



NORWICH BOARD OF PUBLIC UTILITIES' COMMISSIONERS
&
SEWER AUTHORITY OF THE CITY OF NORWICH
REGULAR MEETINGS

January 25, 2022

The Regular Meeting of the Norwich Board of Public Utilities' Commissioners and the Sewer Authority of the City of Norwich was held on Tuesday, January 25, 2022 by WebEx and in the 2nd Floor Board Room of Norwich Public Utilities (NPU), 16 South Golden Street, Norwich.

Item 1. The Meeting was called to order at 6:03 p.m. by Chairman Robert Staley.

Present: Chairman Robert Staley, Vice Chairman Stewart Peil, Secretary Michael Goldblatt and Commissioner Ashon Avent. Commissioner Warzecha joined the meeting at 6:28 p.m. Also in attendance were General Manager Chris LaRose, Steve Sinko, Jeff Brining, Michele Addabbo, Barry Ellison, Chris Riley, Dave Poore, Eric McDermott, Mary Lou Rychling, Ruth Swift, John Covey, Kevin Brown, Bob Farwell, Pam Kinder and Julie Savin.

Item 2. Fifteen-Minute Public Comment Period. None.

Item 3. Minutes of the Regular Board of Public Utilities' Commissioners Meeting and Sewer Authority of the City of Norwich, held on Tuesday, November 23, 2021. Motion to approve made by Vice Chairman Peil, seconded by Commissioner Avent. Unanimously approved.

Item 4. Neighborhood Assistance Act (NAA) Awards. Chris Riley spoke to the Board regarding this year's Neighborhood Assistance Act Award recipients: Bob Farwell from Otis Library, Pam Kinder from UCFS and Julie Savin from ECHO. Each recipient provided a brief overview of their project and thanked NPU for their ongoing commitment to the NAA program.

Item 5. CMEEC Update. Vice Chairman Peil gave an update to the Board regarding the December board meeting of CMEEC. Discussion followed.

Item 6. Finance and Audit Subcommittee Update. Secretary Goldblatt gave an update to the Board regarding the January subcommittee meeting. Informative.

Item 7. Information and Updates Provided to the Board in advance of the meeting.

- Leadership Team Update
- Financial Update
- 4Q Strategic Plan Dashboard
- Budget Schedule

Item 8. Strategic Presentations. 2021 Accomplishments. General Manager LaRose spoke to the Board regarding NPU's 2021 accomplishments. Discussion followed.

Item 10. Action Items. NCDC/NPU Funding Agreement Resolution. NCDC President and Executive Director Kevin Brown spoke to the Board regarding the Funding Agreement Resolution. Discussion followed.

Commissioner Avent, seconded by Vice Chairman Peil moved to approve the following resolution. Unanimously approved.

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND AMENDMENT TO THE FUNDING AGREEMENT WITH NORWICH COMMUNITY DEVELOPMENT CORPORATION AND ANY RELATED DOCUMENTS, AND DETERMINING OTHER MATTERS IN ORDER TO FUND ECONOMIC DEVELOPMENT ACTIVITIES IN THE CITY OF NORWICH

WHEREAS, NPU believes it is in its interests to promote economic development in the City of Norwich in order to generate expanded utility consumption and increased revenue; and

WHEREAS, NPU has historically promoted and supported economic development efforts in the City of Norwich and the surrounding Greater Norwich region, including its annual funding of Norwich Community Development Fund (“NCDC”) operations and activities from moneys in NPU’s Economic Development Fund; and

WHEREAS, NCDC’s primary purpose is to promote economic growth and development in the Greater Norwich region; and

WHEREAS, in connection with its purpose, NCDC regularly identifies and evaluates potential economic development projects in the Greater Norwich region; and

WHEREAS, NPU and NCDC originally entered into a Funding Agreement in July of 2019 (the “Funding Agreement”) to further their cooperation in various economic development efforts.

WHEREAS, the Funding Agreement provided for a maximum funding amount of \$250,000 to further such cooperation and efforts.

WHEREAS, in January of 2020, NPU and NCDC entered into an Amendment to the Funding Agreement (the “Amendment”) to increase the maximum funding amount to \$500,000 and to further the parties’ cooperation in various economic development efforts.

