



## **PSC MEETING MINUTES OF January 22, 2020**

In attendance: John Struzziery  
Brian Kiely

Commissioners: Rick Mattila  
Lou Collins  
Richard Booth  
Peter Pyclik

Financial Assistant: Carol O'Connor

Absent: Andrew Grosso

Meeting called to order @ 4:32 pm by Rick Mattila

### **Minutes of November 20, 2019**

Peter Pyclik made the motion to accept the minutes seconded by Richard Booth  
Unanimous

### **Review of Capital Projects (report attached to permanent record minutes):**

The commissioners reviewed the data created to meet the request of focusing less on day to day operations and more on larger capital projects including timeframes, deliverables and costs with the focus on unplanned costs and how they are treated within the overall financial plan and strategy. They confirmed that format and data provided met the needs.

The Gunrock/Atlantic Ave Project is projected to have increased costs of \$503,000 due to increased scope due to the conditions found during construction being different than the conditions in the bid. Portions of the line had to be replaced instead of just lining, the force main needed to be repaired, additional lateral replacements were needed, and a force main access pits were added. The increased costs do not impact the financial plan as the total cost is within the bond authorization.

The Interceptor project is projected to have increased costs of \$683,000 due to CIIP Diameter variations, additional cleaning and additional grouting and epoxy of manholes outside of the original limits of work. This increased fits within the total bond authorization. The commissioners asked if the inflow and infiltration (I&I) has been going down since the lining has been put in. Early indications are that the I&I is decreasing but we need to watch and see if it migrates to a different area.

HVAC Project is projected to have increased costs of \$685,000 due to moving the HVAC system and electrical equipment to the second floor and retrofitting the second floor. This increased cost is funded by reallocating engineering funds.

Headworks: There is a projected \$940,000 increase in the cost of the Headworks Project since the structural condition was discovered to be worse than anticipated. This will be funded by deferring the underground piping project.

It was noted that the projects initially identified for the \$5.6M bond are being reviewed as part of the overall facilities plan. Once the facilities plan is complete the projects will be scheduled and updated as necessary.

#### **Water Consumption Trends**

We are currently projecting that the water usage will be about 7,000 units lower. This is due to a new water line and conservation measures taken at Spinnaker Island, the closing of the hotel and a number of properties not consuming water during reconstruction.

#### **Review of FY 2021 Budget:**

The FY 2021 Budget assumptions were reviewed. The largest impact on the budget is the debt service. The initial financial model assumed that the debt service would be for a 30 year SRF bond and the actual debt service was for a traditional 20 year bond. Over the life of the loan there is a substantial savings to the rate payers but in the short-term it results in a higher annual cost. This cost can be absorbed as in FY 2019 the Town collected five quarters of receipts, which increased the free cash balance. It was noted that the financial model assumed that the free cash balance on 6/30/2019 would be \$473,000 and the actual free cash balance on 6/30/2019 was \$1,879,000.

#### **Review Newsletter to be included in the Sewer Invoices**

The Commissioners reviewed the Newsletter that will be included with the sewer invoices.

Meeting adjourned at 6:00 pm – motion by Lou Collins seconded by Richard Booth - Unanimous vote