

# VALLEY COUNCIL OF GOVERNMENTS

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## VCOG MEETING NOTICE

Wednesday, January 9, 2008

11:30 a.m.

at VCOG Offices

## AGENDA

(Pledge of Allegiance)

1. **Public Session**
2. **Acceptance of Minutes of 12/12/07 Meeting (Enc.)**
3. **Election of Officers for Two-Year Term—Chairman, Vice-Chairman, Secretary/Treasurer**
4. **Treasurer's Report (to be emailed)**
5. **Correspondence**
6. **Update on Regional Water Authority Acquisition of Birmingham Utilities  
- Mary Pepe, V-P Operations, RWA**
7. **Discussion of Federal Transit Administration (FTA) Grantee Status**
8. **Discussion and Possible Action re: DEMHS Appointment of Emergency Management Directors (EMDs) to DEMHS Region 2 Steering Committee (Enc.)**

\* A light lunch will be provided at 11:30 a.m.

**MINUTES OF MEETING**  
**VALLEY COUNCIL OF GOVERNMENTS**  
**Wednesday, January 9, 2008**  
**at VCOG Offices**

**Persons Present:**

Mayor Anthony Staffieri, Derby  
First Selectman Robert Koskelowski, Seymour  
Mayor Mark Lauretti, Shelton  
State Rep. Jason Perillo  
David Silverstone, Pres./CEO, RWA  
Mary Pepe, V-P, RWA  
Carlene Kulisch, Kulisch Consulting, LLC  
Jason Bashura, NVHD  
Louis Oliwa, Storm Ambulance  
Tom Lenart, Storm Ambulance  
Lauren Garrison, NH Register  
Rick Dunne, VCOG Staff  
David Elder     “  
Matt Funda     “  
Jan Jadach     “

Chairman Koskelowski called the meeting to order at 11:45 a.m. The Pledge of Allegiance was said. The Chairman then asked if anyone wished to speak during the public session. No one spoke and the public session was closed.

Rick Dunne indicated that Mayor Della Volpe is flying back from Florida today and will not be in attendance.

**Minutes** – The minutes of the 12/12/07 VCOG regular meeting were accepted.

**Motion:** By Mark Lauretti; **Second:** Anthony Staffieri; **Vote:** Unanimous

**Election of Officers** – The Chairman asked for nominations for Chairman. Mayor Lauretti moved to nominate Robert Koskelowski for another term as Chairman. Mayor Staffieri seconded. There were no other nominations. Motion passed with Sel. Koskelowski abstaining.

The Chairman then asked for nominations for Vice-Chairman. Mayor Lauretti nominated James Della Volpe for Vice-Chairman. Mayor Staffieri seconded. There were no other nominations. Motion passed unanimously.

The Chairman then asked for nominations for Secretary/Treasurer. Mayor Staffieri nominated Mark Lauretti for Secretary/Treasurer. The Chairman stepped down from the chair to second the motion. There were no other nominations. Motion passed unanimously.

**Treasurer's Report** – Rick Dunne indicated that the Treasurer's Report was emailed to the COG members earlier this week due to the timing of the calendar year end. He further noted that Clare Falcha cannot be here today so he will do his best to answer any questions. He said that we are still running a surplus, but not the strong surplus that we had reported through the first six months. We are coming back into balance. Again, we have that planned surplus for the unfilled

position of \$26,000. We are running ahead approximately \$39,000. We are doing okay on utilities and are going to make it. We have no requests for transfers or amendments. Rick then asked if there were any questions. First Sel. Koskelowski asked if the budget has been formalized for the coming year. Rick said he was going to raise this issue, indicating that he was taking the cue from Mayor Lauretti that it's the taxpayers' year. He said we started the process this week of developing a budget for FY 08-09. We are attempting to do this as a flat budget with no increases to the municipalities. He reminded the Mayors that last month, there was a discussion on investigating a four-day workweek. We are now compiling a report on the utility usage and any costs associated with that. We will incorporate that into our budget proposal and give it to the COG members in two pieces. Rick continued that his intention is to give them a preliminary budget, probably around the first week in February. He will be sending out notices to the towns around the end of January about potential budget items for local dues appropriations. His intention at this point is to send out a notice that indicates we are not going to seek even an inflationary increase this year, and we are going to try to make it work.

Motion: By Anthony Staffieri; To accept the Treasurer's Report as presented; Second: Mark Lauretti; Vote: Unanimous

Rick Dunne then added one qualification—we don't have estimated costs on medical for next year yet. We should be getting that in the next couple of weeks, and he will let them know what that increase will be.

There was no correspondence.

