

TOWN OF WALLINGFORD, CONNECTICUT

TOWN COUNCIL MEETING

Robert F. Parisi Council Chambers

**TUESDAY
June 23, 2020
6:30 P.M.**

AGENDA

The Town Council meeting of June 23, 2020 will take place REMOTELY only. It shall commence at 6:30 p.m. It is expected that the public will be permitted to comment on the Agenda items as instructed by the Chairman. Materials for this meeting will also be posted on the Town's website for viewing prior to the meeting. The meeting can be accessed through:

<https://global.gotomeeting.com/join/251677645>

YOU CAN ALSO DIAL IN USING YOUR PHONE:

United States (Toll Free): 1-877-568-4106

United States +1(571) 317-3129

Access Code: 251-677-645

Live stream of the meeting will also be available on the Town of Wallingford You Tube Channel:

<https://www.youtube.com/c/wallingfordgovernmenttelevision>

AGENDA

Moment of Silence

1. Pledge of Allegiance
2. Roll Call
3. Consent Agenda
 - 3a. Consider and approve Tax Refunds totaling \$11,637.42 (#942-968)
Acct. #1001001- 41020 - Tax Collector
 - 3b. Consider and approve Merit Review (1) – Human Resources
 - 3c. Consider and approve a Transfer in the amount of \$3,100 – Fire Dept.:

\$3,100 From: Regular General Wages Acct. #: 10020150-51000

\$2,000 To: Overtime Acct.#10020150-51400
\$1,000 To: Wage Differential Acct.#10020150-51450
\$ 100 To: Other Pay Acct.#10020150-51900

- 3d. Acceptance of Donation from Double Play Cafe' and consider and approve Appropriation of funds in the amount of \$200 to Revenue Donations – Police, Acct. #2502002-47152 and to Expense Donations-Police, Acct. #25020050-58830-10135 – Police Dept.
 - 3e. Consider and approve Farmland Lease Bid Waiver for continuation of lease for property known as 995C East Center Street, Field #18A for another five year term – Conservation Commission
 - 3f. Set a Public Hearing for 6:30 p.m. on July 14, 2020 for the 2020 Neighborhood Assistance Program – Mayor
 - 3g. Consider and approve a Transfer in the amount of \$11,100 from Employee Pension and Benefits, Acct. #926 to Meter Expense, Acct. #586 – Electric Div.
 - 3h. Approval of Town Council Minutes of May 26, 2020, June 2, 2020 and June 9, 2020.
4. **Items Removed from the Consent Agenda**
5. **PUBLIC QUESTION & ANSWER PERIOD**
- 6. (a) Action with regard to approval of settlement agreement regarding FERC Docket EL 16-19-000 - PUC
 - (b) Executive Session Pursuant to Section 1-210(b)(4) with regard to settlement of matter In litigation - PUC

LOGIN NEEDED AFER EXECUTIVE SESSION:

<https://global.gotomeeting.com/join/320539525>

YOU CAN ALSO DIAL IN USING YOUR PHONE:

United States (Toll Free): 1-877-309-2073

United States +1(571) 317-3129

Access Code: 320-539-525

- 7. Police Chief Wright to answer questions regarding Police Department policies – Councilor Morgenstein.
- 8. Discussion and possible action regarding Mayor's veto on June 15, 2020-2021 Budget adopted by the Town Council on June 9, 2020 – Chairman Cervoni
- 9. Discussion and possible action regarding award of the Auditor contract for the next three audits – 2020, 2021 and 2022 fiscal years – Comptroller

10. Executive Session pursuant to Section 1-200(6)(D) of the Connecticut General Statutes with respect to the purchase, sale and/or leasing of property – Mayor

In accordance with Title II of the Americans with Disabilities Act- Individuals in need of auxiliary aids for effective communication in programs and services of the Town of Wallingford are invited to make their needs and preferences known to the ADA Compliance Coordinator at 203-294-2070 five days prior to meeting date.

Wallingford Town Hall, 45 South Main Street



Town of Wallingford, Connecticut

June 15, 2020

JO-ANNE L. RUSCZEK, C.C.M.C.
TAX COLLECTOR

CHERYL BRUNDAGE C.C.M.C.
ASSISTANT TO THE TAX COLLECTOR

3a.

DEPARTMENT OF FINANCE
45 SOUTH MAIN STREET
P.O. BOX 5003
WALLINGFORD, CONNECTICUT 06492
TELEPHONE (203) 294-2135
FAX (203) 294-2137

Honorable William W. Dickinson, Jr.
Mayor, Town of Wallingford
Wallingford, CT 06492

Re: Refund - Account #1001001-41020 - \$11,637.42 (#942-968)

Dear Mayor Dickinson:

Attached is a list of refunds for your approval and the approval of the Town Council:

Very truly yours,

Jo-Anne L. Rusczek

Jo-Anne L. Rusczek
Tax Collector

APPROVED:

W Dickinson
William W. Dickinson, Jr., Mayor

J Bowes
James M. Bowes, Comptroller

RECEIVED
MAYOR'S OFFICE
20 JUN 15 AM 10:39

942 VW Credit (AN62671)	650.18	18-0091663
943 VW Credit (AP33363)	557.79	18-0091664
944 VW Credit (AN62680)	505.02	18-0091667
945 VW Credit (AP33394)	535.70	18-0091668
946 VW Credit (AP33395)	632.46	18-0091672
947 VW Credit (AP33396)	698.80	18-0091673
948 VW Credit (AP33367)	806.05	18-0091675
949 VW Credit (AP33364)	806.05	18-0091677
950 VW Credit (AG67416)	803.37	18-0091679
951 VW Credit (AP33356)	702.46	18-0091681
952 VW Credit (AR16689)	421.65	18-0091682
953 VW Credit (AN62672)	903.08	18-0091683
954 VW Credit (AP33357)	637.54	18-0091686
955 VW Credit (AB66600)	178.18	18-0091689
956 VW Credit (AH56038)	315.69	18-0091694
957 VW Credit (AB64941)	243.71	18-0091700
958 VW Credit (AF34678)	30.45	18-0091742
959 VW Credit (AS47140)	320.28	18-0087488
960 VW Credit (AS91450)	242.63	18-0087492
961 Cohrs, James	5.27	18-0081458
962 Ward, Melinda J. or Thomas W.	6.46	18-0092121
963 Hyundai Lease Titling (AJ02925)	188.86	18-0069165
964 Toyota Lease Trust (9ASMD6)	180.30	18-0089588
965 Toyota Lease Trust (C006276)	668.36	18-0089734
966 Toyota Lease Trust (7AMUS6)	362.68	18-0089740
967 Williams, James R., Jr.	47.58	18-0092803
968 Stanley, Kellum O.	186.82	18-0014288
	<hr/>	
	11637.42	



TOWN OF WALLINGFORD

RECEIVED
MAYOR'S OFFICE
20 JUN 11 PM 3:40

James R. Hutt, Jr. 3b,
Human Resources Director
Town of Wallingford
45 South Main Street
Wallingford, Connecticut 06492
Telephone (203) 294-2080
Fax (203) 294-2084

June 11, 2020

Mayor William Dickinson
Town of Wallingford
45 South Main Street
Wallingford, CT 06492

RE: Merit Review Board

Dear Mayor Dickinson:

The Merit Review Committee met on June 10, 2020 and recommended approving the step increase for Michael Cabelus to the full Town Council.

His merit anniversary increase amount is attached for placement on the agenda for the next Town Council meeting.

Sincerely,


James R. Hutt, Jr.
Human Resources Director

JRH/emb

TOWN OF WALLINGFORD
Human Resources Department
Phone: (203) 294-2080
Fax: (203) 294-2084

MEMORANDUM

TO: Mayor William Dickinson
FROM: James R. Hutt, Jr., Human Resources Director
DATE: June 11, 2020
SUBJECT: Item for Town Council



Please place the following merit increase on the next Council Agenda for approval only.

<u>NAME</u>	<u>EFFECTIVE DATE OF INCREASE</u>	<u>FY AMOUNT</u>
Michael Cabelus	June 27, 2020	\$ 240.42

TOWN OF WALLINGFORD, CONNECTICUT

30.

Honorable William W. Dickinson, Jr.
Mayor, Town of Wallingford

Date: 15 June 2020

I. Request for: X transfer of funds
 appropriation of funds

Fund: X General Fund
 Other Title

Amount: \$ 3,100.00 FROM: Title (REGULAR) General Wages Acct. No. 10020150-51000

Amount: \$ 2,000.00 TO: Title Overime Acct. No. 10020150-51400
 1,000.00 Wage Differential 10020150-51450
 100.00 Other Pay 10020150-51900

Explanation: PER ATTACHED LETTER AS REQUIRED

Submitted by: [Signature]
Department/Division Head Fire Chief

Certified as to the availability of funds:
 [Signature]
Comptroller

APPROVED -- subject to vote of the Town Council:
 [Signature]
Mayor

II. CERTIFICATION OF FINANCIAL TRANSACTION:

The transfer/appropriation of \$ _____ as detailed and authorized above and as approved by a vote of the Town Council in session is hereby certified.

I hereby certify that this is the motion approved by the Town Council at its meeting of _____, 19____.

Town Clerk



Town of Wallingford, Connecticut

RICHARD W. HEIDGERD
FIRE CHIEF

JOSEPH J. CZENTNAR
DEPUTY FIRE CHIEF

SAMUEL C. WILSON
DEPUTY FIRE CHIEF

DEPARTMENT OF FIRE AND EMERGENCY SERVICES
75 MASONIC AVENUE
WALLINGFORD, CONNECTICUT 06492-3019
TELEPHONE (203) 294-2730

15 June 2020

Mayor William W. Dickinson, Jr.
Town of Wallingford
45 South Main Street
Wallingford, CT 06492

Re: Transfer Request 2019-2020 Budget Year

Dear Mayor:

A transfer in the amount of \$3,100.00 from Account 10020150-51000 General Wages will be required to cover payroll accounts through the end of the fiscal year. Funds are available because of open positions.

Transfer From:			
Account #	10020150-51000	General Wages	\$3,100
Transfer To:			
Account #	10020150-51400	Overtime	\$2,000
	10020150-51450	Wage Differential	\$1,000
	10020150-51900	Other Pay	\$ 100

If this transfer meets with your approval, please place it on the 23 June 2020 Town Council Agenda for consideration and approval.

Thank you for your attention to this issue.

Sincerely,

Richard W. Heidgerd
Fire Chief

3d.

Town of Wallingford

Honorable William W. Dickinson, Jr.
Mayor, Town of Wallingford

Date: June 16, 2020

Request for: _____ Transfer of Funds
 X Appropriation of Funds


Fund: X General
 _____ Other

Amount: \$200.00 To: Revenue Donations - Police Account No: 2502002-47152

Amount: \$200.00 To: Expense Donations - Police Account No: 25020050-58830-10135


Explanation: PER ATTACHED LETTER AS REQUIRED

Submitted by:




Division/Department Head

Certified as to the availability of funds:



Comptroller

APPROVED: Subject to vote of Town Council



Mayor

II. CERTIFICATION OF FINANCIAL TRANSACTION:

The transfer/appropriation of \$ _____ as detailed and authorized above and as approved by a vote of the Town Council in session hereby certified.

I hereby certify that this is the motion approved by the Town Council at its meeting of _____, 2020.

Town Clerk



Town of Wallingford, Connecticut
Department of Police Services


RECEIVED
MAYOR'S OFFICE

WILLIAM J. WRIGHT
CHIEF OF POLICE

JUN 16 2020

135 NORTH MAIN STREET
WALLINGFORD, CT 06492-3718
TELEPHONE (203) 294-2828

INTEROFFICE MEMORANDUM

TO: MAYOR WILLIAM W. DICKINSON, JR.
FROM: CHIEF WILLIAM J. WRIGHT 
SUBJECT: DONATION
DATE: 6/16/2020
CC: MR. JAMES BOWES, COMPTROLLER

Sir,

Our department has received a donation in the amount of \$200.00 from the Double Play Café and I write to respectfully request that you place the donation before the town council for acceptance.

The necessary forms to appropriate the funds have been completed and are attached for your review.




RECEIVED
MAYOR'S OFFICE
Town of Wallingford, Connecticut
20 JUN 15 PM 4:50

3e,
WALLINGFORD CONSERVATION COMMISSION

Wallingford Town Hall
45 South Main Street
Wallingford, CT 06492

MEMORANDUM

To: Mayor Dickinson, Jr.
From: Erin O'Hare, Environmental Planner 
Date: June 15, 2020
Subject: Conservation Commission

Re: Town Council Meeting - request for consideration of Farmland Lease Properties Program bid waiver

This office is writing on behalf of the Conservation Commission to request the Town Council's consideration of a Farmland Lease Properties Program bid waiver as recommended by the Conservation Commission for continuation of Warren Williams' lease, for the FLLP property known as 995C East Center Street, Field #18A (pasture & hay & optional vegetable) for another five-year term (see copy of proposed Farmland Lease document, attached).

The Town's 93-acre lease property connects directly to two Williams properties: the historic barn property at 995A East Center Street where cows can be fed and sheltered and the open lot at 995B East Center Street where cattle are fed and watered at (refer to attached Field Map). The cattle access the Town property via two property border gates. Equipment accesses the fields at two gates off Tamarac Swamp Road. Some of the cows are Blue Ribbon winners at agricultural fairs statewide under the 4-H Program, an important educational tradition for area youth.

The bid waiver is sought as the Lessee has been an excellent steward of the land over the years in terms of farming practices and execution of the perennial maintenance required on the extensive conservation management areas located within our largest agricultural property. It is in the Town's interest to continue to support our local farmers.

Attachments

CC: Mary Heffernon, Chair, Conservation Commission
Dianne Saunders, Farmland Lease Committee, Conservation Commission

PROPOSED

FARMLAND LEASE

THIS INDENTURE made this day of June, 2020, by and between the TOWN OF WALLINGFORD, a municipal corporation organized and existing under the laws of the State of Connecticut, and exercising its municipal functions in the Town of Wallingford, County of New Haven and State of Connecticut, hereinafter called "Lessor", acting herein by William W. Dickinson, Jr., its Mayor, duly authorized by a vote of the Town Council of the Town of Wallingford on June 23, 2020; and WARREN WILLIAMS of the Town of Wallingford, County of New Haven, and State of Connecticut, hereinafter called "Lessee";

W I T N E S S E T H :

That the Lessor has leased and does hereby lease to the Lessee those certain pieces or parcels of land located in the Town of Wallingford, County of New Haven and State of Connecticut, as more particularly described below and as shown on the "Town of Wallingford Farmland Lease Program Properties" Maps attached hereto and made a part hereof, subject to utility and other easements that may exist:

<u>Field</u>	<u>Location</u>	<u>Acreage</u>
Field 18A	995C East Center Street	93.7

The term of this lease shall be from June -----, 2020 to December 31, 2024, (a five-year term).

The annual rent, payable upon execution of this lease, shall be:

<u>Field</u>	<u>Annual Rent</u>
18A	\$2,092.50

It is hereby understood that the leased premises are to be used by the Lessee only for the following agricultural purposes:

<u>Field</u>	<u>Crop/Use</u>	<u>Comments</u>
18A	Area A: Pasture – 56.9 ac. Area B: Optional Hay, Pasture, or Crops – 9.6 ac. Area C: Hay – 24.4 ac.	“General and Specific Field Requirements/Regulations” (attached hereto)

Lessee covenants and agrees to:

1. Not sublease or otherwise allow others to use the property without the Lessor’s written consent;
2. Pile stones removed from any field around the perimeter of that field in piles not to exceed three feet in height and not around trees or in watercourses;
3. Use the designated access shown on the “Town Farmland Lease Program Properties” Map, attached hereto, and not construct any new access ways to any field;
4. Allow members of the general public reasonable access for the purposes of bird watching, hiking, horseback riding, hunting, or fishing (only as allowed per town and/or state regulation), except that pasture areas are not accessible to the public;
5. If a USDA-NRCS or other formal Conservation Plan was submitted for a particular field with the bid proposal, use the USDA-NRCS Conservation Plan and follow Best Management Practices for Agriculture during the term of the agreement, including, at a minimum, adherence to the items referenced in the “Restrictions/Requirements” as referenced above for each parcel, and attached hereto;
6. If a USDA-NRCS or other formal Conservation Plan was not submitted with the bid for the particular field, follow best management practices for agriculture in accordance with the CT Department of Agriculture and CT DEEP during the term of the lease, and also, at a minimum, adherence to the items referenced in the “General Restrictions/Requirements” AND the “Field-Specific Restrictions/Requirements” as referenced above and attached hereto;
7. Not use canary grass or any other potentially invasive plants;
8. Not install any signage unless expressly permitted by the Lessor;
9. Not remove any trees, shrubs or stone walls, except Lessee may, if desired, treat or remove plants, shrubs or trees designated as “invasive species” per the State of Connecticut, in accordance with the “Restrictions/Requirements”, as referenced above and attached hereto;

and except as expressly permitted in the "Restrictions/Requirements" section for dead/dying trees in the lease area;

10. Not remove or install any fixtures, structures, or fences, either permanent or temporary, except as expressly required or permitted in the "General Field Restrictions/Requirements" and "Field-Specific Restrictions/Requirements" as referenced above and attached hereto. If a field does not have an existing gate, the lessee may install a gate, but barbed wire shall NOT be used. Prior to installing a gate, the lessee shall consult with the Environmental Planner as to location and method of installation.
11. Not cultivate for harvest within 25 feet of a water body or watercourse;
12. Not dredge, alter, draw from, or drain into, any farm pond, stream, drainage way, channel or swale without the express written permission of the Wallingford Conservation Commission and any permits as may be required from the Inlands Wetlands and Watercourses Commission;
13. Not alter any paths, horse trails, or other existing features without the express written permission of the Wallingford Conservation Commission and any permits as may be required from the Inlands Wetlands and Watercourses Commission;
14. Notify the Environmental Planner of erosion issues as they arise and take immediate measures to effectively control the erosion to the satisfaction of the Environmental Planner; and
15. Provide updated contact information (at a minimum, Lessee's phone number, mobile phone number, and address) to the Environmental Planner in a timely manner throughout the lease term.

The Lessor may make periodic inspections of the leased premises to insure compliance with the foregoing, and the Lessee agrees to comply with any reasonable recommendations of the Lessor designed to insure the continued arability of the soil and the protection of the Lessor's water resources.

The Lessor reserves the right to enter the leased premises at any time for the purpose of public safety, erosion control, or for the purpose of maintaining, inspecting, repairing, and replacing any underground drainage or utility pipes, together with installing necessary fixtures and appurtenances. In the performance of such purpose, the Lessor will work to minimize any damage to growing crops and will bring the premises back to level ground at any time it is necessary to disturb the surface thereof.

Lessee agrees to maintain in force during the term of the lease insurance for workers' compensation, bodily injury liability and property damage liability covering the Lessee's farming operations naming the Lessor as an additional insured on said policies. The minimum coverage amounts shall be as follows: \$1,000,000.00 for general aggregate and occurrence aggregate; \$1,000,000.00 for automobile liability and workers' compensation as per Connecticut statutes. Lessee further agrees to provide copies of said policies to the Lessor.

Lessee further covenants and agrees that if Lessee shall use the leased premises for any purpose or in any manner other than that herein authorized; or shall fail to use it for agricultural purposes as specified in the bid proposal; or breach any express covenant, term, restriction or condition contained herein; or make any alteration therein; or commit waste or suffer the same to be committed on said premises; or injure or misuse the same; then this Lease shall thereupon, by virtue of this express stipulation herein, expire and terminate, and the Lessor may, at any time thereafter, re-enter said premises, and the same have and possess as of its former estate, and without such re-entry, may recover possession thereof in the manner prescribed by the statute relating to summary process; it is being understood that no demand for rent, and no re-entry for condition broken, as at common law, shall be necessary to enable the Lessor to recover such possession pursuant to said statute relating to summary process, but that all right to any such demand, or any such re-entry, is hereby expressly waived by the Lessee.

And it is further agreed between the parties that, whenever this Lease shall terminate either by lapse of time or by virtue of any of the express stipulations herein, the said Lessee hereby waives all right to any notice to quit possession, as prescribed by the statute relating to summary process.

And it is further agreed between the parties hereto that the Lessee is to comply with and conform to all the laws of the State of Connecticut and the by-laws, rules and regulations of the Lessor within which the premises hereby leased are or may be concerned; and to save the Lessor harmless from all fines, penalties and costs for violation of or non-compliance with the same, and that said premises shall be at all times open for inspection by said Lessor or its agents.

And the Lessee covenants and agrees that, in the event the Lessor is required to employ an attorney in order to enforce any provision of this Lease, the Lessee shall pay a reasonable attorney's fee in connection with any such enforcement work.

This Lease may be terminated by either party hereto upon 15-days notice to the other, which notice shall be in writing; Upon termination, crops may be harvested with consent of Lessor.

And it is further agreed between the parties hereto and expressly understood that this Agreement shall terminate upon the death of the Lessee or upon said Lessee discontinuing the use of said leased premises for agricultural purposes; provided however, that the heirs or agents of the Lessee shall have the right to complete the harvesting of any and all existing growing crops. Said heirs or agents shall be required to abide by all the terms of this Lease.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals and to a duplicate of the same tenor and effect the day and year first above written.

*Signed, Sealed and Delivered
In Presence Of:*

LESSOR
TOWN OF WALLINGFORD

BY: _____
WILLIAM W. DICKINSON, JR.
Its Mayor

LESSEE

BY: _____
WARREN WILLIAMS

A. General Field Restrictions/Requirements – Applicable to ALL Areas

1. Use: Restricted to Pasture, Area A, Optional Vegetables, Hay, or Pasture, Area B, and Hay, Area C. Maintenance of conservation management areas is required in CMA-1 (along Tamarac Swamp Road area, and CMA-2 (stream corridor).
2. Access and accessways:
 - a. Accessways and gate openings must not be blocked by field equipment at any time.
 - b. In particular, full access by Eversource Energy personnel vehicles must be provided at all times to the Eversource easement area and the roadway built by Eversource within the easement area. This roadway is accessed off Tamarac Swamp Road via a gate with a double locking system, one lock for lessee (and Town) and one for Eversource use. Eversource has another accessway with a double-locked locked gate off Tamarac road located about 200 feet to the south of the above access which also provides access to the hayfield.
 - c. Lessee must install a 16-foot wide gate for Eversource use should new fencing cross the Eversource access roadway. Eversource will provide additional locks for any new gates installed by Lessee.
 - d. Accessways are required to be kept clear of vegetation and farm equipment at all times to allow
 - e. The public is not allowed to enter fields in pasture areas or accessways in vehicles or on foot.
3. Fencing:
 - a. All fencing is the responsibility of the Lessee to maintain and repair.
 - b. Should lessee opt to use Area B for pasture, adequate fencing is to be obtained, installed, and maintained by the Lessee. See above regarding access and gates.
 - c. Wallingford Water Division must be contacted by Lessee (203-949-2670) prior to installing any new fencing so that the work can be coordinated to avoid disturbing the existing water transmission mains that occur on the property (see Field Map for location of waterline crossing that runs east-west across the property).
 - d. Lessee must call "Call Before You Dig" before installing any new fencing.
 - e. Electric fencing is permitted however they shall be clearly identified with 12-inch by 18-inch warning signs on both the inside and the outside of the fence. The signs shall read "Warning –Electric Fence" in English with international symbols, installed at intervals of not greater than 50 feet.
 - f. Lessee is solely responsible for keeping cattle within the boundaries of pasture fields at all times.
4. Modifications to premises: NO MODIFICATIONS to the pastures, boundaries, ponds, streams, or other natural features may be made without the prior written permission of the Environmental Planner and Water Division General Manager.
5. Equipment and Storage:
 - a. Staged and/or damaged equipment, agricultural supplies and products shall be removed from fields within a reasonable time, to avoid soil compaction and damage to vegetation.
6. General Maintenance:
 - a. Mowing and trimming:

Staggered mowing of any areas not used for agriculture shall be done as needed to control brush and woody vegetation; note item d, below, for invasive species. Due to the size of this property, staggered mowing is preferable.

- b. Trimming of hedgerows INSIDE the Lease Area is allowed/preferred, but no removal of native trees over 3" in diameter. However, existing buffers outside perimeter fencelines shall NOT be disturbed or removed.
 - c. Saplings up to 3 inches in diameter may be removed if they extend into hayfield crop areas, vegetable corn/crop areas, access roads or gates within the leased area.
 - d. **Unless otherwise restricted in 'Field-Specific Restrictions/Requirements' below**, plants designated as invasive species per CT General Statutes may be controlled/removed using best management practices for agriculture and by observing other relevant federal/state regulations (e.g. manner of control, transport, use of pesticides, etc.). Questions regarding proper method of control/removal during lease term should be directed to the Environmental Planner.
 - e. No canary grass or other species designated as invasive per the State of Connecticut may be planted on the leased premises.
 - f. **Unless there are field-specific criteria to the contrary under Section B, "Field Specific Requirements/Restrictions,"** any pasture area not used for cattle in a particular year shall be maintained in dense herbaceous cover, and shall be mowed annually, preferably in late winter or very early spring (to allow seeds and cover for wildlife in summer, fall, and winter, and prevent damage to ground nesting birds, amphibians and reptiles in spring and summer).
9. Cultivating/seeding: Lessees who have not demonstrated prior experience in seeding/re-seeding fields on Town of Wallingford land must consult with the Environmental Planner prior to seeding/re-seeding any leased field.
- Unless otherwise noted in the "Field-Specific Restrictions/Requirements", lessees shall:**
- a. Not cultivate for harvest within 25 feet of a water body or watercourse;
 - b. Take reasonable care to avoid introduction of pests/disease into fields;
 - c. Contour plow when seeding/re-seeding fields, or use suitable no-till, reduced tillage practices;
 - d. Remove damaged or staged equipment, agricultural supplies and products from fields within a reasonable time;
 - e. Use adequate erosion control measures as may be needed to prevent loss of soil and nutrients to wind and water erosion, and contamination of water bodies and watercourses on the premises;
 - f. Timely report any erosion problems to the Environmental Planner;
 - g. Not plant canary grass or other invasive plant species;
 - h. Not use GMO seed;
 - i. Immediately remove and properly dispose of empty packaging, containers, etc. ;
 - j. Not dredge or alter any farm pond, stream, drainage way, channel, or swale without the express written permission of the Wallingford Conservation Commission and any permits as may be required from the Inland Wetlands Commission; and
 - k. Immediately report to the Environmental Planner any damage to the lease area, access ways, gates, buildings, etc.
10. Trees:
- a. Trees downed anywhere on lease area are the responsibility of the lessee and must be removed promptly, if they block access roads or gates, or fall across fences, depending on weather and field conditions, in a manner that does not create further soil disturbance. Any fences damaged by such trees shall be repaired promptly by the lessee, depending on weather and soil conditions.

