

1 **DRAFT**

2 PUBLIC UTILITIES COMMISSION  
3 WALLINGFORD ELECTRIC DIVISION  
4 100 JOHN STREET  
5 WALLINGFORD, CT

TOWN OF  
WALLINGFORD  
FEB 8 2018  
DEPARTMENT OF  
PUBLIC UTILITIES

6 TUESDAY, FEBRUARY 6, 2018

7 6:30 P.M.

8 **MINUTES**

9  
10 **PRESENT:** Chairman Robert Beaumont; Vice-Chair Patrick Birney; Commissioner Joel Rinebold; Director  
11 Richard Hendershot; Electric Division General Manager Tony Buccheri; Office Manager Tom Sullivan;  
12 Water and Sewer Divisions General Manager Neil Amwake; Office Manager William Phelan; Recording  
13 Secretary Cynthia Kleist; Public: Steve Gale.

14 Chairman Beaumont called the Meeting to order at 6:30 p.m. and the Pledge of Allegiance was recited.

- 15 **1. Pledge of Allegiance**  
16 **2. Tour of new John Street Garage facility**

17 The Public Utilities Commission toured the new John Street Garage facility which was conducted by  
18 Electric Division Distribution Supt. Jeff Franson.

19 **CONSENT AGENDA**

- 20 **3. Approval of Meeting Minutes of January 16, 2018**  
21 **4. Electric - Transfer – Account 571 – Transmission Maintenance Overhead Lines**

22 In his Jan. 31, 2018 memo, Mr. Sullivan explained the proposed budget transfer involves an additional  
23 \$8,600 in Account #571 – Transmission Maintenance Overhead Lines. He said the Division has  
24 experienced an increase in switching activity performed by WED's maintenance electricians as a result of  
25 transmission upgrades by Eversource, and extraordinary Convex switching associated in part with the  
26 commissioning of the new LS Power generators. The labor associated with this activity has also included  
27 the training of new maintenance electricians. The increased activity, including training, is expected to  
28 continue for the balance of the fiscal year and therefore additional funds are needed. Funds are  
29 available for this transfer from Account 595 – Distribution Maintenance Line Transformers where the  
30 use of electrician's labor has been less than budgeted.

1           5. Electric – Transfer – Account 932 – Maintenance of General Plant

2    In his Jan. 31, 2018 memo, Mr. Sullivan explained this budget transfer involves an additional \$11,400 in  
3    Account #932 – Administrative and General – Maintenance of General Plant. This account covers  
4    expenses incurred in the maintenance of the John St. buildings and grounds and has experience more  
5    activity than expected including snow removal, HVAC repairs, and general maintenance labor. The  
6    additional funds will be needed to cover anticipated activity for the remainder of the fiscal year. Mr.  
7    Sullivan said funds are available for this transfer from Account 926 – Administrative and General –  
8    Employee Pension and Benefits where funds are available as the result of personnel vacancies in the  
9    first half of the fiscal year.

10           6. Water – Budget Amendment – Maintenance of Pumping Equipment

11   In his Jan. 31, 2018 memo, Mr. Amwake explained the Water Division has recently experienced several  
12   malfunctions of equipment at water pumping stations, therefore, the Water Division is requesting a  
13   budget amendment.

14    Sunrise Circle Pumping Station

15    Mr. Amwake noted the soft motor starter, circa early 1980's, at the Sunrise Circle Pumping Station has  
16    failed twice and requires replacement. The cost to procure and install a new variable frequency drive  
17    (VFD) at this pumping station based on quotes received is \$6,000.00.

18    Mr. Amwake said in his memo that the soft starter failed the first time and did not protect the No. 1  
19    pump motor and caused the motor to burn up resulting in a rewind cost of \$4,150. He noted that after  
20    the No. 1 motor was rewound and the soft motor starter was repaired, the soft motor starter failed  
21    again, though did not cause any damage to the pump station motor.

22    Mr. Awake also noted in his memo that the automatic transfer switch at the water pumping station no  
23    longer functions automatically, though the manual control still works. The cost to procure and install the  
24    new automatic transfer switch is \$7,000 based on received quotes.

25    Cheshire Road Pumping Station

26    Mr. Amwake explained in his memo that to replace the damaged pump impellor at the Cheshire Road  
27    Pumping Station would cost approximately \$3,000. He said the Division suspects the current impellor  
28    was damaged by a rock that entered the water distribution system because of a water main break along  
29    River Road at the redesigned entrance to the Merritt Parkway.

