

**WINDHAM WATER POLLUTION
CONTROL AUTHORITY**

MINUTES

May 26, 2009

The Windham Water Pollution Control Authority held its meeting on May 26, 2009 in the Meeting Room, Town Hall. Chairman Rene Goss called the meeting to order at 6:32 P.M. Members present were Mary Burnore, Nita Giordano, Rene Goss and Stanley Morytko. Charles Kratt was absent. Also present was Plant Superintendent David Garand.

1) Chairman's Comment

In an effort to rebut the recent comment (made on a local radio & T.V. program) that he had invited Michael Paulhus, a former First Selectman, to attend a WPCA meeting and make a presentation regarding investments with his company, Royal Bank of Canada is false. Chairman Rene Goss stated that he had not invited Mr. Paulhus to make the presentation as it was incorrectly stated on the local radio station. He said Mr. Paulhus had contacted Plant Superintendent David Garand regarding the presentation, and it was Mr. Garand who invited him to the meeting. Chairman Goss said that at the onset of Mr. Paulhus' presentation at the April meeting, he said he would recuse himself from participation because Mr. Paulhus is his brother-in-law and he wanted to avoid a conflict of interest. He also clarified that he lives in Willimantic, and has lived in Willimantic all of his life.

Board member Mary Burnore confirmed that it was not Mr. Goss who invited Mr. Paulhus to the meeting. Mr. Paulhus contacted Plant Superintendent David Garand and he is the one who invited Mr. Paulhus to the meeting.

2) Public comment

Harry Carboni addressed the Authority and apologized for any incorrect information that he might have stated. He said it is an absolute conflict of interest for Mr. Paulhus to come before the WPCA to make the presentation since Mr. Paulhus most likely appointed Goss and other board members to the WPCA while he served as Willimantic's First Selectman. This is certainly not ethical, said Carboni.

Mr. Carboni then referred to the WPCA's capital reserve fund in the amount of \$9.3 million dollars. He said when a town facility has accumulated this amount of money it means that the town is being over-taxed, he said.

Plant Superintendent David Garand explained that the WPCA has been able to build the fund balance because of good investments. He said the WPCA is in the process of a \$22 million dollar upgrade at the Water Pollution Control Facility plant located at 2 Main Street, Willimantic, CT. This upgrade is being funded by a state grant as well as a loan, said Garand. State grants will cover 20% of the costs for the upgrade and a State Department of Environmental Protection Clean Water Fund loan, which must be repaid, will cover the remaining 80%. We need that amount in the fund balance because if you look at the scope of the expenses for the upgrade we will have to pay back approximately \$16 million dollars, he said. This generation will be paying for the upgrade to ensure that a suitable structure is in place for the next generation, he said. Mr. Carboni said I'm not sure the citizens of Willimantic know that we have to come up with the \$16 million dollars. I would like to see the documentation regarding the funding, said Carboni. Garand invited Mr. Carboni to come to his office and he would be happy to show him the documentation. Garand then went on to explain that the W.P.C.F. is a regional septage and grease receiving facility and he projects the money received from this operation will pay for the facility upgrades. Currently septage and grease revenues subsidize user charges to cover the cost of facility operating expenses.

Mr. Carboni concluded his comments by repeating his concerns: 1) \$9.3 million dollars is too much money to have in a reserve account, and 2) Having Mr. Paulhus come before the WPCA to make a presentation regarding his investment company (Royal Bank of Canada) and possibly transferring some of the WPCA's investments from its present investment company (Multi-Bank Securities, Inc. to Royal Bank of Canada is unethical.

Jeffrey Viens, who lives at 61 Bellevue Street, Willimantic said if the WPCA has all this money in the bank then it should give up the recently approved rate increase. He said there should be tax relief for the taxpayers. He added that the Paulhus matter might not be the best way to go. Mr. Garand said that during his presentation Mr. Paulhus was only able to match Multi-Securities, Inc. services, and there was no up-side to changing firms at this time. If Mr. Paulhus had been able to give us a better package, then it might have been well worth looking into it further, added Garand.

3) Correspondence

There was no correspondence.

4) Approval of Minutes

The minutes of April 28, 2009 were amended as follows: pg 1, item 1 under Public Comment, change Mr. Sayers' address to Stonegate Manor, pg4 item#2 para 3 add **Stan Morytko asked Garand if the WPCA received any direction as to what type of CD's to purchase.** Garand said they were directed to go out

and buy the best rates. Mary Burnore made a motion to approve the April 24, 2009 minutes as amended and Stanley Morytko seconded the motion. The motion carried unanimously.

5) Reports

Chairman's Report

Rene Goss reiterated that he did not invite Michael Paulhus to come to a WPCA meeting and make a presentation on investments.

Plant Superintendent

Mary Burnore made a motion to move discussion on the Town of Mansfield Dispute as the first item of the Plant Superintendent's report. Nita Giordano seconded the motion. The motion carried unanimously.

