

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



Fred Hurley,
Director

WATER AND SEWER AUTHORITY

THESE MINUTES ARE SUBJECT TO APPROVAL BY THE WATER AND SEWER AUTHORITY

The Water and Sewer Authority held a special meeting, Wednesday, November 9, 2022. The meeting was held at Newtown Public Works, 4 Turkey Hill Road, Newtown, CT. The meeting was called to order at 7:00pm.

Present: Alan Shepard, Gene Vetrano, George Hill, and Mark Benedict (via telephone)

Absent: Marianne Brown, Lou Carbone, Carl Zencey

Also Present: Director of Public Works Fred Hurley, Julio Segarra from Veolia

Public Participation – None

Minutes – A. Shepard moved to approve the minutes of the 9/8/22 meeting. M. Benedict seconded, all in favor.

G. Hill moved to approve the minutes of the 10/14/22 meeting. A. Shepard seconded, all in favor.

Report by Suez Water Environmental Services – J. Segarra reported that they have failed the aquatic toxicity testing for the first time in fifteen years. There is talk on the state level regarding breweries effect on waste water so that will be the first area they investigate to see if that is the cause. The new sewer line is installed at FFH. He also reported that he has been working with the GIS Specialist who has verified the locations of the water lines, material type and size as well as location of all the valves with the valve numbers and if they are post indicators or not.

Report by Public Works Director – F. Hurley had reports for the bunkers and the clear wells. They only had 1/8" of silt and there was no spaulding debris on the floor. Verdi will be coming to caulk the seam. There is also a RFP out to patch the roof and the membrane.

Report of GIS Project – No report

UNFINISHED BUSINESS

FFH Water/Sewer System Improvement – No update

Financials – M. Benedict, G. Vetrano and F. Hurley had a zoom demo with Waterworth, which is a utility rate management and forecasting software. The general consensus is that it is a good program that can be very useful to the board. F. Hurley will work with the Purchasing Director and check the references.

I&I – No update

Annual Base Compensation Adjustment – F. Hurley provided a breakdown of the Annual Base Compensation Adjustment (Attachment A). A. Shepard moved to approve the Annual Base Compensation Adjustment dated July 15, 2022. G. Hill seconded, all in favor.

Glen Road Sewer Extension – They are still waiting on the Karin & Fazio's benefit assessment which will be ready for the December meeting.

NEW BUSINESS

2023 Meeting Schedule (Attachment B)–A. Shepard moved to approve the 2023 meeting schedule. G. Hill seconded, all in favor.

Having no further business, the meeting was adjourned at 8:05pm.

Respectfully submitted
Arlene Miles, Clerk

Attachment A



4 TURKEY HILL ROAD
NEWTOWN, CONNECTICUT 06470
FAX (203) 426-9968

FREDERICK W. HURLEY, JR
PUBLIC WORKS DIRECTOR
(203) 270-43

PUBLIC WORKS DEPARTMENT 11/8/2022

Per previous discussions with the WSA Board, I have requested and received supporting information from Veolia for the annual compensation adjustment effective July 1, 2022. The analysis that follows, in the end, does support the proposal as reasonable and appropriate.

To provide context, I start by looking at the increases for the past four (5) years.

2018	2019	2020	2021	2022
Sewer \$570,233		\$596,113 (4.54%)	\$623,953 (4.67%)	\$684,426 (9.69%)
Water \$92,828		\$97,042 (4.54%)	\$99,946 (2.99%)	\$111,418 (11.48%)
Total \$663,062		\$693,155 (4.54%)	\$723,899 (4.44%)	\$795,844 (9.94%)

There has been some misnomer that there have been no employee raises by Veolia. As outlined in a memo from Jason O'Brien, that situation was temporary and all union employees were paid by contract and the non-union employees have since been made whole. This is important because employee expenses represent nearly 65% of the billing costs. It had been our understanding or question that if there was no increase in employee costs then the adjustment seemed excessive. However the facts are that there were employee compensation adjustments. The cpi for wages was 4.03% (Attachment A). Applying the wage cpi to wages (65%), the adjustment increase attributed to employee costs is 2.67% of the 9.99% requested increases.

