

1 **DRAFT**

2 **PUBLIC UTILITIES COMMISSION**

3 **REGULAR MEETING**

4 **MARCH 20, 2018**

5 **100 JOHN STREET**

6 **WALLINGFORD, CT**

7 **MINUTES**

8
9 **PRESENT:** Chair Robert Beaumont; Commissioners Patrick Birney and Joel Rinebold; Director of Public Utilities
10 Richard Hendershot; Electric Division General Manager Tony Buccheri; Water and Sewer Divisions General Manager
11 Neil Amwake; Electric Division Office Manager Tom Sullivan; Recording Secretary Cynthia Kleist. Public – Steve Gale;
12 Adelheid Koepfer and State Rep. Mary Mushinsky.

13 Chair Beaumont called the Meeting to order at 6:30 p.m. and the Pledge of Allegiance was recited.

- 14 1. Pledge of Allegiance
15 2. **Annual Reorganization**

16 **Mr. Birney made a motion to elect Robert Beaumont Chairman of the Public Utilities Commission. Mr. Rinebold**
17 **seconded the motion.**

18 **Vote: 3 ayes**

19 **Mr. Rinebold made a motion to elect Patrick Birney Vice-Chairman of the Public Utilities Commission. Mr.**
20 **Beaumont seconded the motion.**

21 **Vote: 3 ayes**

22 **Mr. Birney made a motion to elect Joel Rinebold Secretary of the Public Utilities Commission. Mr. Beaumont**
23 **seconded the motion.**

24 **Vote: 2 ayes (Rinebold abstained)**

25 **CONSENT AGENDA**

- 26 3. Meeting Minutes of February 20, 2018
27 4. Electric Division – Budget Amendment – 17/18 – Account 392 – General Plant – Transportation Equipment
28 and 411 – Gain on Disposition of Plant
29 5. Water – Budget Transfer – HVAC – AC 43300390

30 **ITEMS REMOVED FROM CONSENT AGENDA – NONE**

1 **Mr. Birney made a motion to approve the Consent Agenda for items #3, 4 and 5. Mr. Rinebold seconded the**
2 **motion which passed unanimously.**

3 **Vote: 3 ayes**

4 6. Discussion and Action: Director's Report for the Month of February 2018

5 **Mr. Birney made a motion to approve the Director's Report for the Month of February 2018. Mr. Rinebold**
6 **seconded the motion.**

7 Mr. Hendershot gave an overview. He noted that most of the month was spent on budget preparations. He noted
8 upon PUC approval, the budget will be forward to Mayor Dickinson's office. Mr. Hendershot noted that during the
9 severe winter storms of March 1-2 and 7-8, the Electric Division performed admirably, and was well supported as
10 needed by the Sewer Division's department-wide garage operation. He stated that in anticipation of the upcoming
11 storms, the Electric Division has made arrangement with two extra crews, staged in a way where a tree trimming
12 crew was available 24 hours a day. He said a mutual aid request had been made to pre-deploy a pole setting crew
13 from out of town since there are two linemen currently on light duty. Mr. Hendershot said all the linemen will be on-
14 call beginning tomorrow evening and we have arranged for an extra system operator and we will partially set up the
15 Call Center.

16 **ELECTRIC DIVISION**

17 Mr. Hendershot said in February, total energy sales decreased slightly from February 2017 and the demand slightly
18 increased from February 2017. Average service availability numbers were at five 9's (99.999%). Mr. Hendershot
19 said these service reliability numbers are always calculated with big storms taken out because they are anomalies.
20 He said the Division will take a look at these numbers including recent storms and compare the differences.

21 Mr. Hendershot said in February, 52 LED streetlight conversions were done, along with three street-light repairs. He
22 said during the storm work, workers were finding failed streetlights, so 70 were added to the backlog.

