

MINUTES OF THE BOARD OF WATER COMMISSIONERS

The regular meeting of the Board of Water Commissioners was held on Tuesday, August 5, 2010 at the department offices, 605 West Queen Street, Southington, CT. A recording of this meeting can be found on file tape #563.

PRESENT: President Thomas Murphy, Vice President Erik Semmel, Secretary & Treasurer Robert Berkmoes, Commissioners Cheryl Lounsbury, Angelina Santa Maria, Superintendent Thomas West, Assistant Superintendent Frederick Rogers and stenographer Janice Eisenhauer. A quorum was determined.

**1. CALL TO ORDER**

The meeting was called to order by President Thomas Murphy at 6:07PM.

**2. Approval of Minutes of July 6, 2010 Meeting.**

Commissioner Lounsbury made a motion to accept the minutes of the July 6, 2010 meeting as presented. Commissioner Semmel seconded the motion. Commissioner Santa Maria abstained. The motion passed on a voice vote.

**3. Communications**

a.) Communications from the public  
None.

b.) Communications from the Administration  
Superintendent West reported on the bonding that is being secured through the town. The bonding would be for the water mains project and the Mariondale water tank replacement. He attended an approval meeting at P&Z and the projects were favorably recommended, which will move along the process with the Town Council and the Board of Finance. Two resolutions and an agreement with the town need to be approved, and that item appears on the agenda for this meeting at 7a.

c.) Communications from Board Members  
None.

**4. Review of Water Billings & Outstanding Jobbing Bills & Approval of Invoices**

a.) Superintendent West requested a change in the timing of reporting invoices for board approval. In the past, invoices have been presented meeting-to-meeting, accurate to the date of the Board meeting. Staff has asked if going forward, invoices can be presented from the first through the last day of the previous calendar month. This will be more efficient and allows better accounting practices. The commissioners did not have a problem with this procedural change.

West noted that water use and collections are up considerably, some due to the rate increase and some due to the hot, dry weather. Outstanding jobbing bills were discussed. A summary of line protection customers is included now and West explained the figures and gave a status summary report on the plan.

Commissioner Santa Maria made a motion to accept the invoices for payment as presented. The motion was seconded by Commissioner Lounsbury and passed on a voice vote.

## 5. Committee Reports

### a.) Executive Committee

Superintendent West presented a report on investment options with various local banks. He has also spoken with Budwitz & Meyerjack regarding appropriate risk. This was discussed at some length. President Murphy suggested that CDs be laddered. FDIC limits were discussed. Superintendent West will explore this.

The executive committee has not met.

### b.) Infrastructure Committee

The committee did not meet.

### c.) Technology Committee

The committee did not meet.

## 6.) OLD BUSINESS

### a.) Update on Federal Grants, State Grants and SRF Loans

Superintendent West expressed his disappointment with the paucity of grant funds allocated to the Southington Water Department. Ferguson Group reports all three projects: the green project, the WRDA money and on the STAG proposal, were not funded.

### b.) Update on DEP Stream Flow Regulations

Superintendent West reports that this is going forward this fall. The final version of the regulations have not been released but he anticipates it will be unveiled soon. Senator Caligiuri is on the Regulation Review Committee that will vote on this. West anticipates that it will be necessary to speak with Senator Caligiuri about a resolution to kill this. West plans to attend a meeting soon of the Connecticut Water Works Association, the DEP and DPH.

### c.) Water Line Service Line Protection Plan

Superintendent West reported. A letter has been submitted through Commissioner Semmel regarding a property on South Main Street. The town records list it as a commercial property. The owner has a commercial establishment downstairs

and a residence upstairs. He had approached the water department about participation in the service program, but the rules (mirroring Safety Valve and The Connecticut Water Co. rules) exclude commercial establishments. That determination is made directly from the town records. Apparently he did secure coverage elsewhere. There was a discussion about appropriate coverage limits, the difference in the size of service lines used in commercial and residential properties and the inherent risks involved. Condominium scenarios were discussed, at some length. Superintendent West will respond to the property owner who queried.

d.) Chamber Advantage Night in October

Plans were made to hold the Chamber Advantage night on Wednesday, October 27 at the department offices between 5 and 7PM. Light refreshments will be served. Representatives and Candidates for the November election will be invited to attend. Some invitations will be extended requesting an R.S.V.P. The public is invited. There was a discussion about informational materials and presentations.