The lion's share of the increase comes from the other 35% of the formula for flows and loads. (Attachment B) This factor not only was impacted by inflation but also increased substantially in quantities for necessary chemicals and the cost overall for sludge disposal primarily by increased transportation costs. Chemical costs were up 55.76% on a weighted average and sludge disposal 7.36%. These price increases coupled with larger quantities was the primary culprit driving the higher request for annual compensation.

Respectfully submitted

Frederick W. Hurley
Director of Public Works



Fred Hurley <fred.hurley@newtown-ct.gov>

Annual Adjustment

1 message

Obrien, Jason <jason.obrien@veolia.com>

Tue, Aug 2, 2022 at 3:53 PM

To: fred.hurley@newtown-ct.gov

Cc: Julio Segarra <julio.segarra@veolia.com>

Hi Fred,

As per our discussion, below are some bullet points about the adjustment this year to our annual fee.


- Total base fee is going from \$723,957.60 to \$795,843.86, which is an increase of \$71,886.26
- Increase every year includes two components; CPI and Flow and Loads (which totaled approximately 9.9%)
- CPI was \$41,859.96 which was approximately 5.8% of the adjustment
- Flow and loads was \$30,026.30 which was approximately 4.1% of the adjustment
- Flow and loads is a variable component where it can be negative or positive (last year it was slightly negative)
- The total base fee is split 86% wastewater and 14% water every year.

The increase seems larger this year because as you know CPI is high, but we also have an upward adjustment for flow and loads on top of it. Let me know if you have any questions.

Thanks,
Jason O'Brien
Vice President of Operations, Northeast Central
Municipal Water Contract Operations
VEOLIA NORTH AMERICA

cell +1 914 755 4271
24 Commerce Road / Newtown CT 06470

jason.obrien@veolia.com
www.veolianorthamerica.com

Reimaging the world  VEOLIA



Inclusive
CPI

Employee
Wage
CPI

"A"

Year	CPI	April	CPI % Increase	ECI % Increase
2004	199.9			
2005	206.9		3.50%	2.63%
2006	214.7		3.77%	2.50%
2007	219.501		2.24%	2.85%
2008	228.133		3.93%	3.40%
2009	227.840		-0.13%	2.95%
2010	233.615		2.53%	1.58%
2011	240.267		2.85%	1.63%
2012	245.850		2.32%	1.65%
2013	248.464		1.06%	1.80%
2014	252.506		1.63%	1.88%
2015	251.760		-0.30%	2.03%
2016	254.270		1.00%	2.30%
2017	259.165		1.93%	2.33%
2018	264.669		2.12%	2.60%
2019	269.070		1.66%	3.00%
2020	271.325		0.84%	3.00%
2021	280.234		3.28%	2.93%
2022	300.325		7.17%	4.03%
	Average		2.30%	2.50%

u Attachment B

2021-2022 Base Fee with out Flow & Loads					\$ 724,645.14
Weighted ECI Component (64.1%)	Weighted CPI Component (14.4%)	Weighted Chemical Component (6.9%)	Weighted Sludge Component (14.6%)	Total	
\$ 464,497.53	\$ 104,346.90	\$ 50,000.51	\$ 105,798.19	\$ 724,645.14	

2022-2023	YR	Prior Yr Annual Fee	Weighted CPI Component (14.4%)	Weighted ECI Component (64.1%)	Weighted Chemical Component (6.9%)	Weighted Sludge Component (14.6%)	CPI Adjustment Factor	ECI Adjustment Factor	Chemical Component	Sludge Component	New Annual Non-Labor Component	New Annual Labor Component	New Annual Chemical Component	New Annual Sludge Component	New 2022-2023 Base Annual Fee	New 2022-2023 Flow and Loads Adjustment	New 2022-2023 Total Annual Fee
		\$ 724,645.14	\$ 104,346.90	\$ 464,497.53	\$ 50,000.51	\$ 105,798.19	7.17%	4.03%	55.76%	7.28%	\$111,830.05	\$483,193.56	\$77,882.35	\$113,504.84	\$786,410.81	\$30,026.30	\$816,437.11