23 LS Power/Wallingford Energy Plant Expansion Project

24 Mr. Hendershot noted the Second Amendment to the LS Power (Wallingford Energy)/Town of Wallingford
25 Agreement were executed by both parties. He said McCarter & English has contacted LS Power legal staff regarding
26 the status of their next steps.

27 Line Truck Storage Facility

28 Mr. Hendershot said this project is down to 20 or less minor punch-list items and the epoxy coating was successfully
29 applied to the floor in the small rooms and the mezzanine. Mr. Hendershot noted the Contractor wants to be able to
30 do the entire main floor at once to produce a seamless job but needs a few days of consistently warm-dry weather.
31 He said in the meantime, trucks are not using the garage.

32 LendLease Solar-PV Interconnection

33 Mr. Hendershot said Energy New England (ENE) is arranging for ISO-NE to perform the Transmission System Impact
34 Study. He said ISO-NE will invoice WED and in turn, WED will invoice LendLease.

1 Wholesale Power Supply

2 Mr. Hendershot noted that because January was colder than expected, WED purchased more energy than expected
3 resulting in WED being less hedged, (89% vs 91%). Mr. Hendershot noted that January's actual costs were \$98.69 per
4 MWhr all-in for purchased power with a budget forecast of \$97.92 and the prevailing PCA forecast for the first half
5 of 2018 is \$99.10. Mr. Hendershot noted the cost of generation for the month for the hedged portion of the
6 portfolio was \$43.79 per MWhr but because of the cost of short energy during the cold snaps during which WED was
7 much less than fully hedged, the all-in price for the month was \$59.75. He said WED purchased slightly less than
8 6,000 megawatt hours of short energy at an average price of \$145.66 a megawatt hour.

9 Capacity Costs

10 Mr. Hendershot said actual capacity costs were over \$69,000 less than budgeted. Mr. Birney asked about the
11 December meeting with the Consultants regarding the \$145.66 which is the average short price. He asked if this was
12 because we had to go into the market at one of the most expensive times in the market. Mr. Hendershot confirmed
13 this and noted that the ENE Monthly Hourly Report states what the maximum prices were. He said this was at the
14 bottom of 6-17 in their report. He noted the LMP for the month was approximately \$115 on-peak and off-peak HUB
15 LMP was \$102 for the average cost per month and the maximum at any one moment during the month was \$320.05
16 a megawatt hour.

17 On page 6-23, in the Energy Initiatives (EI) report, Mr. Rinebold asked about the Macquarie and BP Energy will be
18 considered for suppliers for additional bi-lateral contracts for energy diversity. Mr. Hendershot said the Division is
19 working on consummating EEI's with them. He said WED hopes to add them to the fleet of choices and noted WED is
20 close to an agreement with Macquarie. He said with BP, the on-boarding form has been completed. Mr. Rinebold
21 said this was a good move.

22 Mr. Rinebold noted he couldn't find the footnotes on the table on page 6-22. Mr. Hendershot said he would follow-
23 up with Craig Kieny of Energy Initiatives (EI).

24 **WATER DIVISION**

25 Mr. Hendershot noted that water production for February totaled 87,525 million gallons, a decrease of 5.3% from
26 February 2017; reservoir storage at months end was at 89.6% of total effective impoundment, which is above the
27 historical average for February of 86.3%; precipitation for the month total 6.64 inches which is 77% above the
28 historical average.

29 Pond Hill Interconnection Station

30 Mr. Hendershot said on site construction will begin in the spring and noted Water Division staff is reviewing shop
31 drawing submittals from the Contractor, Kovacs Construction Co. Chair Beaumont asked if electrical work was being
32 done at this site. Mr. Hendershot said poles have been set for the three-phase extension. He said the Water
33 Division's Contractor will build the riser and the Division will connect it.

34 Mr. Hendershot noted that during February, Division crews responded to three service leaks, but no water main
35 breaks and responded to four frozen meters but no frozen pipes during the month. He said efforts to fill vacancies
36 are in his summary comments.

