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DRAFT
PUBLIC UTILITIES COMMISSION
WALLINGFORD ELECTRIC DIVISION
100 JOHN STREET
WALLINGFORD, CT
Tuesday, October 15, 2019
6:30 p.m.

TOWN OF
WALLINGFORD
OCT 21 2019
DEPARTMENT OF
PUBLIC UTILITIES

MINUTES

PRESENT: Chair Robert Beaumont; Commissioner Joel Rinebold; Electric Division General Manager Tony Buccheri; Electric Division Office Manager Tom Sullivan; Water and Sewer Divisions Office Manager William Phelan; Recording Secretary Beth Dighello; members of the public – Jared Liu, Larry Zabrowski

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

1. Pledge of Allegiance

2. Consent Agenda

- a. Consider and approve the Minutes of October 1, 2019

Motion to approve the Consent Agenda:

Made by: Mr. Rinebold

Seconded by: Mr. Beaumont

Votes: 2 ayes

3. Items removed from Consent Agenda - None

4. Discussion and Action: Approval of the Director's Report for the Month of September 2019.

In Mr. Hendershot's absence, Mr. Buccheri presented the Electric Division portion of the Director's Report for September 2019.

On September 10th, Mr. Hendershot attended the Town Council meeting to assist the Mayor and Town Attorney with responding to questions from the Town Council and the general public regarding the Settlement Agreement with CMEEC which occurred earlier in the year.

41 On September 18th, Mr. Hendershot spend the bulk of the day in Hartford with General Manager
42 Amwake. In the morning, they attended a "meet the regulators" session co-hosted by DEEP
43 and CWWA. In the afternoon, they attended a meeting of state-wide task force regarding PFAS
44 and water quality.

45
46 On September 23rd, Mr. Hendershot along with General Manager Amwake and Senior Engineer
47 Krueger, met with the Town Planner to discuss items concerning development within the
48 watershed portion of the I-X and I-5 zoning areas.

49
50 Regarding the Electric Division's Office Building Review, the Architect provided the WED
51 managers with three (3) initial "plan views" of a revised WED office layout on September 27th.
52 WED staff is reviewing these initial plans.

53
54 Wallingford Renewable Energy has again revised its expected "go live" date to December, 2020.
55 The WED has therefore pushed back its anticipated completion date to October, 2020. Mr.
56 Beaumont asked about any issues. Mr. Buccheri responded that they are having issues with
57 permitting. They ran into some issues with language in the purchased power agreements that
58 are in place with both Eversource and UI. They have since verbally agreed with Eversource on
59 a plan.

60
61 Service work during September included five (5) new services, nine (9) service changes, and no
62 (0) retired services. Street light work included 39 LED street light conversions and four (4)
63 street light repairs. To date 1,832 LED streetlights have been installed, with 2,803 HPS
64 streetlights remaining to be replaced. During September, 13 poles were replaced, along with
65 11 aged overhead transformers. To date in fiscal year 2020 the Division has replaced 37 poles.

66
67 Regarding personnel, a new System Operator began work on September 25th, with an additional
68 System Operator scheduled to begin work on October 9th. Former WED Accountant Brian
69 Naples was appointed to the position of Assistant Office Manager, effective September 23rd.
70 The Division subsequently requested Mayoral approval to fill the now vacant Accountant I
71 position.

72
73 System input for September totaled 44,019 MWh, a decrease of 13.5% from 2018. Maximum
74 system demand for the month was 99.4 MW, a decrease of 24% from last year.

75
76 In August, 90.6% of the WED's total energy was hedged. The forecasted hedging level for
77 August was 87.1%. Wallingford Electric Division's all-in purchased power costs per MWh for
78 August actual were \$87.65. The 2018-2019 FY budget forecast for July was \$90.49. The
79 prevailing six-month average PCA forecast was \$93.91.

80
81 WED's generation cost per MWh average cost for hedged volume was \$43.42 and the average
82 cost for total volume was \$42.15.

