

From: SimsburyCT Postings
PM

September 12, 2012 2:15:56

Subject: WPCA - FCC Policy Review Subcommittee Minutes 06/28/2012
To: SimsburyCT_WPCAMin
Cc:

WATER POLLUTION CONTROL AUTHORITY
FCC POLICY REVIEW SUBCOMMITTEE
SPECIAL MEETING
June 28, 2012

1. CALL TO ORDER

Paul Gilmore called the Special Meeting of the FCC Policy Review Subcommittee to order at 7:00 a.m. at the Simsbury Water Pollution Control Facility Conference Room, 36 Drake Hill Road, Simsbury. The following members were present: Michael Park and Loren Shoemaker. Also present were: James Clifton, WPC Superintendent; Alison Sturgeon, Clerk; as well as other interested parties.

2. DISCUSSION OF FCC POLICY REVISIONS

Mr. Gilmore stated that since the last meeting, the subcommittee has asked AECOM to provide additional data regarding the sampling because of a concern in terms of if the sampling was statistically accurate and could be utilized and validated by someone in the business of statistical modeling and analysis. He stated that AECOM has not yet responded. Mr. Gilmore stated that another concern is that the Town is currently hooking up at a rate of approximately 25 EDU per year. The Town's model of \$4,095 was based upon the assumption that the Town would have approximately 91 EDU equivalents connect per year. He stated that with this model in place, the Town will be recovering, from the new facility connection charges over twenty years, approximately one-third of the actual cost of the provision of additional capacity. He stated that the Authority will need to make a policy decision as to who will shoulder the burden of this cost. He stated that he has questioned Dennis Setzko, AECOM, how the concept of economies of scale would play into this issue. Mr. Gilmore stated that Simsbury is in line with what other Towns are charging for connecting to the sewer.

Mr. Shoemaker stated that the Authority feels that they have an obligation to fill their financial model, although some have questioned if this model is correct. He stated that the Authority cannot control the economic variable, although he believes that there are many approved permits for

houses to be built in Simsbury. He stated that after seeing the initial report from AECOM, he stated that Simsbury is comparable with what other Towns are charging for connections. If the financial model is going to change, the money will need to come from the general population, which he struggles with.

Regarding the report from AECOM which was discussed at the last meeting, Dr. Park stated that there were several scenarios in the report. He questioned if these scenarios were based on actual or projected hookups. He stated that he has assumed these were based on projected hookups. He would now like to see these same scenarios based on actual numbers.

Mr. Gilmore stated that he would like to get an answer to his economies of scale questions as well as the scenarios based on actual hookups. The subcommittee can then draft an analysis of the information that has been studied for the Authority regarding a policy decision based upon all the factors and benchmarks the subcommittee has assessed and ultimately ask the Authority if they want to shift the burden.

Mr. DiFatta, President of Ensign Bickford Realty, stated that this is the worst housing market in the

last 50 years and to base the number of projections at 25 is a little bit distorted. He feels that the subcommittee should look at the upcoming projects in Town. He feels these projects will bring the Town of well over 90 hookups per year. He stated that Simsbury is encouraging incentive housing and Apartments; there are demands for these housing types.

Ron Janeczko, Landworks, stated that Simsbury currently charges apartments as commercial; water meter readings are multiplied by the amount charged per gallon. He questioned why the Town charges the FCC one way and charges a different way for usage. He asked that the subcommittee look into this issue in terms of square footage. Mr. Gilmore stated that if the developer wanted to create a condominium development, he could then submit it to the Common Interest Ownership Act. Mr. Janeczko stated that the developer's permit agreement could indicate that

if a development was ever converted into a residential/individual ownership unit, that the developer would pay the differential. He stated that it needs to be all about fairness.

Dr. Anthony Giorgio, Keystone Companies, stated that he has already received approval for 260 apartments. He believes if the Authority looks at apartments as commercial entities, the economies of scale become known in their clearest sense. Although he agrees with Mr. DiFatta, Dr. Giorgio feels that smaller houses will be built in the future. When the usage is looked at and they start to balance the initial hookup with the usage activity, the model will become very different than it currently is. As a developer, he stated that it would also be acceptable to him if an agreement that is reach with the Authority states the difference shall be paid if rental units are converted to ownership.

Mr. Gilmore stated that Mr. Janeczko continued to move forward with his project at the current rate. Mr. Janeczko stated that he assumed, as the policy states, that he was developing a commercial operation. He made the initial request at lower numbers and the Town's response came back of how it would be calculated. He stated that at this point, he was already under contract. This is when his research started. Mr. Shoemaker questioned what Mr. Janeczko initially contemplated the hookup cost to be. Mr. Nelson stated that he initially believed the cost would be approximately \$80,000.

Mr. Gilmore stated that he does have a concern regarding the differentiation that is made between the FCC assessment versus the sewer use fee charge with respect to apartments. He questioned why apartments are treated as commercial for the sewer use assessment. Mr. Clifton stated that last year is the first year that the Town used water meter data; prior to this, sewer use fees were charged and there was no differentiation between residential and commercial. He stated that currently, properties that have single ownership and occupancy get a standard, per unit sewer use fee. Apartments typically have one meter that serve multiple units. Since these are not owner occupied, they are billed commercial.

Mr. Gilmore stated that this issue will require further examination because there is real economic significance to the designation of an apartment as commercial versus residential concerning the FCC. He stated that once he gets the additional information from AECOM, he will draft a summary. The subcommittee can then call a special meeting of the WPCA.

3. DECEMBER 12, 2011 AND APRIL 27, 2012 SPECIAL MEETING MINUTES – POSSIBLE APPROVAL

Mr. Shoemaker made a motion to approve the December 12, 2011 special meeting minutes as written. Mr. Gilmore seconded the motion, which was unanimously approved.

Dr. Park made a motion to approve the April 27, 2012 special meeting minutes as written. Mr. Gilmore seconded the motion, which was approved. Mr. Shoemaker abstained.

4. ADJOURN

The meeting was adjourned at 8:00 a.m.

Paul Gilmore