1 **WASTEWATER DIVISION**

2 Mr. Hendershot reported that at the Wastewater Treatment Plant, the average daily flow during February was 8.37
3 MGD, a 46% increase from February 2017. He said nitrogen discharge for the month was just under 900 pounds per
4 day which he said was significantly over the 2017 discharge rate of 491 pounds per day as well as the permit level of
5 269 pounds per day. Mr. Hendershot noted that Mr. Amwake's portion of the monthly report has a detailed
6 description of this cold weather and high flow phenomena. Mr. Amwake said this portion of the report is on 6-
7 103. He explained there was high flow combined with low temperatures and anoxic conditions cannot be achieved
8 which are needed for denitrification. He said he expected to turn the corner on March 9, but this has not as of yet
9 occurred. He said March is expected to be another challenging month for nitrogen treatment.

10 Mr. Hendershot noted that staff televised 12,702 linear feet of sewer main, with 4,069 feet having been flushed.
11 Applications for the vacant Attendant II position were due by February 13. A list of candidates is expected from the
12 Personnel Dept.

13 **WWTP Facility Plan**

14 Mr. Hendershot said that Thursday's (March 15, 2018) workshop was productive. He said Mr. Amwake and AECOM
15 have meet with DEEP to discuss the submitted 120-day Fast Track plans and address their questions. Mr.
16 Hendershot asked at what point the PUC was considering endorsing the request for the bid-waiver be added to the
17 agenda. Chairman Beaumont suggested this be inserted during Water/Sewer as 9A or 9B.

18 **Private Side I/I Mitigation Program**

19 Mr. Hendershot said staff conducted 47 inspections and identified 6 total connections. He said YTD I/I efforts have
20 resulted in 93 inspections and 11 connections identified. He noted since its inception, the I/I program has resulted in
21 902 inspections, with 125 issues found and 63 corrected. Mr. Rinebold thanked Mr. Amwake and staff for their
22 explanation on nitrogen. He asked about buying nitrogen credits and what the cost would be for the exceedance.
23 Mr. Amwake explained the cost per credits changes each Fiscal Year based on what DEEP puts forth. He noted that
24 last Fiscal Year, our purchase price was \$211,000. Mr. Birney noted there were high-level technical questions
25 regarding the nitrogen market at the workshop. Mr. Amwake said right now what they are selling is equal to what
26 they are buying. He said before, one side was supported and was basically subsidized so the cost of buying credits
27 may not have been the true cost. He said right now, the buying end has gone up because they are using market
28 conditions.

29 **Vote: 3 ayes**

30 **PUBLIC QUESTION & ANSWER PERIOD – 7 p.m.**

31 Mr. Gale asked for FY 17/18, how much was paid out of Electric Division Account #923 to date for the CMEEC
32 arbitration. Mr. Sullivan said checks cut through December 2017 for expenses totaled short of \$225,000. Mr.
33 Hendershot said they estimate another \$119,000 based on January/February actuals and our estimate for the rest of
34 the Fiscal Year. Mr. Gale asked about the total for the Fiscal Year. Mr. Hendershot said the total for the Fiscal Year
35 would be approximately \$347,000. Mr. Gale asked about the 2018/2019 budget, and whether there was anything
36 for the CMEEC arbitration. Mr. Hendershot said there is something budgeted, but noted these are operating funds
37 which don't carry forward if not spent unlike most Capital appropriations that do carry forward. Mr. Hendershot said

1 if we don't spend all of the \$119,000 that we think we'll need to spend if this goes to full arbitration, then it carries
2 into the next year. We wanted to have funds in the budget next year in case this is still going on after June 30. He
3 said if the process ends, the money wouldn't be spent. Mr. Hendershot said he expects the arbitration to be
4 completed before the end of June. Mr. Gale asked how many energy audits were conducted in February, noting it
5 was not in the Director's Report. Mr. Hendershot said 44 energy audits were conducted. Mr. Gale asked about the
6 average cost. Mr. Hendershot said the 44 audits cost approximately \$1,000 apiece.

