

APPROVED

5/6/25

TOWN OF WALLINGFORD
PUBLIC UTILITIES COMMISSION
WALLINGFORD ELECTRIC DIVISION
45 SOUTH MAIN STREET
ROOM 315
WALLINGFORD, CT 06492

Tuesday, April 15, 2025

6:00 P.M.

MINUTES

PRESENT: Chairman Robert Beaumont; Commissioners Dr. Joel Rinebold and Laurence Zabrowski; Director Richard Hendershot; Electric Division General Manager Jake Arborio; Electric Division Business Office Manager Marianne Dill; Water and Sewer Divisions General Manager Neil Amwake; Water and Sewer Divisions Business Manager Donald Langenauer; Water and Sewer Divisions Assistant Business Manager Scott Cleary and Acting Recording Secretary Michelle Bracale

Absent – None

Members of the Public – None

Mr. Beaumont called the Meeting to order at 6:00 P.M., and the pledge of Allegiance was recited.

1. Pledge of Allegiance

2. Consent Agenda

a. Consider and Approve Meeting Minutes of March 18, 2025

Motion to: Approve the Consent Agenda

Made by: Dr. Rinebold

Seconded by: Mr. Zabrowski

Votes: 3 ayes

3. Items Removed from Consent Agenda

None

RECEIVED FOR RECORD 5/7/25
AT 2:55 PM AND RECEIVED BY
Kristen Pango TOWN CLERK

42 **4. Discussion and Action: Approval of the Director's Report for the Month of**
43 **March 2025**

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45 Dr. Rinebold asked for a status on Howard Industries.

46
47 Mr. Arborio stated that the WED has been going back and forth with the Wallingford Law
48 Department to resolve the ongoing quality issues with Howard Industries. Mr. Arborio is going
49 to formulate a letter to send to Howard. There was a request to find someone from another
50 company or a resident expert to attempt to parallel the lines within the transformer. There has
51 been no contact from Howard. Other entities are starting to experience the same issue. The
52 quality got worse on the last order for single phase pad mounts.

53
54 **Motion to Approve the Director's Report for the Month of March 2025**

55
56 **Made by: Mr. Zabrowski**

57 **Seconded by: Dr. Rinebold**

58 **Votes: 3 ayes**
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62 **5. Public Hearing for Proposed Sewer Rates**

63
64 Mr. Beaumont read the following into the record:

65
66 LEGAL NOTICE

67
68 PUBLIC HEARING

69
70 On

71
72 Proposed Revisions to Water and Sewer Charges

73
74 (Amendment of Water Division Charges Terms and Conditions, Water Service Installation
75 Charges, Water Meter Installation Fees, Water Division Miscellaneous Charges, Sewer Division
76 Service Policy, Sewer Quarterly Usage Charges and Exceptions, Sewer Division Miscellaneous
77 Charges, and Water and Sewer Payment Terms and Conditions)

78
79 Pursuant to Chapters 102 and 103 of the Connecticut General Statutes, as amended, and
80 Chapter XIV of the Charter of the Town of Wallingford, notice is hereby given that the Board of
81 Public Utilities Commission of the Town of Wallingford, acting for itself and as the Water
82 Pollution Control Authority of said Town, will hold a Public Hearing in Room 315 in the
83 Wallingford Town Hall, 45 South Main Street, Wallingford, Connecticut, on Tuesday April 15,
84 2025, beginning at 6:00 P.M., for the purpose of revising Water Division Charges Terms and
85 Conditions, Water Service Installation Charges, Water Meter Installation Fees, Water Division
86 Miscellaneous Charges, Sewer Division Service Policy, Sewer Quarterly Usage Charges and
87 Exceptions, Sewer Division Miscellaneous Charges, and Water and Sewer Payment Terms and

88 Conditions as shown below. Such revisions shall become effective for all water and sewer
89 invoices rendered on and after July 1, 2025.

