closely with both Brian and Rita to prepare the annual budget, he also compiles all the data received from the Regional Water Company to produce the annual use bill. Once the data is extracted he loads it in to the system and sends it off to Quality Data (Q D S) our billing company.The billing company then runs many lists for checking the information and once everything is checked the bills are produced.
Rich submitted a very detailed current financial report for the members. It included

A. Statement of Net Assets
B. Billing information on the last four billings of the 554 Project (Plant Rehabilitation)
C. The collection information for the 311 C W F (Clean Water Fund) Project, he mentioned he has some concerns about the last few years of payments that will have to be made. He is going to do some homework to see if there may be a problem down the road. When all is said and done it should work itself out.
D. There are pages in his report from the Annual Audit which he went through line by line with the commission members.

(a copy of the report is attached to the minutes)

Chairman Parente asked Rich Bshara if he minded answering some questions regarding the Budget. The Chairman and the members went line item by line item and asked for explanations regarding each line.
OFFICE WAGES: Why is there a 10% increase from last year?
The money for the new Class III was put in the budget and the Public Works contract had not been settled so we needed to be sure there was enough money when it came time to pay the guys retro-actively for their increases. The contract has been settled so Rich will know what the number is that they need for them. The Chairman asked when the new Class III was hired and Brian said it was October 2013. The Chairman wants Rich to tabulate what the overage is in that line because of Jeff's start date and wants the money transferred to the CONTINGENCY LINE. Rich will present the figure at the next meeting.
OVERTIME WAGES: There was $30,000.00 in the line. To date $9,000.00 has been used. A transfer of $15,000.00 needs to be done and put into the CONTINGENCY LINE.

There was discussion regarding the loans the WPCA has with the state for the 311 CWF Project and the 554 Sewer Rehabilitation Project. Rich told the members we have 2% loans for both projects. The chairman asked if there is a penalty for Pre-payment on the loans. The chairman asked Rich to make a call to the State to get some answers about pre-payment penalties and report back to the members.

BOARD SECRETARY: The chairman asked why there is $3,000.00 in the line and to date only $200.00 has been used. Rita St. Jacques explained that the recording secretary does the minutes as part of her job and that includes the monthly meeting for the WPCA and anything more than that such as a Special Meeting or a Public Hearing she gets $200.00 per meeting for doing the minutes. The line also includes money in case the commission needs to call in Post

Recording to do the minutes if something needs to be done verbatim. The Chairman asked to transfer $2,000.00 to the CONTINGENCY LINE.

FRINGE BENEFITS: Why was there an increase of 25 % from last year to this year? The new hire was brought up again and his start date. The chairman would like the numbers from the first few months of the budget that he wasn't hired and whatever the figure is he would like it transferred to the CONTINGENCY FUND. Rich said he will get the figures and report back to the members, once he has the figure he will do the transfer.

PENSION: Rich explained to the members that the city employees are all in the State Retirement Plan known as **MERF.** The city percentage for its share is between 10 & 11%. There are administrator fees involved per person and there were also fees that needed to be covered from the buy-back when the city entered in to the MERF Retirement Plan. The chairman would like a clearer picture of this line, and Rich will see what he can do to get more detailed information.

SOCIAL SECURITY: Rich said it is 7.65% of the wages that has to be put there.

EDUCATION: The chairman asked for some details regarding this line. Brian Capozzi was asked who gives permission for the guys to go to classes. Brian told the members that he would be the person that gives permission for them to attend classes. He told the members there are seminars and classes that are given by the DEEP or other agencies from time to time that are important because they change so many things so often that the guys need to keep up with the changes being made all the time. There is $1,331.33 left in that line and it is to be transferred to the CONTINGENCY FUND.

ACCUMULATED BENEFITS: Rich told the members that the employees are able to purchase back their unused sick days at the end of the fiscal year. The money needs to be there for that. The amount that is in there is just about what will be needed.

LEGAL: This is used to pay the WPCA attorney after the monthly are bills presented. Whatever is left should be transferred in to the CONTINGENCY FUND until the WPCA hires a new attorney.

CLAIMS & DEDUCTIBLES: There was $40,000.00 put in the line and $4,301.00 has been used to date. The chairman wants $20,000.00 transferred to the CONTINGENCY FUND.

WPCA TAX REFUNDS: The chairman asked what this line is for, he was told it is in place in case someone overpays and needs to be refunded. Rich explained that this line isn't actually funded it funds itself. We need to have the money in place in case we need to refund someone but they have in fact paid the money that they are getting refunded.

ANNUAL AUDIT: This is the piece that the WPCA pays for their part of the audit done by Michaud & Accavallo.