7 Ms. Koepfer asked about the nitrogen numbers, noting a few times the number was 900 lbs. and this was high. She
8 asked if anything can be done to bring the number down or do we have to wait for the upgrade to the treatment
9 plant. Mr. Amwake said currently we are carbon limited and this affects the nitrogen. He said at this point with our
10 current wastewater treatment system, we basically do have to wait for lower flows and higher wastewater
11 temperatures. Mr. Amwake said with the phosphorus treatment technology, (the ballasted floc system) that we
12 have proposed for the phosphorus upgrade we do expect this to help the nitrogen numbers. He said the facility plan
13 is a two-part plan and in the full plan, the 210-day study, has a nitrogen model going on and have not as of yet
14 received the results of this model. Ms. Koepfer asked about the subsidized market. Mr. Amwake said this is a big
15 cost, but we also have to look at the return on the investment. He said there are other wastewater treatment plants
16 in the state which have invested millions of dollars and the benefit of selling the nitrogen credits have gone down.
17 He said this will be looked at in the second half of the facility plan. Mr. Amwake said the first focus was phosphorus,
18 because the funding deadline is July 1, 2019 for the maximum grant funding.

19 Ms. Mushinsky said she spoke to DEEP today, and was told the State still needs more nitrogen credits and they are
20 to be worth less because there are more players. She said there is a bill in front of the Finance Committee (SB415)
21 which would give combined sewer overflow separation projects like MDC more money and other wastewater
22 treatment projects would get less money. She said she is trying to get the bill killed.

23 **END OF PUBLIC Q & A AT 7:13 p.m.**

24 **WATER/SEWER**

25 7. Discussion and Action: Approval of Water Division Budget for Fiscal Year 2018/2019.

26 Chairman Beaumont explained there have been some changes since the workshop with the Mayor and the
27 Comptroller Jim Bowes. He said some numbers have also been updated but there are still some numbers
28 outstanding. Mr. Birney gave kudos to Mr. Amwake on the decrease in outside services for the upcoming Fiscal Year,
29 which he said was in line with FY 17/18 but a lot less than 2016/2017. He asked why this has decreased substantially.
30 Mr. Amwake said actual for 16/17 included a large arbitration cost and in 16/17 we had the dam inspections and
31 preparations for the emergency action plans for three dams which cost approximately \$71,249. He said these two
32 resulted in a \$100,000 swing. He noted the environmental action plans were a one-time cost.

33 Mr. Hendershot pointed out that since the PUC received the information and his updated March 15 memo, the
34 Dept. of Law has worked with AMTRAK to reduce the catch-up cost for the decade plus of unbilled crossing permit
35 fees. He said in Water, not reflected in these numbers, is a \$40,390 reduction in those costs. Mr. Amwake noted the
36 Mayor has asked if we can fund this in FY 17/18. He said \$56,100 should drop to \$9,300. Mr. Hendershot said the
37 money will be spent but it won't be in the 18/19 budget. He said the Mayor is looking for us to work with AMTRAK
38 and pay this out of this year's budget.

1 Chairman Beaumont asked that the original motion and second to approve the Water Division Budget for FY
2 2018/2019 as presented be withdrawn and a new motion made and the second withdrawn. Mr. Rinebold withdrew
3 his second and the motion made by Mr. Birney was also withdrawn and a new motion made.

