

TOWN COUNCIL MEETING

January 22, 1985

45

7:30 p.m.

MOTIONS

Agenda
Item No.

MOTION

5 Approved reappointment of Mr. William Moraza as commissioner to Zoning Board of Appeals for five year term (1/1/85-1/1/90). Moved by Mr. Krupp; seconded by Mrs. Bergamini. VOTE: Unanimous ayes; motion duly carried.

8 Approved refunds totalling \$48.13, as requested by Tax Collector. Moved by Mr. Krupp; seconded by Mr. Holmes. VOTE: Unanimous ayes; motion duly carried.

11 Status Report - Robert Earley Disposition Committee - WITHDRAWN.

3 PUBLIC HEARING - 7:45 p.m.
Adopted AN ORDINANCE ESTABLISHING STANDARDS OF CONDUCT RELATING TO PARTICIPATION IN REAL ESTATE TRANSACTIONS BY OFFICIALS AND EMPLOYEES OF THE PLANNING AND ZONING COMMISSION, ZONING BOARD OF APPEALS, AND BUILDING DEPARTMENT OF THE TOWN OF WALLINGFORD, as amended. Moved by Mr. Rys; seconded by Mrs. Bergamini. VOTE: Unanimous ayes, with the exception of Councilmen Killen and Papale who voted no. Motion duly carried.

4 PUBLIC HEARING - 8:00 p.m.
Motion to rescind AN ORDINANCE AMENDING SECTION 16(e) OF THE PURCHASING ORDINANCE, No. 272, ENTITLED "COMPETITIVE BIDDING" did not carry. Moved by Mr. Killen; seconded by Mrs. Bergamini.
VOTE: Council members Bergamini, Gessert, Killen, and Rys voted aye; Council members Diana, Holmes, Krupp, Papale and Polanski voted no. Motion did not carry.

6 Approved transfer of \$110 from A/C 202-510 to A/C 202-500, as requested by Shirley Gianotti, Dog Warden. Moved by Mr. Rys; seconded by Mr. Holmes. VOTE: Unanimous ayes; motion duly carried.

7 NO ACTION REQUIRED

9 Approved transfer of \$1,200 from A/C 805-319 (amended from A/C 805-323) to A/C 159-410, as requested by Mr. Stanley Seadale - Personnel. Moved by Mrs. Bergamini; seconded by Mr. Holmes. VOTE: Unanimous ayes; motion, as amended, duly carried.

Agenda
Item No.

MOTION

10 PUBLIC HEARING - 9:00 p.m.
Motion to amend AN ORDINANCE APPROPRIATING THE SUM OF \$38,300,000 FOR THE CONSTRUCTION OF A SEWAGE TREATMENT PLANT AND AUTHORIZING THE ISSUANCE OF BONDS AND NOTES TO DEFRAY SAID APPROPRIATION was moved by Mrs. Bergamini and seconded by Mr. Holmes. VOTE: Unanimous ayes; motion to amend above ordinance duly carried.

Adopted subject ORDINANCE, as amended. Moved by Mr. Holmes; seconded by Mr. Krupp. VOTE: Unanimous ayes; motion to adopt amended ORDINANCE duly carried.

12 Noted for the record financial statement for the Town of Wallingford for month ending 12/31/84, Comptroller. Moved by Mr. Krupp; seconded by Mr. Holmes. VOTE: Unanimous ayes; Mr. Polanski & Mrs. Papale not present for vote; duly carried.

13 Motion to withdraw transfer request of \$1,000 from A/C 140-120 to A/C 140-120 and to amend amount from \$6,460 to \$7,460 from A/C 805-326 to A/C 140-120, as requested by the Comptroller. Moved by Mr. Holmes and seconded by Mrs. Bergamini. VOTE: Unanimous ayes; motion duly carried.

- Approved transfer of \$1,460 from A/C 805-326 to A/C 140-120. Moved by Mr. Holmes; seconded by Mr. Polanski. VOTE: Unanimous ayes, with the exception of Mr. Krupp, who voted no. Motion duly carried.
- 14 Approved transfer of \$360 from A/C 140-120 to A/C 140-200, Comptroller. Moved by Mrs. Bergamini, seconded by Mr. Holmes. VOTE: Unanimous ayes, with the exception of Mr. Gessert, who passed. Motion duly carried.
- 15 EXECUTIVE SESSION not required. Moved to authorize Town Attorney to pay costs incurred in the 66 Realty Associates v. Wallingford lawsuit - \$1,472.50. Moved by Mr. Killen, seconded by Mrs. Bergamini. VOTE: Unanimous ayes; motion duly carried.
- 16 Tabled acceptance of Town Council Meeting minutes dated 1/8/85. Moved by Mr. Holmes, seconded by Mrs. Bergamini. VOTE: Unanimous ayes; motion duly carried.

Summary/Town Council Minutes

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Approved tax refunds totalling \$48.13, Tax Collector-----1

Agenda Item 11 - Robert Earley Disposition Committee Report - WITHDRAWN-----1

PUBLIC HEARING - 7:45 p.m. on AN ORDINANCE ESTABLISHING STANDARDS OF CONDUCT RELATING TO THE PARTICIPATION IN REAL ESTATE TRANSACTIONS BY OFFICIALS AND EMPLOYEES OF THE PLANNING AND ZONING COMMISSION, ZONING BOARD OF APPEALS, AND BUILDING DEPARTMENT OF THE TOWN OF WALLINGFORD, as amended - ADOPTED-----1-4

PUBLIC HEARING - 8:00 p.m. on rescinding AN ORDINANCE AMENDING SECTION 16(e) OF THE PURCHASING ORDINANCE NO. 272, ENTITLED "COMPETITIVE BIDDING" - DID NOT CARRY-----4

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Report on DWI Enforcement Program, Chief Bevan and Sgt. McNeil-----5-6
(Presentation of commendation to Sgt. McNeil)

Approved transfer of \$1,200 from A/C 805-319 to A/C 159-410, Personnel-----6

PUBLIC HEARING - 9:00 p.m. on AN ORDINANCE APPROPRIATING THE SUM OF \$38,300,000 FOR THE CONSTRUCTION OF A SEWAGE TREATMENT PLANT AND AUTHORIZING THE ISSUANCE OF BONDS AND NOTES TO DEFRAY SAID APPROPRIATION, as amended - ADOPTED-----6-28

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Tabled acceptance of Minutes of Town Council Meeting of January 8, 1985-----30

Adjourned-----30

TOWN COUNCIL MEETING

January 22, 1985

7:30 p.m.

A regular meeting of the Wallingford Town Council was held in Council Chambers, called to order at 7:40 p.m. by Chairman Gessert. Answering present to the roll called by Town Clerk Rascati were Council members Bergamini, Diana, Gessert, Holmes, Killen, Krupp, Papale, Polanski and Rys. Also present were Mayor Dickinson, Assistant Town Attorney Mantzaris and Comptroller Myers. The pledge of allegiance was given to the flag. Rev. Charles Kellmer was unable to attend due to illness in the family.

PUBLIC QUESTION AND ANSWER PERIOD

Mr. Romeo Dorsey, 122 S. Orchard Street, addressed the Council regarding the Board of Education contracts. Chairman Gessert informed him that this would be discussed at the special January 24th meeting and he could comment on it then. Mr. Dorsey commented that the upcoming contracts this year would be affected if the Council approved the 8% increase for the Board of Education.

Mr. Janauskas, 35 Apple St, commented regarding binding arbitration and Chairman Gessert advised that a resolution had been adopted by the Town Council and sent recently to the legislators with regard to this problem.

Agenda item #5 was moved up which was to consider and approve the reappointment of Mr. William Moraza as commissioner on the Zoning Board of Appeals for another 5-year term. Mr. Krupp moved to approve the reappointment and Mrs. Bergamini seconded the motion.

VOTE: Unanimous ayes; motion to reappoint Mr. Moraza duly carried.

Mr. Moraza spoke from the audience and expressed his thanks to the Council for their vote of confidence and his intent to continue to do his job as well as possible.

Chairman Gessert stated that there was no need to waive the waiting period for this reappointment since Mr. Moraza was still in office and Town Clerk Rascati swore in Mr. Moraza at this time.

Chairman Gessert introduced item 8, a request to approve tax refunds for two individuals, totalling \$48.13, as requested by the Tax Collector. Mr. Krupp moved to approve the tax refunds; Mr. Holmes seconded the motion.

VOTE: Unanimous ayes; motion to approve tax refunds duly carried.

Chairman Gessert announced that Item 11 - Status Report from the Robert Earley Disposition Committee - had been withdrawn.