83

84 The WED purchased 5,714 MWh of "short" energy at an average price of \$31.68, and realized a
85 \$19,054 benefit due to locational spread. These factors contributed to the average cost of all
86 energy being approximately 3% less than the average cost of hedged energy.
87

88 Mr. Beaumont commented that he was happy to see Brian Naples promoted. He said he has
89 done a very good job and has been impressed with him.
90

91 Mr. Phelan presented the Water and Sewer Divisions portion of the Director's Report for
92 September 2019. The Water Division experienced one (1) water main break and one (1)
93 service leak during September. Water main replacements for Contract 35 continues to advance.
94 As earlier reported, all of the new main line has been installed. During September, 24 more
95 services were connected to new mains on S. Orchard Street, and four (4) new main line tie-ins
96 were successfully accomplished.
97

98 Regarding Contract 36R, also known as Pond Hill Road, Ward Street Extension, Bonnie Court
99 and Wallace Street, the bids were opened September 19th. The low bidder's references were
100 being checked, and the project should be award shortly by the Bureau of Purchases.
101

102 The bids were opened for the installation of stand-by generators for Well 1 and Wells 2/3 on
103 September 18th, and at month's end the Water Division was preparing to recommend an award
104 to Central Electric and Generator from Cheshire, CT.
105

106 The Division's annual water main flushing program continued in September, with the flushing of
107 Zones 7, 8 and 9 accomplished. Efforts have now moved onto Zone 10, the final Zone. Seven
108 (7) hydrants were also repaired during September. During September, 86 watershed sanitary
109 survey re-inspections were performed.
110

111 Congratulations to Tom Esposito who was appointed to the position of Assistant Superintendent
112 for Water Supply and Treatment. The now vacant position of Water Treatment and Pumping
113 Supervisor was advertised on September 18th and closed on September 30th. The vacant
114 Electrical Technician position was re-advertised beginning August 23rd and closed September
115 16th. The Division awaits a candidates list from Human Resources. The posting for the Water
116 Treatment and Pumping Operator II vacancy closed September 30th. The posting for the Water
117 Treatment and Pumping Operator I position closed October 7th. The Division awaits a
118 candidates list for both positions from Human Resources. The posting to fill the vacant Water
119 and Wastewater Engineer/Planner position closed on September 17th. The Division awaits a
120 candidates list from HR.
121

122 During the month of September, water production totaled 110.3 million gallons, a decrease of
123 6.6% from September 2018. Reservoir storage at month's end was at 83.0% of total effective
124 impoundment. The historical average for September is 78.2%. Precipitation for the month
125 totaled 2.5 inches, which is 1.6 inches below the historical average for September. Precipitation
126 to date is 39 inches, which is 2.4 inches above the historic mean for the first nine months of the
127 calendar year.
128

129 Mr. Rinebold asked if there was any additional detail about the 144 cross connection device
130 tests and 34 cross connection surveys conducted in the Cross Connection Control Program. He
131 noted that it seemed like a lot of testing and surveys, and he asked if there was a reason. Mr.
132 Phelan responded that there are a significant number of cross connections inspections that are
133 required to be conducted annually. He said the surveys are also a DPH requirement.

134

135 Mr. Beaumont commented that it was nice to see Mr. Esposito promoted.

136

137 In the Sewer Division, staff responded to and resolved a total of six (6) WWTP alarms,
138 collection system trouble calls and vehicle issues during September.

139

140 At the WWTP facility, staff provided a written update of the status of construction effort just
141 prior to this evening's PUC meeting. During September, the collection system staff televised
142 9,298 linear feet of sewer main and flushed 230 feet of sewer. To date, 16.6 miles of sewers
143 have been televised and 7.0 miles have been flushed in 2019. Additionally, 64 manholes were
144 inspected during September.

145

146 There are no vacant positions in the Sewer Division.

147

148 At the Wastewater Treatment Plant, the average daily flow during September was 3.6 MGD,
149 which is 0.4 MGD less than the average daily flow of September 2018. The 12-month rolling
150 average daily flow remains at 6.6 MGD, which is below the 90% permit threshold of 7.2 MGD.

151

152 For September, the average level of phosphorus in the WWTP effluent was 0.45 mg/L, which is
153 0.14 mg/l less than the September 2018 level. Recall that the current permit level is 0.70 mg/L.

154

155 Nitrogen discharge for the month averaged 204 pounds per day. This amount is below the
156 September 2018 discharge rate of 312 pounds per day, and is under the permit level of 269
157 pounds per day. Average daily discharge to date in 2019 is 434 pounds through September.

