

**TOWN OF COLCHESTER – TOWN OF EAST HAMPTON
JOINT FACILITIES COMMITTEE
SPECIAL MEETING
February 3, 2015**

APPROVED MINUTES

The Special Meeting of the Town of Colchester – Town of East Hampton Joint Facilities Committee was held at the Colchester - East Hampton Waste Water Treatment Plant Meeting Room on Tuesday, February 3, 2015 at 5:00 P.M.

In Attendance: Mark Barmasse, Daniel Valentine and Stephen Coyle

Not In Attendance: Robert Peter, Scott Clayton, *Plant Superintendent*

Other Attendee(s): Vincent Susco Jr., *Public Utilities Administrator* and James Paggioli, *Public Works Director for the Town of Colchester*

1. Call to Order

Chairman Barmasse called the meeting to order at 5:04 p.m.

2. Presentation: CDMSmith – DAF (Dissolve Air Flotation thickener) Replacement

Craig Wagner of CDMSmith returned in order to provide an update on the sludge thickener improvement project bids received. Noting the previous agreement that the contract would be awarded to the company providing the lowest base bid (with alternate items being awarded (at Owner's discretion) if funds are available, he presented 3 bids for review. The lowest base bid company, Kovacs Construction, came in slightly under the anticipated cost (of \$1,250,000) at \$1,209,000 for one RDT (Rotary Drum Thickener). Mr. Wagner went on to recommend, on behalf of CDMSmith, that this Committee award the contract to Kovacs Construction and discuss the option of inclusion, at this time, of alternate items (a second RDT). He also confirmed that Kovacs has been a quality contractor in the past for both CDMSmith and this facility. Finally, he informed the Committee that with the selection of Kovacs, the total projected cost, including a modest contingency (\$50,000), comes in at \$1,430,000, again coming in slightly under what was anticipated.

Mr. Susco provided input to the Committee that the Vulcan RDT that was included in the Kovacs bid was a preferred brand and is important to note when making the decision. He went on to remind the Committee that if they move this evening to award the contract to Kovacs, approval from both WPCAs is still required along with a cost split of the remaining project projected balance of \$330,000 (after Joint Facility available funds are applied and with the assumption that the complete contingency will be used). This balance, he also reminded, is less than the previously anticipated balance of 500,000.

Mr. Wagner confirmed for Chairman Barmasse that the timing of a decision does allow for the necessary WPCA approval process to take place at the next regularly scheduled WPCA meetings (later in February for Colchester and March 3rd for East Hampton).

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Discussion then turned toward the pros and cons of 1 RDT vs. 2 RDTs given the lower than anticipated bids and the amount of contingency that makes the most sense. The committee agreed that 1 RDT was sufficient at this time given the infrastructure will then be in place making it easier in the future to add another and that contingency should be increased from \$50,000 to \$70,000 since this would still keep the cost below anticipated.

Mr. Coyle made a motion for the following resolution:

Resolution: *The Joint Facilities does hereby authorize management to proceed with the Sludge Thickener Improvements, Contract 11-69, as recommended by CDMSmith, Inc. and specified in the Invitation to Bid to the lowest qualified bidder, Kovacs Construction of Danbury, CT at a base bid cost of \$1,209,000.00. Authorization to proceed shall be issued upon final approval of funds from Colchester & East Hampton WPCAs to transfer funds in the amount of \$175 000 each into the Joint Facilities budget before issuing notice to proceed.*

Furthermore, that the Joint Facilities does hereby authorize management to proceed with Engineering Services During Construction for the Sludge Thickener Improvements, Contract 11-69, with CDMSmith, Inc. at a cost not to exceed \$135,000.00.

Furthermore, that the Joint Facilities does hereby authorize management to establish a \$70,000 contingency for the entire project.

The motion was seconded by Mr. Valentine. **Vote was unanimous in favor. Motion Passed.**

It was also agreed that Kovacs can be informed that written authorization to proceed is pending transfer of funds from each WPCA (on or around March 4, 2015).

Mr. Susco will work with Mr. Wagner to update the Bid Summary Spreadsheet and Resolution for distribution and reference during WPCA discussions.

Mr. Wagner will also draft the letter from CDMSmith to award the bid to Kovacs and notify Kovacs of a March 4th target for written authorization.

3. Approval of Minutes: Regular Meeting of November 18, 2014

Upon motion by Mr. Valentine seconded by Mr. Barmasse, the member's approved the Meeting Minutes as presented from November 18, 2014. Vote 2-0-1 (Stephen Coyle abstained as he did not attend the November Meeting)

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4. Report of Operations

In Mr. Clayton's absence, Mr. Susco presented the November and December Reports of Operations which are made part of these minutes.

A. November 2014

During the month of November the plant operated within parameters and dewatering took place for 15 days. Power failures associated with weather did occur. A blockage in Colchester was cleared and has remained clear to date. Two Waste Activated Sludge Pumps were replaced by our staff and a force main break at Bacon Academy was repaired. Normal maintenance activities (street light, vehicle and machinery repairs) and replacement of the mounting flanges (Laurel Ridge) and transducer (Clark Hill) at pump stations also took place in November.

