

4 Turkey Hill Road
Newtown, CT 06470
Tel (203) 270-4300
Fax (203) 426-9968



Fred Hurley,
Director

**TOWN OF NEWTOWN
WATER AND SEWER AUTHORITY**

Richard B. Zang,
Chairman
Marianne Brown
Louis Carbone
George Hill
Alan Shepard
Eugene Vetranio
Carl Zencey

Present: Marianne Brown, George Hill, Dick Zang, Carl Zencey, Alan Shepard, Lou Carbone

Absent: Gene Vetranio

Also Present: Director of Public Work Fred Hurley, Fereshteh Doost from Fuss & O'Neill, Attorney David Grogins, Mike Burke and Julio Segarra from Suez

Public Participation – None

Approval of Minutes – George Hill moved to approve the 3/3/16 minutes as presented. Motion unanimously approved.

UNFINISHED BUSINESS

Hawleyville Sewer Extension – The Town will do a bond modification request for 3.8 million reflecting the overall project cost estimated by Fuss & O'Neill. All the properties in the area that made initial requests have been accounted for. Fred Hurley provided a breakdown of scenarios (Attachment A) and Marianne Brown provided a breakdown of assessments (Attachment B). Fred Hurley explained that there are assumptions that the board has to decide on.

Existing single family residence at \$14,000 is reasonable but \$14,800 would be consistent with the 90% rule for appraisals. They do not want to reduce residential benefits too much compared to the central district because they are not economic development.

Multi Family would be new development, and we need some component of housing to make the numbers work. The appraisal was \$12,000 but applying the 90% rule would set a unit assessment at \$10,800.

Developed commercial is not an obvious part of economic development and should have a smaller reduction in assessment than raw land. The raw land reduction would be greater than the developed commercial developed. It would be 90% of the initial assessed value and then a 40% reduction

In the Trailer Park, there are 10 or 11 units that are on social security. He is asking for a reduction and his argument is his main line is the same as everyone else getting a grinder pump on private property. There is also concern from the board regarding expansion. Fred Hurley explained that a stipulation can be made for that as well.

Alan Shepard moved to have Fred Hurley will prepare a proposal based on tonight's discussion and e-mail it to the board in a timely manner for a public hearing. George Hill seconded, motion unanimously approved.

Dick Zang moved to hold a public hearing for benefit assessments on March 31, 2016. Carl Zencey seconded, motion unanimously approved.

Award Recommendation from Fuss & O'Neill and possible action to make award recommendation to Purchasing Authority – Dick Zang moved to recommend to the Purchasing Authority that after the legal requirements are completed we award the basw contract, alternate 1

and 2, to Center Plan Construction as recommended by Fuss and O'Neill. Alan Shepard seconded, motion unanimously approved.

Alan Shepard prepared questions that need clarification (Attachment C). Fuss & O'Neill will get back with the answers.

Review of request of sewer extension agreements for Hawleyville – Not discussed

Discussion of possible benefit assessments to be levied - 164 & 170 Mt. Pleasant Road are requesting terms (Attachment D). Fred Hurley asked for direction from the board as to what is acceptable. You can start to set an overall policy for users in Hawleyville. Alan Shepard asked for them to present the schedule of occupancy. It was also suggested that they do a payment upfront and a final payment in 5 years.

Alan Shepard moved to authorize Fred Hurley to speak to the applicant of 164 & 170 Mt. Pleasant Road to discuss modifying their request to propose a schedule without occupancy in it and a payback maximum. Lou Carbone seconded motion unanimously approved.

NEW BUSINESS

Committee Reports – NONE

Reported by Suez Water Environmental – The plant has been running well. We will be receiving \$32,000 in nitrogen credits. They did sustain a water break at FFH it was repaired without much interruption to users. The painting is coming along at the pump house. They are still tweaking the floats with Scada.

Report by Public Works Director – The Legislative Council public hearing has been advertised for the water rates which will be March 23, 2016 at 7:00pm. Fred Hurley testified today in Hartford on Virtual Net Metering. One of the beneficial accounts would be the waste water treatment plant. The severity of the State budget issue may impair this project

Having no further business the meeting was adjourned at 9:00pm.

Attachment A

Hawleyville Low Pressure Sewer Project Assessment Scenarios

Common Factors:

Project Expense	\$3,750,000
Steap Grant	(\$500,000)
Maximum Covered by Assessments	\$3,250,000
Gross Available Assessments @ 90%	\$5,042,329
Gross Assessments Rounded	\$5,000,000
Available For Assessment Reduction	\$1,750,000

Initial Scenario

1. Single Family Residential Reduced From \$16,000 to \$14,000. *OK*
2. Multi-family Housing Reduced From \$12,000 to \$10,000. *10,800*
3. Developed Commercial Reduced By 40% But Not Below \$14,000.
4. Trailer Park Reduced 40%.
5. Raw Land Reduced By 40%.

