

CITY OF NORWALK
WATER POLLUTION CONTROL AUTHORITY
March 17, 2014

Attendance: Darren Oustafine, Chairman
Lewis Clark, Vice Chairman
Mayor Rilling
Dave McCarthy
Doug Hempstead
James Clark

Staff: Hal Alvord, DPW Director
Lisa Burns, DPW Operations Manager
Mario Coppola, Corporation Counsel
Diane Beltz-Jacobson, Assistant Corporation Counsel
Robert Barron, Director, Management and Budgets

Others: John Ahern, CH2MHill, OMI, INC
Cathy Mallon Arcadis, U.S., Inc.
John Mastracchio, Arcadis, U.S., Inc.
Philip Sapone, Arcadis, U.S., Inc.

**7. EXECUTIVE SESSION TO DISCUSS PENDING CREDIT TO THE MARVIN (DOCKET# FST
-CV-11-6009451-S)**

**** MR. MCCARTHY MOVED TO ENTER INTO EXECUTIVE SESSION
** MOTION PASSED UNANIMOUSLY**

Executive session began at 5:46PM
Executive session ended at 6:02PM
No action was taken.

1. CALL TO ORDER

Chairman Oustafine called the meeting to order at 6:02PM

**2. APPROVE THE MINUTES FROM WPCA MEETING HELD ON FEBRUARY 24, 2014
(COPY INCLUDED)**

**** MR. MCCARTHY MOVED TO APPROVE THE MINUTES
** MOTION PASSED UNANIMOUSLY**

3. SCHEDULE A PUBLIC HEARING FOR PROPOSED FY 2014-15 SEWER USE RATES ON APRIL 21, 2014 AT 5:30PM (DRAFT NOTICE INCLUDED)

**** MAYOR RILLING MOVED TO SCHEUDLE A PUBLIC HEARING**

**** MOTION PASSED UNANIMOUSLY**

4. TECHNICAL CORRECTION OF WPCA APPROVAL ON FEBRUARY 24, 2014.

ORIGINAL APPROVAL:

AUTHORIZE REIMBURSEMENT OF \$69,819.92 IN FEMA FUNDS RECEIVED FROM HURRICANE SANDY TO OMI, INC. FOR THEIR COSTS ASSOCIATED WITH THE EVENT (SUMMARY SHEET INCLUDED).

ACCOUNT NO. 224062-4172

AUTHORIZE REIMBURSEMENT OF \$69,819.92 IN FEMA FUNDS RECEIVED FROM HURRICANE SANDY TO OMI, INC. FOR THEIR COSTS ASSOCIATED WITH THE EVENT (SUMMARY SHEET INCLUDED).

ACCOUNT NO. 224062-5795

Ms. Burns said that last month the Board had approved to reimburse OMI, Inc. from FEMA funds that the city received from Hurricane Sandy. She said that the account number that was used in the original authorization had actually been closed out at the end of last fiscal year because it was in the operating budget. She said that the funds went back into the WPCA's replacement reserve account and staff is requesting to change the account number.

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

**** MOTION PASSED UNANIMOUSLY**

5. AUTHORIZE THE CHAIRMAN OR THE VICE CHAIRMAN OF THE WATER POLLUTION CONTROL AUTHORITY TO EXECUTE AN AGREEMENT WITH OMI, INC. FOR SERVICES RELATED TO THE REPLACEMENT OF EMERGENCY GENERATORS AT THE KAREN DRIVE, WOODWARD AVENUE, FORT POINT, AND RED OAK PUMP STATIONS FOR A SUM NOT TO EXCEED \$151,000 IN ACCORDANCE WITH LETTER PROPOSAL DATED MARCH 12, 2014. (COPY INCLUDED

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ACCOUNT NO. 09114062-5777-C0360

Ms. Burns said that this is for the generator replacement at four pump stations, and that systematically over the past nine years have replaced the generators at all of the pump stations and that these are the last few to be replaced. She said that there are funds available in the pump station account. Mr. Clark asked what the life expectancy of a generator is. Mr. Ahern said approximately 15 years depending on the run hours and location.

