

**TOWN OF EAST HAMPTON
WATER DEVELOPMENT TASK FORCE**

9/11/14

APPROVED MINUTES

The meeting of the Town of East Hampton's Water Development Task Force was held at the Colchester / East Hampton Water Pollution Control Authority Meeting Room on Thursday, September 11, 2014 at 7:30 P.M.

In Attendance: Mark Barmasse, Don Coolican, Tim Csere, Ted Hintz, Meg Wright and Vincent Susco Jr.

Not in Attendance: Ralph Nesci and Rowland Rux

1. Call to Order

Chairman Barmasse called the meeting to order at 7:34 p.m.

2. Approval of Minutes: August 14, 2014

Upon motion by Mr. Coolican seconded by Mr. Csere the member's unanimously approved the Meeting Minutes drafted from the July 24, 2014 meeting after minor formatting changes (no changes to content).

3. Public Comment

Carla Sylvester, Chairperson of Brownfields Redevelopment, provided an overview of Brownfields' current projects including Epoch Arts renovations, 13 Watrous re-development and an active watch of 10 Summit whose renovations are being impacted by the lack of water. Ms. Sylvester also expressed interest in this taskforce's activities and any potential impacts on Village Center water and will be sharing findings from an assessment they are currently performing of the VC ground water.

4. Continued Discussion of a Municipal Water System:

The discussion began with Mr. Susco distributing copies of a Memo from the Environmental Protection Agency (EPA), dated 9/4/14, outlining the balance of funds in the amount of \$493,871 that still exists from the FY2006 STAG Earmark Grant that was appropriated to the Town of East Hampton for water infrastructure improvements. He then informed the task force that the original Grant amount was \$1,146,900 and all but the current balance was utilized and the balance returned. The task force discussed and agreed that there is not an opportunity at this time to utilize the balance, given the town does not have \$400,000 to cover their 45% local share that would be required and the study/research allowable portion, as outlined in the grant, has been maximized.

Mr. Susco then addressed the 3 takeaways he had from the 8/14 meeting.

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- 1) Peter Hughes from the Marlborough Water Pollution Control Authority will be coming to speak to the task force at 8:30 this evening to provide his experience in attempting a Private/Public Partnership.
- 2) In speaking to Mr. Jylkka about how/if the proposed 2008 project with rates reflecting inflation (now \$35MM) would fit into the town's bonding scheme. Mr. Jylkka stated it would not fit into today's models.
- 3) While Mr. Susco could not locate electronic copies of the original financial model(s) (excel spreadsheets) created during the Maguire Group studies, he did provide a handout of the results of the studies used for discussions back in 2006. The handout reflected 3 versions of Scenario 3 with the differences being amount paid by the town (general fund) vs. property owners. He stated that discussions occurred over a 6 month period on how best to build and maximize the water for phase 1 (2000 users) over 5 years. He reminded the task force that the Town had a different bonding situation back then (no school project) and went into detail with the help of Mr. Hintz on pros and cons at that time. In answer to Mr. Coolican's question, it was also stated that the \$51,000,000 Total Cost reflected on the handout would be approximately \$65,000,000 today (based on construction cost index). The task force was then educated on utility protocols (placement of water and sewer lines a minimum of 10' apart and water and gas a minimum of 10' apart) which deflated the hope that any natural gas construction that may occur could be also leveraged for water.

Mr. Hintz informed the task force that he believes he does have electronic copies of the financial models created during the Maguire Group studies and will verify and share with the taskforce.

Discussion then moved to viable options and Chairman Barmasse shared a spreadsheet of the current community water systems in town in order to show the current footprint of private water companies and inquired as to availability of safe yielding capacities of other water systems in town. Mr. Susco stated that water supply plans are not required if customer population is less than 1,000 people. Mr. Susco was then asked by Mr. Csere to investigate what private water companies pay in taxes in comparable towns. After additional discussion around options, Mr. Hintz stated he will go back to Mr. Jylkka to get further information on bonding/grant options given his adamant stance that a private water company is not an option he will personally support.

Peter Hughes arrived at 8:30 pm and shared the Town of Marlborough's experience attempting a partnership with Connecticut Water Company (CTWC). The result of this attempt was CTWC pulling out during final stages (after 2 ½ years working together) and the Town moving forward on their own to become the public water system for Marlborough.

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Action Items

1. Mr. Hintz to speak to Jeff Jylkka, Town Finance Director, about available bonding capacity.
2. Mr. Hintz to locate and share electronic copies of financial models from Maguire Study and share with task force.
3. Mr. Susco to investigate what private water companies pay in taxes in comparable towns.

5. Adjournment:

On a motion made by Chairman Barmasse, seconded by Mr. Hintz and unanimously carried, the meeting was adjourned at 9:03 p.m.

Respectfully submitted,

Renee Bafumi
Recording Secretary

Minutes approved by unanimous vote of the Water Development Task Force on November 13, 2014.