Results:

1.	\$112,000
2.	\$1,800,000
3.	\$133,516
4.	\$124,209
5.	\$1,564,932
Total	\$3,734,657
	(\$3,250,000)
Net	\$484,657

**TOWN OF NEWTOWN
HAWLEYVILLE SEWER EXTENSION PROJECT
OVERALL PROJECT BUDGET
March 8, 2016**

Construction Cost:		Cost/Budget
	Base Bid	\$2,260,525.85
	Alternate #1 - Midway Mobile Home Estates	\$98,715.24
	Alternate #2 -Forcemain Extension	\$497,939.84
	Total Construction Cost (Base Bid + Alternate #1 & #2)	\$2,857,180.93
	Construction Contingency (7.5%)	\$214,288.57
	Total Construction Cost	\$3,071,469.50
Engineering Services:		
Item		
2.1	Topographic Mapping	\$30,000.00
2.2	Subsurface Investigation	\$32,500.00
2.3	Wetlands Consulting	\$6,000.00
2.4	Preliminary Design	\$24,000.00
2.5	Detailed Design	\$84,200.00
2.6	Permitting Assistance	\$19,800.00
2.7	Bidding Services	\$23,000.00
	Task Authorization 1 – Mapping and	\$34,980.00
	Wetlands for Interested Properties/Midway Estates	
	Task Authorization 2 – Commercial EDU	
	Assistance	\$900.00
	Task Authorization 3 – 90 MT. Pleasant	
	Detail Design (Alt #2)	\$65,000.00
	Task Authorization 4 – 90 MT. Pleasant	
	Pump Station Detail Design (Alt. #3), and Survey, Probes (Alt #2)	\$37,800.00
	Task Authorization 5 – Midway Estates	
	Detail Design (Alt #1) & Hawleyville Additional Detail Design	\$39,300.00
	Subtotal Engineering Design	\$397,480.00
	Task Authorization 6 - CA & RPR	
2.8	Basic Construction Services	\$90,251.90
2.9	Resident Representation Services	\$105,272.50
2.1	Special Construction Services	\$54,696.80
	Subtotal Engineering CA & RPR	\$250,221.20
	Construction Services Contingency (12%)	\$30,026.54
	Engineering Construction Services Contingency	\$280,247.74
	Total Engineering Services	\$677,727.74
	TOTAL COST	\$3,750,000.00

Attachment B

Proposed New Hawleyville Sewer Benefit Assessments

Commercial Properties

	Initial Appraisal	\$500,000 Grant	Adjusted Appraisal	Initial Benefit Assessment
2/9 Covered Bridge - 13 Hawleyville	228,100	33,332	194,768	136,338
10 Hawleyville rd	1,879,122	274,590	1,604,532	1,123,172
90 Mt Pleasant	897,900	131,207	766,693	536,685
115 Mt Pleasant	28,640	4,185	24,455	17,118
117 Mt Pleasant	26,056	3,807	22,249	15,574
121 Mt Pleasant	17,090	2,497	14,593	10,215 14,000
131 Mt Pleasant	21,980	3,212	18,768	12,138 14,000
133 Mt Pleasant	24,323	3,554	20,769	14,538
141 Mt Pleasant	14,060	2,055	12,005	8,404 14,000
142 Mt Pleasant	37,000	5,407	31,593	22,115
147 Mt Pleasant	17,400	2,543	14,857	10,400 14,000
160 Mt Pleasant	230,017	33,612	196,405	137,484
Subtotals	3421688	500,000	2,921,688	2,045,182

Residential Properties

	Initial Appraisal	\$500,000 Grant	Adjusted Appraisal	Total-a Benefit Assessment	Total-b Benefit Assessment
2/9 Covered Bridge - 13 Hawleyville	2,052,900	0	2,052,900	1,437,030	2,592,000
1 Hillcrest	16,000	0	16,000	11,200	14,400
6 Hillcrest	16,000	0	16,000	11,200	14,400
1 Hawleyville	16,000	0	16,000	11,200	14,400
3 Hawleyville	16,000	0	16,000	11,200	14,400
5 Hawleyville	16,000	0	16,000	11,200	14,400
135 Mt Pleasant	16,000	0	16,000	11,200	14,400
137 Mt Pleasant	16,000	0	16,000	11,200	14,400
139 Mt Pleasant	16,000	0	16,000	11,200	14,400
Subtotals	2,180,900	0	2,180,900	1,526,630	2,707,200