**7. NEW BUSINESS**

a.) Resolution for water mains project and water tank replacement project

Superintendent West explained the bonding agreement with the Town of Southington and answered questions to the satisfaction of the board.

(1) Commissioner Berkmoes made a motion to approve the agreement with respect to the West Center St water main and Mariondale <sup>WATER STORAGE TANK</sup> driveway, and the filtration plant with storage replacement projects. Commissioner Lounsbury seconded his motion. The motion passed on a voice vote. There were none opposed.

(2) Commissioner Berkmoes made a motion to approve the resolution appropriating one million six hundred eighty thousand dollars (\$1,680,000) for the costs relating to the design and construction and installation of the water mains for approximately 5350 lineal feet on West Center Street between Summer Street and West and West Street between West Center Street and Mill Street, and 110 linear feet on Welch Road, Eight Mile River and authorizing the agreement with the Town of Southington to participate. Commissioner Santa Maria seconded the motion. It passed on a voice vote. There were none opposed.

(3) Commissioner Berkmoes made a motion to approve the resolution appropriating one million seven hundred thirty thousand dollars (\$1,730,000) for the costs related to the demolition of the water storage tank located on Mariondale Drive at the water filtration plant and its replacement at the same

location. The motion was seconded by Commissioner Lounsbury and passed on a voice vote. There were none opposed.

**8. Executive Session Anticipated for Personnel and Negotiation Matters.**

A motion was made by Commissioner Lounsbury to adjourn to executive session, to include staff, barring the public and press. The motion was seconded by Commissioner Berkmoes and passed on a voice vote.

The Board entered executive session at 6:56 PM.

The Board Left Executive Session at 7:40 PM.

Commissioner Berkmoes made a motion to add item 7b., Ferguson Group Contract to the agenda. Commissioner Semmel seconded the motion and it passed unanimously.

Commissioner Semmel made a motion to exercise our termination clause in the contract with Ferguson Group. Commissioner Santa Maria seconded the motion and it passed unanimously.

Commissioner Semmel made a motion to adjourn the meeting. Commissioner Berkmoes seconded the motion and it passed unanimously.

The meeting adjourned at 7:42 PM.

Attest:

  
\_\_\_\_\_  
Robert M. Berkmoes, Secretary & Treasurer

## CASH STATEMENT

August 5, 2010

Balance 7/6/10

\$ 3,193,127.48

STIF ACCOUNT -

0.26%

Beginning Balance	\$ 38,097.31	
Plus Interest and Deposits	\$ 8.32	
Minus Transfers	\$ -	\$ 8.32
Ending Balance	\$ 38,105.63	

Farmington Savings Bank - Money Market

0.40%

Beginning Balance	\$ 549,303.96	
Plus Interest and Deposits	\$ 198.65	
Minus Transfers	\$ -	\$ 198.65
Ending Balance	\$ 549,502.61	

Farmington Savings Bank - DWSRF

0.40%

Beginning Balance	\$ 218,706.36	
Plus Interest and Deposits	\$ 79.09	
Ending Balance	\$ 218,785.45	\$ 79.09

Farmington Savings Bank - Operating/Repo

0.40%

Beginning Balance	\$ 2,333,545.65	
Less Checks Being Signed	\$ (245,823.75)	
Plus Deposits, Interest and Transfers	\$ 1,087,663.34	
Minus Checks and Transfers	\$ (918,732.15)	\$ (76,892.56)
Ending Balance	2,256,653.09	

Reich & Tang Mutual Fund

0.00%

Beginning Balance	\$ 53,474.20	
Plus Deposits	\$ -	
Minus Checks	\$ -	\$ -
Ending Balance	53,474.20	

