

MINUTES ANNUAL BUDGET MEETING OF THE TAXPAYERS OF THE
WOODRIDGE LAKE SEWER DISTRICT, SATURDAY, MAY 24, 2014
9:30 A.M. WOODRIDGE LAKE CLUB HOUSE
EAST HYERDALE DRIVE GOSHEN CT

CALL TO ORDER: Raymond A. Turri, President of the Woodridge Lake Sewer District called the meeting to order at 9:45 A.M.

ATTENDANCE: Board Members present, Raymond A. Turri, Jim Mersfelder, Bob Goldfeld, Jim Hiltz and Joan M. Lang. Also present were seventy (70) Woodridge Lake property owners. A list of those present is on file with the minutes of this meeting.

At the opening of the meeting, Ray Turri introduced the Board Members serving on the Woodridge Lake Sewer District Board of Directors and the Sewer Authority Board. The purpose of the meeting is to adopt the annual budget, laying the tax rate and the mil rate for fiscal year July 1, 2014/June 30, 2015. Being added to the items on the agenda, as a result of the meeting held by the board on Monday, May 19th was the setting of the date of Saturday, July 26th for the holding of a meeting of the taxpayers of the District to discuss the tax implications for District Capital Improvements and to inform the attendees at the budget meeting of the results of the May 15, 2014 meeting with the CT DEEP.

Item #1 – The Adopting of the Annual Budget for fiscal year ending June 30, 2015. A motion was called for and **A MOTION WAS MADE BY** Chip Roraback, seconded by Tom McKiernan to adopt the 2014/2015 Fiscal Year operating budget in the amount of \$891,420.75. There was no discussion on the operating budget. A vote was called for by a show of hands. There were no objections, **THE MOTION CARRIED.**

Item #2 - The laying of the tax rate for fiscal year July 1, 2014 – June 30, 2015. It was noted that the amount to be raised in Taxes for said fiscal year is \$1,033,223.05. **A MOTION WAS MADE BY** Lou Frederick seconded by Richard Reis, to set the tax rate of \$1,033,223.05 for the 2014/2015 Fiscal Year. There was no discussion on the motion. The vote was called for by a show of hands. There were no objections, **THE MOTION CARRIED.**

Item #3 – The fixing of the tax rate for fiscal year July 1, 2014 –June 30, 2015. The Chair noted that the current tax rate is 4.3 mils and is the tax rate being proposed for 2014/2015. **A MOTION WAS MADE BY** Rene Kujawski seconded by Frank Gomes to fix the tax rate for fiscal year 2014/2015 at 4.3 mils. No discussion. The vote was called for by a show of hands. There was no objection, **MOTION CARRIED.**

Item #4 – Adoption of a resolution providing for either the District or Authority for interim borrowing in anticipation of uncollected taxes. Clerk Joan Lang explained that in the event of uncollected taxes that the resolution would give the President or Treasurer together with any other officer of the District Board the authority to borrow up to \$50,000.00 if needed to cover operating expenses. There was no further discussion. **A MOTION WAS MADE BY** Al Shull seconded by Shirley Dunkin to adopt said resolution. The vote was called for by a show of hands, there were no objections, **MOTION CARRIED.**

Item #5 – To consider the setting of the date of Saturday, July 26, 2014, for a meeting of the taxpayers of the Woodridge Lake Sewer District for the purpose of discussion on the tax implications for District Capital improvements. A motion was called for by the Chair and **A MOTION WAS MADE BY** Tom McKiernan, seconded by Frank Gomes to set the date of Saturday, July 26, 2014 for a public meeting of the taxpayers of the Woodridge Lake Sewer District to discuss the tax implications for District Capital Improvements. Under discussion on the motion, the following questions were asked by Al Shull. First, Al stated that he admired the District Board for the extensive work they have done in working together in putting together the best possible deal relative to whether we go to Torrington, or using our of facility but he had questions that felt should be answered before the proposed July 26th meeting.

