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Fred Hurley,  
*Director*

**TOWN OF NEWTOWN**  
WATER AND SEWER AUTHORITY

Richard B. Zang,  
*Chairman*  
Marianne Brown  
Louis Carbone  
George Hill  
Alan Shepard  
Eugene Vetrano  
Carl Zencey

THESE MINUTES ARE SUBJECT TO APPROVAL BY THE WATER AND SEWER AUTHORITY

The Water and Sewer Authority held its regular meeting on Thursday, July 11, 2013 at the Waste Water Treatment Plant, 24 Commerce Road, Newtown, CT. Chairman Zang called the meeting to order at 7:00pm.

**Present:** Dick Zang, Lou Carbone, George Hill, Marianne Brown, Carl Zencey, Gene Vetrano,  
**Absent:** Marianne Brown, Alan Shepard

**Also Present:** Julio Segarra of United Water and Director of Public Works Fred Hurley

**Public Participation - None**

**Approval of Minutes** – The previously distributed minutes of the regular meeting of 6/13/13 were unanimously approved.

**OLD BUSINESS**

*Capital Needs Study* – Included in the Rate increase for water and sewer users below.

*Renewable Energy Project-grant payment* – Six months of recordable data is needed before the last 10% can be requested. There is another month or so before that is complete.

*Rate increase for Water and Sewer users*- Fred Hurley handed out a scenario for both water and sewer budgets (attached). He discussed the amount of cash they are taking in, how much they need and if a rate increase is necessary. The Water side is in good shape. Without changing anything, with the capital expenditures, the fund balance doesn't go down. That is before accelerating the principal payment to the sewer side. There is no justification at this point to increase the water rates.

The Mod 1 plan is a straight 8% rate increase, which is the sewer side. The emergency power is on hold for another two years because they do not know what grants will be available. It also has the increased payment from the water side to the sewer. The numbers for the capital improvement plans have also been adjusted. There will be positive revenue in the forth year and in the fifth year the cash flow will be back in the black. This does not take in any benefit assessments that will come in, only what they know and have control over.

Carl Zencey moved to Request the finance department to prepare a new note to repay the sewer fund from the water fund for 16 years at 4%. George Hill seconded, motion unanimously accepted.

Lou Carbone moved to bring the recommendation of rate increase for sewer rates effective July 1, 2013. from \$7.12 to \$7.79, with a general administrative increase of 9.41% to a public hearing. Gene Vetrano seconded motion unanimously accepted.

## **NEW BUSINESS**

*Committee Reports: SCADA, solar, I&I, Finance, regulations, water supply, collection and distribution systems – SCADA – Julio Segarra reported that everything is moving along with the SCADA system. Everything has been ordered and Monday they will start putting together the entire process.*

*Report by United Water Environmental Services Inc. – There is now written report at this point. The sewer side is running well. The water side, the clear well is low and the bunkers are at 13' and not running correct.*

*Report by Public Works Director – Reported with rates.*

Any Other business – NONE

Having no further business, meeting was adjourned at 8:00pm

Arlene Miles, Clerk

## WATER OPERATING REVENUE / EXPENSE ASSUMPTIONS & PROJECTED IMPACTS FROM THE CAPITAL IMPROVEMENT PLAN:

Base Line Average Annual Operating Revenue :	\$336K
Base Line Average Annual Operating Expenses:	\$216K
Base Line Average Annual Operating Deficit/Surplus:	\$120
Starting Fund Balance:	\$767K
Current Principle Annual Sewer Note Payment:	\$45K
Annual Expense Escalation:	3%
Annual Revenue Increase By Growth:	2%

Year-	Current	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>
Op Revenue	336K	343K	350K	357K	364K
Op Expense	216K	222K	229K	236K	243K
Surplus/(Deficit)	120K	121K	121K	121K	121K
Fund Balance	767K	737K	563K	639K	677K
Adjusted Balance	887K	858K	684K	760K	798K
Capital Expense	(150)K	(295)K	(45)K	(83)K	(20)K
Adjusted Balance	737K	563K	639K	677K	778K