- a) **Town of Mansfield Dispute Interim Award** – Dave Garand explained that we have been in arbitration for approximately one year. Both Windham and Mansfield asked the arbitrator to decide on four questions. Listed are the four questions and responses from the arbitrator:

- 1) whether the septage is a "joint facility" as that term is defined in the Agreement. The arbitrator answered no.
- 2) whether the grease receiver is a "joint facility". The arbitrator answered no.
- 3) whether Mansfield is entitled to a share of revenue generated by septage/grease tipping fees. The arbitrator answered no.
- 4) whether Mansfield is entitled to a share of any other revenue that is now or may be generated at the WPCF. The arbitrator declined to answer this question stating it is purely hypothetical.

Garand said now that the major questions have been answered by the arbitrator we will be able to resume negotiations with Mansfield on the remaining issues.

b) Construction

Current Work – **New garage building:** Install blowers, continue electrical pipe and wire, paint walls & ceilings, Install windows. **Primary Settling Tanks:** Installing primary collector equipment, Installing electrical conduits. **Administration Building:** Install roof shingles on new electrical room, Installing electrical switchgear. Completing primary effluent channel. Working on gravity thickener. **Park Entrance road:** Final grading and seeding of west side of road way.

Change Orders: Two new change orders (total 6). One change order was to install an 8" sanitary sewer line to new parks facility to replace the line that was abandoned years ago at a cost of \$76,398. Second Change Order was a) to remove the existing door sill at Service Building, b) add chain link fencing and privacy screening, c) add steel picket fencing. The total cost for these changes is \$39,526.

c) Plant Performance

All permit requirements were met for the month of April. Garand reviewed the April 2009 Effluent Quality Report

d) Administration & Finance

1) Monthly Budget Report ending 4/30/09.

Revenues total \$2,509,293. This is 79% of revenues collected thru 83% of the year completed. **Expenditures** total \$2,542,322. This is 80% of expenditures with 83% of the year completed. Garand reviewed minor adjustments to line items.

2) Significant non-recurring Expenses.

Garand reviewed significant non-recurring expenses April 28, 2009 to May 26, 2009

3) High Strength Waste

Garand will discuss this topic at the next CAWPCA meeting and report back.

4) Reserve Investments

Garand reported 3 CD's were purchased (2 bank closures & 1 interest). These CD's were purchased using the interest in the account.

5) Facility Vehicle Purchase

Garand said he is still obtaining information for board discussion.

6) 2007 Connecticut Sewer Rate Survey

Garand reviewed the 2007 Connecticut Sewer Rate Survey. The 2007 average cost is \$305. per household representing a 17% increase over the 2005 average. Windham's average sewer rate in 2007 was \$247.68 and will be \$272.64 in 2009. This is an increase of \$24.96 per year.

7) 2009 Collection System Annual Report

Garand reviewed the 2009 Collection System Annual Report. He said we have identified problem areas and monitor them regularly. These areas are cleaned and cameraed on a regular basis.

8) Chairman Response to WPCA Budget article

Chairman Rene Goss issued a response to a newspaper article regarding budget concerns. He explained that the sewer user rate increase is needed to assist with funding future facility and collection system equipment replacements and improvements. Inclusive of the current increase the sewer rates in Willimantic remain extremely reasonable. With the increase our rates are 10% less than Connecticut's average rate paid in 2007.

Goss added that the sewer user rate increase is in no way related to funding employee raises. The facility has sufficient funds to afford staff raises without the user charge increase. We simply took a position favoring staff raises by including funding for the raises in the 2009/2010 sewer budget, but it is up to the Board of Selectmen to negotiate whether or not the raises are actually given to the sewer facility employees.

Goss said regarding charging sewer user fees for the Splash Park, State Statute Chapter 103 Section 7-255 requires all municipally owned and other tax exempt property which uses the sewer system be subject to such charges under the same conditions as are other property owners. Town Administrators are asking the sewer authority to charge the sewered users in Willimantic (approximately \$8,500 annually) for the cost of wastewater treatment from the Splash Park. The Authority feels it would not be equitable to single out the sewer users to be burdened with this additional expense.

9) Customer Relations

No sewer blockages in our lines through 5/26/09.

e) Old Business

The Authority agreed to postpone Mike Paulhus' presentation until the next meeting. Nita Giordano referred to Multi-Bank Securities, Inc. and questioned how much experience they have. Dave Garand said they have 20+ years experience and have proven themselves to have a good track record. Dave Garand said if Mike Paulhus was able to offer something better than what we now have we could have considered making a change. Since there is no upside to a change we should probably stay with Multi-Securities, Inc.

Mary Burnore recommended that we remain with Multi-Bank Securities. Stan Morytko said both companies appear to be equal. The authority agreed to continue the discussion at the next meeting.

As there was no further discussion the meeting was adjourned at 7:32 P.M. Motion by Mary Burnore and seconded by Stan Morytko. The motion carried unanimously.

Respectfully submitted,

Lillian Murray, Clerk