



SEYMOUR WATER POLLUTION CONTROL AUTHORITY

P.O. Box 275
Seymour, Connecticut 06483

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TOWN CLERK'S OFFICE

Minutes -Special Meeting of the Seymour WPCA, July 15th 2020- At Sewer plant- 6:00pm.

Members Present: Jim Cretella, John Uhelsky, Don Sosonovich, Annmarie Drugonis and Nick Teodosio

Others present: Walter Royals, Plant Manager, John Oatley Area Manager Veolia Water, Jon Marro, , Jim Galligan, P.E. Atty. Ben Proto and other members of the public.

Jim Cretella called the meeting to order at 6:14pm

Pledge of Allegiance was given.

Public Comment – None.

Budget 2020-21 workshop- Jim Cretella had John Oatley commence with the budget calculator template. John Oatley outlined (via slide prints); the current 2019-2020 operating budget, the 2019-2020 income received, 2019-2020 expense statement on a monthly basis with a budget spent in percentage. This was reviewed for persons who were unable to attend the last budget meeting on July 8th, 2020.

John Oatley then went through a budget analysis of what was spent versus what was budgeted, in order to show the board a guide to help them compose a new budget for FY2020-21. Discussion ensued as to why and how any cost over-runs happened in the various budget categories. John Oatley then showed the board the income side of what was collected in sewer use fees, permits, connections fees, etc.; in short- expenses under budget and income above collection estimates. Then capital expenditures were discussed by John Oatley and the board. Discussion also ensued about collection rates and collection timing and how these factors affect income, with concerns over Covid-19 and the closing of business/unemployment.

Annmarie Drugonis then asked questions from the 1st Selectman. Why do the billable units vary so much (in the proposed budget versus the 2019-20 budget)? Answer- Jon Marro stated that this is a function of water flow (water consumption), this is uncontrollable and the data comes from Aquarion water and Regional Water authority. This is the actual consumption that the billing is based on.

What is the historic trend of the maintenance line and the engineering line (in the budget), what is the reason for the large over budget amount? John Oatley responded that one reason is, as plants age, more money will be spent. He continues, maintenance had some significant costs, such as pump stations repairs, the grit screw (head of the sewer plant), and that this year that the overage was \$30,000 mainly due to encroaching age of the various systems. John Oatley reported that he and Walter Royals use a maintenance model that estimates the actual amount that "should" be spent is closer to

\$225,000-\$250,000 per year for maintenance- based on industry standards, age and use of the plant machinery/systems.

The Town Clerk line item- Why is this so high? Can we (the WPCA) take money out of this item and place it somewhere else? John Oatley responded that the plan is to use the budget numbers and re-allocate according to the actual spend numbers. Discussion ensued about how the board will have to make budgetary assumptions.

The Capital (Improvement) plan- what is going to pay for it? John Oatley responded that the WPCA initially was going to fund it entirely through sewer rates; that is why a 10% rate increase was looked at to do this; discussion ensued about bonding and the capital improvement plan.

Last question- why isn't there a line item in the budget for capital? John Oatley responded that there is a line item in the budget and showed it to the WPCA board members. Discussion ensued about the process and how capital improvement budget is done; and about the "depreciation expense". Also discussed tiered sewer use rate systems that are found in other cities/communities. Atty. Proto then asked if the WPCA has a breakout of different types of users (residential, well, commercial)- answer- the WPCA used to have such categories of users, now it is just consumption user and well users.

At 6:51 pm Annmarie Drugonis left.

Discussion ensued as to how the WPCA board is going to finalize the budget and decide on the capital funding for capital improvements. Atty. Proto conveyed to the board that the Selectman were looking for more explanations of the various budget line items and the like, rather than the numbers themselves. Jim Galligan presented two capital plans, one that targets the top 5 critical elements of capital improvements (paid for by sewer use rates or bonding over 5 years) and another that presents the whole of the capital improvements. Atty. Proto stated that if the board were to get approved for bonding, they could spend the money as needed (like a home equity loan) and pay it back over time; then you would set the sewer use rate according to the debt service (John Oatley). Discussion ensued over the bonding. Interest, and how it would be repaid. Discussion also ensued about what would the rate increases look like and the underfunding of the Seymour WPCA for capital improvements. Jim Galligan stated that, in years past, the WPCA board has always been very diligent and frugal to prevent large rate increases and always acknowledged the downturns in economy.

Discussion ensued about collections and what measures can be taken; Atty. Proto asked John Oatley to bring Veolia water's billing specialist to the next meeting to discuss online bill payment and credit cards. Discussion also ensued about sewer use collections in general and what must be done.

John Oatley with the WPCA board went through the budget calculator on line by line adjustments to the FY2020-21 budget, the reasons/justifications for each increase or decrease. Discussion ensued about the possible future expenses or lack of expense for the FY2020-21 year for each line item. Discussion continued about justification for increases in engineering and maintenance. Jim Galligan advised the board as to how much should be set aside for Capital Improvements (as a line item in the main part of the budget); in particular the I&I continuing study with sonar mapping and manhole inspections, plus smoke testing.

Then John Oatley with the board went through the income section of the FY2020-21 budget. Discussion ensued about the budget numbers and how they compared to last fiscal year's budget. The income

section was updated with the approved new sewer rate of \$5.56 per 100 Cubic Feet. The board and John Oatley went through the budget calculator with updated numbers for the new budget and discussed the ramifications of more spending for maintenance and the age of the plant. Discussion ensued about the "average bill" and what the 10% increase would look like on a customer's bill and how it compared to a monthly cable bill. Discussion also went over how bonding money for capital improvements work and how the money can be taken out for the various projects.

Atty Proto then suggested that at the August WPCA meeting, have the board adopt the budget, then at the Selectman board meeting have Jim Cretella, Jim Galligan, John Oatley and himself explain the budget to the Selectman board.

Adjournment- John Uhelsky made a motion, Nick Teodosio 2nd, motion passed 4-0. Meeting ended at 7:59pm.