

Approved 4/20/21

DRAFT

**PUBLIC UTILITIES COMMISSION
WALLINGFORD ELECTRIC DIVISION**

100 JOHN STREET

WALLINGFORD, CT

Tuesday, March 16, 2021

6:30 P.M.

MINUTES

TOWN OF
WALLINGFORD

MAR 22 2021

DEPARTMENT OF
PUBLIC UTILITIES

The meeting was held via teleconference. In attendance were:

Chairman Robert Beaumont (TC); Commissioners Patrick Birney and Joel Rinebold (TC); Director Richard Hendershot (TC); Electric Division General Manager Tony Buccheri (TC), Water and Sewer Divisions General Manager Neil Amwake (TC); Business Manager Brian Naples, Recording Secretary Bernadette Sorbo (TC). (TC-TELECONFERENCE)

Members of the public – Walter Szymanski, Lauren Takores, Freeman Quinn

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

1. Pledge of Allegiance

2. Consent Agenda

- a. Consider and approve Meeting Minutes of February 16, 2021
- b. Consider and approve Workshop Minutes of February 18, 2021

Motion to approve the Consent Agenda:

Made by: Mr. Birney

Seconded by: Mr. Rinebold

Votes: 3 ayes

3. Items Removed from Consent Agenda – None

4. Discussion and Action: Approval of Director’s Report for the Month of February, 2021

No questions or comments were presented.

Motion to approve the Director’s Report

Made by: Mr. Birney

Seconded by: Mr. Rinebold

Votes: 3 ayes

38 **5. Discussion: WPCF Upgrades Project**

39
40 Mr. Amwake updated the Commission on the focus of construction.

41
42 At the Secondary Settling Tanks, Construction of SST 5&6 is on pause while the Contractor,
43 AECOM and the Town continue to evaluate the groundwater conditions as well as the additional
44 concrete at the SST influent gallery area that was poured circa 1987.

45
46 At the Secondary Pump Station, the concrete for the grade level deck (floor)has been poured. At
47 this time, all fifteen columns between the grade level deck and the roof have been formed and
48 poured. Shoring for the roof deck has been installed, and the Contractor is currently installing the
49 reinforcing steel for the roof decks. The Contractor is in the process of installing the slide gates at
50 the Lower Level of the SPS.

51
52 At the Tertiary Phosphorous Building, installation of the 42-inch effluent pipe is complete.
53 The slide gates for the Actiflo treatment have been installed. The slide gates in the effluent trough
54 are installed and complete. The entire floor fill on the lower level has been poured along with the
55 concrete pads for the pump, etc. Installation of the CMU walls for the south and east walls is
56 complete. The mason subcontractor is in the process of installing the brickwork along these walls.
57 The installation of the membrane roof has begun.

58
59 At the UV Disinfection/Post Aeration Building, the electricians are currently installing conduit
60 and wiring for the UV/PA building.

61
62 At the Emergency Generator Building, the fuel system piping is complete and the Electrical work
63 continues.

64
65 At the Existing Personnel Electrical Building, the installation of the cable trays is complete and
66 the Electrical work is ongoing.

67
68 Construction Contract Payment Applications – C. H. Nickerson

| | | | |
|----|------------------------------------|---------------------|-------------------------|
| 69 | Original Contract Sum | \$45,507,000.00 | |
| 70 | Net Change by Change Orders | <u>\$105,869.36</u> | |
| 71 | Contract Sum to Date | \$45,612,869.36 | As of February 15, 2021 |
| 72 | (No Change from Last Month) | | |
| 73 | Construction Contract Schedule | | |
| 74 | Original Completion Date | February 10, 2022 | |
| 75 | Net Change Schedule Days | <u>0</u> | |
| 76 | Contract Completion Date | February 10, 2022 | |
| 77 | (No Change from Last Month) | | |

78

79 **6. Discussion and Action: Approval of the Water Division Budget – FY 2021-2022**

80
81 Mr. Hendershot reviewed the memo and stated that there were no significant changes to any of the
82 three budgets since the Budget workshop.

