

Minutes of the March 11, 2019 Water Authority Meeting
Southeastern Connecticut Water Authority
1649 Route 12, Gales Ferry, CT

Present

Authority: Chairman Edward Monahan, Vice-Chairman Harry Watson, Treasurer Paul Eccard, Barbara Lee Franciosi, Nicholas Mullane and Claudia Koerting.

Authority Staff: General Manager Josh Cansler

Call to Order

Chairman Monahan called the meeting to order at 5:15 p.m.

Public Comment on any Item on the Agenda

Mr. Dan Stanavage was present, and requested to address the Authority regarding several issues at two properties in Montville Division, both of which are owned by his mother. At 12 New York Avenue he is building a starter home on the property, a .18 acre lot that is 50 feet wide and 150 feet deep. He brought forth two issues regarding connection to SCWA water, which has a water main on the opposite side of New York Avenue. Mr. Stanavage stated that he thinks the water service connection fees are too high. The subject of new water services fees was already on this meeting's agenda. The General Manager first discussed the issue with the Authority last year after the SCWA foreman said other customers have complained about new water connection fees over the past few years. Mr. Stanavage also requested that he be able to use his own contractor for the excavation and restoration of the trench for the new water service.

Mr. Stanavage stated his mother also owns a nearby 11 acre property at 20 Connecticut Boulevard that he intends to develop. He is considering several business incubator storage units, and several 4-plex and 6-plex residential dwellings, for a total of approximately 20-40 residential units. He had several questions regarding this development. Mr. Stanavage wanted to know if he had to pay a separate new water service fee for each unit, or for each 4/6-plex building. He mentioned that there is already an old well on the property, and that he has discussed with DPH the possibility of activating the well if our new water service fees are too high. He also wanted to know if he could use his contractor for this development. General Manager Cansler stated that they would have to see an engineering report to determine feasibility of connecting to the Montville Division, based on the existing capacity. Mr. Cansler also stated that for any new development it would be the responsibility of the developer to install the new water distribution system within the newly developed area, constructed to AWWA specifications.

Mr. Stanavage also stated that SCWA has an easement somewhere on his mother's property at 20 Connecticut Blvd. He claimed that SCWA convinced his mother to sign the easement for no fee while his father was in a coma, more than 20 years ago. General Manager Cansler said that he had no knowledge of the easement, and stated that SCWA does not have any water lines on the property in question. He said he would conduct further research into this issue.

After Mr. Stanavage finished his presentation, Chairman Monahan asked that he put his concerns into a formal letter, and SCWA would address each concern. Mr. Stanavage said he had no problem writing a letter about the 20 Connecticut Blvd. development, but since the modular house for the 12 New York property was set to arrive within a month, he requested a response within in a couple of weeks for that address. Chairman Monahan said the Authority would expedite their response for that property.

Approval of Prior Minutes

On a motion of Mr. Eccard, seconded by Mr. Mullane, the Authority approved the minutes of the February 11, 2019 Water Authority Meeting, by a unanimous vote of all members present.

Correspondence

(Attachment #1: Article: "Audit finds Dept. of Public Health was lax on public drinking water enforcement" from the Hartford Courant newspaper, dated Feb 21, 2019)

(Attachment #2: Article: "A Wake-Up Call on Water Quality" from National Geographic magazine, March 2019 edition)

General Manager Cansler stated there were two articles included in the correspondence folder. The first article, from the Hartford Courant, discussed the findings of a recent state audit regarding the state Public Health Agency's oversight of water quality, and their handling of regulatory violations. The second article was from National Geographic magazine, and discussed the inequality of drinking water quality standards throughout the U.S. Mr. Cansler said that this article was relevant because it included a brief discussion on PFAS chemicals in water.

