



TOWN OF WINCHESTER – CITY OF WINSTED

Town Hall – 338 Main Street

WINSTED, CONNECTICUT 06098

Minutes of Regular Meeting Water & Sewer Commission Probate Conference Room, Town Hall, 338 Main Street, Winsted January 14, 2020

Chairman John Massicotte called the meeting to order at 7:00 p.m. The following members were present: George Closson, Bill Hester, Joe Lemelin, John Massicotte and Tim Moran. Also present was Finance Director Bruce Stratford, Director of Public Works Jim Rollins, Superintendent of Water Works Marty Cormier, Water/Sewer Administrative Assistant Caitlyn McSherry and Selectman Candace Bouchard.

Public Input - none

Approval of Regular Minutes from December 10, 2019: Motion by B. Hester to *approve the minutes of December 10, 2019*. Second by J. Lemelin. **Vote:** All in favor except G. Closson (abstained) - *motion carried*.

Report from Finance Director:

Mr. Stratford distributed copies of the 2018-2019 Audit and State Single Audit; explained it was issued two weeks ago by King, King and Associates; audit starts with the transmittal letter followed by the auditors report; page 25 and 26 are the results from the water and sewer funds; the information on the left shows assets, liabilities and net positions of water and sewer; both have substantial portions in unrestricted and amounts for operations; the next page has the operating results for the year; sewer has loss primarily due to depreciation; the conundrum has been generating money in sewer to replace equipment as needed; the two funds are going in different directions; once the zero-use and billing issues are addressed, can look at rates; cash balances are building but not generating enough on the sewer side to replace the plant in parts. Discussion followed regarding recent improvements done, age of plant, depreciation, determining life span, etc. Mr. Stratford said when you add fixed assets, you will see depreciation – it's a reminder that operations are significant and need to budget for replacement, rate increases, bonding for improvements. B. Hester noted the license is up in 2021 so improvements will likely be required. Mr. Stratford explained the State Single Audit addresses money received from the State; the auditors identified the zero-use billings; gave the auditors a management response that the Commission has taken steps to address it.

Mr. Stratford distributed checking and savings account statements as well as year-to-date budgets and a revenue analysis sheet through December 31st.

Sewer: Revenues: Mr. Stratford said we are at 50% through the budget year; sewer rents are at 46% of the budget; received \$1,000 from Russ' Septic. Brief discussion followed regarding the original amount owed by Russ' Septic. Mr. Stratford said have collected 46% of the budget compared to 47% last year but we are ahead on past due; the interest and penalty amounts are pretty much the same; down \$26,000 in revenues compared to 2019; proceeded to review the revenue analysis; noted the budget is \$35,000 higher this year; would like to see the billings higher. Brief discussion followed regarding the collection percentage rates and possible reasons. Expenditures: watching the lines, but only at 40% at halfway through the year; explained the maintenance of

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equipment line will need a transfer; suggested \$13,000 from Contracted Lab Services (851) and Sludge Disposal Fees (830); noted the purchase order for sludge disposal fees will have to be revised. **Motion** by B. Hester **to approve the fund transfer of \$5,000 from 315-851-0001 (Contracted Lab Services) and \$8,000 from 315-830-0001 (Sludge Disposal Fees) to 315-826-0000 (Maintenance of Equipment) with the necessary purchase order revisions.** Second by G. Closson. *Discussion:* Discussion followed regarding the expenditure is due to the replacement of the variable frequency drive (VFD), revising the purchase order for the sludge disposal fees, etc. T. Moran questioned the urgency – concerned with monthly requests. Discussion followed regarding this is a \$2 million budget so these requests are minor; Alex is a very good operator working within his first budget, etc. **Vote:** All in favor - *motion carried unanimous.* Discussion followed regarding the amounts in contracted equipment should have been charged to contracted services. Mr. Cormier suggested moving \$5,000 from Emergency Repairs (316-925-0002) to Contracted Services (316-831-0000); he will make changes to the purchase order. **Motion** by J. Lemelin **to move \$5,000 from 316-925-0002 (Emergency Services) to 316-831-0000 (Contracted Services).** Second by B. Hester. **Vote:** All in favor - *motion carried unanimous.* Mr. Stratford highlighted the contingency line item is for Cardinal Engineering for the bridge; explained the expenditures, encumbered and unencumbered amounts applicable to Pump Station 8. Brief discussion followed regarding the pump station is up and running and the site work will be next spring. Mr. Stratford noted the vacuum truck has been ordered. Brief discussion followed regarding the cost to be split between water and sewer. Mr. Stratford reminded attendees the Town does not have to enter into a finance agreement to get the truck ordered and built; when it's delivered, will determine how to finance it but we'll have 2 years of money so may only need to finance half; expected delivery date of November 2020. T. Moran said may be able to use savings. Discussion followed regarding putting extra money in the budget for vacuum truck training and education. Mr. Stratford noted debt administration for last year was at 36% of the budget and 38% this year; had \$350,000 in the checking account at the end of December.