Balance 08/05/10

\$ 3,116,520.98

WATER BILLINGS  
2009/2010      2010/2011

JULY	\$ 395,984.57	\$ 467,672.02
AUGUST	\$ 429,421.65	
SEPTEMBER	\$ 300,316.90	
OCTOBER	\$ 542,351.65	
NOVEMBER	\$ 442,332.60	
DECEMBER	\$ 298,033.05	
JANUARY	\$ 446,010.15	
FEBRUARY	\$ 343,539.25	
MARCH	\$ 236,427.40	
APRIL	\$ 427,904.60	
MAY	\$ 400,223.05	
JUNE	\$ 234,430.85	
<b>TOTAL</b>	<b>\$ 4,496,975.72</b>	<b>\$ 467,672.02</b>

WATER COLLECTION  
2009/2010      2010/2011

\$ 290,392.21	\$ 431,136.81
\$ 492,128.80	
\$ 319,163.97	
\$ 415,055.44	
\$ 443,815.76	
\$ 408,504.59	
\$ 338,294.15	
\$ 456,561.75	
\$ 289,145.65	
\$ 401,388.07	
\$ 365,462.02	
\$ 267,502.47	
<b>\$ 4,487,414.88</b>	<b>\$ 431,136.81</b>

INTEREST CHARGED  
2009/2010      2010/2011

JULY	\$ 1,346.85	\$ 1,874.09
AUGUST	\$ 1,993.32	
SEPTEMBER	\$ 1,682.63	
OCTOBER	\$ 2,172.42	
NOVEMBER	\$ 2,103.23	
DECEMBER	\$ 2,126.78	
JANUARY	\$ 2,068.45	
FEBRUARY	\$ 1,902.70	
MARCH	\$ 1,898.68	
APRIL	\$ 1,608.18	
MAY	\$ 1,756.79	
JUNE	\$ 1,377.07	
<b>TOTAL</b>	<b>\$ 22,037.10</b>	<b>\$ 1,874.09</b>

INTEREST RECEIVED  
2009/2010      2010/2011

\$ 1,635.80	\$ 1,244.02
\$ 1,371.78	
\$ 1,532.39	
\$ 1,870.47	
\$ 2,366.42	
\$ 1,650.09	
\$ 1,714.11	
\$ 1,500.92	
\$ 1,714.57	
\$ 3,126.83	
\$ 1,811.09	
\$ 2,223.35	
<b>\$ 22,517.82</b>	<b>\$ 1,244.02</b>

**Tom West**

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**From:** Erik and Tisha Semmel [esemmel@cox.net]  
**Sent:** Thursday, August 05, 2010 6:42 AM  
**To:** Tom West  
**Subject:** FW: Water Pipe Insurance

Hi Tom,

I wanted to be sure you had this request so we could talk about it tonight.

Thanks... Erik

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**From:** Greg Klimaszewski [mailto:gklimaszewski@f-klaw.com]  
**Sent:** Wednesday, August 04, 2010 7:17 PM  
**To:** ESemmel@southington.org  
**Subject:** Water Pipe Insurance

Dear Commissioner Semmel,

It is my understanding that Southington Water department now self-insures their customer's water pipe coming in from the street, and further, only residential properties. While there may be a valid reason for this I feel that there is missed opportunity to add to the pool of properties insured such as mine at 1004 South Main Street.

Recently when I tried to purchase the insurance for my water pipe I was denied because the property is zoned for business. While this is true there is also a residence on the property located on the second floor of the build. However, the more pertinent issue is, replacing my water pipe would cost the department the same amount as replacing a residential unit ( as I have been informed by members of the department). Therefore, while **I would prefer** to have your department replace my water pipe should it break, I cannot buy insurance from you and instead purchased insurance from a third party vendor. I am certain that having as many people pay into the pool would be most profitable for all by reducing insurance rates as well as adding income to the water department revenue.

Thank you for your time and consideration and I await you reply. Please feel free to call me.