90
91 Mr. Amwake stated that this is a six-year rate adoption and is similar to what the WWD did last
92 year for the Water Division Rates. The Sewer Division rates will be revisited at four years. The
93 purpose and the principals of the study is to develop user retail rates that result in a financially
94 and operationally sustainable sewer system. NewGen Strategies and Solutions looks into the
95 Divisions costs and customers in order to complete the study. The objectives are as follows:

- 96
97 1. The Wallingford Sewer Division must be financially self-supporting.
98 2. Retail sewer rates shall be sufficient to ensure funding of an appropriate level of
99 proactive system rehabilitation, replacement and improvement.
100 3. The WSD shall maintain sufficient reserves to meet the Division's Minimum Cash
101 Reserve Policy to provide for rate stabilization and unplanned expenses.
102 4. WSD revenue and the strategic utilization of Retained Earnings shall meet the expenses
103 needs of the Sewer Division over time.
104

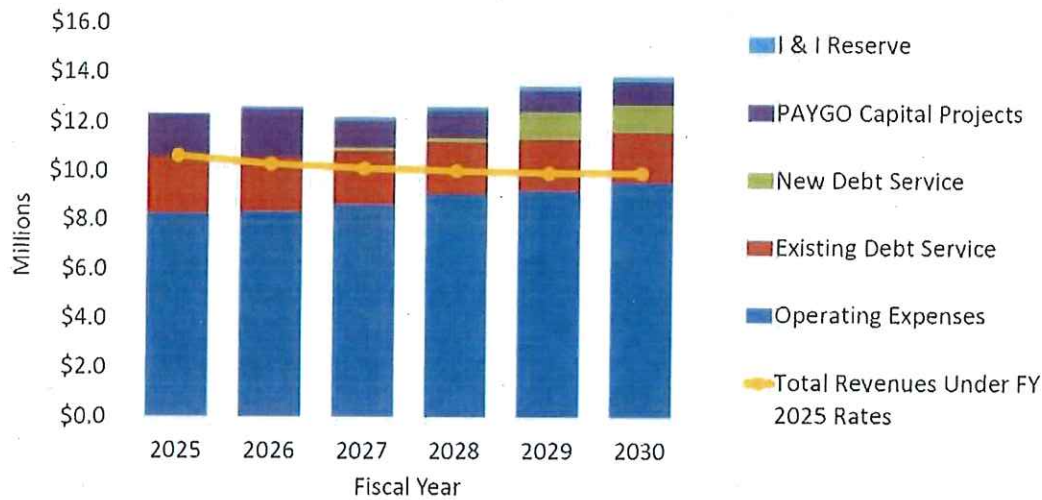
105 NewGen Strategies and Solutions started with the beginning FY 2024-25 Cash Above Minimum,
106 the approved and adopted FY 2024-25 operating and capital budgets, the debt amortization
107 schedules for outstanding debt and the FY 2023-24 customer account and usage data. The key
108 study assumptions are reasonable escalation in operating costs and capital expenses, declining
109 water usage (1.0% per year FY 2025-26 through FY 2028-29) and no growth in customer
110 accounts. The recommended minimum reserve for FY 2024-2025 are as follows:

- 111
112 1. O&M: 13 Weeks of O&M expenses: \$2,075,000
113 2. Outstanding Principal and Interest on Debt Service: \$2,350,000
114 3. Emergency Reserve: \$1,000,000
115 4. Current Liabilities: \$648,000
116 5. Prior Year Capital Carryover: \$4,000,000
117

118 As of June 30, 2024 the I/I Reserve Balance was at \$1,800,000.00 less the FY 2024-25
119 appropriation of \$800,000. This included the one-time appropriation for the Gaylord Hospital
120 sanitary sewer lateral replacement.
121