Chemical	2021 Unit Cost	2022 Unit Cost	% Increase	% of Total Cost	Weighted Avg Unit Cost % Increase
Cianfloc C-3282	\$ 1.93	didn't purchase			
Sodium Hexametaphosphate	\$ 0.94	\$ 2.25	139.36%	19.82%	27.62%
Aluminum Sulfate	\$ 1.03	\$ 1.47	42.72%	62.06%	26.51%
Sodium Hypochlorite	\$ 3.33	\$ 3.63	9.00%	18.12%	1.63%
					55.76%
Sludge Disposal					
Synagro	\$ 555.03	\$ 595.46	7.28%		

Water
 99,945.82
 111,418.14
 11,472.32
 11.478%

Sewer
 684,425.72
 623,952.90
 60,472.82
 -0969%

July 15, 2022

Mr. Frederick W. Hurley, Jr.
 Public Works Director
 Town of Newtown
 4 Turkey Hill Road
 Newtown, CT 06470

Subject: Town of Newtown WSA
 Annual Base Compensation Adjustment

Dear Mr. Hurley:

As per Section 6.2 of the Operation, Maintenance, and Management Services Agreement for the Town of Newtown Water and Wastewater Facilities that commenced on July 1, 2004, the Annual Base Compensation shall be adjusted at the start of each Agreement year. Listed below are our calculations for the proposed Total Adjusted Base Compensation (TABC) for the next Agreement Year. The TABC is consistent with our ongoing cost associated with the operation of the facility.

Annual Base Compensation Adjustment

Subject to Section 6.5, the Base Compensation shall be adjusted at the start of each Agreement Year in accordance with the following formula to account for annual changes in the Price Index and Influent flow, Total Suspended Solids (TSS), and BOD5.

Inflation Adjustment on Initial Term

$$ABC_0 = \$454,860 \times [300.325/199.9] = \$683,370.83, \text{ where}$$

$$BC_0 = \$454,860$$

$$C = 300.325$$

$$C_0 = 199.9$$

$$AFM = \$17.83/\text{million gallons} \times [300.325/199.9] = \$26.79/\text{MG}$$

$$ATM = \$0.16/\text{lb} \times [300.325/199.9] = \$0.24/\text{lb}$$

$$ABM = \$0.04/\text{lb} \times [300.325/199.9] = \$0.06/\text{lb}$$

Inflation Adjustment on Renewal Term

$$ABC = \$69,619 \times [300.325/253.598] = \$82,446.73, \text{ where}$$

$$BC_0 = \$69,619$$

$$C = 300.325$$

$$C_0 = 253.598$$

Flow and Loads Adjustment

$\Delta \text{Flow} = 0.449926027 - 0.53 = -0.080073973 \text{ MGD}$, where

$\text{TF}_1 = 0.449926027 \text{ MGD}$

$\text{TF}_0 = 0.53 \text{ MGD}$

$\Delta \text{TSS} = 1,068 - 703 = 365.1372549 \text{ lbs}$, where

$\text{TT}_1 = 1,068 \text{ lbs}$

$\text{TT}_0 = 703 \text{ lbs}$

$\Delta \text{BOD5} = 943 - 999 = -55.96078431 \text{ lbs}$, where

$\text{TB}_1 = 943 \text{ lbs}$

$\text{TB}_0 = 999 \text{ lbs}$

Total Adjusted Base Compensation

$\text{TABC} = \text{ABC}_0 + \text{ABC} + (\Delta \text{Flow} \times 365 \text{ days} \times \text{AFM}) + (\Delta \text{TSS} \times 365 \text{ days} \times \text{ATM}) + (\Delta \text{BOD5} \times 365 \text{ days} \times \text{ABM})$, where

$\text{TABC} = \$683,370.83 + \$82,446.73 + (-0.080073973 \text{ MGD} \times 365 \text{ days} \times \$26.79/\text{MG}) + (365.1372549 \text{ lbs} \times 365 \text{ days} \times \$0.24/\text{lb}) + (-55.96078431 \text{ lbs} \times 365 \text{ days} \times \$0.06/\text{lb})$

$\text{TABC} = \$683,370.83 + \$82,446.73 + (-\$782.91) + \$32,036.69 + (-\$1,227.48)$

$\text{TABC} = \$795,843.86$

From the calculations above, the adjusted annual base compensation fee starting July 1, 2022 will be \$795,843.86. The breakdown of the new annual base fee of \$795,843.86 will be \$684,425.72 for the Newtown WPCF and \$111,418.14 for the Fairfield Hills Water Treatment Facility. Attached is the CPI and flow and loads data for the Agreement year.