- b. Trees downed across fences into a non-lease area shall be reported immediately to the Environmental Planner, but shall not be worked on by the lessee in the non-lease area. The lessee shall clear the part of fallen trees that are within the lease area only, and repair any fences damaged or downed by such trees.
- c. Trees outside the lease area are the responsibility of the Town.
- d. There shall be no elective wood-cutting on leased areas.
- e. See "Field Specific Requirements/Restrictions" regarding diseased/standing dead trees.

11. Applications (manure/fertilizer/compost/other nutrients/pesticides and herbicides) to fields:

All lessees shall comply with 'generally accepted agricultural practices' as determined by the Connecticut Commissioner of Agriculture and Connecticut DEEP. However, since the Town of Wallingford has a concern for the preservation and conservation of its natural resources, including public water supplies, on those particular fields where manure and/or other products may be applied, all lessees must, as a minimum standard, adhere to the following specific protocols for applications of manure, other nutrients, and pesticides/herbicides:

- a. Applications of manure:
 - i. Manure may not be stored on town fields;
 - ii. Manure shall not be spread on frozen or snow-covered ground;
 - iii. Manure shall not be spread within 200 feet of a waterway, stream, or body of water; and
 - iv. Manure shall not be applied on more than 20 contiguous acres in a single application cycle.
- b. Applications (manure/fertilizer/compost/other nutrients/pesticides and herbicides) to fields:
 - i. Environmental Planner must be notified prior to use of any herbicides or pesticides on the property so that Town can keep a record regarding history of usage.
 - ii. All applications to fields other than manure must be patented under a readily available commercial label, listing chemical composition, application rate, and method of application;
 - iii. Applications of substances not patented under a commercial label may not be made without prior approval of the Environmental Planner.
- c. Use of pesticides/herbicides:
 - i. Applications must be patented under a readily available commercial label, listing chemical composition, application rate, and method of application.
 - ii. Application of pesticides and herbicides may only be made in accordance with all applicable State Laws, and by a State-licensed and certified applicator as may be required by law.
 - iii. Applications (pesticides, herbicides, etc.) shall be applied in accordance with manufacturer's instructions.
 - iv. No Roundup shall be used; may substitute Rodeo or other glyphosate without surfactant, and no 'sticker'/oil/or other substance may be added.

12. Preservation of natural and cultural resources:

- a. Lessee shall not alter or remove any existing stone walls, native trees, or native shrubs, except for permitted maintenance of access ways, field edges, hedgerows, and other areas as specified in General and Field-Specific Restrictions/Requirements.

- b. Unless allowed per the “Field-Specific Restrictions/Requirements”, Lessee shall not till or disturb soil when performing maintenance mowing or control of invasive plants.
 - c. Lessee shall not till or disturb soil any deeper than the necessary depth for planting on any crop area.
 - d. Lessee shall not dig on non-crop areas, except to reasonably repair damage caused by damaged trees within the Lease Area, per the General and Field-Specific Restrictions regarding trees, or to maintain fencing per the General and Field-Specific Restrictions regarding fencing.
 - e. Drainage & Erosion Control: Town reserves the right to enter property as necessary to install erosion control measures at any time during lease term.
13. Hunting: Hunting is not permitted on the lease area, nor on adjacent Town of Wallingford properties on East Center Street and the north side of Tamarac Swamp Road.

B. FIELD-SPECIFIC RESTRICTIONS/REQUIREMENTS – (the following are in ADDITION to the section, “A. General Field Restrictions/Requirements” above).

Pasture – Area A, and Area B if used for Pasture– the following are in addition to the section, “A. General Field Restrictions/Requirements”

- 1. Stocking Rate: Pasturage use for A and B combined is restricted to 35 livestock animals – CATTLE ONLY, but NO BULLS. For stocking rate, 3 calves equal one adult animal.
- 2. At all times, all pasture areas shall be managed to provide sufficient grazing, prevent overgrazing, and prevent undue disturbance of stream channels. Mowing must be done as needed to maintain all pastures. Optimal grass height of 6 inches – 20 inches is desirable.
- 3. Planting and/or re-seeding: Any re-seeding or planting MUST be approved in advance by the Environmental Planner and Wallingford Water Division, and may require erosion control measures.
- 4. Field Edges/Hedgerows: Hedgerows shall be left intact, to provide additional barriers to supplement the barbed wire fences.
- 5. Conservation Management Area (CMA-1): As designated on the Field Map, there is an area outside the crop/pasture area, bordering the private neighbor’s property. This ‘Conservation Management Area, CMA-1, shall be mowed or brush-hogged annually to maintain herbaceous vegetation and prevent domination by invasive plants or succession to trees. It is preferable for the required maintenance cutting/mowing to be done in late winter or very early spring. However, due to the wet conditions of the area, topography, and unpredictable weather, the Lessee may understandably need to cut the area at a different time. Since there are 3 portions of the Lease Area requiring brush-hogging/mowing for conservation purposes (CMA-1, the Marsh in item 6 below, and the Swamp area in item 7 below), staggered maintenance cutting of these areas is preferable. That is, to mow at various times of year or in alternate years if possible, to provide benefits of food and cover to wildlife.
- 6. Marsh: the marsh in the southeast portion of Area A shall be cut/brush-hogged to maintain the area as early successional habitat. Preferably, this shall be done in winter/late winter, at

different times or in different years than the CMA-1 section in Area B. However, due to the wet soils, unpredictable weather conditions, and topography, the Lessee may need to perform maintenance cutting/brush-hogging/mowing whenever it is possible, in order to prevent the area growing into trees or domination by invasive plants.

7. Swamp area: the swamp area in the northeast corner of Area A shall be cut/brush-hogged as needed to control the growth of invasive plants, and maintain the area as much as possible in herbaceous vegetation. It is preferable to alternate cutting with other areas, the Marsh and CMA-1. However, due to unpredictable weather conditions and topography, the Lessee may need to perform maintenance whenever it is possible, to prevent the spread of phragmites, other invasive plants, or woody vegetation.

Hay – Area C– the following are in addition to the section, “A. General Field Restrictions/Requirements”:

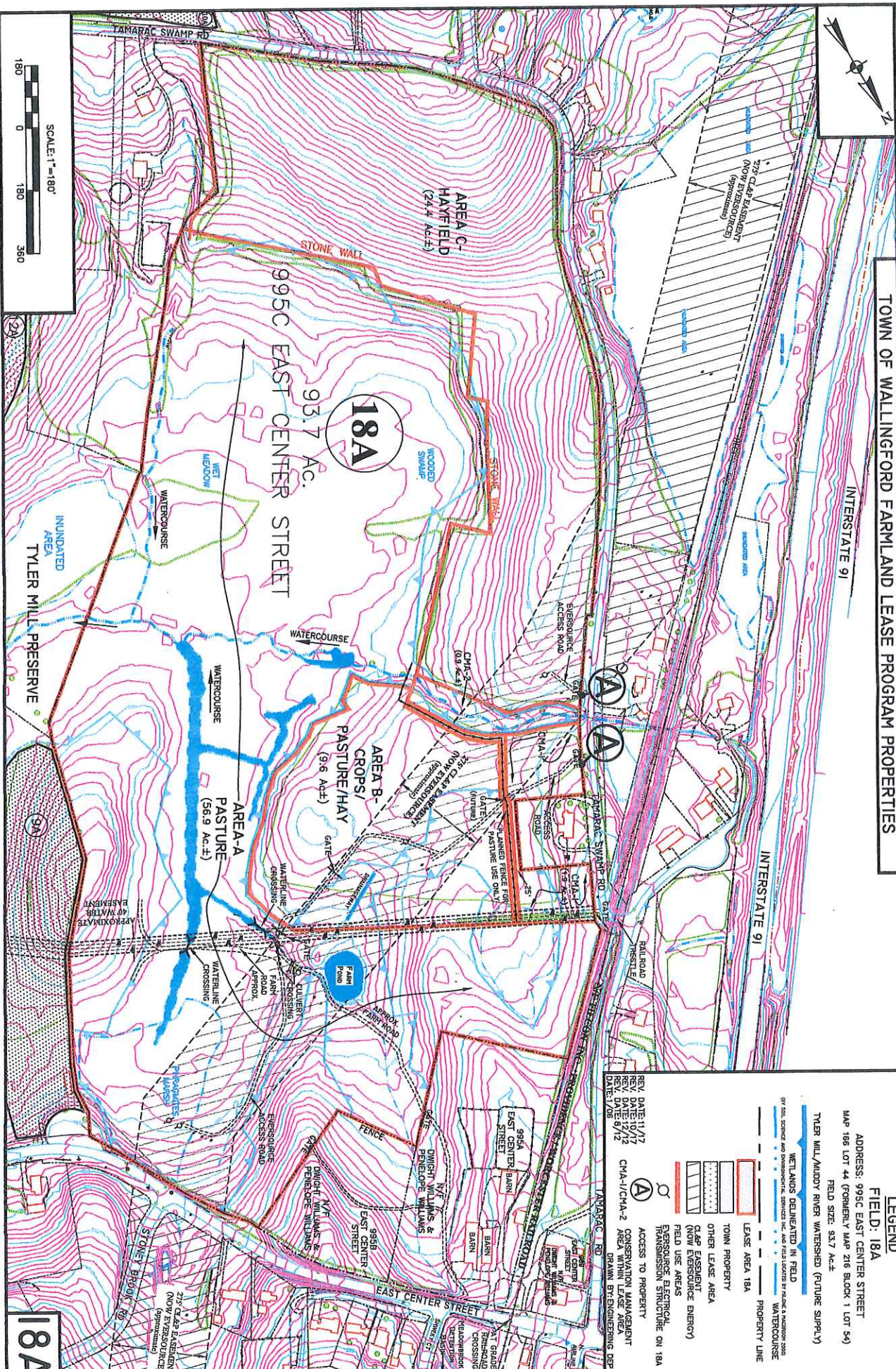
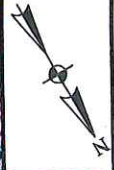
1. Planting and/or re-seeding: Area C consists of sloped areas (highly erodible land). If plow and disk tillage is to be used to re-plant this area at any time, this MUST be approved in advance by the Environmental Planner and may require erosion control measures and/or an NRCS or equivalent conservation plan, prior to any plow and disk tillage on this area.
2. Harvest: Harvesting at least two cuttings per year is desired. However, the hay field must be mowed and baled off at least once per season prior to October 1 in any given year. Woody or invasive growth resulting from inadequate timing and frequency of mowing shall be deemed inadequate performance/failure to farm the leased property.
3. Hay bales: are not to be left in the field beyond 1 (one) week. Hay bales may be staged on a field edge in the lower (northern) portion of the field away from the entrance and Eversource poles, in preparation of removal. However, field areas disturbed by staging are to be promptly reseeded on open soil to re-establish vegetation.
4. Maintenance:
 - a. In performing maintenance of field edges, the Lessee is reminded that horseback riders are allowed access to field edges (only) in this field. Therefore, limbs and branches should be trimmed to height accordingly (9 feet is preferred clearance for limbs at field edges).
 - b. In fields where the perimeter is fenced/gated or otherwise restricted (e.g. desired hedgerows to prevent vehicle or atv trespass), the Wallingford Conservation Commission has arranged for horse access/entry in the field in particular locations. No new access openings may be created by the Lessee or the public, nor may any access established by the Wallingford Conservation Commission be blocked, without prior consultation with the Environmental Planner.
5. Grassland bird area conservation considerations: In its existing condition as a dense, tall, cool-season grassland, the site may provide suitable habitat for certain state-listed species of ground nesting birds, with proper management. Recommended management that enhances this habitat for grassland bird species includes the following:
 - a. When possible, defer mowing until after breeding season, ideally until after August 1st, but at the very earliest, mid-July to allow fledging of young grassland birds.
 - b. Ideally, the field should be cut in sections, over several days, starting with the lower (northern) section, then the middle section, with mowing of the upper (southern/eastern) section to be harvested last. When mowing the upper (southern/eastern) section, it is preferable to mow either from the southern edge first, or in large circles from the center out, to allow birds to escape to the marsh habitat in Area A. When harvesting the middle and lower (northern) sections, harvest hay from the sides of the field along the road, progressing inward away from the road, thereby allowing birds and other wildlife to escape into the adjacent more naturalized areas of Area A.

- c. If portions of the hay harvest are used for bedding straw or erosion and sedimentation control, harvest those portions of the field after the breeding season (after August 1st).
- d. When harvesting the first cutting of hay, do not perform maintenance mowing/cutting in the marsh or wet meadow in pasture Area A at the same time as the hay harvest. This will provide alternative cover and food sources for ground nesting birds and other wildlife.
- e. Make reasonable efforts to control invasive plants, following NRCS and/or CT DEEP recommended practices. For questions, consult the Environmental Planner.
- f. It is preferable that the hedgerows between the southern section of the hayfield, the wooded swamp, wet meadow and marsh in pasture Area A, and the northern section of pasture Area A, be passable by ground nesting birds. I.e., not allowed to fill in with a 'wall' of woody growth. Periodic trimming or other hedgerow management should be performed to link the southern/eastern hayfield Area C with Area A. Entire hedgerows do not need to be cleared. Hedgerows which provide a sight line and passage by birds, rather than woody/treed hedgerows, in this north-south tract are desirable.

Areas B & C – Stream Corridor - Conservation Management Area (CMA-2)

1. CMA-2: The stream corridor located between Area B and Area C is Conservation Management Area CMA-2 (see Field Map for location). This designated conservation area is a natural area intended to promote water quality renovation and provide habitat, shelter, and a water source for wildlife. The stream corridor width varies from 25 feet at its narrowest point on the east side to 45 feet in width on the west side with an average width of 35 feet to 40 feet measured from the top of stream bank out on each side of the stream. Stream corridor borders are to be respected.
2. Management: The corridor border is to be trimmed back (accessed from the field side) ONLY when growth encroaches onto the field area.
3. Drift precautions: At no point should any applications to the field areas be allowed to drift into the stream corridor area. Product application directives relative to wind-speed prohibitions should be adhered to in this regard. Also, refer to detailed lease restrictions on use of applications/pesticides, above, under 'Applications'.

TOWN OF WALLINGFORD FARMLAND LEASE PROGRAM PROPERTIES



LEGEND

FIELD: 18A
 ADDRESS: 995C EAST CENTER STREET
 MAP 186 LOT 44 (FORMERLY MAP 216 BLOCK 1 LOT 54)
 FIELD SIZE: 93.7 AC.±
 TYLER MILL/MOODY RIVER WATERSHED (FUTURE SUPPLY)

- WETLANDS DELINEATED IN FIELD
- PROPERTY LINE
- LEASE AREA 18A
- TOWN PROPERTY
- OTHER LEASE AREA
- CLAPP EASEMENT (NOW EASEMENT ENERGY)
- FIELD USE AREAS
- EASEMENT ELECTRICAL TRANSMISSION STRUCTURE ON 18A
- ACCESS TO PROPERTY
- CONSERVATION MANAGEMENT AREA WITHIN LEASE AREA
- DRAWN BY: ENGINEERING DEPT.

REV. DATE 11/17
 REV. DATE 10/17
 REV. DATE 09/17
 DATE 1/08

18A



3f,

OFFICE OF THE MAYOR
TOWN OF WALLINGFORD
CONNECTICUT

WILLIAM W. DICKINSON, JR.
MAYOR

June 12, 2020

Wallingford Town Council
45 South Main Street
Wallingford, Connecticut 06492

ATTN: Vincent Cervoni, Chairman

Dear Council Members:

Under the 2020 Neighborhood Assistance Program, non-profit agencies that serve Wallingford residents are eligible to participate in this program, through which private businesses receive State tax credits for making contributions to eligible projects.

In accordance with the State legislation, we have solicited applications for the current cycle. Our deadline for applications is June 19, 2020. The legislation requires that the legislative body of a municipality hold a public hearing in order to submit a list of projects to the State for approval. It is, therefore, requested that the Town Council schedule a public hearing for July 14, 2020.

Should you have any questions or comments, please contact me.

Sincerely,

William W. Dickinson, Jr.
Mayor

lmw

NAAReqToSetPubHrg2020

39.

TOWN OF WALLINGFORD, CONNECTICUT

Honorable William W. Dickinson, Jr. Mayor
Wallingford, CT 06492

Date: June 9, 2020

1. Request for X transfer of funds Fiscal year 2019-2020
 appropriation of funds

Funds: Electric X operating capital project
Water operating capital project
Sewer operating capital project

\$ 11,100 From: Employee Pension and Benefits Acct. No. 926

\$ 11,100 To: Meter Expense Acct. No. 586

Explanation: See attached memo

Certified as to Availability of Funds:

[Signature]
Office Manager

Date: 6-9-20

Submitted by: [Signature]
Division Head

Date: 6-9-20

[Signature]
Department Head

Date: 6/9/20

Approved by vote of the Public Utilities Commission subject to the approval of the Mayor and Town Council

Chairman, Public Utilities Commission Date: _____

Certified as to Availability of Funds:

Comptroller Date: _____

Approved - subject to the approval of the Town Council

Mayor Date: _____

II Certification of the Financial Transaction:

The transfer or appropriation of \$ _____ as detailed and authorized above and as approved by a vote of the Town Council in session is hereby certified.

I hereby certify that this is the motion approved by the Town Council at its meeting of _____, 20____.

Town Clerk _____ ITEM NO. 20-2
PUC AGENDA 6/10/20



Town of Wallingford, Connecticut


THOMAS SULLIVAN
BUSINESS OFFICE MANAGER

DEPARTMENT OF PUBLIC UTILITIES
ELECTRIC DIVISION
BUSINESS OFFICE
100 JOHN STREET
WALLINGFORD CT 06492
PHONE 203-294-2030
FAX 203-294-2027

Memo

To: Tony Buccheri, General Manager

Cc: Richard Hendershot, Director of Public Utilities

From: Thomas Sullivan, Business Office Manager 

Date: June 9, 2020

Re: Fiscal 2019-2020 budget transfer
Account 586 – Distribution Operations - Meter Expense

Attached for your review is a request for a budget transfer in fiscal year 2019-2020 in the amount of \$11,100 to Account 586 Distribution Operations - Meter Expense. This account includes labor overhead, materials and expenses incurred in the operations and testing of customer meters. A review of the activity to date along with projections for the balance of the fiscal year indicate that additional funds will be needed to complete the year.

Funds are available for this transfer from account 926 Administrative and General –Employee Pension and Benefits due to vacancies and lower utilization of off-site training.

Please review the attached budget transfer request and forward as appropriate for action by the Public Utilities Commission and Town Council.

ITEM NO. 2b-1
PUC AGENDA 6/16/20

3h

**TOWN OF WALLINGFORD, CONNECTICUT
TOWN COUNCIL MEETING**

**HELD REMOTELY
at GoToMeeting.com**

**TUESDAY
MAY 26, 2020
6:30 P.M.**

RECORD OF VOTES & MINUTES

The Town Council Meeting on Tuesday, May 26, 2020 was called to order at 6:31 p.m. There was a moment of silence and the Pledge of Allegiance was said. Councilors in attendance were Craig C. Fishbein, Thomas Laffin, Joseph A. Marrone, III, Gina Morgenstein, Christopher K. Shortell, Christina Tatta, Vincent F. Testa, Jason Zandri and Chairman Vincent Cervoni. Mayor William W. Dickinson, Jr., and Comptroller James Bowes were also present **(BY TELECONFERENCE)**.

- 3a. Consider and approve Tax Refunds totaling \$4,954.68 (#910-930)
Acct. #1001001- 41020 - Tax Collector
- 3b. Acceptance of Donation and consider and approve Appropriation of funds in the amount of \$500.00 to Revenue Donations - Police, Acct. #2502002-47152 and to Expense Donations- Police, Acct. #25020050-58830-10135 - Police Dept.
- 3c. Acceptance of Federal/State Highway Grant 2019/2020 Comprehensive DUI Enforcement Program and consider and approve Appropriation of funds in the amount of \$5,931 to Revenue Highway Safety, Acct. #1002001-45208 and to Police Overtime, Acct. #10020050-51400 – Police Dept.
- 3d. Acceptance of Overtime Expenses from U.S. Secret Service and consider and approve Appropriation of funds in the amount of \$1,402 to Misc. Revenue, Acct. #1009052-47040 and to Police Overtime, Acct. #10020050-51400 – Police Dept.
- 3e. Consider and approve a Transfer in the amount of \$4,000 from Wage Differentials, Acct. #10020050-51450 to Police Operating Expenses, Acct. #10020050-58735 – Police Dept.
- 3f. Acceptance of Redflex funds and consider and approve Appropriation of funds in the amount of \$1,404 to Court Motor Vehicle Fines, Acct. #1002001-45124 and to Police Operating Expense, Acct. #10020050-58735 – Police Dept.
- 3g. Consider and approve a Transfer in the amount of \$7,800 from Wage Differentials, Acct. #10020050-51450 to Capital Network Switch Replacement, Acct. #10020050-57000-00815 – Police Dept.
- 3h. Acceptance of Donation from Roehm America and consider and approve Appropriation of funds in the amount of \$2,000 to Revenue Donations-Police, Acct. #2502002-47152 and to Expense Donations-Police, Acct. #25020050-58830-10135 – Police Dept.

- 3i. Consider and approve a Transfer in the amount of \$3,500 from Promotional Expenses, Acct. #10011050-55405 to Capital-Computers, Acct. #TBD – EDC
- 3j. Consider and approve a Transfer in the amount of \$2,200 from Office Expenses & Supplies, Acct. #10010200-56100 to Capital-Computers, Acct. #TBD –Program Planning
- 3k. Consider and approve a Transfer in the amount of \$11,100 – Fire Dept.
\$11,100 From: Volunteer Tax Abatement Acct. #10020150-52961
\$8,570 To: Capital Acct. – AED Acct. #10020150-57000-00826
\$2,530 To: Operating Expenses Acct. #10020150-58735
- 3l. Consider and approve a Transfer in the amount of \$20,000 from Utilities, Acct. #10020150-53010 to Capital Acct.: Turnout Gear, Acct. #10020150-57000-00836 – Fire Dept.
- 3m. Consider and approve a Transfer in the amount of \$4,851- Fire Dept.
\$ 663 From: Intake Valve Acct. #10020150-57000-00817
\$ 152 From: Thermal Imaging Camera Acct. #10020150-57000-00825
\$ 48 From: Scoop Stretcher Acct. #10020150-57000-00828
\$1,296 From: PPV Fan Acct. #10020150-57000-00829
\$ 96 From: Stop the Bleed Acct. #10020150-57000-00831
\$ 484 From: Generator Powered Lights Acct. #10020150-57000-00834
\$ 735 From: SCBA Acct. #10020150-57000-00835
\$1,377 From: SCBA Air Compressor Acct. #10020150-57000-00837
\$4,851 To: Building Improvement/
Maintenance CFHQ Acct. #10020150-57000-00824
- 3n. Acceptance of Donation from Roehm America and consider and approve Appropriation of funds in the amount of \$2,000 to Revenue Account, Acct. #250-TBD and to Expense Account, Acct. #25020150-58830-TBD – Fire Dept.
- 3o. Acceptance of Donation from Mr. J. Michael Johnson and consider and approve Appropriation of funds in the amount of \$500 to Revenue Account, Acct. #250-TBD and to Continuing Education & Training, Acct. #250-TBD – Fire Dept.
- 3p. Consider and approve a Transfer in the amount of \$1,250 – Fire Dept./ Emergency Management
\$450 From: Maintenance of Vehicle Acct. #10010800-54320
\$200 From: Office Expense & Supplies Acct. #10010800-56100
\$600 From: Operating Expenses Acct. #10010800-58735
\$1,250 To: Telephone Acct. #10010800-53000

- 3q. Consider and approve a Transfer in the amount of \$4,950 from Contingency, General Purposes, Acct. #10019000-58820 to PBC Contamination, Acct. #10030000-56850 – Public Works
- 3r. Consider and approve a Transfer in the amount of \$6,200 from Contingency-General, Acct. #10019000-58820 to Professional Services-Lawyers, Acct. #10010300-56710 – Law Dept.
- 3s. Approve May 5, 2020 Budget Meeting Minutes, May 7, 2020 Budget Meeting Minutes, May 12, 2020 Town Council Meeting Minutes and May 12, 2020 Budget Meeting Minutes.