PUBLIC HEARING - 7:45 P.M. on AN ORDINANCE ESTABLISHING STANDARDS OF CONDUCT RELATING TO THE PARTICIPATION IN REAL ESTATE TRANSACTIONS BY OFFICIALS AND EMPLOYEES OF THE PLANNING AND ZONING COMMISSION, ZONING BOARD OF APPEALS, AND BUILDING DEPARTMENT OF THE TOWN OF WALLINGFORD (amended copy attached)

Mr. Krupp stated that this was a revised copy of the Ordinance as submitted by Assistant Town Attorney Mantzaris. The Ordinance was read by Mr. Krupp.

Mr. Mantzaris pointed out that there was a typographical omission on page 2 of the Ordinance and that the continuation of Section 1.F should read: "expectation of financial gain or profit, and shall include expectation of financial gain in liability for federal income taxes." This was accepted as a friendly amendment.

Mrs. Doris Bevan, 46 Simpson Avenue, stated that she felt that top officials of the Town should also be included in this Ordinance.

Mr. Krupp responded that this was not the end of an effort and that it is a long-term program and that it was his hope that through the future years other areas will be addressed with regard to this issue - such as involvement by the Council, the Board of Education and other boards and commissions.

Mr. Diana asked if, as covered under Section 4, turning in real estate licenses into escrow was not a violation of constitutional rights.

Mayor Dickinson responded that certain sensitive areas in government can require that these licenses be put in escrow by people involved in Town planning and that the Real Estate Commission in Hartford frequently received licenses to be held in escrow for this reason.

Mr. Krupp stated that a precedence exists since affected members have done so voluntarily.

Mr. Killen asked if Section 2.A was not in fact redundant since he felt that the first part of the statement covered it completely.

Mr. Mantzaris stated that the second part was intended for any firm involved in real estate transactions not in Wallingford but which has a place of business in Wallingford at that point in time.

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Mr. Killen felt that most of the people with expertise will be taken away because of this Ordinance and that what the Town is looking for is expertise. He felt that the potential exists for everything and that there is nothing that can be done about that.

Mrs. Papale asked how many members are involved in real estate transactions right now, since she felt that they were being very persistent about this.

Mr. Mantzaris responded that there was perhaps one - an employee, and that all that person would have to do is disclose it.

Mrs. Papale also felt that this Ordinance would make them lose good people.

Mr. Killen referred to Section 2.C, "Firms engaged in real estate transactions..." Mr. Mantzaris stated that this eliminates from coverage any firm that sets up and engages in real estate transactions if it is going to be its place of business.

Mr. Killen felt that the wording must be done very carefully since it might be misinterpreted and thought to mean that they were excluded especially with reference to Section 2.D.

Mr. Mantzaris clarified that this would refer to someone who bought their own piece of real estate to build their own office, to conduct business not involving real estate and that this person would be excluded because he was not in violation.

Mr. Killen felt that a person buying real estate for his own place of business could also profit from being involved in the three areas covered by the Ordinance.

Mr. Mantzaris stated that they did not want to prevent a member or employee, who is making a living in other than real estate, from getting a place of business.

Mr. Krupp stated that if an item comes up such as the example above, the employee or member would have to disqualify himself from voting on it because it would fall under the general Conflict provisions.

Mr. Killen still felt that the wording in these two areas (2.C and 2.D) would leave a person free to interpret this as not having to disqualify himself from voting on something that he has an interest in.

Mr. Krupp stated that this provision does not supercede the Charter nor the Code of Ethics but is a supplement to it.

Mr. Gessert commented that there is a potential for abuse and those involved in real estate should not look for a position in these three categories of office and he felt that this was a step in the right direction.

Mr. Mantzaris stated his concern with regard to Section 1.C. (INTEREST), which he felt would be read to include other than the immediate family (such as cousins, etc.). A friendly amendment was made to delete everything after the first sentence, since it was felt that direct or indirect interest covered the issue sufficiently, and was also under the Code of Ethics.

Mr. Killen referred to Section 5.B and asked who would conduct the hearing in the case of an elected or appointed official. Mr. Krupp responded that an appointed official would be handled by the appointing authority and that an elected official would be handled by the Town Council.

Mr. Killen cited a case where a P&Z coordinator never had a hearing from an appointing authority.

Mayor Dickinson stated that in that case it was treated as being hired rather than appointed to office, and that when you are in a classified service, they have to go through another authority.

Mr. Bys moved to adopt the above Ordinance, as amended. Mrs. Bergamini seconded the motion.

VOTE: Council members Bergamini, Diana, Gessert, Holmes, Krupp, Polanski and Rys voted aye; Council members Killen and Papale voted no; motion to adopt the above Ordinance duly carried.

PUBLIC HEARING - 8:00 P.M. on rescinding AN ORDINANCE AMENDING SECTION 16(e) OF THE PURCHASING ORDINANCE NO. 272, ENTITLED "COMPETITIVE BIDDING"(copy attached)
Mr. Gessert commented that once the tag sale was completed, the Town Council had planned to eliminate this amendment.

Mr. Diana stated that they intended to have another sale but that the heating was turned off at Parker Farms School and that the tag sale would have to wait until Spring and felt that the amending ordinance should be kept on the books until this second sale.

Mr. Killen felt that this should be rescinded since it had been intended only for a special purpose (the tag sale).

Mr. Diana responded that he did not see any reason to rescind the amendment and felt that it should be a part of the government. He felt that there were enough checks and balances in the Ordinance - the sale has to be publicized and has to go the purchasing agent and the Mayor for approval prior to final pricing.
Mr. Killen moved to rescind the above Ordinance. Mrs. Bergamini seconded the motion.

VOTE: Council members Bergamini, Gessert, Killen and Rys voted aye; Council members Diana, Holmes, Krupp, Papale and Polanski voted no; motion to rescind Ordinance did not carry.

Chairman Gessert introduced a request for approval of transfer of 110 from A/C 202-510 (Maint. of Building) to A/C 202-500 (Maint. of Vehicle), as requested by Shirley Gianotti, Dog Warden.

Chairman Gessert read the accompanying letter from Ms. Gianotti in which she explained that the funds would be used for a much-needed tune-up on her van.

Mr. Rys moved that the above transfer be approved; Mr. Holmes seconded the motion.

Mr. Killen asked if this would be done by the Town Highway Department or outside. Mayor Dickinson responded that he had not spoken to Ms. Gianotti since she was ill and that he hoped it would be done in-house.

VOTE: Unanimous ayes; motion to approve the above transfer duly carried.

Mrs. Bergamini read a letter from Chairman Gessert to Mayor Dickinson with regard to his request that a DWI Enforcement Program report be presented at tonight's meeting and that the Town should consider future funding for the program.

Chief Bevan had submitted to each Council member a written evaluation of the DWI Enforcement Program.

Sgt. Donald McNeil summarized that the program operated for nine weekends in November and December (ending December 29) and that 51 arrests were made. These arrests were made by personnel assigned to the DWI squad. Sgt. McNeil felt that the program was successful and that the publicity was beneficial in that Southington and Meriden have also begun operating such programs. He added that, since the last time he came before the Council, four officers are being sent to special training for DWI duty.

Sgt. McNeil stated that they had estimated 160 hours of overtime and actually had 186.75 hours and that they had realized a surplus of \$128.07 - due to the use of supernumerary officers - who are paid at a lower rate.

Sgt. McNeil stated that some of the problems encountered were lack of marked cars, shortage of desks, typewriters and telephones, and the inadequacy of the black-and-white video tape system. He felt that a color video tape system should be considered for this program.

Sgt. McNeil pointed out that the 51 arrests during this period nearly equalled the 59 arrests for the entire year of 1983.

Chairman Gessert read a letter from Mr. and Mrs. J. Ricci commending the DWI program and also the interest young adults have taken in promoting this program. 50

Chief Bevan was asked the disposition of the arrests and he advised that some had pleaded guilty but that most cases were still pending.

Mr. Krupp asked if the Town could use some of the General Fund balance for continuing this program. Mr. Myers stated that there were several avenues - Certified Surplus, General Fund and Council Contingency and he would prefer to use the Contingency account.

Chief Bevan commented that he had checked with the Fire Department and that there was not much difference in ambulance responses to traffic accidents when comparing November '83 to November '84 but that there were 16 less ambulance responses in December '84 as compared to December '83, which is significant.

Mr. Killen asked if the arrests made were centralized or if they were made all over town. Sgt. McNeil responded that for the most part it was all over town, but they did make 15 arrests on Rt. 5.

Chief Bevan stated that they checked the parallel roads, which people were using instead of the main roads in order to avoid the police.

Chairman Gessert presented a plaque to Sgt. McNeil commending him for his outstanding work on the DWI Enforcement Program and remarked that, in general, we are good at finding fault but not at recognizing the valuable contribution that people have given to the Town.

Chairman Gessert introduced a request for approval of transfer of \$1,200 from Council Contingency A/C 805-323 to A/C 159-410 (Advertising) as requested by Stanley A. Seadale, Director of Personnel.

