

PUBLIC HEARING
Ordinance - Water System Assets Bond
Monday, January 23, 2023

Call To Order:

Councilman DiGilio called the Public Hearing to order at 7:07 p.m.

Pledge of Allegiance:

Mayor Esposito led the Pledge of Allegiance.

Roll Call:

COUNCIL MEMBERS PRESENT: Buzaid, Levy, DiGilio, Rotello, Henry, Britton, Santos, Chianese, Fox, Esposito, Esposito III, Cavo, Eriquez, Knapp, Halas and Palma.

COUNCIL MEMBERS ABSENT: Visconti, Masi, Perkins, Cammisa and Molinaro.

PRESENT: 16, ABSENT: 5

ALSO PRESENT: Les Pinter, Deputy Corporation Counsel; Antonio Iadarola, Public Works Director/ City Engineer; Dan Garrick, Director of Finance; Tom Hughes, Superintendent of Construction Services; David Day, Superintendent of Public Utilities; Dean Esposito, Mayor; Roger Palanzo, Chief of Staff to the Mayor; and Elisa Etcheto, Legislative Assistant.

Notice:

Councilman DiGilio read the Legal Notice, published in paper & on New Times website on January 10, 2023, for the City Council to hear public comment on: Water System Assets Bond \$115M

Public Speaking:

Dean Esposito, Resident/Mayor, 7 Hospital Avenue, spoke in support of the proposed Water System Assets Bond Ordinance.

A motion was made by Councilman Levy, seconded by Councilman Rotello, to close the public hearing. The motion carried unanimously.

ADJOURNMENT:

A motion was made by Councilman Levy, and was seconded by Councilman Rotello, to adjourn the meeting. Motion carried unanimously. The meeting adjourned at 7:16 p.m.

Respectfully submitted,

Christina Martinez
Recording Secretary

Attest,
Elisa Etcheto, Legislative Assistant

City Council Committee Of The Whole
Ordinance - Water System Assets Bond
Monday, January 23, 2023

Call To Order:

Mr. DiGilio called the Committee of the Whole meeting to order at 7:18 p.m.

Roll Call:

COUNCIL MEMBERS PRESENT: Buzaid, Levy, DiGilio, Rotello, Henry, Britton, Santos, Chianese, Fox, Esposito, Esposito III, Cavo, Eriquez, Knapp, Halas and Palma.

COUNCIL MEMBERS ABSENT: Visconti, Masi, Perkins, Cammisa and Molinaro.

PRESENT: 16, ABSENT: 5

ALSO PRESENT: Les Pinter, Deputy Corporation Counsel; Antonio Iadarola, Public Works Director/ City Engineer; Dan Garrick, Director of Finance; Tom Hughes, Superintendent of Construction Services; David Day, Superintendent of Public Utilities; Dean Esposito, Mayor; Roger Palanzo, Chief of Staff to the Mayor; and Elisa Etcheto, Legislative Assistant.

Water System Assets Bond \$115M:

Mr. Pinter, Deputy Corporation Counsel, provided a brief overview of the bond/ordinance process.

Mr. Iadarola, Public Works Director & City Engineer, addressed Councilman Rotello's question regarding repayment and clarified that the subscribers (users and payers of city water) are considered the responsible paying party, he stated to Councilman Esposito III that the City has several options available if the vote fails. He answered Councilman Esposito regarding deadlines, he and noted that the 2014 agreement deadline is June 2024, and the 2021 lead/PFAS agreement assessment deadline is October 2024. He provided an overview of the need for the bond and how the funds will be used, he identified 3 categories: infrastructure improvements (water treatment plants & water mains), compliance (\$25 million), and PFAS assessment/studies (\$3 million).

Mr. Iadarola addressed Councilman Santos' question regarding the effect of the bond on water bills, Mr. Iadarola stated that the average water bill for residents is currently \$185 per year, and will increase by \$26 to \$211 for the average customer the first year. He discussed the need to safeguard the water supply against PFAS, noting that the Federal EPA mandates municipalities to provide no-cost line replacement services to residents. He discussed potential funding from the Jobs Act and grants to offset the cost of these upgrades. He discussed PFAS exposure concerns with Councilman Esposito III, and explained the City's future growth/development plans and water capacities with Councilman Fox.

Mr. Iadarola clarified the funding allocation of \$77 million with Councilman Rotello by breaking down the use of these funds for the following: PFAS assessment/studies (\$3 million), and treatment plant upgrades to: West Lake (\$28 million), Marjorie Reservoir (\$21 million), and Kenosia (\$6 million).

He clarified the City's water system ownership with Councilman Levy. The City owns the water systems infrastructure, and the subscribers/rate payers pay the City for usage. Furthermore, property owners own the connection pipes to the property. He explained to Councilman Knapp that the City's proposed projects have a higher chance of grant funding, if the ordinance is approved by the public prior to applying for the grants. He explained PFAS chemicals to Councilman DiGilio.

Mr. Garrick, Director of Finance, provided an overview of the water rate increases. The water rates will increase by 14% each year for 5-years (an approximate \$26 increase every year), with the potential for grant funding that would lower the bond. He noted that even with the proposed rate increase, Danbury's water rates will still be the lowest rates in CT. He discussed debt services with Councilman DiGilio.

Councilman Palma asked about the length of the bond repayment, Mr. Garrick said that the City is proposing a 20-year bond. Councilman Rotello expressed the importance of maintaining low rates for the public and for development growth. Mr. Garrick clarified the proposed water rate increase (14%) with Councilmen Rotello and Esposito III; he confirmed that businesses would also see a 14% increase. Councilman Palma asked that as much notification as possible be provided to the public regarding the rate increases.

A motion was made by Councilman Knapp, seconded by Councilman Rotello, to recommend to the full City Council an ordinance appropriating \$115 million for the planning, design, engineering, and construction of improvements, upgrades, and rehabilitation of the existing water system assets, facilities, and infrastructure; and authorizing the issuance of \$115 million in bonds of the City to meet set appropriations and pending the issuance thereof the making of temporary borrowing for such purpose; together with the recommended adoption of a resolution as in draft form appended to this ordinance, such resolution to be completed by the full City Council at its February 7, 2023 meeting. The motion carried unanimously.

ADJOURNMENT:

A motion was made by Councilman Knapp, and was seconded by Councilman Palma, to adjourn the meeting. Motion carried unanimously. The meeting adjourned at 8:17 p.m.

Respectfully submitted,

Christina Martinez
Recording Secretary

Attest,
Elisa Etcheto, Legislative Assistant