MOTION WAS MADE TO APPROVE CONSENT AGENDA ITEMS 3a.-3s.

MADE BY: LAFFIN
SECONDED BY: TATTA
VOTE: ALL AYE
MOTION: PASSED

4. Items Removed from the Consent Agenda: None

5. Consider and approve a Transfer in the amount of \$54,500 – Fire Dept.

\$ 7,500	From: Overtime	Acct. #10020150-51400
\$24,000	From: Wage Differentials	Acct. #10020150-51450
\$23,000	From: Other Pay	Acct. #10020150-51900
\$54,500	To: Replacement Pay	Acct.#10020150-51500

In Attendance: Chief Heidgerd, Fire Chief

MOTION WAS MADE TO APPROVE A TRANSFER IN THE AMOUNT OF \$54,500.

MADE BY: LAFFIN
SECONDED BY: TATTA

Chief Heidgerd stated this is the second time we are transferring by attrition. We have gotten to our correct payroll numbers. This was a known process that we have been going through.

ROLL CALL VOTE:	SHORTELL: YES
FISHBEIN: YES	TATTA: YES
LAFFIN: YES	TESTA: YES
MARRONE: YES	ZANDRI: YES
MORGENSTEIN: YES	CERVONI: YES
9-AYE	
MOTION: PASSED	

6. Report from Stephen Civitelli, Health Director, regarding COVID-19 - Chairman Cervoni

Mr. Civitelli reported:

Community based numbers have dropped for new cases. There has been a 50% drop in healthcare and a 60% drop in community based numbers of new cases.

We are more recently working with local businesses. There are 500 licensed businesses trying to get back to some sort of normal.

Still working on mass dispensing of the vaccine for next year.

We are looking to do a flu clinic earlier this year, September or October, to stay away from the next potential COVID wave.

Some good news from CDC indicated that person to person is the most prominent spread of COVID not surfaces or objects.

Councilor Morgenstein asked if there is any accurate data on false negatives. Mr. Civitelli replied no.

Councilor Morgenstein has concerns about distancing and outdoor dining. She asked if there is a way to have pedestrians not walk on the street's sidewalks where there is dining. Mr. Civitelli said she should discuss this with the Police Chief.

Councilor Morgenstein questioned why the Council did not get a copy of the Mayor's letter to barber shops.

Councilor Fishbein thanked Mr. Civitelli for getting rid of the litter and newspapers in the driveways.

Councilor Fishbein inquired about contact tracing. Mr. Civitelli stated it is easier to do with a smaller number and explained you would try to get close contacts and co-workers to do a 14 day quarantine.

Councilor Fishbein asked if the three golf courses in town are open. Mr. Civitelli said he knows that two are open and that you need to keep a six foot distance.

Councilor Fishbein inquired about nursing homes and stated he saw a large number of cases at Regency House. Mr. Civitelli said they have the largest number of cases and they were inspected by the State and the National Guard. Mr. Civitelli went on to say Regency House had 81 positive cases and 39 have passed and Skyview had 57 cases and 5 have passed.

Adelheid Koepfer, 23 Whiffle Tree Road, remarked that we have fewer cases than Meriden but more fatalities.

Mr. Civitelli explained we do not know pre-existing conditions of those in homes. We were focusing on PPE and how they were moving patients around but it is hard to quantify fatalities.

7. Report from EDC regarding economic impact of COVID-19 on the business community in Wallingford – Councilor Tatta

In Attendance: Tim Ryan, Economic Development Specialist

Mr. Ryan stated there are more unknowns than knowns when it comes to the impact COVID-19 will have on Wallingford's economy but he will offer some bullet points.

- Stock markets are rebounding while companies are laying-off a record number of people.
- He expects local turmoil over the next year.
- Over the past 5 to 6 years Wallingford added 50 new businesses per year but in 2021 we will have fewer businesses.
- We will have a hard time attracting new businesses.
- Short-term manufacturing will be okay, not flourishing but just okay. They are more accustomed to ebbs and flows.
- Regarding retail he thinks a long term reconfiguration will take place.
- Hotels are taking an especially hard hit. There are four hotels at 68 and 91 and two more being built. Mr. Ryan does not think they will be built.
- We have struggled for a while with the office market. Cities have become more popular and now it will be adaptive re-use, more supply than demand.
- Businesses growth over the next 20 years will be very slow. Mr. Ryan believes we will be lucky to have any new businesses this year.
- On some positive notes diversity in our tax base will help us weather this storm.
- Unemployment in Wallingford today is 12% and before COVID it was 4%.
- International flights from big cities are happening.
- Proton Beam is still building its 72 million dollar building which is a joint Yale/Hartford Hospital venture and that's good news.
- Chairman Cervoni stated to Mr. Ryan that his report was more in depth than he anticipated, sobering but insightful.

Councilor Tatta thanked Mr. Ryan for his report and stated she wanted everyone to hear this before the budget.

8. Discussion and possible action regarding Town Council Pool Committee – Councilor Shortell

*In Attendance: Michael Savinelli, Pool Committee
Kenneth Michaels, Parks & Recreation Director*

Councilor Shortell said he was thinking where we do we go from here to keep this focus alive. He mentioned when he re-watched the original meeting with John Gawlak there was talk of forming a committee and then the Council did not form the committee. He stated he sees three things:

1. What it would cost to keep and/or replace the current pool.
2. The new proposed design - The committee that worked on this did a great job but what would it cost to do six lanes, a bigger splash pad and public/private sponsorship.
3. Annual recommendation to the full Council, i.e. this is what we have learned; this is where the economy is, etc.

Councilor Shortell stated this is to build onto what the pool committee has already done, just growing on it, a level of accountability to keep the pool alive.

Mr. Savinelli feels this is a good idea. He's said he's not sure about another committee but maybe just a Councilor like Councilor Shortell joining our existing committee and be a liaison to the Council.

Councilor Marrone is in favor of this idea. He thinks the committee was taken over by the administration so he feels there should be more Council involvement.

Councilor Fishbein agrees. He stated he doesn't know about the existing committee. He feels this is a big project and we could use someone from Electric or Public Works on the committee. He stated the existing committee did a great job but suggested a new committee with existing members on it.

Councilor Laffin feels it's a good idea to keep it alive. He liked the plan and stated maybe not another committee but he also thinks we could use some other departments.

Councilor Testa said he does not want to complicate matters with a new committee. He thinks we should revise a new charge for this committee.

Mr. Michaels agrees with Councilor Testa. He feels the committee is really committed to finishing this through and that they really don't need a committee within a committee.

Councilor Fishbein asked who created the committee. Mr. Michaels stated he cannot speak to that he was not the Director.

MOTION WAS MADE THAT COUNCILOR SHORTELL SERVE AS LIAISON TO THE POOL COMMITTEE TO REPORT BACK TO THE COUNCIL.

MADE BY: LAFFIN

SECONDED BY: ZANDRI

Councilor Tatta asked Councilor Shortell if he wants to be the liaison and if he thinks this will work instead of the way he wanted it.

Councilor Shortell said yes he will do it. He stated he can keep it alive and bring it back to the Council with information and questions back to the committee. He said he's happy to do it.

Councilor Fishbein stated he thinks there should be more than one Councilor.

ROLL CALL VOTE:		SHORTELL: YES	
FISHBEIN:	YES	TATTA:	YES
LAFFIN:	YES	TESTA:	YES
MARRONE:	YES	ZANDRI:	YES
MORGENSTEIN:	YES	CERVONI:	YES
9-AYE			
MOTION: PASSED			

9. Discussion and possible action regarding re-opening Wallingford, and Outdoor Graduation – Councilor Fishbein

Councilor Fishbein spoke about Mr. Civitelli's report and noted we have not had a lot of direction. He asked when we will see something change.

Councilor Fishbein said he would like to know where we are with outdoor graduation. He stated Dr. Menzo is very good at thinking outside the box. He thinks the Law Department, the Mayor and the Health Director should do a Resolution about doing our own thing with businesses in town.

Councilor Testa stated he is trying to figure out what the point of this is. He stated we can pass a Resolution but you're questioning the Governor's oversight of the state. Councilor Testa feels we should ask the Mayor to draft a letter to express our dissatisfaction. He indicated he does not want the Council put in a position to assist Councilor Fishbein in his duties as a State Representative. He went on to say we cannot ask the Governor to change our town any different than the state. He said as far as graduation, it is not our job, we are removed from that. That is a Board of Education position and of course we care about our students but we cannot get involved.

Councilor Laffin stated we have nine elected Board of Education members and Dr. Menzo is always thinking out of the box. He went on to say we do not get involved in their activities and they are trying to work out the best scenario.

Councilor Fishbein said the Board of Education has the ability to do this but absent the executive branch they would be planning something. He stated he just wants to pass a Resolution to say Wallingford is ready, not to defy the law.

Karen Hlavac, BOE Chair, noted they have had numerous ideas for graduation plans. She stated they must comply with COVID regulations and they are looking for additional guidance. They will wait until the week of June 8th to make final plans. She remarked that they have been sensitive to all ideas.

Dr. Menzo stated this is a tough decision and we are meeting with students to make decisions on prom, graduation, etc. He said there is potential to have a traditional graduation on June 20th but they just don't know yet. He indicated they are working with the Police Dept., Health and the Law Department.

Chairman Cervoni remarked I do think the Council wants to support graduation not plan it for you.

Councilor Morgenstein said she would be unwilling to sign a Resolution for an opening. She explained as a healthcare provider she sees too many people not doing the right thing. She feels we should see what this partial opening does.

Councilor Fishbein stated he does not want to get political.

MOTION WAS MADE TO ASK THE LAW DEPARTMENT TO DRAFT A RESOLUTION DIRECTED TO THE GOVERNOR, ASKING HIM TO PERMIT BUSINESSES IN WALLINGFORD THAT ARE PREPARED TO PUT IN PLACE REQUIREMENTS REQUIRED FOR A JUNE20 RE-OPENING TO OPEN EARLIER THAN JUNE 20 IF THEY HAVE THOSE REQUIREMENTS IN PLACE AND ARE APPROVED BY OUR LOCAL HEALTH DIRECTOR.

**MADE BY: FISHBEIN
SECONDED BY: SHORTELL**

The Law Department will draft a Resolution to the Governor addressing Wallingford to reopen in a more localized state.

Mr. Civitelli explained in terms of more local control there was not much local representation. He went on to say we asked as Health Directors to be part of it but it didn't happen. Mr. Civitelli stated Public Health in the end has to be protected.

Mr. Ryan stated businesses are furious at the inconsistencies of the Executive Orders.

PUBLIC COMMENT

Jessica Wysocki, 352 Grieb Road, supports the town's legal department in taking over more local control.

ROLL CALL VOTE:	SHORTELL: YES
FISHBEIN: YES	TATTA: YES
LAFFIN: YES	TESTA: YES
MARRONE: YES	ZANDRI: YES
MORGENSTEIN: NO	CERVONI: YES

8-AYE
1-NAY
MOTION: PASSED

10. Executive Session pursuant to Section 1-200(6)(D) of the Connecticut General Statutes with respect to the purchase, sale and/or leasing of property – Mayor - *Withdrawn*
11. Executive Session pursuant to Section 1-225(f) and Section 1-200(6)(B) of the CGS regarding strategy and negotiations with respect to the pending tax appeal matter of *CREFIII Waramaug Wallingford, LLC v. Town of Wallingford* – Law Dept.

MOTION WAS MADE TO MOVE INTO EXECUTIVE SESSION AT 8:55 P.M.

MADE BY: LAFFIN
SECONDED BY: SHORTELL
VOTE: ALL AYE
MOTION: PASSED

MOTION WAS MADE TO MOVE INTO EXECUTIVE SESSION pursuant to Section 1-225(f) and Section 1-200(6)(B) of the CGS regarding strategy and negotiations with respect to the pending tax appeal matter of *CREFIII Waramaug Wallingford, LLC v. Town of Wallingford*.

MOTION WAS MADE TO MOVE OUT OF EXECUTIVE SESSION AT 9:22 P.M.

MADE BY: LAFFIN
SECONDED BY: SHORTELL
VOTE: ALL AYE
MOTION: PASSED

Time of Executive Session 8:55 p.m. to 9:22 p.m.

Attendance at Executive Session:

FISHBEIN	MAYOR WILLIAM W. DICKINSON, JR.
LAFFIN	TOWN ATTORNEY GERALD E. FARRELL, SR.
MARRONE	
MORGENSTEIN	
SHORTELL	
TATTA	
TESTA	
ZANDRI	
CERVONI	

- 12. Discussion and possible action in the pending tax appeal matter of *CREFIII Waramaug Wallingford, LLC v. Town of Wallingford* as discussed in Executive Session – Law Dept.

MOTION WAS MADE TO APPROVE the pending tax appeal matter of *CREFIII Waramaug Wallingford, LLC v. Town of Wallingford* as discussed in Executive Session

MADE BY: LAFFIN
SECONDED BY: FISHBEIN

ROLL CALL VOTE:		SHORTELL: YES
FISHBEIN: YES		TATTA: YES
LAFFIN: YES		TESTA: YES
MARRONE: YES		ZANDRI: YES
MORGENSTEIN: YES		CERVONI: YES
9-AYE		
MOTION: PASSED		

The meeting was adjourned at 9:30 p.m.

Respectfully submitted,

Lisa Moss
Council Staff
Meeting digitally recorded

Vincent Cervoni, Chairman Date

Barbara Thompson, Town Clerk Date

RECEIVED FOR RECORD 6-29-2020
 AT 4:00 AND RECEIVED BY
Barbara Thompson TOWN CLERK

3h

**TOWN OF WALLINGFORD, CONNECTICUT
SPECIAL TOWN COUNCIL MEETING**

**HELD REMOTELY
at GoToMeeting.com**

**TUESDAY
June 2, 2020
6:30 P.M.**

RECORD OF VOTES & MINUTES

The Special Town Council Meeting on Tuesday, June 2, 2020 was called to order at 6:30 p.m. There was a moment of silence and the Pledge of Allegiance was said. Councilors in attendance were Craig C. Fishbein, Thomas Laffin, Joseph A. Marrone, III, Gina Morgenstein, Christopher K. Shortell (arrived 6:39 p.m.), Christina Tatta, Vincent F. Testa (arrived 6:39 p.m.), Jason Zandri and Chairman Vincent Cervoni. Mayor William W. Dickinson, Jr., and Comptroller James Bowes were also present (BY TELECONFERENCE).

**MOTION WAS MADE TO WAIVE RULE V FOR THE PURPOSE OF
CENSURING OF COUNCILOR FISHBEIN**

**MADE BY: MARRONE
SECONDED BY: LAFFIN**

Chairman Cervoni stated Waive Rule V does not apply and does not speak to the substance of the Motion. He indicated he does not condone Councilor Fishbein's actions and he speaks carefully about these issues.

Councilor Marrone is asking to speak about this tonight.

Councilor Morgenstein stated she understands that Attorney Small has been speaking to it and it is not out of order.

Attorney Small stated under FOI you are not supposed to add to a Special Meeting only regular meeting agendas.

MOTION WAS MADE TO APPEAL THE RULING OF THE CHAIRMAN

**MADE BY: SHORTELL
SECONDED BY: ZANDRI**

Councilor Fishbein stated it appears I would have some interest and I will abstain.

ROLL CALL VOTE:		SHORTELL: YES
FISHBEIN:	ABSTAIN	TATTA: YES
LAFFIN:	YES	TESTA: YES
MARRONE:	YES	ZANDRI: YES
MORGENSTEIN:	YES	CERVONI: NO

1-ABSTAIN
1-NAY
7-AYE
MOTION: PASSED

VOTE ON MOTION TO WAIVE RULE V

ROLL CALL VOTE:		SHORTELL: YES	
FISHBEIN:	YES	TATTA:	YES
LAFFIN:	YES	TESTA:	YES
MARRONE:	YES	ZANDRI:	YES
MORGENSTEIN:	YES	CERVONI:	NO

1-NAY
8-AYE
MOTION: PASSED

MOTION WAS MADE:

Whereas our nation is in a time of great civil unrest and frightening government abuses of power, the Wallingford Town Council does not condone racially insensitive and inappropriate humor, nor do we condone the mocking of someone else's insensitive remarks with poorly chosen comments of our own.

Specifically, the recent retweet by town Councilor Craig Fishbein smacks of ignorance and a disgusting and inappropriate tone.

Whereas Martin Luther King once said, "The ultimate measure of a person is not where one stands in moments of comfort and convenience, but where one stands in times of challenge and controversy." I move that this Council censure Craig Fishbein for standing on the wrong side of challenge and controversy by spreading a backward and unsophisticated joke on social media.

Further, as this language is inappropriate in any context, the Council wishes to distance itself from these comments as an affront to good taste and an attack on the liberty of others.

MADE BY: MARRONE
SECONDED BY: MORGENSTEIN

Council Fishbein stated he does not associate himself with the statement it was untimely and it was a mistake.

Ben Martin, public speaker, does not think censuring is good enough at this point. He said Wallingford has had a long standing problem with race and he is asking Councilor Fishbein to resign.

Councilor Morgenstein stated this body has no power to remove anyone from office.

Jaime Hine, South Elm Street, said he appreciates the Motion and thinks it is appropriate. He stated he has always defended Wallingford and Councilor Fishbein but his retweets makes no sense.

Jack Beecher, public speaker, takes Councilor Fishbein at his word but noted now we need to learn to talk to each other. He went on to say we all make mistakes and he was embarrassed by Councilor Fishbein's tweet but we need to move forward.

Rajan Doering, Sharon Drive, stated he has a lot of respect for Councilor Fishbein but he did sign the petition for him to resign. He went on to say we all need to be respectful.

Chairman Cervoni stated to Councilor Fishbein that he appreciates his apology.

ROLL CALL VOTE:		SHORTELL: YES	
FISHBEIN:	YES	TATTA:	YES
LAFFIN:	YES	TESTA:	YES
MARRONE:	YES	ZANDRI:	YES
MORGENSTEIN:	YES	CERVONI:	YES
9-AYE			
MOTION: PASSED			

3. Discussion and possible action on Resolution of the Town of Wallingford to Reopen Businesses.

MOTION WAS MADE TO PASS THE RESOLUTION THAT WAS DRAFTED FROM LAST MEETING.

MADE BY: FISHBEIN
SECONDED BY: MARRONE

Councilor Fishbein remarked in some aspects he doesn't think it goes far enough. He stated he appreciates the quick work of the Law Department and went on to say this is not an act of defiance but many businesses are ready now to open.

Councilor Shortell says he has a mixed record with these resolutions. He said he wishes he had a consistent view on these things but he doesn't. He then remarked that he doesn't think the town constantly has their hand in the State's or Federal Government's decision. He went on to state he will support all the Wallingford businesses and he is more open to passing a local resolution not a state one. Councilor Shortell stated he will not support this.

Councilor Testa stated he went to great lengths at the last meeting but indicated if we appealed to the Governor that we take over the local timeframe we have to trust the experts in the big picture but he feels we should look at the smaller aspects. He noted when he saw the resolution he did not agree with the language, he is opposed to it and he felt betrayed in spirit as to how we were going to go forward. Councilor Testa will not support this.

Councilor Morgenstein stated this is very difficult times to be in town Government. She said she has not supported this from the start and she would vote on a resolution to support healthcare

workers and town workers. She stated she would support an appeal in support of the 100,000 people that died, but will not support this resolution.

Councilor Marrone thinks town businesses have never been shuttered like this before. He stated all the big box stores are still open and the mom and pop stores are struggling and he feels we need to open up again.

Councilor Zandri stated he's had a lot of discussions since he voted for this and remarked why can't I be in a small store instead of the big Walmart. He went on to say the argument will be some are essential and some are not.

Councilor Fishbein stated perhaps the word arbitrary should be replaced with inconsistent.

Councilor Laffin stated he was surprised how the resolution was worded compared to how the conversation went last time there are sections that are very political. He said he assumes Attorney Small drafted that.

Attorney Small stated she was only given the Motion and a sample from Cromwell and another from out of state and she didn't know what the Councilors wanted. She remarked to the Councilors it's your resolution you can change it to what you want.

Councilor Laffin said he wanted to understand where it came from.

MOTION WAS MADE TO ADD TO RESOLUTION:

In the eighth paragraph of the resolution add; after town businesses in our town public health enforcement officials.

Councilor Fishbein accepts this as a friendly amendment.

Councilor Marrone stated he seconds the amendment.

MADE BY: LAFFIN

SECONDED BY: ZANDRI

Councilor Shortell stated this virus has killed 100,000 people while the country has been on lockdown. He said this whole thing rubs him the wrong way and it's a political statement.

Attorney Small stated she did not write a resolution to the far right and noted she wrote it according to the Motion. She stated she takes strong objection to this.

Councilor Testa said he does not think this is written by Attorney Small to the far right. It's structured by someone specific as Councilor Shortell eluded. He said he is not on board with anything that eludes the state government has handled this badly. The orders are going to change gradually. He believes we all support our local businesses and love our town.

COUNCILOR MARRONE CALLED THE QUESTION

SECONDED BY: COUNCILOR FISHBEIN

ROLL CALL VOTE:

FISHBEIN: YES

LAFFIN: NO

MARRONE: YES

MORGENSTEIN: YES

6-AYE

3-NAY

MOTION: PASSED

SHORTELL: YES

TATTA: NO

TESTA: YES

ZANDRI: NO

CERVONI: YES

VOTE ON RESOLUTION:

ROLL CALL VOTE:

FISHBEIN: YES

LAFFIN: YES

MARRONE: YES

MORGENSTEIN: NO

6-AYE

3-NAY

MOTION: PASSED

SHORTELL: NO

TATTA: YES

TESTA: NO

ZANDRI: YES

CERVONI: YES

4. Discussion and possible action on amendments to the Town of Wallingford Budget for FY 2020-2021.

Councilor Shortell stated this has been a group effort. He went on to say the Mayor's budget is a good budget but this year we would like to deliver a 0% tax increase.

MOTION WAS MADE TO MOVE TO CUT TOWN COUNCIL.

MADE BY: SHORTELL

SECONDED BY: TATTA

MOTION: WITHDRAWN

Councilor Shortell stated we know that there is \$1.2 in Cap & Non so we can take money in the Pilot – WED. Councilor Shortell also noted he wants to pass this as an entire package.

MOTION WAS MADE TO PASS THIS PACKAGE AS PRESENTED.

MADE BY: SHORTELL

SECONDED BY: TATTA

Chairman Cervoni inquired about using the Electric Division's pilot money this year to offset tax increases which is now a revenue item and then asked if we would start the next year with a deficit.

Councilor Testa stated he appreciates the work everyone put into this. He did not want to cut education but the amount is small so he is okay with it. He then asked if we can divert pilot money to Cap & Non per ordinance or by Charter.

Councilor Testa stated he does not think we can do this. He indicated he can go along with a cut but not using the pilot money. He feels we should just use money from the fund balance.

Councilor Laffin thanked the Councilors for the details on this. He said he has never been a fan of using the pilot money and noted future budgets are made from these cuts. He indicated he would trust department heads to adjust their budgets as they see fit.

Chairman Cervoni stated procedurally, we have to cut specific line items.

Councilor Fishbein stated working with budgets is difficult and he gives a lot of credit to Councilor Shortell.

Mr. Bowes stated that \$848,375 should not be used every year for the electric pilot money and noted it's meant for capital improvements, not budget line items.

Councilor Zandri asked when do we use reserves. Mr. Bowes replied we have used it the past three years.

Councilor Zandri said we allocate it and then never use it and he has a problem with that. He went on to say we historically never use half of what we allocate.

Councilor Marrone stated we cannot base our actions on what might happen in the future. He remarked this administration is always doom and gloom. He feels it's misleading to say we use \$7 million in reserves. We just keep kicking it down the road and putting it back into next year's budget.

Mayor Dickinson explained every year there are reserves going into the budget or there will be a tax increase or a cut in services. He went on to say there are over a half million people unemployed in this state now and businesses have three months-time to pay their taxes. We don't know if we will receive payment. He said the people in this town have depended on this town year after year to successfully spend public money.

Councilor Tatta indicated she was looking for savings. She stated she was looking for 1% across the board and she feels it was reasonable to ask for. She then said those cuts are not enough to get us to 0% so the \$1.2 in Cap & Non is just sitting there and it's an economic crisis. She feels this is a catastrophe and we cannot raise taxes.

Councilor Fishbein asked who is the budget making authority by statute. Mayor Dickinson replied the Executive Branch of Government.

MOTION WAS MADE TO DIVIDE THE QUESTION TO SEPARATE THE CUTS FROM THE REVENUE INTO TWO PARTS

MADE BY: LAFFIN

SECONDED: CERVONI

Councilor Tatta indicated this won't work for her and stated this is not how we planned it.

Councilor Fishbein agrees and stated it's one package.

Councilor Laffin stated each part isn't dependent on the other.

ROLL CALL VOTE:		SHORTELL: YES
FISHBEIN:	NO	TATTA: NO
LAFFIN:	YES	TESTA: NO
MARRONE:	NO	ZANDRI: NO
MORGENSTEIN:	NO	CERVONI: YES

3-AYE
6-NAY
MOTION: FAILED

MOTION WAS MADE TO PASS THIS PACKAGE AS PRESENTED.