83

84 Mr. Hendershot noted a memo dated March 15, 2021 from Human Resources in regards to the
85 specific health insurance rates. Mr. Hendershot was advised that these rates represent the amounts
86 that are lower than the percentage decrease that Human Resources provided and therefore the
87 health insurance costs that are shown in all three divisions are shown more in the budget than the
88 estimates are. Mr. Hendershot noted that he is comfortable with the budget because it contains
89 more than sufficient monies to address this cost issue.

90
91 Mr. Hendershot walked through the Proposed Budget Memo for the FY 2021-2022 Water Division
92 budget.

93
94 In regards to the Cash Flow, the 2021-2022 budget calls for an appropriation from cash of
95 \$481,623.00 vs. the 2020-2021 budget of \$794,810.00 from cash.

96
97 In regards to the Wage Increases, the proposed budget does not reflect any wage increases for
98 2021-2022 that may be required by labor contracts that have expired, or will expire prior to the
99 end of 2021-2022. The budget does include individual step and merit increases, as required, and
100 any increases in longevity pay.

101
102 In regards to the Change in Rates, there are no rate increases to the water rates for the 2021-2022
103 budget.

104
105 In regards to Personnel, the proposed 2021-2022 budget reflects a decrease of 0.6 in the number
106 of total employees when compared to the 2020-2021 budget to reflect the elimination of one part-
107 time position.

108
109 The Operating Budget for the 2021-2022 revenue forecast reflects a decrease in sales volume of
110 5.27% from the FY 2020-2021 budget volume. This forecast is based on the average of the
111 Division's most recent ten-year sales history, while accounting for the departure of BMS and its
112 associated water sales. The total revenue for FY 2021-2022 is forecasted to be \$9,728 less than
113 FY 2020-2021 budget revenue, reflecting the drop in consumption discussed above. The
114 Operating Expenses are \$117,992 or 1.49% less than FY 2020-2021 budgeted operating expenses.
115 The primary reason for this decrease is the amount of newer employees.

116
117 Mr. Amwake noted that the Water Division is required by the State to do a leak detection survey
118 every 5 years. This project is a \$26,000.00 Operating Expense. There is a decrease of 109694 in
119 the Depreciation Expenses as Well #2 & Well #3 are now fully depreciated. There is also a
120 decrease in the Investment Income as the investment rates are low.

121
122 The Capital Projects include of a replacement of the Water Main on the Main Street Bridge, the
123 Church Street Bridge, Route 150 and 68 in Yalesville. The Budget for this is \$695,000.00.

124
125 **Motion to approve the 2021-2022 Water Division Budget**

126 **Made by: Mr. Birney**

127 **Seconded by: Mr. Rinebold**

128 **Votes: 3 ayes**

129

130 **7. Discussion and Action: Approval of the Sewer Division Budget – FY 2021-2022**

131
132 Mr. Hendershot walked through the Proposed Budget Memo for the FY 2021-2022 Sewer
133 Division.

134
135 In regards to the Cash Flow, the 2021-2022 budget calls for an appropriation from cash of
136 \$925,366.00.

137
138 The proposed budget does not reflect any wage increases for 2021-2022 that may be required by
139 labor contracts that have expired, or will expire, prior to the end of 2021-2022. The budget does
140 include individual step and merit increases, as required, and any increases in longevity pay.

141
142 In regards to the Changes in Rates, the revenue forecast contained in the budget includes a usage
143 rate increase from \$5.64/ccf to \$6.24/ccf for all customers. The Basic Service Fee is increased
144 from \$23.34/qtr. to \$24.38/qtr. for approximately 97% of Sewer Division customers.

145
146 In regards to Personnel, the proposed budget includes an increase of 0.6 positions compared to the
147 2020-2021 budget, to reflect the addition of one fulltime Maintenance Repair Technician due to
148 the increased equipment demands of the completed Waste Water Treatment Plant Upgrades, and
149 the elimination of one part-time position at 0.4 positions.

150
151 In regards to the Operating Budget, the 2021-2022 revenue forecast reflects a decrease in usage
152 volume of 2.65% from the 2020-2021 budget volume. This forecast is based on the average of the
153 Division's most recent ten-year sales history, minus the projected drop in usage that has occurred
154 with the closing of the Bristol-Myers Squibb facility. Sales revenue for FY 2021-2022 is
155 forecasted to be \$714,085.00 (10.62%) higher than the 2020-2021 revenue. Operating expenses
156 are budgeted at \$9,260,356.00 which is \$912,582.00 or 10.93% higher than the 2020-2021 budget.
157 The primary contributor to this increase is depreciation on new plant infrastructure associated with
158 the Waste Water Treatment Plant upgrades.