Mr. Cansler also referenced a letter from the Ledyard Lions Club asking if SCWA was interested in posting an advertisement in the Ledyard Memorial Day Parade booklet. Purpose of the proceeds from booklet is to support this patriotic annual event. SCWA has supported this request in the past. On motion of Mr. Eccard, seconded by Mr. Mullane, the Authority approved, by a unanimous vote of all members present, to place a half-page ad in the Ledyard Lions Club booklet, at a cost of \$60.

General Manager's Report

1. New Water Service Fees

(Attachment #3: Example letter sent to homeowners requesting a new water service connection)

General Manager Cansler stated that in the past four years 12 property owners have inquired about connecting to SCWA mains, which run by their properties. After responding with letters to each owner explaining the procedures and fees, none of the potential new customers has connected to the SCWA system, choosing to either drill a well, rehabilitate their existing wells, or not build. Mr. Cansler stated that Mr. Stanavage was only the latest of potential customers to claim SCWA fees are too high. The General Manager explained that currently SCWA charges the following for a new water service:

- System Development Fee \$3,103
 - Connection Fee \$257
 - Materials \$430
 - SCWA Labor \$320
 - Excavation & Restoration TBD (usually \$2800 to \$3600)
- Total: \$6,910 to \$7,710

The Excavation and Restoration fee is based on an estimate by Coon Construction Co. for each new water service connection. The estimate varies depending on the length of service, the depth of service line, which side of the road the water main is located, and any required asphalt or concrete repairs. It includes excavation of the trench, backfilling, and restoration of property, driveways, sidewalks, or streets. This cost also includes assisting SCWA staff with tapping the main, installation of the service line, and installation of the curb stop valve. The property owner has the option of hiring their own contractor for the excavation and restoration, but tapping the main, and installation of the service line/curb valve must be completed by SCWA staff.

Altogether connecting a new water service to SCWA costs a homeowner between \$6,900 and almost \$8,000. This does not include the homeowner's costs to have their service line installed from the curb stop to their house, generally another \$2000 to \$3000. The SCWA General Manager and Foreman are concerned that SCWA's new water service costs are driving away potential customers interested in connecting to the SCWA system. As a point of comparison to SCWA fees, below are listed the fees charged by other utilities in the area. Unfortunately there is not a direct comparison because other utilities collect connection fees through other rates; for instance NPU charges a quarterly fee to cover the depreciation and replacement of meters as part of their billing. Other utilities charge a quarterly facility charge for maintenance of meters and service lines.

Montville WPCA – Charges \$3200, which includes connection fees, admin fees, and the cost of the meter. The property owner is required to pay for all excavation and restoration costs.
Total cost: \$6000 - \$6800 (based on average excavation/restoration cost of \$2800-3600)

Norwich Public Utilities – NPU charges for cost of equipment, materials, and labor. These charges are based on costs using NPU field crew labor rates to complete all required excavation, installation, and restoration; plus costs for equipment, meter, and service line and curb stop valve.

New London/Waterford – Charges \$3,545, which includes connection fees and installation of service line and curb stop. Does not include quarterly facility maintenance fee of \$10.65 New London / \$13.17 Waterford.

Aquarion – They require the homeowner to hire an Aquarion approved contractor for all excavation/restoration, and installation of service line and curb stop. Aquarion charges between \$565-1,019 for tapping the service line (based on age of main); plus material costs (meter, tapping saddle, and curb stop valve).

Mr. Cansler said that after re-evaluating our costs and fees he was recommending the following fee structure for new residential (5/8" meter) connections. This will cover all our costs for new connections, while still encouraging customers to connect to SCWA.

- System Development Fee \$1500 (includes SCWA labor and material costs in this fee)
- Connection Fee \$257
- Excavation & Restoration TBD (usually \$2800 to \$3600)
- Total: \$4,557 to \$5,357 (difference of \$2,353 from current fees)

After some discussion Mr. Eccard made a motion for the Authority to adopt the new fee structure, as stated in the paragraph above, for new water service fees. His motion, seconded by Ms. Koerting, was approved by a unanimous vote of all members present

2. Tower Division - Well #3

This past summer it was discovered that Tower Division Well #3, which is located inside the pumphouse, was failing. SCWA tried to obtain approval from the State Department of Public Health (DPH) for approval to replace the well a few feet away, just outside the pumphouse. Unfortunately after several submissions and resubmissions, DPH would only approve a well location about 100 feet from the pumphouse, due to wetlands constraints established after Well #3 was originally installed.

