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APPROVED

1/21/25

TOWN OF WALLINGFORD
PUBLIC UTILITIES COMMISSION
WALLINGFORD ELECTRIC DIVISION
100 JOHN STREET
WALLINGFORD, CT 06492

Tuesday, January 7, 2025

6:00 P.M.

MINUTES

PRESENT: Chairman Robert Beaumont (via telephone); Commissioners Dr. Joel Rinebold and Laurence Zabrowski; Director Richard Hendershot; Electric Division General Manager Jake Arborio; Electric Division Business Office Manager Marianne Dill; Water and Sewer Divisions General Manager Neil Amwake; Water and Sewer Divisions Business Manager Donald Langenauer and Acting Recording Secretary Michelle Bracale

Absent – None

Members of the Public – None

Dr. Rinebold called the Meeting to order at 6:00 P.M., and the pledge of Allegiance was recited.

1. Pledge of Allegiance

2. Consent Agenda

- a. Consider and Approve Meeting Minutes of December 17, 2024

Motion to Approve the Consent Agenda

Made by: Mr. Beaumont

Seconded by: Mr. Zabrowski

Votes: 3 ayes

RECEIVED FOR RECORD

AT 4:30 PM AND RECEIVED BY
Maria Perry (16) TOWN CLERK

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3. Items Removed from Consent Agenda

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None

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4. Discussion and Action: Resolution – Adwin (Joe) Rusczek

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Mr. Hendershot stated that Mr. Rusczek has been with the Town of Wallingford and the Electric Division for over 25 years. Mr. Rusczek began his WED career as a Meter Reader and he then became a System Operator. Mr. Hendershot stated that Mr. Rusczek will be missed.

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Mr. Beaumont noted that Mr. Rusczek is the last link to the initial group of system operators and he will be sad to see him go.

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Motion to Approve the Resolution for Adwin (Joe) Rusczek

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Made by: Mr. Beaumont

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Seconded by: Dr. Rinebold

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Votes: 3 ayes

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Public Question and Answer Period

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None - No Members Present

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Public Question and Answer Period Closed

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5. Discussion and Possible Action: Funding for the Wastewater Treatment Facility Fine Screens Project Construction and Construction Administration

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Mr. Amwake stated that bids for Public Bid 24-026: Wallingford Water Pollution Control Facility Fine Screens Addition were opened by the Bureau of Purchases on Thursday, December 5, 2024 at 2:00 P.M. There were four firms that submitted bids. The bids ranged from \$4,719,777.00 to \$6,403,700.00. In addition to the bids, the Sewer

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81 Division will have construction administration charges as well as record drawing
82 expenses. The plan for the construction administration is to have AECOM complete the
83 requests for information and review change orders. The day in and day out inspections
84 will be provided by one of the Water and Sewer Division's inspectors from the
85 Engineering Section as a way to get more hands on and to also reduce costs for the
86 ratepayers. The construction timeline for this project will be 24 - 27 months.

87

88 Mr. Amwake reviewed Item No. 5-10 and stated that the construction phase of the project
89 is \$5,750,000.00. The WSD presented five funding options for review, discussion and
90 possible action by the PUC as follows:

91

92 A. Option A – Do not fund the construction-phase of the WPCF Fine Screens Project
93 (the Do-Nothing Approach). The WSD does not support this approach because
94 the fine screens are important for treatment reasons and operational efficiencies.

95 B. Option B – Fund 100% of the construction-phase costs utilizing existing Cash
96 Above Minimum Funds.

97 C. Option C.1 – Fund 75% of the construction-phase expenses utilizing Cash Above
98 Minimum monies and fund 25% of the construction-phase expenses via bonding..

99 D. Option C. 2 – Fund 50% of the construction-phase expenses utilizing Cash Above
100 Minimum monies and fund 50% of the construction-phase expenses via bonding.

101 E. Option D – Bond 100% of the construction-phase expenses. This option would
102 involve bonding the full estimated construction-phase costs of \$5,750,000.00.
103 Utilizing a bonding rate of 3.27% at a 20-year term, the accrued interest equals
104 approximately \$2,091,309.00 for an overall construction-phase cost of
105 \$7,841,309.00 for principal and interest.

106

107 Mr. Amwake reviewed Item No. 5-11 shown below and stated that the items highlighted
108 in green is the Cash above Minimum + Principal + Interest and the items highlighted in
109 yellow is the present value (PV) calculations at the request of the PUC.

Funding Option B - Utilize Existing Cash Above Minimum

Sewer Division Cash Analysis (Cash Above Minimum) as of June 30, 2024	\$ 9,394,360.00
Cash Above Minimum Funds	\$ 5,750,000.00
Sewer Division Cash ABOVE Minimum After Fine Screens Construction Funding	\$ 3,644,360.00
Cash Above Minimum Funds	\$ 5,750,000.00
Cash Above Minimum Funds	\$ 5,750,000.00

