

1 **Public Utilities Commission**

2 **Electric Division**

3 **100 John Street**

4 **Wallingford, CT**

5 **September 4, 2018**

TOWN OF
WALLINGFORD

SEP 10 2018

DEPARTMENT OF
PUBLIC UTILITIES

6 **MINUTES**

7
8 **PRESENT:** Robert Beaumont – (via telephone); Commissioners Joel Rinebold and Patrick
9 Birney (acting as Chair); Director Richard Hendershot; Electric Division General Manager Tony
10 Buccheri; Office Manager Tom Sullivan; Water and Sewer Divisions General Manager Neil
11 Amwake; Office Manager Bill Phelan; Geoff Einhorn, Assistant Town Attorney; Cynthia Kleist,
12 Recording Secretary; Public – none.

13 Acting-Chair Birney called the Meeting to order at 6:32 p.m. and the Pledge of Allegiance was
14 recited.

15 **1. Pledge of Allegiance**

16 **2. Consent Agenda**

- 17 a. Consider and approve Minutes of August 21, 2018
18 b. Consider and approve Budget Transfer – Electric – Account 598 – Misc. Distribution
19 Environmental – FY 17/18

20 In his August 29, 2018 memo, Mr. Sullivan explained that the Division is seeking an additional
21 \$42,800 in Account #598 – Distribution Maintenance-Misc. which covers expenses incurred by
22 the Electric Division in spill response, transformer oil testing and disposal. Mr. Sullivan in his
23 memo noted that because of a billing delay issued by the vendor, an earlier budget transfer
24 request was not sufficient to cover the accrual of all expenses incurred for the FY ending June
25 30, 2018. He said in his memo that funds for this transfer are available in Account #593 –
26 Distribution Maintenance-Overhead Lines where actual expenses associated with the May 2018
27 storm were less than originally estimated

- 28 c. Consider and approve Budget Transfer – Electric – Account 926 – Employee Pension
29 and Benefits – FY 17/18

30 In his August 29, 2018 memo, Mr. Sullivan noted that the Division was seeking a budget
31 transfer of \$300 in Account #926 – Administrative and General – Employee Pensions and
32 Benefits. He said in his memo the additional amount was needed to properly recognize pension
33 and overhead liabilities for the FY ending June 30, 2018; funds for the transfer are available in

1 Account #925 – Administrative and General – Injuries and Damages where the expenses
2 associated with the Electric Division’s workers compensation and general liability insurance were
3 less than budgeted.

4 d. Consider and approve Budget Appropriation – Electric – Account 368 – Distribution
5 Plant Transformers – FY18/19

6 In his August 29, 2018 memo, Mr. Sullivan explained that the Division is seeking a budget
7 request in FY 2018-2019 for an additional \$84,000 in Account 368 – Distribution Plant –
8 Transformers. Mr. Sullivan explained in his memo that the original budget for this account,
9 prepared in early 2018, relied on capital carry-forward funds to cover the purchase of the
10 current year’s transformer inventory but funds that the Division expected to be available were
11 instead utilized in this account before the end of the fiscal year, with the majority of those
12 expenditures related to the replacement of transformers damaged during the May 2018 storm.
13 This budget amendment requires action by the PUC as well as the Town Council.

14 Made by Mr. Beaumont

15 Seconded by Mr. Rinebold

16 Votes: 3 ayes

17

18 **3. Items Removed from Consent Agenda – None**

19 **ELECTRIC**

20 4. Discussion and Action: Donation of Pole and Associated Services to Town of Wallingford,
21 Police Department

22 In his August 28, 2018 memo, Mr. Buccheri explained that per Police Chief William Wright’s
23 memorandum to PUC Chair Bob Beaumont, he is seeking approval from the PUC to donate a
24 50-foot wood utility pole and associated labor required to install the new pole and remove
25 the old pole. Mr. Buccheri said in his memo that this pole donation is in support of the radio
26 upgrade project being undertaken by the Wallingford Police and Fire Departments. Mr.
27 Buccheri explained in his memo that WED crews will only be responsible for removing the
28 existing pole and installing the new taller pole to support microwave communications; the
29 radio system construction contractor will be responsible for removing the old equipment
30 from the existing pole and installing the new equipment on the new pole. Mr. Buccheri said
31 the total estimated cost (labor & material) for this donation is approximately \$2,000.