ROLL CALL VOTE:		SHORTELL: YES
FISHBEIN:	YES	TATTA: YES
LAFFIN:	NO	TESTA: YES
MARRONE:	YES	ZANDRI: YES
MORGENSTEIN:	YES	CERVONI: NO

7-AYE
2-NAY
MOTION: PASSED

The meeting was adjourned at 10:25 p.m.

Respectfully submitted,

Lisa Moss
Council Staff
Meeting digitally recorded

Vincent Cervoni, Chairman

Date

Barbara Thompson, Town Clerk

Date

RECEIVED FOR RECORD 6-5-2020
AT 4:30 AND RECEIVED BY
Barbara Thompson TOWN CLERK

TOWN OF WALLINGFORD, CONNECTICUT
TOWN COUNCIL MEETING

HELD REMOTELY
at GoToMeeting.com

TUESDAY
JUNE 9, 2020
6:30 P.M.

RECORD OF VOTES & MINUTES

The Town Council Meeting on Tuesday, June 9, 2020 was called to order at 6:31 p.m. There was a moment of silence and the Pledge of Allegiance was said. Councilors in attendance were Craig C. Fishbein, Thomas Laffin, Joseph A. Marrone, III, Gina Morgenstein, Christopher K. Shortell, Christina Tatta, Vincent F. Testa, Jason Zandri and Chairman Vincent Cervoni. Mayor William W. Dickinson, Jr., and Comptroller James Bowes were also present (BY TELECONFERENCE).

- 1. Pledge of Allegiance
- 2. Roll Call
- 3. Consent Agenda
 - 3a. Consider and approve Tax Refunds totaling \$3,109.88 (#931-940)
Acct. #1001001- 41020 - Tax Collector
 - 3b. Acceptance of funds from Spanish Community of Wallingford for Summer Youth Employment Program and consider and approve Appropriation of funds in the amount of \$2,558 to Revenue, Acct. #2274002-47010 and to Expenditures, Acct. #22702020-51000 – Y&SS
 - 3c. Consider and approve a Transfer in the amount of \$25,000 – Human Resources

\$ 3,000 From: Police Heart & Hypertension	Acct. #10012100-52957
\$22,000 From: Fire Heart & Hypertension	Acct. #10012100-52956
\$25,000 To: Insurance Deductible	Acct. #10012150-55915
 - 3d. Consider and approve a Transfer in the amount of \$5,000 from Wage Differentials, Acct. #10020050-51400 to Police Operating Expenses, Acct. #10020050-58735 – Police Dept.
 - 3e. Acceptance of donation of memorial bench valued at \$2,220.42 from friends and family of Kevin Gamache to be placed at Fresh Meadows – Parks and Recreation
 - 3f. Acceptance of Grants and consider and approve Appropriations - BOE

\$1,991	To: State Grant Revenues	Fund #235
\$1,991	To: Program Expenditures	Fund #235
\$855	To: State Grant Revenues	Fund #235
\$855	To: Program Expenditures	Fund #235
\$15,228	To: State Grant Revenues	Fund #235
\$15,228	To: Program Expenditures	Fund #235
\$1,000	To: State Grant Revenues	Fund #235
\$1,000	To: Program Expenditures	Fund #235
\$1,012	To: State Grant Revenues	Fund #235
\$1,012	To: Program Expenditures	Fund #235
\$618	To: State Grant Revenues	Fund #235
\$618	To: Program Expenditures	Fund #235
\$27,370	To: State Grant Revenues	Fund #235
\$27,370	To: Program Expenditures	Fund #235
\$15,000	To: State Grant Revenues	Fund #235
\$15,000	To: Program Expenditures	Fund #235
\$10,650	To: State Grant Revenues	Fund #235
\$10,650	To: Program Expenditures	Fund #235
\$579,772	To: State Grant Revenues	Fund #235
\$579,772	To: Program Expenditures	Fund #235
\$16,178	To: State Grant Revenues	Fund #235
\$16,178	To: Program Expenditures	Fund #235
\$30,000	To: State Grant Revenues	Fund #235
\$30,000	To: Program Expenditures	Fund #235
\$19,199	To: State Grant Revenues	Fund #235
\$19,199	To: Program Expenditures	Fund #235
\$47,540	To: State Grant Revenues	Fund #235
\$47,540	To: Program Expenditures	Fund #235

- 3g. Consider and approve FY 2020-2021 Bid Waiver request for Animal Control - Mayor
- 3h. Consider and approve FY 2020-2021 Bid Waiver request for BOE – Mayor
- 3i. Consider and approve FY 2020-2021 Bid Waiver request for EDC – Mayor

- 3j. Consider and approve FY 2020-2021 Bid Waiver request for Engineering –Mayor
- 3k. Consider and approve FY 2020-2021 Bid Waiver request for Finance – Mayor
- 3l. Consider and approve FY 2020-2021 Bid Waiver request for Fire Dept. – Mayor
- 3m. Consider and approve FY 2020-2021 Bid Waiver request for Human Resources – Mayor
- 3n. Consider and approve FY 2020-2021 Bid Waiver request for Police Dept. – Mayor
- 3o. Consider and approve FY 2020-2021 Bid Waiver request for Public Works - Mayor
- 3p. Consider and approve FY 2020-2021 Bid Waiver request for Town Attorney - Mayor
- 3q. Consider and approve FY 2020-2021 Bid Waiver request for Town Clerk - Mayor
- 3r. Consider and approve FY 2020-2021 Bid Waiver request for Utilities – Electric Div. - Mayor
- 3s. Consider and approve FY 2020-2021 Bid Waiver request for Utilities – Water/Sewer - Mayor
- 3t. Consider and approve FY 2020-2021 Bid Waiver request for Hardware Items; Eversource; Frontier Telecommunications – Mayor
- 3u. Approval of Budget Meeting Minutes of May 14, 2020, May 19, 2020 and May 21, 2020.

MOTION WAS MADE TO APPROVE CONSENT AGENDA ITEMS 3a.-3u.

MADE BY: LAFFIN
SECONDED BY: FISHBEIN

ROLL CALL VOTE:	SHORTELL: YES
FISHBEIN: YES	TATTA: YES
LAFFIN: YES	TESTA: YES
MARRONE: YES	ZANDRI: YES
MORGENSTEIN: YES	CERVONI: YES

9-AYE
MOTION: PASSED

- 4. **Items Removed from the Consent Agenda:** *None*
- 5. Update of COVID-19 from Stephen Civitelli – Chairman Cervoni

Mr. Civitelli indicated there were only six cases in town for the month of June, one nursing home and five community cases. There have been a total of 461 cases from early march. He noted 90% came from long term facilities.

Mr. Civitelli stated he spoke to someone from the Board of Education regarding graduation. They are looking to hold it sometime in the first two weeks of July. They are sending out a survey to the students for their input.

Mr. Civitelli said the Executive Orders and businesses coming back online have kept the Health Department very busy. He stated we are learning the new contact tracing model. He then remarked that Connecticut is doing fairly well compared to our neighbors.

6. Discussion and possible action to re-include Public Question and Answer period in the virtual meeting agenda – Councilor Morgenstein

Councilor Morgenstein stated she thinks we need to have Public Question and Answer period back on the agenda. She explained our agendas are put together early and then the public comes up with questions and they want them answered.

MOTION WAS MADE TO RESUME PUBLIC QUESTION AND ANSWER TO THE AGENDA.

**MADE BY: MORGENSTEIN
SECONDED BY: TESTA**

Chairman Cervoni stated during these difficult times the governor has allowed us to do away with Public Question and Answer and he feels we are allowing the public to ask questions during agenda items and he noted they are emailing us a lot as well.

Councilor Zandri asked when will we be back in Council chambers? Chairman Cervoni replied he presumes July or August. Councilor Zandri feels if we go beyond July we meet in the middle.

Councilor Marrone says for him it's all about how long it takes to get back to normal. He feels if it's August that's okay but not beyond.

Mayor Dickinson stated his understanding is you could hold the meetings at Town Hall now but not a Public Hearing. He went on to state operational meetings have never been part of the Governor's orders.

Councilor Laffin thinks we have all been trying to get by and everyone is doing the best they can. He noted we also do our best to post everything online and the Public Question and Answer period in the past has become the same people all time. He went on to say he is not aware of anyone upset about not being heard.

Councilor Testa feels we can start up the Public Question and Answer period in a reasonable way at the discretion of the Chair. He suggested giving them a limited timeframe and as far as going back to Town Hall he stated he is not comfortable.

Councilor Shortell feels we have had a lot of public comments in the past six to eight weeks. He is concerned about going back to the chambers too soon and questioned how we would maintain a six foot distance.

Councilor Laffin doesn't want to rush back to town hall if others have apprehension about it.

Mr. Ciardullo, Bayberry Drive, asked what prompted the Public Question and Answer period to be taken out. Chairman Cervoni explained that this whole thing has been an experiment. He stated he and the Vice Chair are always muting people as they call or log in. He remarked that it's a lot more work than in the Council Chambers.

Mr. Ciardullo said he does think the Council public form is important for people to be able to approach the Council with their concerns. It's part of an open government.

Tina Crispins stated the only email that is available for the Town Council is the overall general Council email.

Kevin and Cindy Sigouitch thanked the Councilors and stated they appreciate these meetings online.

Jack Beecher thinks this forum is easier for the public to comment. He stated he would be disappointed to see the Question and Answer period go away.

ROLL CALL VOTE:		SHORTELL: YES
FISHBEIN: NO		TATTA: YES
LAFFIN: NO		TESTA: YES
MARRONE: YES		ZANDRI: YES
MORGENSTEIN: YES		CERVONI: NO
6-AYE		
3-NAY		
MOTION: PASSED		

7. 6:30 p.m. Conduct a Public Hearing and consider and act on the following ordinance entitled:

AN ORDINANCE APPROPRIATING \$1,841,747 FOR THE PLANNING, ACQUISITION AND CONSTRUCTION OF VARIOUS MUNICIPAL CAPITAL IMPROVEMENTS 2020-2021 AND AUTHORIZING THE ISSUE OF \$1,841,747 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE.

FIRST PERSON VERSION

**PUBLIC HEARING AND TOWN COUNCIL MEETING
2020-2021 CAPITAL IMPROVEMENT PROGRAM**

Chairman Cervoni convened the public hearing for the \$1,841,747 appropriation and bond authorization for the 2020-2021 Capital Improvement Program. The ordinance which is the subject of this public hearing is available to the public and may be obtained at this meeting from the Town Clerk.

Councilor Laffin moved and the motion was seconded by Councilor Shortell, to read the title of the proposed ordinance and to waive the reading of the remainder of the ordinance, incorporating its full text into the minutes of this meeting.

ROLL CALL VOTE:		SHORTELL: YES	
FISHBEIN: YES		TATTA: YES	
LAFFIN: YES		TESTA: YES	
MARRONE: YES		ZANDRI: YES	
MORGENSTEIN: YES		CERVONI: YES	
9-AYE			
MOTION: PASSED			

AN ORDINANCE APPROPRIATING \$1,841,747 FOR THE PLANNING, ACQUISITION AND CONSTRUCTION OF VARIOUS MUNICIPAL CAPITAL IMPROVEMENTS 2020-2021 AND AUTHORIZING THE ISSUE OF \$1,841,747 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE.

Public Comment

Paul Ciardullo stated that he is opposed to this, it is standard procedure. He feels the money is a double dipping and there is no need to have a bond issued. He remarked we never bond and asked that this be rejected.

Chairman Cervoni closed the Public Hearing at 7:20 p.m.

Councilor Laffin moved, and the motion was seconded by Councilor Zandri, that the Ordinance entitled:

AN ORDINANCE APPROPRIATING \$1,841,747 FOR THE PLANNING, ACQUISITION AND CONSTRUCTION OF VARIOUS MUNICIPAL CAPITAL IMPROVEMENTS 2020-2021 AND AUTHORIZING THE ISSUE OF \$1,841,747 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE, Be adopted.

Council Discussion

Councilor Tatta asked what exactly are the improvements to Community Lake and Doolittle Park? Mayor Dickinson explained at Doolittle Park the tennis courts need to be repaired. He stated the high school uses them and there are large cracks in the surface. For Community Lake, he thinks large nets and a fence to catch foul balls for the entranceway onto the Merrit Parkway. Mayor Dickinson said this is a safety issue.

Councilor Fishbein asked if we do this every year and Mr. Bowes answered yes.

Councilor Fishbein asked if this authorizes the spending of the money and the ability to borrow.

Attorney Fasi stated if it doesn't pass you cannot bond and the project cannot go forward. He went on to say if you pass it you can proceed with the project and have it completed.

Councilor Fishbein asked what if this fails.

Mayor Dickinson stated if there is no money in Cap and Non the projects will not move ahead. If you are in favor of the projects, approve the ordinance and if you are not in favor do not approve the ordinance.

Councilor Fishbein asked when the last time was that we bonded one of these projects. Mr. Bowes replied not in the last 15 to 20 years.

Councilor Fishbein remarked it appears that these projects go forward every year without bonding.

Councilor Testa said he remembers talking about this over the past few years and he has come around to it. He explained it's a way to allocate the funds for the project and if an emergency came up, we could use the money for other things and bond for the projects we voted for. He then stated we also never double dipped because we have never bonded.

Councilor Laffin stated he understands this is a backup payment type of thing.

ROLL CALL VOTE:		SHORTELL: YES
FISHBEIN: NO		TATTA: YES
LAFFIN: YES		TESTA: YES
MARRONE: YES		ZANDRI: YES
MORGENSTEIN: NO		CERVONI: YES
7-AYE		
2-NAY		
MOTION: PASSED		

Chairman Cervoni declared the ordinance adopted.

8. Adoption of FY 2020-2021 Annual Budget

TOWN OF WALLINGFORD
Annual Budget Adoption – Council Motions (based on actions approved 6/2/2020)
For the Fiscal Year Beginning JULY 1, 2020

I. Councilmember Marrone:

MOVED: TO ADOPT THE TOTAL GENERAL FUND REVENUE BUDGET OF \$172,939,836, PER THE CHANGES MADE TO THE MAYOR'S PROPOSED BUDGET ON THE ATTACHED RECONCILIATION DETAIL SHEETS, FOR THE FISCAL YEAR BEGINNING JULY 1, 2020.

Councilmember Zandri: seconded the motion.

Discussion

Councilor Laffin stated he doesn't love the budget and he does not like the way we got here. He went on to say he likes the 0% but noted we didn't get to it the right way. He said we are spending from a fund that we don't ever usually use for these purposes and now next year we will have to have a much larger increase. He stated he admires all the efforts that went into this especially Councilor Shortell. He then remarked be prepared we will get slammed next year.

Councilor Fishbein agrees there were other ways to do this but indicated that they don't get a breakdown of the Cap & Non so they didn't know about this money.

Councilor Zandri agrees with Councilor Laffin's comments and said we are taking savings for a one-time hit but said he looks at it as we had \$26 million and were using \$4 million to pay a one-time expense.

Councilor Zandri stated we cut some departments and made them very tight. He asked Mr. Bowes is they have the capability to add to contingency during the year. Mr. Bowes said we would have to have the Council allocate from reserves to contingency.

Councilor Marrone commented we heard that we were creative this year. He then stated he is proud of the Council this year and he thinks we will get deeper cutting next year. He said to the public you need to look at whose voting with the Administration. Paul Ciardullo agrees with Councilor Marrone and stated there's a lot of savings in the budget to be had.

Councilor Laffin wanted to address Councilor Marrone's misuse of the word creative and indicated he would have supported the cuts not the revenue.

Councilor Shortell wants to echo what Mr. Bowes said. He stated we get monthly reports and there is a lot of detail in them. He thanked everyone for helping with his back and forth questions, Mr. Bowes, Mr. Hutt and Barbara for keeping track of it all. He stated it's a lot of work. He then remarked in the last 10 years of surpluses the town's side has been the biggest.

Councilor Tatta feels the Mayor's budget is a good one and stated but this year was an economic crisis and residents and businesses are hurting right now. She doesn't think it will affect services. she went on to thank her fellow Councilors and Mr. Bowes.

ROLL CALL VOTE:	SHORTELL: YES
FISHBEIN: YES	TATTA: YES
LAFFIN: NO	TESTA: YES
MARRONE: YES	ZANDRI: YES
MORGENSTEIN: YES	CERVONI: NO
7-AYE	
2-NAY	
MOTION: PASSED	

II. Councilmember Marrone:

MOVED: TO ADOPT THE TOTAL GENERAL FUND EXPENDITURE BUDGET OF **\$ 172,939,836**, PER THE CHANGES MADE TO THE MAYOR'S PROPOSED BUDGET ON THE ATTACHED RECONCILIATION DETAIL SHEETS, FOR THE FISCAL YEAR BEGINNING JULY 1, 2020.

Councilmember Tatta: seconded the motion.

ROLL CALL VOTE:		SHORTELL: YES
FISHBEIN: YES		TATTA: YES
LAFFIN: NO		TESTA: YES
MARRONE: YES		ZANDRI: YES
MORGENSTEIN: YES		CERVONI: NO
7-AYE		
2-NAY		
MOTION: PASSED		

III. Councilmember Marrone:

MOVED: ESTABLISH THE PROPERTY TAX RATE FOR THE FISCAL YEAR BEGINNING JULY 1, 2020 AT **29.19** MILLS.

WITH THE EXCEPTIONS PROVIDED UNDER THE DEFERRAL PROGRAM APPROVED BY THE TOWN COUNCIL ON APRIL 14, 2020, PER GOVERNOR'S EXECUTIVE ORDERS 7S AND 7W:

REAL ESTATE AND PERSONAL PROPERTY TAXES IN EXCESS OF \$100 SHALL BE MADE IN TWO INSTALLMENTS. THE FIRST OF WHICH IS DUE JULY 1, 2020, PAYABLE ON OR BEFORE AUGUST 1, 2020. THE SECOND INSTALLMENT SHALL BE DUE JANUARY 1, 2021, PAYABLE ON OR BEFORE FEBRUARY 1, 2021. REAL ESTATE AND PERSONAL PROPERTY TAXES OF \$100 OR LESS SHALL BE PAID IN ONE INSTALLMENT DUE JULY 1, 2020 AND PAYABLE ON OR BEFORE AUGUST 1, 2020 AS PROVIDED BY CONNECTICUT STATUTE, CHAPTER 204, SECTION 12-144.

MOTOR VEHICLE TAXES SHALL BE MADE IN ONE INSTALLMENT DUE JULY 1, 2020 AND PAYABLE ON OR BEFORE AUGUST 1, 2020 AS PROVIDED BY CONNECTICUT GENERAL STATUTE, CHAPTER 204, SECTION 12-144A. DELINQUENT MOTOR VEHICLE TAXES SHALL BE PAID ONLY IN CASH OR BY CERTIFIED CHECK OR MONEY ORDER AS PROVIDED BY CONNECTICUT GENERAL STATUTE, CHAPTER 204, SECTION 12-146.

PROPERTY TAXES IN AN AMOUNT OF LESS THAN FIVE DOLLARS SHALL BE WAIVED. CHECKS IN PAYMENT OF PROPERTY TAXES WHICH HAVE BEEN RETURNED BY THE BANK SHALL BE SUBJECT TO A THIRTY DOLLAR (\$30.00) FEE.

Councilmember Tatta: seconded the motion.

Councilor Fishbein asked if the tax bills are going to reflect the Executive Order of the 90 day deferral. Mr. Bowes said we added a statement.

Councilor Fishbein asked how is the lay person to know the due date is not August 1st. Chairman Cervoni stated the bills he has have the deferral on them.

Mr. Bowes stated the tax collector has to put something in the newspaper saying it is due on October 1st instead of August 1st.

ROLL CALL VOTE:

FISHBEIN: YES

LAFFIN: NO

MARRONE: YES

MORGENSTEIN: YES

7-AYE

2-NAY

MOTION: PASSED

SHORTELL: YES

TATTA: YES

TESTA: YES

ZANDRI: YES

CERVONI: NO

IV. Councilmember Marrone:

MOVED: TO ADOPT THE BUDGETS OF THE DIVISIONS OF THE DEPARTMENT OF PUBLIC UTILITIES FOR THE FISCAL YEAR BEGINNING JULY 1, 2020 AS HEREIN STATED:

Electric Enterprise Fund

Operating Revenues	<u>\$69,098,711</u>
Operating Expenses	<u>\$68,511,710</u>
Operating Income	<u>\$ 587,001</u>
Non-Operating Revenue	<u>\$ 2,368,823</u>
Non-Operating Expenses	<u>\$ 226,761</u>
Net Income Before Operating Transfers In (Out)	<u>\$ 2,729,063</u>
Operating Transfers (Out)	<u>(\$1,841,747)</u>
Net Income	<u>\$ 887,316</u>
Working Capital: Sources of Funds	<u>\$ 4,473,651</u>
Working Capital: Use of Funds	<u>\$ 4,473,651</u>
Re-appropriation of Prior Years Capital Items	<u>\$ 178,200</u>

Water Enterprise Fund

Operating Revenues	<u>\$ 7,009,250</u>
Operating Expenses	<u>\$ 7,932,226</u>
Operating Loss	<u>\$ 922,976</u>
Non-Operating Revenue	<u>\$ 286,880</u>
Non-Operating Expenses	<u>\$ 67,700</u>
Net Loss	<u>\$ 703,796</u>
Working Capital: Sources of Funds	<u>\$ 2,479,261</u>
Working Capital: Use of Funds	<u>\$ 2,479,261</u>
Re-appropriation of Prior Years Capital Items	<u>\$ 125,000</u>

Sewer Enterprise Fund

Operating Revenues	<u>\$ 6,723,390</u>
Operating Expenses	<u>\$ 8,347,773</u>
Operating Loss	<u>\$ 1,624,383</u>
Non-Operating Revenue	<u>\$ 466,215</u>
Non-Operating Expenses	<u>\$ 366,900</u>
Net Loss	<u>\$ 1,525,068</u>
Working Capital: Sources of Funds	<u>\$ 1,438,100</u>
Working Capital: Use of Funds	<u>\$ 1,438,100</u>
Re-appropriation of Prior Years Capital Items	<u>\$ -0-</u>

Councilmember Tatta:

seconded the motion.

ROLL CALL VOTE:	SHORTELL: YES
FISHBEIN: YES	TATTA: YES
LAFFIN: YES	TESTA: YES
MARRONE: YES	ZANDRI: YES
MORGENSTEIN: YES	CERVONI: YES

9-AYE
MOTION: PASSED

V. Councilmember Marrone:

MOVED: TO ADOPT THE BUDGET OF THE CAPITAL AND NON-RECURRING EXPENDITURES FUND FOR THE FISCAL YEAR BEGINNING JULY 1, 2020 IN THE AMOUNT OF \$1,841,747 REVENUES, PER THE CHANGES MADE TO THE MAYOR'S PROPOSED BUDGET ON THE ATTACHED RECONCILIATION DETAIL SHEETS, AND \$1,841,747 EXPENDITURES.

Councilmember Tatta: seconded the motion.

ROLL CALL VOTE:	SHORTELL: YES
FISHBEIN: YES	TATTA: YES
LAFFIN: YES	TESTA: YES
MARRONE: YES	ZANDRI: YES
MORGENSTEIN: YES	CERVONI: YES

9-AYE
MOTION: PASSED

VI. Councilmember Marrone:

MOVED: TO APPROVE SPECIAL FUNDS OF THE BOARD OF EDUCATION OF THE TOWN OF WALLINGFORD FOR THE FISCAL YEAR BEGINNING JULY 1, 2020 AS ATTACHED HERETO AND MADE A PART HEREOF (pages a. through c.)

Councilmember Tatta: seconded the motion.

ROLL CALL VOTE:	SHORTELL: YES
FISHBEIN: YES	TATTA: YES
LAFFIN: YES	TESTA: YES
MARRONE: YES	ZANDRI: YES
MORGENSTEIN: YES	CERVONI: YES

9-AYE
MOTION: PASSED

VII. Councilmember Marrone:

MOVED: TO APPROVE SPECIAL FUNDS OF THE TOWN OF WALLINGFORD GENERAL GOVERNMENT FOR THE FISCAL YEAR BEGINNING JULY 1, 2020 AS ATTACHED HERETO AND MADE A PART HEREOF (pages d. and e.)

Councilmember Tatta: seconded the motion.

ROLL CALL VOTE:

FISHBEIN: YES

LAFFIN: YES

MARRONE: YES

MORGENSTEIN: YES

9-AYE

MOTION: PASSED

SHORTELL: YES

TATTA: YES

TESTA: YES

ZANDRI: YES

CERVONI: YES

VIII. Councilmember Marrone:

MOVED: TO APPROVE CAPITAL APPROPRIATIONS (IN-FORCE) RESERVE FUND FOR THE FISCAL YEAR BEGINNING JULY 1, 2020 IN THE AMOUNT OF \$2,211,722 REVENUES AND \$2,211,722 EXPENDITURES. THIS REPRESENTS THE AMOUNT AS OF MAY 31, 2020, WHICH MAY DECREASE AS EXPENDITURES OCCUR THROUGH JUNE 30, 2020. THIS AMOUNT MAY ALSO INCREASE IF THE COUNCIL APPROVES ANY UNSPENT BOARD OF EDUCATION FUNDS TO BE CARRIED FORWARD (2% FUND) FOR FISCAL YEAR ENDING 6/30/2020. SEE THE ATTACHED DETAIL BUDGET BOOK PAGE 89.

Councilmember Tatta:

seconded the motion.