Remaining Principle Owed On Sewer Note \$1,050,000 From \$1,200,000

# Capital Needs Report - Water

Item #	Category	Project	Justification	Budgetary Cost	Priority/Timing	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
1	Raw Water	Upgrade Well #8 to Active Status	Currently in Design (DPH Inspection)		2013/2014						
	Raw Water	Well #3 Spare Pump and Redevelopment	Fair megger readings on existing pump, long lead time, site specific, and pumping currently at 30 gpm	\$ 40,000	2013/2014 (reoccurring)		\$ 20,000			\$ 20,000	
2	Raw Water	VFD on Well #7	For new control strategy when well #8 is put online	\$ 25,000	2013/2014		\$ 25,000				
3	Treatment	Upgrade WTP chemical monitoring and treatment. (pH, chlorine, corrosion control)	New ground water rule requirements. Currently in Design (DPH Inspection)		2013/2014						
4	Treatment	Clearwell Cover/Seal	Currently in Design (DPH Inspection)	\$ 150,000	2012/2013	\$ 150,000					
5	Other	SCADA	No present system		2012/2013						
6	Other	Emergency Power	Diesel or Gas power is difference in price	\$200,000 - \$500,000	2013/2014		\$ <del>500,000</del> 295K				
7	Other	Storage Tank	Hatch replacement and concrete repairs. Currently in Design (DPH Inspection)		2013/2014						
8	Other	Treatment Plant Flood Control	Add dike or raise critical equipment on pads. Currently in Design (DPH Inspection)		2013/2014						
9	Distribution	Hydrant Replacement	Replacement of old and damaged hydrants (est. 16 hydrants)	\$ 60,000	2015/2016			\$ 60,000			
10	Distribution	Reconfigure Water Main (Loop System)	Current distribution system has dead ends that require flushing								
11	Distribution	Slip Lining	Improve water quality and reduce waste								
12	Distribution	Interconnection with Aquarion	Recommendation from DPH Inspection								
13	Distribution	Hydrant Flow Test	Approximately \$500/hydrant (45 hydrants)		2015/2016						
14	Distribution			\$ 22,500					\$ 22,500		
TOTALS						\$ 150,000	\$ 545,000	\$ 45K	\$ 82,500	\$ 20,000	\$

This Capital Needs Report lists capital improvements and repairs required for reasons of personnel safety, permit compliance, or operational efficiency. Recommendations for projects are jointly prepared by the WSA and the plant operator.



Town of Newtown  
HISTORICAL ACTUALS COMPARISON REPORT

06/13/2013  
09:17:25

FOR PERIOD 13 OF 2013

ACCOUNTS FOR: 91	WATER ENTERPRISE	PRIOR YR3 ACTUALS	PRIOR YR2 ACTUALS	LAST YR ACTUALS	CURRENT YR ACTUALS	CY REV BUDGET
91	WATER FUND					
91 400	INCOME - WATER USE	-324,178.27	-332,771.79	-351,138.42	-209,342.33	-350,000.00
91 410	INCOME - OTHER CHARGES	.00	.00	.00	-40,890.00	.00
91 415	MISC INCOME	.00	.00	.00	-1,452.26	.00
91 450	INTEREST	.00	-819.50	-301.46	-25.42	-5,000.00
91 505	INTEREST EXPENSE	92,915.00	43,947.00	42,183.00	40,735.68	44,000.00
91 510	CONTRACT SERVICES - O&M	33,209.64	34,777.97	35,061.36	1,426.00	35,000.00
91 511	REIMBURSABLE EXPENSES - O&M	30,937.43	2,023.45	1,191.78	1,426.00	5,000.00
91 512	CONTRACT SERVICES - FOOTATUCK	40,338.65	50,163.06	46,758.20	45,300.02	45,000.00
91 515	UTILITIES	56,568.77	49,074.31	44,639.53	46,217.51	40,000.00
91 516	MISCELLANEOUS EXPENSE	.00	118.80	210.00	.00	.00
91 521	ENGINEERING & PROFESSIONAL SRV	31,974.83	.00	.00	.00	8,000.00
91 530	ADMINISTRATIVE EXPENSE	10,005.44	42,918.88	5,699.04	13,136.08	10,000.00
91 531	PROFESSIONAL FEES	.00	.00	.00	.00	2,000.00
91 532	LEGAL SERVICES	.00	.00	.00	.00	.00
91 540	DEPRECIATION/AMORTIZATION	111,964.00	111,964.00	111,964.00	.00	100,000.00
91 551	CAPITAL EXPENSE	.00	.00	.00	.00	.00
	TOTAL WATER FUND	83,735.49	1,396.18	-63,732.97	-104,894.72	-66,000.00
	TOTAL WATER ENTERPRISE	83,735.49	1,396.18	-63,732.97	-104,894.72	-66,000.00
	TOTAL REVENUES	-324,178.27	-332,771.79	-351,138.42	-209,342.33	-350,000.00
	TOTAL EXPENSES	407,913.76	334,987.47	287,706.91	146,815.29	289,000.00
	TOTAL 91	83,735.49	1,396.18	-63,732.97	-104,894.72	-66,000.00
	GRAND TOTAL	83,735.49	1,396.18	-63,732.97	-104,894.72	-66,000.00