32 Mr. Rinebold asked the size of the existing pole. Mr. Buccheri said he believed the pole was
33 either a 40 feet or 45 feet noting the Police Dept. needed three more additional feet so the
34 50-foot. pole will give them what they require. Mr. Rinebold said he was concerned that a
35 slightly lower pole than what is needed could be installed. Mr. Buccheri noted this pole will
36 provide more height than what is necessary. Mr. Beaumont asked if this pole was Class 1 or

1 2. Mr. Hendershot said he believed the 50-foot poles were Class 1. Mr. Beaumont asked
2 how far into the ground the pole would go. Mr. Hendershot said the pole would go seven
3 feet into the ground.

4 **Mr. Beaumont made a motion to approve the donation of a 50-foot pole as well**
5 **as the installation for the purpose stated in the letter by Chief Wright. Mr.**
6 **Rinebold seconded the motion.**

7 **Vote: 3 ayes**

8 5. Discussion: Twenty First Century Storm Costs

9 In his August 27, 2018 memo, Mr. Sullivan noted the PUC, at their August 7, 2018 meeting,
10 requested a summary of the costs for the last five major storm restorations by the WED. He
11 said in his memo the storm events include Irene in August 2011; Alfred in October 2011; Sandy
12 in October 2012; the microburst event in June 2015 and the most recent windstorm in May
13 2018.

14 Summary of Storm Costs 2011-2018:

15 Irene August 2011- Labor and Overhead - \$273,689.11; Materials - \$60,393.70; Contractors -
16 \$318,506.04 – Total: \$652,588.85;

17 Alfred October 2011: Labor and Overhead - \$194,839.43; Materials - \$16,826.47; Contractors -
18 \$141,872.36; Total - \$353, 538.26;

19 Sandy October 2012 – Labor and Overhead - \$150,136.56; Materials - \$20,421.20; Contractors
20 - \$189,690.90; Total - \$360,248.66;

21 Microburst June 2015; Labor and Overhead - \$162,300.63; Materials - \$27,654.57; Contractors
22 \$136,397.58; Total \$326,352.78;

23 Windstorm May 2018 – Labor and Overhead - \$475,677.35; Materials - \$137,215. 97;
24 Contractors - \$529,673.13; Total - \$1,142,566.45.

25 Mr. Birney said he appreciated the time and effort that went into the summary and appreciated
26 having the opportunity to look at the actual costs as isolated by the events. He asked if the
27 percentage of labor and materials total was the same. Mr. Sullivan said he didn't do this
28 comparison. Mr. Hendershot noted that eyeballing this, they looked similar. Mr. Birney asked
29 about the windstorm from May 2018 noting he read there was a State FEMA denial. Mr.
30 Buccheri said the denial was for the individual homeowners. Mr. Beaumont said he found it
31 interesting that a 10-minute storm could do the damage it did. He noted Irene was all over
32 town while the May 2018 storm was in a comparatively narrow band. He thanked staff for their
33 work in putting these figures together.

1 **DISCUSSION ONLY – NO ACTION TAKEN**

2 **WATER/SEWER**

3 6. Discussion: Proposed Water and Sewer Divisions Town Center Zone Economic
4 Development Program – Reduced Units of Connection

5 Mr. Amwake said the Water and Sewer Divisions were approached by Tim Ryan, Wallingford
6 Economic Development Coordinator, regarding offering a program for reduced connection
7 charges for either commercial or multi-use properties within the recently adopted Town Center
8 Zone. He referred to the map which was adopted by the Planning & Zoning Commission a few
9 months ago. He reviewed the calculation of connection charges for both water and sewer which
10 he said was based on the size of the meter, and based upon the meter size, there is a certain
11 connection charge. Mr. Amwake said where there are a certain number of units on water, the
12 charge is \$1,150 per unit, and on sewer it is \$636 per unit. Mr. Amwake said if someone is
13 redeveloping the property or changing the property use where the meter size has to be
14 increased, the Division will give a credit, as long as there has already been payment for those
15 units.