158

159 Regarding the Private Side I/I Mitigation Program, during September, Division staff conducted
160 13 inspections, which identified three (3) properties with one or more connections. Also during
161 the month, two (2) issues were corrected. Since inception, the I/I program has conducted
162 1,639 inspections, identified 200 locations with connections and corrected 131 issues. Mr.
163 Phelan noted that the engineer who was in charge of that program has accepted a new position
164 and left the Town of Wallingford in the middle of August. Mr. Rinebold asked if the Division is
165 looking to fill that vacant position. Mr. Phelan responded that the position has been posted.

166

167 Mr. Rinebold asked if there is someone who follows up on these inappropriate corrections. He
168 asked what the solution would be for those people with inappropriate connections to dispose of
169 the water. He also asked what we do to prevent reconnections. Mr. Phelan replied that
170 depending on the type of connection, the Division staff will come up with some type of
171 remediation for that connection. The homeowner may also go out and get a contractor to
172 remediate the problem. They then would provide the Division with all the information required

173 to make sure the situation was mitigated. The Division will then follow up with an inspection to
174 make sure it conforms to our plan.

175

176 **Motion to approve the Director's Report for the Month of September 2019.**

177

178 **Made by: Mr. Rinebold**

179 **Seconded by: Mr. Beaumont**

180 **Votes: 2 ayes**

181

182

183 **Public Question and Answer Period**

184

185 Mr. Zabrowski commented that Sewer Division's infiltration [I/I] program is one of the best in
186 the state of Connecticut. He relayed to the Commission that a friend of his recently had an
187 inspection and found the Sewer Division employees to be very professional and thorough. He
188 said he was very proud of the way the Sewer Division handled it. Mr. Phelan said he would
189 pass that comment along. Mr. Zabrowski said he was hopeful that these inspections would
190 save us money at the wastewater treatment plant. He asked if there were any statistics
191 regarding how much money we have saved to date. Mr. Phelan pointed out that it states in the
192 Director's Report that it is estimated that 81,000 gallons have been removed this year, and a
193 total of 1.6 million gallons since the inception of the program. Mr. Phelan stated that those are
194 decent numbers, but there is a long way to go. Mr. Zabrowski also noted that the engineering
195 consultant at the new wastewater treatment facility is listed in the Top 10 of the Engineering
196 News records as far as international consultants on this particular work.

197

198 Mr. Jared Liu commented that back in 2006, the Town sold the power plant. Mr. Beaumont
199 replied that the Town did not sell the power plant. Mr. Liu said the Town sold the controlling
200 interest. Mr. Beaumont stated that three 7.5 megawatt units were installed back in the 1950's.
201 They were fired by coal for the first 25 or so years and then switched over to oil in the early
202 1980's. Thereafter, they were used periodically, not on a continuous basis. In 2005, we joined
203 with CMEEC. The Town owns the building and has an interest of approximately 32% of the 84
204 megawatt unit. It is a peaking unit and is only dispatched when ISO needs it. Mr. Beaumont
205 stated that in no way has the plant been sold. We are also receiving rent in the amount of
206 approximately \$336,000 per year. Of that \$168,000 goes to the Electric Division and \$168,000
207 goes to the Town of Wallingford. We have the right to opt out of the Pierce Project as of
208 12/21/2021. Mr. Beaumont said based on where we are today, he would not vote for that
209 unless things change.

210

211 Mr. Liu asked if before 2005 we owned 100%. Mr. Beaumont stated that the Pierce Plant was
212 highly inefficient before 2005 and wasn't being used. Mr. Sullivan said that at that time, we did
213 own the property including the land and the building and still do own the property. Mr. Liu
214 asked what term should be used instead of "sell" to refer to the change from a majority share
215 to a minority share. Mr. Beaumont replied that we took out some inefficient units that had not
216 been used for a good number of years. We had the opportunity to put something in there that
217 was a good deal for the Town of Wallingford as well as CMEEC and its members. We invested

218 in it, particularly because it happens to be in the Town's building. He reiterated that the Town
219 did not sell the plant. He said he feels the Town is doing well by not being responsible for
220 generation ourselves. We are doing well in the market in terms of purchasing our electric
221 power. He said there would have to be a very good deal for him to support going back to
222 generation.

