

**Draft Minutes of the August 10, 2020 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. Members attended via the Zoom app, either by calling in, or logging in through their computer.

Present

Authority: Chairman Edward Monahan, Vice-Chairman Harry Watson, Treasurer Paul Eccard, Barbara Lee Franciosi, Claudia Koerting, Peter Balestracci, Nicholas 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. Mullane, the Authority approved the minutes of the July 13, 2020 Water Authority Meeting, by a vote of 7-0.

Correspondence – None

General Manager's Report

1. July RAB Meeting/Public Hearing

At the June 8, 2020 meeting the Authority approved the Fiscal Year (FY) 2021 budget. The Authority also approved a motion that the Authority notify the Representative Advisory Board (RAB) of its intention to increase water usage fees during FY 2021, and request a public hearing prior to the July RAB meeting. At their July 2019 quarterly meeting the RAB found the proposed 5% water usage rate increase to be appropriate, and recommended to the Authority adoption of the proposed rate increase.

Based on the recommendation of the RAB, Mr. Eccard made a motion that the Authority adopt the proposed 5% water usage rate increase, effective September 1, 2020. His motion, seconded by Mr. Watson, was approved by a vote of 7-0.

2. Refinancing of 2007 Bond

At the December 2019 meeting the Authority approved the Bond Resolution for refinancing of the 2007 bond, to allow for capital funds to complete some key projects, such as Tower Division upgrade and well, interconnection of Seven Oaks and Montville Manor, and replacement of some hydro-pneumatic tanks. At the May meeting the Authority approved a motion authorizing the Chairman, on behalf of the Authority, to sign the formal request letter to the Bond Commission.

General Manager Cansler said that on July 22, 2020 he and several members of the Authority attended a virtual meeting (via Zoom) to discuss the refinancing of the 2007 Bond with representatives from the State Treasury, DPH, and OPM. Also in attendance was our Office Manager, Lisa Harraka, and our Bond Counsel, Michael Botelho. During the meeting the representatives from the Treasury Department indicated that extending the 2007 Bond was not really an option because that would extend the bond beyond the useful life of the projects constructed with that Bond. They also said that we could not use the Bond in conjunction with DWSRF projects. DPH has offered a 25% subsidy with a 75% loan on the Tower Division Upgrade (estimated project cost \$800,000), and a 50/50 subsidy/loan for the Seven Oaks to Montville Manor Interconnection project (estimated project cost \$435,000).

Mr. Cansler stated that the next day SCWA met with Bond Counsel Botelho and Susan Caron from Hilltop Securities; who is working with Mr. Botelho. They advised that we not give-up on the Bond refinancing, but suggested that we should explore other options. Susan Caron suggested using a series of Bond Anticipation Notes (BAN) to complete the non-DWSRF projects. Mr. Cansler said they were waiting on an updated re-payment schedule from her before deciding the best path forward.

3. SCWA Operations during the COVID-19/Coronavirus Pandemic

The General Manager said SCWA staff are continuing to work a full schedule with social-distancing measures and sanitation procedures in place, and that as of today 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.

4. Board Member Terms

Mr. Cansler said that in June he sent a letter, signed by the RAB Chairman, to the Southeastern Connecticut Council of Governments (SCCOG) requesting a nominee for one of the two positions on the Authority which are nominated by the SCCOG. The position is currently held by Mr. Watson, whose term expires in September. At their July meeting SCCOG voted unanimously to nominate Mr. Watson for another 5-year term on the Authority. His nomination will have to be approved by the Representative Advisory Board (RAB) at their next meeting.

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

Last September, 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. General Manager Cansler said that at the previously mentioned July 22nd bond refinancing meeting, with representatives from Treasury, OPM, and DPH participating, Lori Mathieu (Chief of the Drinking Water Section) brought up the Order, stating that "the order is still out there". Mr. Cansler said that he responded to Ms. Mathieu that he felt the Order was not relevant to the bond discussion. Chairman Monahan and Treasurer Eccard followed up by pointing out that there was a Stay on the order, and that a Hearing has still not been scheduled.

In the Authority meeting both Mr. Monahan, and Mr. Eccard, reiterated their stance regarding the Administrative Order, and their comments to Ms. Mathieu during the 22 July meeting. Mr. Eccard stated that SCWA needed to continue to follow the rule of law. Mr. Watson and Ms. Franciosi, who also attended the 22 July meeting, voiced their concerns regarding Ms. Mathieu's comment about the order.

6. Installation of Pressure Reducing Valve (PRV) between Ledyard Division and Gray Farms Division

SCWA plans to install the Pressure Reducing Valve (PRV) along the interconnection between the Ledyard Division and the Gray Farms Division next week. The interconnection was installed by Groton Utilities last year as part of a project to install emergency water main interconnections between all five SCWA Ledyard divisions, and the Ledyard WPCA system.

Once the PRV is installed SCWA will be able to bypass the Gray Farms pump station by using water from the Ledyard Division, which is currently operating at only about 20% of its capacity. Installation of a PRV will be significantly cheaper than upgrading the Gray Farms pumphouse, and will eliminate future operational and maintenance costs at the Gray Farms pump station. Mr. Cansler stated that the correct PRV pit needed for this project still has not been delivered.

