

CITY OF NORWALK
WATER POLLUTION CONTROL AUTHORITY
MARCH 21, 2011

Attendance: Darren Oustafine, Chairman
Mayor Moccia
Fred Wilms
Andrew Conroy
Laurel Lindstrom
Fredericka Bikakis-Hajian

Staff: Hal Alvord, DPW Public Works Director
Lisa Burns, DPW Operations Manager
Ralph Kolb, DPW Wastewater Systems Manager
Tom Hamilton, Finance Director

Others: Rick Lavoie, CH2MHill, OMI
Anne Gragg

**1. PUBLIC HEARING ON THE PROPOSED SEWER USE RATES TO BE EFFECTIVE
JULY 1, 2011 (NOTICE INCLUDED)**

**** CHAIRMAN OUSTAFINE MOVED TO OPEN THE PUBLIC HEARING**

**** MOTION PASSED UNANIMOUSLY**

The public hearing opened at 5:35PM

Ms. Gragg spoke and said that she operates affordable housing and the proposed sewer rates are too high. Mayor Moccia asked on what basis the units are classified as affordable housing? Ms. Gragg said that is how the City of Norwalk has classified them and they have restricted mortgages. Mayor Moccia asked the address of the property. Ms. Gragg said that the properties are located at 79 South Main Street and 6-8 Chestnut Street. Mayor Moccia said the State is requiring phase I of the Waste Water Treatment Plant upgrade to be done which is \$40 million dollars, and the members of the WPCA will now need to discuss doing phase II which the State is also requiring. He said that will be \$140 million dollars. Ms. Gragg said that she does not think that the rate increase is equitable and that if everyone was charged based on water usage it would then be equitable. Ms. Burns said that a study was done in 2008 and it was noted that the start up costs for going consumption based and setting up the billing system would need to be recovered on top of the existing operating budget. Mayor Moccia said that when they study was done that there was not a lot of difference between the consumption basis and standard rates.

**** MR. WILMS MOVED TO CLOSE THE PUBLIC HEARING**

**** MOTION PASSED UNANIMOUSLY**

The public hearing closed at 5:46PM

2. CALL TO ORDER

Chairman Oustafine called the meeting to order at 5:46pm

3. APPROVE THE MINUTES FROM THE WPCA MEETING HELD ON FEBRUARY 28, 2011 (COPY INCLUDED)

**** MS. LINDSTROM MOVED TO APPROVE THE MINUTES**

**** MOTION PASSED**

**** ONE ABSTENTION- MS. BIKAKIS-HAJIAN**

4. ACT ON THE WPCF PHASE II LOW LEVEL NITROGEN REMOVAL AND CSO/WET WEATHER TREATMENT PROJECT (DEP LETTER AND REVISED FINANCIAL MODEL INCLUDED)

Ms. Burns said that staff along with the consultant had met with the DEP leadership on February 9, 2011, to request confirmation on the grant funding for this project. She said that staff is seeking 39% grant money which was run in the financial model in November and includes the membrane replacement as a capital expense, which would be reimbursed as a warranty through the Clean Water Fund. She said that after more than a month following the meeting that she had received their response stating that they are not in agreement with staff's assessment. She said that the project will be \$15 million dollars short of what staff was anticipating for grant funds. She also said that the DEP will be treating the membrane replacement as an O&M expense rather than a capital expense. She said that based on Mr. Alvord's request that the financial model has been rerun and it raises the rate 11% for four years in a row at their funding levels. Mr. Hamilton asked if the membrane replacement is included. Ms. Burns said "yes" in year 2020. Mr. Wilms asked if a different technology can be used so that there is reimbursement from the state. Ms. Burns said that in January that she had stopped the design at 60% completion and at this point staff is recommending not moving forward with the project. Ms. Lindstrom asked if the project is abandoned what the costs associated with that will be. Mr. Alvord said that the cost will be approximately \$3 million dollars for the design engineer for the 60% point and will not receive state reimbursement and that, and staff will also need to see what the cost will be to stay in compliance. Mr. Wilms asked if it is feasible to redesign the project to eliminate the objections that they have raised. Ms. Burns said that there is nothing to redesign. Mayor Moccia suggested before taking an action to abandoned the project that staff speak with GE regarding the extended warranty or price reduction on the membranes, and to also develop a bullet point presentation so that he can speak with the legislative team and if necessary write to the Governor directly.