159
160 The Capital Budget for 2021-2022 is projected to be \$2,078,850.00 which represents an increase
161 of \$836,450.00 or 67.3%. The primary reason for this increase is the I-91 pump station and force
162 main project at \$1,400,000.

163
164 **Motion to approve the 2021-2022 Sewer Division Budget**

165 **Made by: Mr. Birney**

166 **Seconded by: Mr. Rinebold**

167 **Votes: 3 ayes**

168
169 **Public Question and Answer Period**

170
171 Ms. Freeman Quinn questioned if there is a municipality rate breakout for all of the income or is
172 this mixed in with the budget for commercial business?

173

174 Mr. Naples stated that this is shown on Item No. 8-2 in the section Operating Revenues Sales of
175 Electricity. This section gives a breakdown on residential, commercial and industrial, public street
176 and highway lighting, and public authority.
177

178 Mr. Beaumont stated that the Public Authority is the school systems.
179

180 Ms. Freeman Quinn inquired on where she could find the documentation and full definition for
181 Rate #8 in regards to the municipal?
182

183 Mr. Naples stated that the rate sheets are available on the Town Website. This breakdown will
184 define who belongs in the rate, what qualifies you for the rate and the costs associated with that
185 rate.
186

187 Mr. Birney confirmed that the Water and Sewer use charges are posted on the Wallingford Town
188 Website.
189

190 **Public Question and Answer Period Closed**

191 **8. Discussion and Action: Approval of the Electric Division Budget – FY 2021-2022**

192 Mr. Hendershot walked through the Proposed Budget Memo for the FY 2020-2021 Electric
193 Division.
194

195 The Cash Flow 2021-2022 budget calls for an appropriation from Retained Earnings of
196 \$1,386,537.00 vs. the 2020-2021 budget of \$434,969.00 from Retained Earnings.
197

198 The proposed budget does not reflect any wage increases for 2021-2022 that result from labor
199 contracts that have expired, or will expire, prior to the end of 2021-2022. The budget does include
200 individual step and merit increases, as required, and any increases in longevity pay.
201

202 In regards to the Changes in Rates, the revenues in the budget reflect the rates adopted by the PUC
203 on December 6, 2016 and that have been in effect since July 1, 2019. Any changes in revenues
204 are based on volume changes and anticipated changes in the Power Cost Adjustment as affected
205 by power costs. The 2021-2022 budget reflects no changes to personnel levels from those already
206 reflected in the 2020-2021 budget as of January 31, 2021.
207

208 The 2021-2022 operating expenses, when adjusted for purchased power costs are forecasted to
209 decrease by \$242,351.00 or 1.32% from the 2020-2021 budget. (Unadjusted operating expenses
210 decrease by \$787,736.00 or 1.14% vs. the 2020-2021 budget). Net income is forecasted to be
211 negative at \$693,792.00, a decrease of \$1,067,068.00 from the 2020-2021 budget.
212

213 In regards to the Capital Budget, the funds for the capital projects will come from revenue. The
214 total proposed capital spending for 2021-2022 is \$4,264,641.00, a decrease of \$130,479.00 or
215 2.97% under the 2020-2021 budget.
216
217
218

219 Mr. Buccheri shared the larger projects on the capital side that make up the budget. The Electric
220 Division is continuing to overhaul an additional substation transformer that is budgeted at
221 \$375,000.00. The Electric Division continues to inspect and replace Distribution Transformers
222 that make up \$240,000.00 of the Budget. The Electric Division is working with Eversource and
223 the NPCC Directory One Compliance Project doing the transmission line relaying upgrades as
224 necessary which is budgeted at \$120,000.00. The Division has also budgeted \$150,000.00 for the
225 East Street Sub Station Circuit Breaker Replacements.

