

Draft Minutes of the April 12, 2021 Water Authority Meeting
Southeastern Connecticut Water Authority
1649 Route 12, Gales Ferry, CT

Due to the COVID-19 pandemic this meeting was held virtually using public meeting guidelines established by the Governor to limit the spread and impact of the virus.

Present

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

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 – None

Approval of Prior Minutes

On a motion of Mr. Eccard, seconded by Mr. Balestracci, the Authority approved the minutes of the March 8, 2021 Water Authority Meeting, by a unanimous vote of all members present at that time.

Correspondence – None

General Manager's Report

1. COVID-19/Coronavirus Pandemic Update

General Manager Cansler stated that SCWA staff are continuing to work a full schedule with social-distancing measures and sanitation procedures in place. As of today (April 12th) none of the staff at SCWA have been infected by the virus. Because of safety concerns, and the Governor's ban on in-person public meetings, the scheduled Authority and RAB meetings are being conducted virtually until further notice. In addition, DPH is still conducting bi-weekly webinar meetings via computer, which the General Manager has been attending. Mr. Cansler added that four of the seven SCWA are now fully vaccinated.

2. Capital Projects Update

a) Montville Division Tank and 7 Oaks/Montville Interconnection Project

(Attachment: Amendment Resolution to SCWA Resolution 2019-1, approved December 9, 2019)

During the last Sanitary Survey/Inspection of the Montville pump station, DPH stated that the raw water concrete storage tank has cracks that need to be repaired. This will require shutting the tank down completely, so SCWA requested a delay until spring 2021 due to the ongoing drought and upcoming winter.

General Manager Cansler said that in the meantime he attempted to get DPH to expedite the DWSRF project to construct the interconnection between 7 Oaks and Montville divisions. Installation of this interconnection will greatly relieve pressure on the Montville system, and make it much easier to take the untreated concrete tank offline for repairs. If approved for DWSRF funding this interconnection project will be eligible a 50% subsidy with a 50% loan. The estimated cost for the Seven Oaks to Montville Manor Interconnection project is \$435,000. In October SCWA sent a Preliminary Engineering Report to DPH. This report was finally approved in March 2021.

At the March meeting the Authority authorized the General Manager to contract with Lenard Engineering to do the design and engineering for the interconnection project between 7 Oaks and Montville divisions, at a cost not to exceed \$30,000. At that meeting General Manager Cansler recommended using funds allocated as part of the 2020 Bond Anticipation Note (BAN) to pay for the 7 Oaks to Montville engineering costs, and rehabilitation of the Montville tank. His proposal was reallocate funds from another project included in the original bond resolution that will not be completed at this time to cover the costs of the Montville tank and interconnection projects. To formalize this reallocation Mr. Cansler reached out to our Bond Counsel, Michael Botelho, for a draft Bond Resolution Amendment, which is attached.

After some discussion, Mr. Eccard made a motion to approve the proposed Amendment to the 2019 Bond Resolution for Capital Projects as presented. His motion was seconded by Mr. Balestracci. Per the requirements of the proposed Bond Resolution, Chairman Monahan conducted a roll call of Authority members present to determine if they were in favor of the resolution amendment, opposed the amendment, or if they wanted to abstain from voting either way. All six of the members of the Authority present for the roll-call voted "in favor" of the Amendment to the Bond Resolution. (One Authority member joined the meeting after the roll-call vote).

Because DPH took so long to approve the Preliminary Engineering Report, thereby delaying the potential completion of this project until next year, SCWA decided to move forward with the Montville tank rehabilitation part of this project. In March SCWA crews began work on re-routing of the well and tank lines so that the tank could be bypassed temporarily. This work was completed in April. Because of the complexity of the tank rehabilitation Mr. Cansler reached out to three tank rehabilitation/restoration contractors for proposals. He received two proposals to re-line the tank, both of which were in excess of \$80,000, and one proposal to repair the tank. Mass Tanks, which did the original tank inspection, proposed to repair the tank for a cost of \$4000/day, plus \$600/gallon of structural epoxy used. The estimated repairs would take 3-4 days. The Authority had some concerns that this proposal was too open-ended, and several members proposed capping the final repair cost. After some discussion, Mr. Eccard made a motion to accept the proposal by Mass Tanks to repair the Montville raw water concrete storage tank, with a not-to-exceed final cost of \$25,000. Any costs beyond that will have to be approved by the Authority. This motion, seconded by Mr. Mullane, was approved by a vote of 7-0.

b) Replacement of Pumphouse Roofs at Chesterfield and Birchwood Divisions

In December 2020 the Authority authorized the General Manager to spend bid \$18,062 to replace the two pumphouse roofs at the Birchwood and Chesterfield pumphouses. This amount was based on an estimate provided by Nutmeg Building and Remodeling LLC, of Ledyard. These two roofing projects were included in the Bond Anticipation Note (BAN) that was approved for SCWA last fall. The original estimate for these two projects was \$28,000.