Question #1 – When does the Board anticipate the decision regarding whether we go to Torrington or stay onsite. In response, Ray Turri state that question would be answered under Item # 6 on the agenda which is to inform the attendees of the results of the May 15th meeting with the State DEEP.

Question #2 – When will the decision regarding the allocation of cost for the upgrade that is not covered by Grants be made? Ray Turri stated that the answer would also be considered under the presentation of the May 15th meeting, but until the District has a decision from DEEP that the District has to do “this” or “that”, that any numbers that are put together are best guess estimates by the Engineering Firm hired by the District.

Question #3 – By what means is the District intending to engage the sentiments of the taxpayers with regard to a change in the way funding is obtained by the District? It will be through the meeting of the taxpayers of the District proposed to be held on the 26th of July. All Woodridge Lake taxpayers will be notified by mail, e-mail blast and a public legal notice. Ray Turri stated that the taxpayers will be given as much information as the Board knows relative to cost, grants, loans and information the Board has relative to various means methods of taxation.

Question #4 – It was asked if after the meeting, the taxpayers will be given information as to how the different forms of taxation affect the taxpayers on different levels of assessed value. The answer was yes.

Question #5 – In regard to the method of taxation question, will the Board listen to the community in terms of holding a District wide referendum on the cost allocation Ray Turri stated that the Board would listen to the community, the Board is part of the Community and did not see why a referendum can't be held.

There was no further discussion on the motion, the vote was called for by a show of hands. There was no opposition to the motion and the date of Saturday, July 26, 2014, 9:30 A.M. was set for the holding of a public meeting of the Woodridge Lake taxpayers to discuss the tax implications for District Capital improvements. **MOTION CARRIED.**

Item #6 on the agenda: Results of May 15, 2014 meeting with DEEP – Ray Turri reported that he, Jim Mersfelder, Ken Green and Richard Reis had attended the very long meeting held in Hartford with DEEP Officials on Thursday, May 15, 2014 in Hartford.

Ray Turri turned the meeting over to Jim Mersfelder to give the attendees an update on what happened at the meeting with DEEP. Jim Mersfelder noted that the report being given on the results of the meeting was coming from the District Planning Committee and recognized the members of the Committee who have put in a lot of work on that committee. The members of the committee are Ken Green Chairman, Ray Turri, Bob Goldfeld, Chip Roraback and District Plant Superintendent Charlie Ekstrom. Richard Reis chairman of the Financial Committee has recently joined the Planning Committee to provide assistance in looking at the financial implications for the funding of the capital projects facing the District.

Jim Mersfelder addressed the proposed new Facilities Plan which had been submitted to the Connecticut Department of Energy and Environmental Protection (DEEP) for their approval in July of 2013 and in October 2013 an extensive report detailing the extensive hydraulic testing of the disposal beds to the specifications developed by the DEEP. As previously reported, it is the opinion of the District that the proposed Facilities Plan meets DEEP's Water Quality Standards. On April 10, 2014 the District finally received a letter of response from DEEP on the report submitted in July of 2013. DEEP believes that connection to the Torrington treatment facility still remains a technically and economically feasible alternative wastewater management option that should be explored further.

Members of the WLSD Board, the District Planning Committee, Engineers from Woodard & Curran and the legal counsel for the District from the law firm of Shipman & Goodman met with DEEP staff on May 15th, to discuss the District's response and DEEP's April 10th letter. John Wertam, Legal Counsel for the District led the discussion for the District. The District sought common ground between what the District believed to be a cost effective plan and the need for flexibility DEEP had in implementing and interpreting their guidelines. Discussion occurred on DEEP's application of its guidelines to our proposal.

As a result of the Meeting, the District is now exploring implementing additional upgrades to our treatment system and comparing to the revised costs of the Torrington alternative. The Board has 30 days from May 15, 2014 meeting to respond to DEEP on the results of its further assessments.

