



TOWN OF LEDYARD

741 Colonel Ledyard Highway
Ledyard, Connecticut 06339

Water Pollution Control Authority Meeting Minutes

Chairman
Ed Lynch

Regular Meeting

Tuesday, November 28, 2023

7:00 PM

Council Chambers - Hybrid

I. CALL TO ORDER

The meeting was called to order by Chairman Lynch at 7:01 p.m.

II. ROLL CALL

- Present** Board Member Monir Tewfik
Board Member Sharon Wadecki
Board Member Stanley Juber
Board Member Edmond Lynch
Alternate Member Jeremy Norris
- Excused** Board Member Terry Jones
Alternate Member Tony Capon
- Non-voting** Alternate Member James A. Ball

Also in attendance:
Bill Saums, Town Councilor
Mauricio Duarte, GU General Foreman Water Operations
Aaron Brooks, GU General Manager of Business Development
Mark Beauchamp, President Utility Financial Solutions

III. APPOINTMENT OF ALTERNATES

Jeremy Norris was appointed as a voting member.

IV. PLEDGE OF ALLEGIANCE

V. RESIDENTS & PROPERTY OWNERS COMMENTS

None.

VI. REVIEW AND APPROVAL OF MINUTES

1. Motion to APPROVE Regular Meeting Minutes from October 24, 2023, as written.

RESULT: APPROVED AND SO DECLARED
MOVER: Edmond Lynch
SECONDER: Sharon Wadecki

- AYE** 4 Tewfik Juber Lynch Norris
- EXCUSED** 2 Jones Capon
- ABSTAIN** 1 Wadecki

VII. COMMUNICATIONS AND CORRESPONDENCE

1. Operations Report.

Copper and lead testing is still being conducted.

Chairman Lynch asked how many hydrants were replaced, Mr. Duarte replied three.

RESULT: DISCUSSED

2. Service Correspondence.

None.

3. Aged Reports/Finance.

More cash was collected in the month of September than October.

The over 120 days late column is still rather low.

RESULT: DISCUSSED

4. Year to Date Water/Sewer Report.

Nothing noteworthy.

RESULT: DISCUSSED

5. PSR - Steve Banks.

Steve Banks, WPCA Supervisor reported that the pump project is completed, he is just waiting for the final invoices to come in.

RESULT: DISCUSSED

VIII. OLD BUSINESS

1. Water Rate Structure Study.

Chairman Lynch noted that in order to do a cost of service study a capital budget is needed. Technically the WPCA doesn't have a formal capital budget, although money is saved each year. He then turned the discussion over to Aaron Brooks, GU General Manager of Business Development.

Mr. Brooks started with a brief status update and reported that everything is going very well. He said that Tina Daniels, GU Customer Service General Manager and Ian Stammel, Assistant Finance Director have been busy gathering information for the Utility Financial Solutions team. Mr. Brooks said as far as the Capital budget the UFS team will take into consideration the fact that the WPCA is budgeting money. He added that part of the UFS process is to help with setting

up a financial plan. Mr. Brooks said that GU has been working with the team for approximately nine years. UFS has helped GU in all aspects including electric, water, wastewater, cost of service study, rate design and strategic financial planning. UFS has been instrumental to GU and they have GU's full confidence. Mr. Brooks then turned the discussion over to Mark Beauchamp, President Utility Financial Solutions.

Mr. Beauchamp started by giving a background of UFS. He said the company was formed in 2001. He has worked with UFS for approximately 17 years. UFS has done work in 44 states plus the Islands of Guam, Barbados and Bermuda. To date UFS has completed more than 2000 rate studies around the world. Mr. Beauchamp explained that cost of service study has four main components;

- Long term financial projection including debt coverage ratios, minimum cash reserves, and target operating income.
- Review Cost of Service results.
- Presentation on the financial projection and the cost of service.
- Guidance on Rate Design.

Bill Saums, Town Councilor commented that although the WPCA doesn't have debt the Town does and the WPCA covers it. He said this debt should be included in the study. Mr. Beauchamp replied that he has already spoke with the analyst and they have those debt numbers.

Assumptions - whenever a financial model is built looking forward certain assumptions need to be made such change in cost, spending of capital, inflation and growth. These assumptions are combined with projected revenues and expenses to look long term (with no rate adjustments) to see how the financial future will look.

Debt coverage ratio basically looks at how much cash is generated on an annual basis compared to the annual debt service payment. For Utilities that issue revenue bonds there are ordinances that specify what coverage ratios they need to maintain. In the case of the Ledyard WPCA it appears that the debt falls under general obligation bonds which doesn't come with specific coverage ratios but nonetheless the WPCA needs to maintain adequate debt coverage even though it isn't a legal requirement.

The projected rate track evaluates debt coverage ratio, cash reserves and optimal operating income.