Because of the onset of winter, and concerns about equipment in the pumphouses freezing while the roofs were exposed, SCWA requested that Nutmeg complete both projects in April. Unfortunately, after several requests via phone and email, Nutmeg was not able to commit to any spring dates, so the General Manager requested an estimate from another company, Strong Roofing LLC. Their estimate was for \$16,300, and they were able to start work immediately. Since their estimate was for less than the amount approved by the Authority, the General Manager gave them the go ahead to proceed on March 19th, and they completed both projects a week later. Their work, and site clean-up, were excellent, and they ended up using higher quality materials than proposed by Nutmeg.

c) Tower Division – Main Replacement

General Manager Cansler stated that in November SCWA crews installed new valves in the existing water mains leading from the Tower Division pump stations to the main distribution located on East Drive in Gales Ferry. Over the past few years there have been several breaks in this water main, each resulting in system wide outages. The second phase of this project, installation of a new water main from the two Tower pumphouses to East Drive, will be completed in late April/early May. The second phase should not include a system wide water outage.

3. Robin Division Water

General Manager Cansler stated that over the past few years SCWA has received an increasing number of calls regarding discoloration, and occasional sediment, in the water from residents of the SCWA Robin Division. The discoloration is very similar to that found in the Chesterfield Division water several years ago. After cleaning the tanks, and flushing several times, SCWA ultimately had to begin adding phosphate to the Chesterfield water to isolate the manganese in the water. Due to the proximity of Robin to Chesterfield, SCWA staff believe Robin may have the same problem.

As a result, General Manager Cansler asked Lenard Engineering for a proposal to conduct a manganese treatment study and develop a chemical feed modification design similar to the study they conducted for Chesterfield. Lenard Engineering submitted a proposal for the requested study and design, not to exceed \$4000, on March 24, 2021. Mr. Cansler recommended that the Authority accept Lenard Engineering's proposal to conduct a manganese treatment study, and chemical feed modification design.

After some discussion, Mr. Eccard made a motion to authorize the General Manager to accept Lenard Engineering's proposal to conduct a manganese treatment study, and chemical feed modification design; with a cost not-to-exceed \$4,000. This motion, seconded by Mr. Mullane, was approved by a vote of 7-0.

4. Green Village II – Salem

In November the Authority authorized the General Manager to sign the New Water System Agreement between SCWA and Green Village II, on behalf of SCWA. Green Village II is a 48 unit, 55+ Community complex being constructed in Salem. The complex will have townhouses with individual garages per unit. Each unit will have individual meters. Once completed SCWA will take over as the owner/operator of the Green Village pumphouse and water distribution system. The developer plans to complete the complex by fall 2021. Mr. Cansler stated that to date the site has been cleared and development of the infrastructure and building foundations are underway.

5. Construction of Millwood Subdivision (part of Hillcrest Division) in Montville

Sun Communities, Inc. has finally started construction of the proposed development (called Millwood) adjacent to their Hillcrest subdivision in Montville. The roads and infrastructure were completed in 2019 before Jensen Communities was sold to Sun Communities. The proposed Millwood development will have 46 modular homes for people age 55+, and will tie into the existing Hillcrest water distribution system. The first homes are expected to be sold this year. SCWA staff have been working with Millwood contractors installing the water distribution lines and meter pits for each unit.

6. 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. After a series of hearings at the lower courts, the case was forwarded to the Connecticut Supreme Court, which issued a ruling in April 2019 reversing the trial court's granting of the summary judgment motion. The case was remanded back to the trial court for consideration of the summary judgment argument, based on the alternative grounds of the economic loss doctrine, which the trial judge declined to rule on.