4 **Mr. Birney made a motion to approve the Water Division budget for FY 2018/2019 as amended to reflect the**
5 **reduction of \$40,390 in Account #930 (Misc. General Expenses). Mr. Rinebold seconded the motion.**

6 **Vote: 3 ayes**

7 8. Discussion and Action: Approval of the Sewer Division Budget for Fiscal Year 2018/2019

8 Mr. Hendershot said there will be a reduction of \$14,890 in Account #930.

9 **Mr. Birney made a motion to approve the Sewer Division Budget for Fiscal Year 2018/2019 as modified with a**
10 **reduction of \$14,890 in Account #930. Mr. Rinebold seconded the motion.**

11 **Vote: 3 ayes.**

12 9. Review of Water/Sewer Disbursements for the Month of February 2018

13 On 9-25, Mr. Rinebold asked about the AECOM account of \$191,000. He asked if this would be folded into the future
14 work, or is this work that has already been budgeted, undertaken or completed. Mr. Amwake said we currently
15 budgeted this and currently have the draft paperwork to send to DEEP for the 55% grant. On page 9-25, Mr.
16 Rinebold asked about SCADA. Mr. Amwake said this is an old project to do SCADA improvements on the sewer side
17 specifically at the pump stations because we are currently running the pump stations blind. He said this is a new
18 project. He said there are parallel projects with SCADA improvements at the Pistapaug Water Treatment Plant. The
19 Sewer Division SCADA project specifically cut out any SCADA at the Wastewater Treatment Plant figuring it would be
20 disturbed or rolled into a larger upgrade at the Wastewater Treatment Plant as part of the facility plan.

21 Chairman Beaumont asked for a motion to waive Article 1, Section 1 to place an item on the Agenda with regards
22 with request for discussion and action on a bid waiver for AECOM.

23 **Mr. Birney made a motion to add to the agenda the memo dated March 19, 2019 regarding the request for bid**
24 **waiver for AECOM for design services for the phosphorus removal. Mr. Rinebold seconded the motion.**

25 **Votes – 3 ayes.**

26 Mr. Hendershot said on Thursday night, there was a request from the Mayor's Office to obtain the PUC's
27 endorsement for a bid waiver. He said in addition to the memo, this was verbally discussed with the Purchasing
28 Agent and he concurred with the appropriateness of this request and the way it was made. Mr. Rinebold said he was
29 comfortable with the materials. He asked what the confidence level would be of meeting the June 30, 2019 deadline
30 for the 50% funding if we had to go through the bidding process. Mr. Amwake said the confidence level would be
31 zero.

32 **Mr. Birney made a motion the PUC recommend the Town Council to adopt the request for bid waiver for AECOM**
33 **to provide engineering services, based upon Mr. Hendershot's March 19, 2018 memo and for reasons stated on**
34 **the record tonight.**

1 **Vote: 3 ayes**

2 **ELECTRIC**

3 10. Review of Electric Division Disbursements for the Month of February 2018

4 Mr. Birney asked about the impact the two March storms has had on the 2017/18 budget and what type of impact if
5 any these storms had on the operating budget and will we plan differently. Mr. Sullivan said the storms have had an
6 impact and the Division will return to the PUC by the end of the Fiscal Year for a transfer into Account #593. Mr.
7 Birney asked if the Division keeps a running total of storms. Mr. Sullivan noted that some of the storms where FEMA
8 has been involved are tracked more closely and the Division segregates them into separate work orders in order to
9 get FEMA reimbursement, noting this is not the case for the small storms. Mr. Hendershot said it is easy to recreate
10 the cost of the small storms because it is usually over only one pay cycle. Mr. Sullivan said when the storms occur
11 earlier in the Fiscal Year, there are funds to cover this. Mr. Rinebold asked on 10-3, about two McCarter & English
12 for approximately \$8,000 at \$1,700. Mr. Sullivan said this is associated with EEI for Macquarie. Mr. Rinebold asked if
13 we got reimbursed for this. Mr. Hendershot explained this is to set up Macquarie as a counterparty for bidding on
14 wholesale power.