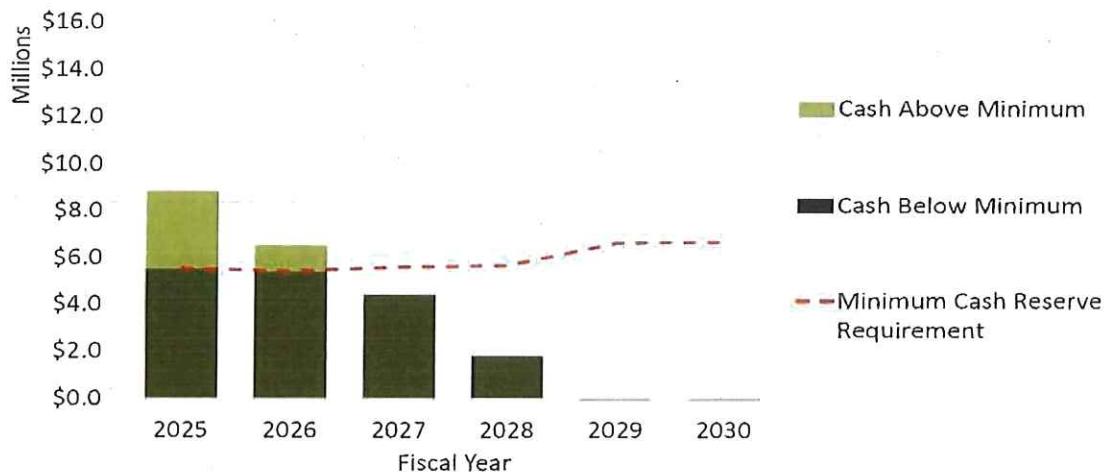
122 Mr. Amwake reviewed the Sewer Expenses vs. Revenue (FY 2024-2025 Retail Rates) chart
123 shown below and pointed out that the current revenues at the current rates do not meet current
124 expenses. These expenses will be increasing to about \$14,000,000.00. The large increase from
125 FY 2028-2029 is the Division's additional Debt Services related to the Solids Handling Complex
126 capital project.
127

SEWER EXPENSES vs. REVENUES (FY 2024-25 RETAIL RATES)

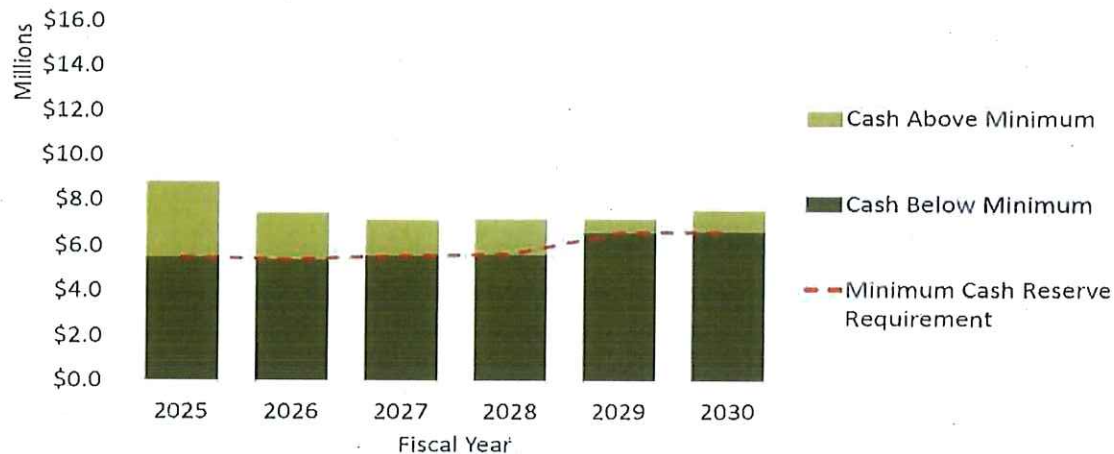


Mr. Amwake reviewed the Retained Earnings Forecast (FY 2024-2025 Retail Rates) chart shown below and stated that this chart includes all of the expenses with no rate increases. The cash above minimum fund balance is drawn down and is extinguished in the five-year forecast.

RETAINED EARNINGS FORECAST (FY 2024-25 RETAIL RATES)



Mr. Amwake reviewed the Retained Earnings Forecast (Recommended Rates) chart shown below and stated that this is on a five-year timeframe. The model for the cash above minimum forecast is tight. The increase in the reserve requirement is the additional debt service for the Solids Handling Project. The minimum requirement increases because the WSD will now need to cover the additional long-term debt.



Mr. Amwake reviewed the Retained Earnings Forecast (Recommended Rates) chart shown below and stated that this is for a ten-year forecast. The bump up for the minimum requirement levels off but the WSD continues to add cash flow to meet and exceed that requirement to FY 2032. The cash flow then levels off and maintains after all of the capital investments.



Mr. Amwake reviewed the Recommended Quarterly Basic Service Fees chart shown below and stated that the chart shows the quarterly current basic service fees for the meter sizes and the recommended quarterly basic service fees increasing over the next six years. These are calculated amounts based on two components: the I/I program as a fixed cost and an allocation of fixed operating costs.

