

AGENDA
AD-HOC WATER SUPPLY STUDY COMMITTEE

Wednesday, August 21, 2013

3:00 PM

Town Hall Conference Room B

1. Roll Call
2. Audience Of Citizens
3. Approval Of Minutes: July 31, 2013

Documents: [MINUTES 7-31-13.PDF](#)

4. Old Business

- 4.I. Revised Draft Report

Documents: [WATER STUDY REPORT REV 8-21-13.PDF](#)

5. New Business

cc:

Members

Al Bradley
Mark Lavitt
William Oros
Christine Pattee
Bill Zenko

Staff Support

John Elsesser
Eric Trott
Noel Waite
Joe Callahan
Todd Penney

AD-HOC WATER SUPPLY STUDY COMMITTEE

MEETING MINUTES

JULY 31, 2013

CALL TO ORDER: The meeting was called to order at 3:06 pm in Conference Room B of the Town Hall.

ROLL CALL: Al Bradley, Bill Zenko, Bill Oros, Christine Pattee John Elsesser, Eric M. Trott, Joe Callahan, Noel Waite, Craig Patla (CT Water Co.)

AUDIENCE OF CITIZENS:

No comment.

ADOPTION OF MINUTES:

A motion was made by Bradley and seconded by Oros to adopt the minutes of June 26, 2013 as presented. The motion passed unanimously with Pattee abstaining.

OLD BUSINESS:

The Committee reviewed the draft preliminary report of findings and recommendations that was prepared by the Town Manager.

It was agreed to provide a table outlining the financial information to simplify and clarify the data. Totals will be provided when all financial figures are available.

Comments were made in regard to the Orchard Hill Estates section of the report. The total gallons per day and cost figure were corrected to 4,000 gallons per day and \$25,000 per year expense if they connected to CWC system. The current estimated annual expense is \$7,500. One well system was replaced last year at a cost of approximately \$20,000. Orchard Hill Estates would connect to CWC system if it makes good financial sense. The ability to connect in the future is important, if the need arises.

CWC would like to double-check the cost figure and project the numbers a little further out.

The Board of Education may be concerned with conveying the wells to CWC. A neutral operating cost is important. It was clarified that CWC does not own the wells/water lines until they are replaced. CWC would enter into an agreement with the Town to delineate responsibilities associated with maintenance, use, etc.

The State Board of Education was consulted and they indicated that the Town would not be responsible for reimbursement of funds to the State if the existing water system was conveyed to CWC since the funds were used to address a code violation.

An 8-24 PZC review will be required to improve and connect to the CWC system. An Inland Wetlands approval may be required depending upon the water tower location.

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Ad-hoc Water Supply Study Committee

Meeting minutes

July 31, 2013

The Town continues to explore funding sources, such as STEAP and USDA – Rural Development Funds. Other options include bonding/referendum and annual budget.

It was agreed to delete recommendation #3 regarding Orchard Hill Estates, since a study of the project is not warranted at this time. In addition, it was agreed to add language regarding risk and define the CWC responsibilities pursuant to an agreement with the Town.

The Town Manager will revise the draft and it will be available for the next meeting for a final vote of the Committee.

The committee agreed to meet again on August 21, 2013.

ADJOURNMENT

The meeting was adjourned at 3:52pm.

Respectfully Submitted,

Eric M. Trott

Director of Planning and Development

DRAFT FOR DISCUSSION PURPOSES ONLY

To: AD-HOC water study committee
From: John A. Elsesser, Town Manager
Re: Preliminary report: Version 2
Date: August 21, 2013

In October 2012 the Town Council created an Ad-Hoc Study committee to review and make a recommendation in response to an offer by the Connecticut Water Company (CWC) to extend a water main from Route 275 to the Town Hall/ CHS school complex. This offer was predicated on the Town funding the installation of a suitable water tower and turning over the operation and wells of the existing water supply system to the company. The committee has met on several occasions to review, gather information in an effort to fulfill the charge (attachment one). The Committee is comprised of representatives of the Town Council, Board of Education, Housing Authority, Planning and Zoning Commission, Economic Development Commission and non-voting staff.

Proposed Scope of the Project:

CWC has submitted a concept plan (see attachment two) to install approximately 5,000 linear feet of 12" Water Main starting at the intersection of Rout 275 and terminating at the Town Hall / CHSS complex. The estimated cost to CWC is \$1,250,000. A 417,000 gallon water tank would need to be constructed at Town (or grant) expense to be located either on school or Housing Authority property at as high an evaluation as possible. The proposed tank would be approximately 115 feet tall and 26 feet wide and is estimated to cost \$500,000. These dimensions are based on the size required to assure 50 PSI at the school and a fire flow of 2000 gallons per minute for a minimum of two hours (fire code). CWC is proposing the Town/Schools turn over the existing CHS water system to them ~~to operate to~~ ~~operate~~, including the two wells, who would then ~~operate the system and~~ sell water back to the agencies. This would relieve the Town/School of any future equipment replacement or code updates since they would now be CWC's responsibilities.

This proposal would also supply water/fire suppression for the Coventry Village area which is planned for water main replacement in conjunction with the Main Street Curve project now planned for 2015. Without a water Tower fire suppression flows will not be possible. The Tower would also assist in current supply problems which require water to be trucked in especially during summer months. Long term CWC has an approved well site off of Old Eagleville road which will be connected to the Village system as demand requires. The cost to CWC for this project is estimated at \$1,575,000.