**** MAYOR MOCCIA MOVED TO TEMPORARILY PUT THE PROJECT ON HOLD AND HAVE STAFF SPEAK WITH GE AND DEVELOP A BULLET POINT PRESENTATION.**

**** MOTION PASSED UNANIMOUSLY.**

5. APPROVE THE SEWER USER RATES TO BE EFFECTIVE JULY 2, 2011
**** MAYOR MOCCIA MOVED TO APPROVE WITH THE CAVEAT THAT IF THE PHASE II PROJECT DOES NOT MOVE FORWARD THAT THE RATES CAN BE REVISITED.**

**** MOTION PASSED UNANIMOUSLY.**

6. APPROVE THE PROPOSED FY 2011-12 OPERATING BUDGET (COPY ATTACHED)

Mr. Conroy asked about the increase in the replacement reserve. Ms. Burns said that the replacement reserve is used for the anticipation of building funds that are needed for projects when the debt service hits so that it can be used for rate stabilization. She said that the debt service for Phase I will hit in 2012.

**** MR. CONROY MOVED TO APPROVE THE ITEM.**

**** MOTION PASSED UNANIMOUSLY**

7. APPROVE THE PROPOSED FY 2011-12 CAPITAL BUDGET (COPY ATTACHED)

**** MR. CONROY MOVED TO APPROVE THE ITEM**

**** MOTION PASSED UNANIMOUSLY**

Mayor Moccia left at 6:35PM

8. REPORTS

a. FY 10/11 Revenues/Expenditures Report (MUNIS reports included)
No discussion.

b. WWTP Phase I Upgrade Project Update (report included)
Mr. Kolb discussed the project update. Ms. Bikakis-Hajian asked when the project will be completed. Mr. Kolb said it is scheduled to be completed in January 2012.

c. WWTP Transformer Update
Mr. Kolb said that the main power is now on for both the main and construction sites at the Waste Water Treatment Plant. He said that a claim has been submitted to the insurance company for the City. Mr. Oustafine asked if the Third Taxing District will run the line at no charge. Ms. Burns said "yes" they will run it at their cost. Mr. Kolb said that the biggest cost for the transformer failure was for the fuel for the generator power for the seven days which was approximately \$85,000. Ms. Burns said that there will also be a change order for Phase I of the construction project because the transformer that the Third Taxing District consultant had spec'd out decreases the power going to the main building and it will need to be redesigned.

d. Sewer Use Bill Appeals/Adjustments Update
1. Appeal status
Mr. Kolb said that the adjustments to date are \$101,206.

e. Information Copies:
1. OMI Monthly Operating Report- February 2011 (copies included)
Mr. Kolb said that on February 25, 2011, that there was a partial loss of treated solids from the secondary clarifier and it was reported to the DEP. He said that it did not result in any effluent violations with the State permit, but did have an exceedance with the performance guarantee related to high flow. He said that

nitrogen fell into band "D", and that on February 22, 2011, that DEP had done their annual inspection of the Waste Water Treatment Plant and there were no issues.

2. Estimated 2010 Nitrogen Credit (copy included)
Mr. Kolb said that last year nitrogen was \$4.55 per pound and this year has increased by four cents to \$4.59. He said that he is anticipating receiving \$365,000 in nitrogen credits.

9. ADJOURNMENT

**** MS. BIKAKIS-HAJIAN MOVED TO ADJOURN**

**** MOTION PASSED UNANIMOUSLY**

The meeting adjourned at 6:20PM

Respectfully Submitted,

Dilene Byrd