Please review this submittal and provide us with your comment. If you have any questions or need any additional information, please call me at 203-525-7117.

Sincerely,



Julio Segarra
Project Manager

Veolia North America
24 Commerce Road
Newtown, CT 06470
cell +1 203 525 7117

www.veolianorthamerica.com

795,843.86
783,898.72

81,945.14
9.9% ~~22.44%~~

CPI for All Urban Consumers (CPI-U) Original Data Value

Series Id: CUUR0100SA0, CUUS0100SA0
 Not Seasonally Adjusted
 Series Title: All items in Northeast urban, all urban consumers,
 Area: Northeast
 Item: All items
 Base Period: 1982-84=100
 Years: 2012 to 2022

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2012	242.879	243.850	245.125	245.850	245.709	245.201	244.984	246.252	247.409	247.564	247.097	246.456	245.698	244.769	246.627
2013	247.277	248.665	248.719	248.464	248.584	248.851	249.411	249.858	250.231	249.320	249.503	249.567	249.038	248.427	249.648
2014	251.045	251.233	252.413	252.506	253.598	253.555	253.833	253.185	253.154	252.730	251.781	250.519	252.463	252.392	252.534
2015	250.016	250.619	251.451	251.760	252.770	253.626	253.405	252.903	252.922	252.504	252.573	251.670	252.185	251.707	252.663
2016	251.739	252.250	252.854	254.270	255.023	255.471	255.386	255.545	256.085	256.605	256.541	256.427	254.850	253.601	256.098
2017	258.073	258.768	258.510	259.165	259.386	259.335	258.833	259.508	260.875	260.580	260.630	260.791	259.538	258.873	260.203
2018	262.188	263.260	263.556	264.669	265.840	265.950	265.830	266.425	266.709	266.484	265.487	265.286	265.139	264.244	266.034
2019	266.109	266.706	268.025	269.070	269.744	270.133	270.381	270.548	270.563	270.348	270.643	270.429	269.392	268.298	270.485
2020	272.316	273.080	272.531	271.325	271.345	272.283	273.347	273.597	273.925	273.374	273.543	274.225	272.908	272.147	273.669
2021	275.427	276.473	278.197	280.234	281.858	284.741	285.220	285.630	286.423	288.236	289.835	290.405	283.557	279.488	287.625
2022	292.644	294.605	298.403	300.325	302.939										

20.091
 20.479%
 7.169%
 3.72%
 21.081%
 31



Jon Arneth
Area Manager
SUEZ Water Environmental Services, Inc.
917 Trenton Falls Rd. Prospect NY 13435
Tel: 914.844.2043
Jonathan.Arneth@suez.com

ANNUAL BASE COMPENSTATION ADJUSTMENT

- (i) The adjusted Base Compensation for changes in Price Index and average daily flows and loads:

$$TABC = ABC + (\Delta \text{ Flow} \times 365 \text{ days} \times \text{AFM}) + (\Delta \text{ TSS} \times 365 \text{ days} \times \text{ATM}) + (\Delta \text{ BOD5} \times 365 \text{ days} \times \text{ABM}), \text{ where}$$

TABC = Total Adjusted Base Compensation

ABC = Adjusted Base Compensation

AFM = Adjusted Flow Multiplier = $\$17.83/\text{million gallons} \times [C/C_0]$

ATM = Adjusted TSS Multiplier = $\$0.16/\text{lb} \times [C/C_0]$

ABM = Adjusted BOD5 Multiplier = $\$0.04/\text{lb} \times [C/C_0]$

- (ii) $ABC = BC_0 \times [C/C_0]$, where

BC_0 = Base Compensation as of the commencement date of this Agreement.