30    Water Pumping Stations General Expenses

31    Mr. Amwake noted in his memo that because of higher than anticipated operating, and more specifically  
32    maintenance and minor repair costs at the Water Division pumping stations, the Division is requesting  
33    an additional \$3,000 for the remainder of the current fiscal year.

1 Total Budget Amendment

2 Mr. Amwake said in his memo that in total, the Water Division requests a budget amendment to  
3 increase the Maintenance of Pumping Equipment (Account No. 43100633) by the amount of \$23,150  
4 with a corresponding increase to the appropriation from cash, (retained earnings) of the Water  
5 Division's budget.

6 7. Approval of the 2017/2018 Connecticut Energy Assistance Program (CEAP)

7 In his Jan. 30, 2018 memo, Mr. Hendershot requested the PUC designate signatory authorization to the  
8 Director of Public Utilities so that WED may participate in the Connecticut Energy Assistance Program  
9 (CEAP). He noted this form must be completed on a yearly basis.

10 **ITEMS REMOVED FROM CONSENT AGENDA – NONE**

11 **Mr. Birney made a motion to approve the items on the Consent Agenda. Mr. Rinebold seconded the**  
12 **motion.**

13 **Vote: 3 ayes**

14 **ELECTRIC**

15 8. Discussion and Action: Resolution – Bade

16 **RESOLUTION**

17 **WHEREAS**, the Board of Public Utilities Commissioners of the Town of Wallingford wishes to  
18 congratulate

19 Theodore "Ted" Bade

20 **WHEREAS**, the Commissioners do hereby express their gratitude to Mr. Bade for his efforts over  
21 the years on behalf of the Wallingford Electric Division; and

22

23 **WHEREAS**, Ted's knowledge of all things related to Wallingford's substations, including but not  
24 limited to CONVEX switching, control wiring, relay programming, SCADA, circuit breakers and  
25 the various sounds that substations make will definitely be missed, and ;

26

27 **WHEREAS**, the extreme patience, good humor and excellent attitude that Ted displayed will be  
28 difficult to replace; and

29

30 **WHEREAS**, Mr. Bade's dedication to the maintenance, operation and care of Wallingford's  
31 substations, at all hours of the day and night, was such that he would even spend the night on  
32 the couch at Paul Lehr's, so as to enable him to get back to work as quickly as possible, and;

33

34 **WHEREAS**, Ted's knowledge of all things automation – even if it is not an Apple product – across  
35 the entire Division, not just substations is irreplaceable, and;

1  
2 **NOW THEREFORE BE IT RESOLVED** that this Commission goes on record wishing you good  
3 health and happiness in the years to come. Ted – enjoy your new found leisure time (there is  
4 always a new Apple product coming out) and your travels with Kathi.

5  
6 Unanimously adopted: The Public Utilities Commission  
7  
8 Robert N. Beaumont, Chairman  
9  
10 Patrick M. Birney, Vice-Chairman  
11  
12 Joel M. Rinebold, Secretary

13 Mr. Hendershot pointed out that Mr. Bade was a wonderful person and a great employee. He noted he  
14 was former sub-mariner, has an Electrical Engineering degree and was an accomplished amateur  
15 astronomer. Mr. Hendershot said Mr. Bade will be missed

16 **Mr. Birney made a motion to approve the Bade Resolution. Mr. Rinebold seconded the motion.**

17 **Vote: 3 ayes**

18 **9. Discussion and Action: Authorize the Director to participate in the NEPPA Executive Coaching,**  
19 **Leadership & Business Insight Leader Development in Public Power**

20 Mr. Hendershot said in his Jan. 30, 2018 memo, that NEPPA has instituted a new professional  
21 development program run by Vistage International. He said there are over 18,000 members of this  
22 organization. Mr. Hendershot noted that NEPPA has agreed to spread the \$7,500 fee over two fiscal  
23 years. He said he has opted not to attend the annual American Public Power Conference in New Orleans  
24 this year, freeing up funds that would be made available to offset this cost.

25 Chairman Beaumont said timing-wise it is excellent for Mr. Hendershot to have this opportunity to  
26 attend the NEPPA Executive Coaching, Leadership & Business Insight Leader Development in Public  
27 Power. Mr. Birney said this is valuable and pointed out that if offered in 2019, the General Manager can  
28 also attend.

