

Water & Wastewater Subcommittee Meeting

1/16/2020
7:00 PM to 9:23 PM
Utilities Department Conference Room

Meeting Minutes

Attendees:

Jim Engel, Kerry Mackin, Brian Kubaska, Bill Craft, Mike Dougherty
Vicki Halmen, Emily Sadoway, John Parkhurst, Ray Leczynski, Jeff Civitarese

Mr. Engel calls the meeting to order at 7PM. He asks the new Water & Wastewater Engineer, Emily Sadoway to introduce herself to the committee.

Agenda

Citizen Queries

All

5

Discussion: None.

Conclusions:

Action items:

Person responsible:

Deadline:

Approval of Minutes

Chair

3

Discussion: None.

Conclusions:

Action items:

Person responsible:

Deadline:

FY21 Water & Wastewater Budgets**V. Halmen****60**

Discussion: Ms. Halmen provided water and wastewater budgets for review and discussion.

The wastewater budget review included specific expense line items, debt service and operating capital. The 5-year capital plan was reviewed. A discussion followed regarding the planned aeration system evaluation proposed for FY21. 5-year budget projections including operating capital and debt service, along with the rates to support them was discussed. Septage rate increases were discussed, which have not been increased since 2014.

The water budget review included specific expense line items, debt service and operating capital. The budget proposes modifications to staffing to build a succession plan in response to four expected retirements. Ms. Halmen was asked to develop more detail to support the need for the proposed changes. The 5-year capital plan was reviewed. It was discussed that planning for upgrades to the Water Treatment Plant (WTP) will begin over the next few years. It was recommended that the debt schedule be revised to include a \$30M borrowing for a new or upgraded WTP. 5-year budget projections including operating capital and debt service, along with the rates to support them was discussed. These projections will change once the WTP borrowing is factored in.

Conclusions: Ms. Halmen will revise budgets based on recommendations and provide rate comparisons.

Action items: Revise budgets as discussed.

Person responsible:

Deadline:

V. Halmen

Next Meeting

Capital Asset Replacement Fund**J. Engel****60**

Discussion: Mr. Engel reviewed the development of the Capital Asset Replacement (CARE) program and feedback received from the Finance Committee as well as members of the community. CARE discussions have been successful in getting people to understand there are significant unmet needs in the water and wastewater departments. The original CARE proposal focused on a flat fee. A usage base charged was presented for discussion. This was proposed as a segregated rate that would only fund capital asset replacement, while the existing rates would continue to fund annual expenses and existing debt service. A CARE fund allows flexibility when funding large projects. Projects can be bonded or expensed. It is important to understand the amount of interest paid when bonding for projects versus building the CARE fund to expense projects.

It was agreed that more details are needed to further the discussion. These are expected once the Asset Management Plan currently under development is complete (late summer).

Conclusions: Large capital projects will continue to be funded by incorporating them into the annual budget process.

Action items:

Person responsible:

Deadline:

Updates			V. Halmen	10
<u>Discussion: None.</u>				
<u>Conclusions:</u>				
<u>Action items:</u>			<u>Person responsible:</u>	<u>Deadline:</u>

Other Business			All	5
<u>Discussion: None.</u>				
<u>Conclusions:</u>				
<u>Action items:</u>			<u>Person responsible:</u>	<u>Deadline:</u>

Additional Information

Mr. Kubaska moved to adjourn the meeting. Mr. Dougherty seconded the motion. Vote unanimous in favor. Meeting adjourned at 9:55PM.