

1 **DRAFT**

2 PUBLIC UTILITIES COMMISSION

3 WALLINGFORD ELECTRIC DIVISION

4 100 JOHN STREET

5 WALLINGFORD, CT

6 Tuesday, February 18, 2020

7 6:30 P.M.

8 **MINUTES**

9 **PRESENT:** Chairman Robert Beaumont; Commissioners Patrick Birney (arrived 6:34 p.m.) and
10 Joel Rinebold; Director Richard Hendershot; Office Manager Tom Sullivan; Water and Sewer
11 Divisions General Manager Neil Amwake; Office Manager William Phelan; Recording Secretary
12 Bernadette Sorbo

13 Members of the public – Adelheid Koepfer

14 Mr. Beaumont called the Meeting to order at 6:30 P.M., and the pledge of Allegiance was
15 recited.

16 **1. Pledge of Allegiance**

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18
19 **2. Consent Agenda**

- 20 a. Consider and approve Minutes of December 13, 2019
21 b. Consider and approve Minutes of January 30, 2020
22 c. Consider and approve Minutes of February 4, 2020

23
24 **Motion to approve the Consent Agenda:**

25 **Made by: Mr. Rinebold**

26 **Seconded by: Mr. Beaumont**

27 **Votes: 2 ayes**
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30 **3. Items Removed from Consent Agenda – None**
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33 **4. Discussion and Action: Approval of Director's Report for the Month of**
34 **January 2020.**
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37 Mr. Hendershot explained that rather than reading the highlights into record, from now on he
38 will note that the Director's Report is included with the package and he will now open up the

39 session with questions. Mr. Hendershot also explained that Mr. Buccheri will not be attending
40 the meeting tonight as his wife was involved in a motor vehicle accident.

41
42 Mr. Rinebold pointed out a possible typo on page 2 of the Director's report. The typo in
43 question was within the paragraph that states "While the WED purchased 4,298 MWhs of
44 "short" energy at an average price of \$53.01, it realized a \$20,671 net benefit due to locational
45 spread. The result was the total cost of energy was only \$0.31 (0.7%) more than the cost of
46 the hedged energy." -Mr. Rinebold questioned if the total cost of energy should be \$0.51 not
47 \$0.31? Mr. Beaumont responded that this should read \$0.31 and that this is not an error. Mr.
48 Hendershot referenced item number 4-13, the second bullet from the bottom. This bullet
49 stated a net credit to the WED of \$20,-671 (\$0.51/MWh) for 40,658 MWh purchased. Mr.
50 Beaumont stated that the \$0.51 is the direct impact on the base and is based on the basis.
51 This is the difference between the CT Load Zone and the MA Hub.

52
53 Mr. Rinebold questioned what is the \$0.31? Is this just the difference between hedge and
54 average cost? Mr. Hendershot responded that this was the intent. Mr. Rinebold requested that
55 this be corrected for the record. Mr. Hendershot stated that he will come up with the correct
56 number and have this inserted.

57
58 **Motion to approve the Director's Report for the Month of January 2020 as it stands**
59 **Made by: Mr. Birney**
60 **Seconded by: Mr. Rinebold**
61 **Votes: 3 ayes**

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64 **5. Discussion and Action: Electric Division – Approval of the 2019/2020**
65 **Connecticut Energy Assistance Program (CEAP).**

66
67 Mr. Hendershot spoke on the memorandum that he signed on February 11, 2020. It specifically
68 asked for authorization for the Director (Mr. Hendershot) to execute the form. But the WED
69 Business Office pre-filled out the form reflecting the fact that the General Manager signed this
70 last year. In previous years the Directors had executed the form, thus the confusion. Mr.
71 Hendershot did not catch this until earlier today, February 18, 2020. Mr. Hendershot then
72 circled back to Mr. Buccheri, Mr. Sullivan and Mrs. White. Mr. Hendershot requested that the
73 Commission make the motion to specify that either the General Manger or the Director be
74 authorized to sign any future CEAP agreements so that this will not have to be brought to the
75 Commission every year. The execution of this form will allow CEAP to send funds directly to the
76 WED on behalf of specific customers who qualify for the assistance. Without this form for their
77 records the customers would not be able to receive assistance. Mr. Sullivan agreed with Mr.
78 Hendershot's statement.

79
80 Mr. Rinebold questioned if these funds were good for electric, oil and gas? Mr. Hendershot
81 responded that this is only good for people who heat with electricity. Mr. Sullivan stated it is
82 only for low income electric heat customers. Mr. Hendershot responded that the customers
83 must attest that they heat with electricity.