29 **Mr. Birney made a motion to authorize payment and attendance for the Director to participate in the**  
30 **NEPPA Executive Coaching, Leadership & Business Insight Leader Development in Public Power for**  
31 **reasons stated on the record and in Mr. Hendershots memo. Mr. Rinebold seconded the motion.**

32 **Vote: 3 ayes**

1 **WATER/SEWER**

2 **10. Discussion and Action: Remove from Table – Youngs Apple Orchard Lease.**

3 **Mr. Birney made a motion to remove the Youngs Apple Orchard Lease from the Table. Mr. Rinebold**  
4 **seconded the motion.**

5 **Vote: 3 ayes**

6 **11. Discussion and Action: Approval of Lease with SNET – Youngs Apple Orchard**

7 Chairman Beaumont said this is something that is needed not only for the income, but for the Town  
8 network, i.e., the Fire and Police Depts. In his Nov. 2, 2017 memo, Mr. Hendershot explained that the  
9 lease involves a portion of land owned by the Water Division in North Branford along Youngs Apple  
10 Orchard Road. He noted that Southern New England Telephone (SNET) presently leases this land from  
11 the Division, and the current lease expires on Sept. 30, 2019. Mr. Hendershot in his memo stated that  
12 SNET wishes to secure a longer-term lease, and Mr. Amwake, with input from the Wallingford Dept. of  
13 Law, has negotiated new financial terms for a 20-year extension of this lease, through September, 2039.  
14 He said the revised lease will be presented to the Town Council for its approval.

15 In his Nov. 27, 2017 memo. Mr. Amwake explained that SNET and the Town agreed to a 3.00% annual  
16 rent increase per year, with an Annual Rate of Base Rate of \$49,886.67 for the period October 1, 2019 to  
17 September 30, 2020 (equal to a Monthly Base Rate \$4,157.22). In year 20, (Oct. 1, 2038 to Sept. 30,  
18 2039) the Annual Rate of Base Rate is projected to be \$87,476.58 (equal to a Monthly Base Rate of  
19 \$7,289.72 for the final year of the lease). For the 20-year term of the new lease, the Town will collect  
20 \$1,340,473.60 in base rent. Mr. Amwake in his memo said that together with the original 12-year lease,  
21 the expected total lease payments to the Town are equal to \$1,794,671.34.

22 **Mr. Birney made a motion to approve the Lease with SNET – Youngs Apple Orchard. Mr. Rinebold**  
23 **seconded the motion.**

24 **Vote: 3 ayes**

25 **PUBLIC QUESTION & ANSWER PERIOD – 7 p.m.**

26 **NO QUESTIONS-CLOSED AT 7 p.m.**

27 **12. Discussion and Action: Sewer – Amendment to the Sludge Disposal and Transportation**  
28 **Contract for Wallingford Sewer Division with Synagro N.E., LLC**

29 In his Jan. 31, 2018 memo, Mr. Amwake said the Town of Wallingford Sewer Division (Town), has an  
30 existing contract with Synagro Northeast, LLC, (Synagro) for the transportation and disposal of sludge  
31 generated at the wastewater treatment plant. He noted the current contract was executed on Dec. 28,  
32 2016 for the period Jan. 1, 2017 to Dec. 31, 2021 (five years), with an option to extend the contract by

1 mutual consent for an additional five (5) year term. In his memo, he said the Town Council approved a  
2 bid waiver for sludge transportation and disposal services on Dec. 13, 2016. The PUC subsequently  
3 approved the current contract with Synagro on Dec. 20, 2016. Mr. Amwake in his memo stated that the  
4 current contract includes an annual base rate increase that will be effective each Jan. 1<sup>st</sup> based on the  
5 Non-Seasonally Adjusted Consumer Price Index (CPI) established by the U.S. Dept. of Labor, Bureau of  
6 Labor Statistics, for all Urban Consumers for the Boston, Brockton, Nashua area. Mr. Amwake in his  
7 memo said the existing contract was written with the December 2016 CPT as the base year CPI,  
8 however, the Boston, Brockton, Nashua area CPT is published bimonthly (January, March, May, July,  
9 September and November); thus there is no December CPI. He noted that consequently, Synagro and  
10 the Sewer Division wish to amend the current contract to reflect January 2017 as the base year CPI. He  
11 said in his memo that the Wallingford Sewer Division recommends approval of Amendment #1 to  
12 correct this minor administrative item.

