

APPROVED

9/6/22

PUBLIC UTILITIES COMMISSION

WALLINGFORD TOWN HALL

ROOM 315

45 SOUTHMAIN STREET

WALLINGFORD, CT 06492

Wednesday, August 17, 2022

6:30 P.M.

MINUTES

PRESENT: Chairman Robert Beaumont; Commissioners Patrick Birney and Joel Rinebold; Director Richard Hendershot; Electric Division General Manager Tony Buccheri; Electric Division Business Office Manager Marianne Dill; Water and Sewer Divisions General Manager Neil Amwake; and Recording Secretary Bernadette Sorbo

Absent – None

Members of the public – None

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 meeting Minutes of August 2, 2022

Motion to Approve the Consent Agenda

Made by: Mr. Birney

Seconded by: Mr. Rinebold

Votes: 3 ayes

3. Items Removed from Consent Agenda - None

42 **4. Discussion and Action: Approval of the Director’s Report for the Month of July**
43 **2022**

44
45 Mr. Birney requested an update on the conference calls from July 1 and July 15 with ENE staff
46 and Craig Kieny.

47
48 Mr. Hendershot stated that the conference calls with ENE staff and Craig Kieny were to review
49 market prices for future energy, pricing trends, and market conditions, and discuss strategy for
50 hedging the remainder of the 2023 portfolio. WED is currently hedged at 70% and will need to
51 get to 90% by the end of the year.

52
53 Mr. Beaumont referenced Item No. 4-101, Water Contract 38 and questioned if this was going to
54 be bid in Fall of 2023?

55
56 Mr. Amwake stated that this is correct. There will be a project 38.1 and a project 38.2, as the
57 funding was split across two fiscal years. Two of the streets will be funded in FY 2022-2023 and
58 the other two streets will be funded in FY 2023-2024. The municipal sector requires 100% of
59 the budgeting available to bid a project. The WWD will not be able to award this project until
60 after July 1, 2023.

61
62 Mr. Birney requested an update on the rainfall and the reservoir levels.

63
64 Mr. Amwake stated that for August, WWD is approximately 2.8% above historical average.
65 Looking at the usage, Wallingford would have approximately another 75-90 days without any
66 rain before the advisory level is reached. If looking at the full effective impoundment of the
67 reservoir system there would be approximately one year of water. Wallingford is in a good
68 position.

69
70 **Motion to Approve the Director’s Report for the Month of July 2022**

71
72 **Made by: Mr. Birney**

73 **Seconded by: Mr. Rinebold**

74 **Votes: 3 ayes**
75
76
77

78 **5. Discussion: WPCF Upgrades Project**
79

80 Mr. Amwake updated the Commission on the construction of the WPCF Project.

81
82 In regards to the overall project the Town, the Contractor and the Engineer continue to review
83 and complete punch list items, including construction details such as wiring and equipment
84 labeling, touch up painting and housekeeping. The System Integrator continues to finalize the
85 SCADA user interface screens based on input from WSD staff.

86
87 At the Anaerobic Basin, optimization of the flow pattern through the AB continues.

88

89 At the Intermediate Pump Station, the pump control logic for the IPS pumps has been installed.
90 Performance and functional testing of the logic is ongoing.

91

92 At the Secondary Settling Tanks, work is complete with the exception of punch list items.

93

94 At the Secondary Pump Station, data collection and optimization of the pump on/off cycling in
95 response to the influent flowrate to the SPS continues.

96

97 At the Tertiary Phosphorous Building, optimization of the individual equipment and chemical
98 dosages associated with the tertiary phosphorus treatment process continues, particularly
99 focusing on the polymer pump flowrate and dosage.

100

101 At the UV Disinfection/Post Aeration Building, the UV disinfection system is operational and
102 staff continues to monitor and adjust the system settings per experienced flowrates.

103

104 At the Site Work, the grading of the North and South soil stockpile areas is ongoing.

105

106 Net change orders and the construction schedule as reported on the monthly WPCF Upgrades
107 Project Update for the Public Utilities Commission are as shown on the payment application
108 from the Contractor once they have been reviewed and approved by the State of Connecticut
109 Department of Energy and Environmental Protection (DEEP).

110

111 Thus, as of July 15, 2022 the net change orders approved by DEEP and reflected on the general
112 contractor's invoice is \$179,590.33.

113

114 Net change orders as negotiated and agreed to by the Engineer (AECOM), the Contractor (C.H.
115 Nickerson) and the Town through August 16, 2022 are equal to \$563,198.40 (1.2376% of the
116 original contract sum). Thus, there is a gap (for lack of a better term) between the change orders
117 formally approved by DEEP - and therefore shown on the contractor's payment application - and
118 change orders that are in the DEEP review and approval process.

119

120 For reference, per DEEP Clean Water Funding protocols the Town allocated 5.00% of the
121 original contract value for contingency (change orders) equal to \$2,275,350.00. The Town is well
122 within this contingency value and is estimating to be at 1.75% at the end of construction.

