

Jenny Francese

From: Paul Kallmeyer [pak.pels@gmail.com]
Sent: Monday, July 12, 2010 11:42 AM
To: Jenny Francese
Subject: Fwd: Jog Hill Sewer Cost & Assessment Sheet

The email below is the one that I referred to at the meeting on July 7th, and asked to be made part of the Minutes of the meeting. You will likely recall that I asked if I should read it into the record, or has everyone read it; I also offered copies. By general acknowledgment, and specifically the words of our chairperson, it was agreed that that they had read it, and they accepted that it be part of the minutes. Thank you for your help by including it as an attachment to the minutes.

----- Forwarded message -----

From: Paul Kallmeyer <pak.pels@gmail.com>
Date: Tue, Jul 6, 2010 at 4:43 PM
Subject: Re: Jog Hill Sewer Cost & Assessment Sheet
To: "C. & B. Verna" <candbverna@yahoo.com>
Cc: Jeanine Maietta Lynch - WPCA Chairperson <jraygolf@earthlink.net>, "Laura M. Pulie" <lpulie@charter.net>, Maria Pires - Trumbull Director of Finance <mpires@trumbull-ct.gov>, Stephen Savarese - WPCA Administrator <ssavarese@trumbull-ct.gov>, Tim Herbst - Trumbull First Selectman <therbst@trumbull-ct.gov>, Dan Nelson - Trumbull Chief of Staff <dnelson@trumbull-ct.gov>, Ennio De Vita <e.devita@att.net>, "Timothy P. Hampford" <thampford@hampfordresearch.com>, Karen Egri <karenegri@sbcglobal.net>, Jack Goncalves <jackgoncalves@sbcglobal.net>, Joe Solemene <jsolemene@trumbull-ct.gov>, John Marsilio <jmarsilio@trumbull-ct.gov>

Bob poses important questions. The WPCA needs the details, and should not vote on the assessments until this basic math is known.

Bob also posed a question the other day that I feel is critical to the assessment relief that we are contemplating: he basically asked if the purpose of the 59 account was defined. I feel very strongly that it has been defined in many ways over all of the years of its existence, without being perhaps as formally defined as some people think it needs to be today.

Historically there are basically 3 income parts to the fund: (1) The monies directly related to the assessments; (2) the sinking fund comprised of each \$500 unit assessment; (3) the excess monies from interest on cash balances/re-financing/lump sum up-front payments/etc

Past Sewer Commissions (now WPCAs) amassed the sinking fund when the system was new; they anticipated future capital expenses; they knew that without a sinking fund, the only source of income would be the User Fee or a supplemental assessment. They also knew that the Town budget would not be a source for money as the law requires separation of "town" v. "users" money. This is why they are the 20 and 59 accounts . . . for the benefit of the sanitary sewer system.

In conclusion, the account IS defined (and operated) by public accounting principals.

This is an account accumulated by the "users", to be used for their overall benefit, within the narrow context of sanitary sewer system improvements.

Interestingly, the 25% town supplement to the assessments has also not been officially defined. But it has been throughout its history as 'the benefit the entire town gains as each of its parts is sewerred'. In its

inception, the town fathers realized that everyone benefitted from the cleaner waters (brooks, lakes, ground water) as the sewers were installed. We all don't remember (as I do) that St. Joseph's Manner's septic system leaked into the Pequonnock River, that the community septic system on Grove St. fouled that neighborhood, that Trumbull Shopping Park's (former) owner regularly pumped its 80,000 gal septic tank into the Rooster River . . . and more. These same Town administrators/financial volunteers/town council persons knew the separation of funds requirements. They also knew that once everyone got their 25% supplement, paid by all properties, all properties would actually be treated equally (it's a math thing; figure it out).

These facts lead me to several conclusions:

- The 20 & 59 accounts are for sanitary sewer improvements. Regardless of how you or I may feel about 'excessive' public works improvements during the Jog Hill Project, neither of these accounts can legally pay for that work. The sitting WPCA at the time decided to approve of this work as ancillary to the project, because the Town's staff recommended the extra work. Therefore the Town's General Fund, or the assessments, should pay for the work. As stated at the public hearing, the Town delayed road improvements for years; either the Town should pay, or the the people who are the ones largely benefiting from the work, should pay for it. Conversely, properties from Phases I & II that paid their \$500 to a sanitary sewer repair/improvement fund, should not see the money used for Town delayed/deferred public works improvements.

