

**DRAFT**  
**SPECIAL MEETING**  
**BUDGET WORKSHOP**  
**PUBLIC UTILITIES COMMISSION**  
**WALLINGFORD TOWN HALL**  
**ROOM 315**  
**45 S. MAIN STREET**  
**WALLINGFORD, CT**

**Thursday, February 18, 2021**

**5:00 P.M.**

**MINUTES**

**PRESENT:** Chairman Robert Beaumont; Commissioners Patrick Birney and Joel Rinebold; Director Richard Hendershot; Electric Division General Manager Tony Buccheri; Water and Sewer Divisions General Manager Neil Amwake and Business Manager Brian Naples.

**ABSENT:** Recording Secretary Bernadette Sorbo

There were no members of the public present

**Mr. Beaumont called the Meeting to order at 5:00 P.M., and the pledge of Allegiance was recited.**

**1. Pledge of Allegiance**

**2. Motion to Open the Budget Workshop**

**Motion to approve opening the Budget Workshop**

**Made by: Mr. Birney**

**Seconded by: Mr. Rinebold**

**Votes: 3 ayes**

**3. Discussion: Budget – Public Utilities**

Mr. Hendershot stated that there was a correction to the number that Mrs. White hand wrote at the bottom of the far-right column. The number should read \$286,253.00.

Mr. Beaumont questioned if the numbers are the same as they were last year, why wouldn't it be \$281,271.00?

Mr. Hendershot stated that this is because of a 53<sup>rd</sup> paycheck in 2021-2022.

Mr. Birney inquired on the \$2,500.00 budget for overtime. What is this for? Has the Executive Secretary historically used that overtime and how many hours is \$2,500.00?

Mr. Hendershot stated that the executive secretary bumps up against overtime from time to time and it may be less than 100 hours.

#### **4. Discussion: Budget – Water Division**

Mr. Amwake spoke on the Water Division Budget. Mr. Amwake stated that a 10 year straight linear regression analysis was done to project the forward consumption. Mr. Amwake advised that the water consumption continues on a downward trend from budget to budget. Mr. Amwake commented that the first and second quarters of the current Fiscal Year 2021 were above the budget. The middle of the third quarter of the current fiscal year the budget was a bit low and it is expected that the budget will even out by June 30, 2021. Sales continues on a downward trend. The rate remains unchanged at \$4.09 per 100 cubic feet. There are no salary or wage increases included in the budget because both the water and sewer unit contracts expire June 30<sup>th</sup> and the management contract is currently expired (as of December 31, 2021).

Mr. Beaumont questioned if the step increases would be included, which are automatic?

Mr. Amwake stated that this was correct. Mr. Amwake advised that there are step and wage increases. Mr. Amwake advised that compared to five years ago there were more step increases because there was more junior staff. For example, there are currently four junior operators at the Pistapaug Pond Water Treatment Plant. Their wages are split among several budgetary line items for labor therefore there are some general decreases across those charts of accounts. This is because they earn less than a senior operator.

Mr. Amwake pointed out that the Water Division is required by the state to conduct a leak detection survey every five years. This is estimated to cost \$26,000.00 which will be under the outside services account 43100923. In relation to that there is an increase in materials for water mains, hydrants and services for any leaks that are found. The leak detection survey would take place in the winter, approximately 12 months from now and then the repairs would be take place in the spring before June 30, 2020.

Mr. Amwake stated that the depreciation expenses have decreased. In addition, the return on the investments for the retained earnings is down approximately \$95,000.00 because of the anemic interest rate.

Mr. Birney questioned what the budget number is for the taxes that are other than income taxes?

Mr. Amwake advised that the budget number is 43100419. The Wallingford Town pays property tax for the watershed lands to three towns: Durham, North Branford and Guilford.

Mr. Naples stated that Durham follows a state property tax rate for farmland, open space and forest land. The town of Durham assesses Wallingford watershed lands based on that rate and that rate nearly doubled this year which increased the assessment.

Mr. Birney stated that there is a year over year decrease in revenue because of usage. Mr. Birney questioned if that will be a trend continuing and in a foreseeable future?

Mr. Amwake stated that he believes that it is still going to have a negative slope moving forward unless there is a large manufacturer or other entity in town that will use a lot of water.

Mr. Birney questioned is there a reason why the expenses are broken up? Would there be any savings by consolidating the expenses?

Mr. Naples advised that the expenses are tracked separately because they are two different rates. Even though there is a lot of overlap in the customer basis, they are not the same, so it would be unfair to charge a sewer customer for things that only have to do with water or the other way around.

Mr. Amwake reviewed the Capital Account 343 - Transmission and Distribution Mains. Mr. Amwake stated that this project is to replace the pipes and the hangers below the Church Street and the Main Street Bridge in Yalesville. Currently the design is at about 90% complete. The estimated cost for the Pipes on Bridges project is \$695,000.00.

Mr. Amwake reviewed the other Capital Project 343 under Transmission and Distribution Mains for the Parker Farms Road Bridge. Mr. Amwake stated that DOT will be upgrading the bridge across Parker Farms Road. DOT will pay for an in-kind water main, which is an 8-inch cast iron Universal joint water main. The Water Division would like to upgrade the water main to a 10-inch ductile iron pipe. The Water Division will be responsible for the differential of the material and responsible for the 40-45 feet that the Water Division wants to go beyond the project limit. DOT will incorporate these changes into their project, and they will have their contractor do the work. The Water Division will have to pay the difference of \$17,500.00 for the upgrades.