ROLL CALL VOTE:

FISHBEIN: YES

LAFFIN: YES

MARRONE: YES

MORGENSTEIN: YES

9-AYE

MOTION: PASSED

SHORTELL: YES

TATTA: YES

TESTA: YES

ZANDRI: YES

CERVONI: YES

IX. Councilmember Marrone:

MOVED: TO AUTHORIZE THE CHAIRMAN TO SIGN THREE COPIES OF THE FINALIZED BUDGET. TWO TO BE FILED WITH THE TOWN CLERK AND ONE TO BE PLACED ON FILE IN THE WALLINGFORD PUBLIC LIBRARY.

Councilmember Tatta:

seconded the motion.

ROLL CALL VOTE:

FISHBEIN: YES

LAFFIN: YES

MARRONE: YES

MORGENSTEIN: YES

8-AYE

1-NAY

MOTION: PASSED

SHORTELL: YES

TATTA: YES

TESTA: YES

ZANDRI: YES

CERVONI: NO

9. Executive Session pursuant to Section 1-200(6)(D) of the Connecticut General Statutes with respect to the purchase, sale and/or leasing of property – Mayor – Withdrawn

The meeting was adjourned at 8:51p.m.

Respectfully submitted,

Lisa Moss
Council Staff
Meeting digitally recorded

Vincent Cervoni, Chairman

Date

Barbara Thompson, Town Clerk

Date

6. (a) (b)



Town of Wallingford, Connecticut

RICHARD HENDERSHOT
DIRECTOR

DEPARTMENT OF PUBLIC UTILITIES
100 JOHN STREET
WALLINGFORD, CONNECTICUT 06492

TELEPHONE 203-284-4016
FAX 203-294-2267

MEMORANDUM

TO: Public Utilities Commission

FROM: Richard Hendershot

DATE: June 10, 2020

SUBJECT: APPROVAL OF PROPOSED SETTLEMENT AGREEMENT REGARDING FERC DOCKET EL 16-19-000

On August 6, 2019, the Public Utilities Commission approved this writer's request to have the WED participate in the above-mentioned FERC Docket. Attached is a copy of the July 25, 2019 memo, as well as supporting materials, which requested this approval.

As the PUC approved the Electric Division's participation and through the efforts of Attorney John Coyle of Duncan & Allen, Washington, DC, the FERC ultimately ruled in favor of the WED and the other participating municipal electric systems. A Settlement Agreement has been developed, and the Director now seeks PUC approval to execute said Agreement (copy attached). In addition, there is a memo from Attorney Coyle summarizing this matter and his recommendation that the WED authorize execution of the Agreement. I have also included a copy of the New England Transmission Owners summary overview of the proposed settlement, as presented to ISO-NE on April 28 and a brief spreadsheet (also prepared by Attorney Coyle) that provides an estimate of the WED's share of the proposed settlement, as found on Page 3 of Attorney Coyle's memo.

It is my intention, subject to PUC approval, to request that this matter be placed on the Town Council agenda of June 23, 2020 for their review and approval. As always, should there be any questions, please contact this writer.

Richard Hendershot

RAH/kaw

Attachments

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PUC AGENDA 6/16/20



Town of Wallingford, Connecticut

RICHARD HENDERSHOT
DIRECTOR

DEPARTMENT OF PUBLIC UTILITIES
100 JOHN STREET
WALLINGFORD, CONNECTICUT 06492

TELEPHONE 203-284-4016
FAX 203-294-2267

MEMORANDUM

To: PUC

From: Rick Hendershot

Date: July 25, 2019

Subject: *FERC Docket No. EL16-19-000; Update and Possible Continued Effort*

CONFIDENTIAL

As you know, since 2015, the subject issue has been in play within New England, and at FERC. Recently, matters have advanced and there is the need for Wallingford to decide if it wishes to remain engaged with this issue.

Attached please find copies ^{of} a memo from Attorney John Coyle of Duncan & Allen (D&A) dated May 23, a page from Megawatt Daily, dated May 24, which includes a brief but well written summary story about this matter, and most recently, another memo from Attorney Coyle dated July 15. I suggest reviewing these materials in that order.

To summarize these materials, a proposed settlement, crafted by the New England Transmission Owners and largely endorsed by most other interested parties but opposed by seven municipal systems (including Wallingford) and by FERC Trial Staff, was rejected by FERC. FERC instead ordered that this matter be sent to an Administrative Law Judge for hearing, and a schedule has been set.

In the attached July 15 memo, D&A estimates that the transmission cost impact will be approximately \$5.7-million per year for the seven systems if the rejected settlement were to ultimately go into effect. D&A further estimates that the total cost for all seven municipal systems to litigate the issue at FERC is \$525,000 (plus an estimate, not included in this memo, of up to an additional \$125,000 total for post-hearing costs, over two years or more, should the matter go through all possible reviews and appeals at FERC and then the applicable Federal Court.) The WED's share of the \$525,000 amount given above would be \$68,618. The WED budget for 2019-2020 includes \$125,000 for legal and consultant costs associated with possible 2019-2020 CMEEC arbitration activities that we no longer expect to utilize.

I will include an Executive Session on the agenda of the August 6, 2019 PUC meeting so that we can discuss this issue and the Commission can provide guidance regarding if,

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and to what extent, Wallingford should continue to participate in this effort. In the meantime, *please* let me know before August 6 if you have any questions or concerns regarding this matter. Also, if you wish to have Attorney Coyle phone in to the Executive Session, I can see if Attorney Coyle is available and if so look to place this topic early on the agenda.



Richard A. Hendershot, Director of Public Utilities

RAH/mhl

Enclosures

Cc: Tony Buccheri
Tom Sullivan

ITEM NO. 9-3
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**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

ISO New England Inc.;
Participating Transmission Owners
Administrative Committee

Docket No. EL16-19-000

Emera Maine;
Town of Braintree Electric Light Department;
NSTAR Electric Company;
Chicopee Electric Light Department;
Central Maine Power Company;
Maine Electric Power Company (MEPCO);
Connecticut Municipal Electric Energy Cooperative & Connecticut Transmission
Municipal Electric Energy Cooperative;
The City of Holyoke Gas and Electric Department
New Hampshire Transmission, LLC;
Green Mountain Power Corporation;
Massachusetts Municipal Wholesale Electric Company;
New England Power Company, d/b/a National Grid;
New Hampshire Electric Cooperative, Inc.;
Eversource Energy Service Company as agent for: The Connecticut Light and
Power Company, Western Massachusetts Electric Company, and Public Service
Company of New Hampshire;
Town of Hudson Light and Power Department;
Town of Middleborough Gas & Electric Department;
Town of Norwood Municipal Light Department;
Town of Reading Municipal Light Department;
Town of Wallingford (CT) Electric Division;
Taunton Municipal Lighting Plant;
The United Illuminating Company;
Unitil Energy Systems, Inc. and Fitchburg Gas and Electric Light Company;
Vermont Electric Cooperative, Inc.;
Vermont Electric Power Company, Inc. and Vermont Transco, LLC;
Vermont Public Power Supply Authority;
Shrewsbury Electric and Cable Operations

SETTLEMENT AGREEMENT

This Settlement Agreement ("Settlement Agreement") dated XX, 2020, shall be

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PUC AGENDA 06/16/20

Privileged and Confidential Settlement Communication
Subject to FERC Regulations, Rules 602 and 606, 18 C.F.R. §§ 385.602, 385.606

submitted for approval as an uncontested Offer of Settlement pursuant to Rule 602 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“FERC” or the “Commission”), 18 C.F.R. § 385.602 (2019) (“Rule 602”). The Settling Parties hereby agree as follows:

1. **Definitions:** The following definitions shall apply throughout this Settlement Agreement.

“**Formula Rate Effective Date**” shall mean the date that the Settled Formula Rate contained in Attachment I to this Settlement Agreement becomes effective. If the Commission approves the Settlement Agreement by ~~October~~November 1, 2020, the Formula Rate Effective Date will be January 1, 2021. If the Commission approves the settlement after ~~October~~November 1, 2020, then the Formula Rate Effective Date will be the first January 1 that is at least ~~three~~two months after the Commission approves the Settlement Agreement.¹ The Parties hereby agree to request that FERC approve this Settlement Agreement no later than ~~October~~November 1, 2020, in order to permit the Settled Formula Rate to go into effect on January 1, 2021. The defined term Formula Rate Effective Date, which concerns the effectiveness of the Settled Formula Rate, is distinct from the effective date of this Settlement Agreement; the effective date of this Settlement Agreement is set forth below in Paragraph ~~23~~24.

¹ As an illustrative clarification, January 1, 2022 is the first January 1 that is at least ~~three~~two months after ~~October~~November 1, 2021. As a result, if the Commission approves the settlement on ~~October~~November 1, 2021, then the Formula Rate Effective Date would be January 1, 2022. On the other hand, January 1, 2023 is the first January 1 that is at least ~~three~~two months after ~~October~~November 2, 2021. As a result, if the Commission approves the settlement on ~~October~~November 2, 2021, then the Formula Rate Effective Date would be January 1, 2023.

Privileged and Confidential Settlement Communication
Subject to FERC Regulations, Rules 602 and 606, 18 C.F.R. §§ 385.602, 385.606

“**Indicated Municipal PTF Owners**” shall mean Braintree Electric Light Department, Chicopee Electric Light Department, Middleborough Gas & Electric Department, Norwood Light & Broadband Department, Reading Municipal Light Department, Taunton Municipal Lighting Plant, and Town of Wallingford Electric Division.

“**Indicated New England Transmission Owners**” shall mean Versant Power (f/k/a Emera Maine;²); Central Maine Power Company (CMP); New England Power Company, d/b/a National Grid; Eversource Energy Service Company as agent for: The Connecticut Light and Power Company (CL&P), NSTAR Electric Company (NSTAR Electric), and Public Service Company of New Hampshire (PSNH); The United Illuminating Company (UI); Unitil Energy Systems, Inc.; Fitchburg Gas and Electric Light Company (FG&E); and Vermont Transco, LLC, acting by and through its Manager, Vermont Electric Power Co., Inc.

“**ISO-NE**” shall mean ISO New England, Inc.

“**ISO-NE OATT**” shall mean the Open Access Transmission Tariff of ~~ISO New England Inc.~~ (“**ISO-NE**”) ISO-NE, which is Part II of the ~~ISO New England Inc. Transmission, Markets and Services~~ ISO-NE Tariff.

“**ISO-NE Tariff**” shall mean the ISO-NE Transmission, Markets and Services Tariff.

² Versant Power is the new legal name for the company that was known as Emera Maine when the Commission initiated Docket No. EL16-19. Versant Power is the entity that, upon execution, will be a party to this Settlement Agreement; the definition of Settling PTOs below accordingly refers to Versant Power, not Emera Maine. However, in light of the extensive history of this proceeding and the development of the Tariff materials and other documents that are a part of this settlement, all other references to this company will refer to Emera Maine.

“Non-PTF Transmission Facilities” or “Non-PTF” shall mean Non-PTF Transmission Facilities (Non-PTF) as defined in Section I.2.2 of the ISO-NE Tariff.

“Pool Transmission Facility” or “PTF” shall mean Pool Transmission Facility (PTF) as defined in Section I.2.2 of the ISO-NE Tariff.

“Pool-Supported PTF” shall mean Pool-Supported PTF as defined in Section I.2.2 of the ISO-NE Tariff.

“Protocols” shall mean either or both of (i) the Transmission Formula Rate Protocols set forth in Attachment III to this Settlement Agreement, which will become Appendix C2 to Attachment F to the ISO-NE OATT and (ii) the Interim Transmission Formula Rate Protocols set forth in Attachment IV to this Settlement Agreement, which will become Appendix C1 to Attachment F to the ISO-NE OATT and (j) the Transmission Formula Rate Protocols set forth in Attachment III to this Settlement Agreement, which will replace the Interim Transmission Formula Rate Protocols as Appendix C to Attachment F to the ISO-NE OATT. The Transmission Formula Rate Protocols set forth in Attachment III to this Settlement Agreement and the Interim Transmission Formula Rate Protocols set forth in Attachment IV to this Settlement Agreement will take effect and, in the case of the Interim Transmission Formula Rate Protocols, terminate as set forth in Paragraph 6 of this Settlement Agreement.

“PTOs” shall mean all entities owning or operating interstate transmission facilities in New England who have entered into the Transmission Operating Agreement dated February 1, 2005, under which they have transferred certain operating responsibilities for

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Privileged and Confidential Settlement Communication
Subject to FERC Regulations, Rules 602 and 606, 18 C.F.R. §§ 385.602, 385.606

their transmission facilities to ISO-NE, including transferring to ISO-NE responsibility for invoicing, collection, and disbursement of revenues for Transmission Services.

“Regional Transmission Service” shall mean Regional Transmission Service as defined in Section I.2.2 of the ISO-NE Tariff.

“Settled Formula Rate” shall mean the formula transmission service rate in Attachment I to this Settlement Agreement, which will become revised Attachment F to the ISO-NE OATT, under which the PTOs (other than those PTOs set out in ~~Section 19~~Paragraph 20) will charge for Transmission Services on and after the Formula Rate Effective Date, subject to the transition arrangements in Attachment II to this Settlement Agreement.

“Settling Parties” shall mean all parties to this proceeding whose authorized representatives have executed this Settlement Agreement.

“Settling PTOs” shall mean: Braintree Electric Light Department, Chicopee Electric Light Department, Middleborough Gas & Electric Department, Norwood Light & Broadband Department, Reading Municipal Light Department, Taunton Municipal Lighting Plant, and Town of Wallingford Electric Division, Connecticut Municipal Electric Energy Cooperative and Connecticut Transmission Municipal Electric Energy Cooperative; ~~Emera Maine~~Versant Power; CMP; Massachusetts Municipal Wholesale Electric Company; New Hampshire Transmission LLC; Green Mountain Power Corporation; New England Power Company, d/b/a National Grid; Eversource Energy Service Company as agent for: CL&P, NSTAR Electric, and PSNH; UI; Unitil Energy Systems, Inc.; FG&E; Vermont Electric Cooperative, Inc.; Vermont Electric Power

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PUC AGENDA 6/16/20

Company, Inc.; Vermont Transco, LLC; Maine Electric Power Company; and New Hampshire Electric Cooperative. The Settling PTOs shall include any successors and assigns to the PTOs listed above.

“Transmission Services” shall mean the transmission services, the rates for which are calculated pursuant to the Settled Formula Rate, provided by the PTOs or ISO-NE pursuant to the ISO-NE OATT.

2. **Revisions to Attachment F to Establish the Settled Formula Rate:** Attachment F to the ISO-NE OATT shall be revised to reflect the Settled Formula Rate contained in Attachment I to this Settlement Agreement. The Settled Formula Rate shall be effective as of the Formula Rate Effective Date. The annual revenue requirement for Transmission Services calculated pursuant to the Settled Formula Rate shall be applied on a calendar year basis and shall be adjusted each January 1. By no later than July 31 of each year, the PTOs shall, consistent with the Protocols, submit to the Commission an informational filing setting forth a forecast of their annual revenue requirements for Transmission Services for the following calendar year (“Rate Year”), calculated in accordance with the Settled Formula Rate, together with cost support as required under the Protocols. Charges for Transmission Services shall be calculated and billed during the Rate Year based on such forecasted revenue requirements, subject to true up the following year with refunds and interest or surcharges and interest, as applicable. The Indicated New England Transmission Owners affirm that none of the changes made to the settled formula rate in this revised settlement would have resulted in any material change to the

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PUC AGENDA 6/16/16

revenue requirement for any Indicated New England Transmission Owner or in any material rate increase to ratepayers, as compared to the formula rate included in the prior settlement agreement that FERC rejected in Docket Nos. EL16-19 and ER18-2235 on May 22, 2019.

3. **Transition to New Formula Rate:** The transition from the charges under the existing provisions of Attachment F and Schedule 21 to the Settled Formula Rate shall be accomplished in accordance with the process described in Attachment II to this Settlement Agreement.
4. **Use of Single Formula Rate:** The Settled Formula Rate shall be used by all PTOs to calculate the annual revenue requirements of the PTOs (with the exception of a PTO without RNS Regional Service revenue requirements as set out in Section 19 Paragraph 20) for all Transmission Services under the ISO-NE OATT for Transmission Services on and after the Formula Rate Effective Date. The PTOs' annual revenue requirements calculated pursuant to the Settled Formula Rate shall be allocated into three categories for cost recovery purposes:
- (i) Regional Transmission Service costs provided using Pool-Supported Pool Transmission Facilities (“PTF”) of the PTOs ~~as PTF is defined in the ISO-NE OATT, which;~~ Regional Transmission Service is the equivalent of “Regional Service” used in Appendices A and B to Attachment F,
 - (ii) Local ~~Transmission Service~~ costs using transmission facilities of the PTOs that are Non-PTF ~~Transmission Facilities (“Non-PTF”) as Non-PTF is~~

~~defined in the ISO-NE OATT~~ or that are provided using PTF that provide only local benefits, ~~which~~ Local Service is the equivalent of “Local Service” as used in Appendices A and B of Attachment F, and

- (iii) Schedule 12C Costs for Transmission Services provided using PTF that are not Pool-Supported and are assigned or allocated to customers in accordance with Schedule 12C of the ~~ISONE~~ISO-NE OATT.

For purposes of this Settlement Agreement, items (i) through (iii) above shall be referred to as the “components” of Transmission Services provided in accordance with this Settlement Agreement.

5. Specific Terms Affecting Rate Design, Allocations, and Claims of the

Indicated Municipal PTF Owners: The Settling Parties agree on the following:

- A. The exemption of PTF-connected load from charges associated with Non-PTF facilities, currently contained in Section II.12(c) of the ISO-NE OATT, will not in any way be limited or compromised by or as a result of this Settlement Agreement. The same method used to determine PTF revenue requirements included in the Regional Network Service (“RNS”) rate that is contained in the currently effective Attachment F of the ISO-NE OATT – i.e., the principle that RNS rates are based on the costs of PTF plant – will be used in the Settled Formula Rate.
- B. Construction Work in Progress (“CWIP”) that is authorized under Paragraph 13 below to be recovered by New England Power Company

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d/b/a National Grid, NSTAR Electric (including the former Western Massachusetts Electric Company), and Connecticut Light & Power Company under the Settled Formula Rate will be reflected solely in Local Service rates, and the PTF-only revenue requirement paid by the Indicated Municipal PTF Owners will not be adjusted based on this CWIP recovery. Consistent with Paragraph 13, subparagraphs iv and v, all Settling Parties reserve their respective rights, including the right to file for, contest or to seek conditions with respect to applications for the inclusion of CWIP in rate base under 18 C.F.R. §§ 35.25 and 35.35, ~~with respect to any other requests to include CWIP in rate base~~ except that such right(s) may not limit or eliminate the recovery of CWIP as described in Paragraph 13, subparagraphs (i) and (ii), of this Settlement Agreement during the moratorium period described in Paragraph 18 of this Settlement Agreement.

- C. Any increase in the PTOs' transmission revenue requirement that results from the provisions of Paragraph 12 that allow sharing of revenues from ancillary uses of the PTOs' transmission assets under the Settled Formula Rate will be reflected solely in the Local Service rates, and the PTF-only revenue requirement paid by the Indicated Municipal PTF Owners will not be adjusted based on the assumption of such revenue sharing.
- D. Separate and apart from any payments that are made through ISO-NE or under the ISO-NE OATT, and without affecting the Settled Formula Rate,

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the Indicated New England Transmission Owners will compensate the Indicated Municipal PTF Owners as follows:

- (i) in the amount of \$425,000 per year for eight years in consideration of the Indicated Municipal PTF Owners' waiver of claims relative to Attachment F inputs with the first such payment due on the Formula Rate Effective Date and the annual payments due on January 1 thereafter; and
- (ii) in the further amount of \$150,000 per year for two years, with the first such payment due no later than 60 days after the effective date of the Settlement Agreement pursuant to Paragraph 2324 and the second such payment due one year thereafter, as compensation for legal and consulting costs incurred in connection with their opposition to the prior settlement agreement that FERC rejected in Docket Nos. EL16-19 and ER18-2235 on May 22, 2019.
- (iii) These amounts will be apportioned among the Indicated Municipal PTF Owners in accordance with their further instructions to the Indicated New England Transmission Owners.
- (iv) The Indicated New England Transmission Owners will bear sole responsibility for the compensation under this ~~sub-~~
~~paragraph~~subparagraph 5.D and will not seek to recover these amounts ~~from customers, through rates or any other means from~~

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ratepayers. Notwithstanding the foregoing, Vermont Transco LLC shall continue to comply with its obligations under the 1991 Vermont Transmission Agreement already on file with the Commission.

6. **Protocols:** The Interim Protocols set forth in Attachment IV to this Settlement Agreement shall become effective on ~~the first June 15 that is after the Formula Rate Effective Date and~~ June 15, 2021 if the Commission approves the Settlement Agreement by April 15, 2021. If the Commission approves the settlement after April 15, 2021, then the Interim Protocols shall become effective on the first June 15 that is at least two months after the Commission approves the Settlement Agreement.³ The Interim Protocols shall terminate on the ~~first~~ June 14 that is more than one year after the Formula Rate Effective Date. The Protocols set forth in Attachment III to this Settlement Agreement shall become effective on the first June 15 that is more than one year after the Formula Rate Effective Date—i.e., the day after the Interim Protocols terminate.²⁴

³ As an illustrative clarification, June 15, 2022 is the first June 15 that is at least two months after April 15, 2022. As a result, if the Commission approves the settlement on April 15, 2022, then the Interim Protocols would become effective on June 15, 2022. On the other hand, June 15, 2023 is the first June 15 that is at least two months after April 16, 2022. As a result, if the Commission approves the settlement on April 16, 2022, then the Interim Protocols would become effective on June 15, 2023.

²⁴ As an illustrative example, if the Commission approves the Settlement Agreement on September 15, 2020 (i.e., by ~~October~~ November 1, 2020) then the Interim Protocols set forth in Attachment IV would take effect on June 15, 2021 because that is the first June 15 after the Formula Rate Effective Date (which would be January 1, 2021 in this example) and terminate on June 14, 2022 because that is the first June 14 that is more than one year after the Formula Rate Effective Date. In this example, the Protocols set forth in Attachment III would take effect on June 15, 2022.

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If the Commission issues an order that fails to approve this Settlement Agreement, or approves it with modifications or conditions unacceptable to the Parties (after following the process set forth in Paragraph 2425), neither the Protocols nor the Interim Protocols in Attachments III and IV shall take effect.

Each of the annual informational filings made by the PTOs, beginning with the informational filing submitted by July 31 of the calendar year ~~of the Formula Rate Effective Date~~ in which the Interim Protocols become effective, for the rates in effect beginning on the ~~Formula Rate Effective Dates~~ succeeding January 1, shall include, in addition to the calculation of each PTO's annual revenue requirement under the Settled Formula Rate, the calculated unit rate or rates for each component of Transmission Services under the Settled Formula Rate.

7. **Individual PTO Local Service Schedules:** The revisions to the PTOs' individual Schedule 21s to the ISO-NE OATT, which are contained in Attachment V to this Settlement Agreement, shall go into effect on the Formula Rate Effective Date.

8. **Schedule 8:** The revisions to Schedule 8 of the ISO-NE OATT, which are contained in Attachment VII to this Settlement Agreement, shall go into effect on the Formula Rate Effective Date.

9. **Schedule 9:** The revisions to Schedule 9 of the ISO-NE OATT, which are contained in Attachment VIII to this Settlement Agreement, shall go into effect on the Formula Rate Effective Date.

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10. Other ISO-NE OATT Changes: The revisions to the ISO-NE OATT, which are contained in Attachment IX to this Settlement Agreement, shall go into effect on the Formula Rate Effective Date.

11. Role of ISO-NE: Although it is not a Settling Party, ISO-NE has committed to the Settling Parties that it will submit comments on the Settlement Agreement informing FERC that it has agreed to make all of the Section 205 filings and other changes to its procedures that are required to implement this Settlement Agreement once the Settlement Agreement has been approved by FERC in its entirety without modification or condition, or after FERC has approved with modification or condition the Settlement Agreement and the Settling Parties have had the opportunity to exercise their rights under Paragraph 2425 of the Settlement Agreement.

Consistent with this commitment, ISO-NE has agreed to adopt the revisions to Planning Procedure 4, which are contained in Attachment X to this Settlement Agreement and are not part of the ISO-NE OATT or any other filed tariff, to be effective 60 days after the Settlement Agreement has been approved by FERC in its entirety without modification or condition, or after FERC has approved with modification or condition the Settlement Agreement and the Settling Parties have had the opportunity to exercise their rights under Paragraph 2425 of the Settlement Agreement. ISO-NE has also agreed to add a reference to Docket No. EL16-19-000 in the Planning Procedure 4 Document History.

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12. Treatment of Certain Revenue Credits: Beginning on the Formula Rate Effective Date, the following treatments shall apply to the revenues received by the PTOs in connection with the sale of ancillary uses of their transmission facilities (“rental revenue”):

- (i) For five calendar years beginning on the Formula Rate Effective Date, NSTAR Electric (including with respect to the former Western Massachusetts Electric Company (“WMECO”) transmission system) will include 50% rental revenue sharing of the after-tax income received in connection with the sale of all ancillary uses of its transmission facilities as recorded in FERC Account No. 454. This recovery will be included in the Local Service component of the Settled Formula Rate.
- (ii) For five calendar years beginning on the Formula Rate Effective Date, PSNH will include 10% rental revenue sharing of the after-tax income received in connection with the sale of all ancillary uses of its transmission facilities as recorded in FERC Account No. 454. This recovery will be included in the Local Service component of the Settled Formula Rate.
- (iii) CMP and Emera Maine will include all of the rental revenues received in connection with the sale of ancillary uses of non-PTF and PTF facilities whose costs are recovered in LNS Rates (as such revenues are recorded in FERC Account No. 454) as a credit in the Local Service component of the Settled Formula Rate. CMP and Emera Maine will allocate all of the rental

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revenues received in connection with the sale of ancillary uses of PTF whose costs are recovered in RNS rates (as such revenues are recorded in FERC Account No. 454) as a credit in Appendix A of the Settled Formula Rate using the same Gross Plant allocator that is used to allocate total revenue requirements under the Settled Formula Rate to the components of Transmission Services.