double interest to cover prior year

Broke out interest and service fees

Water supply plan

Annual income = \$350,000; operating expenses (recurring expenses) = \$190,000; depreciation = \$112,000; advance paydown = \$45,000.

## SEWER OPERATING REVENUE / EXPENSE ASSUMPTIONS & PROJECTED USER RATES IMPACTED BY THE CAPITAL IMPROVEMENT PLAN: MOD 1

Base Line Average Annual Operating Revenue :	\$765K
Base Line Average Annual Operating Expenses:	\$905K
Base Line Average Annual Operating Deficit/Surplus:	(\$140K)
Starting Fund Balance:	\$1,400K
Fifth Year Bond Surplus:	\$358K
Annual Revenue Rate Increase:	8%
Annual Expense Escalation:	3%

Current	Year-	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>
Op Revenue	765K	826K	892K	964K	1,041K	1,124K
Op Expense	905K	932K	960K	989K	1,019K	1,049K
Surplus/(Def)	(140)	(106K)	(68K)	(25K)	22K	75K
Fund Balance	1,400K	800K	397K	184K	(136K)	(324)
Loan Pay Inc.	90K	90K	90K	90K	90K	90K
Adjusted Bal	1,350K	784K	419K	249K	(24K)	199K*
Capital Exp	(550K)	(387K)	(235K)	(385K)	(300)	(175)
Adjusted Bal	800K	397K	184K	(136K)	(324K)	24K