WHEREAS, in September of 2021, the Board (as defined below) voted to increase the maximum funding amount under the Funding Agreement to \$575,000.

WHEREAS, NPU and NCDC now propose to enter into a Second Amendment to Funding Agreement, in substantially the form attached hereto as Exhibit A (the “Second Amendment”), to (i) extend the term of the Funding Agreement to December 31, 2022, (ii) increase the maximum funding amount to \$700,000, and (iii) continue to cooperate in various economic development efforts, including the pursuit of federal, state, local and private funding opportunities relating to the parties’ economic development efforts.

NOW THEREFORE, BE IT RESOLVED, the Norwich Board of Public Utilities Commission (the “Board”) hereby authorizes, approves and ratifies:

1. That the General Manager, or any designee of the General Manager, of NPU is authorized to enter into, on behalf of NPU, the Second Amendment and any other agreements, documents, certificates or writings that the General Manager, in his discretion, believes are necessary and appropriate to carry out the intent of the Second Amendment, the Funding Agreement and these resolutions.
2. That the term of the Funding Agreement, as amended by the Second Amendment, be extended to December 31, 2022.
3. That the aggregate total amount of funding to be made by NPU under the Funding Agreement, as amended by the Second Amendment, shall not exceed \$700,000.
4. That NPU and NCDC continue to cooperate in various economic development efforts, including the pursuit of federal, state, local and private funding opportunities relating to the parties’ economic development efforts.
5. That these resolutions be placed in the records of NPU along with the minutes of the meetings of the Board and that the Secretary of the Board is hereby authorized to certify that the foregoing resolutions have been adopted at a duly convened meeting of the Board.

Economic Development Funding Resolution. Commissioner Warzecha, seconded by Commissioner Avent moved to approve the following resolution. Unanimously approved.

RESOLUTION AUTHORIZING THE SPENDING OF \$80,000 IN ORDER TO FUND ECONOMIC DEVELOPMENT ACTIVITIES IN THE CITY OF NORWICH

WHEREAS, NPU believes it is in its interests to promote economic development in the City of Norwich in order to generate expanded utility consumption and increased revenue; and

WHEREAS, NPU has historically promoted and supported economic development efforts in the City of Norwich and the surrounding Greater Norwich region from moneys in NPU's Economic Development Fund; and

WHEREAS, NPU is pursuing various economic development efforts, including the engagement of professionals to assist NPU in selecting and implementing various economic development and revenue expansion initiatives in the City of Norwich and the surrounding Greater Norwich region, and desires to allocate and spend up to an additional \$80,000.00 from NPU's Economic Development Fund toward such efforts.

NOW THEREFORE, BE IT RESOLVED, the Norwich Board of Public Utilities Commission (the "Board") hereby authorizes, approves and ratifies:

1. That the total amount of funding to be made by NPU from its Economic Development Fund under these resolutions shall not exceed \$80,000.00.
2. That the General Manager, or any designee of the General Manager, of NPU is authorized to enter into, on behalf of NPU, any agreements, contracts, engagement letters, documents, certificates or writings that the General Manager, in his discretion, believes are necessary and appropriate to carry out the intent of these resolutions.
3. That the General Manager, or any designee of the General Manager, shall notify the Board of any agreements, contracts, engagement letters, documents, certificates or writings that are entered into pursuant to these resolutions.
4. That these resolutions be placed in the records of NPU along with the minutes of the meetings of the Board and that the Secretary of the Board is hereby authorized to certify that the foregoing resolutions have been adopted at a duly convened meeting of the Board.

Sewer Assessment Policy Resolution. Laura Huren spoke to the Board regarding the sewer assessment policy. Commissioner Warzecha, seconded by Commissioner Avent moved to approve the following resolution. Unanimously approved.