84
85 Mr. Rinebold questioned on the ability to track where the dollars go. How many dollars per
86 unit? Mr. Sullivan responded in 2017 and 2018 there were \$172,000 over 214 customers, 2018

87 there were \$126,510 over 212 customers and this year so far are \$92,305 over 161 customers.
88 This will continue to build as we will get notices between now and through April, May and June.
89 Two years ago was slightly higher because there was a supplemental benefit of \$56,000. He
90 stated that they (CEAP) did not have a supplemental payment last year so last year's was a little
91 lower.

92
93 Mr. Rinebold questioned where does the money come from? Does this come from a surcharge
94 or general fund? Mr. Sullivan responded that there is no surcharge through the energy bill.
95 This is the State's program and he is not sure where the state is pulling the funds from.

96
97 **Motion to approve the 2019/2020 Connecticut Energy Assistance Program as well**
98 **as authorizing either the General Manager or the Director of Public Utilities to**
99 **execute the contract.**

100 **Made by: Mr. Birney**

101 **Seconded by: Mr. Rinebold**

102 **Votes: 3 ayes**

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105 **6. Discussion and Action: Water Division – Budget Amendment – New**
106 **Water Meters.**

107
108 Mr. Amwake spoke on the interoffice memorandum dated February 7, 2020. At the time the
109 FY19-20 budget was being developed staff evaluated historical meter installation data and
110 staffing levels. As a result of this analysis it was determined that approximately 760 new
111 meters were needed for the current fiscal year. However, based on a current review of new
112 meter installations, staffing levels and existing inventories, staff has estimated that an
113 additional 245 – 5/8" meters will be required to maintain the change-out effort and begin FY
114 2020-2021 with an adequate inventory. There is about a 12-week lag time from when we order
115 water meters and when we get them in. This is a function of ending fiscal year 19-20 with the
116 proper amount of meters to be able to go into 20-21 before those funds are allocated July 1,
117 2020. Mr. Amwake stated that we are taking the monies from two operating labor accounts.
118 Both are for staffing at the Pistapaug Water Treatment Plant as a result of numerous personnel
119 vacancies. This is not a classic budget amendment where the funds come from retained
120 earnings. Mr. Hendershot responded that this is truly an amendment because we are moving
121 funds from the Operating to Capital. The Comptroller has told us that he is perfectly okay with
122 that concept. Mr. Beaumont replied that this is not a straight transfer. A straight transfer
123 would be Operating to Operating and Capital to Capital.

124
125 **Motion to approve the Budget Amendment for the New Water Meters in a memo**
126 **dated February 7, 2020.**

127 **Made by: Mr. Birney**

128 **Seconded by: Mr. Rinebold**

129 **Votes: 3 ayes**

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131
132 **7. Discussion: Update on Sewer Treatment Plant Construction**

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134 Mr. Amwake reviewed and spoke on the update for the Sewer Treatment Plant Construction.
135 Regarding the logistics, we received the final comments for the third party review for the Town
136 Building Department and Town Fire Marshall. The third party reviewer did recommend issuing
137 a building permit. One caveat of the third party review comments was that when shop
138 drawings come in for specific elements and systems, he would like to take a look at them.
139 Specifically, life safety (fire alarm, fire sprinkler, etc.).

140
141 In regards to the Building and Facility Construction, all of the interior and exterior concrete wall
142 pours for the Anaerobic Basin are complete with the exception of the west basin wall which is a
143 common wall with the Intermediate Pump Station.

144
145 The final reinforcing steel is being placed in the Intermediate Pump Station. The placement of
146 concrete forms has begun and is ongoing, with concrete pours scheduled to begin the last week
147 of February and continuing into March.

148
149 In regards to the Tertiary Phosphorus Building, they are installing rebar and beginning to place
150 the forms for the base slab. Just a reminder that this building is a two story building.

151
152 The last update is on the UV Disinfection/Post Aeration Building. C.H. Nickerson installed the
153 42-inch effluent pipe from the Tertiary Phosphorus Building to the UV Disinfection side of the
154 building. They continue to place reinforcing steel for the floor slabs on both the UV Disinfection
155 and Post Aeration sides of the structure.

