

**TOWN OF EAST WINDSOR
WATER POLLUTION CONTROL AUTHORITY**

Minutes of Budget Workshop held on January 22, 2019

Members Present: Paul Anderson and John Mazza

Members Absent: Dave Tyler and Kirk Montstream

Others Present: WPCA Superintendent E. Arthur Enderle III, WPCA Chief Operator Edward Alibozek and Recording Secretary Laura Michael

Time and Place

The budget workshop began at 4:00 p.m. at the WPCA Admin Building, 192 South Water St, East Windsor, CT

I. Budget Discussion

Mr. Anderson had questions about line items. The sewer line maintenance line was down 11%. Mr. Enderle explained that many line items were going up and he is trying to keep to an \$8 increase. Some lines will need to go down. Mr. Anderson had a concern with reduced maintenance. Mr. Anderson asked about the sludge removal line. Mr. Enderle explained that he was expecting a few more loads to come out. It is a fixed cost which he has no control over. Mr. Anderson stated it was an unknown. Mr. Anderson asked if there was enough in the safety line to carry them through. Mr. Enderle explained they made major purchases this year that would be needed next year. Mr. Anderson questioned the revenue items, delinquent interest went up but lien fees went down. Mr. Enderle explained that with the new collection policy, there are not as many liens but delinquent interest is collected. Many of the delinquent accounts are collected before the liens are placed.

Mr. Mazza asked what percentage of the health insurance cost the employees paid. Mr. Enderle replied 3%. Mr. Mazza didn't feel this was enough. Mr. Anderson explained that the employee percentage will be incrementing up. It is part of a contractual agreement. Mr. Enderle explained that this is not like working in other Town Departments. The staff is working in an unsterile environment. Mr. Mazza questioned why the uniform line item was so low. Mr. Alibozek explained they do not use a uniform service. The staff receives \$400 per person to buy work clothing. He said they should probably do something with the amount but they were very happy with the current contract. Mr. Mazza stated that the salaries, health insurance and pension were a huge part of the budget. Mr. Enderle explained that the staff provides a huge benefit to the rate payers. The staff is doing a great job using funds and maintaining the facility.

Mr. Enderle explained that tonight they would look deeper into the budget. The first item was the rate changes. In 2018-19 the rate was \$380. To offset the rate, \$40,000 was taken from the Operating Fund, \$150,000 was taken from the FCC/Sewer Assessment Fund and \$50,000 was taken from the Fund Balance. For 2019-20, Mr. Enderle is proposing a rate of \$388. To offset the rate, he is proposing taking \$150,000 from the Operating Fund, \$200,000 from the FCC/Assessment Fund and nothing from the Fund Balance. He is being mindful of the account balance limits. Mr. Enderle reviewed the WPCA Active Accounts and their allowable uses. The Fund Balance/Operating Fund is prior year's revenue and has no limitations on use. The FCC/Assessment Fund is money collection from connection charges. These monies can be used for capital projects and major equipment expenses. The WPCA CIP Fund can be split into sub-accounts for designated purchases/projects.

Mr. Enderle explained that he had put together a three year plan for the rate and CIP planning upgrades. For 18/19, 19/20 and 20/21 a \$16 increase was planned; \$8 in sewer use charge rate

increase and \$8 from savings. This will allow forward momentum and maintain a strong future fund balance. They are taking a sensible, long term approach for the facilities health. Successfully completed projects were discussed. Eight out of ten pump stations have been upgraded. The cost of these upgrades completed by staff was \$385,307. If the project was contracted, it would have cost \$1,930,000. Many other projects and the cost savings were discussed. The sewer commission trusts the staff to undertake these projects. The staff buys the materials, picks a contractor and acts as a project manager. Mr. Anderson stated that when the staff is involved, they understand how they want the project to function. They are able to save money and are left with a quality product.

Mr. Enderle explained there have been many successful major upgrades from 2013-18. Grants have been obtained and insurance claims pursued. The WPCA has the benefit of an experienced staff that knows the culture of the facility, know what to do and when to do it and they have previous experience that allows them to perform under pressure.

Mr. Enderle and Mr. Alibozek provided bio\$ on the staff. The staff has a total of over 170 years\$ experience with 139 years in East Windsor. The facility has (1) Class IV Operator, (4) Class III Operators, (2) Class II Operators and (1) Class I Operator. The staff has (1) Master\$ Degree, (3) Bachelor of Science Degrees and (6) Associates Degrees.

The staff has completed major projects without incurring debt. That is very lucrative to the Town. They are giving the rate payers a break. Mr. Anderson explained they can adopt the budget at the January 30th meeting but the rate will be set in May.

Mr. Mazza asked what the Canyon Ridge accounts were. Mr. Enderle explained that there is a developer\$ agreement for pump stations where the first 12 years of the cost of O&M is put into an account by the developer so the rate payers are not paying for the pump station costs initially.

Mr. Enderle explained that they have adopted a good collection policy, it helps us and the rate payers.

Real money savings have been documented. Neighboring facilities have recently been taking on debt; Enfield, Windsor Locks, Stafford, Suffield, South Windsor and Vernon. Mr. Enderle stated they would keep debt away as long as possible. Mr. Mazza felt they have a good plan and should keep it going.

Mr. Enderle explained that the worst case scenario for the sewer use rate would be \$388, an \$8 increase. If health insurance comes in lower or there are more units than expected, there could be a reduction in the rate.

It was the consensus that there was not a need for another budget workshop. The budget can be adopted at the January 30th meeting.

II. Adjournment

The meeting adjourned at 5:55 p.m.

Respectfully submitted,

Laura Michael
Recording Secretary