Funding Option C.1 - Fund 75% with Cash Above Minimum + Bond 25%

Sewer Division Cash Analysis (Cash Above Minimum) as of June 30, 2024	\$ 9,394,360.00
Cash Above Minimum Funds	\$ 4,312,500.00
Sewer Division Cash ABOVE Minimum After Fine Screens Construction Funding	\$ 5,081,860.00
Principal (25% of Construction-phase Expenses)	\$ 1,437,500.00
Bond Interest Rate (October 17, 2024)	3.27%
Bond Term	20 years
Bond Interest	\$ 522,827.00
Principal + Interest	\$ 1,960,327.00
Cash Above Minimum Funds Plus Principal + Interest	\$ 6,272,827.00
Present Value Rate (St. Louis Fed 90-day CD Rates 1/1/04 to 10/1/23)	1.73%
Present Value of Bond Principal	\$ 1,020,063.00
Cash Above Minimum Funds + PV of Bond Principal + Bond Interest	\$ 5,855,390.00

Funding Option C.2 - Fund 50% with Cash Above Minimum + Bond 50%

Sewer Division Cash Analysis (Cash Above Minimum) as of June 30, 2024	\$ 9,394,360.00
Cash Above Minimum Funds	\$ 2,875,000.00
Sewer Division Cash ABOVE Minimum After Fine Screens Construction Funding	\$ 6,519,360.00
Principal (50% of Construction-phase Expenses)	\$ 2,875,000.00
Bond Interest Rate (October 17, 2024)	3.27%
Bond Term	20 years
Bond Interest	\$ 1,045,655.00
Principal + Interest	\$ 3,920,655.00
Cash Above Minimum Funds Plus Principal + Interest	\$ 6,795,655.00
Present Value Rate (St. Louis Fed 90-day CD Rates 1/1/04 to 10/1/23)	1.73%
Present Value of Bond Principal	\$ 2,040,126.00
Cash Above Minimum Funds + PV of Bond Principal + Bond Interest	\$ 5,960,781.00

Funding Option D - Bond 100% of Construction-phase Costs

Principal (100% of Construction-phase Expenses)	\$ 5,750,000.00
Bond Interest Rate (October 17, 2024)	3.27%
Bond Term	20 years
Bond Interest	\$ 2,091,309.00
Principal + Interest	\$ 7,841,309.00
Cash Above Minimum Funds Plus Principal + Interest	\$ 7,841,309.00
Present Value Rate (St. Louis Fed 90-day CD Rates 1/1/04 to 10/1/23)	1.73%
Present Value of Bond Principal	\$ 4,080,252.00
Cash Above Minimum Funds + PV of Bond Principal + Bond Interest	\$ 6,171,561.00

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115 Mr. Amwake reviewed Item No. 5-4 shown below and stated that this chart shows the
116 Cash + Principal + Interest along with the Cash + Present Value of Bond Principal +
117 Bond Interest for each of the four options.
118

	Cash + Principal + Interest	Cash + PV of Bond Principal + Bond Interest
Option B	\$5,750,000	\$5,750,000
Option C.1	\$6,272,827	\$5,855,390
Option C.2	\$6,795,655	\$5,960,781
Option D	\$7,841,309	\$6,171,561

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120 Mr. Amwake noted that the bonding rate used was 3.27% as provided by the
121 Comptroller's Office. The discount rate for the present value was 1.73% using the 20-
122 year average of 90-day CD rates as published by the St. Louis Federal Reserve.

123
124 Dr. Rinebold questioned what are the pros and cons of bonding instead of using all
125 cash?

126
127 Mr. Amwake stated that Cash Above Minimum is collected by the current customers
128 whereas if it is bonded the Sewer Division would incur bonding expenses. The WSD
129 has the cash on hand. Mr. Amwake believes an optimum approach may be option C.1
130 as within the next thirty days there maybe a second request to use the Retained
131 Earnings or the Cash Above Minimum for the I-91 pump station replacement project.
132 The Sewer Division will not bond the project until the Fine Screens Project is
133 completed. Once the project is completed there can be a subsequent discussion with
134 the Comptroller's Office and PUC to see if bonding the full 25% may still be needed.
135 The Division may have the cash on hand and may not need to bond the full 50% or
136 25%.

137
138 Dr. Rinebold questioned where does the Division see the I-91 pump station
139 replacement project?

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141 Mr. Amwake stated that he believes the current appropriation will be short.

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143 There was further discussion on bonding and bonding rates.

144
145 Mr. Beaumont stated that whatever decision that is made tonight can be modified in
146 the future based on the needs of the business at that point and time.

147

148 **Motion to: Fund the Construction – Phase costs utilizing \$5,750,000.00 of**
149 **existing Cash Above Minimum funds for the Fine Screens Project. (Option B of**
150 **Memo dated December 31, 2024 of the PUC Agenda 1/7/2025)**

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152 **Made by: Mr. Zabrowski**

153 **Seconded by: Dr. Rinebold**

154 **Votes: 3 ayes**

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156 **Committee Reports**

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158 None

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161 **Correspondence**

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163 Mr. Hendershot stated there will be an Executive Session at the next PUC meeting to
164 discuss a possible Renewable Energy purchase. The hard numbers and proposed
165 agreements to be discussed in the Executive Session will be given to the PUC prior to
166 the meeting to review.

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170 **ADJOURNMENT**

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172 **Motion to Adjourn**

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174 **Made by: Mr. Beaumont**

175 **Seconded by: Mr. Zabrowski**

176 **Votes: 3 ayes**

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178 The meeting was adjourned at approximately 6:55 p.m.

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181 Respectfully submitted,

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185 Michelle Bracale

186 Acting Recording Secretary

Respectfully submitted,

Laurence Zabrowski, Inc

Laurence J. Zabrowski
Secretary