13 **Mr. Birney made a motion to approve the amendment to the sludge disposal and transportation**  
14 **contract for the Wallingford Sewer Division with Synagro N.E., LLC based on Mr. Amwake's January**  
15 **31, 2018 memorandum and reasons stated on the record. Mr. Rinebold seconded the motion.**

16 **Vote: 3 ayes**

17 **PUC**

18 **13. Committee Reports**

19 Mr. Hendershot distributed a draft of the proposed new Electric Division logo to the PUC. He pointed  
20 out that the Electric Division doesn't have much of a logo, noting it is just the Town seal with the words  
21 "Wallingford Electric Division." He said a minor modification to the proposed WED logo shows an  
22 overhead power pole. He said a second version of the logo would involve enlarging the blue area in the  
23 middle of the logo to add a silhouette of a person on the pole and possibly a transformer on the side of  
24 the pole. He said this came up because the Electric Division needs decals as new vehicles arrive. Mr.  
25 Rinebold said he liked the idea of having the WED vehicles identified. Chairman Beaumont said he  
26 thought the new logo was a good idea.

27 Mr. Buccheri distributed safety statistics and benchmarks to date to the PUC. Mr. Buccheri said he  
28 contacted the Town's Risk Management office for the seven-year claim summary. He said over this  
29 period, the total claims from FY 10/11 through FY 16/17 were 66. He said the average cost per claim was  
30 \$5,683.59; indemnity total (compensation cost while out of work) totaled \$141,644.00; Medical total  
31 was \$231,150.00; Other totaled \$2,323.00 for a Grand Total of \$375,117.00.

32 Mr. Buccheri noted that 2013 and 2014 were not the best years with a high number of incidents  
33 including days away from work. He noted incidents in total went up in 2017. Mr. Hendershot said these  
34 are levelized numbers based on a 100 employee operation, with everyone working 40 hours per week,  
35 50 weeks per year. He said these incidents are largely because of slips, trips and falls, and strains from  
36 lifting. He noted the employees are trained annually. Mr. Birney asked the difference between total rate

1 vs. total claim. Mr. Hendershot explained the rate would include anything an employee turned in and a  
2 claim would only include when an employee went to a doctor's office because of an injury. He said the  
3 rate is total incidents. Mr. Birney asked if there was a similar comparison for the Water and Sewer  
4 Division. Mr. Amwake said research would have to be done and would be divided between Water and  
5 Sewer.

6 **14. Correspondence**

7 a. Wallingford's participation in a joint-motion to intervene regarding an ISO-NE  
8 proposal.

9 **Mr. Birney made a motion to amend the agenda pursuant to the PUC By-Laws to include action on**  
10 **Item #14. Mr. Rinebold seconded the motion.**

11 **Vote: 3 ayes**

12 Mr. Hendershot said he would leave it up to the PUC to approve WED's participation in this ISO-NE  
13 proposal. In his Jan. 31, 2018 memo, Mr. Hendershot said on Friday, Jan. 25, 2018, he provided Energy  
14 New England (ENE), with verbal confirmation that the Town, Dept. of Public Utilities – Electric Division  
15 ("WED") would participate in a joint motion to intervene and protest an ISO-NE filing. He said this filing,  
16 dated Jan. 8, 2018, is in regard to the ISO's Competitive Auctions with Sponsored Policy Resources  
17 ("CASPR") proposal. Mr. Hendershot in his memo said the anticipated cost of the WED's share to fund  
18 this effort is approximately \$1,700, with Atty. John Coyle, Duncan & Allen, handling this Joint Motion for  
19 the 12 participating New England municipal electric systems, all of whom are ENE clients.

20 Mr. Hendershot in his memo noted this action is needed to help prevent inappropriate cost allocations  
21 from State-required procurements of renewable energy resources to municipal electric systems which  
22 do not have any requirements to purchase same. The Joint Motion is also a step toward attempting to  
23 re-secure the right for New England public power load serving entities to construct, contract for, and/or  
24 otherwise own or control new capacity resources without having those resources priced in the ISO-NE  
25 Forward Capacity Auction. Mr. Hendershot noted that this right, which was originally negotiated as part  
26 of the 2006 settlement that created the Forward Capacity Market, was eliminated by the FERC in 2012.

27 Mr. Hendershot pointed out that through actions by ISO-NE, they would prevent municipal electric  
28 systems from self-supplying capacity with new resources if they chose to. He said the idea of self-supply  
29 is one that is near and dear to municipal electric systems as an organization and a culture. Mr.  
30 Hendershot said in the opinion of Atty. Coyle and ENE, this is a protest worth making at this point. He  
31 noted the cost is modest, being split through a dozen systems.

