



TOWN OF WINCHESTER – CITY OF WINSTED

Town Hall – 338 Main Street

WINSTED, CONNECTICUT 06098

Minutes of Regular Meeting Water & Sewer Commission P. Francis Hicks Room, Town Hall, 338 Main Street, Winsted July 14, 2020

Chairman John Massicotte called the meeting to order at 6:06p.m. The following members were present: George Closson, Bill Hester, Joe Lemelin and John Massicotte. Also present was Budget Analyst Caroline Brayne, Superintendent of Water Works Marty Cormier, Director of Public Works Jim Rollins, First Selectman of Barkhamsted Don Stein and Consultant/Project Manager Steve Vaill. Board member Tim Moran arrived at 6:10pm and Finance Director Bruce Stratford joined the meeting at 6:15pm. This meeting respected all social distancing rules; attendees were well-situated throughout the meeting in the meeting room.

Public Input - none

Approval of Meeting Minutes from June 9, 2020: Motion by G. Closson to *approve the minutes of June 9, 2020*. Second by J. Lemelin. **Vote:** All in favor - *motion carried unanimous*.

Barkhamsted Interlocal Agreement: Mr. Rollins reminded attendees a motion was made at the last meeting to move forward with the Agreement; the Agreement was sent to both attorneys to clean it up; found an additional five items to clean up:

Page 4: #C.1. - an “as built” has to be submitted **after** construction

Page 6: the last paragraph seems a little inconsistent; gave the example of Winsted is responsible for the meters at Highland Lake. Chairman Massicotte said Barkhamsted is maintaining and operating their meters. G. Closson added they might sub-contract to us though.

Page 7: questioned if the second paragraph of #11 should be either listed as #12 or included in the first paragraph of #11. Chairman Massicotte said it should be a part of #11.

Page 8: #D.1. – Mr. Stein wasn’t sure what “NTD” meant. Brief discussion followed.

Page 9: #E.2. – Mr. Rollins noted these two are consistent; D.1. is confirmed by “...actual proportion...” in E.2.; makes sewer billing consistent to ours as it’s based on actual usage; if Barkhamsted needs to exceed 1%, there is a method within this Agreement if we can accommodate it.

Chairman Massicotte distributed and reviewed comments in an email dated July 14, 2020 between Mr. Stein and Mr. Rollins:

“I don’t see a problem with putting a sentence or two, probably in para. C4, regarding maintenance responsibility. **How about something like: Once constructed to Winchester standards and approved by Winchester, Barkhamsted assumes all maintenance responsibilities for the sewer system within Barkhamsted and State roadways. Owners are responsible for everything on their properties.**”

Mr. Rollins said this just makes it clear. Mr. Stein added he’s fine with that.

“However, I’m not sure why Barkhamsted’s plans for funding needed activities are pertinent to this agreement, since we fund all of our other needs, just as Winsted or the Winsted Sewer Commission does. Did you have something in mind, or was it just a general question. **This was mostly just a general comment to bring to everyone’s attention that it needs to be considered.** Once the agreement is signed, we will have to set up our financial systems, but that is routine for the Town.

The Town of Winchester is an equal opportunity provider, employer and lender.

This is why I added the last sentence to page 9. Article E. 1. Barkhamsted may add a capital recovery fee....”

Mr. Rollins said he is concerned nothing was addressed by the attorneys if Barkhamsted refuses to pay. Mr. Stein said the Board cuts the service; asked what Winsted does with its customers; the Agreement is very clear Barkhamsted pays the same as Winsted customers. Chairman Massicotte briefly reviewed Watertown/Waterbury’s plight. Extensive discussion followed regarding Winsted liens its customers, can’t lien a municipality, language in Article E.6. & E.8., Article G, etc.

Chairman Massicotte asked why Article F is talking about water in a sewer agreement. Mr. Stein said the water agreement should come next. Brief discussion followed regarding how this section was added, if the section should be removed, etc. Mr. Rollins said water should say wastewater not water.

Brief discussion took place regarding live streaming this meeting (cabinet was locked/equipment inaccessible).