123

124 Construction Contract Payment Applications – C. H. Nickerson

125	Original Contract Sum	\$45,507,000.00	
126	Net Change by Change Orders	<u>\$179,590.33</u>	(No Change this Month)
127	Contract Sum to Date	\$45,686,590.33	As of August 15, 2022

128

129 Construction Contract Schedule

130	Original Completion Date	February 10, 2022	
131	Net Change Schedule Days	<u>193</u>	(No Change this Month)
132	Contract Completion Date	August 22, 2022	As of August 15, 2022

133

134 Mr. Amwake stated that the final completion date remains August 22, 2022. There are punch list
135 items that are scheduled to be completed within the next sixty (60) days along with a few
136 outstanding items that will be completed after the end of the UV disinfection season on
137 September 30th or after the end of the tertiary phosphorus season on October 31st so as to not
138 interrupt or foul the wastewater treatment processes.

139
140
141

142 **Public Question and Answer Period**

143
144 No members of the public present

145

146 **Public Question and Answer Period Closed**

147
148
149

150 **6. Discussion and Action: Budget Amendment – CT Gross Earnings Tax**

151

152 Mr. Buccheri referenced the Memo dated August 10, 2022 from Ms. Dill in regards to a request
153 for a budget amendment in fiscal year 2021-2022 seeking an additional \$133,000.00 in account
154 408 Taxes. The driving factors are increased revenues due to the rate increase that was effective
155 July 1, 2021 and the Power Cost Adjustment factor. The rate increase was not included in the
156 fiscal 2021-2022 budget because the rate study had not been completed at the time the budget
157 was finalized. The funds are available through an amendment to the budget increasing revenue
158 account 4420 - Electric Sales Commercial and expense account 408 – Taxes.

159

160 **Motion to Approve the FY 2021-2022 Budget Amendment for Account 408 – Taxes**

161

162 **Made by: Mr. Birney**

163 **Seconded by: Mr. Rinebold**

164 **Votes: 3 ayes**

165

166

167

168 **7. Discussion and Action: Budget Transfer – Depreciation**

169

170 Mr. Buccheri referenced the Memo dated August 11, 2022 from Ms. Dill in regards to a request
171 for a budget transfer in fiscal year 2021-2022 seeking an additional \$144,000.00 in account 403
172 – Depreciation. Each year during the budgeting process, estimates are made of the remaining
173 cost to be incurred for capital assets in the current year along with the cost of capital assets to be
174 acquired in the budgeted year. Both these estimates are needed to calculate depreciation expense
175 for the budget year. Depreciation for assets acquired prior to the current fiscal year were
176 estimated at \$3,459,795.00. Actual Depreciation for those assets were \$3,553,108.00. The
177 difference is \$93,313.00. The estimate for depreciation expense for current year additions was
178 \$75,100.00. The actual amount is approximately \$125,500.00. The difference is \$50,400.00.
179 The total difference of actual versus estimate is \$143,713.00. Funds are available for transfer

180 from accounts 570 Transmission Expense – Maintenance of Plant Equipment and 592
181 Distribution Expense – Maintenance of Plant Equipment.

182
183 Mr. Birney questioned, isn't depreciation listed as a line item on a financial report and not a
184 transfer from one account to another account?

185
186 Ms. Dill stated that this is a line item on the financial statements. The capital assets are placed
187 into service and then are given a useful life. For financial statement purposes WED writes-off
188 the depreciation over the useful life of the asset. This is a non cash entry.

189
190 **Motion to Approve the Budget Transfer for Account 403 – Depreciation**

191
192 **Made by: Mr. Birney**

193 **Seconded by: Mr. Rinebold**

194 **Votes: 3 ayes**

195

196

197

198 **8. Discussion and Action: Approval of the Electric Division Write-Offs**

199

200 Mr. Buccheri stated that this is done on an annual basis and would like to see the numbers go
201 down year after year. It is the Division's accounting practice to recognize write-offs as any open
202 billings over a year old at the end of the fiscal year. This does not mean that the Division will
203 not get any money back. The Law Department is still working on the accounts and may be able
204 to get some of the accounts paid off.

205

206 Mr. Rinebold questioned what is the expectation of any of the Internal Collections gets refunded
207 or paid back?

208

209 Ms. Dill stated that the Internal Collections are customers that moved out of the state and the
210 Division can no longer pursue these individuals through the Town's Attorney. All these
211 accounts have been final billed and if the customers ever return back to Wallingford, the
212 Division would require the customers to pay the balance back before a new service is
213 established.

214

215 Mr. Birney questioned what is the Town Attorney (includes medical) account?

216

217 Ms. Dill stated that this goes with the account balances.

218

219 Mr. Buccheri stated that what is shown in the memo is what is currently being handled by the
220 Town Attorney that's greater than 12 months old. The medical that is shown is not medical
221 benefits but the customers that have medical protection.

222

223 Ms. Dill stated that the Skip Town are individuals that are no longer in the Town when the final
224 bills are mailed out. The final bills will then come back to the Division with an address as
225 unknown.

226 **Motion to Approve the Write-Offs Uncollectible Accounts – Fiscal Year Ending 6/30/2022**

227

228 **Made by: Mr. Birney**

229 **Seconded by: Mr. Rinebold**

230 **Votes: 3 ayes**

231

232

233

234 **ADJOURNMENT**

235

236 **Motion to adjourn**

237 **Made by: Mr. Birney**

238 **Seconded by: Mr. Rinebold**

239 **Votes: 3 ayes**

240

241 The meeting was adjourned at approximately 7:12 p.m.

242

243 Respectfully submitted,

244

245 *Bernadette Sorbo for*

246

247 Bernadette Sorbo

248

249 Recording Secretary

Respectfully submitted,

Joel Rinebold/mb

Joel Rinebold

Secretary