32 Chairman Beaumont said it was to our advantage to get involved. Mr. Birney asked if the rule prevailed,  
33 what would the impact be on Wallingford. Mr. Hendershot said he didn't believe there would be an  
34 immediate impact, because the ruling applies to new capacity. He said the idea of capacity hedges are  
35 beginning to come forward.

1 Mr. Rinebold said he was a little troubled by the direction this was heading. He asked what the  
2 likelihood of winning this and noted this appears as though this was something that was in place in 2006  
3 and reversed in 2012 and now asking FERC to go back to 2012. He said we would have to have very good  
4 reasons why there is a mistake here. Mr. Rinebold said that ISO-NE has had committee meetings on this  
5 subject for over two years and it was voted upon by the committee with the vote falling below the 60%.  
6 He said despite this, ISO-NE was still able to move this forward because FERC gives ISO-NE jurisdiction to  
7 set the market rules. Mr. Rinebold said we are moving along with a provision by ISO-NE, seeking to  
8 rationalize the out of cost renewables. He said we may not like this or where the State is going or the  
9 percentages that are in the out of merit renewable portfolio standards, or the auctions they do, but they  
10 are trying to rationalize out of merit renewables into a wholesale market. He said at face value, he  
11 believed this is a reasonable approach. He said he can't argue with Wallingford's desire to engage in the  
12 lowest price scheme of acquiring wholesale generation, but didn't believe we would get this or that  
13 FERC would reverse, or if they did, they would go back to ISO-NE and tell them to refine their order.

14 Mr. Rinebold said just a general objective of what ISO-NE is doing is reasonable. He noted if WED was an  
15 entity that wasn't participating in the wholesale market, he would be willing to say WED is an island and  
16 didn't have to play by anyone's rules. Mr. Rinebold said he didn't believe this was good for the market in  
17 general, but may be good for wholesale market that Wallingford is a part of. He said the fact that we are  
18 paying a small amount of money to be a part of this, he said he is interested in where this would be  
19 going. He said it is worth \$1,700 to see how this gets played out by FERC but didn't believe this would be  
20 a good long-term investment in a lengthy lawsuit, noting he didn't believe this could be won and for  
21 good reasons. Mr. Rinebold said he supported what Mr. Hendershot said and that Wallingford should  
22 take a look at this and let's see how we can get this adjusted by FERC, which he said was reasonable, but  
23 would be careful about getting engaged in a long-term lawsuit.

24 Mr. Hendershot said to him this was a narrow filing protesting the CASPR modifications. Mr. Rinebold  
25 said this will send a message at the very least. He said the bigger concern is the decisions by the State,  
26 where and how their decisions have affected the wholesale market. He said this might be one of these  
27 things that may have been better to fix in 2006.

28 Mr. Birney said for something like this to happen, the PUC clearly needs to approve this. He said the  
29 timing was such that this couldn't be approved in advance to have the discussions we had tonight.

30 **Mr. Birney made a motion to approve retroactively to give consent per the Director to Duncan Allen**  
31 **to file the motion to intervene in the action for the reasons stated in Mr. Hendershot's cover memo as**  
32 **well as the reasons stated tonight on the record. Mr. Rinebold seconded the motion.**

33 **Vote: 3 ayes**

34 **15. Executive Session pursuant to CGS Sections 1-225(f), 1-200(6)(B), 1-200(6)(B), 1-200(6)(E),**  
35 **1-210(b)(4) and (10) to discuss pending litigation/claim involving CMEEC arbitration and legal advice**  
36 **related hereto.**



1 **Mr. Birney made a motion to go into Executive Session at 7:36 p.m. Mr. Rinebold seconded the**  
2 **motion.**

3 **16.Executive Session pursuant to Section 1-225(f) and 1-200(6)(A) concerning appointment**  
4 **and employment evaluation of a public employee – Canceled.**

5 **ADJOURNMENT**

6 **Mr. Birney made a motion to adjourn the Meeting at 9:16 p.m. Mr. Rinebold seconded the motion**  
7 **which passed unanimously.**

8

9 Respectfully submitted,

Respectfully submitted,

10

11

12 Cynthia A. Kleist

Joel Rinebold

13 Recording Secretary

Secretary

14

15