As a result of the meeting the Board and Planning Committee has asked Woodard & Curran to look at what the District needs to do to satisfy the concerns of DEEP relative to the plan that was presented to them. Woodard & Curran Engineers have been asked to price out the specific items that need to be addressed in order to meet DEEP's criteria. Because the Torrington alternative remains viable in Deep's view, the Board and

Planning Committee will further review and evaluate that alternative and will initiate communications with Torrington.

Through extensive work, the Board was able to receive a commitment letter from the United States Department of Agriculture-Rural Development (USDA-RD) to fund the SCADA/Pump Stations and the I&I projects with a 45% grant and a loan with an interest rate of about 4% for 40 years. We are also working with them to secure similar funding for the larger future project. The USDA funds are available for small towns and cities. Torrington is not considered a small city so if the District has to go to Torrington, the District can get USDA grant money to cover the cost up to the city line and after that the District would be required to look for other available funding. Engineers have estimated, it would cost \$1.5 million to pipe the Torrington end of the project. The District has been working with USDA for about a year and has been able to build up a good working relationship with USDA in moving forward to be able to understand what the dimensions of the project are.

The District is also pursuing funding from the DEEP Clean Water Fund. The CWF funds are controlled by the CT DEEP and become available under a priority point system to get on the list to receive funding. Ray Turri, Richard Reis and Ken Green attended a public hearing conducted by DEEP on the Clean Water Fund. They presented their case for the need of funding and spoke to the need for the state to increase the amount of money set aside which would allow larger grants to be offered over what is currently being offered. The DEEP Grant level at this time is approximately 25%. Jim Mersfelder stressed the importance of knowing what the grant level will be when looking at the total project capital expenses for the facilities upgrade. If the DEEP insists that the District goes to Torrington it will be important for the District to gain access to additional grant dollars needed to make it more affordable and our hope is, DEEP will be able to provide additional grants and funding.

The goal is to do the best job the District can do to meet the DEEP requirements while being able to do it with the lowest price possible. Until the District knows where we are going, the Grant levels and what the cost will be, it remains difficult to know what the impact will be to the taxpayers. A two page Sewer District Update, prepared by Jim Mersfelder was handed out to the taxpayers present. The handout gives a layout of what was presented at the meeting. The taxpayers were asked to read it to help them better understand with the District is trying to do and what needs to be done next.

The meeting was opened at this time to questions from the Taxpayers present: Rene Kujawski asked the following - Question #1: Is it clear, that the Board of Directors of the District makes the decision relative to the means of taxation. The answer to the question was (yes.). #2: In talking about changing the tax rate, does that include the operating budget as well as the funding for the capital projects? Answer- No consideration is being given at this time to change the current Ad Valorem taxation being used for the operating budget. #3: an explanation was asked for relative to the DEEP Clean Water Fund. – Jim Mersfelder explained that the State has approximately three

hundred million dollars in the Clean Water Fund that is spent annually. It usually goes to the top ten on the list which are the big towns and cities. There is however a set aside for small rural towns with \$9.5 M for two years being designated for two years. The Board is trying to argue for additional set asides for small towns.

Question from Len Fasano – It the decision is made to go to Torrington, will the closing cost for the District to cover the cost to de-commission the current facility and would consideration be given selling any of the property? Jim Mersfelder stated that there is the possibility for some cleanup cost, but no consideration has been given for the use of the approximately 100 acres at this time.

Question from Al Shull, Is there the option of taking legal action if the DEEP position does not go toward the on-site option? Jim Mersfelder reported that all options remain open and the District has retained legal counsel under the 2014/2015 proposed budget and an extra \$55,000 has been appropriated for legal expenses. It was noted again that the District has a really good lawyer who is knowledgeable with environmental issues.

Question – Is it only a percolation problem that the current septic system the District has now? Jim Mersfelder stated that it is a 40 year old treatment plant and not a septic system. Instead of operating under a surface water discharge, which in this case would be the west branch of the Bantam River, the discharge permit issued by the State DEEP was for a ground water discharge. Due to all the changes made governing the upgrade in water quality discharged into water courses, makes it difficult to change the required the type of discharge.

