

DRAFT
SPECIAL MEETING
PUBLIC UTILITIES COMMISSION
ELECTRIC DIVISION
100 JOHN STREET
WALLINGFORD, CT 06492

TOWN OF
WALLINGFORD

MAY 21 2018

DEPARTMENT OF
PUBLIC UTILITIES

FRIDAY, MAY 18, 2018

3:00 P.M.

MINUTES

PRESENT: Chairman Robert Beaumont, Commissioner Patrick Birney, Director of Public Utilities Richard Hendershot, Water and Sewer Divisions Business Office Manager William Phelan, Recording Secretary Kathy White.

The meeting was called to order at 3:05 p.m.

1. Pledge of Allegiance

2. Discussion and Action: Sewer Division – Budget Amendment – Cash to Treatment Plant Structures and Improvements – A/C 46300331.

Mr. Phelan advised the Commission that they had a budget amendment before them dealing with phosphorus, a topic which has been previously discussed. Looking for funding for the design and upgrade of the wastewater treatment plant. With that said, we have received approval from DEEP with respect to the cost and scope of services related to the design portion of the Wastewater Treatment Plant upgrade.

Due to the timeframe which involves getting the construction contract signed before July 1, 2019, we did not want to waste any time, hence calling the Special Meeting. Mr. Phelan stated that he didn't think this came as a surprise to anyone as we are looking to appropriate these funds, however, based on the timeframe, it may be sooner than most would have anticipated.

Mr. Beaumont stated that it must be done and then asked if there were any questions.

Mr. Birney started off by apologizing as he had not had time to focus on the memo and would like to review it now.

Upon review, Mr. Birney indicated that he had a couple of questions. The transfer from Retained Earnings to Treatment Plant Structures and Improvements – if the \$3.4 million transfer is made; we will be 4.8 million cash above minimum. Correct?

Mr. Phelan stated no, before the transfer we had \$4.896 million. After the transfer there will be \$1.4 million above minimum. With that said, he noted to keep in mind that we will be receiving grant money.

Mr. Birney asked how quickly we could expect the grant money. Mr. Phelan advised that it is anticipated that we will receive these funds in approximately September 2019. With the start of construction on the plant by July 2019, we will bundle all (design and facility construction costs) together as one large grant reimbursement. This way there is only one "closing" for the entire project, allowing us to save on costs associated with the closing. Will also have the ability at that point with the cash available and the grant money coming in to have sufficient cash to provide us with money for the next several fiscal years for rate stabilization.

Mr. Hendershot stated that after the closing, there will be an initial "invoicing" from the contractor for the first month which includes everything which has accumulated up until that point (mobilization, trailers, his costs for performance bonds, etc.). Then we will take his first invoice and combine it with AECOM's \$3.4 million dollar fee. All of that will then become the first offering to the State which now includes approved fee and scope of the contractor and his contract. The State will then review same and the grant and loan funds will then begin.

Mr. Phelan said that in addition to that, the State is in a position where they, the DEEP, have provided grant monies to municipalities in the past for design and facilities plans and found that those plans had gotten shelved. In essence, the State put out the money before construction actually began. They are currently trying to get away from reimbursing monies prior to construction.

Mr. Birney – the \$3.5 million will be paid over time on a monthly basis?

Mr. Phelan – depending upon their level of effort for services.

Mr. Birney – in terms of the turnaround time – had we expected it to be that quick?

Mr. Hendershot stated that he felt that the DEEP had done as well as could be expected. Maybe a little faster than typical; but I think they are trying to support our schedule.

Mr. Birney asked if there were questions or concerns regarding the documents, the Scope of Services?

Mr. Hendershot advised that there are none.

Mr. Beaumont advised that of the \$3.4 million, the division is expecting about 42% back.

Mr. Phelan felt that AECOM tried to give the Sewer Division an idea as to the overall project. The average percent that we may get back. As long as all the costs associated with design are eligible costs there should not be an issue. There may be some costs that are not considered eligible for whatever reason when the job is done but all in all we are expecting

50% for design, 55% for the facility plan ...then other figures are averaged in and the 42% was then arrived at.

Mr. Beaumont -- if there are no additional questions, I will consider a motion.

Mr. Birney made a motion to approve the budget transfer for reasons stated in the May 15, 2018 memo to Mr. Hendershot from Neil Amwake as well as for reasons stated on the record at this special meeting. Mr. Beaumont seconded the motion.

Votes: 2 ayes

Adjournment

Mr. Birney made a motion to adjourn the meeting at 3:15 p.m. Mr. Beaumont seconded the motion which passed unanimously.

Respectfully submitted,

Respectfully submitted,

Kathy White
Recording Secretary

Joel M. Rinebold
Secretary