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

**** MOTION PASSED UNANIMOUSLY**

6. REPORTS

- a. FY12/13 Revenues/Expenditures Report (MUNIS report included)
Ms. Burns said that overall everything is tracking as anticipated on both the revenue and expense side.
- b. Discussion on Main Lift Pumps Litigation Status
Ms. Burns said that the fourth out of the six pumps is now out for repair and that in the past week the WPCA's outside counsel has prepared a draft copy of the complaint, which she has reviewed and provided him with additional information so it should be filed shortly. She said that staff has also obtained a quote to replace the pumps if necessary if they continue to show issues going forward which is approximately \$1.2 million dollars. Mr. Hempstead asked if Flowserve is pushing for the city to admit fault. Ms. Burns said "no" and that they had offered to repair one pump at a third of the rate that it had cost. Mayor Rilling asked if there is a sufficient evidence to prevail in this case. Ms. Burns said "yes" and that two technical experts have been obtained. Mayor Rilling asked what is happening in the interim period. Ms. Burns said that the WPCA is paying for the repair with Flowserve's authorized repair shop.
- c. Discussion on Financial Model (copy included, representative from Arcadis, U.S., Inc. to attend)
Mr. Mastracchio presented the updated financial model and said that it takes the expenditures from both the operating and capital budgets, and it looks at the revenue requirements on an annual basis to fund the operational maintenance and capital needs and translates that into rate increase adjustments, which would generate that amount of revenue. Mr. Barron asked if there is a lot of GO debt. Mr. Mastracchio said that there is GO debt but that it does not impact the 2015 projections. Mr. Barron said that the State allows delaying the first payment for three years and just last year it was advanced to two years so that all geo-debt that is issued now will be seen in the second year. Mr. Hempstead asked if there will ever be a way to work with the water departments to obtain the readings so that the homeowners are charged for what they use versus a flat fee. Ms. Burns said that the rate now was designed in 2001 to be favorable to the residential rate payer. Mr. Mastracchio said that the amount of consumption per account across the country has been dropping and for a lot of utilities that are entirely volumetric their revenues have been decreasing steadily and a lot of the utilities are shifting towards fixed charges to make their revenue stream more stable. Mr. Hempstead said with all of the current and proposed units coming to Norwalk if the Waste Water Treatment Plant has the capacity to handle the peak flow. Ms. Burns said "yes" but currently the average flow has been going down. She also said that the operating permit states that once the peak flow hits 90% that a facilities plan has to be done. Mr. Hempstead asked if the WPCA charges other towns that are using the system. Mr. Oustafine said "yes" and that there is a limit as to the amount that they can discharge. Mr. Clark asked what is driving the debt service up in 2016. Ms. Burns said that the WPCA has a total asset value of \$113 million dollars and it does not include the fund balance of \$12 million dollars so there is a minimum of capital investments to maintain the current infrastructure of approximately 2% per year.

- d. Draft FY 14/15 Capital and Operating Budgets (copies included)
Ms. Burns presented the draft budgets and said that they are essentially the same as what was presented at the last meeting. She said that there are a few minor adjustments to be made but that they will not affect the bottom line. Mr. Hempstead requested information on the top 20 sewer users. Ms. Burns said that she will e-mail that information to the Board.
- e. Sewer Use Bill Appeals/Adjustments Update
 - 1. Appeal Status
Mr. Burns said that the adjustments to date are approximately \$ 40,000
- f. Information Copies
 - 1. OMI Monthly Operating Report- February 2014 (copy included)
Mr. Ahern reported on the major items that were completed and said that the motor and fan bearings were replaced on the air handling unit in the primary building. He said that there was a performance and monthly permit violation due to the cold weather and high flows. He said for the month of February nitrogen fell in band "D".

8. ADJOURNMENT

**** MR. MCCARTHY MOVED TO ADJOURN**

**** MOTION PASSED UNANIMOUSLY**

The meeting adjourned at 7:15PM

Respectfully Submitted,

Dilene Byrd