ENGINEERING: This is for our engineers from PRIME (formerly: UIC). The chairman asked what they do, for instance they billed us (WPCA) time for Castle Lane, and the property owners paid for their services to do the REVIEW. According to the property owners and the minutes there has been no resolution or response for this project. The Chairman wants a report with the findings for the Castle Lane Sub division from PRIME UIC put on the agenda for the next meeting. The chairman asked that $15,000.00 be transferred from the Engineer's line to the CONTINGENCY LINE.

PASS THRU INSPECTIONS: This is a Credit & Debit used for engineering. There was a question raised regarding the fee for inspections. Rita St. Jacques told the members there is a FEE SCHEDULE in place for engineering services for things like inspections, reviews and other items. The chairman asked to have the contract for PRIME/ UIC at next meeting.

NUTRIENT TESTING: There is a mandate that states that the testing has to be done by an independent lab. The lab in Stamford is the lowest rate around because of state funding in place for municipalities to use the facility. The secondary lab that is used is pretty much used by all the surrounding towns. Brian said he has never looked around for competitive pricing but will do so.

The chairman asked who at the plant did the purchase orders and asked if Brian's contract says he should be doing the purchase orders. Brian said "no", he didn't think so but he would check and see.

WPCA CHEMICALS: Currently it looks like there has been $16,139.00 used in this line. Brian told the members that a delivery was made today of soda ash and it was $18,000.00 and with the spring weather approaching they are going to need Alum and that is about $5,000.00 a load. Brian said he thought they would need about 5 loads. Many of the chemicals are seasonal. Chairman Parente asked who the supplier is and if he ever got any competitor's prices for the chemicals. Brian was asked to supply the commission with the current supplier and get prices from 2 more companies for the next meeting. The chairman said to transfer $25,000.00 from the chemical line and put it in to the CONTINGENCY LINE.

ELECTRICITY:
The two suppliers for electricity are U I and Liberty. There is concern that some of the secondary suppliers raise their rates after 6 months. Rich said as far as he knows this is supposed to a long term contract rate, but he hasn't seen a copy of the contract. He said as soon as he gets a copy he will forward it to the members. The bills are just starting to come in from the new company so he really hasn't been able to see a true picture yet. The chairman asked to have $125,000.00 transferred to the CONTINGENCY LINE.

WATER: The supplier is Regional Water Authority is the supplier and $4,500.00 has been used to date for the water bill. The chairman wants $2,000.00 transferred to the CONTINGENCY LINE.

GAS & OIL: Is mainly used for heating. We have Yankee Gas for the gas company.

PHONES & ALARMS: There are 14 pump stations and they all have alarms. The alarms are about $140.00 per month for each pump station and the phone bills runs approximately $1,400.00 to $1,500.00 per month. The Chairman asked to have $5,000.00 transferred to the CONTINGENCY LINE.

SLUDGE REMOVAL: Synagro is the company that does the sludge removal. Last year we spent $240,000.00. This year $270,000.00 was budgeted and probably most of it will be used. Brian mentioned that Synagro is really the only game in town.

REPAIRS: To date there has been $28,400.00 used from the budgeted line item of $50,000.00

CONTRACT SERVICES: This is used to service the generators semi-annually. The current company is Atlantic Detroit Services.

POSTAGE: To date half of the budget has been used and the rest is needed for the up coming mailings for the delinquent / reminder notices and the Special Project billing in June for the 2013 List Year.

OFFICE SUPPLIES: The WPCA office has its own office supply line and the plant has its own line for office supplies. This office line pays for data from the water company for billing and for the services from Quality Data for the processing, printing and mailing of the bills plus the billing program. The plant office supply line pays for their supplies.

PRINTING: This line is for the printing of the bills that are sent out to the rate payers.

SEWEAGE TREATMENT: This is used for parts for repairs done at the plant.

ADMINISTRATION ALLOCATION: This is paid to the city for the services they provide the WPCA with such as, doing payroll, phone & computer services, office space, the handling of the insurances and many other things that the city provides the WPCA with.

REIMBURSEMENT PUBLIC WORKS: This line is used when there is a backup and the vac truck needs to be sent out. The public works guys operate the truck if it is on regular time there is no charge to us but if it is after hours and they need to be paid over time it is billed back to us for reimbursement. The public works secretary keeps track of the time submits the detailed list to the finance department for payment.

CAPITAL PROJECTS: This is set up to have some money in case there is a need for future projects. A. K. A. the CAPITAL IMPROVEMENT FUND.

Chairman Parente told the members that he thought the meeting was long enough and he did not want to keep everyone any longer. He asked for a motion to adjourn and reminded everyone to be prepared for a long meeting next month too.

MOTION to adjourn was made by C. Durante and was seconded by A. Geruntho. All were in favor of the motion. The motion passed.
The meeting adjourned at 11:15 PM.

Respectfully submitted,

Ellen Turschmann

Ellen Turschmann