Water: Mr. Stratford said the checking account had \$742,000 at the end of December. Revenues: at 47% this year compared to 48% last year; water rents and past due accounts are a little behind; capital recovery, interest and penalties are about the same; total revenues are \$13,000 below last year; proceeded to review the revenue analysis – on line with the last 2 years. Expenditures: Water Works is at 42% of their budget, Water Plant is at 24% and Administration is at 54% (mostly because of insurance); Water Commission saw some activity (Overlook and the auto-flushers). Brief discussion followed regarding auto-flusher purchase is complete. Mr. Stratford said the department is still below 50%. Discussion followed regarding money for the most recent South Main Street repairs in December came from emergency repairs. Mr. Stratford reminded attendees the Commission granted permission to move the Enterprise Fund monies to Northwest Bank (now the monies are FDIC insured); explained the breakdown and reasoning for the amounts in the account; noted half is sewer and half is water. Mr. Cormier said account 317-642-0002 (Testing Water Expense) is going to need as transfer – only budgeted for half a year. Brief discussion followed regarding weekly and quarterly water testing. **Motion** by G. Closson **to move \$5,000 from 317-831-0000 (Contracted Services) and \$3,000 from 317-825-0000 (Supplies and Materials) to 317-642-0002 (Testing Water Expense).** Second by J. Lemelin. **Vote:** All in favor - *motion carried unanimous.*

Bill Adjustments:

Mr. Stratford explained the customer at 200 St. Onge Road has a significant past due balance for water and sewer of \$36,000; \$13,000 is from 2019; there was lots of outreach but now the customer has stopped communicating; the Collector of Revenue wants to turn this over to the State Marshal; the customer was making payments but they were not large enough to catch up; advised sometimes customers will get vocal

but this is our best option for collecting; payments are still coming in electronically, but they are not enough to resolve the difference. Chairman Massicotte verified the \$13,000 includes interest. Mr. Stratford confirmed and noted it will now have a 15% Marshal fee. Discussion followed regarding his accounts in Torrington are much more current than ours, Torrington's business activity, liens currently in place on the real estate, impact of services delivered by the Marshal, etc. G. Closson said it's not a good thing to foster delinquency. Discussion followed regarding the impact of shutting that water off. **Motion** by J. Massicotte **to turn over the account to the Marshal**. Second by T. Moran. **Vote:** All in favor - *motion carried unanimous.*

Mr. Rollins reminded attendees of a request at the November meeting to adjust a bill for the owners of 504 West Wakefield Boulevard who were billed for heavily watering newly planted trees; the usage was reflected in their sewer bill; the Commission denied the request; the property owners asked to have the issue re-submitted to the Commission. Discussion followed regarding usage. **Motion** by J. Lemelin **not to refund the amount**. Second by J. Massicotte. **Vote:** All in favor except G. Closson (abstained) - *motion carried.*

Update on Three Blowers concerning Energy Audit: Mr. Rollins said we receive a proposal from a firm offering upgrades; have not had time to review the information; will meet with Bruce; there's a lot of investment.