SEWER AUTHORITY OF THE CITY OF NORWICH

RESOLUTION AUTHORIZING THE ADOPTION OF A PAST DUE SEWER ASSESSMENT COLLECTIONS POLICY

WHEREAS, Norwich Public Utilities, and specifically the Norwich Sewer Authority (hereinafter, the "Authority" or "NPU"), is the public water pollution control authority that retains jurisdiction over real properties located in the City of Norwich ("City") with respect to sewerage systems and the provision and management of wastewater treatment facilities and services;

WHEREAS, the Authority therefore has all powers and responsibilities that are set forth in Chapter 103 of the Connecticut General Statutes ("C.G.S.") (C.G.S. §§ 7-245 to 7-273a);

WHEREAS, pursuant to C.G.S. §§ 7-249 and 7-253 and on various dates in or after the year 1999, the Authority—in connection with the financing of its construction and/or extension of sewerage systems to various affected parcels of real property (the "Properties") located in the City—levied sewer benefit assessments (the "Assessments") on the Properties;

WHEREAS, the Authority's construction and/or extension of sewerage systems that serve the Properties amounts to a benefit conferred upon the owners of the Properties ("Customers"), and it accordingly increases their values even if a Customer decides not to connect to the system;

WHEREAS, in connection with the Authority's levying of the Assessments from various dates in or after the year 1999, and because the cost of the construction and/or extension of the subject sewerage systems was financed by the City's issuance of general obligation bonds, the Authority recorded Certificates of Notices of Installment Payments of Assessment of Benefits ("C.G.S. Section 7-253 Notices") on the City Land Records for all Properties pursuant to C.G.S. § 7-253 and with the assistance of the City's Tax Collector;

WHEREAS, the Assessments and C.G.S. Section 7-253 Notices comply with all requirements codified in C.G.S. § 7-253 and elsewhere in Chapter 103 of the C.G.S.;

WHEREAS, the Authority recorded the C.G.S. Section 7-253 Notices on the City Land Records in order to secure the payment of all principal and interest due and owing to the Authority from the Customers in connection with the Assessments;

WHEREAS, pursuant to C.G.S. § 7-253, the C.G.S. Section 7-253 Notices allow the Customers to defer payment of the principal amount of the Assessments over a period of time and instead of requiring that all Assessments be paid off in one lump sum, they have given and continue to give Customers the opportunity to pay off the Assessments in installment payments, provided that Customers additionally pay interest to the Authority in accordance with C.G.S. §§ 7-253 and/or 7-254a;

WHEREAS, since the Authority originally levied the Assessments and recorded the C.G.S. Section 7-253 Notices on the City Land Records for the Properties, numerous Customers have fallen behind in making payments of the installment payments due and owing to the Authority by virtue of the C.G.S. Section 7-253 Notices and the Assessments;

WHEREAS, in addition to the levying of Assessments on the Properties, the Authority has assessed some or all of the Customers with Sewer Capital Connection Fees (f/k/a Sewer Connection Charges) in accordance with C.G.S. § 7-255 and its Sewer Capital Connection Fee Policy, which has been revised several times and which was most recently revised on or about July 1, 2019;

WHEREAS, the Authority also allowed Customers to pay off the Sewer Capital Connection Fees in installment payments instead of having to pay them off in one lump sum;

WHEREAS, in addition to some Customers having become delinquent in paying off the installments covering the Assessments in accordance with the C.G.S. Section 7-253 Notices, some Customers also have become delinquent in paying off the installments due and owing to the Authority for Sewer Capital Connection Fees assessed on the Properties;

WHEREAS, the delinquent Assessments constitute liens on the Properties in accordance with C.G.S. § 7-254;

WHEREAS, the delinquent Sewer Capital Connection Fees also constitute liens on the Properties in accordance with C.G.S. § 7-258; and

WHEREAS, nevertheless, the Authority recognizes that some Customers who have become delinquent in their payment of the Assessment and Sewer Capital Connection Fee installment payments may qualify for, among other things, hardship payment plans and/or alternate payment arrangements pursuant C.G.S. § 7-253a;

NOW THEREFORE, BE IT RESOLVED that the Authority hereby authorizes, approves and ratifies:

1. That the Past Due Sewer Assessment Collections Policy described in Exhibit A attached hereto is approved and made effective upon passage of this Resolution.

Past Due Sewer Assessment Collections Policy

1. Purpose and Scope:

The purpose of this policy is to establish a general framework for the collections of delinquent sewer benefit assessments levied for the various public sewer improvements previously constructed and installed by or on behalf of Norwich Public Utilities (NPU), pursuant to law, charter, or order of the City Council.