Mr. Rinebold questioned why DOT is involved in this project.

Mr. Amwake stated that this is a State Bridge project.

Mr. Amwake spoke on the projected capital expenses for the water meters. Mr. Amwake advised that for FY 21-22, the meter inventory was lower as compared to prior fiscal years as customers were not yet comfortable letting the Water Division into their homes to replace water meters. If the meter appointments start back up in the fall the Water Division can document that there will be a need for additional funds and revisit this with the Public Utilities Commission.

Mr. Amwake pointed out that the Capital for Structures and Improvements will cost \$45,000.00 to replace a portion of the existing asphalt shingled roof at 377 South Cherry Street due to the increasing loss of shingles.

Mr. Amwake reviewed the Capital Project 392 Transportation Equipment. Mr. Amwake stated that there are two trucks that need replacement. These vehicles are utilized by the Distribution Crew for water main repairs. This is the main truck for each crew. Each truck has a 12-foot by 8-foot flatbed that supports a compressor, a generator, tapping machine, etc. The existing vehicles are being offered for trade in.

## **5. Discussion: Budget – Sewer Division**

Mr. Amwake noted that the Town's collective bargaining agreement (CBA) with the Sewer Division operators as well as the office clerks expired on June 30, 2019. The CBA is currently in arbitration. The Town's CBA with the Manager's Union expired on December 31, 2020. The current CBA is in negotiation. Thus, no wage or salary increases for FY21-22 are included in the Sewer Division's proposed budget except for contractual step and merit increases.

Mr. Beaumont questioned how many people are covered?

Mr. Amwake stated 21.5.

Mr. Amwake reviewed the Operating Revenues. Mr. Amwake stated that the current sewer rate usage is \$5.72 and as of July 1, 2021 it will be increasing to \$6.24 per ccf. The Basic Service Fee across all meter sizes is projected to increase modestly from FY20-21 to FY21-22. For example, the Basic Service Fee for a 5/8-inch meter customer, including Sewer Flat customers, will increase from \$23.34 per quarter to \$24.38 per quarter. Due to these increases the Operating Revenues will increase.

Mr. Amwake reviewed the Operating Expenses. The FY21-22 budget includes funding for an additional Maintenance Repair Technician II (MRT II) to support the additional tertiary phosphorus treatment equipment, the new secondary pump station equipment, the new anaerobic tank mixers, as well as the new (replacement) intermediate pump station, the new (replacement) post aeration tanks, and the new (replacement) UV disinfection system as identified in the Facility Plan. Mr. Amwake noted that the time for the MRT II position is split between multiple budgetary line items including 46100624 – Pumping Labor and Expense (20%/o), 461000642 - Operation Labor and Expense (34%/o), 46100673 - Maintenance of Collection System (6%/o), 46100920 - Administrative and General (3%/o), and 461000923 - Outside Services Employed (Garage Functions) (38%/o).

Mr. Amwake the reduction in the Account 928 - Regulatory Commission Expenses.

Mr. Amwake reviewed the Capital Projects. Mr. Amwake stated that there are Construction costs for the replacement of the I-91 Pump Station and 2,000 LF of 8-inch force main at \$1,400,000.00.

Mr. Amwake spoke on the Collection System and Appurtenances. Mr. Amwake stated that the Collection System Lining is at \$250,000.00. This is ongoing funding to support cured-in-place pipe (CIPP) lining of various diameter gravity sanitary sewer segments in the collection system as they are identified through the Sewer Division CCTV inspection program.

## **6. Discussion: Budget – Electric**

Mr. Buccheri spoke on the Operations and Maintenance. Mr. Buccheri advised that the operating expenses, excluding power supply costs and budget decreased by 0.88% or \$162,332.00. This is compared to the current budget as a mechanism. Mr. Buccheri noted that there was a significant amendment that was approved and put in place for the August 4th storm that hit the service territory.

Mr. Buccheri reviewed Account 435 - Transfers out to General Funds. Mr. Buccheri stated that this has slightly decreased. This is just to reflect lower energy kWh sales in fiscal year 1920, the year which the payment is based on is fiscal year 2020.

Mr. Buccheri spoke on Account 555 - Purchase Power. Mr. Buccheri noted that there is a decrease of nearly \$500,000.00 and that is to reflect anticipated lower wholesale power costs.

Mr. Buccheri reviewed Account 909 - Conservation Information. Mr. Buccheri advised that this account is increased by \$383,084.00 and that is mainly due to an increase in Reggie funds. A few years prior the Reggie funds were cut because they were used for other purposes by the state and this is just to reflect these are forecasting to increase.

Mr. Buccheri spoke on the notable expenditures for the Capitals. Mr. Buccheri stated that will be doing another overhaul of the transformer at Colony for two X Transformers that are included again this year.

Mr. Buccheri advised that the total proposed capital spending for 2021-2022 is \$4,196,055, a decrease of \$199,065 (4.53%) from the amended 2020-2021 budget.

## **7. Motion to Close the Budget Workshop and Adjourn**

**Motion to approve closing the Budget Workshop and Adjourn**

**Made by: Mr. Birney**

**Seconded by: Mr. Rinebold**

**Votes: 3 ayes**

The meeting was adjourned at approximately 6:42 P.M.

Respectfully submitted,

Bernadette Sorbo  
Recording Secretary

Respectfully submitted,

Joel Rinebold  
Secretary