Mr. Killen questioned why the money was being taken out of A/C 805-323 instead of 805-319 which is general. Mr. Myers stated that he had meant to change this on reviewing it, and asked that it be shown as A/C 805-319.

Mr. Rys moved to approve the amended transfer request; Mr. Holmes seconded the motion.

VOTE: Unanimous ayes; motion to approve amended transfer request duly carried.

PUBLIC HEARING - 9:00 P.M. on AN ORDINANCE APPROPRIATING THE SUM OF \$38,300,000 FOR THE CONSTRUCTION OF A SEWAGE TREATMENT PLANT AND AUTHORIZING THE ISSUANCE OF BONDS AND NOTES TO DEFRAY SAID APPROPRIATION (copy attached)

Chairman Gessert introduced Mr. Bienstock of Bienstock & Lucchesi, who are the design engineers for the plant, Mr. Bruno - Head of the Water Division, Mr. Nunn - Chairman of the PUC, Mr. Ray Smith - Director of Utilities and Mr. William Hogan from the Department of Environmental Protection.

Chairman Gessert prefaced the public hearing by stating that this was the largest bond he or the Town has ever seen and that it will have a heavy impact on the taxpayers and on the future of the Town of Wallingford. He stated that it is not something they will enjoy but it has been mandated and will do a better job of handling the existing and future flow for the Town.

Mayor Dickinson stated that this matter dated back to 1974 at which time the DEP put the Town under orders to treat the waste water in the community and has nothing to do with growth. The only need for the plant is not just for future growth but to adequately treat the waste water going into the Quinnipiac River. This is part of State policy - to clean up the river.

Mayor Dickinson stated that the cost is obviously a very major one and the most expensive one the Town has undertaken and that no one relishes the fact that the people of Wallingford will have to bear this burden. He said that quite a bit of time and effort has been put into this, not only by the PUC and the Director of Utilities and the Water/Sewer Division Manager, but also by the Comptroller's office to get a good idea of what the financial burden will be and how it can best be handled. He added that in 1988 or thereabouts, at the point the plant comes to full operation, the cost will be 2.5 million dollars - payment of principal and interest - and represents a burden of 3 mils, and that to have that burden borne by either solely the taxpayer or the ratepayer is inappropriate. It is inappropriate on the taxpayer because, under accounting rules, depreciation accrues on the plant. It is totally appropriate that this depreciation be used to pay down indebtedness and it should be - which is in the rate and has to be in the rate. So, to have the taxpayer pay the full cost ignores the fact that money is collected on the depreciation angle for payment on the indebtedness. It is appropriate that some of the debt be borne by the ratepayer. By the same token, the ratepayer cannot bear that full burden either because at that point the ratepayer would be saddled with that entire cost and the rates would go far above what are now projected at 147%. So neither the ratepayer or taxpayer is in a position to be able to fund the entire plant and, at this stage of the planning, it will be shared. Mayor Dickinson closed his comments with the statement that if there were any questions as far as financing that there certainly were people at the meeting who could handle these details, especially the Comptroller who spent a significant amount of time and whose job it will be to determine what times the notes and bonds get sold. The Comptroller is supported by George Post and Joe Fasi (Bond Counsel and Consultant from CBT). Mayor Dickinson felt that the Town had a full range of experts at this meeting.

Mr. Nunn reiterated that this is a joint effort by the PUC and that there have been workshops with the Council, the Comptroller's office, with the State in meetings with Mr. Hogan, and that Mr. Hogan has been in touch with the Federal government. He added that it is a joint effort to put together a much-needed sewage treatment plant that will double the capacity from 4 million gallons to 8 million gallons per day, with additional future expansion possible to a total of 12 million gallons per day. The initial engineering thrust is to go from 4 to 8 and this is being done with the purpose of quantitatively improving the plant but also, and very importantly, improving the effluence coming out of the plant.

Mr. Ray Smith stated that they have before them an Ordinance that has entailed many hundreds of manhours in preparation to arrive at that sum, which sum is the largest probably the Town will see during this century. The timing is such because of

some advance availability of funds. It was anticipated less than six months before that this action would be taking place perhaps eight months from this very date, but because monies are possibly or potentially available they felt it was appropriate to request that the Town Council authorize the expenditure which is the entire projected cost for the plant - including construction costs, engineering costs, bonding costs, fees and the cost of money during construction and everything else associated with the project. There are many variables that have to be considered - the cost of construction being number one, the cost of money - interest rates being volatile as they are, the length of construction, etc. Mr. Smith stated that it is their hope that the project ultimately would cost less than that sum and that they are requesting this amount to be sure that there were sufficient funds to complete the project in the allotted time. It is to the benefit of the taxpayer and the ratepayer if they can hopefully save 5 or 2% of this sum and they will do everything in their power to keep the costs down.

Mr. Smith said that they projected they would receive \$22.5 million dollars of Federal and State funds and they went through the breakdown of that during several sessions. The bonding cost at the end of the project is projected at \$15.5 million dollars, again with the assumption that the remainder will come from State and Federal funds. He added that there is no guarantee that the total funding is available. They have the projection that approximately \$10 million dollars would be made available in April or May of this year.

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Mr. Smith said that if the Town does not want to proceed with this project, they would then advise the State and Federal agencies that they are not willing to proceed and they would turn to the next community that is waiting for their grant and offer the same deal. He added that Wallingford has stood in line waiting for its turn and it has come. It is the Utilities' recommendation as well as that of the PUC that they should proceed and that there is no guarantee that funding will be available next year either.

Mr. Bruno said he wanted to make the Town Council aware that the Sewer Division staff, in conjunction with the consultants, has worked very diligently to put this plan together to see to it that the Town will get a design and plant that is efficient and will serve the Town just as good as it can for as long as it can and that they have taken the initiative to put in a lot of innovations so that they can expand this plant in the future without rebuilding the whole thing entirely. He stated that they also kept in mind that it is going to be a big expense for the Town and they have tried to put together a modest plant. He assured everyone that what is being proposed here is not "gold-plated."

Mr. Bruno gave the following history:

- January 1974 - Executive Order 1262 to prepare a facility plan for the design of a new sewage treatment plant.
- July 1976 - Ordinance approved by the Town Council to proceed with this study.
- August 1976 - Signed contract with consultant engineer to proceed with Step 1 - the study throughout the Town to decide how large the plant should be and what problems may come about in relation to it.
- October 1977 - Letter from the State establishing a deadline for Stage 1 - November 1977.
- December 1978 - Town Council approved request for a Step 2 grant.
- June 1979 - Ordinance approved to go to Step 2.
- September 1980 - Authorized consultants to proceed with design.
- January 1981 - Contract signed with new consultants (Bienstock & Lucchesi) to proceed with the plant design.
- February 1984 - The Town Council approved Ordinance to pay for value engineering which was an assessment of plant design and, at that time, they received authorization to redesign certain features which the State approved in order to save a reasonable amount of money (approximately \$3 million); the redesign cost \$177,000.
- November 1984 - The final set of plans were sent to the State for approval which was consistent with the timetable that the State set forward with them several months back. (They have abided by the State and had their final review of the plans and spec's and it is their opinion that the plans are in extremely good shape and that there is no reason why the timetable that was established a few months back cannot be adhered to and perhaps moved forward a little bit.)

Mr. Hogan, DEP, commented that one of the important things Town Council members and citizens of Wallingford should understand is that, even though the \$38 million figure is staggering, there are other municipalities waiting in line with plans and spec's approved and are dying for Wallingford to turn this down. He felt that Wallingford was in an advantageous position which other municipalities wished they were in so that they could initiate

construction of their plants sooner and hopefully build at today's prices rather than pay an inflated price a year or two down the road.

Mr. Hogan discussed the steps remaining, pointing out that the plan design was in good shape and that he believed that the Army Corps of Engineers, who have responsibility of reviewing the technical aspects of the plan and spec's that the State does not review, had comments that were very positive and similar to the DEP's review. He stated that this should be approved probably in the middle of February. Additional work is the passage of local funding ordinance and preparation of the actual grant application itself which will need a 4-6 week time period in order to prepare it properly. If the application were submitted to the DEP some time in mid- to late-March, he anticipated getting it to Boston about several weeks after submittal to DEP. The grant award is actually made by the Regional Administrator of the EPA but the review period in Boston is very minimal - a number of strictly administrative items, not technical items with subsequent review as was done in past years. They are looking to a grant some time in the month of April, followed by authorization from the DEP to actually formally advertise the proposal - he believed the spec's have a 90-day advertising period which is typical of a plant this size. He added that they are probably talking about another eight months from now (September or October) for actually having the contract awarded. Mr. Myers stated that they have to bear in mind that they are right now looking at all cost estimates - the best cost estimates that were put together by the PUC. The project still has yet to go out to bid when we will see the actual costs of construction and, at some point, they will receive the commitments on State and Federal funds. At that point, they would be more in a position to determine what the actual costs to be borne by the Town would be. At that point, they would be in a position to carefully monitor market conditions, what is happening in the financial marketplace, what other effects and what other projects we would have coming down the road and look to New York and the bond rates to maintain Wallingford's credit quality, its financial position and what plan could be put together to implement the costs of the project within the Town that would be most acceptable to the people who are going to bear them. Incremental financing is one method, the term of the bond would have to be looked at, as well as many questions that have to be answered and those will be more appropriately addressed at a later date. Chairman Gessert commented for the record that he is very pleased to have someone (the Comptroller) in Town of this calibre involved in something of this magnitude and that his expertise and his understanding of the financial market is possibly second to no other Comptroller in the State of Connecticut.