226

227 **Motion to approve the 2021-2022 Electric Division Budget**

228 **Made by: Mr. Birney**

229 **Seconded by: Mr. Rinebold**

230 **Votes: 3 ayes**

231

232 **9. Discussion and Action: Approval of the SMARTCHARGE Agreement**

233

234 Mr. Hendershot reviewed the memo shown as Item No. 9-1 Proposed Smartcharge Rewards
235 Utilities Agreement and asked if there were any questions.

236

237 Mr. Birney asked for an update as to where the program will go from here?

238

239 Mr. Szymanski stated that they will need to make direct contact with the customers to make the
240 customers aware that this will be available to them. There will be further information posted on
241 the Town Website for customers to sign up and will also be issued through the newsletter that is
242 provided in the bills.

243

244 Mr. Beaumont questioned, how soon would this program start?

245

246 Mr. Szymanski advised within the next couple months.

247

248 **Motion to approve the SMARTCHARGE Agreement**

249 **Made by: Mr. Birney**

250 **Seconded by: Mr. Rinebold**

251 **Votes: 3 ayes**

252

253 **10. Discussion and Action: Resolution - Ivan**

254

255 Mr. Buccheri stated that Mr. Ivan has been with the Wallingford Electric Division for over 49
256 years. Mr. Ivan is well known in Town and treated everyone like family. Mr. Buccheri stated that
257 Henry will be sorely missed.

258

259 **Motion to approve the Resolution of Henry Ivan**

260 **Made by: Mr. Birney**

261 **Seconded by: Mr. Rinebold**

262 **Votes: 3 ayes**

263

264

265 **11. Discussion and Action: Budget Amendment – A/C 353**
266

267 Mr. Buccheri spoke on the memo Fiscal 2020-2021 Budget Transfer to increase Account #370 –
268 Meter Capital Equipment in the amount of \$110,000.00. This account covers capital expenditures
269 incurred by the Electric Division for new meter installations (materials and labor). The Electric
270 Division is forecasting to spend more in this account that originally budgeted for meter
271 installations. The funds are available in Account #586 – Meter Operating Expenses. This account
272 is used for the operating and maintenance functions of the metering system including testing,
273 removal, disconnecting and reconnecting meters. Dollars are available in Account #586 due to the
274 reduced amount of disconnects for non-payment during the pandemic and the funds available due
275 to personnel vacancies. This adjustment will bring both accounts to approximately 63%
276 encumbered/expended which is in line with where we should be as of the end of February, 67%
277 through the FY.

278
279 Mr. Birney questioned what is the purpose of the transfer?

280
281 Mr. Buccheri stated that the Division is doing more on the capital side with new meter installations
282 than anticipated and budgeted.

283
284 **Motion to approve the Transfer**

285 **Made by: Mr. Birney**

286 **Seconded by: Mr. Rinebold**

287 **Votes: 3 ayes**
288

289 **12. Discussion and Action: Approval of the PUC Budget – FY 2021-2022**
290

291 Mr. Hendershot stated that there are no purposed changes.
292

293 **Motion to approve the PUC Budget for the FY 2021-2022**

294 **Made by: Mr. Birney**

295 **Seconded by: Mr. Rinebold**

296 **Votes: 3 ayes**
297

298 **Correspondance/Committee Reports**
299

300 Mr. Hendershot stated that there will be an upcoming Workshop with the Commission regarding
301 electrical rates for July 1, 2021.

302
303 Mr. Buccheri advised that the Division is looking to schedule the first Workshop to discuss the
304 draft rates for the week of April 5th.

305
306 Mr. Hendershot advised the PUC to review their schedules and let him know if there are any bad
307 days that cannot support the workshop for the first week in April.

308
309 Mr. Birney advised that he may be out of Town that week and asked what is available besides that
310 week?

311
312 Mr. Hendershot stated that they can aim for the week of March 29 to April 1.
313

314 **ADJOURNMENT**

315
316 **Motion to adjourn**
317 **Made by: Mr. Birney**
318 **Seconded by: Mr. Rinebold**
319 **Votes: 3 ayes**

320
321 The meeting was adjourned at approximately 7:45 p.m.

322
323 Respectfully submitted, Respectfully submitted,

324
325
326
327
328
329
330
331

Bernadette Sorbo
Recording Secretary

Joel Rinebold
Secretary