Mr. Stein verified Article G satisfies Chairman Massicotte’s concern. Chairman Massicotte said yes but checking with Attorney Nelligan.

Discussion followed regarding Barkhamsted’s responsibility for all costs to the Winsted line, final designs, pipe carries only Barkhamsted’s waste, tie-in’s, Barkhamsted is responsible for the lines, etc.

Chairman Massicotte noted he would have liked Exhibit A to be included with the Agreement.

G. Closson asked how fast this can be resolved – need to get this done. Chairman Massicotte said need to get it back to both attorneys. Discussion followed regarding it should be this week, engineering plans will be approved separately, getting the finished draft, meeting next Tuesday, etc. ***Consensus is to hold a special meeting next Tuesday at 6pm provided the attorneys get the final draft done.***

Report from Finance Director:

Mr. Stratford made available copies of the preliminary fiscal year 2019-2020 year-end budget versus actual reports; noted still have to close the books around the end of August but these reports give a pretty good idea; also had copies available of checking and savings account statements through June 30th; proceeded to review information.

Sewer: Revenues: collected \$1,343,000 (92%) compared to \$1,374,000 (96%) last year; Russ’ Septic did pay another \$1,410 leaving a balance of \$6,290; revenues are off - not sure if the numbers are affected by COVID. Extensive discussion followed regarding reduced numbers – total revenues are at \$1,732,000 compared to \$1,791,000 last year, revenues exceeded expenditures by \$50,000 but had a lot of investment, anticipated fund balance provided \$263,000 for projects which didn’t materialize so didn’t move the money in because haven’t spent it, vacuum truck was budgeted but haven’t taken delivery yet, etc. Expenditures: Sewer Plant (315) is at 86%; not concerned with the negative line items; Alex was given authorization to do equipment upgrades – see those in encumbrances. Mr. Rollins explained when the capital recovery fee was implemented, requested a list of anticipated capital needs; everything being addressed was on that list. Mr. Stratford said the annual increase for the Nitrogen credits hasn’t arrived yet – waiting for that to close the year; Pumping Station (316) is at 78.9% of the budget – looks pretty clean. Brief discussion followed regarding payroll accrual. Mr. Stratford said WPCA (317) Pump Station 8 had an outstanding \$50,000 purchase order which was cancelled – have \$5,000 left to do. Brief discussion followed regarding remaining landscaping. Mr. Stratford noted year-to-date expenditures are \$1,871,000 - behind last year by \$190,000 due to larger pension and re-payments made last year; operating account has \$331,000 and savings has \$573,000.

Water: Mr. Stratford noted the operating account has \$920,000 and savings has \$573,000. Revenues: have collected \$1,640,000 compared to \$1,670,000 last year (down \$30,000); customers still have until the end of the month to make the May payment but those will be counted as past due; total revenues are \$1,870,000 compared to \$1,902,000 last year; revenues exceeded expenditures by \$404,000. Expenditures: Water Works (317) is at 85% of the budget; Crystal Lake (319) is at 75%; Administration (321) is at 97%; Water Commission (322) is at 32%; reminded attendees of the vacuum truck commitment; noted did not do the water storage or Brookside work. Mr. Rollins noted will not do the temporary work for the water tank – going to wait until the tank replacement so this money will not be spent. Discussion followed regarding will use both tanks when the new tank is installed, new tank will be engineered for chlorine contact time, fire suppression capabilities, etc. Mr. Stratford said total expenditures are \$1,465,000 compared to \$1,999,000 (difference of \$333,000) due to bigger debt service (none this year) and South Main was done last year; will have these 2 funds finalized in September; planning to give July results in August.

Mr. Stratford made available a spreadsheet on billings and collections date for water and sewer; explained this looks at the last four years of billings and collections; lines coded in green are good and yellow lines are not so good; it's good to bill more than collect as you know you're not going to collect all of it; the balance is usually collected in pieces through the year.

Water: Mr. Stratford noted a drop from last year; customers are more faithful in payments; the message is the water fund is doing pretty well.