Mr. Rys read the Ordinance and Mr. Mantzaris commented that the DEP Order No. 1261 (on page 1, first paragraph) should read 1262. Mr. Fasi commented, from the audience, that he felt this amendment should be voted on when the Town Council votes on the Ordinance. It was felt by the Council that it could be done at this time.

Mrs. Bergamini moved to adopt the Ordinance, as amended. Mr. Holmes seconded the motion. Chairman Gessert opened the discussion to the public. Mr. Ronald Gregory, 59 Hill Avenue, Yalesville, commented that he was disappointed that a public hearing for an appropriation of this size was not set for earlier in the evening. He recognized that the other issues were important but felt that this deserved an earlier time sequence for discussion. Mr. Gregory asked who is going to pay for the sewage treatment plant and why. He stated that something not brought up was that if they had applied and obtained approval for this plant prior to 1983, the Federal and State government would have provided 90% of the funding. Because of this delay by the Town, its taxpayers and ratepayers are expected to pay an additional \$13 million. He urged the Town Council to create an investigatory committee to find out why the Town delayed on this project for these years. He felt that the people of Wallingford, whether ratepayer or taxpayer, had a right to know if it was the former mayor, the former grants administrator, the PUC, the consultants for the PUC, whether it was the State or whether it was the Town Council of previous years. In 1974, not only was the Town ordered to correct their sewage problems but also the towns of Southington and Meriden. Both of those towns received 90% of their funding and have plants in operation today. As it stands today, Wallingford is only eligible for 55% of the cost of this plant. Congress may be cutting the appropriations on this grant and there is no guarantee that the Federal government will pick up the funding on this project.

Mr. Gregory said that he found out recently, contrary to his assumption that the person who has sewers will just have an increased rate bill, that the only thing that can be charged in the sewer rate bill are the cost of operation of the plant and for staff and maintenance. The cost for this plant is a separate assessment which is placed either on the ratepayer or the taxpayer. His primary concern tonight was who would pick up this assessment. He was pleased to hear that the Mayor and the PUC were coming to some agreement on who will share the burden but this did not impress him. He believed that people who have sewers today should not be charged for future expansion that is built into the plant. He felt that the taxpayers should be expected to share the cost. He made everyone aware that if the funding does not come through at a later date, the townspeople may have to fund the major portion of this sewage plan.

Mr. Gregory also felt that it is important to have ascertained prior to today the actual commitments that the Town can expect for this project. He felt that the Town did not have any formal commitment and that without these commitments, the risk to the taxpayer and ratepayer would be too great. He stated that he opposed the passage of this Ordinance this evening, although he knew that the Town Council felt they had their backs against the wall and would probably pass it. He added that Wallingford has had over ten years to prepare for today and that several years ago it could have obtained 90% funding for this project; to say now to go ahead and do this is not right.

Mr. Nunn stated that he was prepared to respond to the various questions posed by Mr. Gregory with the various experts at the table.

Mr. Hogan responded to the question regarding the delay in approval of funding. He commented that the date of 1983 as referred to by Mr. Gregory was incorrect and that the date at which the Federal grant participation was reduced was effective October 1, 1984 - which was only about four months before.

Mr. Hogan felt that there were a variety of details on this project since 1974 which have caused this project to fall behind the schedules that both Southington and Meriden were able to obtain. All the communities received their State orders approximately on the same day but, as Mr. Bruno stated in his opening remarks, there was a delay from the date of order issue (January 1974) to the date of July 1976 on which the Council passed the funding ordinance (2 1/2 years). So they had a delay where there were negotiations concerning the waste allocation which has direct impact on how much treatment is going to be provided. Southington and Meriden basically did not contest the waste load allocation and they proceeded when they received their orders. The facility plan itself took only two years to get developed and approved by DEP and this is a very typical time period for facilities plans on projects of this magnitude. Another delay was suffered between the time DEP approved the facilities plans in November 1978 until the EPA approval - which was given on July 1980 (20 months later). One of the reasons for that delay was the particular reviewer who was doing the work on behalf of the EPA. At that point in time there were four reviewers assigned to the State of Connecticut and Wallingford was assigned their most particular reviewer and he was definitely different from the other reviewers in Connecticut. In addition, at that time, in the Federal and State grants programs they had funded a large majority of lateral sewer projects and new intercepted projects in 1977-79, which kept them continuously underwater with new grant applications, construction inspections and plans and spec's review. So he is certain that when the facilities plan was submitted to Boston it sat there for a period of time and was

not something that was under the control of anyone here in this particular room. When the facilities plan was finally approved in July 1980, within a matter of weeks the Step 2 plan was funded which initiated the design. Again, there was a delay of actually authorizing the consultant firm to actually initiate the design and they were not allowed to proceed until some time in early 1981. The design period for a project of this magnitude (which runs similar to the time periods as was used by the Towns of Southington and Meriden) is about a 2½-year period between the time the consultant is allowed to proceed until the plans and spec's have been approved. The actual situation here has been a little bit longer than that period of time - portions of that have been directed by the DEP because they were aware that the Town could not proceed with construction, or could not be in a position to receive funding for the plant because they were not high enough on the priority list. He stated that he had come back and researched what grant actions had been conducted by the State since 1980 to take a look at what impact, or if some of these delays had been minimized, what would it have meant to Wallingford. In 1980, two major projects were funded; in 1981 it was primarily a lot of design grants and smaller projects that were ahead of Wallingford at that time--they were ready with construction and Wallingford was just initiating design. There was, in late 1981-82, an actual recision of grant funds (they lost \$12 million as a result of a recision from the Federal government which halted everyone for a period of time). In 1983-84, they funded the cities of New Haven and Milford with major projects and in the initial allotment for fiscal year 1985 they funded the city of Bristol. All of these projects, since 1982 and on, have had a higher priority than Wallingford. He felt that, unless Wallingford had had their plans and spec's approved and asked for the funding ordinance before 1980, they would not have been in a position to be eligible for Federal funding. So even if they talk about removing four years from the schedule (which he felt could not have been done), they would still have been sitting with their plans and spec's waiting for this very moment.

As far as the Town proceeding with a commitment, the passage of the ordinance tonight is a commitment on behalf of the Town to proceed with the project. However, the Federal commitment in terms of grant dollars (the \$10 million that has been discussed as an initial grant) will be made to the Town before they even advertise for this project and the Town would have a Federal commitment from the EPA for \$10 million before they even authorize to advertise. The Town would not be allowed to advertise and open those bids until that money was secured. Likewise, the State money, although not committed prior to that, will definitely follow according to State statute. The only money that is potentially in jeopardy is the balance of the Federal funding which is in the vicinity of \$5 million and the only way that won't come about is if the Federal government or the grant administration in their budget cuts simply cut the entire grants program to zero right now. If that occurs, the Town will not get the balance of \$5 million. If the Town waits they will also not get the \$10 million and a matching State grant. The Town will not be going out on a limb with no commitment whatsoever.

Mr. Nunn stated that the commitment beyond those of Federal and State that Mr. Gregory referred to is a commitment by the Town Council on how it will handle that portion which falls upon the Town - the principal and interest. As has been discussed in the workshops, the Mayor has given the direction (as has the Council) that there will be a shared shouldering of these costs and this is being worked on. What the timing of that is he leaves to the Town Council to decide as to when these commitments can be more accurately and more formally described.

Mr. Nunn asked Mr. Bruno to address Mr. Gregory's comments regarding the assesment since he felt that there were some inaccuracies in the assumptions Mr. Gregory made.

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Mr. Bruno stated that, as far as payment for the sewage treatment plant, it is going to be a bond issue wherein payments are going to have to be repaid based on the principal and interest. All of this cost could be assumed by the Sewer Division if that would be the case or if that was what was intended. What the Sewer Division has proposed is, since they are an enterprise fund, they must depreciate their plant anyway and that they would take that depreciation money and use it to pay the principal on the bond. That depreciation will be built into their rate structure. Based on some assumptions they made during the work sessions, they anticipated that the amount of depreciation would be approximately \$1 million a year and that is the amount of money they are proposing to allocate for the payment of the principal of the bond. Another comment made by Mr. Gregory that he wished to correct was that the grant would technically be for 75%, not 55%. The 55% is the Federal share and the remaining 20% is the State share.

