APPROVED
7/21/26

SPECIAL MEETING

TOWN OF WALLINGFORD

PUBLIC UTILITIES COMMISSION

WALLINGFORD ELECTRIC DIVISION

100 JOHN STREET

WALLINGFORD, CT 06492

Tuesday, June 23, 2026

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 and Acting Recording Secretary Michelle Bracale

Absent – None

Members of the Public – Mayhew Seavey – PLM Electric Power Engineering

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 June 2, 2026
   b. Consider and Approve Budget Amendment – Electric Division – Account 582 – Distribution – Station Expenses
   c. Consider and Approve Budget Amendment – Sewer Division – FY 2025/2026 – Pumping Expense (Account #46100623)
   d. Consider and Approve Budget Amendment – Sewer Division – FY 2025/2026 – Miscellaneous Expenses (Account #46100643)

Motion to Approve the Consent Agenda

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

3. Items Removed from Consent Agenda

None

4. Discussion and Action: Approval of the Director's Report for the Month of May 2026

Mr. Beaumont referenced Item No. 4-4 and commented that the seasonal phosphorus average discharge concentration of 1.63 pounds per day is as low as he has ever seen it.

Mr. Amwake stated that is correct, it is at its lowest.

Motion to Approve the Director's Report for the Month of May 2026

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

5. Discussion and Possible Action: Budget Amendment – Sewer Division – FY 2025/2026 – Sludge Disposal (Account #46100645)

Mr. Amwake stated that the WSD typically budgets for sludge hauling and disposal at its wastewater treatment plant based upon historical usage. The cost of sludge hauling and disposal has increased during the current budget year due to price increases from the vendor along with operational factors affecting solids management at the Wallingford Water Pollution Control Facility. The primary contributor for the exceedance of FY 2025-2026 budget expenditures is directly related to an increase in the amount of sludge production compared with FY 2024-2025. For most of the current fiscal year, the WPCF has been operating three Primary Settling Tanks to remove additional solids, rather than flowing directly through the Anaerobic Basin in previous years. Further, the WPCF has been performing increased flushing of the sanitary sewer mains throughout the town as a preventative maintenance protocol to avoid blockages and potential sanitary sewer overflows, thus sending additional solids to the treatment facility. These operational changes have increased sludge generation, requiring further processing. However, it is anticipated that these measures will improve nitrogen performance and water quality entering the tertiary phosphorus treatment system.

Mr. Amwake referenced Item No. 4-106 and stated that the nitrogen level is at a historical low for this time of year. It is anticipated that the additional solids removal will assist in nitrogen treatment resulting in reduced nitrogen credits required to be purchased in the future. The goal is to buy less nitrogen credits. The sludge hauling and disposal expenditures are expected to exceed budget projections for the current fiscal year in the amount of approximately $51,000.00. A 10% contingency for unforeseen expenditures was added to the $51,000.00 for a total budget amendment request of $56,100.00.

Motion to Approve a Budget Amendment to Increase Account #46100645 – Sludge Disposal by $56,100.00 from Retained Earnings

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

6. **Discussion and Possible Action: Budget Amendment – Electric Division – FY 2025/2026 – Account 431 – Other Interest Expense Customer Deposits**

Ms. Dill stated that the WED is seeking an additional $35,000.00 in account #431 Other Interest Expense – Customer Deposits. This account captures interest expense on customer deposits. Both Residential, and Commercial and Industrial customers make deposits in order to secure electric service. Interest is earned monthly on those deposits during the period of time that the deposit is retained by the WED. After recording ten months of interest through April 30, 2026, the account was reviewed to determine the WED's position versus budget and how much additional funding would be required. An additional $35,000.00 is needed to cover the remaining two months of FY 2025-26. Based upon interest rates at the time the budget was prepared (January, 2025), the WED staff utilized an interest rate of 4.00% to calculate the interest expense on customer deposits. By the time the budget year commenced (July 1, 2025), the published interest rate based on the 13-week Treasury rate was 4.235%. In addition to the regular account activity, the WED received large deposits from two Commercial customers during the fiscal year which increased the dollar amount of customer deposits held. Commercial and Industrial customers have the option to post a professional corporate surety performance bond as opposed to making a monetary deposit.

Motion to Approve a Budget Amendment to Increase Account #431 – Other Interest Expense Customer Deposits by $35,000.00 from Retained Earnings

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

Public Question and Answer Period

None

Public Question and Answer Period Closed

7. Public Hearing for Proposed Electric Rates

Mr. Seavey stated that in the last presentation he went over the results for the previous retail rates and how the current retail rates are working. PLM noted that the retail rates were barely covering costs and that there would be a need for a rate increase. Based on the budget and the current PCA formula, FY 2026-27 produces a -0.7% rate of return, which does not meet WED's statutory or operational needs. The overall rate of return erodes further to minus 6.8% by FY 2030-31. The relative class rates of return are quite unequal, varying from minus 3% to plus 15%. The average revenue remains relatively flat due to no major forecast increases in purchased power costs. The customer charges are still slightly below the cost of service. Looking at the numbers without any changes in the retail rate, residential customers go from -3.4% rate of return in FY 2026-27 to a -10.2% rate of return in FY 2030-31.

Mr. Seavey stated that the goals to maintain the overall rate of return of at least 5% are:

- Maintain overall rate of return of at least 5% and not more than 8% statutorily
- Maintain zero rate of return for residential rate
- Bring other class rates of return closer together
- Avoid increases in average rate of more than 5%

If these goals are achieved the results would be:

- Overall rate of return between 5.3% and 5.0%
- Individual class rates of return between 0% and 15%
- Total increase over 5 years:
    - Residential 8%
    - Small General 9%
    - Large General 8%
    - Primary -3%
    - Small Muni 3%
    - Large Muni 5%
- No annual increases in average rate of more than 3%

Mr. Seavey stated that the basic structure of the proposed rates is an immediate 3% across-the-board increase to raise the overall rate of return above the 5% minimum. This includes 3% increase in customer charges in the first year and no increase in demand charges. There will be small annual changes in the energy charge for each class over the next four years to bring all non-residential rates to a 15% rate of return. Also, the PCA is reset to zero by increasing the imbedded cost of power to $0.1145/kWh. Looking at the numbers with the proposed rates the residential customers go from -0.1% rate of return in FY 2027 to 0.5% rate of return in FY 2031.

Mr. Zabrowski commented that he is very pleased with the proposed rates.

Dr. Rinebold commented that he believes everything is reasonable and well thought out.

Dr. Rinebold questioned what are the next steps once the proposed rates are approved?

Mr. Beaumont stated this will go into the newspaper and will sit for thirty days before it will go into effect.

Mr. Hendershot stated that a flyer will be included with the August customer's bills to state that the rates have been changed.

8. Discussion and Action: Approval and Adoption of Electric Rate Charges

Dr. Rinebold stated that the proposed rates are equitable, reflective of the cost of service, competitive and very reasonable.

Mr. Zabrowski stated that the proposed rates are surprisingly low and hopes that the Wallingford customers will see that as well.

Motion to Adopt the proposed rates presented at the Public Hearing on June 23, 2026

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

Committee Reports/Correspondence

ADJOURNMENT

Motion to Adjourn

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

The meeting was adjourned at approximately 6:54 p.m.

Respectfully submitted,

Michelle Bracale

Michelle Bracale
Acting Recording Secretary

Respectfully submitted,

Laurence Zabrowski /mb

Laurence J. Zabrowski
Secretary