**Update on Regional Water Authority Acquisition of Birmingham Utilities** – Rick Dunne indicated that we have David Silverstone and Mary Pepe here from the Regional Water Authority (RWA) along with Carlene Kulisch. Mr. Silverstone then handed out some information and introduced himself, indicating he is the CEO of the RWA, Mary Pepe is Vice-President of Operations, and Carlene Kulisch is their government liaison. He said if all goes well, RWA will be purchasing Birmingham Utilities next Wednesday, January 16<sup>th</sup> and that will give them customers and land holdings in Ansonia, Derby, Seymour and Beacon Falls. As a consequence of that, those four towns will become members of the South Central CT Regional Water Authority. That will entitle the towns to representation on one of the RWA boards. He indicated that he sent a letter to the CEOs of those four towns explaining some of the process and saying he would be glad to answer any questions. Mr. Silverstone then proceeded to give a brief overview of the RWA. After this acquisition, they will have about 116,000 customers, 300 employees, \$75 million a year in revenues, 25,000 acres of land in the Greater New Haven area. The district includes 16 towns—20 towns after next week—and they provide service in 12, soon to be 16, of those towns. They only have a portion of Seymour with 320 customers. They participate and comment on planning and zoning activities. They work closely with police, fire and public works departments and plan on meeting with representatives from those departments in the Valley in a few weeks. The RWA has a police force of seven or eight, and they work very closely with local police departments. The RWA is looking forward to serving the additional towns and he would be happy to answer any questions the Mayors may have.

Mayor Staffieri said the City of Derby has been negotiating with them on the East Derby Waterworks. He also has a concern that the Valley will be paying a higher amount than the rest of the RWA customer base. A year ago, Birmingham Utilities upset them all with the high

increase in rates and it is still going to carry through. He understands it was done as a business move to sell off their business and make it look affordable and advantageous to buy them out. He asks that the playing field be leveled so that Derby, Seymour and Ansonia are paying the same rates as everyone else. Mr. Silverstone indicated that their goal is to eventually have all of their customers paying the same rates. Currently, a typical residential customer pays about \$350 a year. A corresponding customer currently served by Birmingham pays \$490-500 a year. As they got approvals from various places, between financing approval and regulatory approval, they represented that they would keep the rates in Ansonia, Derby and Seymour fixed for a period of time until their rates caught up, so there will be no increases for at least five years, maybe longer, in those towns. They have discussed the concept of lowering those rates but if they did, the deal would not go forward and these customers would be subject to annual rate increases originally projected by Birmingham. Also, in this day and age, telling people that their water bills are going down when we know that water rates over the next 20 years will, on average, be going up because there are serious infrastructure problems that have to be dealt with isn't fair.

Mayor Staffieri said he didn't think it was fair that what was done to the Valley customers by Birmingham a year ago would continue. Mr. Silverstone reiterated that if RWA promised to reduce the rates, they would not have been able to go forward with the deal and then, as a consequence, the Valley residents would be worse off as their rates would continue to increase. Mayor Staffieri disagreed. He said the reason they were given for the rate increase was due to the acquisition of the upstate company that was purchased and to upgrade that upstate company which he now believes RWA is not even taking over. Mr. Silverstone said that was correct—they were not taking it over. Mayor Staffieri continued that the reason why the increase was put in place is being taken off the table. Mr. Silverstone said there was testimony that if Birmingham remained as it was, those rates would be increasing. He noted that Aquarion's rates just went up 15%. Mr. Koskelowski said he has both companies in Seymour and Aquarion's rates are almost half of what Birmingham's are. He said his average water bill is around \$50 for three months with Aquarion, and he uses a lot of water, especially in the summer. Mr. Silverstone responded that they keep track of these things pretty carefully and the water rates for the 12 existing towns are lower than the average rate charged by Aquarion before the increase. He appreciates the Mayors' position, but he thinks that when you look back on this in 4-6 years, you will see the benefit to the Valley residents. In response to Mr. Koskelowski who stated that utility companies seem to ask for increases every year, Mr. Silverstone said that in the last 27 years, they increased rates 16 times. With the exception of the very first rate in 1980, the increases have all been single digits and generally below 5%. The upcoming increase for existing customers will be 3.6%. He would be happy to share a comparison of RWA rates to 23 facilities, both public and private, in the New England region. Their rates are exactly average.