Mr. Jon Walworth, 28 Laurelwood Drive, asked if they would break down the \$38 million into construction costs, engineering, short-term bonding, etc., and also asked, with the advent of \$22.5 million from State and Federal coffers what would be the annual cost to either the taxpayer or ratepayer in the Town.

Mr. Gessert stated that the construction costs of the project, including supervision, was \$32,700,000. General costs (including printing, internal and outside auditing, administration) was \$198,000, and that contingency costs was about \$1.6 million. Interest cost was estimated at \$3.3 million, bonding costs at \$434,000. He added that these figures had not been finalized yet.

Mr. Bruno said that they made some assumptions as to what the ratepayer will pay over the following years; however, he made it clear that they made a number of assumptions - namely, they are talking about a bond of \$15.5 million and about a term of 15 years and the bond to be sold in September 1989 with the Town General Fund paying the entire interest cost. With those assumptions and the fact that the average user uses approximately

10,000 cubic feet of water a year (the existing charge for that is \$90 per year), they expect that to rise to \$94 in 1986-87, \$114 in 1987-88, \$122 in 1988-89, \$129 in 1989-90, and \$222 in 1991. Included at that rate is not only the cost of the plant but the increased costs of operation and labor - for a total figure based on the total budget. This would be the sewer cost at those years - not water, just sewer. The \$100 increase at the end is because that would be the year the bond was sold and that would be when depreciation would come into play. He said it was a straight rate and everyone would pay the same amount per 100 cubic feet.

Mr. Rys asked if this meant that the ratepayer in industry would also pay this rate and Mr. Bruno replied affirmatively.

Mr. Myers responded that the first year that a bond, of the nature that Mr. Bruno just spoke of, was sold it would have an impact of 1½ mils to 1/5-8 mils additional. This is the case for the one scenario - if the bond was sold all at one time - and does not take into consideration incremental bonding (bonding so much as the project progresses). He was asked if in subsequent years this would change appreciatively and he responded that naturally the interest would decline since, as the principal of the bond matured, then the interest expense would decline in each subsequent year.

Mr. Walworth stated that he was for the project and hope that, if there were excess monies from the appropriation found not to be required, that they certainly ought not to be drawn from the bond for other sundry uses.

Chairman Gessert stated that, according to the Ordinance, any funds that are appropriated would have to be used for the project. There is no way, without a public hearing or a change in the orders, that they could appropriate for pumping stations or sewer lines, etc.

Mr. Myers also commented that funds like this would be used to reduce the amount of the bond that the Town would incur. They would not be transferred but would be used to reduce this issue.

Mr. Robert Janauskas, 35 Apple Street, addressed comments made regarding the impact on ratepayers and that he had heard a lot of discussion about workshops between the Council, PUC and public utilities directors where nothing happened. He felt that there have been no decisions by any of the leaders of the community on how this money is going to be funded. He stated that the Mayor said that the plant was mandated in 1974 by the DEP and that growth did not have any impact on the size of the facility and Mr. Janauskas felt that this was not true. He said that P&Z had to cancel further building because they did not have enough sewers to take care of the developing projects. He felt that the sewer tax should be abolished and that they should increase the mil rate so that all taxpayers share the burden. He questioned

Mr. Bruno regarding his comments about how much the water bill would be increased. He claimed that he is not a typical user - consuming only 7,345 cubic feet of water in a six-month period and that he paid \$130.45 - and that there have been some erroneous figures in the papers of a \$90 typical charge increasing by 147% to \$222 which does not make sense since his statements show that he pays approximately \$260 per year now. He said he is not against building the plant, but no determination has been made as to who is going to pay for it. According to the Record-Journal, the sewer users will pay \$15.5 million through an increase in rates, which article was followed by another one the next day in which was stated that the "PUC to seek agreement for sharing plant costs." He asked why this was not thought of months ago. Mr. Janauskas asked why the Town officials had not come up with a plan for the citizens of Wallingford to pay their share. He added that the Town had been scheduled, according to the paper, to get their funds in October and wondered if getting the funds earlier had anything to do with Bristol-Myers. He said that the Mayor guaranteed them a sewage capacity and he guaranteed them another increase about three weeks ago. Chairman Gessert corrected Mr. Janauskas in that the previous administration had made this agreement.

Mr. Janauskas questioned Mr. Nunn's comment to Mr. Gregory at a special meeting in which he said that he would like an agreement with the Town Council for sharing the costs connected with the sewage treatment plant and asked why this agreement was not made a long time ago. He felt that nothing has been done by the Mayor, the PUC or the Town Council. He added that this proposal for the appropriation should be tabled until the Town Council comes up with funding methods.

Mr. Gessert stated that the methods have already been determined and the question is how are the payments going to be made. He felt that the suggestion that the Mayor, Town Council or the PUC are "dragging their feet" is not correct and that there are a lot of new faces in the Town Council and in the Mayor's office.

Mayor Dickinson stated that, unfortunately, there is some misinterpretation of what some of the legal aspects are. When one deals with a legislative body, such as the Council or the General Assembly, there is absolutely no way one can have a contract with the legislature. Any time they meet they can change whatever was passed in a prior meeting. A formal agreement with the legislature is nice but does not mean as much as a contract with an entity such as the Town of Wallingford. Financing - how the plant will be financed and how the cost will be apportioned between the ratepayer and the taxpayer depends upon what the exact costs will be, which the Town does not

know right now. All of the figures are estimates because, at this point, they do not have any bids. In order to receive the funds from the State or Federal government, an ordinance must be passed for the State and Federal government to see that Wallingford is committed to the project. At the point an ordinance is on the books, then they will say this Town is ready to build this project and now we will grant them the money if their plans are in order. That is the stage the Town is at and, if the Town refuses to go ahead with the ordinance, they will not give the Town any money. The Town cannot have the financing in order until it knows the exact costs and in what order the finances will come from the State and Federal government. First of all, the Town has to go out for the bid on the general contract. How much is the contractor actually going to charge? Figures are all estimates that were developed by the engineering consultants which have been reviewed by the staff and the PUC and all the paid experts the Town has on hand to determine what the outside limit should be

on the ordinance. The Town does not want to get into this and not have enough money. But, at the point the exact costs are known, what order the notes must be sold, when the cost schedule is, what point the contractor must be paid for any given portion of the work completed - that is when the Town will need the money and the Town does not need the money right now. The Town is now selling bonds for a project that it is not sure of yet when it is going to start, and the Town would be criticized for acting too quickly and not in the best interests of the town by incurring debts without knowing when it would need the funds. The Town will not incur the need for that money until it has the bids back in and construction starts and then the Town will have a payment schedule for the contractor. At that point, one has to have an idea of where the financing is coming from and how it will be handled. There is no question or disagreement, that the Mayor is aware of, between the PUC, the Town Council or his office that there has to be a sharing, by the taxpayer and the ratepayer. Mr. Janauskas stated that, if the Town charged him with a sewer assessment, he could not deduct this on his income tax return, but if his mil rate were increased, he could deduct it as interest paid to the Town. He said the plant will not improve the level of his sewage capacity.

Mayor Dickinson said that part of that sewer rate is depreciation that is part of whatever rate is enacted and that depreciation is money that can be used to pay down the indebtedness. If the depreciation is not used to pay down this indebtedness, all the costs are in the taxes and the depreciation money is amassed and accumulated with no purpose. It seemed to the Mayor that it should also be used to pay down the indebtedness and it is part of the rate anyway. He understood what Mr. Janauskas was saying that it would be nicer to have it all part of the tax rate but due to accounting principles and the way the rates are constructed there is depreciation and that should be used to pay down the indebtedness. This is the most appropriate way to use those funds.

Mr. Nunn stated that the decision by the Commission is not a recent decision on the cost of the \$15.5 to be borne by the ratepayer. That is a figure that has to go to the ratepayer because of the loss on depreciation. The commission has always felt that this is the part that should be borne by the ratepayer. They have asked for and gotten an informal amendment from the Mayor and the Council that interest costs to support this project will come from the taxpayer. They will be tax-deductible and interest is tax deductible on Federal income tax. On Friday, they did not come up with a new decision. Mr. Gregory had suggested a formal plan and Mr. Nunn had said he would like to see a formal plan also. All the figures here are predicated on the fact that \$15.5 million will be paid by the ratepayer and that there will be no interest payment made by the ratepayer, which will be born by the taxpayer. There was no new revelation that came out at Friday's meeting which was for a transfer of funds, and the fact of the sewer matter came in the Public Question and Answer Period and was not even on the agenda. As far as Mr. Janauskas' bill was concerned, he should review this with Mr. Bruno directly and he should come to the office so that Mr. Bruno could shown him how they arrived at the charges.