Meter Size	Current	As of 7/1/2025	As of 7/1/2026	As of 7/1/2027	As of 7/1/2028	As of 7/1/2029	As of 7/1/2030
5/8"	\$27.09	\$31.67	\$33.15	\$34.68	\$36.27	\$37.90	\$39.59
3/4"	\$40.64	\$47.51	\$49.73	\$52.03	\$54.41	\$56.86	\$59.39
1"	\$67.73	\$79.17	\$82.89	\$86.71	\$90.68	\$94.77	\$98.97
1 1/2"	\$135.45	\$158.34	\$165.76	\$173.42	\$181.35	\$189.52	\$197.93
2"	\$216.72	\$253.34	\$265.21	\$277.47	\$290.16	\$303.23	\$316.69
3"	\$433.44	\$506.68	\$530.43	\$554.93	\$580.32	\$606.46	\$633.38
4"	\$677.26	\$791.69	\$828.80	\$867.09	\$906.76	\$947.60	\$989.67

Mr. Amwake reviewed the Recommended Volumetric Retail Rate Per CCF (\$/CCF) chart shown below and stated that the retail rate is increasing over the next six years as the WSD needs to generate additional revenue to meet expense needs. This is a result of the variable cost allocations. These volumetric retail rates are calculated based on required cash flow and net (minus) the basic service fee increases.

	Current	As of 7/1/2025	As of 7/1/2026	As of 7/1/2027	As of 7/1/2028	As of 7/1/2029	As of 7/1/2030
Usage Rate per CCF	\$8.07	\$8.74	\$9.46	\$10.24	\$11.08	\$11.77	\$12.22

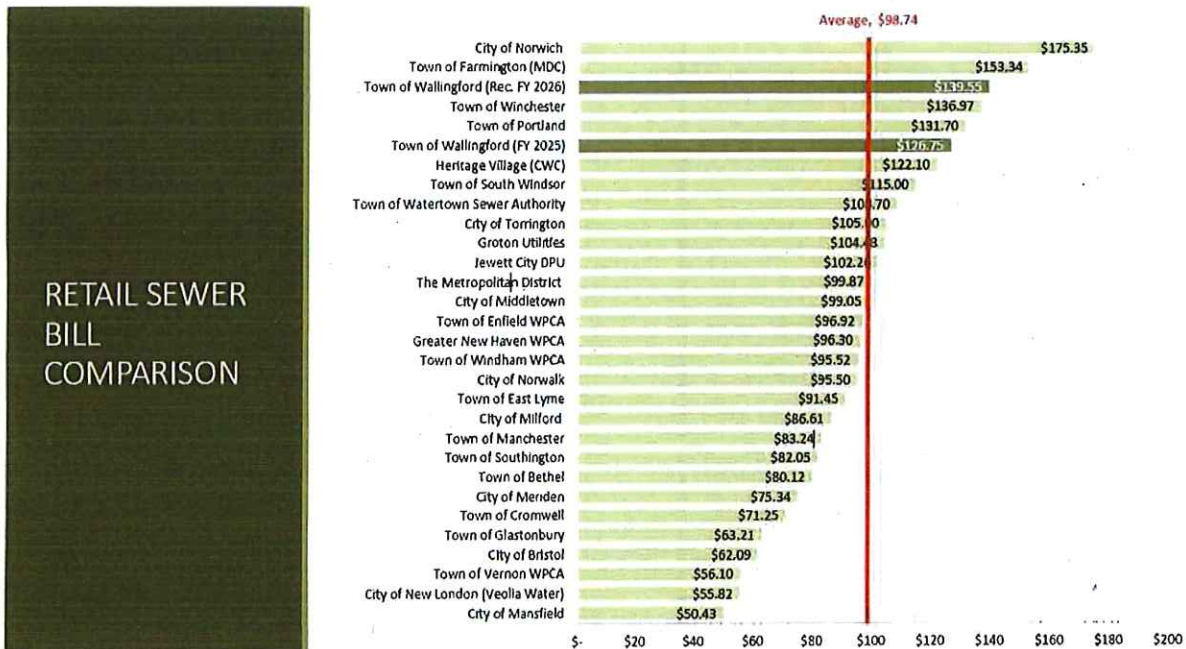
Mr. Amwake reviewed the customer bill impacts chart shown below and stated that the 5/8-inch meters are just about 95% of WSD customers.