At a Pre-argument Conference in February 2020 the judge proposed a settlement range that was much higher than our insurance company was willing to accept. This past fall both sides filed their Brief to the Courts for the next round. A pre-trial oral argument was held before the Connecticut Supreme Court on January 15, 2021. Attorney Berry informed General Manager Cansler that the argument went well, and while the court could certainly rule against our position, it did seem they favored our arguments based on the questions the justices asked both sides. She said the court has no official time limit to make its decision by, but generally, decisions are rendered within 4-6 months of the hearing.

7. PFAS (Per- and Polyfluoroalkyl Substances)

To address concerns regarding PFAS, the Governor's proposed budget includes \$408,000 in FY 2022 and \$420,000 in FY 2023 to support the Department of Public Health (DPH) in implementing certain recommendations of the Connecticut Interagency PFAS Task Force, to include hiring a Toxicologist, a Laboratory Consultant, a Chemist, and an Environmental Analyst. The budget also works toward permitting more Connecticut laboratories to do PFAS testing, supports testing of public water systems, and includes a PFAS education program.

The proposed budget also includes \$100,000 for laboratory testing supplies, \$600,000 from the Capital Equipment Purchase Fund for additional laboratory equipment, and \$1.15 million in Grants-in-Aid to municipalities for the purpose of providing potable water and for assessment and remedial action to address pollution from perfluoroalkyl and polyfluoroalkyl containing substances. The legislature is also considering a bill that would prohibit the sale of consumer packaging that contains PFAS and authorize DEEP to "periodically revise and publish a list of packaging chemicals of high concern".

8. Financing Sustainable Water in Connecticut Workshop

General Manager Cansler said that on March 16-17 he attended a two-day workshop called "Building Water Rates in an Uncertain World", which was presented by the Alliance for Water Efficiency, and was sponsored by the State Water Planning Council. The purpose of this virtual workshop was to discuss strategies for aligning rates and revenue, water utility revenue and resource stability, and conservation pricing and rates.

9. SCWA Response to Administrative Order DWS 19-072-063

In September 2019, SCWA received an Administrative Order from DPH requiring a series of corrective actions in response to the vandalism at the Tower Division pump station on September 23, 2019. The Authority hired Attorney Rich Cody, of Suisman Shapiro, to prepare a Request for an Appeal, and a Request to Stay the Administrative Order, on behalf of SCWA. On November 13, 2019 DPH granted the Request to Stay the Administrative Order. Although a Hearing has yet to be scheduled, the subject of the Administrative Order was discussed briefly during the July Bond Refinancing meeting with representatives from Treasury, OPM, and DPH.

10. Regional Considerations

a) FY 2022 State Legislative Cycle- Potential Bills Impacting SCWA and other Water Utilities:

General Manager Cansler stated that there are several proposed bills under consideration by the State Legislature that could impact water utilities if passed. He addressed the following bills:

HB-6443- An Act Concerning Revenue Items to Implement the Governor's Budget, Section 24

This bill continues the Safe Drinking Water Assessment, eliminates the sunset provision, and eliminates DPH's reporting requirement to demonstrate how the funds have been used and how they have attempted to streamline costs. The bill also changes the method for calculating the assessment. Currently awaiting action by the Planning & Development Committee.

HB-6615 - An Act Concerning Safe Drinking Water

Includes provisions requiring water utilities to provide alternative water supplies in the event of a main break, loss of system, pressure, or other event anticipated to last more than 8 hours that DPH determines may affect water quality or quantity. This bill also requires multilingual notifications in "languages predominately spoken by the consumers in the water company's service area". Currently awaiting action by the Public Health Committee.

SB-863 - AN ACT CONCERNING ENERGY EFFICIENCY STANDARDS

Establish and update state appliance and equipment energy and water efficiency standards. Mr. Cansler added that this bill died in the Energy & Technology Committee.

SB- 460- AN ACT REQUIRING A POTABLE WELL FOR THE PAWCATUCK EASTERN PEQUOT TRIBE

To provide for potable water to the Pawcatuck Eastern Pequot Tribe's reservation in North Stonington, and to establish paved road access to such reservation. Mr. Mullane stated that he was going to do research regarding this bill. Mr. Cansler said he would try to find out more as well.

SB 191- An Act Concerning Plumbing and Piping Work.