Mrs. Bergamini stated, with reference to the interest being deductible and the sewage rate not being deductible, that there are a lot of people who, like herself, do not have sewers nor water and have septic tank repair and maintenance expenses. She said that she had gotten a lot of telephone calls from people complaining about this. This item is not deductible for them either and they are also going to foot this bill.

Mr. Ed Makepeace, 50 George Washington Trail, asked about the estimated cost to the ratepayer and taxpayer and that it seemed to him that it would be more equitable to charge the larger portion to the water user for a number of reasons. User fees in general is a lot fairer way to go. If not, places like Choate School, Masonic Home, that do not pay any taxes, and Bristol-Myers which does not pay its fair share of taxes, are getting a "freebie" and the taxpayer is supporting them. He also agreed with Mrs. Bergamini's statement regarding non-users helping to pay for the project.

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Mr. Dorsey asked why they could not write in the Ordinance what portion the Town will be paying. If the depreciation is going to be part of the cost absorbed by the Sewer Division, it should be right in the Ordinance. He asked about the 15-year bond and although he realized that the shorter the term of the bond the less it would cost - if the sewer plant is going to last 25-35 years, it would seem better to extend the bond and it would not have such an impact on the ratepayer or the taxpayer. He felt

the taxpayer should have a bigger part of the cost and stated the case of the people in Westfield Hills who do not pay more than \$15, regardless of how high the charges go. He stated that this was a legal problem in which they got into an agreement in 1904. Getting the bigger portion to be paid by the taxpayer would get those 200 people to pay their fair share for sewer charges.

Mr. Gessert said that the duration of the bond was an interesting point and that Mr. Myers and everyone will be looking into the duration and this is not locked in at 15 years, and may very well go into a longer term.

Mr. Fasi stated that the Ordinance is a basic document which the prospective purchasers of the notes and bonds rely on in buying. The ordinance is a promise between the Town and the bond and note purchasers that the full faith and credit of the Town of Wallingford is behind the debt obligation. It is inappropriate to put in that document town internal accounting procedure. If you want to make that a law of the Town, this can be done in a separate ordinance or in a resolution.

Mr. Bradley, 2 Hampton Trail, said that re: history of the matter as described by Mr. Hogan it was hard for him to believe that someone was not "dragging their feet" and questioned the 11 years and felt there should be some accountability and he agreed with Mr. Gregory that they should be looking into this. He asked Mr. Hogan regarding the funding set for 6.71 million gallons per day (MGD) that has now been reduced by .9MGD. Originally the breakdown of 55% Federal, 20% State, and 25% local had been based on the 6.71MGD. He said that this reduction was because of "ineligible gallons" (900,000 gallons) which were found to be ineligible because they were inconsistent with the State plan of conservation and development due to the watershed area, which is where Bristol-Myers has their pharmaceutical research, and because of zoning.

Mr. Bradley stated that he had brought up at the PUC public meeting the point of the sewer assessment and that the Mayor was looking into corporations who wanted to relocate here to pick up part of that; Mr. Bradley felt that the ratepayers were giving away a lot and asked if this plan could be incorporated into the ordinance. The Federal government is allowing for 5.9MGD but what if the Federal government says no more money - what is the contingency plan?

Mr. Hogan stated that the 6.71MGD, vs. the 5.91MGD for the eligible portion of the treatment plant - which is the flow rate that is eligible for Federal participation, was generated from calculations provided by the Town to his office and was a preliminary analysis of what is needed to service the existing needs. There is interpretation in terms of what "existing need"

is. There is an EPA regulation which says that Federal participation is limited to "existing need," but there is no actual definition for this term. The 6.71MGD was the estimate based on existing need based on interpretation that Mr. Hogan made after contact with Federal officials in Boston and Washington. The 5.91MGD figure has resulted from further contacts with EPA officials in Boston and the 5.91MGD is now a concurrent figure that will be used as eligible flow - this was from information that was received from the Attorney from the Congressional Research Center in terms of what was Congress' intent and, when they were utilizing under the reserved capacity statute, what did they mean by "existing need." This interpretation was received through Congressman Morrison's office last week and he has confirmed through the Congressional Research Center that "existing need" means in essence the existing flow at the treatment plant. The difference in the figures was what they analyzed or considered as "in-filling" of vacant land currently bordering a sewer line. The cost figures that have been presented tonight in terms of eligible construction costs and ineligible construction costs have been based on the more conservative 5.91 figure. The percentage ratio (55/20) is correct.

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The 900,000 gallons per day capacity was what was estimated to come from the East side of town in the watershed land. The Town was informed back in the facilities planning process that that flow rate would not be eligible because it contradicted the State plan for conservation and development. Subsequent to that, the EPA passed a statute in 1981 which implemented reserve capacity guidelines which says that the EPA is not paying for future capacity. That 900,000 gallons per day is incorporated into the 2.09MGD that is now determined to be reserved capacity. So the Town is going to lose the cost of that 900,000 anyway. The reserve capacity regulation has simply mandated the first position and made it unnecessary. When asked at what point the Town was advised that this would not be covered, Mr. Hogan responded that it was in 1978, when the review of facilities plan was conducted and they were informed at that time that the incremental cost of providing that 900,000 gallons per day capacity would not be eligible for Federal and State participation. This was stressed to the Town Council and it forced them to recognize that this was an added cost to the municipality. He stated that he did not make any recommendation that the Town should not provide capacity for that section. They did make a statement that the plan of conservation and development forbids the DEP from applying Federal and State monies to that capacity and it was the Town's decision to include that capacity or not and this was a local decision. Only the application of funds was restructured to that capacity.

Mayor Dickinson stated that, with regard to the plan for contributions from corporations coming into Wallingford's watershed area, he expects that very soon - hopefully by the next PUC meeting or the one thereafter. They have been developing some acreage figures and he expects to have it very soon. The reason it should not be in the Ordinance is that, generally, the Town would not want to include language in the bond ordinance that will jeopardize interest on the part of the investors. They want them to come forward and invest in the Town securities. For the last note issue, the Town received an interest rate of 5.57%, which was excellent. You don't want to raise questions on the part of investors because they will just go elsewhere. Mr. Bruno stated, with regard to industrial flow from the watershed area, that he wanted to make it clear that when the Sewer Division staff presented the feasibility plan to the Town Council, they made it very clear that they had an additional 900,000 gallons per day of flow in the feasibility plan and intended to build it into the design of the sewage treatment plant, and specifically asked the Town Council whether they agreed to allow that flow to stay in the design and the Town Council voted that the plant would include that additional 900,000 gallons per day capacity. It was not ignored and it was discussed.

Mr. Hogan stated that when the proposal was made to cut the clean water program along with any others, it was basically a "feeling out" of the strengths of various programs. There has been significant backlash from the people involved in the grants program not to cut it back and he does not feel at this point in time that there will be a zero grant program from this point on and that instead of getting \$2.4 billion a year it may go down to \$2 billion or \$1½ billion, but not zero. If it was cut to zero, which he felt was very unlikely, the Town of Wallingford would be yelling and screaming to their Congressional representatives, government representatives that they went into it with the assumption that they would get the full funding and that something would probably be put through to recover some of the funds.

He stressed that the \$10 million is obligated to Wallingford and that they are ahead of the other communities. If the grant program were to stop, he said that you can bet there would be a year or two of very few grants being made other than some minor state monies associated with small projects.

Mayor Dickinson stated that in the Spring of last year, several of the Town officials, including himself, attended a meeting requested with the Commissioner regarding priority. At that time, the issue was raised concerning the State funds and whether those State funds would be again appropriated in this 1985 session. At that time, they requested that they be informed at the point the appropriation bill was submitted and was to go to hearing before the Appropriations Committee so that the Town would have an opportunity to address it so that the State would continue the funding there. In addition, the Mayor's office has been in touch with Congressman Morrison and they will continue with that avenue. In final analysis, the State mandate

remains regardless of the funds, so it is in the best interests of the Town to proceed now and put the pressure on and, at this point, they anticipate seeing funding at the levels that have been indicated by Mr. Hogan. 61

Mr. George Soltesz, 7 Russell Street, spoke with regard to the price tag for the sewage treatment plant. He said that a few years ago they were talking about \$26 million for the plant, but that a November 28 article in the Record Journal showed an expected figure of \$30 million, and a subsequent article on December 11 showed a figure of \$36 million for the plant. He said that now the project is at \$38.3 million and who knows what it will be by the time the project starts. He asked where these figures came from and felt that it was not due to inflation, since inflation has decreased.