Gregory Klimaszewski  
860-628-9333  
1004 South Main Street  
Plantsville CT 06479

8/5/2010

AGREEMENT WITH RESPECT TO THE WEST CENTER STREET WATER MAIN AND  
MARIONDALE DRIVE FILTRATION PLANT WATER STORAGE REPLACEMENT  
PROJECTS

AGREEMENT dated as of \_\_\_\_\_, 2010 by and between the Town of Southington, Connecticut (hereinafter referred to as the "Town") and the Board of Water Commissioners of the Town of Southington, Connecticut (hereinafter referred to as the "Board of Water Commissioners").

WITNESSETH:

WHEREAS, the Town, by ordinance presented at Town Council Meeting held \_\_\_\_\_, 2010 (hereinafter referred to as the "West Center Street Project Ordinance"), has appropriated \$1,680,000 for costs related to the design, construction and installation of (1) approximately 5300 linear feet of 12 inch ductile iron water main on West Center Street, between approximately Summer Street and West Street, and on West Street, between West Center Street and Mill Street, including new valves, hydrants, service connections and a temporary bypass system and (2) approximately 110 linear feet of 12 inch ductile iron water main on Welch Road, at Eight Mile River, crossing under a twin culvert, and including 60 linear feet of 36 inch reinforced concrete pipe (hereinafter referred to as the "West Center Street Project") and has authorized the issue of bonds, notes, obligations, temporary notes and interim funding obligations in the same amount to defray said appropriation; and

WHEREAS, the Town, by ordinance presented at Town Council Meeting held \_\_\_\_\_, 2010 (hereinafter referred to as the "Mariondale Water Storage Tank Project Ordinance", and, with the West Center Street Project Ordinance, collectively, the "Project Ordinances"), has appropriated \$1,730,000 for costs related to the demolition of the water storage tank located at the Mariondale Drive Water Filtration Plant, and its replacement at the same location with the construction of a new 2 million gallon prestressed, wire-wound concrete water storage tank (hereinafter referred to as the "Mariondale Water Storage Tank Project", and, with the West Center Street Project, collectively, the "Projects") and has authorized the issue of bonds, notes, obligations, temporary notes and interim funding obligations in the same amount to defray said appropriation; and

WHEREAS, the Town, in the Project Ordinances, has provided that no bonds, notes, obligations, temporary notes or interim funding obligations shall be issued by the Town unless and until the Board of Water Commissioners shall have entered into an agreement, approved by the Town Manager, to charge such rates and fees as will be sufficient: (i) for the payment of the expenses of the Projects, and (ii) for the payment of all debt service, as the same becomes due and payable, on bonds, notes, obligations, temporary notes and interim funding obligations issued pursuant to the Project Ordinances.

NOW, THEREFORE, the Board of Water Commissioners and the Town agree:

1. The Board of Water Commissioners shall charge such rates and fees as will be sufficient: (i) for the payment of the expenses of the Projects, and (ii) for the payment of all debt service, as the same becomes due and payable, on bonds, notes, obligations, temporary notes, interim funding obligations or other obligations issued pursuant to the Project Ordinances and on any borrowings by the Town to refund such obligations.

2. The Town will process the issuance of the bonds, notes, obligations, temporary notes, interim funding obligations and other obligations issued pursuant to the Project Ordinances in the usual manner required for general obligation debt wherein the full faith and credit of the Town is pledged.

3. The Board of Water Commissioners promises to pay said bonds, notes, obligations, temporary notes, interim funding obligations and other obligations issued pursuant to the Project Ordinances, and any borrowings by the Town to refund such obligations, including the payment of principal of, interest and redemption premium on, and other necessary charges relating to such bonds, notes, obligations, temporary notes and interim funding obligations or other obligations, when the same are due, and such payments shall be made entirely from user charges or fees or other revenues of the Water Department of the Town of Southington.

4. The Board of Water Commissioners acknowledges that the Town's general funds are not to be used to meet the obligations of the Board of Water Commissioners hereunder unless and until the reasonable resources of the Board of Water Commissioners are exhausted in meeting these obligations.