In late January, Laframboise Well Drilling Service drilled three test wells around the approved alternate location, however they hit a significant amount of rock/ledge at depths of only 20-23 feet. Their analysis of the three test locations revealed a minimal yield. After consulting with Laframboise, and our engineering consultant (Lenard Engineering), it was agreed that installing a permanent well at this location would be a waste of money. In February, SCWA sent an appeal back to DPH requesting reconsideration of our initial application to replace Well #3, next to the pumphouse.

General Manager Cansler said that SCWA had a teleconference with Lori Mathieu and Eric McPhee of DPH, along with Jim Ericson from Lenard Engineering on March 1st. Ms. Mathieu stated that the health department could not approve the proposed replacement well site next to the pumphouse, due to current regulations pertaining to wetlands constraints. Ms. Mathieu did say she would support a change to the statute that would allow installation of replacement wells within wetlands constrained boundaries, as long as the replacement well was not closer to wetlands.

Unfortunately, it is too late in the current legislative cycle for DPH to initiate a new bill. She suggested that it might be possible to add language to an existing bill that is pending a hearing. General Manager Cansler stated that he reached out to CWWA to see if there were any water related bills that had not been heard yet. He said that CWWA had responded quickly, and that he was now expected to testify before the State Senate's Public Health Committee on March 13th regarding proposed new language for replacement wells.

Mr. Cansler said SCWA is also re-evaluating the feasibility of rehabilitating the existing Well #3. Laframboise initially said that it was not economically feasible. On February 26th Mr. Cansler met with Jim Duncan, of SB Church Well & Pump Services, to get a second opinion on rehabilitating the existing well. Mr. Duncan stated that depending on how the screen failed it is possible, though could be expensive. He met with the SCWA General Manager and Foreman onsite on March 5th. He said he would let us know his thoughts within a week. In the meantime SCWA Attorney Nick Kepple informed the Town of Ledyard, and Avalonia Land Conservancy, that we are holding off on the easements that would have been required for the alternate well site, a 100 feet from the pumphouse.

3. Vulnerability Assessments for Per- and Polyfluoroalkyl Substances (PFAS)

DPH is requiring all water systems that prepare water supply plans, which includes SCWA, to conduct an evaluation of potential contamination resulting from possible nearby sources of per- and polyfluoroalkyl substances (PFAS). All utilities are required to complete a vulnerability assessment study for each system. At the February 2019 meeting the Authority approved a request by the General Manager to expend no more than \$10,000 to have Lenard Engineering prepare all the vulnerability assessments, for all 14 SCWA divisions, to include mapping and land use research.

Per- and polyfluoroalkyl substances are a group of manufactured chemicals that are collectively referred to as PFAS. PFAS are used in a variety of products and applications including non-stick cookware, upholstered furniture, clothing, food packaging, and firefighting foam used to extinguish petroleum fires. These substances are not found naturally in the environment. They do not break down easily and are extremely persistent in both the environment, especially in water, and the human body. It is estimated that there are approximately 3,000 PFAS in production. Older terminology for this family of substances included the term "perfluorinated compounds," or PFC's.

General Manager Cansler stated that he had received a draft of all 14 vulnerability assessments from Lenard Engineering for review earlier that day.

4. Four-log Applications

Applications were submitted to DPH on January 17, 2019 requesting 4-log certifications for all SCWA systems which treat water with chlorine, and meet minimum storage requirements. Currently 9 of our 14 systems meet both requirements. In addition SCWA has submitted a request to start chlorine treatment at the North Stonington system. A 4-log certification request was submitted for North Stonington as well.