Question – Does Torrington have the ability to take the effluent from the Woodridge Lake Sewer District? Answer, Torrington does take effluent from two area towns and may have the ability to take the effluent from the District. It is not known however at this time what the current capacity level is for Torrington. If the DEEP tells Torrington that it must take the wastewater from the WLSD, they must take it.

Question - What are the next steps? The first would be to develop a plan to address the issues raised by DEEP in their response letter which would include a cost estimate to continue to conduct and operate a system to meet DEEP's criteria. If deemed necessary, efforts would be made to seek help from a higher level in the DEEP and continue to pursue receiving funding from the CT Clean Water Fund.

Question - If the District must go to Torrington, are there any regulations that govern how much Torrington can charge the District. and will there be future on going expenses for receiving the effluent from the WLSD? Any expenses would be taken into consideration under a negotiated contract with Torrington. Jim Mersfelder noted that the charge is based on the number of gallons of waste water they receive. The aggressive action taken by the District to decrease the Inflow and Infiltrations (I/I) is to decrease the number of gallons discharged on a daily basis. Ray Turri reported that he had met with Torrington and Harwinton two years ago. Torrington has already sent a bench mark by having

contracts with Harwinton and two parts of Litchfield receiving outside effluent. A meeting will be scheduled with Torrington to explore this alternative.

Question – Has the District taken out any loans at this time to upgrade the facilities? The answer is (No).

Question – The funding being sought for through the USDA, are they loans or grants? Answer, they are grants and loans.

Question – Will the cost to the taxpayer for the proposed capital improvements be tax deductible for the taxpayer? It depends on how the money is collected. If it is Ad Valorem, it is tax deductible, if it is a fixed benefit assessment charge it is not deductible.

Question – Will the operating budget go down if Torrington has to take the effluent? Answer, it is expected that the operating budget will go down but the offset to the operating expenses will be the charge set by Torrington to process the waste water. The District would no longer have employees. Any employees will be Torrington employees and Torrington will support the operations of all necessary substations and the collection system.

Question – Are there any homes outside of the District that are hooked into the system that are not within the District? No.

Question – Would going to Torrington open up the opportunity for homes outside of the District to tie into the system? The answer is No. The boundaries of the District were established forty years ago under the guidelines set forth under the CT State Statutes and cannot be expanded upon.

Question – Has there been any change in the ball park figures projected for the Capital upgrades and how is the Board going to decide how it is paid for? The ball park numbers are the same numbers that have been projected for the last two years. How it gets paid for will be based on what is a fair and equitable means for all parties concerned.

Question – Under the Torrington option, if the connection were made to Torrington by going down Route 4, wouldn't it be a benefit to the Town to have the school or for the Torrington Golf course to tie into the system and if so, would it help the District to pay for the cost? It was noted there are policies that preclude the allowing of any additional hookups into the system. The Town of Goshen has a Sewer Authority and the stated position taken by the Town has been that Goshen does not want additional sewer hookups.

Ken Green addressed the Torrington system is currently required to make certain upgrades and various issues with connecting to that system. There are still a number of issues to be addressed to make the local option acceptable to the DEEP that need to be further investigated and proposed to the DEEP for their consideration.

There were no further questions, Jim Mersfelder stated that all involved are working very hard to work all the options that the District can control and every effort will be made to keep the taxpayers posted. Jim Mersfelder again asked the attendees to read the handout given out at the meeting, noting that it does include more information as to what is going on.

A taxpayer voiced her thanks and appreciation for all the time and effort the Board, along with the Planning, Financial and Operation Committee has done. The vote of thanks was followed by a round of applause.

There was no further business to come before the meeting. The meeting adjourned at 10:45 A.M.

Respectfully submitted,

WOODRIDGE LAKE SEWER DISTRICT

Joan M. Lang, Clerk