[Note: I do not expect the general fund to pay for the extra public works work at this time, AND I realize that the Town will have supplemented the assessments by some \$4 million . . . so one could conclude that the Town has paid for that work. Remember, there were assessments on other projects where the Town's 25% was actually less than 16%! The Jog Hill assessments are bigger benefactors from the Town than most previous projects.]

- The 59 Account is not to be 'raided' to overly benefit these assessments. I believe there is a legitimate issue however, because of the extensive cross-country pipes. All projects have cross-country and/or easement work, so that is not unusual. What is somewhat unusual is the extent of the CC on this project, due to the Open Space zoning. But note that many projects have big cost items: both the canoe Brook Lake and the Pinewood Lake projects had to be assessed for their large public pumping stations. When I originally proposed that the 59 account be used to supplement the Jog Hill assessments, I envisioned it as an off-set to the extensive CC, e.g. if the "extra/extraordinary" CC costs were \$1.7 million, then subtract \$400,000 . . . an average cost of a pump station . . . then credit the assessments for Jog Hill from the 59 Account with \$1.3 million.

- The 59 Account is looking at a lot of other expenses. First, the account was conceived when the system was new. It is no longer new; major pump stations repairs are becoming more prevalent, and the repairs necessary to comply with our NOV relating to I&I will likely take a sizable toll. And what of the costs for a new WTF? It is unconscionable to overly raid the 59 Account for the Jog Hill assessments when system wide repairs are needed, we are hoping to build our own plant, and we are under an NOV from the CtDEP.

My career in public service has seen strong governmental agencies think long term; act long term. We cannot think about today, without thinking about tomorrow. I have also seen "savings" squandered. For short term gains, work of decades of planning goes to a few, while the greater good of the many is harmed. We need to protect ALL of the Users of the system, not 'raid the piggy bank' when we all know that in our hearts it is the wrong thing to do.

On Tue, Jul 6, 2010 at 2:22 PM, C. & B. Verna <candbverna@yahoo.com> wrote:

Jeanine, Paul & Laura.....at the Public Hearing last week, the calculation sheet handed out to all

reported two specific "summary" amounts that I have some concern with. They are as follows:

Total Project Cost.....\$ 21,986,120

Total Project Footage.....108,165 lin ft of homesite footage

Since the 3 of you have spent a great amount of time and energy in examining the engineering & contractual issues, I hope I can stir your interest to look at the dollars and assessment footage of the Jog Hill project.

First, a detailed Project Cost report for \$ 21,986,120 is needed. The last one prepared on August 11, 2009 does not reconcile to this amount and the last one still posted on the Town web site of April 23, 2009 is outdated. So.....what makes-up the current \$21,986,120 total project cost ?

Next, the total assessable homesite footage of 108,165 ft. has DECREASED from the original detailed printout of each street & homesite at 109,032 ft. What caused the decrease of 867 assessable homesite footage and the dollars that go with it ? And, the original printout had 732 homesites listed and the "whisper" number I heard at the public hearing was less than that, so what happened ?

Can I suggest a working review meeting to go over some of this historical financial info...not an official WPCA meeting, but rather a review meeting with sewer & financial staff similar to what took place when you were looking at engineering & contractual issues ? I hope this is doable.

Thanks. Bob

post scriptum.....as you continue your pursuit of items such as cross country lines which relate to the whole sewer system rather than just the Jog Hill project, please look back at some of the items that were added to Jog Hill costs, but really might be deemed whole system items. Here's some suggestions:

Spath-Bjorklund additional design services...\$23,173, \$28,906 & \$68,790

Pump Station Restoration...\$19,060-Matty's Const., \$64,308-Garrity, \$8,693-CT PreCast, \$4,321-Repairs ?, \$2,832 restore landscaping

Grinder Pumps & Controls....\$220,700-Guerra, \$31,776-Stancor

Final Traffic Control....\$10,742-Mark V

Thanks again, Bob