15 11. Discussion and Action: Resolution – Lehr

16 **RESOLUTION**

17 WHEREAS, the Board of Public Utilities Commissioners of the Town of Wallingford wishes to congratulate

18 Paul Lehr

19 Upon his retirement, after over 37 years of dedicated service to the Wallingford Electric Division; and

20 WHEREAS, the Commissioners do hereby express their gratitude to Mr. Lehr for his outstanding efforts and
21 professionalism over the years on behalf of the Wallingford Electric Division; and

22 WHEREAS, Mr. Lehr's dedication to ensuring the safe and reliable operation of the Electric Division's substations,
23 SCADA, radio systems, etc. has made a measurable impact on the Division's service reliability, and will be sorely
24 missed; and

25 WHEREAS, Paul's availability and willingness to report to work at all hours and in all conditions to support
26 unscheduled switching operations, substation problems and alarms, and storm restoration efforts has been second
27 to none; and

28 WHEREAS, Paul's (but really Ann's) delicious breakfast contributions to the many morning meetings which he
29 attended will surely be missed; and

30 WHEREAS, Mr. Lehr's many acts of kindness toward his fellow employees and their families will certainly be missed;
31 and

1 NOW BE IT THEREFORE RESOLVED that this Commission goes on record as extending to Paul Lehr best wishes and
2 good health in the future. Enjoy your time with Ann, your granddaughter, and of course the four-legged members of
3 the family.

4 Unanimously Adopted by:

THE PUBLIC UTILITIES COMMISSION

5 Robert N. Beaumont, Chairman

6 Patrick M. Birney, Vice-Chairman

7 Joel Rinebold, Secretary

8 **Mr. Birney made a motion to approve the Lehr Resolution. Mr. Rinebold seconded the motion.**

9 Chairman Beaumont noted this is the second electrician the Division has lost in two months. Mr. Hendershot said
10 Mr. Lehr will be missed and noted Mr. Lehr made his life easier by his performance and assistance as the IBEW Local
11 457 Assistant Business Agent.

12 **Vote: 3 ayes**

13 12. Discussion and Action: Approval of the Electric Division Budget for Fiscal Year 2018/2019

14 Chairman Beaumont noted there are no unusual changes. Mr. Hendershot said there have been no changes since
15 the material was provided. Mr. Birney asked Mr. Hendershot to walk through the Capital Expenditures compared to
16 17/18, and then appropriating 17/18 and then 18/19.

17 Mr. Hendershot said typically not all of capital that is budgeted and appropriated in a specific FY gets spent in that
18 FY. He said this is why the Town's budget and finance procedures allow for carry-forward funds. He said the actual
19 column labeled 6/30/17, talks only about monies appropriated for the first time in FY 16/17, and how much of that
20 was spent. Mr. Hendershot said in round numbers the Capital Budget is approximately \$3.5 million. He said by only
21 spending \$2.2 million out of \$3.5 doesn't appear the Division is getting all of its Capital done, but not included is how
22 much carry-forward from the previous year and the years before that, were spent in this FY and that continues on
23 indefinitely. He said if a check is cut before June 30, it becomes an actual expense. Mr. Sullivan and Mr. Hendershot
24 note that carry-forwards spent through January were almost \$2.2 million including new monies and carry-forwards.

25 Mr. Hendershot said the alternative is constantly re-budgeting things. He said we are \$2.2 million through seven
26 months. Mr. Sullivan said this is fairly consistent from year-to-year. Mr. Hendershot said the Division tries to do pole
27 and transformer replacements, a five-year effort of streetlight replacements, and sub-station work. He said when
28 this is added up together it amounts to approximately \$3.5 million.

29 **Mr. Birney made a motion to approve the Electric Division Budget for FY 18/19 as provided. Mr. Rinebold**
30 **seconded the motion.**

31 **Vote: 3 ayes**

32 13. Discussion and Action: Budget Transfer – Account 923 – Outside Services

1 In his March 15, 2018 memo, Mr. Hendershot explained that Mr. Sullivan describes the need for an additional
2 \$190,000 in Account 923 - Outside Services. His memo also states that funds are available, collectively from
3 Accounts 920 – A&G Salaries, and 926 – A&G – Employee Pensions, to provide for the requested transfer. Mr.
4 Hendershot said the need for this transfer is twofold – First to adequately fund the FY to date and on-going CMEEC
5 dispute resolution/arbitration effort through June 30, 2018, \$168,000 needs to be added to Account 923. Second,
6 the Division requires an additional \$22,000 also in Account 923 for on-going consulting fees associated with a
7 regularly-scheduled FERC mandated audit of the WED’s compliance with mandatory transmission system and
8 substation facilities reliability standards.