Totals

5,602,588	500,000	5,102,588	3,571,812	4,752,382
			a	b

*

** Remainder of 90% (100 Units @ \$14,400)
 a- (128 Units @ \$11,200)
 b- (180 Units @ \$14,400)

Attachment C

One Glover Avenue
Newtown, CT 06470

March 10, 2016

Fred Hurley
Public Works
Town of Newtown
4 Turkey Hill Road
Newtown, CT 06470

RE: *Hawleyville Sewer Extension Project*
(Maps dated December, 2015)

Fred,

I had the opportunity to preliminarily review the Hawleyville Sewer Extension Maps and documents. I do have a couple of minor questions that I think it might be helpful to obtain clarification on:

- (1) Would it be better to do directional drilling at Hawleyville Road Sta. 50+68 or at Road Sta. 49+00 (proposed Restaurant location)? My concern would be the depth to the ledge, but I do not have the results of P-23 as compared to P-24.*
- (2) Is there a specification on the trench bedding "fine clean sand"?*
- (3) Is there a specification on "approved trench back fill material"? (Above the bedding material)*
- (4) From Sawmill Road to Tory Lane the soils are a glacial till with a high water table. If you remember, The State of Connecticut had a hard time stabilizing the shoulder widening work in that area. Could Fuss & O'Neill give more detail on the construction of the sewers in that area or other areas where we may run into a seasonable high water condition? If we could get a small outline of the construction techniques we expect the contractor to use, it could be very helpful during the pre-construction meetings.*

Alan Shepard, WSA Board Member

Attachment D

NEWTOWN MEDICAL I, LLC
ONE GORHAM ISLAND
WESTPORT, CONNECTICUT 06880

Andrew Deery
Work: (203)557-4777
Mobile: (203) 981-1911
Email: adeery@hunter-gregory.com

March 1, 2016

Town of Newton
Water and Sewer Authority
4 Turkey Hill Road
Newtown, CT 06470

Re: **SEWER BETTERMENT ASSESSMENT TERMS**
PROPERTY: 164 MT PLEASANT, NEWTOWN, CT
PROPERTY OWNER: NEWTOWN MEDICAL OFFICE I, LLC

Dear Water and Sewer Authority Board:

This letter serves as a formal written request by Newtown Medical Office I, LLC to be considered for approval by the Board to finalize the following terms of the sewer better assessment with the Newtown Water and Sewer Authority with respect to the above mentioned Property:

Assessment: \$150,0000

Payment Terms: Spread over 10 years and adjusted for occupancy of the Property as determined upon the occupancy of the first tenant, and subsequently adjusted as occupancy increases, paid in annual installment in arrears.

Interest rate of 2% per annum computed annually on outstanding balance of Assessment.

Upon occupancy of future tenants, the amount of the Assessment that would pertain to that tenant individually based upon its percentage of occupancy in the Property would then be spread over an additional 10 years but such period shall never exceed the term of the corresponding bond issued.

In the event that the initial billing falls outside a full billing cycle, the first and last billings will be adjusted to procure full overall payment for this portion of the building on the Property.

Example: The first tenant for the Property, Tenant A, occupies 40% of the Property in Year 1. The Property Owner commences paying an assessment of \$150,000 x 40% for 10 years or \$6,000 per year for 10 years. Subsequently, Tenant B occupies an additional 15% of the Property in Year 2. The Property Owners of the Project would then commence paying an additional assessment of \$150,000 x 15% for 10 years or \$2,250 per year for 10 years, in addition to the \$6,000 per year being paid by Property Owner in connection with Tenant A. Therefore, the total being paid in year 2 would be \$6,000 plus \$2,250 or \$8,250 per year in Year 2. Subsequently, this payment structure would continue with each additional tenant until \$150,000 assessment amount (with interest) was paid in full. Each new tenant shall trigger a new 10-year period for the percentage of the payment but such period shall never exceed the term of the corresponding bond.

All outstanding amounts of the Assessment due by Property Owner if not prior paid, shall be due and payable by the termination of corresponding bond (term of 20 years).

Prepayment in full or in part of all of the Assessment may be made by Property Owner without penalty

Written Agreement of Terms:

Upon approval by the Board of the WSA of the terms hereof, the terms shall be memorialized into a written agreement ("Agreement")

Record Notice of Agreement:

Upon execution of the Agreement, the Agreement or a notice of the Agreement shall be recorded in the Town records.

Assignment:

The Agreement (as defined below) would run with the land to any future owner of the Property without consent or approval of such assignment by WSA or any other governing agencies.

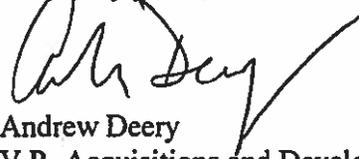
Governing Law:

The Agreement shall be governed by the laws of Connecticut.