16 Mr. Amwake noted that if one is redeveloping a property or changing the property use, where
17 the meter size has to be increased, a credit is given as long as one has already paid for those
18 units. He cited an example that if there was a 3/4-inch-sized meter and are renovating and
19 putting in greater uses that is worth three units; one goes up to 1-1/2, that is worth 11 units.
20 Mr. Amwake pointed out that traditionally, one would have to pay the full difference for the
21 eight units. He said what is being done in the Town Center Zone is to reduce these amounts.
22 He emphasized this is not a linear reduction, because the number of units don't correspond
23 linearly. Mr. Amwake said a large chart had to be created, because this depends on what sized
24 meter one currently has, and what size meter one is going to. He said a 25% or 50% reduction
25 just couldn't be applied because it depends upon the delta (the difference). Mr. Amwake said
26 this is retroactive to July 1, 2018, and was modeled after the current Electric Division program
27 in the Town Center so it is good for two years. Mr. Amwake said a cap was also put on this at
28 \$17,500 per division, per fiscal year to provide opportunities for many.

29 Mr. Rinebold noted there is no provision for existing 3, 4, or 6 inch meters. Mr. Amwake
30 explained that two-inch meters would be the largest existing meter within the Town Zone
31 Center based on customer service information. Mr. Beaumont noted that something has been
32 done in this area with regards to electric for a number of years. He said it was only appropriate
33 to try to attract businesses to the Town Center. He asked why there was a \$17,500 cap. Mr.
34 Amwake said the Division looked at savings or the reduction, basically the loss of revenue for
35 the Water and Sewer Divisions, he said he settled on \$17,500 for the cap. Mr. Amwake noted
36 there is certainly no hard and fast rule and would be open to discussion and/or input on this

1 number. He said there are two or three properties a year and didn't want to give away the
2 store.

3 Mr. Birney said there hasn't been a large financial or fiscal impact over the past five years; and
4 asked if there is something approved on July 1, and is that targeted towards that approval. Mr.
5 Amwake said this is specifically for the brewery behind the Police Station on Wallace Avenue.
6 Mr. Birney noted the Planning & Zoning Commission recently approved the Town Center Zone
7 as part of the overall Plan of Conservation and Development. He said there are efforts between
8 Town Departments and applauded this effort and will support this when this item is on a future
9 agenda.

10 **DISCUSSION ONLY – NO ACTION TAKEN**

11 7. Discussion and Possible Action: National Railroad Passenger Corporation ("Amtrak")
12 Licensing Agreements for Utility Installations.

- 13 a. Amtrak Tenant Account #06-03-476: 18 inch Sewer Pipe northeast of Chester
14 Avenue
- 15 b. Amtrak Tenant Account #06-03-480: 10 inch Water Main east of Allen Avenue
- 16 c. Amtrak Tenant Account #06-03-482: 10 inch Water Main at Allnex North
17 Connection

18 Mr. Amwake said within the Town of Wallingford, we have 22 utility crossings, between water,
19 sewer, electric, as well as public works and engineering; three of the crossings are subject to
20 license agreements and all three were executed in 1981 and were in effect for 25 years. He said
21 that it was his understanding that the Amtrak representative that did the licensing agreements
22 retired and the position was not filled and since that time the three licensing agreements
23 expired, no one has renewed them, and Amtrak's effort have only been towards new license
24 agreements. Mr. Amwake said last November following Thanksgiving, a new renewal was
25 received for the three crossing with expired license agreements. He said Atty. Einhorn was
26 assigned to work with the Divisions, noting that Atty. Einhorn took the lead on negotiating the
27 annual fee in arrears.

28 Atty. Einhorn said we were under the gun to find a new agreement to put into place per
29 Amtrak's time frame; we were constantly trying to extend the time frame they were giving us to
30 respond which was difficult. He said Amtrak presented to us a contract, and the significance of
31 the agreement is the arrearage amounts were reduced. He said there were four or five revisions
32 of which 90% of the requested changes were rejected by Amtrak. Atty. Einhorn noted this is a
33 repeat of the 1981 agreement and Amtrak added the jurisdiction of the District of Columbia.