The 4-log applications required specific calculations demonstrating treatment technology that reliably achieves a 99.99 percent (4-log) inactivation of potential contamination. If the applications are approved, SCWA will be able to reduce our sampling/testing requirements, and SCWA will not have to conduct a public notification for positive e-coli results, from samples taken before treatment. General Manager Cansler said he was informed in late February that the review of the applications at DPH have not started, due to shortage of staff.

5. Ledyard Center Easement

General Manger Cansler said that in February SCWA was informed the Town of Ledyard is selling the Ledyard Center School property, which includes land the SCWA Ledyard Center pumphouse and wells are on. The Town has informed us they have no record of an easement for the property SCWA occupies. After going through our records, SCWA does not have a record of an easement either. The pumphouse was originally built by HLM Development (Harry Morgan) and was transferred to SCWA. Apparently no lease or easement was ever executed by HLM at the time, or later, when the land was sold or transferred to the Town of Ledyard. Mr. Cansler stated that SCWA Attorney Nick Kepple is working with the Town of Ledyard regarding the easement issue.

6. Emergency Interconnections with Ledyard/Groton Utilities

In 2017 SCWA signed an agreement with Groton Utilities and Ledyard to install emergency water main interconnections between all five SCWA Ledyard divisions, and the Ledyard WPCA system. These projects are to be fully funded by Groton Utilities in conjunction with a \$15 million DPH DWSRF (Drinking Water State Revolving Fund) funding package they received to assist with financing the upgrade of the Groton Water Purification Plant. Groton Utilities began construction of the interconnections in October 2018. The Tower/Ferry View and Ledyard Center interconnections were completed in November, and the Barrett Division interconnection was completed in early December. General Manager Cansler stated that there has been no change since the last meeting, and that the Ledyard Division to Gray Farms connection was still scheduled to be completed in the spring.

7. Thames Aquatic Center –Ledyard

SCWA continues to work with the Town of Ledyard regarding support of the proposed Thames Aquatic Center project, as well as the proposed extension of Fairway Drive in Ledyard; both of which are in the SCWA Exclusive Service Area. Although SCWA proposed alternatives to provide water from our Ledyard Center system, DPH granted approval of a well for the Aquatic Center, with the stipulation that they connect to the water main on Fairway Drive extension once it is installed, and that the Aquatic Center use SCWA for all required testing and monitoring of the well. Sitework and excavation began last summer (2018), and in August 2018 the well was drilled. Although the initial yield from the well did not provide sufficient capacity for the Aquatic Center's expected system demands, DPH agreed to afford the Center the opportunity to work with their well professionals regarding a solution to satisfy all requirements for the water system, per State and EPA standards. Mr. Cansler said that recently there has been significant progress on the construction site, but SCWA has not heard anything new regarding the status of the well.

8. DPH Safe Drinking Water Primacy Assessment Fee

A bill amending the Safe Drinking Water Primacy Assessment statute was submitted to the State Legislature in February. This assessment was originally approved during the 2017 legislative session. The purpose of the Safe Drinking Water Primacy Assessment is to fund a percentage of the DPH staff through fees charged to each water utility, or company, based on the number of customers served.

The statute states that the assessment may be collected from each customer, and may be included as a separate item on every bill. The statute also states that the assessment can be adopted in rates without requiring approval through the usual rate revision process. The new amended statute includes a proposal to raise the fee cap from \$4 to \$5 per service connection. The new language also eliminates the cap on the total dollars raised under this fee, currently \$2.5 million.

9. Claim by Raspberry Junction Holding, LLC vs SCWA

In 2016, Raspberry Junction LLC, owners of the Bellissimo Grande Hotel in North Stonington, filed a legal claim against SCWA for losses incurred during the water outage that resulted from the rupture of a pressure tank in 2015. This claim was forwarded to our insurance company at the time, Gladfelter Insurance. They hired Attorney Stephanie Berry, of the law firm of Tang & Maravelis, in New London, to handle the case. Although Gladfelter, working with SCWA, has proposed settlements on two occasions, Raspberry Junction has not agreed to either proposal.