\*Bond Surplus of 358K Applied

# Capital Needs Report - Sewer

Item #	Category	Project	Justification	Budgetary Cost	Priority/Timing	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017
1	Headworks	Rotomat System	Complete overhaul	\$ 40,000	2013/2014		40,000				
2	Headworks	Grit System	Two grit pumps and complete overhaul	\$ 40,000	2015/2016 (staged)				20,000		20,000
3	Oxidation Ditch	Anoxic Mixer #1	Bent shaft on the turbine mixer and metal shavings in gear box	\$ 50,000	2013/2014		50,000				
4	Oxidation Ditch	VFD & DO Control for Oxidation Tank #1 (75 hp aerator)	Variable frequency drive will cut energy use and improve N2 removal. Price includes all of 2006 costs plus the addition of the load reactor and noise suppression.	\$ 100,000	2014/2015		100,000				
5	Secondary Clarifiers	RAS Pumps	One pump left to completely overhaul	\$ 10,000	2013/2014		10,000				
6	Secondary Clarifiers	WAS Pumps	Two pumps complete overhaul	\$ 20,000	2014/2015 (staged)			10,000	10,000		
7	Secondary Clarifiers	Clarifier Drive	Two clarifiers complete overhaul (sand blasting, painting, replacing parts as needed)	\$ 150,000	2015/2016 (staged)				75,000		75,000
8	Tertiary Filters	New Sand	Loss sand overtime with backwashing	\$ 20,000	2013/2014		20,000				
9	Tertiary Filters	Structure/Mechanical Overhaul	Three filters complete overhaul	\$ 90,000	2015/2016 (staged)				30,000		30,000
10	Disinfection	UV Reactor Replacement	Age of existing equipment and part availability	\$ 90,000	2015/2016 (staged)				30,000		30,000
11	Other	SCADA	Present system is obsolete with few or no replacement parts available.	\$ 550,000	2012/2013		550,000				
12	Other	Sludge Gravity Thickener	New control panel	\$ 30,000	2016/2017				30,000		30,000
13	Other	Plant Water	Plant hydrants and pressure tank replacement	\$ 30,000	2015/2016						
14	Other	HVAC	Boilers, air conditioning, gas burners, and controls	\$ 250,000	2015/2016		25,000		25,000		25,000
15	Other	Security	Improve plant security and control liabilities. Gate not visible from offices.	\$ 10,000	2014/2015			10,000			
	Other	Alum System	Chemical feed system overhaul and tank inspection/replacement	\$ 10,000	2013/2014 (depending on issuance of draft permit)		10,000				
16	Other	Polymer System	Package system replacement	\$ 75,000	2015/2016				75,000		
17	Other	Buildings and Grounds	Paving and curbing	\$ 30,000	2013/2014		30,000				
18	Other	Sandy Hook Capacity Increase	Pumps operating at up to 75% capacity.	Low until flow increases							
19	Pump Stations	Taunton Lake VFD or 3 Phase Utility	Add a phase system has been rebuilt a few times since installation. VFD \$30k & 3PH - \$75k	\$30,000 - \$75,000	2013/2014						
20	Pump Stations	Taunton Lake Spare Pump	No 40hp spare pump on hand and long lead time for repairs - Fairbanks Morse s/n k4g1-078228	\$ 25,000	2013/2014						
21	Pump Stations	Baldwin Spare Pump	No 7.5hp spare pump on hand and long lead time for repairs	\$ 12,000	2013/2014						
22	Collection System/Grinder Pumps	Fairfield Hills Sewer Replacement	High infiltration from original clay tile lines. 6,000 ft per Stearns & Wheeler report (Jun 2008)	\$1.8 - \$3.0 million (at \$300-\$500 per foot)							
23	Collection System/Grinder Pumps	Hawleyville Sewer - Phase 2	Extend line to Rt 25 and add pump station for economic development	\$4.6 million per Fuss & O'Neill (11/09)	Not a Capital Needs Project (ref only)						
24	Collection System/Grinder Pumps	Manhole/Pipe Rehabilitation	Estimated Flow Study Findings	\$ 500,000	2017/2018		50,000		50,000		50,000
25	Collection System/Grinder Pumps	ATS for Grinder Pump Stations	Estimated \$2k each and approximately 20 per year	\$ 200,000	2013/2014 (staged)		40,000		40,000		40,000
26	Pumps										

TOTALS \$ 550,000 \$ 312,000 \$ 100,000 \$ 580,000 \$ 225,000 \$

387K 235K 385K 300K 1

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	Current					
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Op Revenue	765	887.4	958.4	1,035.1	1,117.9	1,207.3
Op Expense	905	932.1	960.1	988.9	1,018.6	1,049.2
Surplus/(Def)	(140)	(44.7)	(1.7)	46.2	99.3	158.1
Fund Balance	1,400	1,260	1,215.3	1,213.6	1,259.8	1,717.1
Adjusted Bal	1,260	1,215.3	1,213.6	1,259.8	1,359.10	1,875.2
Capital Exp	(550)	(312)	(160)	(560)	(225)	(600)
Adjusted Bal	710	353.3	191.6	(322.2)	(447.9))	(531.8)



# Capital Needs Report - Sewer

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TOTALS						\$ 550,000	\$ 312,000	\$ 160,000	\$ 560,000	\$ 225,000	\$

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