Bill provides that any employee of a public service company, or of a contractor while such contractor is performing work on behalf of a public service company, is exempt from the occupational licensing requirements provided such work is (A) limited to water meter installation or the replacement of a water meter, and (B) in connection with the rendition of public utility service. Approved by the General Law Committee on March 23, 2021.

b) Planning for Future Water Demands North Stonington: Last fall General Manager Cansler discussed long-term water needs in North Stonington, specifically the area near the Rt.187/Rt. 2 traffic circle, with Attorney, Ken Labbe, who is representing the Town. Mr. Labbe indicated that they are trying to involve all the regional utilities.

c) Water Utility Coordinating Committee (WUCC): The Eastern Connecticut Water Utility Coordinating Committee (WUCC) last met in May 2020. A Statewide WUCC meeting was held in February 2021. This meeting included breakout sessions for workgroups to address: Interconnections/Regionalization; Non-Community Water Systems Design Requirements; Updating Process requiring Non-Community Systems to Connect to an Existing Community Water Systems, Conservation/Drought. General Manager Cansler volunteered to serve on the Interconnections/Regionalization Workgroup.

d) 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 only as needed. The General Manager participates on the SCCOG Regional Water Committee's Technical Advisory Subcommittee (TAS).

e) SCWA Interaction with the Water Planning Council (WPC): The General Manager, representing SCWA, is co-chair of the CT Water Planning Council Advisory Group (WPCAG), which meets monthly. All meetings are currently being conducted virtually via Zoom.

f) SCWA Interaction with AWWA and CWWA: General Manager Cansler is also a member of the Connecticut Water Works Association (CWWA) Legislative Affairs Committee, which generally meets monthly between Nov. 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 6:15 p.m.

It was noted the next Authority meeting is scheduled to occur on May 10, 2021, at 5:15 pm, either virtually, or at 1649 Rt. 12, Gales Ferry, CT.

Josh Cansler
Secretary

SOUTHEASTERN CONNECTICUT WATER AUTHORITY

AMENDMENT RESOLUTION

WHEREAS, on December 9, 2019, the Southeastern Connecticut Water Authority (the "Authority"), approved Resolution 2019-1 (the "Resolution");

WHEREAS, pursuant to such Resolution, the Authority authorized the appropriation of monies for a number of projects described therein and defined as the "Projects", including "the replacement of well number 3 at Tower Division pump station" (the "Well Number 3 Replacement Project"), and the issuance of bonds and notes to meet said appropriation;

WHEREAS, on October 15, 2020, the Authority issued \$175,000 General Obligation Bond Anticipation Notes (the "Notes") to fund certain of the Projects, including the Well Number 3 Replacement Project, and specifically allocated proceeds from the Notes in the amount of \$63,000 for the Well Number 3 Replacement Project;

WHEREAS, the Authority wishes to amend the Resolution in order to remove the Well Number 3 Replacement Project from the list of approved Projects and substitute such project with the project described below (the "New Project"):

"Upgrade of the storage tank at Montville Manor Division and engineering and design work associated with the interconnection and booster station between the Montville Manor Division and Seven Oaks Division pump stations."

NOW, THEREFORE, BE IT RESOLVED, that the Resolution is hereby modified to remove the Well Number 3 Replacement Project from the scope of the Projects and replace it with the New Project.

BE IT FURTHER RESOLVED, that the proceeds of the Notes allocated for the Well Number 3 Replacement Project be applied to and utilized for the New Project and any of the other Projects financed by the Notes.

BE IT FURTHER RESOLVED, that other than as expressly set forth herein, the Resolution shall be unchanged and remain in full force and effect.

At a meeting of the members of the Authority held on April 11, 2021, upon a Motion duly made by Member Paul Eccard and seconded by Member Peter Balestracci, the foregoing resolution was adopted by the following roll call vote:

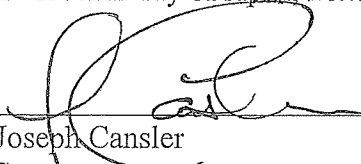
In Favor: Edward Monahan
 Harry Watson
 Paul Eccard
 Barbara Franciosi
 Peter Balestracci
 Claudia Koerting

Opposed:

Abstained:

I, Joseph Cansler, duly appointed and qualified Secretary of the Authority, hereby certify that the foregoing is a true copy of the resolution adopted at the meeting of the Authority held on April 11, 2021; that said Authority consists of seven members; a quorum consists of four members; six members were present at said meeting; a roll call vote was taken and six members voted in favor of said resolution, zero members voted against the adoption of said resolution, and zero members abstained from voting on said resolution.

Dated at Gales Ferry, Connecticut, this eleventh day of April, 2021.



Joseph Cansler
Secretary
Southeastern Connecticut Water Authority