7. Tower Division - Well #3

SCWA is still planning to replace Well #3 at Tower Division Well. This well started to fail in 2019. Unfortunately the two estimates to replace the well (\$122,000 from SB Church Well & Pump and \$66,000 from LaFramboise Well Drilling) are both significantly more than originally estimated. The LaFramboise estimate is less because it is for slightly smaller diameter well. Our engineer consultant, Lenard Engineering, felt that the larger diameter did not justify the much greater cost. The General Manager stated that because the estimates are higher than anticipated, replacement of Well #3 is pending refinancing of the 2007 Bond.

8. 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 last April 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. On March 9th, we received word that the judge sent the appeal back to the State Supreme Court for adjudication.

9. Insurance Claims

Mr. Cansler said this was a new item in the report, and that he wanted the Authority to know that recently SCWA has reached out to our insurance carrier with two claims by SCWA customers:

- a. In June one of our customers claimed that a SCWA water main break near his house had caused his basement to flood, claiming \$20,000 in damages. Based on the location and elevation of his house SCWA staff felt that his claim was unfounded. Our insurance company investigated the claim and agreed that the claimant's basement had not flooded as a result of our water main break, and that the \$20,000 in damages was not justified. Mr. Cansler said that the claimant was unable to show any damaged property to the adjustor.

- b. In July the SCWA Foreman apparently determined incorrectly that a service line leak at a residence was on the customer side. The customer hired a contractor to replace the service line. Shortly after the contractor started digging a new service line trench he called SCWA and said the leak was on our side of the curb box. Our Foreman visited the site and told the customer since it was apparently our mistake, we would pay his costs so far; roughly estimated to be \$2000-3000. The Foreman told the contractor to stop work, but the contractor said he had a deal with the homeowner to replace the service line. We told him we would only pay the costs incurred so far; anything beyond that was between him and the customer. A few days later the contractor submitted a bill for \$15,000; approximately 3 to 4 times higher than expected. In the meantime our Foreman heard that the contractor and customer were friends. Based on the exceptionally high costs, and the suspicious circumstances involving the leak and subsequent work on site, we decided to submit the bill to our insurance carrier to investigate. The insurance company is still working on this case.

10. PFAS (Per- and Polyfluoroalkyl Substances)

To address concerns regarding PFAS, Governor Lamont released a State PFAS Action Plan last November. The Action Plan calls for the establishment of a Safe Drinking Water Advisory Council to advise DPH regarding the potential development of Maximum Contaminant Levels (MCLs), prioritize testing locations and parameters, and establish treatment requirements. There has not been any updates over the past 6 months regarding PFAS, presumably due to the ongoing COVID-19 crisis, which has shut most state offices down.

11. Thames Aquatic Club –Ledyard

The new Thames Aquatic Club in Ledyard opened for business in July. Because the Aquatic Club is within the SCWA Exclusive Service Area of Ledyard, and DPH originally granted the Club approval based on SCWA being their certified operator, the Authority sent a letter to DPH in September requesting more clarification regarding SCWA's responsibilities related to water purification at the Aquatic Club. General Manager Cansler stated that as of today (Aug 10, 2020), SCWA has not received a response to our letter.

12. Regional Considerations

a) State Legislation impacting Water Utilities: The State Water Plan was approved by the legislature last June. A State Water Plan Implementation Workgroup has been created by the Water Planning Council (WPC) to monitor adherence to the plan, and provide guidance to the WPC regarding implementation. Several bills proposed during the 2021 Legislative Cycle that might have impacted water utilities were all put on hold when the State Legislature had to end their session early as a result of the Coronavirus lockdown.

b) Drought Update: The State's Interagency Drought Workgroup has determined that while precipitation has improved over the last several weeks, streamflow and groundwater levels have demonstrated some volatility, and remain vulnerable. As a result the State is currently at Stage 1 – Below Normal Conditions. Stage 1 is a preliminary preparedness stage that serves to alert the parties who should be prepared to respond to potentially worsening drought conditions. Typically, this stage is activated in response to early signals of abnormally dry conditions and serves as a "heads up" for the possibility of a developing drought. Chairman Monahan stated that, according to *The Day* newspaper, the total rainfall at the New London County Airport was currently 9 inches below average for this time of year.

c) Water Utility Coordinating Committee (WUCC): The Eastern Connecticut Water Utility Coordinating Committee (WUCC) last met (virtually) on May 27, 2020, to elect new officers and discuss implementation of a Statewide Coordinated Water System Plan (CWSP).

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 November and June, however due to the COVID-19 crisis CWWA has not met since February.

Other Business

General Manager Cansler gave a quick update on the impact of the recent Tropical Storm (Isaias). Because our area was on the edge of the tropical storm we did not get any rain, but we did get up to 80 mph winds. Fortunately we had only suffered power outages at only three stations. Mr. Cansler said that power was restored to Montville and Seven Oaks Divisions within 36 hours, and at the Robin Hill division with 84 hours. The generator at Robin Hill died shortly after the power went out, and SCWA staff had to bring a trailer-mounted generator over from the Chriswood station the night of the storm. He said none of the affected divisions were ever without water. None of the systems suffered any damage from the high winds. Mr. Cansler said that he had updated the State DPH several times during the storms regarding the status of our systems on emergency power.

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 5:45 p.m.

It was noted the next Authority meeting is scheduled to occur on September 14, 2020, at 5:15 pm, either virtually, or at 1649 Rt. 12, Gales Ferry, CT.

Josh Cansler
Secretary