Director's Report:

- Sentinal Services: Mr. Rollins said Sentinal has 58 customers with \$10,000 in gross sales; the Town will receive \$1,500 in commission; the updates will be in a searchable spreadsheet.
- Meters/Zero-Reads: Mr. Cormier distributed a letter to attendees addressing the "Great Meter Debacle of 2020"; explained the issues with zero-use bills including work orders not being generated, determining seasonal/vacant properties from occupied properties, creating a list to track, failed equipment, etc.; proceeded to explain solutions including repair meters, replace meters on systems drawing from wells with ultrasonic meters (can re-build and re-use the replaced meters somewhere else in the system), etc.; need to decide if back-billing those customers with zero-reads; contacted PURA and because we are a municipality they don't regulate us but suggested following their own standards of back-billing up to one year; need to address when and who can remove meters; need to establish protocol for installation and removal of meters; reviewed the number of meters in the system, number of which have been updated, number of which are non-MIU, there are 84 meters at condominiums, 480 residences still need updating, 110 meters at the Lake need the ultrasonic; Caitlyn has been knocking these out- lots of letters- but need to start shutting the water off; there is a fairly sizeable amount of people getting base rate only and leaving a lot on the table; proceeded to review prices for replacement meters. Extensive discussion followed regarding who owns the meters, who is required to purchase their own, policy on ownership, zero-read meters need to be replaced right away, need the customer cooperation to replace them, switch them to/from fixture accounts, put in new meters at no charge and start billing accurately, adjusting the regulations, new meters will be tamper evident, number of MIU's in stock, devoted administrative support making an impact, installing the ultrasonic meters right away will allow everyone to pay their fair share, sourcing the funds for the meters, the new meters would be generating the revenues, timing the replacement for the billing cycles, stock availability, communicating policies, etc. Mr. Cormier will replace the lake meters with ultrasonic as they come in. Discussion followed regarding the Town will own the meters, change the regulations, keeping ownership of the meters, seasonal shut-off fees, etc. **Motion** by J. Massicotte **that the six ultrasonic meters be installed in the next month and will be owned by the Water and Sewer Commission**. Second by B. Hester. *Discussion:* Discussion followed regarding the number of meters being replaced. J. Massicotte **amended his motion:** any new residential meters installed will

be owned by the Water and Sewer Commission. B. Hester seconded the amendment. **Vote:** All in favor - *motion carried unanimous.*

Mr. Stratford explained an illegal by-pass was discovered; drafting a letter to the homeowner for the charges. Mr. Rollins noted PURA allows us to go back and bill as far as possible for an illegal by-pass.

Old Business:

- PO to Cardinal Engineering for Bridge Repair at Sewer Plant: nothing new to report
- Wallens Hill Water Tank: Mr. Rollins said have gotten good feedback from the State Revolving Fund; thinking 25% reimbursement but may be significantly more due to the classification as a distressed community; in the process of the final draft for qualifications for engineering; the process of selection is by a committee of 3-5 members; listed who is already on the committee. B. Hester offered to sit on the committee. Mr. Rollins noted the State Revolving Fund is happy we're moving fast.
- Crystal Lake Dam Historical Review Submitted: have heard nothing from PAL
- Crystal Lake Tank -Water Tank Spalling Due to resume in September: Mr. Rollins explained the temporary patch to cover the spalling didn't work; the alternative was absurdly high; looking at other products but planning for May; will have another tank in 2 years.
- Update on Pump Station #8 completion/landscaping in the Spring, 2020: discussed earlier; the generator is installed.
- Billing Issues concerning different numbers per Finance Director and Tax Collector: discussed earlier
- Overlook Installation of Laterals: Mr. Rollins said the water is done; will schedule sewer in the spring.
- Update on Vac Truck: discussed earlier
- Update on Water Regulations to Accept Use of High-Density Polyethylene: will update
- Tree Harvesting/Housatonic Valley Watershed Association offer: nothing new to report

G. Closson asked about the Barkhamsted situation. J. Rollins explained the anticipated plans.

New Business - none

Adjournment: Meeting adjourned 9:19 p.m.

Minutes Respectfully Submitted,

/s/

Laurie Bessette
Minutes Secretary

<p>Next Regular Meeting: Probate Room Tuesday, February 11, 2020 7:00 p.m.</p>