5. The Board of Water Commissioners agrees to pay interest on any payments to be made to the Town hereunder which payments are not paid when due at the same interest rate that the Town would be able to obtain from investing such moneys.

6. Neither the Board of Water Commissioners nor the Town shall rescind this Agreement during such time as any bonds, notes, obligations, temporary notes, interim funding obligations or other obligations issued pursuant to the Project Ordinances, or any borrowings by the Town to refund such obligations, remain outstanding.

IN WITNESS WHEREOF, the Board of Water Commissioners and the Town have caused this Agreement to be duly executed as of the day and year first above written.

BOARD OF WATER COMMISSIONERS OF THE  
TOWN OF SOUTHLINGTON, CONNECTICUT

By: \_\_\_\_\_  
President

TOWN OF SOUTHLINGTON, CONNECTICUT

By: \_\_\_\_\_  
Town Manager

BOARD OF WATER COMMISSIONERS

August 5, 2010

RESOLUTION APPROPRIATING \$1,680,000 FOR COSTS RELATED TO THE DESIGN, CONSTRUCTION AND INSTALLATION OF WATER MAINS OF APPROXIMATELY 5300 LINEAR FEET ON WEST CENTER STREET BETWEEN SUMMER STREET AND WEST AND ON WEST STREET BETWEEN WEST CENTER STREET AND MILL STREET AND 110 LINEAR FEET ON WELCH ROAD, AT EIGHT MILE RIVER; AND AUTHORIZING AN AGREEMENT WITH THE TOWN OF SOUTHTON TO PAY DEBT SERVICE ON BORROWINGS OF THE TOWN ISSUED TO FINANCE SAID PROJECT

RESOLVED,

(a) That the Water Department of the Town of Southington, Connecticut appropriate ONE MILLION SIX HUNDRED EIGHTY THOUSAND DOLLARS (\$1,680,000) for costs related to the design, construction and installation of (1) approximately 5300 linear feet of 12 inch ductile iron water main on West Center Street, between approximately Summer Street and West Street, and on West Street, between West Center Street and Mill Street, including new valves, hydrants, service connections and a temporary bypass system and (2) approximately 110 linear feet of 12 inch ductile iron water main on Welch Road, at Eight Mile River, crossing under a twin culvert, and including 60 linear feet of 36 inch reinforced concrete pipe. The appropriation may be spent for design, construction, acquisition and installation costs, equipment, materials, administrative, printing and permitting costs, engineering and inspection fees and costs, traffic control, erosion and sedimentation control, landscaping and turf establishment, consultant and legal fees, related improvements, related easement or land acquisition, net interest on borrowings and other financing costs, and other expenses related to the project and its financing. The Board of Water Commissioners shall determine the scope and particulars of the project and may reduce or modify the project scope; and the entire appropriation may be expended on the project as so reduced or modified.

(b) That the Water Department hereby declares its official intent under Federal Income Tax Regulation Section 1.150-2 that project costs may be paid from temporary advances of available funds and that the Water Department reasonably expects to reimburse any such advances from the proceeds of borrowings of the Town of Southington in an aggregate principal amount not in excess of the amount of borrowing authorized above for the project. The President and the Superintendent are authorized to amend such declaration of official intent as they deem necessary or advisable and to bind the Water Department pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on any such bonds, notes, obligations, temporary notes or interim funding obligations if issued on a tax-exempt basis, including covenants to pay rebates of investment earnings to the United States in future years.