After a series of hearings at the lower courts the case was forwarded to the Connecticut Supreme Court in September 2017. In January 2018 the Authority approved a motion to hire Attorney Lloyd Langhammer, a specialist in appellate law, to provide legal representation for SCWA, and assist Attorney Berry with preparation of the case vs Raspberry Junction. The Connecticut Supreme Court heard the case on November 13, 2018. Attorney Barry felt that the case went well for our side, but stated the Justices could still reverse the lower court's decision. She said it may take 4-6 months for a decision.

10. Future DWSRF Projects

The Drinking Water State Revolving Fund (DWSRF) program provides low-interest loans, with the potential for up to 25% subsidization, for eligible projects in the form of principal forgiveness. SCWA had two projects that were eligible. In November General Manager Cansler informed DPH that SCWA was holding off on moving forward with either DWSRF project until after the cost of replacing Tower Division Well #3 has been determined. Mr. Cansler stated that they are considering submitting a new application for a storage tank at Tower Division.

11. Town of North Stonington School Upgrade Project

SCWA has been working with the engineers and contractors, as needed, on the project to renovate existing facilities, and construct some additions, to the Town of North Stonington Elementary School and Middle/High School. Over the past several months SCWA staff have been working closely with the construction contractor during the installation of the new water distribution system and fire suppression systems for the new additions to the schools.

12. Regional Considerations

a) **State Water Plan:** On November 28, 2018 The Water Planning Council (WPC) formally re-submitted the Draft Connecticut State Water Plan (Plan) to the Energy and Technology, Environment, Planning and Development and Public Health Committees for consideration and approval. The plan, which was ordered by the General Assembly through Public Act 14-163, was developed by the WPC to balance the needs of public water supply, economic development, recreation, and ecological health.

The State Water Plan was heard during the 2018 legislature cycle, but no action was taken. On June 14, 2018, Governor Malloy signed an executive order directing the state's Water Planning Council (WPC) to immediately implement the State Water Plan that was submitted to the Connecticut General Assembly in January 2018. The version of the Water Plan submitted by the WPC includes same language regarding water as a "Public Trust". Many public utilities in the state have argued about the addition of this language in the State Water Plan. Mr. Cansler stated that under Connecticut law, if the State Water Plan goes through the legislative cycle without being voted on, then it automatically becomes law based on the governor's executive order.

b) Water Utility Coordinating Committee (WUCC): The Eastern Water Utility Coordinating Committee (WUCC) last met on November 14, 2018 at the Southeastern Connecticut Council of Governments (SCCOG) office. The date of the next meeting is to be determined. These meetings are open to the public.

c) SCWA Interaction with SCCOG: SCWA and the SCCOG continue to interact cooperatively. To this end, Chairman Monahan attends the monthly SCCOG meetings if there are items relating to water on the agenda. He also attends meetings of the SCCOG Regional Water Committee, which meets as needed. The General Manager participates on the SCCOG Regional Water Committee's Technical Advisory Subcommittee (TAS).

d) SCWA Interaction with AWWA and CWWA: The General Manager represents SCWA as a member of the Connecticut Water Planning Council Advisory Group (WPCAG), which meets monthly. Mr. Cansler is currently Chair of the WPCAG Nominating Committee, which prepares the annual membership slate for appointment/reappointment of members to the WPCAG. Mr. Cansler is also a member of the Connecticut Water Works Association (CWWA) Legislative Affairs Committee, which meets monthly between November and June.

Other Business – None

Report from Chairman – None

Report from Authority Members – None

Public Comment – None

Adjourn

On motion of Mr. Eccard, seconded by Ms. Franciosi, the Authority voted to adjourn the meeting at approximately 6:32 p.m.

It was noted the next Authority meeting is scheduled to occur on April 8, 2019, 5:15 pm at 1649 Rt. 12, Gales Ferry, CT.

Josh Cansler
Secretary