- (iv) Vermont Transco will include 35% of the rental revenues received in connection with the sale of all ancillary uses of its transmission facilities as recorded in FERC No. Account 454 as a credit in the Local Service component and the remainder in the Regional Service component of the Settled Formula Rate.
- (v) Other than as set forth in ~~subsections~~subparagraphs (i) through (iv) above, the PTOs will allocate rental revenues received in connection with the sale of all ancillary uses of their transmission facilities and recorded in FERC Account No. 454 using the same Gross Plant allocator that is used to allocate total revenue requirements under the Settled Formula Rate to the components of Transmission Services.
- (vi) As set forth in Paragraph 5 above, any increase in the PTOs' transmission revenue requirement that results from the provisions of ~~subparts~~subparagraphs (i) and (ii) of this Paragraph 12 that allow sharing of revenues from ancillary uses of the PTOs' transmission assets under the

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Settled Formula Rate will be reflected solely in the Local Service rates, and the PTF-only revenue requirement paid by the Indicated Municipal PTF Owners will not be adjusted based on the assumption of such revenue sharing.

13. Treatment of Certain CWIP Balances:

- (i) Beginning on the Formula Rate Effective Date, New England Power Company, d/b/a National Grid shall include 50% of Construction Work in Progress ("CWIP") in rate base for all transmission projects under construction on or after the Formula Rate Effective Date in the Local Service component of the Settled Formula Rate. The recovery of the return and income taxes on CWIP in rate base will be included in the Local Service component of the Settled Formula Rate.
- (ii) For five calendar years beginning on the Formula Rate Effective Date, NSTAR Electric (including the former WMECO) and CL&P shall include 68% of CWIP in rate base for all transmission projects under construction during this five-year period in the Local Service component of the Settled Formula Rate. After this five-year period, CWIP in rate base for all transmission projects will be reduced to 50% for NSTAR Electric and CL&P, and to 0% for projects constructed in the service territory of the former WMECO. This recovery of return and taxes on CWIP in rate base will be in the Local Service component of the Settled Formula Rate.

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- (iii) As part of the first informational filing under the Settled Formula Rate, National Grid, NSTAR Electric, and CL&P each shall include accounting procedures that comply with the Commission's requirements documenting how Local Service customers will not be charged for capitalized AFUDC for projects that are included in CWIP in rate base in accordance with this Paragraph 13.
- (iv) Nothing in this ~~section~~Paragraph shall be construed: (i) to limit any of the PTOs from making a filing in accordance with ~~section~~Section 205 of the Federal Power Act ("FPA") requesting the recovery of CWIP for individual new transmission projects as an incentive rate mechanism applicable to the Regional Service component; or (ii) to limit any of the PTOs from otherwise making a filing in accordance with ~~section~~Section 205 of the Federal Power Act, requesting the recovery of CWIP in rate base after the moratorium period described below. Other Settling Parties reserve their rights to protest or otherwise oppose such filings.
- (v) Nothing in this ~~section~~Paragraph shall be construed to limit any of the Settling Parties from making a filing in accordance with ~~section~~Section 206 of the Federal Power Act, requesting a limitation or elimination of CWIP as an incentive rate mechanism, except that such filing right may not limit or eliminate the recovery of CWIP as described in subparagraphs (i) and (ii)

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above during the moratorium period described below. Other Settling

Parties reserve their rights to protest or otherwise oppose such filings.

- (vi) As set forth in Paragraph 5 above, recovery of CWIP amounts identified in subparagraphs (i) and (ii) of this Paragraph 13 will be reflected solely in Local Service rates, and the PTF-only revenue requirement paid by the Indicated Municipal PTF Owners will not be adjusted based on these CWIP amounts.

14. One Time Credit: CMP will provide a one-time \$1 Million credit to the Local Service component of the Settled Formula Rate for the first Rate Year following the Formula Rate Effective Date.

15. Allocations Under Formula Rate: In each instance in which the Settled Formula Rate provides for the application of an allocation factor or method to allocate a PTO's costs between functions or between companies within a single holding company system, or provides for the direct assignment of costs, each PTO shall initially continue to use the allocation method (including direct assignment) that it is currently using to calculate its annual revenue requirement under the ISO-NE OATT except that NEP and Vermont Transco, in order to address a concern of FERC Trial Staff, developed a revised attachment to the formula rate template that provides for a different method to calculate accumulated depreciation and accumulated deferred income taxes ("ADIT") by incentive.

~~15. Commission Trial Staff: This Settlement Agreement and the Settled Formula Rate include compromises that, as part of reaching an overall settlement, address all issues~~

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raised by the Commission's Trial Staff ("Trial Staff"), subject to and as set forth in the following:

- (i) ~~It is a condition of the Settlement Agreement that Trial Staff will not file comments in opposition to Commission approval of the Settlement Agreement without modification or condition or otherwise oppose the Settlement Agreement, including the Settled Formula Rate;~~
- (ii) ~~The Settling Parties understand that Trial Staff plans to file comments on certain aspects of the Settlement as specified in subpart (iii) below, but those comments will not seek to modify the Settlement Agreement and/or the Settled Formula Rate or request that the Commission condition its approval of the Settlement Agreement and/or the Settled Formula Rate in connection with the items discussed;~~
- (iii) ~~While not affecting items (i) and (ii) of this Paragraph, the Settling Parties understand that Trial Staff plans to comment in regards to Commission policy and precedent on three specific issues of the Settled Formula Rate: (1) inclusion of 68% CWIP in rate base as discussed above in Paragraph 13; (2) the provision for filings identified as Moratorium Exceptions that are single-issue filings; and (3) the use of net debt proceeds to calculate the amount of long-term debt in capital structure.~~

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16. Additional Specific Changes to the Formula Rate:

The Settling Parties agree to the following, non-exhaustive list of items and changes to the formula rate, which are in addition to the changes listed in other ~~sections~~Paragraphs of this Settlement Agreement. These items and changes have been incorporated into the formula rate templates of the Settled Formula Rate and are part of the revised Attachment F contained in Attachment I of this Settlement Agreement:

- A. Loss on reacquired debt will be reflected in cost of long-term debt calculation and will be removed from rate base and amortization expense. Net proceeds will continue to be used in the capital structure. Account 216.1 will be excluded from Common Equity in the capital structure. See Appendix A, Worksheet 6.
- B. Providing a rate base credit for unfunded reserves - see Appendix A, Worksheet 3. The Settled Formula Rate will include an Attachment to Appendix A showing the unfunded reserves. See Appendix A, Attachment 1.
- C. Plant Held for Future Use: Remove non-land plant held for future use from rate base and only include Land and Land Rights Held for Future Use. Non-land Plant Held for Future Use will be included only if approved by the Commission as a result of a Section 205 filing. see See Appendix A, Worksheet 3, footnote d.
- D. Remove Asset Retirement Obligation balances from rate base. See Appendix A, worksheet 1, footnote (b).
- E. Remove FAS 106 assets and liabilities from rate base.
- F. Remove FAS 109 assets and liabilities from rate base.

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- G. Adoption of a 5-quarter average rate base for transmission plant and transmission depreciation reserve as well as for prepayments and materials & supplies - see Appendix A, Worksheets 3a and 3b. The Settled Formula Rate will use beginning of year/end of year (a/k/a BOY/EOY) averages for all other rate base balances. The Settled Formula Rate will apply the Commission's 1/8 O&M rule to cash working capital.
- H. Adoption of fixed values for post-retirement benefits other than pensions ("PBOPs"), subject to a mechanism to defer, track and refund/recover any differences between the fixed amount and each PTO's actual PBOP expenses through future FPA Section 205 filings when the difference for a PTO exceeds certain thresholds. Such FPA Section 205 filings will be limited issue filings that do not open up other components of the formula rate. See Appendix A, Worksheets 4 and 9.
- I. Permitting the use of FERC Form No. 60 allocators, including Eversource's continued use of FERC Form No. 60 allocators to allocate the costs of A&G services from affiliate service companies between transmission and distribution functions, consistent with Commission Order Nos. 667 and 684. To the extent that an Indicated New England Transmission Owner is subject to an allocation methodology that incorporates FERC Form No. 60 allocators to allocate A&G costs incurred by Service Company affiliates in accordance with Commission Order Nos. 667 and 684, the Settled Formula Rate includes a worksheet that will

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identify, each year: (i) each of the FERC Form No. 60 allocators used, (ii) the methodology and data sources used to calculate each such allocator and (iii) the percentage for each such allocator for that year. Indicated New England Transmission Owners that utilize a transmission-distribution allocator other than wages and salary identify the allocator used and provide data sources in sufficient detail to enable verification and replication of the allocation calculation. See, for example, Appendix A, Attachments CMP-1; EM-1, W/S 4; and ES-5.

- J. Include Intangible Plant, Intangible Plant Accumulated Depreciation and Intangible Plant Amortization expense. See Appendix A, Worksheet 3, lines 2 and 7, and Worksheet 4, Line 2. To increase transparency, Eversource, UI and Emera Maine provide attachments to show allocations for general and intangible plant, and Eversource and Emera will provide similar attachments for ADIT, prepayments and taxes other than income taxes. See Appendix A, Attachments EM-1, EM-2; ES-1, ES-2, ES-3, ES-4; and UI-1. For remaining PTOs, Worksheets 3 and 4 of Appendix A of the Settled Formula Rate identify specifically the allocator used for assigning rate base and revenue requirement components.
- K. Include a Regulatory Asset for MA State Tax Rate Change—applicable only to MA utilities. See Appendix A, Worksheet 3, line 18.
- L. Provide a list of in-service projects with total costs greater than \$5 million to be included in Regional Service rates in the most recently concluded calendar year,

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including an identifier to allow interested parties to reference the project to the ISO-NE Regional System Plan or asset condition list. See Appendix A, Worksheet 9.

- M. Provide for documentation on competitive cost-contained projects – see Appendix A, Worksheet 8, footnote b.
- N. Includes an attachment to show each revenue item recorded in Accounts 454, 456, 456.1. See Appendix A, Attachment 2.
- O. Adds language to Avangrid, Eversource and NEP Local Service Rates to state that incentive ROEs apply to all PTF assets and do not apply to non-PTF assets.
- P. Adds an attachment to show the includible amount of support expenses and identify the assignment to Regional Service, Local Service and Schedule 12C Costs. See Appendix A, Attachment 3.
- Q. Adds lines to template worksheets to reflect the regulatory asset or liability balance and applicable amortization related to deficient or excess accumulated deferred income taxes (“excess ADIT”). In addition, the Indicated New England Transmission Owners commit to adding the specific balances and amortization periods in these worksheets associated with excess ADIT resulting from the Tax Cut and Jobs Act of 2017 in compliance with Order 864, the Final Rule the Commission issued in Docket No. RM19-5, Public Utility Transmission Rate Changes to Address Accumulated Deferred Income Taxes. The Indicated New England Transmission Owners will make a compliance filing in Docket Nos.

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EL16-19, *et al.* to reflect the Commission-approved outcome of their compliance filings under Order 864 within 30 days after the Commission acts on those Order 864 compliance filings and this Settlement Agreement takes effect. The Indicated New England Transmission Owners affected by ~~sub-paragraph~~subparagraph K above (regarding MA state taxes) will ensure consistency between these ~~sub-paragraphs~~subparagraphs.

- R. Add a worksheet to Eversource's Regional Service ATRR Formula Rate for CCRP Incremental return and associated income taxes (IRIT) and shows the CCRP investment base calculation. See Attachment 1 to Appendix B, W/S 3, lines 27-31 and W/S 3h.
- S. Each PTO that includes costs recorded to distribution accounts in its Appendix B ATRR either includes an attachment in the formula rate or provides references to specific FERC Form No. 1 pages and lines that show the calculation of the distribution costs included in its Appendix B ATRR.
- T. CMP includes an attachment to the Appendix B formula rate that shows the calculation of the customer expense and the incremental expenses due to allocation factor changes that are included in its Appendix B ATRR. See Attachment 2 of Appendix B, Attachment CMP-1. UI includes an attachment to the Appendix B formula rate that shows the calculation of Customer Accounts Expenses and Customer Service and Informational Expenses Related to Transmission. See Attachment 2 of Appendix B, Attachment UI-1.

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- U. Emera Maine includes an attachment to the Appendix B formula rate that shows the calculation of the incremental expense items (customer expenses) included in its Appendix B ATRR. See Attachment 2 of Appendix B, Attachment EM-1.
- V. The Settled Formula Rate identifies references to FERC Form No. 1 information in as detailed a manner as feasible. The Settled Formula Rate uses attachments to support references to FERC Form No. 1 footnotes and specifies instances in which it is necessary to provide more specific FERC Form No. 1 references in Annual Informational Filings because line numbers or other details are not known in advance.

~~W. The Settled Formula Rate generally relies on specific Attachments to support ratemaking calculations, and the Indicated New England Transmission Owners have consulted with Trial Staff regarding case-by-case exceptions that are included in the Settled Formula Rate. The Indicated New England Transmission Owners represent for the Commission that those exceptions that the Indicated New England Transmission Owners will address in Annual Information Filings ("AIF") involve attachments that do not perform ratemaking functions of any kind. In addition, the Indicated New England Transmission Owners, at the request of Trial Staff, explain that exceptions are necessary for certain references relating to prior period Regional Service, Local Service and Schedule 12C Cost Adjustments. See Appendix B, Attachment 1, WS 1, line 7; Appendix B, Attachment 2, WS 1, line 8; Appendix B, Attachment 3, WS 1, line 7. These references will be addressed~~

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~~by detailed support in the AIF. These exceptions will be unique to the specific circumstances for an individual PTO and cannot be addressed generally prior to the AIF because of those unique circumstances.~~

- W. ~~X.~~ Adds footnotes to provide greater clarity and transparency with respect to values for ROE. See, for example, Appendix A, W/S 2, line 3, column C, FN (b).
- X. ~~Y.~~ Adds an attachment documenting how NEP's Yankee Adjustment is calculated consistent with the Commission's guidance in Opinion Nos. 49, 49-A and 158. See Appendix A, Attachment NEP-1.
- Y. ~~Z.~~ The Settled Formula Rate addresses calculations of the amortization of federal investment tax credits and the associated tax gross up for both Federal and State income taxes in Appendix A, WS 2.
- Z. ~~AA.~~ The Settled Formula Rate removes Generator Step-Up facilities from transmission rates.
- AA. ~~BB.~~ The Settled Formula Rate allows NSTAR (East) and FG&E to continue to include prepaid pension assets in rate base. In addition, it adds footnotes regarding challenges to prepaid pension assets under the Protocols and clarifies that CL&P and PSNH may not include an amount greater than \$0 absent an FPA Section 205 filing. See, for example, Attachment 2 to Appendix B, W/S 2 ES, line 3 & FN (e) and Attachment 2 of Appendix B, W/S 2 FGE, line 1 & FN (c). These provisions are included in the rates for Local Service, and are not included in the rates for Regional Service.

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~~CC.~~ BB. UI provides an attachment to show the calculation of native load cash working capital. See Attachment 2 of Appendix B, Attachment UI-2.

The description of issues contained in this ~~Section~~Paragraph 16 is for informational purposes and shall not be used to modify the language used in the Settled Formula Rate.

In the event any party or person claims that there is an inconsistency between the language used in this list and the language used in the Settled Formula Rate, the latter shall prevail.

17. Attachments that Do Not Perform Ratemaking Functions: The Settled Formula Rate generally relies on specific Attachments to support ratemaking calculations, and the Indicated New England Transmission Owners have consulted with Trial Staff regarding case-by-case exceptions that are included in the Settled Formula Rate. The Indicated New England Transmission Owners represent for the Commission that those exceptions that the Indicated New England Transmission Owners will address in Annual Information Filings ("AIF") involve attachments that do not perform ratemaking functions of any kind. In addition, the Indicated New England Transmission Owners, at the request of Trial Staff, explain that exceptions are necessary for certain references relating to prior period Regional Service, Local Service and Schedule 12C Cost Adjustments. See Appendix B, Attachment 1, WS 1, line 7; Appendix B, Attachment 2, WS 1, line 8; Appendix B, Attachment 3, WS 1, line 7. These references will be addressed by detailed support in the AIF. These exceptions will be unique to the

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specific circumstances for an individual PTO and cannot be addressed generally prior to the AIF because of those unique circumstances.

18. ~~17.~~ **Moratorium:** There shall be a moratorium on FERC filings involving changes to the Settled Formula Rate included herein, which is set forth in Attachment F to the ISO-NE OATT. As set forth in Attachment F, the moratorium period will end on December 31, 2024. Unless the Parties otherwise agree in writing, no Settling Party shall be permitted to file for a change to this Settlement Agreement, Attachment F or any of its Appendices or the Protocols pursuant to Section 205 or Section 206 during the moratorium period unless such filing is specifically permitted by this Settlement Agreement or the moratorium provisions in Attachment F. It is the intent of the Settling Parties that this moratorium shall provide equivalent protection to sellers and buyers of transmission services subject to this Settlement Agreement and shall therefore apply to any and all FERC filings seeking to change the Settled Formula Rate before or during the moratorium period, including any filings made by entities that are not Settling Parties. In the event that any non-settling party or any other person or entity makes a filing with the FERC prior to the end of the moratorium period seeking to modify the Settled Formula Rate, Attachment F and its appendices or the Protocols that is not specifically permitted by this Settlement Agreement or the moratorium provisions in Attachment F, and FERC does not reject such filing in accordance with this moratorium provision or otherwise, the moratorium agreed to hereunder shall automatically terminate and the Settling Parties

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shall be free to seek changes to the Settled Formula Rate pursuant to Section 205 or Section 206 at any time thereafter.

19. ~~18.~~ **Competitive Solicitations:** Nothing in this Settlement Agreement shall be interpreted to prevent any Settling Party or other person from submitting a proposal pursuant to the competitive solicitation process set forth in Attachment K of the ISO-NE OATT, or pursuant to any state-authorized request for proposals, that includes proposed rates that differ from the Settled Formula Rate for any new transmission facilities or for the costs of modifications or upgrades to existing transmission facilities that may be built pursuant to such proposals, or a Section 205 filing related to such proposals.

20. ~~19.~~ **Respondent PTOs Without RNS:** If a PTO listed as a respondent to Docket No. EL16-19 *et al.* does not submit nor recover any portion of its transmission revenue requirement through Regional Service rates set out in Attachment F to the ISO-NE OATT, and notwithstanding anything to the contrary in this Settlement Agreement, such PTO shall continue to maintain its existing Individual Local Service Schedule 21 rate structure for the determination of charges for Local Service as that term is defined in the ISO-NE OATT, if any, and need not use the consolidated Settled Formula Rate or associated Protocols, inclusive of ~~interim transmission formula rate protocols~~ Interim Transmission Formula Rate Protocols, that have been filed as part of this Settlement Agreement. Nothing in this ~~paragraph 19~~ Paragraph 20 limits (i) any Settling Party's right to challenge the justness and reasonableness of that PTO's collection of Individual Local Service revenue requirements if and when the PTO seeks to recover any portion of its

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revenue requirement through the collection of Regional Service rates, or (ii) the PTO's rights to modify its Local Service rates as it deems appropriate, consistent with applicable law.

21. ~~20.~~ **Effect of Settlement:** This Settlement Agreement shall operate as a full and final settlement, release, discharge, accord, and satisfaction of all disputes, claims, demands, liabilities, rights, and/or obligations of the PTOs generally and individual PTOs related to or arising out of the issues in Docket No. EL16-19 and all sub-dockets thereto. Except as otherwise set forth herein, the Settled Formula Rate and Protocols shall apply to the calculation and review of the transmission service rates of all PTOs.

22. ~~21.~~ **Standard of Review:** The standard of review for any modifications to the Settlement Agreement, Attachment F or any of its Appendices or the Protocols requested by a non-Party or initiated by the Commission acting sua sponte will be the most stringent standard permissible under applicable law. *See United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) (the *Mobile-Sierra* doctrine), as clarified in *Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County, Washington*, 554 U.S. 527 (2008), and refined in *NRG Power Marketing, LLC v. Maine Public Utilities Commission*, 558 U.S. 165, 174-75 (2010). This more stringent standard of review shall not apply to any Section 205 or Section 206 filings permitted by this Settlement Agreement or to filings made after the moratorium period ends. Such filings permitted by the Settlement Agreement or made after the moratorium ends shall

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Privileged and Confidential Settlement Communication
Subject to FERC Regulations, Rules 602 and 606, 18 C.F.R. §§ 385.602, 385.606

be subject to review under the just and reasonable standard set forth in FPA Sections 205 and 206.

23. ~~22.~~ **Settlement Not Divisible:** Each term of this Settlement Agreement is in consideration and support of every other term hereof and represents a negotiated compromise of a large number of issues. Unless this Settlement Agreement is approved in its entirety by the FERC pursuant to Rule 602 without modification or conditions, it shall be of no force and effect, unless the Settling Parties reach agreement otherwise in accordance with Paragraphs ~~24 and 25~~ and 26.

24. ~~23.~~ **Effective date of Settlement Agreement:** When approved in its entirety without modification or condition, the Settlement Agreement shall become effective and shall resolve all issues and disputes in Docket No. EL16-19 and such Docket shall be terminated. Upon approval in its entirety by the Commission pursuant to Rule 602 without modification or condition, this Settlement Agreement shall be binding upon all Settling Parties ~~and non-settling parties~~ in Docket No. EL16-19 and upon their respective successors and assigns. Consistent with Paragraph ~~24~~ 25, the effective date of this Settlement Agreement shall be: (a) the date on which the Commission issues an order approving this Settlement Agreement without modification, or (b) if the Commission issues an order modifying the Settlement Agreement, sixteen days after such order if no Settling Party gives notice pursuant to Paragraph ~~24~~ 25, or (c) if a Settling Party gives notice of intent to negotiate pursuant to Paragraph ~~24~~ 25, one day after the period in which the Settling Party has the right to terminate has lapsed.

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25. ~~24.~~ **Process If FERC Approves Settlement Agreement with Modifications or**

Conditions: If the Commission approves this Settlement Agreement with conditions or modifications, any Settling Party shall have 15 days to notify the other Settling Parties in writing that it wishes to terminate the Settlement Agreement or to request additional negotiations in order to restore the balance of consideration under the Settlement Agreement in light of the changes FERC has ordered. If no Settling Party submits such notice, the Settlement Agreement shall become effective with the modifications or conditions imposed by FERC. If a Settling Party requests additional negotiations to attempt to restore the balance of consideration hereunder, the Settling Parties shall have an additional 30 days to attempt to negotiate changes to this Settlement Agreement consistent with the FERC order. If the Settling Parties are unable to reach agreement on such changes during such 30-day period, any Settling Party shall have five days to notify the other Parties in writing that it is terminating the Settlement Agreement. If any Settling Party files such notice to terminate, this Settlement Agreement shall not become effective and shall be null and void, and no Settling Party shall be bound or prejudiced by any part of this Settlement Agreement.

26. ~~25.~~ **Rehearing Requests and Orders:** In the event that any person or entity requests rehearing of an Order by the FERC approving this Settlement Agreement, any Settling Party may, within fifteen days of such rehearing request, notify the other Settling Parties that implementation of this Settlement Agreement shall be deferred, whereupon the implementation of this Settlement Agreement shall be deferred until the date that

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FERC issues its decision on rehearing. If FERC modifies or conditions the Settlement Agreement in any manner in an order on rehearing, the Settling Parties shall have all of the same rights under Paragraph 2425 that would have applied if the Commission had modified or conditioned its approval of the Settlement Agreement in its original order on the Settlement Agreement.

27. ~~26.-Inadmissibility:~~ This Settlement Agreement is submitted pursuant to Rule 602 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.602 (2019), and is inadmissible as evidence in any proceeding, except a proceeding involving a claim of breach of, or an effort to enforce, the Settlement Agreement. This Settlement Agreement is entered into upon the understanding that it constitutes a negotiated agreement and, except as explicitly set forth herein, no Settling Party shall be deemed to have approved, accepted, agreed to, or consented to any principle or position in these proceedings, or to have prejudiced positions taken or that may be taken in this or any other proceedings. This Settlement Agreement shall not be cited or relied upon as precedent for any purpose, including the interpretation of any provisions of the ISO-NE OATT in effect prior to the Formula Rate Effective Date, or as establishing any issue or principle, except to the extent of enforcing the terms and conditions of the Settlement Agreement itself. Nothing herein shall be deemed a "settled practice" as that term was interpreted and applied in *Public Service Comm'n of New York v. FERC*, 642 F.2d 1335 (D.C. Cir. 1980).

28. ~~27.-Privileged and Confidential Discussions:~~ The discussions between and among the Settling Parties that have produced this Settlement Agreement, including the

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information exchanged during such discussions, have been conducted with the explicit understanding, pursuant to Rules 602 and 606 of the Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.602, 385.606, that all offers of settlement and discussions relating thereto shall be privileged and confidential, shall be without prejudice to the position of any Settling Party or participant presenting any such offer or participating in any such discussion, and are not to be used in any manner in connection with this proceeding, any other proceeding, or otherwise, except to the extent necessary to enforce its terms.