2. Definitions:

Bond Interest – The interest applicable to the general obligation bonds issued by the City of Norwich to finance the construction of the sewer system improvements.

C.G.S. – Connecticut General Statutes, as amended.

C.G.S. Section 7-253 Notice – A Certificate of Notice of Installment Payment of Assessment of Benefits that is prepared in accordance with C.G.S. § 7-253, that is recorded on the land records by the City Clerk, that is signed by the Tax Collector or Treasurer, and that details the facts of the Sewer Benefit Assessment where it is to be paid in installments as provided in C.G.S. § 7-253.

Delinquent Penalty Interest – A late payment penalty charge defined by statute and assessed on the unpaid balance compounded monthly on bills not paid within 30 days of the billing date.

Sewer Benefit Assessment – A charge to a property owner for a special benefit received by the subject property as a result of that property having access to public sewer improvements constructed and installed by or on behalf of NPU.

Sewer Capital Connection Fee – A one-time fee to connect to the sewer system.

3. Communications

NPU will contact property owners who are delinquent in the repayment of their Sewer Benefit Assessment. This will include all property owners that have not made payments in three (3) months and/or are in arrears by greater than five hundred dollars (\$500). The property owners will receive a default letter, via certified mail, informing them of their delinquency, obligation to pay, and instructions to contact NPU for further information. The circumstances of each property owner that contacts NPU will be evaluated for any opportunity to access a special payment arrangement as detailed below, with particular focus on the C.G.S. Section 7-253 Notice that applies to the owner's property. If a special payment arrangement is applicable, NPU will enter into an agreement with the property owner and execute the required documentation. If the property owner does not respond to the first letter within thirty (30)

days, a second default notification will be sent to the owner, via certified mail. Should the property owner fail to respond, a demand letter will be sent to the owner, via certified mail. If there is still no response, the property owner's delinquency will be accelerated under the collections procedures outlined below.

4. Special payment arrangements options

Should a property owner's circumstances qualify the owner for one or more of the following options, NPU will attempt to prepare and execute an agreement and associated documents in order to implement the agreement between NPU and the property owner.

- a. Extended Payment Term – In accordance with C.G.S. § 7-253, Sewer Benefit Assessments funded with twenty (20) year general obligation bonds would be eligible for a repayment plan extension up to thirty (30) years from the bond date (a maximum of 10 years past the original bond maturity date). This would require a signed agreement and the filing of an amended C.G.S. Section 7-253 Notice on the land records. The new C.G.S. Section 7-253 Notice would supersede any prior C.G.S. Section 7-253 Notice that is in effect at the time that the repayment plan is renegotiated.
- b. Bond Interest Only for Qualified Elderly Property Owners - For property owners who are elderly (over 65 years old) and who meet other residency and income requirements as set forth in C.G.S. §§ 12-129b, 12-129n(a)(1), or 12-170aa, as applicable, NPU may enter into alternate payment arrangements per Section 21-3.6 of the Norwich Code of Ordinances and C.G.S. § 7-253a. For property owners who qualify, alternate payment arrangements may be able to extend the 30-year maximum annual payment period. This would require a signed agreement and the filing of an amended C.G.S. Section 7-253 Notice on the Land Records. Once the qualified property owner transfers title to the property or dies, the outstanding balance of the principal amount of the deferred Sewer Benefit Assessment shall be paid in full.
- c. Bond Interest Only for Qualified Disabled Property Owners – Under approval of the board via resolution, NPU staff would pursue the enactment of an Ordinance by the City Council that would allow for relief for payment of Sewer Benefit Assessments to be extended to disabled property owners who are under 65 years old and who qualify for property tax relief as set forth in C.G.S. § 12-129n(a)(2). If and when that Ordinance is enacted, NPU will be able to enter into alternate payment arrangements with qualified disabled property owners in a manner that mirrors the arrangements allowed by the Norwich Ordinance for elderly property owners (Section 21-3.6), and C.G.S. § 7-253a. For property owners who qualify, alternate payment arrangements may be able to extend the 30-year maximum annual payment period. This would require a signed agreement and the filing of an amended C.G.S. Section 7-253 Notice on the Land Records. Once the qualified property owner transfers title to the property or dies, the outstanding balance of the principal amount of the deferred Sewer Benefit Assessment shall be paid in full.
- d. Other programs under state statute, as applicable:
 - i. Connecticut Housing Finance Authority (CHFA) for lien assistance- Available for single- to 4-family owner-occupied residential properties under two scenarios, (1) the lienholder (NPU) has sent a notice of intent to foreclose; or (2) based upon CHFA's determination, (A) the property owner is delinquent by 60 days or more on the debt or (B) the property owner anticipates that they will be 60 days-delinquent or more based on financial hardship beyond their control. It is the property owner's responsibility to apply for the assistance. If the property owner qualifies, CHFA will then make emergency lien assistance payments directly to NPU for the lesser of:
 1. the full amount due on each eligible lien secured by the property or
 2. the amount due and payable under the lien for the 36 months immediately after it became due.
 - ii. Active Military – C.G.S. § 12-146e requires municipalities to waive accrued interest on delinquent property taxes owed by certain active military members serving out of state when taxes become due or who have been living in the state for less than a year since returning from out-of-state service. Accrued interest on delinquent Sewer Benefit Assessments similarly must be waived for such property owners.
 - iii. Crime Victim – C.G.S. § 12-146 requires municipalities to waive all or part of accrued interest due for taxpayers who are crime victims and who have received compensation from the state's Criminal Injuries Compensation Fund. Accrued interest on delinquent Sewer Benefit Assessments similarly must be waived for such property owners.
- e. Sewer Capital Connection Fee Residential Hardship Payment Plan Policy – in accordance with this policy qualifying customers, under the limited circumstances set forth in the Hardship Policy itself, can enter into a monthly installment payment plan arrangement with Norwich Public Utilities in lieu of requiring the connection charge to be paid in one lump sum upon issuance of the Sewer Connection Permit.