B. December 2014

During the month of December the plant operated within parameters and dewatering occurred for 21 days. A Pre-Bid Meeting was held for the DAF project and Mr. Clayton attended The Managers Forum at MDC. While we are on a 6-month trial basis (Constellation Energy) with demand response, our first curtailment occurred this month. There was a plant power failure in December and adjustments of limit switches were required at the Prospect Hill pump station in response to numerous alarms. Normal Maintenance activities (grinder pump, switch, valve and gasket repair/replacement) occurred during December.

Note: During the months of November and December, the DAF did not present issues as it was expected to.

5. Budget Status

A. Operations Budget Status 14/15

Mr. Susco presented the budget status for the current fiscal year copies of which had been distributed in the meeting package. He informed the Committee that they are at roughly 65% spent (as of January 15th, 2015) for the fiscal year. He went on to highlight a few line items:

- Line item #5430 - Building Equipment, Maint. & Repair - which was the place holder for the pumps and boilers and informed them that aside from some additional labor charges, this is complete.
- Line item #5540 – Newspaper Advertising – is the Job advertisement for the Public Utilities Administrator.

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- Line item #5742 – Vehicles – new F250 that was delivered
- Line item #5830 – Interest – a 20 yr. bond in which we are in year 13.
- Line item #5810 – Fees - \$26, 000 still available. This is related to nitrogen credits. Current estimate is that we are going to come in around \$14,000 which will be \$12,000 under budget. Bill anticipated in March or April.

B. Recommend transfer to Capital Fund

Mr. Susco informed the Board that Management has recommended that we transfer \$52,500 to the Capital Budget of Joint Facilities in order to bring that budget to \$1,100,000 as previously discussed for the DAF Project.

A motion was made by Mr. Coyle and seconded by Mr. Valentine to transfer \$52,500 from Capital line item in Operating Budget to the Capital Budget of Joint Facilities. **Vote was unanimous in favor. Motion Passed.**

C. Proposed 15/16 Fiscal Budget

Chairman Barmasse called for Mr. Susco to present the proposed fiscal year budget for 2015/2016. Referring to materials distributed with the meeting package, Mr. Susco explained that there are some adjustments (due to the timing of budget creation and information obtained after) that he will highlight throughout the discussion and that while no action is planned for this meeting, as much time as necessary will be spent for complete review and discussion. Comments, changes or corrections received until February, 13, 2015 will be incorporated into a final proposal for adoption at the February 24, 2015 Meeting. Mr. Susco highlighted the following Items:

- This budget has been prepared under a modified philosophy of *zero-based* budgeting. It reflects all expenses for 2015-16 at the same rate as the previous year unless there is a known increase or decrease (quantifiable change). All changes are substantiated in the "Budget Detail".
- The Collective Bargaining Agreement is up on June 30, 2015. In anticipation that the new agreement will *not* be finalized by the time the budget is adopted, a flat 3% increase has been applied to labor wages for this discussion.
- A place-holder has been included for Capital expenditures. This will continue to be discussed given the decision to move forward with the RDT project.

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- The F/Y transfer recommendation from the Undesignated Fund Balance is reflected in Appendix F.
- The replacement of the Colchester flow meter in 2013 has permanently altered flow apportionment between the Towns (Appendix B).
- The biggest line item change in this budget was the 2 additional RAS (Return Activated Sludge) Pumps that were transferred to next year reducing the \$200,000 request to \$100,000. Without this we were looking at a ¼% increase as opposed to the now close to 3% increase.

The Committee then reviewed each line item in detail with additional information or background information being provided as requested. A lengthy discussion followed with many questions and recommended adjustments from committee members.

Upon responding to all questions and comments, Mr. Susco reminded the Committee that any additional feedback should be provided by February 13, for inclusion and review at the next Joint Facilities Meeting on February 24, 2015 and followed by WPCAs reviewing in their March meetings and approval being expected in April.

6. Old Business

A. Post-retirement Working Agreement

Mr. Susco informed the Committee that the agreement has been signed by all necessary parties and a copy will be distributed to the WPCAs and Joint Facilities for inclusion in minutes.

B. Disposition of Equipment

Mr. Susco informed the Committee that there has been a successful disposition of equipment. While the 2007 Ford F-250 was sold for less than asking the Swenson Sand Spreader was sold for almost double what was anticipated. The F-250 has also been removed from insurance.

7. New Business

A. Award Contract 11-69 Sludge Thickener Improvements

As noted in the documentation of agenda item 2 above, Kovacs Construction, will be awarded the contract pending approval of fund transfer from both WPCAs. This is expected to occur on or around March 4, 2015 (See agenda item 2 above for more detail).

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Public Meeting Adjournment

Upon motion from Mr. Valentine that was seconded by Mr. Coyle and unanimously carried, Chairman Barmasse adjourned the public portion of the meeting in order to move to the Executive Session portion at 7:52 p.m.

8. Executive Session – Discussion of Public Utilities Administrator candidates

9. Adjournment:

On a motion made by Mr. Valentine seconded by Mr. Coyle and unanimously carried, the meeting was adjourned at 8:16 p.m.

Respectfully submitted,

Renee Bafumi
Recording Secretary

Minutes approved by a unanimous vote of the Joint Facilities Committee on February 24th, 2015.