

**STATEMENT FROM FIRST SELECTMAN TIMOTHY M. HERBST
REGARDING TENTATIVE SETTLEMENT WITH THE CITY OF
BRIDGEPORT RELATIVE TO TRUMBULL'S CONTRACT WITH THE
BRIDGEPORT WPCA**

June 26, 2015- First Selectman Timothy M. Herbst offered the following statement regarding a tentative settlement with the City of Bridgeport:

Over the course of the last five and half years the Town of Trumbull has been in negotiations with the City of Bridgeport relative to Trumbull's contractual arrangement to treat its wastewater effluent through the Bridgeport WPCA. The previous agreement was negotiated by former First Selectman David Wilson and former Bridgeport Mayor Joseph Ganim in 1998. As the existing agreement was coming to a conclusion, in 2012 the Town of Trumbull began a feasibility study to determine the most appropriate course of action for Trumbull's WPCA to treat its wastewater effluent.

Over the last year, a series of mediations between Trumbull and Bridgeport have been held before Chief Administrative Judge Barbara Bellis of the Bridgeport Superior Court. During the course of these deliberations, it was determined that a plausible long term arrangement between Trumbull and Bridgeport could not be reached. Bridgeport advised Trumbull that it wished to end its contractual arrangement with our Town. This was confounding, in light of the fact that Bridgeport would be giving up 20% of its revenue source from the Town of Trumbull to manage its WPCA plants.

So the Town of Trumbull might find a more plausible, alternate solution, a tentative agreement has been reached between Trumbull and Bridgeport for the next ten years. The agreement provides for a discount rate that will eventually be phased out over a ten year period. The discount rate would be placed in an escrow account pending Trumbull's departure from Bridgeport. During the next ten years the Town of Trumbull will explore other options to treat its waste water effluent. If Trumbull fails to find alternate methods to treats its effluent, our municipality retains its right to file rate appeals with the City of Bridgeport after year ten.

This agreement represents significant benefits to the Town of Trumbull:

- We have received consent and blessing from the City of Bridgeport to explore alternate options to treat our waste water effluent over the next ten years.
- Bridgeport was demanding a 0% discount be applied to the Town of Trumbull

and that did not happen. The Town of Trumbull will retain a discount rate for a significant period of time.

- The City of Bridgeport cannot direct bill our residents as they attempted to do through various administrative and legal challenges. What Bridgeport residents pay for their rate, we will pay the same to Bridgeport.
- If we fail to find an alternate location in the next ten years we have reserved our right to file a rate appeal after year ten.
- The old contract between Trumbull and Bridgeport had a penalty provision if we went over the number of gallons allocated. In this tentative agreement, there is no penalty provision.
- The City of Bridgeport wanted \$2.2 million dollars in arrearage from the Town of Trumbull. Under the terms of this agreement we will only pay \$1.6 million dollars, a savings of over \$600,000.
- Sewer rates will not increase due to this payment.
- The Town will not be paying litigation and engineering costs to fight this rate, which represents an estimated savings of \$100,000 per year.
- As it relates to the escrow account reference above, once Trumbull cedes from Bridgeport and develops an alternate solution, all money placed in the escrow account will inure to the Town of Trumbull. This money can be used at a future date to provide our residents with rate relief or be used to offset the capital costs associated with upgrading our system or relocating to another, adjoining municipality.

This tentative agreement is contingent upon approvals of the Trumbull Board of Finance and Trumbull Town Council.

I would also like to take this opportunity to give my perspective as to the appropriate solution for the Town of Trumbull. Having spent extensive time working with our Town Attorneys, engineers and consultants on this matter, I believe there exists a solution that will provide for an appropriate long term remedy that is intended to stabilize and potential reduce sewer use rates for the Town of Trumbull. The most plausible solution that I embrace is Trumbull connecting to neighboring Stratford, or a combination of Stratford and Fairfield.

Building our own treatment plan is not practical from a financial and environmental standpoint. If Trumbull were able to connect to the Stratford system, I believe we could develop a plan that long term would stabilize and potentially reduce sewer rates for the two communities. I have had extensive conversations with my friend and colleague John Harkins and I have indicated a willingness to initiate these discussions with Stratford. I do know that this is predicated upon the outcome of the pending appeal and prospective referendum

relative to the Stratford merger with the Greater New Haven WPCA. I believe an agreement can be reached with Stratford if they merge with the New Haven WPCA or if they remain their own entity.

Which brings me to my final point. If the Town of Trumbull elect to pursue the alternate options referenced above, this decision will be one that the entire community will make through a referendum. In 2011, I championed revisions to our Town Charter that now require a referendum for capital projects in excess of 15 million dollars. If and when we get to this point, my job as First Selectman will be to educate the public as to all available options so they may make an informed decision and vote accordingly. I want to assure all of our citizens that a decision of this magnitude will not be made in a vacuum, but instead will be made by each and every one of us.