156
157 At the bottom of the status update for the Sewer Treatment Plant Construction there is a
158 breakdown for Construction Contract Financing per Mr. Rinebold's request. This breakdown is as
159 follows:

160
161 Construction Contract Payment Applications – C.H. Nickerson
162 Original Contract Sum \$45,507,000.00
163 Net Change by Change Orders 0.00
164 Contract Sum to Date \$45,507,000.00 As of January 15, 2020

165
166 Construction Contract Schedule
167 Original Completion Date February 10, 2022
168 Net Change Schedule Days 0
169 Contract Completion Date February 10, 2022

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171
172 **Public Question and Answer Period**

173
174 Ms. Koepfer asked if there was any update for the solar on the landfill? Mr. Hendershot
175 responded that the project developer continues to tell us that it will be December of this year
176 that they will go live with the project. They have a separate agreement with the Town for the
177 use of the land as they are leasing it. It will interconnect with the Electric Division Distribution
178 System. Mr. Hendershot advised that they have worked out how the interconnection will
179 function. We will meter it which will provide the data, which will allow the developer to
180 accurately state what they provided to the grid. Because Wallingford is not purchasing and is

181 not taking title to weigh energy, the metering will be what is used for the surrogate. The meter
182 will serve the purpose as to what energy went in.

183
184 Ms. Koepfer questioned on the Green Energy Portfolio Planning Executive Session, is this purely
185 the purchasing aspect and if so why is this called Green Energy Portfolio? Or is there some
186 Green Energy involved? Mr. Hendershot responded that he is not at liberty to discuss this
187 matter as this is commercially sensitive and was an Executive Session. As far as the Electric
188 Division Power Supply Portfolio, the Electric Division is not subject to a renewable portfolio
189 standard. When the Electric Division purchases energy the criteria for selecting the provider is
190 purely on price. Our solicitation does not ask for energy from a particular source or obtain in a
191 particular form. From our understanding what the counterparties are doing is committing to
192 bringing market energy to us. In the absence of knowing any better we would state that the
193 Electric Division Portfolio on a percentage basis would look like the generation mix of the ISO
194 New England. This being made up of gas, nuclear, renewables and hydro. In the absence of
195 specifically requesting generation from a particular source or asking the counter parties to
196 describe to us how they obtained the energy that they promised to sell us at the price they
197 promised to sell at we would presume the overall mix looks like the ISO market mix.

198
199 Ms. Koepfer questioned, just to make sure that this was purely about the purchasing part not a
200 new project like solar on the landfill or gas turbine? Mr. Hendershot responded that we went
201 into an Executive Session, largely at the request of the other parties that might be involved in
202 something that might or might not happen. It is still in consideration and under review. Mr.
203 Birney added to Mr. Hendershot's response. I didn't look closely at the workshops minutes. For
204 the record we did discuss outside of the Executive Session the concept of the Commission
205 implementing some type of expedited approval process if there was a Green purchasing
206 opportunity. This clearly was not part of the Executive Session.

207
208 Mr. Birney requested to go back to the Electric Financial Statements as he had a question for
209 Mr. Sullivan. This related to the Non-Operating Revenue listed on the Operating Budget dated
210 December 2019 on page 4, line item 421. The total actuals for Miscellaneous Non-Operating
211 Income is \$1,073,237.00 for the year. The big portion is \$776,00 in a FEMA reimbursement.
212 This is for the fiscal year budget for \$313,000.00. Have we met our non-operating budget
213 number as of December 31, 2019? Mr. Sullivan responded, yes. This includes the lease for
214 Pierce Plant, lease for Wallingford Energy and a small amount for the RGGI Auction Proceeds.
215 In addition to FEMA there has been more RGGI than budgeted so we may be more than
216 \$776,000.00 over. You can credit RGGI Auction Proceeds for that.

217
218 Mr. Birney questioned on the FEMA payment. Will this fall back to retained earnings? Mr.
219 Sullivan responded yes, the result of net income will fall to retained earnings.

220
221 **8. Executive Session pursuant to CT General Statutes Section 1-200(6)(D), 1-**
222 **210(b)(2), and 1-225(f) with respect to the purchase, sale and/or leasing**
223 **of property.**

224
225 **Motion to go into Executive Session at 7:04 p.m. to discuss the purchase, sale**
226 **and/or leasing of property without further motions until a motion to come out of**
227 **Executive Session.**

228 **Made by: Mr. Birney**

229 **Seconded by: Mr. Rinebold**
230 **Votes: 3 ayes**

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233 **Motion to come out of Executive Session at 7:40 p.m.**
234 **Made by: Mr. Birney**
235 **Seconded by: Mr. Rinebold**
236 **Votes: 3 ayes**

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240 **ADJOURNMENT**

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242 **Motion to adjourn**
243 **Made by: Mr. Birney**
244 **Seconded by: Mr. Rinebold**
245 **Votes: 3 ayes**

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247 The meeting was adjourned at approximately 7:40 p.m.

248

249 Respectfully submitted,

Respectfully submitted,

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253 Bernadette Sorbo
254 Recording Secretary

Joel Rinebold
Secretary

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