Mr. Koskelowski then said utility companies pay very little taxes for their land and then sell it for a large profit which is supposed to help reduce rates or keep them stable. The company you are purchasing sold off a lot of land to do this and we didn't end up with stable rates. Are you going to sell some of BU's excess land? Mr. Silverstone said that RWA is a quasi-governmental organization with no shareholders. If they sell a piece of land, that money goes back to either run the operation, cushion increases or buy additional watershed land. Over the next 10 years, they are committed to purchasing 3,000 acres of watershed land. Mr. Koskelowski said that that takes whatever they're buying off the tax rolls. It doesn't help a municipality if they buy land. Mr. Silverstone said they make tax payments of \$6 million a year. They make higher tax

payments than any other governmental utility in the state, perhaps in the country. Under their legislation, they are required to continue making payments on any asset that BU has on the day of the closing. BU currently owns about 1,600 acres of land in Ansonia, Derby, Beacon Falls, Woodbridge and Bethany. Before they sell any of that land, they are required to come up with a land use plan. There will not be a sale of any unimproved land for at least 12-18 months, if at all.

Mr. Koskelowski then brought up that the municipality pays a lot of money for the water lines and fire hydrants. Utility companies are supposed to maintain the hydrants but they don't maintain them like they should. The utility company needs the fire hydrants to flush their lines, but the town gets no reimbursement for that. Mr. Silverstone said they spend about \$30 million a year on infrastructure throughout their towns. They have two programs on fire protection. In some of their towns, they own and maintain the hydrants. If Seymour is interested in having RWA own the hydrants, they can take a look at that after next week's closing.

Rick Dunne had some questions. He asked if any independent studies were commissioned that could demonstrate that the consolidation or acquisition, long-term, will result in cost savings for rate payers. Mr. Silverstone said that they did a variety of studies which indicated there are some economies of scale realized very quickly. Based on those, there will be cost savings going forward. Their rate history demonstrates that the people in the Valley, over time, will have lower rates than those projected by BU. Rick requested that if they had anything that demonstrates a savings through consolidation, could they make it available to the VCOG. Mr. Silverstone said they would. Rick asked if the RWA police officers carry firearms. The response was that they do. They are sworn officers with powers of arrest, and they work closely with the municipal departments. Rick's last question had to do with acquisition of capital assets from municipalities. He knows that they acquired waterworks from the City of Derby. Mr. Silverstone interjected that a portion of the pipe in Derby is owned by the City. Rick continued that while the City owns that, there is no pilot payment but if RWA was to acquire it, then the City would receive a pilot payment. Mr. Silverstone said that was correct. They have had discussions with Derby and have offered to pay them a price for the pipe and that they would start to make pilot payments. Rick asked if there was any capital asset in Ansonia and the response was no, just the Derby pipe. Mayor Staffieri said regarding the Derby waterworks, the negotiations have stopped. He asked if they will resume. Mr. Silverstone said he will be happy to have a conversation with Mayor Staffieri about this. Mayor Staffieri asked if any employees from BU will be laid off. Mr. Silverstone said that some of these employees will not be hired. However, most of them have been made offers. There were no other questions. The Chairman then thanked the RWA reps. for their presentation.

**Discussion on Federal Transit Administration (FTA) Grantee Status** – Rick updated the Mayors, saying that Mayor Lauretti initiated a meeting with FTA Region I administrator before the holidays. They started discussion about the general relationship between FTA, VTD and VCOG. VCOG is currently the direct grantee. We are investigating a number of options with regard to how that money flows from the feds to VCOG and potentially investigating changing the direct recipient status from VCOG to VTD. He doesn't think we are close to making a recommendation on that, but we will continue working with FTA. He will be working primarily through Mayor Lauretti, Chairman of VTD. We will produce a draft organizational chart to give the Mayors a picture of what it may look like in a redesignated district. We will then meet with FTA staff to discuss the particulars and then report back. In general, what is involved here is the

original designation process, just like we are creating a brand new transit district in the State of CT. This will require the action of the Governor to designate the recipient. We are not certain yet if this will require legislative action since there is already a transit district that is designated. In the meantime, we are continuing to operate with VCOG as the direct recipient. We are responding to all of the communications as the grantee. Rick said he should get back to the COG members next month with some advisory on the concerns that FTA has about the acquisition and disposition process of federal assets, primarily the buses. He noted that we probably will have to bring to this board a new policy to deal with those assets. First Selectman Koskelowski then thanked Mayor Laretti for the great job he is doing at VTD. Mayor Staffieri agreed.