Mr. Bruno said that the \$30 million was the total cost of the plant itself, not including construction supervision. He could not explain the \$36 million figure. In the last three months or so, it has been \$38 million, which was a projected number including total costs for the plant (such as supervision for construction, costs to the Town, funding costs, bonding and interest costs, etc.).

Mr. Soltesz also agreed with Mr. Gregory re: accountability and remembered that in 1975 or 1976, Mr. Bill Hamill had spoken to the Council and said that if the Town put their application in to the Federal government that 10% would be what the Town would have pay and this would be locked in, and that nobody paid any attention to him. It would have cost the Town \$2,600,000 (10% of \$26 million) and now it is \$15.5 million. He felt that something went wrong during those years.

Mr. Dave Hosmer, 27 Wisk-Key Wind Road, asked if once this ordinance is passed is the Town Council required to introduce a new ordinance detailing the plan of what it would cost to the taxpayer and the ratepayer after this ordinance passes, and, if so, will this body have another public meeting to sit down and look at that plan and discuss it.

Mr. Gessert stated that any agreement as to how it would be paid would subsequently be adopted by the Town Council and anything adopted by the Council has to be done before the public. It would not be a closed-door session, but would be in public session, with public discussion and input allowed. He added that there would not have to be an ordinance.

Mr. Hosmer asked if the ratepayer will ultimately pay less than the taxpayer.

Mr. Nunn responded that this depended on the term of the bonding. If the bonding is for 15 years, which is what the proposal is for, the ratepayer will pay \$15.5 million and, depending on the interest and doing some projections and some assumptions, the

taxpayer will pay somewhere between \$12-14 million. If the suggestion and input from the Comptroller's office, as has been suggested, is to go to longer terms, then the principal will remain the same but the longer term will make the money cost more and the taxpayer will pay a larger portion.

Mr. Hosmer asked if it were not true that the residential, commercial and industrial ratepayer are not paying a proportionate share on the basis of the usage of that plant. He asked if each one would pay an equal amount.

Mr. Bruno stated that they would not pay an equal amount, but rather an equal rate. Every ratepayer will pay at the rate of an estimated \$2.22 per 100 cubic feet of water used.

Mr. Nunn stated that this is different from what it is now and that this is a change that has been mandated by the Federal government in billing out sewer rates and they have to do it in this equal-rate-per-unit cost. He would also like to see something more concrete as it can be done, but that these are just estimates now. He stated that he was not in favor of having the ratepayer pay more than the principal. The commitment is for a shared cost, but the numbers are not known.

Mr. Dorsey asked if the plant could be depreciated for 15 years.

Mr. Hogan said that they do not have a government standpoint in terms of securing the grant, and there are no requirements in terms of how the municipality structures their financing - it is purely a local prerogative. (

Mr. Smith stated that the depreciation they have used and factored into the rates are based on a 35-year life. It has no bearing on the bond at all. All they did was take approximately \$38 million and divide it by 35 years and come up with slightly over \$1 million that would be available for principal payment. The bond being 15-20 years will impact on the total interest payment. If they were to depreciate it at half that rate they would be required to increase the rates an extra million dollars a year and that is why they chose 35 years - to ease the burden on the sewer users

Mr. Krupp clarified that, with regard to Mr. Gregory's comment which was rebutted by Mr. Bruno in reference to the percentage split, they were both right. It is actually 59.5% that is being funded. Mr. Bruno referred to the fact that 75% is being compensated but this is 75% of eligible costs, and the net works out to 59.5%. Mr. Krupp said that he would vote to support the ordinance but not because he was enthused about it. He said that unfortunately it is part of the price of commitment to progress. In comparing local government vs. Federal government, he felt that the EPA was shortsighted in limiting the Town to 5.9MGD as opposed to our community having the foresight to commit itself to the 8MGD that it anticipates will be required.

He felt that it seemed foolish to have them back the Town into a corner at 5.9MGD and then have the Town come back 5 or 10 years later to say it does not have the capacity anymore. He stated that he would be the first to ask to have this ordinance rescinded if the \$22.8 million in State and Federal support does not come through, because \$15.5 million is a big amount for the townspeople to carry and then to take on another \$5 million or so would be unfair.

He felt that, as far as ratepayer vs. taxpayer, there are a lot of pros and cons, but that the \$15.5 million should be locked in. Another point is that the ratepayer will be paying at a level rate of \$1 million a year until they retire the bond. The taxpayer is going to pay heavy in the front and light at the back end and that is why 1½ mils will come crashing in on the taxpayers in one shot, which will fall off over a period of time.

Regarding a building committee, he felt that there are too many charges that he has serious questions about and he would like to have a building committee look at these very closely. For instance, the \$82,875 which is just for advisory fees and legal opinions which seems exorbitant, and the \$2¼ million in supervision costs. A building committee would be a good idea to look at this "voluminous" documentation that backs up these exact figures. There is a lot of detail that should be looked at.

Mr. Nunn stated that the PUC and the staff welcomes the input and that they would like to sit down with them and that the information is voluminous but it is open to everyone, and felt that this was done with the workshops and with this public hearing, but that they would be glad to discuss this with anyone. He added that this information is open for public scrutiny.

Mr. Gessert said that they may have some specific questions down the road to ask about the project in terms of saving money.

Mr. Holmes said that there are variations in the financing scheme which will definitely have an impact on what the rate and taxpayers will shell out. The Mayor's office, the Comptroller's office and the Town Council will be the ones in power to commit to the bonds and spend the money and all of these people will be looking for the most favorable rates and bonding procedures as well as the principal and interest payment timetable and he felt confident that they would go with the lowest rates. He stated that he is a taxpayer and owns a home and did not want to be hit with a mil rate increase and a sewage charge increase anymore than anyone else.

Mr. Rys said that at a special meeting on January 2 with Mr. Hogan, he had asked a question concerning the 5.9MGD vs. the 6.7 MGD. At that point, he had indicated to Mr. Rys that it would take a long time before they actually came up with that. It

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was the indication that the State felt that the Town should have the 6.71MGD and not the 5.9MGD. Is it actual knowledge now that 6.7 is lost?

Mr. Hogan said it was lost and the 5.9MGD figure is in place. The interpretation and guidance that came from the Congressional Research Center has confirmed what EPA had established as their interpretation of an existing need and he did not see that there was any way of fighting for a larger figure.

Mr. Rys said he would go along with the ordinance particularly because he would hate to see them lose the \$10 million. He wanted to have this pursued and into process.

Mr. Diana stated that a week or so ago, they had agreed to eliminate the name of the Town Council from the ordinance and he did not remember the name of the Treasurer being put on. Mr. Myers stated that it was always on because two of three signatures validates a check or draft authorization. The Mayor really acts when the Comptroller or the Treasurer are unable to act. This is a State requirement. The statement in the Ordinance with reference to delivery of the bonds by the Treasurer is in the Charter.

Mr. Diana asked if Mr. Myers had come to any conclusions on how they are going to set a budget. Mr. Myers said no because in the past they have had only an informal budget on these construction funds (such as for the police station). It is adopted by the committee and Mr. Myers basically maintains line item accounting on it and transmits a report to all the committee members, Town Council and Mayor on a monthly basis.

Mr. Diana stated that with this project at nearly \$40 million, it is almost equivalent to the Town budget and is not in the category of a \$2 million armory. The building committee was suggested for that purpose, and in the past he has asked for a committee for the Parker Farms School and the Robert Earley School. This committee would not necessarily circumvent the PUC but be more of an informative type so that someone is watching where all this money is going. The public should in fact be represented. The PUC are not elected officials, but rather appointed officials, and it is the Town Council, as elected officials, who will be held accountable for the end result.

Mr. Killen asked if the Town will be issuing a prospectus on this issue. Mr. Myers said yes and referred them to the breakdown of costs provided for the issuance of bonds and notes. He plans to issue a prospectus on the bonds themselves but also to issue a very detailed prospectus on the notes. As he reported to the Town Council last time, they had 14 bidders (all the major banks in New York) bidding and he would like to more completely formalize their financial statements also on the notes. He pointed out that the costs associated with the issuance of bonds and

notes (\$201,575) is an estimated figure and is for six years. It will have to carry the Town as a budget item through however many note issues the Town will proceed to market with and through however many issues of permanent bonds the Town will go to market with.

Mr. Killen asked if this prospectus refers to the fact that the Town is expecting Federal and local funds. Mr. Myers said yes. Mr. Killen asked why this would not be put in the bonding ordinance.

