



FARMINGTON WATER POLLUTION CONTROL AUTHORITY

ADDENDUM TO NOVEMBER 4, 2015 MEETING MINUTES

DATE: Wednesday, November 4, 2015
TIME: 7:00 p.m.
PLACE: Town Hall, Board of Education Conference Room

The following is added to the WPCA Meeting Minutes:

H. NEW BUSINESS

1. To Consider and Take Action on the following items concerning the funding costs for the WPCF Plant Upgrade:

Dennis Dievert Jr., PE, and Christopher N. Pierce, PE, of Wright Pierce Engineering informed the Authority of the four bids received that three lowest bids were within 4% separating them. The low bid from C.H.Nickerson & Co.,Inc. was \$57,480,600.

Secretary Thompson stated that to his knowledge, a construction cost of 9 to 10 dollars per gallon seemed high for a wastewater treatment facility and asked Dennis Dievert if this was typical. Mr. Dievert and Mr. Pierce replied that based on other recent projects in the state of Connecticut they have seen values of 8-14 dollars per gallon and noted that it is difficult to compare wastewater treatment plant upgrade projects (as opposed to new construction) because the scope of work can vary greatly from plant to plant.

The Authority was presented with a spreadsheet detailing total project costs by Finance Director, Joseph Swetcky. The sheet detailed a plan to pay for the remaining project costs that will be above the \$57.2 million approved for the project in the November 2014 Town referendum. First the remaining balance of the General Contractors bid (\$240,600) and the project's engineering and contingency costs for the first year would be paid from the WPCA's existing reserve account. Engineering and contingency costs in the next 3 years of the project would be paid from the WPCA's annual capital budget at an estimated \$600,000 per year.

Authority members asked how this will impact the cost of annual sewer user fees for residents. Public Works Director, Russell Arnold explained that the WPCA's annual capital budget is typically \$800,000 to \$900,000. This money is used to finance large projects at the treatment plant and in the Town's sewer system. This would decrease the amount available for these projects to \$200,000-\$300,000 per year if the WPCA wishes to keep user rates stable for the next 3 years, assuming revenues stay at current levels.

Authority member McGrane stated that the WPCA was previously informed that the referendum number was required to include all costs regardless of the source of the funds, and whether or not the costs had already been incurred. He noted that it was his understanding that it was a legal requirement that the referendum number of \$57 M was required to include all such costs in interests of fair disclosure to the voters about the total project cost. Now that the total project cost is in the \$65 M range, he inquired whether the Town had received a legal opinion that it was permissible to add further funding. The Finance Director stated that he had received a written legal opinion stating that it is permissible to add further funds. The Finance Director stated that he would provide a copy of the legal opinion to the WPCA. Mr. McGrane also inquired as to whether the WPCA could commit funding into future years' budgets on the basis that these budgets have yet to be voted on and the WPCA could have different members in following years. Mr. Swetcky agreed that this is true but the current WPCA could make a motion to fund the future commitments in good faith at this time.

Chairman Foote asked how the current situation would impact the cost sharing amounts from the other towns that use the Water Pollution Control Facility. Mr. Arnold explained that the inter-town agreements in place state that the cost share amounts are not calculated until the end of the project and the final project cost is determined.

Voted: To use the WPCA Reserve Fund to fund the balance of the construction contract cost (\$240,600):

Motion passed

Voted: To use the WPCA Reserve Fund to fund the current engineering services contract cost (first year of contract) (\$600,000):

Motion passed

Voted: That a good faith effort will be made by the WPCA to use the WPCA Capital Fund to fund the subsequent engineering contract costs and contingency/change orders from future appropriations. \$600,000 per year in fiscal years 2016/2017, fy2017/2018, fy2018/2019

Motion passed

Voted: That the Authority recommends to the Town Council that they award low bidder C.H. Nickerson the contract for the WPCF upgrade:

Motion passed