Mr. Amwake pointed out that currently the median usage for 5/8-inch customers is based on 1,200 cf. Mr. Amwake worked with Mr. Phelan, the former Water and Sewer Divisions Business Manager, to develop a statical analysis with over 40,000 data points. The median usage has changed to 1,235 cf. If the extra 35 cf per quarter was not allocated to individual sewer customers, particularly for the sewer flat customers, the cost would then be assigned to the metered customers. The WSD did not think that this would be fair and equitable to the customers. The overall increase for the WWD and WSD rates combined for the average 5/8-inch meter customer is about \$22.00 per quarter.

	Current	As of 7/1/2025	As of 7/1/2026	As of 7/1/2027	As of 7/1/2028	As of 7/1/2029	As of 7/1/2030
Median Residential:							
5/8-inch meter at 1,235 cf per Quarter							
[12,631 meters; 94.269%]							
Basic Service Fee (BSF)	\$27.09	\$31.67	\$33.15	\$34.68	\$36.27	\$37.90	\$39.59
Usage Cost	\$96.84	\$107.94	\$116.83	\$126.46	\$136.84	\$145.36	\$150.92
Total Quarterly Sewer Bill	\$123.93	\$139.61	\$149.98	\$161.14	\$173.11	\$183.26	\$190.51
Quarterly change (\$)		\$15.68	\$10.38	\$11.16	\$11.96	\$10.16	\$7.24
Monthly Equivalent Bill	\$41.31	\$46.54	\$49.99	\$53.72	\$57.70	\$61.09	\$63.50

Mr. Amwake stated that a direct comparison of quarterly retail sewer bills is challenging due to the following questions and/or items: how or where are the debt service expenses recorded on the Town ledger or on the WPCF Charts of Accounts? Here in Wallingford, we carry all of the debt. Is the operation maintenance of the Sanitary Sewer Collection System managed and paid for by the WPCF or by the Town? There are other municipalities where the collection is under Public Works and treatment is under the Sewer Division of the WPCA that sets the rates. For customers really what is the denominator?

Mr. Amwake reviewed the retail sewer bill comparison graph shown below.



Mr. Amwake reviewed the miscellaneous charges and stated that these are one-time fees. These charges are as follows:

1. Meter Installation Fees
2. Service Installation Fees

- 193 3. After-hours Call Out (For the convenience of the customer). Mr. Amwake noted that this
194 fee increased.
195 4. Service Turn On / Turn Off (More than one (1) on/off per calendar year)
196 5. Returned Check Fee
197 6. I/I Inspection Credit (New)
198 7. Increase Lien Threshold to \$100 from \$10
199
200

201 Dr. Rinebold questioned if Mr. Amwake has received any feedback from the public in regards to
202 the fees? Why? How much?
203

204 Mr. Amwake stated no.
205

206 Mr. Langenauer stated that the feedback will come when the customers receive the first bill.
207
208
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210 **6. Discussion and Action: Approval and Adoption of Sewer Rate Charges**
211

212 **Motion to Adopt the proposed rates presented at the Public Hearing on April 15, 2025 as**
213 **specified in the legal notice dated "Revised March 20, 2025".**
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215 **Made by: Dr. Rinebold**

216 **Seconded by: Mr. Zabrowski**

217 **Votes: 3 ayes**
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221 **Public Question and Answer Period**
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223 No Members Present
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225 **Public Question and Answer Period Closed**
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229 **7. Discussion and Possible Action: Budget Transfer – Electric – FY 2024/2025 –**
230 **Account 598 – Distribution Maintenance – Misc. Distribution – Environmental**
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232 Mr. Arborio stated that the WED is seeking a budget transfer in the amount of \$22,000.00 to
233 Account 598 – Distribution Maintenance – Misc. Distribution – Environmental from Account
234 580. This account includes expenses incurred by the WED for spill response and remediation,
235 transformer oil testing and disposal. The account has been impacted by costs incurred at four
236 separate sites in addition to costs associated with several removals of old transformer bushings at
237 the North Wallingford Substation (130 Thorpe Avenue). Funds are available for this transfer

from account 580 Distribution Operation Supervision and Engineering due to vacancies in the Distribution Superintendent and Distribution Engineer positions during most of the fiscal year.