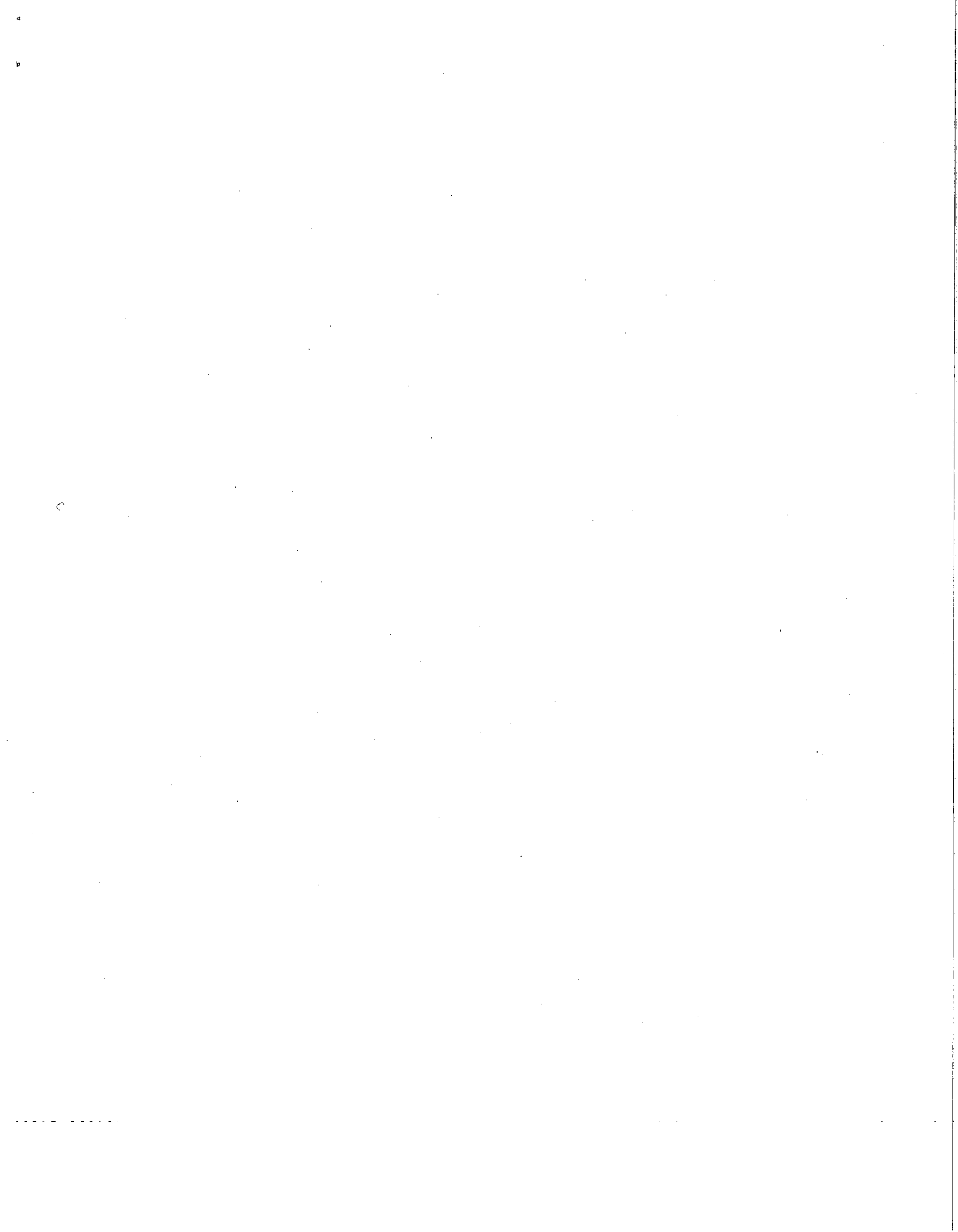
(c) That the President and the Superintendent are authorized to apply for and accept federal and state grants to help finance the appropriation for the project. Any grant proceeds

may be used to pay project costs or principal and interest on bonds, notes, obligations, temporary notes or interim funding obligations issued to finance the project.

(d) That the President and the Superintendent, are authorized to apply for and accept state grants to finance the appropriation for the project and state loans to finance the project, and to enter into any grant or loan agreement prescribed by the State, and the President and the Superintendent are authorized to take any other actions necessary to obtain such grants or loans pursuant to Section 22a-479 of the Connecticut General Statutes, Revision of 1958, as amended, or to any other present or future legislation, or to implement such grant or loan agreements.