5. Delinquent Assessment Collections

Owners that have been notified of a delinquency regarding their Sewer Benefit Assessment, and have not responded may be subject to the following escalated collections activities:

- a. Litigation – initiate foreclosure proceedings on delinquent property owners that refuse to pay.
- b. Collections through assignment to a collection agency, which could include standard collections activities or foreclosure action. NPU will execute a written assignment contract with the collection agency in accordance with Public Act 21-143.
- c. Non-Judicial tax sale.

6. Resources

Connecticut General Statutes (C.G.S.) (Chapter 103 – Municipal Sewerage Systems): C.G.S. §§ 7-253; 7-253a; 7-254
C.G.S. (Chapter 204 – Local Levy and Collection of Taxes): C.G.S. §§ 12-129b; 12-129n; 12-145; 12-146; 12-146e; and 12-170aa
Norwich Code of Ordinances (Chapter 21 – Water, Gas, Sewers and Sewage Disposal): Sec. 21-3.6
NPU Sewer Capital Connection Fee Hardship Payment Plan Policy

Item 11. Board Discussion. Chairman Staley spoke to the Board regarding the organization of the Board. Discussion followed.

Item 12. Schedule Strategic Plan Workshop. Discussion followed.

Item 9. Executive Session – To Discuss Confidential Trade Secret & Commercially Valuable Confidential or Proprietary Information Not Subject to Inspection or Public Disclosure Pursuant to Section 1-210[5] and 7-232a of the CT General Statutes. This information is commercially valuable, confidential and proprietary and is not public disclosure, pursuant to Public Act No. 98-212; and, To Discuss Personnel Matters of an Employee(s) and/or Public Official, pursuant to Chapter 14, Section 1-200 (6) (A) of the CT General Statutes.

Commissioner Warzecha, seconded by Chairman Peil moved to enter into Executive Session at 7:12 p.m. Unanimously approved. General Manager LaRose, Steve Sinko and Jeff Brining were asked to stay for Executive Session.

The Board came out of Executive Session at 8:30 p.m.

Item 10. Action Items. Job Description Approval. Commissioner Warzecha, seconded by Commissioner Avent moved to approve the Senior Financial Analyst job description. Unanimously approved.

Item 13. Other Business. None.

Vice Chairman Peil, seconded by Commissioner Avent moved to adjourn the meeting at 8:31 p.m. Unanimously approved.

The next Regular Meetings are scheduled to be held on Tuesday, February 22, 2022.

Attest:

Michael Goldblatt
Secretary