9 Mr. Birney said he posed questions requesting the transfer of \$92,000 from Acct. 920 which represents 14.4% of the
10 total 2017/2018 appropriation from Acct. 920 and asked for more detail. He noted in Acct. 920, there was a
11 decrease of 2.98% in 2018/2019 budget. Mr. Hendershot explained that funds are available in Acct. 920 because of
12 the period of time the Division was without a General Manager, (one-half year of a salary), and when the position
13 was ultimately filled, it was at a lower rate. Mr. Hendershot said there was an entry-level account clerk working at
14 entry level pay and when the budget was prepared at this time a year ago, we budget for the salaries of the people
15 who are there.

16 Mr. Hendershot said Acct. 926 is employee costs related to insurance and pensions. He said when the budget is
17 prepared, full-employment is assumed and we don’t assume wage increases for unsettled contracts. He said this is
18 why funds are available for Accts. 920 & 926. Mr. Birney asked what the budgeted 2017/18 amount for the two
19 Consultants and Attorney used in the CMEEC arbitration vs. what we are actually seeking in expenditure of both in
20 dollars as well as the percentage of the total.

21 Mr. Hendershot explained that when the year began, the Division budgeted \$130,000, with \$100,000 going for
22 Attorney and arbitration costs and \$30,000 going for Consultants or expert witnesses. Mr. Birney asked where the
23 \$130,000 figure came from. Mr. Hendershot said he believed these discussions Mr. Adair may have had with Atty.
24 O’Neil. Mr. Hendershot said the anticipated total which includes monies spent through January and February and
25 based on Mr. O’Neil’s estimate of his firm’s cost, arbitration cost and Consultant/expert witness costs is expected to
26 be \$333,000 for legal and arbitration, and \$17,000 for Consultants and expert witnesses. Mr. Birney asked what
27 amount of this was going to McCarter & English. Mr. Sullivan said almost \$58,000 was billed so far and another
28 \$11,000 expected. Mr. Birney noted that if \$100,000 was budgeted, we have already spent \$127,000 and the
29 remainder to get us to \$330,000 would be \$203,000.

30 Mr. Sullivan pointed out that straight legal fees from McCarter & English through everything we have been billed
31 through February is \$210,000 for legal excluding arbitration fees and consultants. He said the breakdown would be
32 \$210,000 for legal; \$58,000 for arbitration fees and \$7,800 for Consultants. Mr. Birney asked how much in fees
33 McCarter & English waived in 2016/17 leading up to June 30. Mr. Hendershot said he didn’t know the amount of the
34 May and June 2017 bills. Mr. Birney said he believed it was approximately \$32,000. Mr. Birney asked what the
35 proposed effective rate of McCarter & English in 2017/18. Mr. Hendershot said this figure was \$250 an hour. Mr.
36 Birney asked if this effective rate was checked. Mr. Hendershot noted that all the bills are sent to the Legal Dept.
37 and the math is checked as well and that was the effective rate.

38 Mr. Birney said we spoke loudly at the tail end of the last FY regarding McCarter & English’s invoices and we
39 received certain concessions. He said based on lengthy discussions with McCarter & English, a budget was

1 formulated from 2017 - 2018. He said this was a budget with a history of McCarter & English and what they fully
2 expected. He said he understood a large concession was the \$250 an hour rate which he noted was well-below
3 market. Mr. Birney said there clearly has been considerable post-arbitration work, a significant amount for
4 supplemental information for the Arbitrator that no one anticipated. He believed this is a result of the Arbitrator
5 wanting to ensure his I's were dotted and T's crossed related to a potential arbitration decision. He said there was a
6 substantial amount of work no one anticipated. Mr. Birney said he is disappointed with Mr. O'Neil's ability to
7 budget, noting he believed we are likely above what was anticipated in July and August, but in terms of where we
8 are and where we need to go, he is in support of this request for transfers and will approve it.