C = Price Index (as defined in Appendix A) for the tenth month of the Agreement Year just ended.

C_0 = Price Index (as defined in Appendix A) for the month two months prior to the commencement date of this Agreement.

- (iii) $\Delta \text{ Flow} = TF_1 - TF_0$, where

TF_1 = The average daily Influent flow in millions of gallons for the Agreement Year just ended.

TF_0 = The average daily Influent flow in millions of gallons specified in Baseline Conditions.

- (iv) $\Delta \text{ TSS} = TT_1 - TT_0$, where

TT_1 = The average daily Influent TSS load in pounds for the Agreement Year just ended.

TT_0 = The average daily Influent TSS load in pounds specified in Baseline Conditions.

- (v) $\Delta \text{ BOD5} = TB_1 - TB_0$, where

TB_1 = The average daily Influent BOD5 load in pounds for the Agreement Year just ended.

TB_0 = The average daily Influent BOD5 load in pounds specified in Baseline Conditions.



Jon Arneth
Area Manager
SUEZ Water Environmental Services, Inc.
917 Trenton Falls Rd. Prospect NY 13435
Tel: 914.844.2043
Jonathan.Arneth@suez.com

$$C_0 = 253.598$$

Flow and Loads Adjustment

$$\Delta \text{Flow} = 0.418 - 0.53 = -0.112 \text{ MGD, where}$$

$$TF_1 = 0.418 \text{ MGD}$$

$$TF_0 = 0.53 \text{ MGD}$$

$$\Delta \text{TSS} = 756 - 703 = 53 \text{ lbs, where}$$

$$TT_1 = 756 \text{ lbs}$$

$$TT_0 = 703 \text{ lbs}$$

$$\Delta \text{BOD5} = 803 - 999 = -196 \text{ lbs, where}$$

$$TB_1 = 803 \text{ lbs}$$

$$TB_0 = 999 \text{ lbs}$$

Total Adjusted Base Compensation

$$TABC = ABC_0 + ABC + (\Delta \text{Flow} \times 365 \text{ days} \times \text{AFM}) + (\Delta \text{TSS} \times 365 \text{ days} \times \text{ATM}) + (\Delta \text{BOD5} \times 365 \text{ days} \times \text{ABM}), \text{ where}$$

$$TABC = \$637,655.01 + \$76,931.25 + (-0.081 \text{MGD} \times 365 \text{ days} \times \$24/\text{MG}) + (78 \text{lbs} \times 365 \text{ days} \times \$0.22/\text{lb}) + (-211 \text{lbs} \times 365 \text{ days} \times \$0.05/\text{lb})$$

$$TABC = \$613,952.90 + \$76,931.25 + (\$1,018.56) + \$4,334.35 + (\$4,003.33) + \mathbf{\$10,058.88} \text{ (one time increase from Enclave pump station)}$$

$$TABC = \mathbf{\$713,898.72}$$

From the calculations above, the adjusted annual base compensation fee starting July 1, 2021 is proposed to be \$723,898.72. The breakdown of the new annual base fee of \$713,898.72 will be \$623,952.90 for the Newtown WPCF and \$99,945.82 for the Fairfield Hills Water Treatment Facility. Attached, are the formula definitions from our Agreement as well as the flow and loads data for the Agreement year.

Please review this submittal and provide us with your comment. If you have any questions or need any additional information, please call me at 914-844-2043.

Sincerely,

Jon Arneth
Area Manager

Attachment B

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

2023 Meeting Schedule

The Newtown Water and Sewer Authority will hold meetings at 7:00pm in the meeting room at Newtown Public Works, 4 Turkey Hill Road, Newtown, CT on the second Thursday of the month.

Thursday, January 12

Thursday, February 9

Thursday, March 9

Thursday, April 13

Thursday, May 11

Thursday, June 8

Thursday, July 13

Thursday, August 10

Thursday, September 14

Thursday, October 12

Thursday, November 9

Thursday, December 14

Thursday, January 12, 2024