Chairman Lynch asked when the report will be completed. Mr. Beauchamp said he spoke with the analyst earlier and it appears that they have everything needed to move forward. He predicts it will be ready for WPCA review in a couple of months. Chairman Lynch said that would work out well since it will be ready before budget season.

Mr. Brooks asked when the WPCA budget needs to be completed. It was answered that it needs to be approved and submitted to the Town by the first week in March 2024.

RESULT: DISCUSSED

2. Review of Trail/Sewer line bids continued.

Chairman Lynch explained that the trail has a strict protocol that needs to be followed since it is DOT funded. The protocol is expensive to follow. The bid was approximately \$200,000 over the trail budget, however the DOT states that if the Town is over budget because the Town is following its protocols then it will provide more funding. The Mayor told Chairman Lynch that he wants the AARPA money either spent or committed by the end of 2024 otherwise the money will be lost. The Mayor provided a list of priorities. Chairman Lynch thought it would be a top priority to get W&S to start designing Phase III (the five-inch line). Chairman Lynch feels the bid came in too low and wanted W&S to review it. The only issue that came from up the bid was the kind of pipe being used, it should be an HDP pipe, which is more expensive. The contractor said he could get and install HDP pipe. Chairman Lynch called a few suppliers to see if the pipe was available and it is.

Ms. Wadecki asked where the sewer line will start. Chairman Lynch answered at the access road near the Bill Library. Mr. Ball looked at the plans and confirmed that it would go on the west side of the Ledyard Congregational Church parking lot driveway. Ms. Wadecki asked if a right-of-way is needed. Mr. Ball answered no, because it is not on the Church's property line.

Chairman Lynch explained that the line was intended for commercial and/or high-density housing. The WPCA is providing the line but not pump stations, the developer would have that responsibility. Ms. Wadecki agreed that the Phase III design should be started ASAP although she questioned why all of the Mayor's suggestions are for housing when the intention was for commercial. Mr. Saums said part of the economic development for Ledyard Center includes increasing the population density in Ledyard Center so that there is more businesses. In other words, more consumers to support the local businesses which in turn attracts more businesses. Without more people living in Ledyard Center the less businesses will want to move there. Mr. Saums said not only is it important to attract new businesses but it's also important to keep businesses already in the Center so they don't leave Ledyard, increasing the population density will help both of these goals.

Motion to APPROVE allowing Chairman Lynch to contact Weston & Samson to obtain a quote for design of the Ledyard Center Trail and Sewer Line Project Phase III.

Note -this motion is only to ask W&S for the Phase III design. The acceptance of the design will be voted on at a later date.

Mr. Saums said this still leaves the issue of what to do if the sewer bids are lower than expected. The Town has 1.2 million appropriated and if the cost of the project comes in lower the money will have to be given back to the State because these funds must be spent on the sewer plan. The funds need to be committed by the end of 2024. One solution is to add more to Phase I. Once the bids are received the WPCA will discuss further.

RESULT: APPROVED AND SO DECLARED

MOVER: Edmond Lynch

SECONDER: Sharon Wadecki

AYE 5 Tewfik Wadecki Juber Lynch Norris

EXCUSED 2 Jones Capon

- 3. Motion to APPROVE change of previously approved meeting date from January 21, 2025, to January 28, 2025.

RESULT: APPROVED AND SO DECLARED

MOVER: Edmond Lynch

SECONDER: Sharon Wadecki

AYE 5 Tewfik Wadecki Juber Lynch Norris

EXCUSED 2 Jones Capon

- 4. Any Other Old Business to come before the Authority.

Mr. Saums said this was his last meeting for the Town of Ledyard and his last as Liaison for the WPCA. He added that he is very proud of the work that the WPCA has done. Chairman Lynch thanked Mr. Saums for all of his work.

IX. NEW BUSINESS

- 1. Motion to APPROVE payment to Groton Utilities invoice #0023657, dated September 30, 2023, in the amount of \$672.36 for labor from August 23 - September 1, 2023.

Chairman Lynch asked Mr. Duarte what exactly the labor on the invoice was for. He answered it was for lead service for the report that needs to be submitted to DPH in October 2024.

RESULT: APPROVED AND SO DECLARED

MOVER: Edmond Lynch

SECONDER: Sharon Wadecki

AYE 5 Tewfik Wadecki Juber Lynch Norris

EXCUSED 2 Jones Capon

- 2. Release of Tax Assessments for Water.

No discussion needed.

- 3. Any Other New Business to come before the Authority.

None.

X. ADJOURNMENT

Motion to ADJOURN the Regular Meeting at 8:24 p.m.

RESULT: APPROVED AND SO DECLARED

MOVER: Edmond Lynch

SECONDER: Sharon Wadecki

AYE 5 Tewfik Wadecki Juber Lynch Norris

EXCUSED 2 Jones Capon

DISCLAIMER: Although we try to be timely and accurate these are not official records of the Town.