Motion to Approve the Budget Transfer – FY 2024/2025 in the amount of \$22,000.00 from Account 580 to Account 598 – Distribution Maintenance – Misc. Distribution – Environmental

Made by: Dr. Rinebold

Seconded by: Mr. Zabrowski

Votes: 3 ayes

8. Discussion and Possible Action: Budget Appropriation – Electric – FY 2024/2025 – Account 592 – Distribution Maintenance – Station Equipment

Mr. Arborio stated that the WED is seeking a budget transfer in the amount of \$70,000.00 to Account 592 – Distribution Maintenance – Station Equipment from Retained Earnings. Account 592 is used to capture the cost of labor, materials used and expenses incurred in the maintenance of the WED's three substations. This appropriation will provide funding for several on-going NERC mandated compliance programs. Funds are available in this account as labor and overheads originally allocated to this account are being directed to account 592.

Dr. Rinebold questioned what are these mandatory compliance programs?

Mr. Arborio stated testing of transmission lines. wiring/wiring checks and relay testing.

Dr. Rinebold questioned if the \$70,000.00 pays for our labor?

Mr. Arborio stated that is correct.

Motion to Approve the Budget Appropriation –FY 2024/2025 in the amount of \$70,000.00 from Retained Earnings to Account 592 – Distribution Maintenance – Station Equipment as well as \$70,000.00 from Account 362 – Distribution Plant – Station Equipment to Retained Earnings

Made by: Mr. Zabrowski

Seconded by: Dr. Rinebold

Votes: 3 ayes

9. Discussion and Possible Action: Budget Transfer – Electric – FY 2024/2025 – Account 372 – Distribution – Leased Property on Customer Premises

Mr. Arborio stated that the WED is seeking a budget transfer in the amount of \$21,000.00 to Account 372 – Distribution – Leased Property on Customer Premises from Account 373 – Distribution Plant – Street Lighting and Signal Systems. This account includes the cost of materials for private lights on customers' premises. This account is driven by customer request only. A review of costs incurred year to date along with projections for the balance of the fiscal year indicate that additional funds will be needed for materials for this fiscal year. Funds are available for this transfer from Account 373 – Distribution Plant – Street Lighting and Signal Systems. A review of the activity and the plans for the balance of the year show that amount will be unexpended and available for transfer.

Motion to Approve the Budget Transfer – FY 2024/2025 in the amount of \$21,000.00 from Account 373 to Account 372 – Distribution Plant – Leased Property on Customer Premises

Made by: Mr. Zabrowski

Seconded by: Dr. Rinebold

Votes: 3 ayes

10. Discussion and Possible Action: Budget Transfer – Electric – FY 2024/2025 – Account 594 – Distribution Maintenance – Underground Lines

Mr. Arborio stated that the WED is seeking a budget transfer in the amount of \$37,000.00 to Account 594 – Distribution Maintenance – Underground Lines from Account 584 – Distribution Operation – Underground Lines. This account includes line department labor, overhead and supplies utilized in maintenance of underground distribution line. This fiscal year to date WED has experienced more activity than expected related to underground maintenance, including addressing some significant underground cable faults which have occurred.

There was further discussion on underground distribution cables and the materials they are made with.

Motion to Approve the Budget Transfer – FY 2024/2025 in the amount of \$37,000.00 from Account 584 to Account 594 – Distribution Maintenance – Underground Lines

Made by: Dr. Rinebold

Seconded by: Mr. Zabrowski

Votes: 3 ayes

Committee Reports/Correspondence

None

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ADJOURNMENT

Motion to Adjourn

Made by: Mr. Zabrowski
Seconded by: Dr. Rinebold
Votes: 3 ayes

The meeting was adjourned at approximately 7:18 p.m.

Respectfully submitted,

Michelle Bracale

Michelle Bracale
Acting Recording Secretary

Respectfully submitted,

Laurence Zabrowski /mb

Laurence J. Zabrowski
Secretary