29. ~~28.~~ **Cooperation of Settling Parties:** Each Settling Party shall cooperate with and support, and shall not take any action inconsistent with: (i) the filing of the Settlement Agreement with the Commission, and (ii) efforts to obtain Commission acceptance or approval of the Settlement Agreement in its entirety without modification or condition.

30. ~~29.~~ **Actions for Noncompliance:** Nothing in this Settlement Agreement shall be deemed to prevent the Settling Parties from bringing an action for noncompliance with the Settlement Agreement or for misapplication of the Settled Formula Rate.

31. ~~30.~~ **No Adverse Inferences:** The Settlement Agreement is the result of negotiations among, and has been reviewed by, each Settling Party and its respective counsel. Accordingly, the Settlement Agreement shall be deemed to be the product of each Settling Party, and no ambiguity shall be construed in favor of or against any Settling Party based on authorship of the Settlement Agreement.

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Subject to FERC Regulations, Rules 602 and 606, 18 C.F.R. §§ 385.602, 385.606

32. ~~31.~~ **Paragraph Headings:** Paragraph headings are used in this Settlement Agreement solely for convenience of reference and shall not be used to interpret or modify the terms of this Settlement Agreement.

33. ~~32.~~ **Signatories Authorized:** Each person executing the Settlement Agreement on behalf of a Settling Party represents and warrants that he or she is duly authorized and empowered to act on behalf of, and to authorize the Settlement Agreement to be executed on behalf of, the Settling Party that he or she represents.

34. ~~33.~~ **Counterparts:** This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, this Settlement Agreement, entered into as of the date shown below, is by and between the Settling Parties through their authorized representatives, who represent that they are fully authorized to do so on behalf of their principals.

[Signature Pages Follow this Page]

Dated: X, 2020

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May 23, 2019

**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM**

TO: William Bottiggi, General Manager, Braintree
Jeffrey Cady, General Manager, Chicopee
Jacqueline Crowley, General Manager, Middleborough
James Collins, General Manager, Norwood
Coleen O'Brien, General Manager, Reading
Ken Goulart, General Manager, Taunton
Richard A. Hendershot, Director, Wallingford

FROM: John P. Coyle

RE: FERC Docket No. EL16-19-000 -- *ISO New England, Inc., PTO Administrative Committee* (Attachment F Revenue Requirements Formula Investigation) Order Rejecting Settlement; Next Steps

On May 22, 2019, in FERC's ongoing FPA Section 206 investigation of the formula for determining the Annual Transmission Revenue Requirement for Regional Network Transmission Service, FERC issued the attached order rejecting the Settlement Agreement proposal filed in this case on August 17, 2018. *ISO New England, Inc. Participating Transmission Owners Admin. Comm.*, 167 FERC ¶ 61,164 (2019) (the "May 22 Order"). The Settlement Agreement had been proposed by the New England Transmission Owners ("NETOs") and the group of State regulators and consumer advocates who called themselves the Consumer-Interested Parties or "CIPs." Yesterday's order rejects the NETOs' and CIPs' proposed Settlement Agreement based entirely on the opposition mounted by your systems, with the support of FERC Trial Staff. FERC returned the case to its Chief Administrative Law Judge.

On May 23, 2019, the Chief ALJ designated Judge David Coffman as Presiding Judge, and placed the case on a Track III hearing schedule, indicating FERC views this as an "exceptionally complex case." Under a Track III schedule, the trial will happen within 42 weeks of the Order and the decision will be issued within 63 weeks of the Order. The Chief ALJ also designated a FERC dispute resolution specialist to serve as "settlement facilitator" to assist the parties in settlement negotiations during the pendency of the hearing process.

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We briefly summarize the case background below. We also review the issues remaining to be resolved in this case, and our estimates of their annual cost impacts on your systems. We recommend that your systems retain expert witnesses and prepare to take a combined approach to the next phase of the case, while remaining attentive to opportunities for a reasonable settlement. We estimate a favorable outcome could save your systems between \$2,210,000 and \$2,860,000 per year on a combined basis. We would be happy to arrange a conference call in which we could respond to any questions that the group may have, and provide detailed explanations of our recommendations below, if the group would find such a conference helpful.

I. CASE BACKGROUND AND CHRONOLOGY

On December 28, 2015, the FERC issued its order initiating this FPA Section 206 investigation of the formula rate, contained in Attachment F to the ISO New England Transmission, Markets and Services Tariff ("ISO Tariff"), used to establish the Annual Transmission Revenue Requirement for Regional Network Service ("RNS") transmission.¹ The CIPs group, and particularly the Massachusetts Attorney General's Office, had been informally agitating the FERC for some time prior to December 2015 to take action concerning the annual update process for the Attachment F formula rate. The May 22 Order (at PP 2-10) provides an accurate and concise summary of (1) how the Attachment F formula operates, and (2) what FERC found to be wrong with the Attachment F formula in the December 28 Order. In the interest of brevity, we invite your attention to that discussion, rather than repeat it here. As outlined in our previous memorandum of July 23, 2018 (a copy of which accompanies this memorandum for background), the case was promptly referred to a FERC Administrative Law Judge (called a Settlement Judge in this context) for supervised mediation. Hon. John P. Dring was designated as Settlement Judge.

Matters plodded before Judge Dring from January 2016 until June 2018. In about June 2018, the NETOs finally succeeded in wearing down the CIPs (most of whose representatives were State employees with little, if any, technical or accounting support) to the point that the CIPs acquiesced in the NETOs' proposed settlement. As we outlined in our July 23, 2018, memorandum, the

¹ *ISO New England, Inc. Participating Transmission Owners Admin. Comm.*, 153 FERC ¶ 61,343 (2015) ("December 28 Order").

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proposed settlement imposed substantial and unreasonable cost increases on your systems, due primarily to three of its elements:

(1) RNS/LNS Rate Base Consolidation and De-Consolidation (Estimated Cost Impact of \$550,000 to \$1.2 million per year): As originally (and currently) configured, the Attachment F formula rate required the NETOs to calculate the Regional Network Service revenue requirement based solely on the costs of PTF transmission facilities. This approach meshed well with the fact that loads "directly connected to PTF" are exempted by Section II.12(c) of the ISO Tariff from paying any costs for non-PTF facilities. In the settlement, the NETOs proposed to consolidate the revenue requirements for their PTF and non-PTF facilities, and then "back out" the non-PTF portion of the consolidated revenue requirement on a plant ratio share basis. This meant, in substance, that some costs of non-PTF facilities were inevitably shifted to RNS rates, because the plant ratio share "de-consolidation" would not eliminate all non-PTF costs that consolidation had rolled into RNS rates. We estimated that this cost shift for non-PTF costs would cost your systems, on a combined basis, between \$550,000 and \$1.2 million per year. Eroding your systems' tariff-based exemption from paying for costs of non-PTF facilities would eventually cost your systems far more, as the NETOs would continue to exploit the weakening of that exemption.

(2) Overallocation of Service Company A&G Costs to RNS (Estimated Cost Impact of \$1,060,000 per year): With the exception of VELCO PTF facilities, all non-municipal transmission assets in New England are now controlled by holding companies, as the result of various mergers. Eversource, National Grid and Avangrid all use calculations outside of the Attachment F formula rate to allocate holding company Administrative and General (A&G) costs and other overhead costs to PTF transmission, instead of using the wages-and-salaries allocators required under the Attachment F formula rate. This is what FERC Trial Staff aptly characterized (May 22 Order at P 18) as "extra-formulaic, *ad hoc* ratemaking for all externally-sourced inputs" (meaning, essentially, "making stuff up") for these overheads and their allocation to RNS rates. We estimated that this overallocation of service company overheads would cost your systems approximately \$1,060,000 per year, on a combined basis.

(3) Excessive Construction Work in Progress (Estimated Cost Impact of \$600,000 per year): Ordinarily, FERC regulations allow investor-owned utilities to recover 50 percent of their construction work in progress ("CWIP") in rates (18 C.F.R. § 35.25(c)(3)) (*i.e.*, prior to the relevant asset or group of assets being placed in service and thereby becoming "used and useful").

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FERC also allows investor-owned utilities to recover 100 percent of CWIP in rate base as a transmission "incentive" under FPA Section 219 (16 U.S.C. § 824s). However, to include 100 percent of CWIP in rate base, a utility has to obtain FERC authorization and demonstrate that the incentive is needed in order to develop the project. No such demonstration was made in this case, and no such authorization was sought. Instead, for reasons never explained, Eversource and National Grid simply helped themselves to 68 percent CWIP in rate base. We estimated that this self-help outside of what the FERC's regulations permit would cost your systems approximately \$600,000 per year on a combined basis.

(4) **Other:** There were a number of other, difficult-to-quantify disadvantages that were built into the settlement (e.g., a five-year moratorium on challenges to the rate that lopsidedly favored the NETOs).

On August 17, 2018, the NETOs submitted their Settlement Agreement to Judge Dring. On September 6, 2018, we and FERC Trial Staff filed comments opposing the proposed settlement. On September 28, 2018, the NETOs and certain of the CIPs filed replies in support of the settlement. On November 5, 2018, Judge Dring reported the settlement to the FERC and recommended that FERC approve it. Under FERC's Rules (18 C.F.R. § 385.603(g)), Judge Dring's advocacy for approval of the proposed settlement was inappropriate conduct for a Settlement Judge. On November 14, 2018, we moved to expunge those portions of Judge Dring's report that expressed a view on the merits of the proposed settlement. On November 29, 2018, FERC Trial Staff filed an answer in support of our motion to expunge.

II. RECOMMENDATIONS AND NEXT STEPS

We understand that Judge Coffman will hold a prehearing conference on June 6, 2019 at 10 a.m. The 42 weeks between now and the start of the hearing should provide a relatively leisurely procedural schedule (at least for the time being), and we are actively coordinating a proposal for a procedural schedule with FERC Trial Staff. This will give your systems some time to contemplate the questions we pose below, and to implement your strategy for the next phase of this case.

Your systems will need to decide how large or small of a role you wish to play in the discovery and hearing process. We do not need to decide that question at this point. As is so often the case, there are a number of contrary considerations at play here. On the one hand, there is no good reason why seven municipal systems should shoulder the cost of protecting most regional transmission load from excessive rates and charges. On the other hand, taking a

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Duncan
& Allen

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more aggressive position in pretrial matters, including discovery, makes it more likely that the NETOs may offer specific and useful concessions to make your systems leave them alone. On one hand, we could rely on FERC Trial Staff to do most of the heavy lifting for the hearing. On the other hand, if you rely on FERC Trial Staff, we may find ourselves at a serious disadvantage if FERC decides to head south (as is often the case), or lacks the experience or bandwidth necessary to manage the case to a sound result.

Expert witnesses are another important consideration. Our basic recommendation is that your systems take discovery and file testimony in the hearing process – at what cost and level of effort is another question. Ms. Looker has performed capably so far, particularly given the difficulties in accessing and analyzing relevant financial information from the NETOs. We recommend continuing with Ms. Looker as your expert. There is a separate question whether you may wish to consider supplementing her as a litigation resource with another expert with deeper background on transmission rates.

Your systems have an opportunity here to implement substantial revisions to RNS transmission pricing reasonableness and transparency. Your systems have already had to overcome substantial adversity in connection with the recently rejected NETO settlement proposal simply to preserve the bargaining and litigation positions in which they should have been from the outset of this proceeding in early 2016. We believe that it is worth pursuing your hard-won advantage in this case.

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Republican governor demonstrates that this issue has truly reached its moment — climate change is no longer a Democrat or Republican issue," Tulkin said in a statement.

— *Kelly Andrejasich, S&P Global Market Intelligence*

Texas Legislature passes bills for physical grid security, cybersecurity

- Grid security council to be established
- Cybersecurity monitor to focus on ERCOT

Bills designed to help guard against attacks — both physical and cyber — on Texas power infrastructure will soon go to Governor Greg Abbott, following their passage by both chambers this week.

Senate Bill 475 creates the Texas Electric Grid Security Council "to facilitate the creation, aggregation, coordination, and dissemination of best security practices for the electric industry, including the generation, transmission and delivery of electricity."

Senate Bill 936 creates the position of cybersecurity monitor and directs the Public Utility Commission of Texas and the Electric Reliability Council of Texas to contract with an entity to act in that role. It also authorizes utilities affected by the cybersecurity monitor legislation to recover "reasonable and necessary costs" related to that activity.

The bills were enrolled for the governor's signature on Tuesday.

The Texas Electric Grid Security Council legislation amends the state Utilities Code with a Section 39.917 that states in its preamble, "The legislature finds that there is a public interest in mitigating the risk of cyber and physical attacks that may affect the reliability of electric systems operating in Texas."

The council will include three members:

- The PUC chairman or a designated representative
- The ERCOT CEO or a designated representative
- The Texas governor or a designated representative

The PUC chairman or his/her designee will chair the council and call meetings, which will not be subject to Texas open meeting laws. The council's documents will also not be subject to Texas open records laws.

Focusing on ERCOT

Regarding the cybersecurity monitor legislation, it does not apply to utilities that operate solely outside ERCOT, but such utilities may choose to participate.

The utilities in ERCOT that will be subject to cybersecurity monitoring include transmission and distribution utilities, river authorities engaged in wholesale power generation or transmission, municipal utilities or electric cooperatives.

The entity hired to serve as cybersecurity monitor will "manage a comprehensive cybersecurity outreach program for monitored utilities;" meet with them to discuss threats, best practices and training opportunities; review utilities' voluntary self-assessments; research and develop best practices; and report to the PUC on utilities' cybersecurity preparedness.

The legislation give the PUC the authority to enforce rules to

enforce the cybersecurity monitor legislation, and the cybersecurity monitor will have no enforcement authority.

The cybersecurity monitor's meetings and most of its documents are not subject to Texas open meeting or open records laws.

— *Mark Watson*

FERC rejects contested New England transmission rate deal

- Settlement lacked enough detail to overcome objections
- Munis said deal would unfairly shift costs without benefits

The Federal Energy Regulatory Commission has rejected a contested settlement on transmission rates in New England, saying the parties didn't provide enough information for FERC to approve the deal over the objections of municipal utilities, who said it was unfair.

The case wrestles with how to set rates for transmission lines in ISO New England that have a total rate base of about \$13.5 billion.

The dispute goes back to 2015, when FERC launched a proceeding (EL16-19) to decide the fairness of the rates for regional and local transmission service in ISO New England. The rates are set using a formula and the data put into that formula is updated each year. At the time, FERC was worried about the transparency of the information used in the formula and the ability of customers to challenge the inputs.

In 2018, the settling parties submitted a settlement (ERT8-2235) that proposed new rates and rate design for all network integration transmission service and point-to-point transmission service in New England. It would replace the regional and local formula rates with new formula rate templates and protocols.

Concerns about deal

A group of municipal utilities contested the settlement, saying the deal unfairly shifts cost to them and gives them no benefits.

FERC trial staff also opposed the deal, saying it would result in unreasonable rates. Among other issues, staff said it would allow transmission owners "to conduct extra-formulaic, *ad hoc* ratemaking for all externally sourced inputs every year."

FERC rejected the settlement Wednesday and sent the case back into hearing procedures. According to court precedent, there are only four approaches FERC can use to approve a contested settlement, the order explained. The proposed deal lacked enough detailed information for the commission to use any of these approaches, the order said.

Approach one requires an adequate record to decide on each contested issue; approach two requires the overall result of the settlement to be just and reasonable; approach three requires the settlement's benefits to outweigh the objections to it; and approach four allows contested issues to be severed from the case for continued litigation, FERC said.

FERC rejection

The deal did not work under any of these approaches, and it lacked detail and transparency overall, FERC said in rejecting the deal. The case will now go back into litigation.

FERC 9-44
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July 15, 2019

PRIVILEGED AND CONFIDENTIAL
MEMORANDUM

TO: William Bottiggi, General Manager, Braintree
Jeffrey Cady, General Manager, Chicopee
Jacqueline Crowley, General Manager, Middleborough
James Collins, General Manager, Norwood
Coleen O'Brien, General Manager, Reading
Ken Goulart, General Manager, Taunton
Richard A. Hendershot, Director, Wallingford

FROM: John P. Coyle and Ashley M. Bond

RE: FERC Docket No. EL16-19-002 -- *ISO New England, Inc.*
Participating Transmission Owners Administrative Committee
(ISO Tariff Attachment F RNS Formula Rate Investigation) –
Status Report and Request for Direction

This memo is to (1) update you on developments between our call of May 29, 2019 and the present, (2) offer some recommendations based on those developments, and (3) request some decisions on how best to move forward. We now have a FERC Administrative Law Judge assigned to the case, who has adopted a procedural schedule that requires our initial testimony to be filed by August 29. Between that, and the need to evaluate and respond to an inadequate settlement proposal from the New England Transmission Owners ("NETOs"), you have a fairly immediate need to get consultants/expert witnesses on-board and working.

On June 17, we received a settlement overture from the NETOs. That proposal essentially asked us to name a buyout price for surrendering the current exemption of PTF-connected load from charges for non-PTF facilities and accepting the NETOs' previously rejected settlement. We believe that proposal, which we discuss below, to be inadequate. It is nonetheless advisable to develop a counterproposal, and to explore whether a fair and workable settlement is possible. We think it unlikely that the NETOs will be willing to go as far as they would need to go to provide you with a fair and reasonable settlement, but there is no harm in identifying suitable objectives and attempting to obtain them.

We have been in touch with FERC Trial Staff, who are willing to push the case forward and not at all excited about the prospect of the NETOs attempting

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to resurrect the settlement that the Commission just rejected, with a carve-out for your systems. FERC Trial Staff are generally supportive of your positions on the merits, and are willing to coordinate with your systems up to the point at which they might be perceived as affording you preferential treatment. FERC Trial Staff are very wary of the possibility of your systems accepting a settlement at some point, which could undo a considerable amount of effort that Staff will have to put into the case.

A. The Case Schedule and NETOs Settlement Approach

On June 6, 2019, FERC Administrative Law Judge David Coffman convened the prehearing conference in this case. Judge Coffman adopted a Procedural Schedule, which we summarize in the following table.

Date	Event
August 29, 2019	Direct Testimony (seeking changes to the existing rates)
November 26, 2019	Answering Testimony (defending the existing rate, responding in support or partial support of Direct Testimony, or proposing changes different from those proposed in Direct Testimony)
December 23, 2019— January 2, 2020	Suspension of discovery due dates
January 15, 2020	Rebuttal Testimony (responding to Answering Testimony)
January 27, 2020	Last day for submission of discovery requests
February 6, 2020	Joint statement of stipulated issues; joint statement of contested issues (with explanations); joint statement of stipulated facts; joint statement of contested facts (with explanations); joint witness list; index of exhibits
February 10, 2020	Last day to answer any outstanding discovery requests
February 25, 2020	Pre-hearing briefs
March 11, 2020	Electronic hearing training
March 12, 2020	Commencement of hearing
March 25, 2020	Date estimated for end of hearing
7 business days after end of hearing	Joint final exhibit list; joint procedural history; joint list of appearances
14 business days after end of hearing	Joint statement of proposed transcript corrections
April 7, 2020	Initial briefs
June 2, 2020	Reply briefs
June 9, 2020	Oral Argument on the merits
August 6, 2020	Initial Decision

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Judge Coffman also “volunteered” some observations concerning what he might be willing to do to facilitate acceptance of a settlement. In our view, these observations walked right up to the line of demonstrating a predisposition toward a result that the Commission found, in its May 22, 2019 Order on Contested Settlement, 167 FERC ¶ 61,164 (“May 22 Order”) to be unsupported and inappropriate. We have attached the transcript pages containing those observations for reference as well.

On June 17, 2019, John Coyle met with David Raskin (FERC counsel for Eversource Energy and its operating companies, and lead counsel for the NETOs) at Raskin’s request. Raskin proposed that (1) your systems provide “a number” equivalent to our estimate of the annual cost impact on your systems of eliminating the current ISO Tariff exemption of PTF-connected load from paying non-PTF costs,¹ and (2) the NETOs would resolve the case by paying that amount that we and they negotiate as reflecting that cost, for a period of years, in exchange for your waiver of objections to elimination of the exemption and agreement to the settlement previously rejected by the FERC. Coyle told Raskin that we would convey the proposal to your systems and get back to him with your response.

The NETOs’ proposal is full of holes and is not likely to compensate your systems fully for the economic harm you would sustain if the settlement rejected in FERC’s May 22 Order were resurrected. For example, Raskin suggested that the NETOs were looking for a phase-out over a period of years, as opposed to permanent compensation. Either version would be difficult to calculate, given that the RNS rate base has had an average compound annual growth rate of about 12.5 percent for the past fifteen years. More importantly, buying you out of the exemption from LNS costs – assuming that a suitable number could be calculated – does not address the various other inequities that the rejected settlement (which the NETOs would like to resurrect) would impose. These

¹ Section II.12(c) of the ISO New England Transmission, Markets and Services Tariff provides that “where all or a part of the load of Transmission Customers taking service under this OATT is connected directly to PTF, the Transmission Customers receiving the service shall have no obligation to pay charges for service across Non-PTF transmission facilities with respect to that portion of the connected load after the Transition Period.” The ten-year “Transition Period” under the NEPOOL/ISO-NE Open Access Tariff ended in 2007.

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include the overallocation of holding company administrative and general costs to RNS transmission rates, inclusion of amounts of construction work in progress ("CWIP") in rates in amounts that exceed what FERC regulations permit, shifting of revenue credits for ancillary uses of transmission facilities (pole attachments), and various other misallocations embedded in the rejected settlement that would increase your systems' transmission costs.

The NETOs would clearly like to settle the case. They would also like your systems to sell out cheaply in order to help them do it. Based on the NETOs' offer of June 17, we believe that negotiating a serious settlement will require more leverage than the NETOs think your systems have now. This leads to the next discussion item -- consultants and potential additions to the group.

B. Potential Group Expansion, Experts and Tentative Cost-Benefit

1. Potential Group Expansion

We see limited opportunities for expanding the group funding this effort. We had no success in pursuing the possibility of support other PTF-connected municipal interests (Shrewsbury, Holyoke, CTMEEC), as well as other potentially interested municipal interests (VPPSA, City of Burlington). Shrewsbury, Holyoke and VPPSA are already in the case and represented by Spiegel & McDiarmid. CTMEEC is being represented in-house, but has limited interest in the case from a load perspective in light of their grandfathered pre-Order No. 888 transmission arrangements with Eversource. In short as to these parties, the current lack of activity is deliberate, in the sense that they are waiting for someone else to do the heavy lifting. We do not believe that these interests are potentially useful allies in pursuing the case, although we expect that they are now unlikely to oppose any efforts your systems might undertake to litigate the case.

We received an informal inquiry from Nick Lawler, asking why Littleton had not been asked to become involved in the case. When I explained that the *ad hoc* group we had put together consisted of municipal PTF Owners (with specific issues about exemption from non-PTF charges), Nick noted that Littleton has other interests at stake in the case -- e.g., greater transparency and auditability in the Attachment F process -- and would be willing to attempt to intervene, even at this point in the case. This group may wish to consider reaching out to some of the more active systems (Littleton and Hingham, possibly others) who may see their interests in the case as aligned with yours. Whether and how you follow through with this outreach depends to some extent

ITEM NO. 9-48
PUC AGENDA 6/16/20

on what preliminary decisions you make about what you might want in a settlement.

The various State interests that we contacted (regulatory commissions and consumer advocates) have limited budgetary authority, limited commitment, and uncertain willingness to operate within group consensus. Some may still support the rejected settlement. Our outreach in those quarters (to the Massachusetts Attorney General and the Maine Public Utilities Commission) confirms our earlier assessment that this group is less reliable, has less to contribute and is therefore less attractive as potential co-litigants.

2. Theories for Recovery, Consultants, and Cost-Benefit.

In our May 29 call, you asked us to investigate whether there are additional issues and objectives within the scope of FERC's investigation order from December 28, 2015² that might afford your systems additional financial relief if pursued. You also requested that, to the extent that there are additional potential objectives, we quantify what relief might be attainable, and the likely cost to pursue and attain those objectives.

Our preliminary assessment is that your systems have two sets of economic issues in this case: (1) unreasonable rates and charges under the current Attachment F formula; and (2) unreasonable rates and charges that would result from implementation of arrangements resembling the settlement rejected by the Commission's May 22, 2019 Order on Contested Settlement, which the NETOs are attempting to resurrect. The third issue is transparency, in the sense of being able to put in place a set of "protocols" (meaning rules for information disclosure, informal challenges and formal challenges to the annual update of input values used in the formula rate). The State regulators and consumer advocates had negotiated a set of protocols with the NETOs by mid-2016, but we have little confidence in the results of that effort and believe the draft protocols negotiated in 2016 need to be re-evaluated.

a. Flaws in the Current Attachment F Formula

² *ISO New England Participating Transmission Owners Admin. Committee*, 153 FERC ¶ 61,343 (2015) ("December 28 Order").

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PUC AGENDA 10/16/20

Under the current version of the Attachment F revenue requirements formula, the biggest single economic issue that we have identified to date is overallocation of holding company administrative and general ("A&G") costs to RNS transmission revenue requirements. This is primarily a problem with Eversource operating companies Connecticut Light & Power, Western Massachusetts Electric Company and Public Service Company of New Hampshire. Our analysis to date indicates that a reasonable estimate of the cost to your seven systems alone of this overallocation of A&G costs amounts to between \$1,680,750 and \$2,974,000 *per year*. We know that New England Power, Central Maine Power and United Illuminating follow a similar allocation process, but we do not have sufficient comparative data yet to estimate the cost impacts of overallocation of holding company A&G costs to RNS revenue requirements by those operating companies.