**Discussion and Possible Action re: DEMHS Appointment of Emergency Management Directors (EMDs) to DEMHS Region 2 Steering Committee** – Rick began by indicating that he had spoken to Mayor Della Volpe by phone last evening who requested that action on this item be tabled until the February meeting. David Elder then explained to the members that this is a follow-up to previous discussions he's had with them. The structure is now in place. The top tier is made up of the CEOs of the 30-town region. These appointments are going to be to the Steering Committee. Rick Dunne sits on this committee, and we were able to secure two emergency management director seats on that. This is important because it gives us an extra vote when the spending plan is being created to determine where the emergency management money goes. Dave continued that he has spoken to all of the emergency management directors and they are all interested in serving on this committee. The time commitment for the first year will be one 2-hour meeting a month. Two EMDs will be selected and they will represent all four Valley towns. He does not have a recommendation as to who would be best to serve on that committee because it has more to do with which one of the EMDs can accommodate the meetings around their regular employment responsibilities. Dave suggested that the CEOs speak with their individual EMDs to determine if they are interested and willing to make the time commitment. Rick reiterated that Mayor Della Volpe suggested tabling action on this item so that the four COG members could discuss how best to fill the two spots on the board. Dave noted that all of our EMDs have full-time jobs. Jason Bashura interjected that Dick Talberg is retired and also that Ansonia has two EMDs. Rick said they are attempting to clarify the Ansonia issue. According to the state, Chief Hale is the EMD. Mayor Staffieri agreed that the four CEOs need to discuss this.

Motion: by Anthony Staffieri; To table this matter until the February meeting; Second: Mark Laretti; Vote: Unanimous

**Old Business**: First Selectman Koskelowski wanted to bring up the issue concerning the paramedic unit. He indicated that he met with Jason Perillo who gave him a very detailed report on response times with the vehicle being in Oxford. There was a quarter last year where Seymour was dropping off on response times. He continued that he learned a lot from meeting with Jason. Not only did the Oxford times improve, but the Seymour times were getting better also. Mr. Koskelowski said is satisfied at this time and he would like to meet periodically with Jason who just started as the new Executive Director for VEMS. He is very pleased with what is going on and the detailed report from Jason, in whom he has a lot of faith as he has been involved in this business for many years. Mayor Staffieri also indicated he is glad that Jason is involved. He has some issues he would like to discuss with him.

Rick Dunne said he had one other item under old business. He apologized for not putting this on the agenda but he just received it yesterday from OPM. He had a handout for the Mayors regarding the Justice Assistance Local Law Enforcement program (JAGLLE) and indicated we had talked about this for the last three months. He indicated that OPM has heard our concerns and has increased the funding. The handout shows the new funding levels and answers FAQs about the program. He went on to say this program will be a little difficult for us to implement. There will need to be a change of thinking at the police departments because they are used to getting the money directly and that is not going to be allowed. We are forced to apply as a region and we are not allowed to pass through funds directly to the towns. We are required to spend the money on a regional basis. Rick suggested that a meeting be held with the police departments to try to develop an application. He reminded the members that they previously asked him to develop an application for the "Click it or Ticket" program. There is a question as to whether you would be spending the new money for overtime that you already fund from another source. If that is the case, it would not be an eligible activity. We can't spend this on regular overtime and we can't spend it on overtime that was paid from another source previously. We can only spend it on overtime related to a new regional activity.

Mayor Lauretti then asked what the basis for the grant is. Rick said it is for local law enforcement assistance. The towns have been getting this in the past and using it for equipment or some type of training. There is a list of prohibited activities. Basically, it is overtime and anything that is already being paid for by the towns. The difference is it has to be regional in nature. Mayor Lauretti suggested that the Valley Street Crime Unit would be an eligible recipient, and they are in need of some type of infusion. Rick concurred that the Valley Street Crime Unit would be eligible and OPM actually suggested that. He continued that Ansonia is not eligible for this program this year as they get direct funding from the Justice Dept. However, they have found out that Ansonia will be in this next year as their crime stats are dropping so they will not be getting the direct federal subsidy any longer. Therefore, it makes sense to include Ansonia at this point. Rick continued that the problem with the Chiefs is that they know how they want to spend the money, so just apply for it and hand it off to them. We can't do that under these rules. The Valley Street Crime Unit would be eligible if it is an increase in what they received last year. The Mayors agreed that it is a program that gets results and makes a difference. There have been some manpower shortages but that should be rectified soon. Rick said he will convene a meeting with the Chiefs and work with them to get narratives for inclusion in the application.

Mayor Staffieri then briefly brought up the Safe Routes to Schools. He wanted to make certain that his interim Superintendent of Schools is contacted and knows about this program. David Elder said he has been in touch with someone from the Derby office who has given him the information that was requested. One thing he mentioned is that, unfortunately, high schools are not eligible for this program. He said that staff has already begun to identify crosswalks, sidewalks, etc. Mayor Staffieri mentioned Bradley School as being a good candidate as they could use sidewalks in that area.

There being no further business, the meeting was adjourned at 12:25 p.m.

Respectfully submitted,  
Mark A. Lauretti,  
Secretary