(e) That the President and the Superintendent are authorized, on behalf of the Water Department and the Board of Water Commissioners, to enter into an agreement with the Town of Southington obligating the Water Department to charge such rates and fees as will be sufficient: (i) for the payment of the expenses of the project, and (ii) for the payment of all debt service, as the same becomes due and payable, on bonds, notes, obligations, temporary notes and interim funding obligations issued to finance the project.

(f) That the President and the Superintendent and other proper officers and officials of the Water Department are authorized to take all other action which is necessary or desirable to construct and complete the project and to satisfy the Water Department's obligations to the Town of Southington in connection with any bonds, notes, obligations, temporary notes and interim funding obligations issued to finance the project.



BOARD OF WATER COMMISSIONERS

August 5, 2010

RESOLUTION APPROPRIATING \$1,730,000 FOR COSTS RELATED TO THE DEMOLITION OF THE WATER STORAGE TANK LOCATED AT THE MARIONDALE DRIVE WATER FILTRATION PLANT AND ITS REPLACEMENT AT THE SAME LOCATION; AND AUTHORIZING AN AGREEMENT WITH THE TOWN OF SOUTHLINGTON TO PAY DEBT SERVICE ON BORROWINGS OF THE TOWN ISSUED TO FINANCE SAID PROJECT

Resolved,

(a) That the Water Department of the Town of Southington, Connecticut appropriate ONE MILLION SEVEN HUNDRED THIRTY THOUSAND DOLLARS (\$1,730,000) for demolition of the water storage tank located at the Mariondale Drive Water Filtration Plant, and its replacement at the same location with the construction of a new 2 million gallon prestressed, wire-wound concrete water storage tank. The appropriation may be spent for acquisition and installation costs, equipment, materials, administrative, printing and permitting costs, engineering and inspection fees and costs, traffic control, consultant and legal fees, related improvements, net interest on borrowings and other financing costs, and other expenses related to the project and its financing. The Board of Water Commissioners shall determine the scope and particulars of the project and may reduce or modify the project scope; and the entire appropriation may be expended on the project as so reduced or modified.

(b) That the Water Department hereby declares its official intent under Federal Income Tax Regulation Section 1.150-2 that project costs may be paid from temporary advances of available funds and that the Water Department reasonably expects to reimburse any such advances from the proceeds of borrowings of the Town of Southington in an aggregate principal amount not in excess of the amount of borrowing authorized above for the project. The President and the Superintendent are authorized to amend such declaration of official intent as they deem necessary or advisable and to bind the Water Department pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on any such bonds, notes, obligations, temporary notes or interim funding obligations if issued on a tax-exempt basis, including covenants to pay rebates of investment earnings to the United States in future years.

(c) That the President and the Superintendent are authorized to apply for and accept federal and state grants to help finance the appropriation for the project. Any grant proceeds may be used to pay project costs or principal and interest on bonds, notes, obligations, temporary notes or interim funding obligations issued to finance the project.

(d) That the President and the Superintendent, are authorized to apply for and accept state grants to finance the appropriation for the project and state loans to finance the project, and to enter into any grant or loan agreement prescribed by the State, and the President and the Superintendent are authorized to take any other actions necessary to obtain such grants or loans pursuant to Section 22a-479 of the Connecticut General Statutes, Revision of 1958, as amended, or to any other present or future legislation, or to implement such grant or loan agreements.

(e) That the President and the Superintendent are authorized, on behalf of the Water Department and the Board of Water Commissioners, to enter into an agreement with the Town of Southington obligating the Water Department to charge such rates and fees as will be sufficient: (i) for the payment of the expenses of the project, and (ii) for the payment of all debt service, as the same becomes due and payable, on bonds, notes, obligations, temporary notes and interim funding obligations issued to finance the project.

(f) That the President and the Superintendent and other proper officers and officials of the Water Department are authorized to take all other action which is necessary or desirable to construct and complete the project and to satisfy the Water Department's obligations to the Town of Southington in connection with any bonds, notes, obligations, temporary notes and interim funding obligations issued to finance the project.