CWC has also offered to connect into the 80 Units of housing at Orchard Hills either now or at some future time. The Committee has deferred this decision to the Housing Authorities over concerns of the annual cost of purchasing water. All agree that keeping this option available for the future would be essential when either code issues or supply issues make this financially viable. This connection should be considered as a future benefit instead of an immediate need.

Analysis

The Committee discussed the following pros and cons of the proposed project.

Pros:

- CWC would be responsible to supply potable water to the CHS system and absorb all testing, treatment and capital expenses thereby eliminating uncertainty to future budgets and reduction of future risk. If codes change or water becomes contaminated it is CWC responsibility to remediate at their expense.
- The Water Tower would allow fire suppression for the Main Street area including the Village area where new 12 inch service mains are installed.
- The improved system would allow the installation of hydrants and sprinklers in the area served. This will result in lower insurance premiums and allow the mixed use of older structures (e.g. residential over commercial use). Fire suppression is a major issue for Teleflex. Expansion plans almost became relocation plans due to fire insurance coverage issues. Teleflex currently uses both the pond and tank/pump systems for their protection. This requires flow control from the lake via the lake gate.
- Insurance rates for businesses and households near the new system would be reduced.
- Readily available public water enhances Economic Development since it eliminates the need for a separate permit from the State Department of Health for a non-transient water supply which can take over a year to obtain. This creates a climate of uncertainty for developers and extended timeframe.
- It sets the stage for a larger long term water project which could connect the smaller CWC systems in Town on the other side of the lake which would need the water tower to provide pressure. This theoretical expansion could go down Lake Street and Cross Street and also could absorb the G.H. Robertson water system and help address a serious water supply shortage to those systems.
- Gets the Town out the water business for the CHS system. This would allow the Fire tank in the hill in front of CHS and the existing water tank behind the school to be redeployed for sports field irrigation purposes.
- Would be readily available for Orchard Hills, School admin building, CVFA, and Police station if current wells fail.

Cons:

- Funding the construction of the water tower (\$500,000) and visual impact.
- Annual expense of paying for water
- Annual expense of fire hydrant rental and line water expenses
- Potential of the State Department of Education seeking grant reimbursement for the water system (We have verbally been informed that since it was a code project this is not the practice but are awaiting written confirmation.)
- Public perception of giving up water rights to CWC.

Financial analysis

Current operation of CHS system (includes Middle school and Town Hall)

Annual operating cost averaging \$11,500 (not including electricity) for about 8,000- 8500 Gallons a day. This does not include a reserve fund for equipment replacement or staff time.

CWC water purchase estimate

Price per 1,000 gallons = \$6.025 (rate set by PURA on statewide basis)

8000/1000* (365 days) * \$6.025= \$17,593 per year

8500/1000* (365 days * \$6.025= \$18, 692.56 per year

Annual difference between \$6,083 and \$7,192 minus the cost of electricity, capital replacement and staff time

Other

Fire hydrant and line fees: A least five fire hydrants would be installed on this 5,000 foot section of pipe. Hydrants are \$17.45 per month plus .08840 per linear foot of 12" pipe. Combined this would be an annual expense to the Town of \$6,351.

Orchard Hills

Coventry Housing authority uses about 2,000 gallons of water a day for each section (4,000 total). It they were to tie in the annual expense would be \$8,79512,500. This compares to an annual expense of approximately \$7,500\$. It should be noted that the two systems are over 30 years old and are in the process of equipment replacement with over \$20,000 already invested in pumps and controls. Other equipment will soon be in need of substantial upgrade including patching of a tank.

Water Tower

Projected cost of \$500,000. Would qualify for a STEAP grant. Researching other funding options. Could also be lease purchased over ten years at an estimated annual expense of \$53,000, or rolled into a future bonding issue.

[Insert Excel chart Here](#)

Offsetting Income Possibilities

The CWC system improvements would be taxable as personal property. So a conservative estimate of the taxes due annually from CWC could be \$17,481 for the 5,000 feet of water main and \$9,000 for the water tower if ownership is turned over to CWC for a total of \$26,481.

There is also a possibility of charging for the use of the land for the Tower and related facilities. This would need to be negotiated with CWC. This would depend on which parcel the facility is located on (Town/School or Housing authority).

There is also the possibility of using the new water tower as a communication tower for antennae. Who would get the income from this rental should be carefully negotiated. A cell phone lease could bring in \$25,000 per year, but the market is fairly saturated at this time.

The fire protection aspects will allow adaptive re-use in the village which will allow for better development and more tax income. Having water and sewer both available opens the door to enhanced economic development and therefore increased property tax income potential.

Committee Recommendation: Given that the annual net costs appear to be at least equal when considering property taxes and potential other income, and given the positive attributes of certainty in water supply and quality without further capital expenses the committee recommends to the Town Council and Board of Education to pursue funding for the water tower and to enter into negotiations with CWC to **prepare a more formal proposal**. The proposal shall at minimum include:

- 1) ~~The a~~Annual operating cost ~~shall be as cost-be~~ neutral as possible to the Town and Board
- 2) The system should allow for future connection to Orchard Hills if it is not cost effective to tie as part of phase one.
- ~~3) Consider funding an independent study of the Orchard Hills system to obtain a cost estimate for replacement/upgrade of existing system to allow cost comparison.~~
- 4)3) ~~The system shoul b~~Be part of a CWC master plan to enhance fire protection in the village and improved connections and supply to other CWC divisions in Town.
- 5)4) ~~A~~That any land lease shall be subject to CGS 8-24 review by the Planning and Zoning Commission to allow public input.