223
224 Mr. Liu said he was still not clear on how the Town went from controlling 100% before 2005 to
225 controlling 32% after 2005. Mr. Beaumont responded that after 2005 we were an investor in a
226 much bigger unit. Mr. Liu said we are effectively getting \$336,000 per year having sold our
227 two-thirds share. Mr. Beaumont stated that we did not sell anything.

228
229 Mr. Zabrowski commented we have actually built on our megawatt capacity. He said we did not
230 sell anything.

231
232 Mr. Liu asked if the decision to move away from generation was made because it was cheaper
233 to buy power in the market or was it made because we were told to by the State. Mr.
234 Beaumont replied that we were not told to do so by the State. It was a business decision based
235 on the most cost effective way to do things. Mr. Liu asked if the Town wanted to get back to
236 generation, would we be allowed to. Mr. Beaumont replied that the only limitation would be
237 the amount of physical space on the site. Mr. Rinebold there is nothing that would preclude us
238 from returning to generation. Mr. Beaumont stated that we do generate strictly when ISO
239 asked us to do so. That generation is handled by CMEEC.

240
241 Mr. Liu stated that he has no criticism of the decisions that have already been made, he is
242 asking about decisions going forward. He asked if any Connecticut towns that have a license to
243 generate and transmit electricity do both. Mr. Beaumont replied that there are no towns in
244 Connecticut that do that. He said in Massachusetts there are a number of towns that are
245 generating, but not in Connecticut.

246
247 Mr. Liu asked how much cash is currently in the Electric Division's account. Mr. Sullivan replied
248 that we have approximately \$28 million. Mr. Liu asked how much is required. Mr. Sullivan
249 replied that the minimum cash reserve is just under \$20 million. Mr. Liu asked why the Division
250 is holding more than the required minimum. Mr. Sullivan replied that the PUC has used it to
251 hold the PCA to zero for the past 2-3 years. Fortunately, we have had a good experience with
252 our purchase power costs. Costs have come in a little bit lower than we projected. It is good
253 news and it means we have a little bit of cash left. Over the next two or three years, there will
254 be some periods when the PCAs will be negative.

255
256 Mr. Liu asked if there is a maximum amount of reserves that the Division is allowed to hold or
257 to earn. Mr. Sullivan replied that there is not a maximum amount allowed to be held. He said
258 rates are set to be 5-8% of our net plant. That doesn't impact the cash. Mr. Beaumont said as
259 a general rule, we try to hit the midpoint with rates. Mr. Sullivan noted that the income level is
260 before the contribution to the Town.

261

262 Mr. Liu stated that he believes the PUC has done a great job with financial management of the
263 Division, and he appreciated the PCA being held to zero. He asked if the number includes what
264 is unspent in the capital account. Mr. Sullivan replied that the allowance for that is in the
265 minimum cash reserve.

266
267 Mr. Liu asked if when trying to fill vacancies, the Division is seeing fewer numbers of qualified
268 applicants. He also asked if the Division has done anything like increasing salaries and benefits
269 to attract qualified applicants. Mr. Buccheri stated that when we are looking for linemen, we
270 always max out on applicants. We have no difficulty filling those positions.

271
272 Mr. Liu asked when the wastewater treatment plant was last upgraded. Mr. Phelan replied that
273 the last major upgrade was the denitrification project completed in 2005. He said other than
274 that it has had no major upgrades. Mr. Liu asked when the plant was built and how much it
275 cost to build it. Mr. Beaumont replied that it was built in the early 1990's [completion on July 1,
276 1989]. Mr. Phelan said it cost in the area of \$38 million to build it. Mr. Liu asked what the life
277 span is on the plant. Mr. Phelan replied that the life cycle is approximately 30-35 years. Mr.
278 Phelan stated that there is a reasonable amount of maintenance involved with the plant during
279 its life cycle. Mr. Liu asked if after 35 years, the Division would do a major upgrade or build a
280 new plant. Mr. Phelan said it depends on the population and the capacity of the plant. He said
281 we currently do not plan to increase the capacity of the plant based on water production
282 numbers and wastewater treatment influent volume. Mr. Liu said we are getting close to the 35
283 year mark and asked what the Division plans to do. Mr. Phelan replied that we are preparing
284 for a major wastewater treatment plant upgrade. There are now different technologies,
285 different treatment techniques and different equipment. The treatment process has changed.
286 Mr. Liu asked about the potential cost. Mr. Phelan responded that we have a construction bid
287 awarded to C.H. Nickerson in the range of \$45 million. That does not include any engineering
288 or contingencies, any financing or bonding costs. We have a funding authorization for \$60
289 million.