As for status of the Property, the first tenant has taken occupancy of 37% of the Property and is now paying rent. At 37% occupancy, the initial billing would be \$55,500 ($\$150,000 \times 37\%$) and under the foregoing terms, the payments would be spread over a 10-year term paid in annual installments of \$5,550 in arrears.

Thank you for your consideration of the foregoing terms.

Very truly yours,

A handwritten signature in black ink, appearing to read "Andrew Deery", with a long, sweeping flourish extending to the right.

Andrew Deery
V.P.-Acquisitions and Development

NEWTOWN MEDICAL TWO, LLC

ONE GORHAM ISLAND
WESTPORT, CONNECTICUT 06880

Andrew Deery
Work: (203)557-4777
Mobile: (203) 981-1911
Email: adeery@hunter-gregory.com

March 1, 2016

Town of Newton
Water and Sewer Authority
4 Turkey Hill Road
Newtown, CT 06470

Re: **SEWER BETTERMENT ASSESSMENT TERMS**
PROPERTY: 170 MT PLEASANT, NEWTOWN, CT
PROPERTY OWNER: NEWTOWN MEDICAL OFFICE TWO, LLC

Dear Water and Sewer Authority Board:

This letter serves as a formal written request by Newtown Medical Two, LLC to be considered for approval by the Board to finalize the following terms of the sewer better assessment with the Newtown Water and Sewer Authority with respect to the above mentioned Property. It should be noted that this letter is being submitted in conjunction with letter of request in connection with 164 Mt Pleasant, Newtown, CT by Newtown Medical Office I, LLC.

Essentially, Newtown Medical Two, LLC's formal request herein is to set the sewer assessment for 170 Mt Pleasant, Newtown CT based upon the same terms and rate as 164 Mt Pleasant being a neighboring properties.

The following represents the requested terms:

Assessment: \$173,100 (as opposed to current Assessment confirmed at \$212,400 by the Town) which amount is congruent with 164 Mount Pleasant at \$5.77 per square foot rate

Payment Terms: Spread over 10 years and adjusted for occupancy of the Property as determined upon the occupancy of the first tenant, and subsequently adjusted as occupancy increases, paid in annual installment in arrears.

Interest rate of 2% per annum computed annually on outstanding balance of Assessment.

Upon occupancy of future tenants, the amount of the Assessment that would pertain to that tenant individually based upon its percentage of occupancy in the Property would then be spread over an additional 10 years but such period shall never exceed the term of the corresponding bond issued.

In the event that the initial billing falls outside a full billing cycle, the first and last billings will be adjusted to procure full overall payment for this portion of the building on the Property.

Example: The first tenant for the Property, Tenant A, occupies 40% of the Property in Year 1. The Property Owner commences paying an assessment of \$173,100 x 40% for 10 years or \$6,924 per year for 10 years. Subsequently, Tenant B occupies an additional 15% of the Property in Year 2. The Property Owners of the Project would then commence paying an additional assessment of \$173,100 x 15% for 10 years or \$2,597 per year for 10 years, in addition to the \$6,924 per year being paid by Property Owner in connection with Tenant A. Therefore, the total being paid in year 2 would be \$6,924 plus \$2,597 or \$9,521 per year in Year 2. Subsequently, this payment structure would continue with each additional tenant until \$173,100 assessment amount (with interest) was paid in full. Each new tenant shall trigger a new 10-year period for the percentage of the payment but such period shall never exceed the term of the corresponding bond.

All outstanding amounts of the Assessment due by Property Owner if not prior paid, shall be due and payable by the termination of corresponding bond (term of 20 years).

Prepayment in full or in part of all of the Assessment may be made by Property Owner without penalty

Written Agreement of
Terms:

Upon approval by the Board of the WSA of the terms hereof, the terms shall be memorialized into a written agreement ("Agreement")

Record Notice of
Agreement:

Upon execution of the Agreement, the Agreement or a notice of the Agreement shall be recorded in the Town records.

Assignment:

The Agreement (as defined below) would run with the land to any future owner of the Property without consent or approval of such assignment by WSA or any other governing agencies.

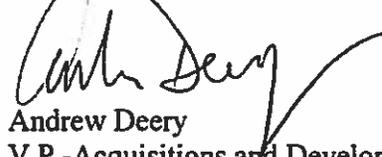
February --, 2016
Page 3

Governing Law: **The Agreement shall be governed by the laws of Connecticut.**

As for status of the Property, the medical office building at 170 Mount Pleasant is currently under construction and has an expected completion date of approximately August 2016 for the first tenant leasing 50% of the 30,400 square foot building.

Thank you for your consideration of the foregoing terms.

Very truly yours,

A handwritten signature in black ink, appearing to read "Andrew Deery", with a long, sweeping flourish extending to the right.

**Andrew Deery
V.P.-Acquisitions and Development**