It is also important to consider formula rate refund liability. In a FERC formula rate, the algebraic equation that embodies the formula is the actual rate, and the use of an incorrect numerical input in applying that formula can always be corrected, without regard to the passage of time.³ This means that Eversource's refund liability could extend as far back as 2004, when it began using its current system for allocating holding company A&G overhead. Even at the low end of our estimate of the overcharges, fifteen years of refund liability would amount to over \$25 million, which is certainly sufficient get Eversource's

³ As the FERC explained in *Ameren Corp.*, 147 FERC ¶ 61,225 at P 29 (2014) (citations omitted):

The Commission has repeatedly held that it may order refunds for past periods where a utility has either misapplied a formula rate or otherwise charged rates contrary to the filed rate. The Commission has explained that, 'in approving any formula rate, the Commission approves the formula itself, the algebraic equation used to calculate the rates. It does not approve the inputs into the formula or the charges resulting from the application of the inputs to the algebraic equation.' Moreover, '[t]he Commission's long-standing precedent is that, under formula rates, parties have the right to challenge the inputs to or the implementation of the formula at whatever time they discover errors in the inputs to or implementation of the formula.' The reason for permitting such challenges and related refunds is because 'customers may not uncover errors in data or imprudent or otherwise inappropriate costs until well after the challenge period.'

attention, justify the effort in litigation and provide leverage for negotiating a suitable resolution if matters move in that direction.

There are other economic issues under the current Attachment F formula rate. FERC's December 28 Order mentions the failure to use fixed and stated accruals for Post-Employment Benefits Other than Pensions ("PBOPs"), failure to identify and remove Asset Retirement Obligations from revenue requirements, and the lack of synchronization of LNS and RNS rates and rate filings (which can result in over-recovery of costs). We have not attempted to quantify the impacts of these issues at this time, because (a) we lack the necessary data to evaluate these issues, and (b) associating dollar values with issues and prospects for recovery will require the construction of an appropriate spreadsheet template, which is a substantial part of the work involved in preparing testimony.

b. Resurrection of the Rejected Settlement

As we have previously discussed, the proposed settlement that FERC rejected in its May 22 Order would have imposed substantial additional harms on your systems. Put another way, our view of the rejected settlement is that it was worse for your systems than the *status quo* under the current version Attachment F. We would expect that the NETOs will attempt to promote a version of the rejected settlement, either through negotiations with the State interests (where they may find less receptivity than in the previous round of the case) or through litigation, either in this case or through attempts at amending their RNS revenue requirements formula under FPA Section 205.

In the analysis underlying our comments opposing the NETOs' proposed settlement, your expert, Geneva Looker, calculated that the impact from using the NETOs' proposed new template structure and combining the LNS and RNS transmission revenue requirement on NSTAR ranged from an increase in costs of 1.2 percent to 10.34 percent. The large range of potential impacts resulted from inconsistencies in the income tax rate used in calculating the income tax allowance in the revenue requirement, and the treatment of CWIP. Estimating the impact of the consolidation of PTF and non-PTF rate base at 5.5 percent (the average of the high and low increases), your systems' share of cost increases resulting from that consolidation is approximately \$3,490,000 per year. That increase could be expected to grow over time, as the New England transmission

ITEM NO. 9-51
PUC AGENDA 6/16/07

rate base grows.⁴ This would be the sole element of the NETOs' June 17 "settlement" proposal to your systems, although we would expect that the NETOs only propose to offset a fraction of that annual overcharge, and only for a defined period of years.

As in the case of the unjust and unreasonable elements of the existing Attachment F formula, the NETOs' proposal carries with it a number of other unreasonable elements your systems would want to avoid through litigation, or be insulted from by a settlement. These include:

- (i) an allowance of 68 percent CWIP in rate base (in excess of the fifty percent allowed by FERC regulations on an appropriate showing, 18 C.F.R. § 35.24) for Eversource and National Grid;
- (ii) "sharing" of revenue credits for ancillary uses of transmission facilities (e.g., pole attachments);
- (iii) over-recovery of construction costs for the Middletown-Norwalk Project, Maine Power Reliability Program and the New England East-West Solution ("NEEWS") project,⁵
- (iv) overstatement of the equity component of the NETOs' capital structures, resulting in overcollection of return on equity; and
- (v) various other abuses.

⁴ Excessive returns on equity and transmission "incentives" awarded by the FERC on top of already excessive ROEs have produced an average compound annual growth rate of 12.5 percent over the past 15 years, as the RNS rate has increased from approximately \$15 per kW-year in 2004 to approximately \$112 per kW-year today.

⁵ These projects were both permitted to recover 100 percent of CWIP in rate base for PTF facilities. Eversource and New England Power Company were permitted to keep recovering Allowance for Funds Used During Construction ("AFUDC") – essentially, capitalized interest on construction financing – in their LNS rates, subject to a regulatory liability for the refund or offset of AFUDC against allowed CWIP. In consolidating the PTF and non-PTF rate bases, the NETOs "forgot" to refund the AFUDC accruals, thereby double charging transmission load.

We do not have sufficient information at this point to quantify those costs that the NETOs' "settlement" proposal would add to your systems' already considerable transmission cost burdens. In order to conduct that analysis on an informative basis, we need the assistance of consultants, as we discuss in the Section 2.d. below.

c. Transparency and the Need for Sound Protocols

In its December 28 Order at P 7, FERC found that "the ISO-NE Tariff lacks adequate transparency and challenge procedures with regard to the formula rate for ISO-NE PTOs and that the ISO-NE Tariff is therefore unjust, unreasonable, unduly discriminatory or preferential" and that "formula rate protocols are an appropriate mechanism to address these concerns." The NETOs and the various State interests had negotiated a set of protocols -- procedures for (i) the exchange and disclosure of information concerning annual updates to formula inputs, (ii) informal challenges to inputs, and (iii) formal challenges to inputs short of a full-blown Section 206 complaint -- by about April 2016. We believe that the protocols negotiated at that point in the case are inadequate, largely due to the lack of leverage and lack of experience on the part of the State interests.

The importance of ensuring the auditability of the NETOs' inputs cannot be overstated. It is quite clear that abuses have grown and multiplied over the twenty years that the current Attachment F formula has been in place without affording transmission customers the ability to evaluate what costs the NETOs are stuffing into the transmission bill. All that said, developing and advocating for a sound set of protocols is probably the least expensive part of litigating this case -- and the most difficult to achieve in settlement.

d. Consultants/Expert Witnesses

We already have Geneva Looker (Whitfield Russell & Associates) under engagement from the earlier stage of the case. Geneva developed and filed the affidavit and supporting analysis that proved instrumental in persuading FERC to reject the NETOs' proposed settlement. We have also engaged John Krajewski, an experienced consultant who has done a considerable amount of work on transmission revenue requirements in the Southwest Power Pool, to support Geneva's efforts with greater experience on the witness stand in dealing with FERC cost-of-service rules. We would also like to engage Marc Montalvo (of Daymark Energy Advisors, Inc. (formerly LaCapra & Associates)), who is well-regarded rate expert in New England FERC matters. Mr. Montalvo is also a

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PUC AGENDA 02/16/20

former ISO New England employee who is likely to have useful insights on where New England Transmission Owners might try to pile dubious costs.

e. Tentative Cost-Benefit Analysis

We estimate that a full litigation budget, through the trial currently scheduled to conclude in April 2020, would cost approximately \$525,000, broken down as follows:

Consultant/Counsel	Estimate
Looker (Russell Assoc.) Krajewski (JK Energy)	\$100,000
Montalvo (Daymark Energy Advisors)	\$ 50,000
Duncan & Allen	\$375,000
Total	\$525,000

We are not able to correlate expenditures and outcomes with precision. However, the \$525,000 litigation cost estimate compares very favorably to the most conservative estimate we have of one year of overallocation of holding company A&G costs to RNS transmission (between \$1,680,750 and \$2,974,000 per year), or to one year of the harm that would likely result from an uncompensated elimination of your systems' ISO Tariff exemption from paying costs associated with non-PTF facilities (conservatively estimated at approximately \$3,490,000 per year). The following factors represent additional, if not immediately quantifiable benefits of pursuing the case as recommended: (1) potentially expanded refunds for overallocation of holding company A&G costs back to 2004, (2) avoidance of additional exposure created by the lopsided settlement structure that the NETOs will seek to reimpose, and (3) the deterrent effect and auditability that would accompany the implementation of a sound set of protocols.

C. Recommendations and Requests for Direction

1. We need your authorization to engage Mr. Montalvo, and continue the engagements of Mr. Krajewski and Ms. Looker, the consultants identified above, in order to (a) analyze and recommend a counter to the NETOs' June 17 "proposal" and (b) to prepare to defend your systems' position in litigation in the event that the NETOs are unable to see their way toward a suitable settlement.

ITEM NO. 9-54
 PUBLIC AGENDA 6/16/20

2. We need your authorization to prepare and present a counterproposal in response to the NETOs' June 17 "proposal." Based on the information outlined above, we would recommend a counterproposal based on a combination of (a) the estimated loss of the value of your systems' ISO Tariff exemption from non-PTF costs (estimated at \$3,490,000 per year currently), (b) the mid-range of costs attributable to over-allocation of holding company A&G costs (estimated at approximately \$2.3 million per year currently), and (c) an estimate of other overcharges embedded in the FERC-rejected settlement proposal that the NETOs are seeking to resurrect. We believe that a counter in the range of \$7-\$8 million per year (in total for all seven of your systems, allocated on a load ratio share basis) for at least 15 years represents a realistic buyout of your rights.

ITEM NO. 9-55
PUC AGENDA 6/16/20

June 8, 2020

PRIVILEGED AND CONFIDENTIAL
MEMORANDUM

TO: Richard A. Hendershot, Director, Wallingford

FROM: John P. Coyle

RE: FERC Docket No. EL16-19-000 – *ISO New England, Inc. Participating Transmission Owners Administrative Committee* (Attachment F Formula Rate Investigation – Summary and Recommendations Concerning Draft Settlement Agreement)

A. Case Summary

The New England Transmission Owners (“NETOs”)¹ and the various municipal utilities that own looped transmission facilities rated 115 kV and above (“Pool Transmission Facilities” or “PTF”) set their revenue requirements annually under a formula set forth in Attachment F to the ISO New England, Inc. (“ISO-NE”) Transmission, Markets and Services Tariff (“ISO Tariff”). The revenue requirements are then divided by each utility’s monthly network load (demand) to determine the utility’s share of the regional charges for transmission service. The formula was originally negotiated as part of an April 1999 settlement of the New England Power Pool’s transition to open access transmission service. At the start of this case in December 2015, the formula was written out over 33 pages of text in the ISO Tariff.

On December 28, 2015, the Federal Energy Regulatory Commission found, under Section 206 of the Federal Power Act, that the Attachment F revenue requirements formula was unjust and unreasonable for two reasons: (1) the narrative formula left much room for interpretation by individual utilities, and neither FERC nor customers could be sure that it was being applied correctly,

¹ The NETOs are Central Maine Power Company; Emera Maine (now known as Vestran Energy); Eversource Energy Service Company as agent for its operating companies Connecticut Light & Power Company, Public Service Company of New Hampshire, and Western Massachusetts Electric Company; National Grid d/b/a New England Power Company; NStar Electric Company; United Illuminating Company; and Vermont Electric Company/Vermont Transco LLC.

ITEM NO. 9-56
AGENDA 6/16/20

and (2) there was no provision for discovery and challenges to the annual update of the cost data input into the formula.

Wallingford was named as a respondent to FERC's December 28, 2015 Order because it recovers its transmission costs under the Attachment F formula. Wallingford joined with six other municipal utilities that own Pool Transmission Facilities – known in this case as the Indicated Municipal PTF Owners² – to share litigation costs and objectives.³ In October 2019, both the Indicated Municipal PTF Owners and FERC Trial Staff reached a settlement in principle with the NETOs. That settlement has now been formally documented and is ready to be (1) signed by the settling parties (a term which now includes the NETOs, the Indicated Municipal PTF Owners and every other participant in the case), and (2) filed with FERC for its approval.

B. What the Settlement Accomplishes

The proposed settlement implements three major changes to conform to current FERC policy:

1. Changes to Formula Rate Structure, Timing and Reporting

- Replaces 33-page narrative formula with Excel spreadsheet “templates” that incorporate cost data from FERC Form 1 reports. Resolves numerous disputed elements of Attachment F formula, and improves the transparency of, and level of disclosure required in, the annual information filing;
- Requires simultaneous submission of updates for *all* regional transmission costs for customer (and FERC) review;
- Allocates costs to Regional Network Service (“RNS”), Local Service and Schedule 12C (local requirements in excess of Good Utility Practice)

² In addition to Wallingford, the Indicated Municipal PTF Owners are the Massachusetts municipal electric utilities of Braintree, Chicopee, Middleborough, Norwood, Reading and Taunton.

³ The Indicated MPTFOs allocated their litigation costs on the following basis: one-third based on each system's PTF revenue requirement; one-third based on average monthly network load; and one-third per capita (1/7 each).

ITEM NO. 957
AGENDA 02/16/20

- Filing switched to calendar year based on five-quarter average plant balances instead of June 1-May 31 year and end-of-year balances
- 2. Establishes “Protocols” for Access to Data and Challenges to Annual Inputs to Formula Rate
- Standard for other transmission formula rates since 2012 FERC order in *Midwest Ind. System Operator* case;
- Allows informal discovery and formal and informal challenges to NETOs’ claimed transmission costs.
- Improves the effectiveness of the Protocols that should enable load to audit and police the inputs to the rate formula;
- 3. Requires Transmission Projects to Receive ISO-NE Cost Allocation Approval *Before* Their Costs Are Put into Rates

C. What the Settlement Does for Wallingford

Section 5 of the draft Settlement Agreement resolves the following issues raised by Wallingford and the other Indicated MPTFOs:

1. Preserves exemption of PTF-connected load (like Wallingford) from charges for non-PTF facilities;
2. Recovers Indicated MPTFO costs for the first three plus years (January 2016 through May 2019) of this case and contesting the NETOs’ August 2018 FERC settlement filing to rejection by FERC in May 2019 (\$300,000 total; Wallingford’s share is approximately \$39,000 payable in two installments following FERC approval of settlement)
3. Provides relief for (alleged) past overallocations of holding company A&G charges to transmission and PTF transmission in particular. If allocated based on cost-sharing formula in footnote 2, Wallingford’s share of \$425,000 per year payment would be \$55,528 per year over eight years, or a total of \$444,424 over eight years. Allocations of total annual payment of \$425,000 per year for eight years need to be agreed among the Indicated MPTFOs.

CONCLUSION

We recommend that Wallingford authorize execution of the Settlement Agreement.

ITEM NO. 9-58
PUC AGENDA 6/16/00

Overview of Settlement FERC Docket No. EL16-19

NETOs' Presentation to
NEPOOL Transmission Committee
April 28, 2020

ITEM NO. 9-59
PUC AGENDA ce/16/59

Background

- Proceeding initiated by FERC in December 2015
- FERC determined that New England PTO transmission formula rates appear to be unjust and unreasonable
 - Formula rates are insufficiently specific with respect to calculation of some components
 - RNS formula rate (Attachment F) may not be synchronized with LNS formula rates of individual PTOs, potentially leading to over-recovery of costs
- Original Settlement filed on August 17, 2018 (Opposed by FERC Trial Staff and contested by Indicated Municipal PTF Owners [IMPTFOs])
- FERC rejected Settlement on May 22, 2019
- Reached agreements in principle in October 2019 with FERC Trial Staff and IMPTFOs; these agreements retain core of prior Settlement, with targeted modifications
- All parties are in the process of reviewing settlement documents and red-line tariff changes
- Target date for filing the Settlement = late May/early June

ITEM NO. 9-600
PUC AGENDA 6/11/20

Core of Formula Rate Settlement

- All Regional and Local revenue requirements will be determined through a single formula rate in Attachment F.
 - Individual PTO revenue requirement calculations in Schedule 21 are eliminated.
- Prior Attachment F formula replaced by Excel templates that are similar to formula rate templates used around the country.
- Costs allocated between regional service (PTF), local service and Schedule 12C costs pursuant to gross plant allocator.
- Moved regional rates to a calendar-year billing and average rate base rather than prior June-May billing and year-end rate base.
- Retains feature of using projected costs that are trued up to actual costs after Form 1s are filed.
- Added additional Attachments into the Excel formula rate template as requested by Trial Staff and IMPTFOs.

ITEM NO. 9-61

PUC AGENDA 6/16/20

Protocols

- Settling parties have agreed on procedures for reviewing annual updates that are based on FERC-approved protocols elsewhere.
- Initiated by PTO submittal of DRAFT annual informational filing posted on ISO-NE's website on June 15th with updated revenue requirements calculation.
- Customers and interested regulators may ask discovery on the revenue requirement calculations.
- If any formula rate inputs are challenged and cannot be resolved through negotiation, customers and regulators may bring a challenge at FERC.
- This process is not available to change the Attachment F formula itself, which must be done under Sections 205 or 206.

ITEM NO. 9-102
AGENDA 6/16/20

Change to ISO-NE Planning Procedure

- The settlement includes changes to ISO-NE Planning Procedure 4 to provide more timely information about new transmission projects before they are included in regional revenue requirements.
- TCA applications will be submitted to the ISO prior to the start of Major Construction (a defined term added to PP4).
- If Applicant determines TCA application cannot be submitted before Major Construction commences, Applicant will provide to RC a project and preliminary cost update within 6 months, and at least annually thereafter.
 - TCA application to be submitted before start of Major Construction for the final element of the Project.
- Force Majeure or Emergency events may result in submittal of TCA Application after Project placed in service, but no more than one year later.

ITEM NO. 9-103
PUBLIC AGENDA 6/10/20

Moratorium

- Most elements of the settlement are subject to a moratorium, which means they are not subject to change by filing under Sections 205 or 206 during the moratorium period.
- There is an agreed upon list of moratorium exceptions for items such as ROE and transmission incentives, certain changes in depreciation rates, and tax law changes.

ITEM NO. 9-104
PUC AGENDA 6/16/20

Regulatory Review

- Settlement represents an overall compromise of issues.
- Settlement is only effective if approved in its entirety without modification or condition.
- If FERC approves the settlement with conditions or modifications any settling party may terminate the settlement or seek re-negotiation to restore balance of consideration.
- If settling parties are unable to reach agreement on changes that are consistent with FERC order, any settling party has the right to terminate the settlement in its entirety.

ITEM NO. 9-105
PUC AGENDA 6/16/20

Cost Allocation Formula and Results for Billing in EL16-19-000 (RNS Formula Rate Investigation)

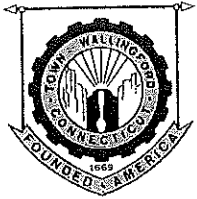
System	ATTR	% of Total Grp ATTR	50% ATTR/ 50% 1/n	2014 Average System Peaks (in kW)	Percent of Aggregate System Peaks	One-third ATRR %; One-third Avg Sys. Pk %; One-third 1/7
Braintree	\$2,727,670	33.41%	23.85%	63,355	11.28%	19.66%
Chicopee	\$865,910	10.61%	12.45%	75,539	13.45%	12.78%
Middleborough	\$865,417	10.60%	12.44%	44,204	7.87%	10.92%
Norwood	\$2,572,363	31.51%	22.90%	53,713	9.57%	18.45%
Reading	\$412,387	5.05%	9.67%	117,436	20.91%	13.42%
Taunton	\$109,487	1.34%	7.81%	109,471	19.49%	11.71%
Wallingford	\$611,460	7.49%	10.89%	97,830	17.42%	13.07%
	\$8,164,694	100.00%	100.00%	561,548	100.00%	100.00%

Hypothetical Allocation of Payments or Credits Per EL16-19-000 Settlement Agreement Section 5.D. (per Billing Allocation Percentages)

System	Billing %	1st \$150K	2nd \$150K	\$425K/year	\$425K/yr x 8 yrs	Totals
Braintree	19.66%	\$150,000	\$150,000	\$ 425,000	\$ 668,395.01	\$727,371.04
Chicopee	12.78%	\$29,488.02	\$29,488.02	\$ 83,549.38	\$ 434,556.02	\$472,899.19
Middleborough	10.92%	\$19,171.59	\$19,171.59	\$ 54,319.50	\$ 371,246.33	\$404,003.36
Norwood	18.45%	\$16,378.51	\$16,378.51	\$ 46,405.79	\$ 627,377.22	\$682,734.03
Reading	13.42%	\$27,678.41	\$27,678.41	\$ 78,422.15	\$ 456,160.73	\$496,410.21
Taunton	11.71%	\$20,124.74	\$20,124.74	\$ 57,020.09	\$ 398,040.26	\$433,161.46
Wallingford	13.07%	\$17,560.60	\$17,560.60	\$ 49,755.03	\$ 444,224.43	\$483,420.71
	100.00%	\$150,000.00	\$150,000.00	\$ 425,000.00		\$3,700,000.00

SYSTEM NO. 9-tdp
 PUC AGE 17A 6/16/20

8, ✓



OFFICE OF THE MAYOR
TOWN OF WALLINGFORD
CONNECTICUT

WILLIAM W. DICKINSON, JR.
MAYOR

45 SOUTH MAIN STREET
WALLINGFORD, CT 06492
TELEPHONE 203 294-2070
FAX 203 294-2073

June 15, 2020

Wallingford Town Council
Wallingford, CT 06492

ATTN: Vincent Cervoni, Chairman

Dear Council Members:

Whether in "good" times or "bad" times, it is important for us to be firm in our commitments to core values and principles. A mission to keep taxes as low as feasible, and even attain a "no tax" increase, is appropriate. Reduction of expenditures in the budget is necessary in order to achieve that purpose. However, removal of over \$800,000 of funds regularly dedicated to the capital reserve fund, a stand-alone fund used for current and future capital needs, breaches a duty to plan budgets on a multiyear horizon. Reducing the revenue that annually funds the Capital and Non Recurring fund will negatively affect our ability to plan for and implement capital improvements. In addition, this means that Wallingford Electric Division money is being used to pay for operating costs of Town government.

For these reasons, pursuant to Chapter III, Section 7 of the Wallingford Town Charter, the budget adopted by the Wallingford Town Council on June 9, 2020 is vetoed.

Sincerely,


William W. Dickinson, Jr.
Mayor

jms

TOWN OF WALLINGFORD, CONNECTICUT

Office of the Comptroller
45 South Main Street
Wallingford, CT 06492
(203)-294-2040

MEMORANDUM

TO: Vincent Cervoni, Town Council Chair
Town Council Members
FROM: James Bowes, Comptroller 
DATE: June 16, 2020
RE: Audit bid pricing

In conjunction with my memo of June 8, 2020 to you, Mr. Laffin and Mr. Zandri, Part B (pricing) of the audit bid of Blum, Shapiro was opened this morning with the following prices:

Audit services for FYE 6/30/2020	\$107,000
Audit services for FYE 6/30/2021	\$108,200
Audit services for FYE 6/30/2022	\$108,200

We paid \$107,500 for the fiscal year ended June 30, 2019 audit. Thus, these prices appear reasonable.


Call me at (203) 294-2040 with any questions regarding this matter.

TOWN OF WALLINGFORD, CONNECTICUT

Office of the Comptroller
45 South Main Street
Wallingford, CT 06492
(203)-294-2040

MEMORANDUM

TO: Vincent Cervoni, Council Chair
Thomas Laffin, Council Vice Chair
Jason Zandri, Council member

FROM: James Bowes, Comptroller 

DATE: June 8, 2020

RE: Audit Bid

I am sending this information to the three of you as those members of the Town Council who are assisting in evaluating the bid for year-end financial auditing services.

We published a legal notice in the newspaper, in compliance with the Purchasing Ordinance and also sent electronic notices of this bid to the 51 companies that are on this bidder's list. Fourteen of these companies downloaded the bid document. Two of these companies submitted bids.

Since this is a professional service, we utilize a two part process, per the Purchasing Ordinance. Part A is opened and evaluated based on technical aspects of the bid document. After that (usually a week later) Part B is opened with the bid price information. The highest score total of Part A plus Part B determines the highest ranking or "winning" bid.

I reviewed the Part A technical information received from the two bidders. One bid is from our current auditor Blum Shapiro. The second bid is from Marcum LLP. This bid does not meet the specifications for Connecticut municipal experience, which they even state in their bid submission.

Although there are not many firms who perform municipal audits, I was expecting four bids. Per recommendation of Purchasing Agent Sal Amadeo, I contacted two of these firms who did not bid, as they would have met our specs. One firm stated they are phasing out their municipal audit portion of their practice and not bidding on any new clients. The second firm stated they picked up five new municipal clients this year and could not fit any more at this time.

As a result, Mr. Amadeo and I believe the Town made a strong effort for this bid process. As such I recommend the bid for auditing services be awarded to Blum Shapiro.

Part B (pricing) of the bid was originally to be opened on June 9th, but the Purchasing office can delay this until we reach conclusion regarding Part A.

I have included both bids received with this memo. I've also indicated with a post-it note, the page of Marcum which states their acknowledgement of not meeting our specs.

If after reviewing these two bids you agree, please contact me and I will have Purchasing open Part B, pricing.

Call me with any questions.