Sewer: Mr. Stratford said had a higher budget in 2019-2020 (FY20) but billed less in FY20 than in FY19; think it comes down to non-operational meters; asked are we billing everything we can; not getting the activity on usage (metered) side; have a \$50,000 drop from last year; slightly lower collection total - still 93% of billings but it's why the sewer cash fund is not growing like the water side; when we do the budget, have to address this. Discussion followed regarding customers may only be paying the water bill as it can be shut off, have more sewer customers than water customers, well customers have clogged meters, meter replacement program is underway again, etc. T. Moran noted his sewer bill went down after his meter was changed. Brief discussion followed regarding usage, base rate, etc. Mr. Rollins expressed amazement we only billed 100% this year when billed 105% and 103% previous years. Mr. Stratford noted most billings are based on usage. Discussion followed regarding billing percentage. Mr. Stratford said he thought it was the missing reads; will get another set of reads shortly compared to last time and compare usage numbers; water rates are fine and support improvements but will need to adjust sewer rates to handle the sewer upgrades.

Water & Sewer Budget for 2020-2021 Progress? Mr. Rollins distributed copies of the budgets.

Water: Mr. Stratford explained this shows the actual results from FY18, FY19 and FY20 based on tonight's numbers; still have adjustments to make based on comments tonight; reviewed department budgets within each division; have \$1,706,000 in expenses and \$1,883,000 for revenues leaving a \$177,000 budget surplus. Extensive discussion followed regarding used the same numbers as last month, carried over revenues from FY20 collections; haven't included capital projects yet, sale of water line item, pool water sales, changes in each proposed department budget, State Revolving Fund projects, general line item increases, may have opportunities to adjust line items based on actual numbers, pension contribution, medical benefits, no payment from the Sewer Fund, funds for capital projects don't expire from year-to-year, etc. Mr. Rollins distributed information on proposed capital projects including water main replacements on Brookside, Case, Center, Holabird and maybe Greenwoods and Thibault and eventually include Perkins, Fruit, Von's Lane, Indian Meadow, etc., Wallens Hill water storage tank, Crystal Lake tank upgrade and Park Place improvements. Extensive discussion followed regarding State Revolving Fund, percentage of forgiveness amounts, these projects take years to come to fruition, timelines for work, building balance of State Revolving Fund projects into debt service,

draw down funds as doing the projects, engineering costs, preliminary engineering will help determine costs and scope of work as well as reveal alternatives, etc. Chairman Massicotte asked about the buyback vacation and sick time. Mr. Stratford said he will get those numbers.

Sewer: Mr. Stratford said he based FY21 revenue estimates from FY20; a little high on sewer rent line; proceeded to review each departments budget. Extensive discussion followed regarding changes in each proposed department budget, computer upgrades, engineering services, trying to buffer lines to avoid fund transfers, capital projects including step screen, boiler replacements, VFD blowers, medical insurance costs, workers comp insurance, debt administration, etc. Mr. Stratford said he will put together sewer rate options to close the gaps. Discussion followed regarding options, adjusting the budget, cost of projects, consider increasing sewer rates but decreasing water rates, comparing sources of revenue charged by other towns, billing frequency, wastewater is much more difficult and expensive to treat than clean water, etc. Mr. Stratford asked for a resolution from the Board to continue to operate water and sewer under the 2019-2020 budgets. **Motion** by G. Closson **to continue for the interim using the 2019–2020 budgets.** Second by B. Hester. *Discussion:* Discussion followed regarding money for boiler repairs can come from Maintenance of Structures or Contingency from fiscal year 2020-2021. **Vote:** All in favor - *motion carried unanimously.*

Bill Adjustments – none

Director’s Report – none

Old Business – none

New Business – none

Adjournment: Meeting adjourned 8:32 p.m.

Minutes Respectfully Submitted,

/s/

Laurie Bessette
Minutes Secretary

Next Special Meeting:

Town Hall, 338 Main Street
Tuesday, July 21, 2020 @6:00 p.m.

Next Regular Meeting:

Town Hall, 338 Main Street
Tuesday, August 11, 2020 @6:00 p.m.