Mr. Myers stated that it is the way it is viewed in the marketplace. He discussed this with Mr. Post and Mr. Fasi and they were all in agreement that it would be viewed as a negative by the bidders and this would not be in the best interests of the Town. He stated that he did not intend to borrow \$38 million in the market to finance this project but rather to borrow on an incremental basis bond anticipation notes and to blend that with grant proceeds as they are received on a month-to-month basis. The Water and Sewer office had spent some time and worked up a detailed schedule as to how they felt the grant would be applied for and when the funds would be received from the State and Federal government. That blend of receipt of money plus an issuance of bond anticipation notes would provide the cash needs for the project.

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Mr. Killen felt that if Wallingford goes out and asks for another loan and they look at what the Town had already, it might look tight. Whereas if the Town were to say it was guaranteed State and Federal funds, the Town would look better. Mr. Myers stated that this was true and he would have to disclose this in an official financial statement (prospectus) when they go to issue the securities and this is the place to disclose the commitments by the State and Federal grants and if this were to be done he would have to have a written agreement from Mr. Hogan as to what those dollars represent. Mr. Killen asked, regarding the \$10 million, if this money would be forthcoming before the ink is dry. Mr. Hogan said that if the ordinance gets passed and it is effective some time in February, the grant could be awarded in April. He stated that when the grant is signed by the Regional Administrator, it is \$10 million that will be obligated to the Town.

Mr. Killen asked about Mr. Hogan's statement which did not seem very strong in reference to the State making a matching grant. Mr. Hogan said it would not come at the same time because a change in the State statute which went into effect October 1984 requires before they can expend or obligate additional State funds that they develop regulations as to how they expend those funds. In the past, the expenditure of the clean water funds of the State basically leaned on the Federal regulations for their appropriations. The State statute took that authority away. The regulation will hopefully be in place in June or July and at that point they will be able to make the obligation for Wallingford. Until those regulations have passed and been adopted through the procedures for adopting State regulations, they are powerless to make the grant.

Mr. Killen asked what figure, if everything goes as Mr. Hogan says, he is talking about from the State. Mr. Hogan said in the vicinity of \$6.5 million. Mr. Killen said that this would be a total of \$16.5 million that would be most assured to the Town, out of \$22.8 million.

Mr. Killen asked why it took so long: Was it the two-year lag period because of State or Federal agencies "sitting on their hands" or Wallingford not having such a high priority - what priority was this: how badly we were polluting the river or how far along with the plans?

Mr. Hogan stated that the priority was based on a measure of water quality impacts and health impacts caused by the project. There is no measure of how far along they were with the project that is not weighted in terms of what the priority is. Mr. Hogan stated that they went through a formal process of adopting the priority system, which establishes how they rank each project, and then each year they go to public hearing with that system as well as the points scores that they then assign to each particular community. This public hearing is required under Federal regulations. They send out to the chief elected official in Wallingford, with additional copies to Al Bruno, notifying them of the hearing. The previous and current administrations have come to those hearings to testify on behalf of Wallingford to make sure that they are as close to the top as possible.

Mr. Killen stated that there seemed to be no relation between the fact that the State and Federal government were telling the Town to clean up the Quinnipiac River and the fact that they were going to make money available to the Town for that purpose.

Mr. Hogan stated that in the State statute there is no direct relationship between the powers of the Commissioner of the DEP to issue orders vs. the ability to fund. There is no legal connection between those two.

Mr. Killen said that this fact, coupled with the fact that some of the foul-ups came from those offices, makes one wonder why the mandate. He felt that, in essence, what the government was saying is that the Town has polluted the river but that they can live with it. Yet the new pollution that is coming, which they could be funding, they say no and that the Town has to pay 100% for that.

Chairman Gessert commented that one can add to that the fact that the Economic Development Commission of the State of Connecticut will give somebody money to help them develop a

plant here to throw more stuff into the river.

Mr. Killen agreed and said it bothered him that they are going out to the watershed, which seemed to be the number one priority, but the government will not help the Town to make sure that the watershed area stays pure. Chairman Gessert stated that he is very much in favor of the plan to assess new companies coming in that are going to have a sufficient amount of effluence to use plant capacity down there. This would go into helping defray the costs of this project.

Chairman Gessert also commented that if the Sewer Division could do anything within the next couple of years, before this plant goes on line and the Town has to start paying up some of these funds, to recoup some of the potential costs in the rates and if they could put it in escrow to help decrease the cost of the project, or somehow make for financing that would keep the costs down, this would help reduce the burden.

Mr. Gessert thanked everyone who came to the meeting and for their input and added that when the Town Council comes to a point where they are going to come to a decision regarding the allocation, the Council would like to have the public present and would welcome their input.

Mrs. Bergamini moved to adopt the ordinance. Mr. Holmes seconded the motion.

VOTE: Unanimous ayes; motion to adopt the ordinance duly carried.

It was decided to move again for the amendment, since no vote had been taken on that. Mr. Holmes moved to adopt the ordinance as amended; Mr. Krupp seconded the motion.

VOTE: Unanimous ayes; motion to adopt the Ordinance, as amended, duly carried.

Chairman Gessert introduced Item 12, a request to note for the record the financial statement for the Town of Wallingford for month ending 12/31/84. Mr. Krupp moved to note this for the record; Mr. Holmes seconded the motion.

VOTE: Unanimous ayes, with the exception of Mr. Polanski and Mrs. Papale who were not present for the vote; motion duly carried.

Mr. Gessert introduced a request to approve a transfer of \$1,000 from A/C 140-120 (Deputy Comptroller Salary) to A/C 140-120 (Accountant Salary) and the transfer of \$6,460 from A/C 805-326 (Contingency-Misc.) to A/C 140-120 (Accountant Salary) to fund accountant position, as requested by Mr. Myers.

Mr. Holmes moved to approve this transfer; Mrs. Bergamini seconded the motion.

Mr. Killen suggested that the total amount for the accountant salary be taken from A/C 805-326 because after tonight, if the Comptroller found himself short of funds, they would not be able to touch the account until the end of the year. Mr. Myers said he had no objections to that.

Mr. Holmes and Mrs. Bergamini withdrew their motion, and a new motion was made by Mr. Holmes, seconded by Mr. Polanski, to approve the transfer as follows:

\$7,460 from A/C-326 (Contingency-Misc.) to A/C 140-120 (Accountant Salary)

VOTE: Unanimous ayes, with the exception of Mr. Krupp; motion to approve the transfer duly carried.

Mr. Gessert presented a request for approval of the transfer of \$360 from A/C 140-120 (Deputy Comptroller Salary) to A/C 140-200 (Telephone), as requested by Mr. Myers. Mrs. Bergamini moved to approve this transfer; Mr. Holmes seconded the motion.

Mr. Gessert stated that he would refrain from voting on this transfer due to conflict of interest.

Mr. Krupp asked if this was not in the original budget and Mr. Myers replied that it was not and that this was for the FCC authorized access line charges which were part of the telephone bill as of last April or May.

Mr. Killen asked if Mr. Myers anticipated really needing this amount since the account showed only 41% expended. Mr. Myers replied six months had gone by and he had bills for five months, and his last bill was for \$500, and that he felt he would need this money. 66

VOTE: Unanimous ayes; motion to approve the above transfer duly carried.

Mr. Mantzaris stated that no executive session would be required regarding Item 15 because it was part of the judgment in the 66 Realty Assocs. v. Wallingford suit, and could be done in open session. This was a tax appeal which the Town never wins. Since the judgment was in the favor of 66 Realty Assocs., they are entitled to some costs that the court awards by judgment, which amounts to \$1,472.50 (\$1,250 of which is the appraisal fee). The Town has to pay that but needed the Town Council's approval. Mr. Killen asked if they had the funds for this and Mr. Myers replied that it was under Claims.

Mr. Killen moved to authorize to pay \$1,472.50 in the lawsuit of 66 Realty Assocs. v. Wallingford. Mrs. Bergamini seconded the motion.

VOTE: Unanimous ayes; motion to authorize payment duly carried.

Mr. Holmes moved to accept the minutes of the Town Council Meeting of January 8. Mrs. Bergamini seconded the motion.

Mr. Killen moved to table the minutes since he had not had a chance to go over them. Mrs. Bergamini seconded the motion.

VOTE: Unanimous ayes; motion to table the minutes duly carried.

A motion to adjourn was duly made, seconded and carried and the meeting adjourned at 11:50 p.m.

Respectfully submitted,

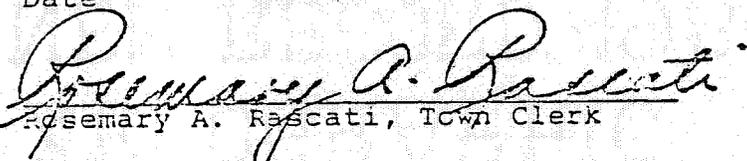
Carmen L. Gonzalez
Council Secretary

Approved:


David A. Gessert, Council Chairman

Date

2 - 13 - 85


Rosemary A. Rascati, Town Clerk

Date

2 - 14 - 85