290
291 Mr. Liu asked how many gallons per day the plant processes. Mr. Phelan replied that it has a
292 capacity of 8 million gallons per day. During September, it treated an average of 3.6 million
293 gallons per day. Mr. Phelan stated that the Division does not expect to exceed 8 million gallons
294 per day.

295
296 Mr. Liu asked about staffing and vacancies at the Division. Mr. Phelan stated the Division is
297 working its way through some vacancies. The industry requires certain certifications, so the
298 pool of applicants is not as great as we would like it to be. Mr. Liu asked if other towns are
299 experiencing the same thing. Mr. Phelan responded that are also experiencing this.

300
301

302 **5. Review of Electric Division Disbursements for the Month of September 2019.**

303
304 There were no questions or comments.

305
306

307 **6. Review of Water/Sewer Division Disbursements for the Month of September**
308 **2019.**

309
310 There were no questions or comments.

311
312 **7. Discussion and Action: Resolution – Eber**

313
314 Mr. Phelan stated that Mr. Eber has been an employee of the Town for the past twenty-five
315 years. He started out as a Water Quality Inspector and has been at the water treatment plant
316 for the last twenty years. He is one of the most senior people there. His institutional
317 knowledge will be sorely missed.

318
319 **Motion to adopt the Water Division Resolution for Mr. Eber.**

320
321 **Made by: Mr. Rinebold**

322 **Seconded by: Mr. Beaumont**

323 **Votes: 2 ayes**

324
325 **8. Discussion and Action: Resolution – Thibodeau**

326
327 Mr. Phelan stated that Mr. Thibodeau came to Wallingford from the Regional Water Authority.
328 He has been with us for about eleven years. He brought with him a sense of humor and a
329 gentleman-like manner. He also brought a different perspective on water treatment
330 technologies. His mechanical aptitude was second to none. He was a mentor to the other
331 treatment plant operators. He will also be sorely missed.

332
333 **Motion to adopt the Water Division Resolution for Mr. Thibodeau.**

334
335 **Made by: Mr. Rinebold**

336 **Seconded by: Mr. Beaumont**

337 **Votes: 2 ayes**

338
339 **9. Discussion and Action: Set Workshop Date – Sewer Cost of Service Study and**
340 **Retail Rate Modeling.**

341
342 Motion to set the workshop date for the Sewer Cost of Service Study and Retail Modeling for
343 Thursday November 7, 2019 at 377 S. Cherry Street at 6:30 p.m.

344
345 **Made by: Mr. Rinebold**

346 **Seconded by: Mr. Beaumont**

347 **Votes: 2 ayes**

348
349 **Correspondence**

350

351 Mr. Buccheri mentioned a memo from Program Planning to Jim Bowes dated October 9, 2019
352 regarding FEMA funds for Category F – Public Utilities. We will be receiving the reimbursement
353 we requested. The Electric Division will receive \$730,158.47. The Water Division will receive
354 their full reimbursement for \$2,190.32.

355
356 Regarding Mr. Amwake’s Phosphorous Update memo, Mr. Rinebold asked if there was a reason
357 we went from 10-lamps to 12-lamps and noted that it generated a change order. Mr. Phelan
358 replied that on September 19th the Division received a payment of \$531,774.18 for the
359 55%Planning Grant for the Facility Plan. Mr. Phelan stated that because of the most recent
360 draft NPDES permit forwarded to the Town, the ferric use may create a problem with the 10-
361 lamp UV system and may require a 12-lamp UV system. Mr. Rinebold stated that he knows
362 they are necessary, but he hopes we can keep the change orders to a minimum.

363
364

365 **ADJOURNMENT**

366 **Motion to adjourn.**

367 **Made by: Mr. Rinebold**

368 **Seconded by: Mr. Beaumont**

369 **Votes: 2 ayes**

370
371

372 The meeting was adjourned at approximately 7:30 p.m.

373
374

374 Respectfully submitted,

Respectfully submitted,

375
376

377 Elizabeth Dighello
378 Recording Secretary

Joel Rinebold
Secretary