34 Mr. Rinebold noted the 22 crossings and the three subject to these licensing agreements. He
35 asked what constituted licensing, and why these three. Mr. Amwake said when we originally got
36 these three; he went back to Amtrak and asked them to do a search for everything that
37 mentioned Wallingford. He said he was concerned that there would be a fourth or a fifth

1 crossing also subject to a license agreement. He said this agreement references the Allnex
2 North crossing, noting there is also an Allnex South crossing which is not subject to this
3 licensing agreement. Mr. Rinebold noted a specific provision we don't tax, we pay them for the
4 Right-of-Way but we don't tax Amtrak. He asked why we didn't tax this as an improvement.
5 Atty. Einhorn reiterated he tried to negotiate every questionable paragraph and were told this is
6 part of their standard agreement.

7 Mr. Rinebold asked Mr. Amwake about the precise language on repair and disruption of the
8 underground service. Mr. Rinebold noted these are also underground pipes and asked how they
9 would be worked on. Mr. Amwake said these pipes are in place until failure. He said it is a long
10 permit process to go under the railroad. Mr. Rinebold asked about the insurance provision. Atty.
11 Einhorn said he talked to Risk Management about this noting the gap from 2006 to the present.
12 Mr. Rinebold asked about the provision on the confidential nature of the agreement and how
13 this would be kept confidential. Atty. Einhorn wondered if this contract would become
14 confidential after it was executed. He pointed out that based on their language, this is a public
15 document.

16 Mr. Beaumont noted an excellent job was done at getting the reduction in arrearages. Mr.
17 Birney noted there is an option for an "out" with 30 days' notice. He said he was surprised at
18 the length of time for this contract in tandem with the annual increase of 2 ½%. He asked if
19 there was any concern that we would get locked into increases because of the term. Atty.
20 Einhorn said this is a CPI adjustment to keep the price current to them. He said he didn't
21 believe we asked for the options, we wanted to get current and get a new term.

22 **Mr. Beaumont made a motion to approve the Water and Sewer Divisions – National**
23 **Railroad Passenger Corporation ("Amtrak") Licensing Agreements for Utility**
24 **Installations – a. – Amtrak Tenant Account #06-03-476: 18 inch Sewer Pipe**
25 **northeast of Chester Avenue; b. to approve the Amtrak Tenant Account #06-03-480:**
26 **10 inch Water Main east of Allen Avenue; c. to approve Amtrak Tenant Account #06-**
27 **03-482: 10 inch Water Main at Allnex North Connection. Mr. Rinebold seconded the**
28 **motion.**

29 **Vote: 3 ayes**

30 **PUBLIC QUESTION & ANSWER PERIOD – 7:05 p.m.-NO QUESTIONS**

31 **PUBLIC QUESTION & ANSWER PERIOD END AT 7:05 p.m.**

32 **PUC**

33 9. Discussion and Action: Attendance at Law Seminar – Buying & Selling Electric Power in New
34 England – Mr. Birney said he will be out of town and requested no action be taken on this item.

35 10. Correspondence

1 Mr. Amwake acknowledged an email from Dianne Saunders of the Conservation Commission
2 complementing the Watershed crew regarding turtle hatchlings that were within the watershed
3 area. He said the Watershed crew did a great job all summer in not disturbing the turtle nesting
4 area and mowing around the nesting area. He said there were five hatchlings. The email was
5 entered into the record.

6 11. Committee Reports - none

7 **ELECTRIC**

8 12. Executive Session pursuant to CGS Sections 7-232a, 1-200 (6)(E), 1-225(f), 1-210(b)(5) (B)
9 and (b) (10) to discuss Microgen and commercially confidential, valuable and proprietary
10 information.

11 **Mr. Beaumont made a motion to go into the Executive Session at 7:08 p.m. to**
12 **discuss Microgen without further motions until a motion to come out of Executive**
13 **Session. Mr. Rinebold seconded the motion.**

14 **Vote: 3 ayes.**

15 **In attendance at the Executive Session was Director Richard Hendershot;**
16 **Commissioners Robert Beaumont; Patrick Birney; Joel Rinebold; Electric Division**
17 **General Manager Tony Buccheri.**

18 **ADJOURNMENT**

19 Mr. Beaumont made a motion to adjourn the Meeting at 7:57 p.m. Mr. Rinebold seconded the
20 motion which passed unanimously.

21

22 Respectfully submitted,

Respectfully submitted,

23

24 Cynthia A. Kleist

Joel Rinebold

25 Recording Secretary

Secretary

26