9 Chairman Beaumont agreed with Mr. Birney regarding the additional requests by the Arbitrator. He said these were
10 not anticipated. He said his expectation was to go through the Arbitrator and receive a decision. He said it would
11 have been better if the actual came out closer to the budget. Mr. Rinebold said he agreed with Mr. Birney'
12 comments and the Chairman's comments in that he is disappointed in the ability to more accurately project legal
13 costs but given the timing of where we are right now and would be foolish to change our course and is inclined to
14 move forward.

15 **Mr. Birney made a motion to approve the 2017/18 budget transfer into Acct. 923 for the reasons stated in the**
16 **memo dated March 15, 2018 from Mr. Sullivan as well as the reasons stated on the record and based on the**
17 **questions and answers stated on the record tonight. Mr. Rinebold seconded the motion.**

18 **Vote: 3 ayes**

19 14. Discussion and Action: Budget Transfer - Account 369 – Services

20 **Mr. Birney made a motion to approve the Budget Transfer to Acct. 369 based on reasons stated in Mr. Sullivan's**
21 **March 14, 2018 memo. Mr. Rinebold seconded the motion.**

22 **Vote: 3 ayes**

23 **PUC**

24 15. Discussion and Action: Approval of the PUC Budget for Fiscal Year 2018/2019

25 **Mr. Birney made a motion to approve the PUC Budget for FY 2018/2019 as submitted. Mr. Rinebold seconded the**
26 **motion.**

27 **Vote: 3 ayes**

28 16. Discussion and Action: Amend PUC Minutes – 2.6.18

29 The Minutes were amended to include participates in the Feb. 20, 2018 Executive Session which included Chairman
30 Robert Beaumont; Commissioners Patrick Birney and Joel Rinebold; Public Utilities Director Rick Hendershot;
31 Electric Division General Manager Tony Buccheri and Mayor William Dickinson.

32 **Mr. Birney made a motion to amend the Minutes of Feb. 6, 2018 to reflect the above changes as per the Memo by**
33 **Kathy White. Mr. Rinebold seconded the motion.**

1 **Vote: 3 ayes**

2 17. Committee Reports

3 a. Energy Efficiency Services – Annual Report

4 Mr. Hendershot distributed copies of the WED's Energy Efficiency Services Annual Report and the statewide version.
5 He said there is a page devoted to Wallingford and WED's logo is on the back cover. Mr. Hendershot said WED's own
6 employee Walter Szymanski is pictured as a member of the Energy Efficiency Board. Mr. Hendershot also passed
7 around the example of the new logo featuring a lineman on the electric pole. Rep. Mushinsky said a member of the
8 Energy Efficiency Board will be happy to make a presentation to the PUC.

9 18. Correspondence

10 Mr. Hendershot passed around an email from Julie Cammarrota regarding SBB-3 which was passed by the Energy
11 Committee and sent to the floor.

12 19. Executive Session pursuant to Section 1-225(f) and 1-200 (6)(A) concerning appointment and employment
13 evaluation of a public employee

14 **Motion to go into Executive Session at 8:17 p.m. made by Mr. Birney and seconded by Mr. Rinebold.**

15 **Vote: 3 ayes**

16 **ADJOURNMENT**

17 Mr. Birney made a motion to adjourn the Meeting at 9:44 p.m. which was seconded by Mr. Rinebold. The motion
18 passed unanimously.

19

20 Respectfully submitted,

Respectfully submitted,

21

22 Cynthia A. Kleist

Joel Rinebold

23 Recording Secretary

Secretary